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ANNUAL REPORT & FINANCIAL STATEMENTS 2011

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OVERVIEW

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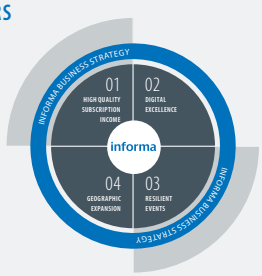
OUR FOUR STRATEGIC BUSINESS DRIVERS

Our business strategy is based around four key areas...



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A HIGH VALUE, HIGH MARGIN INFORMATION PROVIDER

Let me start by saying how delighted I am with the financial and operational results for the Group in 2011...

COVER: INFORMA ON TOP OF THE WORLD

The cover photograph shows a team from Informa Business Information on the Lunag Massif in October 2011. The shot was taken by Jon Beer, Director of Technology Architecture, IBI – one of the successful team members.

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Informa's portfolio of market leading niche products have grown both organically and through acquisition...

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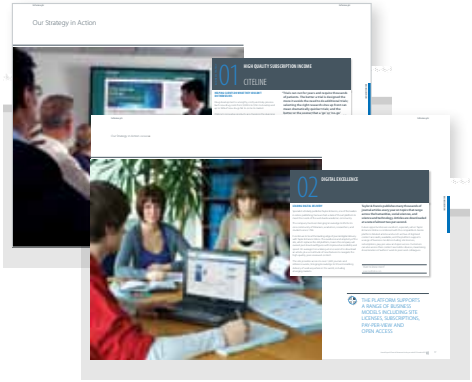
THE STRATEGIC DRIVERS UNDERPINNING INFORMA



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In 2011, 74% of all publishing revenues were derived from digital activities

We deliver high quality knowledge and services through multiple channels in markets and regions all over the world

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2011 saw the launch of a new vision for Informa – to become the world's best knowledge provider...

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WE ARE ABLE TO INVEST FOR THE FUTURE AND WILL INCREASE FURTHER OUR BUSINESS IN EMERGING MARKETS, EXHIBITIONS AND SUBSCRIPTION PRODUCTS

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View our Annual Report online
www.ar2011.informa.com

Who we are

OUR VISION

Our aim is to be the world's best knowledge provider in all the sectors and markets in which we work.

We will achieve this by supporting people who are passionate about what they do, seeking partners who share our goals, focusing on results and, at all times, continuously innovating to provide the highest quality products and services in our fast-moving businesses.

These actions, along with our unifying and firmly held principles, will drive us forward to become a truly world-class company valued by our people and stakeholders and respected by our peers.

OUR AIM IS TO BE THE WORLD'S BEST KNOWLEDGE PROVIDER

OUR GUIDING PRINCIPLES

Our guiding principles represent a clear statement of what we believe in, they define our goals and provide a focus for all our activities.

Commercially focused

Informa is a business and as such we have an obligation to all our shareholders to be as profitable as we can. We achieve this by understanding our customer's needs, constantly refining our offer and identifying potential new revenue streams. This ensures our products and services deliver real value to individuals and their organisations.

Acting with responsibility

We aim to be honest and fair in all we do. We treat people with respect regardless of their background, lifestyle or position. Our commitment to Corporate Responsibility reflects our recognition that our customers, people, shareholders and communities increasingly favour companies that work in a responsible and sustainable way.

Freedom to succeed

We give our people the space and support they need to perform their roles to the best of their ability, we encourage them to make their own decisions and be responsible for the outcomes and not be hampered by bureaucracy or consensus decision making.

Excellence in all we do

We put quality first, constantly looking for better and more innovative ways to create, produce and deliver our product and services. We keep our customers in mind at all times and always try to meet and exceed their expectations by delivering the best possible results.

How we are creating value

OUR FOUR STRATEGIC BUSINESS DRIVERS

Our business strategy is based around four key areas. These provide a focus for our talented business teams and clearly define how we add value, not only to our own business, but to our customers' businesses too.

01

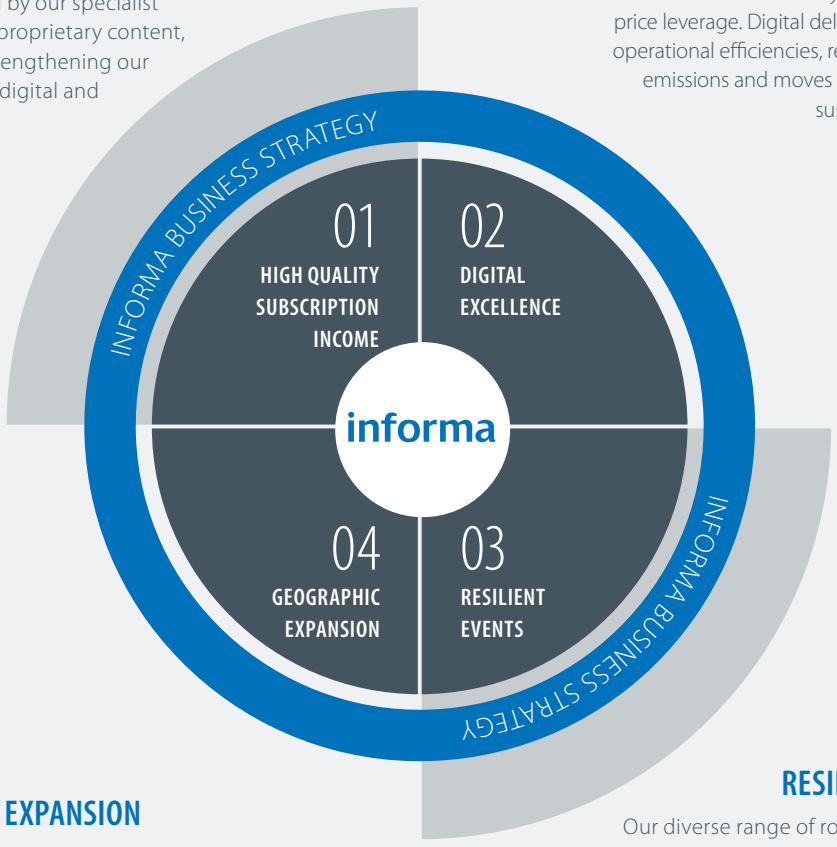
HIGH QUALITY SUBSCRIPTION INCOME

The drive to higher value corporate subscriptions continues to be core to the strategy of the various subscription led businesses. These high value sales are underpinned by our specialist knowledge and proprietary content, consequently strengthening our position in both digital and print formats.

02

DIGITAL EXCELLENCE

Digital marketing, social media and online services bring us closer to our key audiences and present opportunities to produce more targeted, richer and relevant information. Our engagement and delivery on these platforms increases customer loyalty, retention and price leverage. Digital delivery also provides operational efficiencies, reduces our carbon emissions and moves us towards a more sustainable business.



04

GEOGRAPHIC EXPANSION

We continue our tactic to grow and expand our businesses into new regions and territories and the emerging growth markets represent a clear opportunity to take our knowledge and expertise to new people and communities.

03

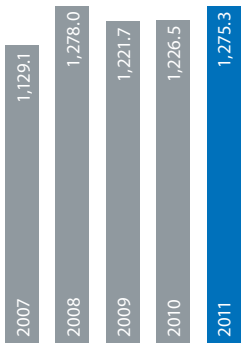
RESILIENT EVENTS

Our diverse range of robust and market-leading events include large, full-scale exhibitions and conferences through to extremely niche training courses and seminars all of which provide an excellent opportunity for growth and high quality earnings.

Read about our "Strategy in Action", pages 14 – 21

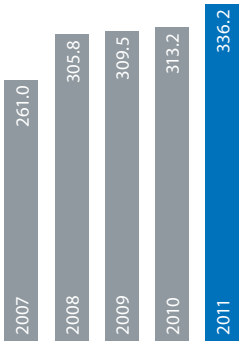
How we have performed

REVENUE



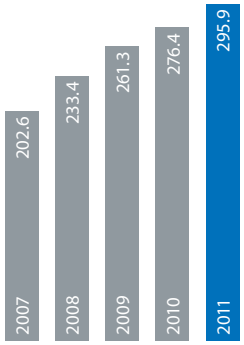
£1.3bn
2010: £1.2bn

ADJUSTED OPERATING PROFIT



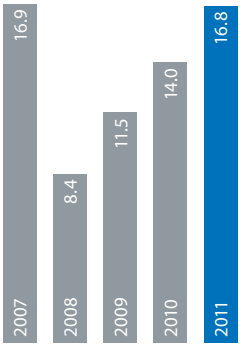
£336.2m
2010: £313.2m

ADJUSTED PROFIT BEFORE TAX



£295.9m
2010: £276.4m

DIVIDEND

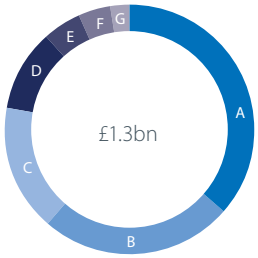


16.8p
2010: 14.0p

FINANCIAL HIGHLIGHTS

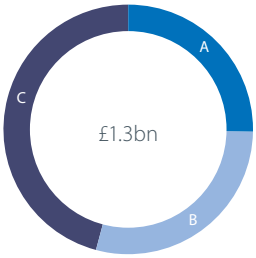
- Revenue increased – £1.3bn (2010: £1.2bn); organic revenue growth of 3.9% (excluding IPEX)
- Profit increased – adjusted operating profit up 7.3% to £336.2m (2010: £313.2m); organic growth of 7.9% (excluding IPEX)
- Margin increased – adjusted operating margin of 26.4% (2010: 25.5%)
- Adjusted profit 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)

Revenue by type



A. Subscriptions	£464.1m
B. Delegates	£319.6m
C. Copy sales	£210.1m
D. Exhibition	£134.0m
E. Sponsorship	£63.2m
F. Consulting	£55.2m
G. Advertising	£29.1m

Revenue by business segment



A. Academic Information ("AI")	£323.6m
B. Professional & Commercial Information ("PCI")	£370.5m
C. Events and Training	£581.2m

£311.2m
OPERATING CASH FLOW

26.4%
ADJUSTED OPERATING MARGIN

OPERATIONAL HIGHLIGHTS

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

WE HAVE A RICHLY TALENTED, HARD WORKING GROUP OF MANAGERS AND EMPLOYEES

For Key Performance Indicators
see "Monitoring Performance", page 22

Chairman's Statement

A HIGH VALUE, HIGH MARGIN INFORMATION PROVIDER

Derek Mapp
Chairman

Let me start by saying how delighted I am with the financial and operational results for the Group in 2011. Last year I referred to the difficult economic conditions that existed and how hard it was for corporates to grow. Sadly, not a lot has changed economically since then which makes this set of results all the more commendable. Informa continues to go from strength to strength, bolstered by the level of subscription income within its publishing divisions and the resilient nature of its largest exhibitions and conferences within Events and Training.

We set out in the following Business Review the core strategic drivers that we have continued to focus on this year and which I believe have underpinned the financial results. 67% of our publishing revenues comes from subscriptions and 74% is digitally delivered, 38% of our Events and Training revenue comes from market leading, larger shows and 14% of Group revenues are generated in emerging markets. These are the metrics by which we judge ourselves and we are proud of our record to date.

We started 2011 with another successful academic journal renewal which alongside the forward bookings for many of our larger shows gave us some confidence towards achieving our 2011 results. It wasn't long though before the events surrounding the Arab Spring had an impact on our growth plans in that geographic region where we have been long established and run many market leading events. It also impacted the publishing divisions with, for instance, the cancellation of the Cairo Book Fair. Nevertheless, the growth rates we have achieved are in line with those we set out to achieve at the beginning of the year.

During the year we have made a number of core strategic acquisitions and I welcome all those who have joined Informa in 2011. In particular, we spent over £68m in Brazil transforming our events business which has enabled us to boost both our emerging market revenues as well as increase the number of resilient events we run. Growth through acquisition has been a core facet of creating shareholder value at Informa and I feel confident that those acquisitions completed this year will add to this story. Of all the transactions we have done historically it gives me great pride to see the results of our academic division, which sprang from the merger with Taylor & Francis plc in 2004 and which originally brought me to the Group. Achieving 6% organic revenue growth in this environment is a fabulous achievement and demonstrates the breadth and depth of our content.

2011 was not just about acquisitions as we invested in our content delivery platforms, our sales forces and launched exhibitions to drive organic growth. Ensuring that you have the best content is only part of the story, you also need to make it accessible to customers and where possible able to be manipulated and analysed in real time. To build a resilient exhibition business, you need a mixture of industry giants such as Arab Health, now in its 36th year, or SuperReturn, and new events focusing on up and coming areas. During 2011, there were 19 new organic large events, some geo-cloned, some brand new and we will ensure that one day some of these will grow into the market leaders of tomorrow.

Of course there have been many challenges this year not least dealing with the fallout from the Eurozone crisis. Our smaller conference and training businesses have been operating in an extremely tough environment for four years and it has also not been easy to grow corporate training in its core US market. We have changed the structure of our Events and Training business over the past four years, so that we run around 3,500 less events but host more exhibitions and have therefore created a more resilient division with a higher quality of earnings. It should also be remembered that only 3.5% of our Group revenues are generated in Portugal, Italy, Greece and Spain.

It is exciting to see how we continue to expand the Group geographically and by product vertical. We are currently working on interesting new opportunities in China, have expanded our portfolio in the food sector and are exploring new initiatives in the Middle East and Africa. Whilst certain countries in these regions present challenging trading conditions they are also areas with the best potential for growth opportunities and we often work with local partners to mitigate our risk.

We have exciting plans for 2012 which will see Informa continue on its growth path delivering increased value for shareholders. With our strong cash flow we are able to invest for the future and will increase further our business in emerging markets, exhibitions and subscription products. Following the most recent academic renewal alongside the renewal rates achieved across our Professional and Commercial Information division, as well as a strong forward booking pattern across exhibitions, we are again fortunate to have a large proportion of our 2012 profits underpinned early on in the year.

We operate a successful business based on a proven track record of equal opportunity and reward for performance. Across the management of the Group around 50% are women and we are committed to maintaining this level. In 2011, women accounted for 59% of all internal promotions.

The 2011 results with growth across all three of our divisions, improved margins and strong cash flow give the Board confidence in Informa's future prospects and, as such, we are increasing the second interim dividend by over 20% for the second year running. Creating shareholder value is at the heart of Informa and we believe that we have the right strategy to deliver more value in the future.

Informa will remain a high value, high margin information provider on the global stage. We have worked hard over the past four years to improve the overall quality of the business, are at the forefront as a digital media company and believe these results demonstrate we are on the right track. We are successful because of the number of best of breed products we create. We have a richly talented, hard working group of managers and employees and it is their efforts which have taken us to where we are today. I would like to take this opportunity to thank them for all their hard work in 2011 and wish them and Informa continued success in 2012.

Derek Mapp
Chairman

Chief Executive's Review

CREATING STRATEGIC FOCUS

Peter Rigby
Chief Executive

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

Informa's portfolio of market leading niche products, have grown both organically and through acquisition over the past twelve 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 Professional and Commercial Information ("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 Academic Information ("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 Informa Business Information ("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.

SUBSCRIPTIONS NOW ACCOUNT FOR 78% OF PCI DIVISION REVENUES

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

	2011 £m	2010 £m	Actual %	Organic %
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, Taylor & Francis 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.

WE HAVE BEEN INCREASINGLY FOCUSED ON GEOGRAPHIC EXPANSION IN EMERGING MARKETS ACROSS ALL DIVISIONS

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 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

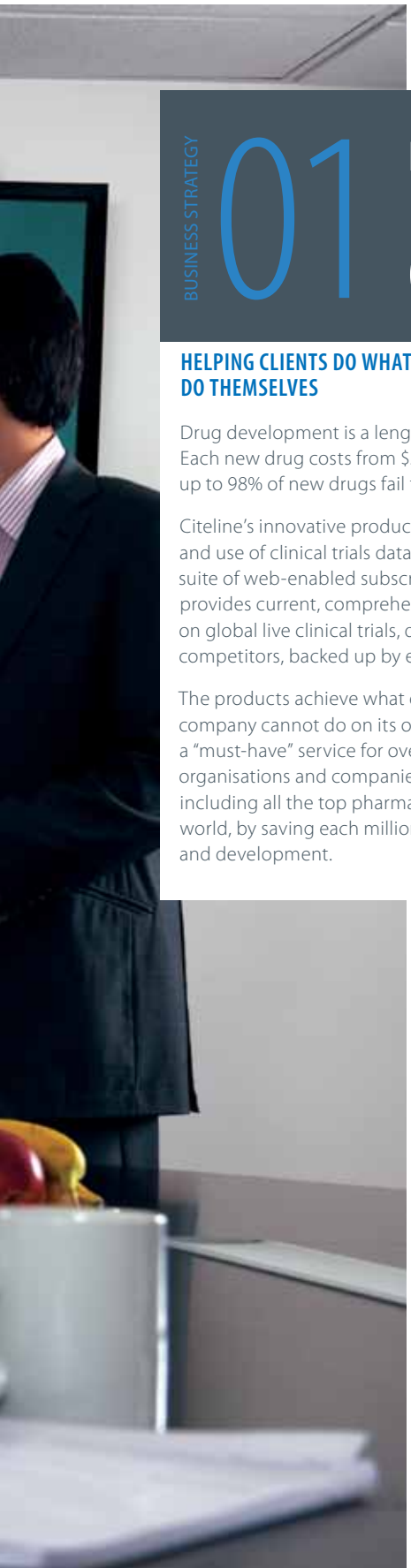
Although still early in the year, the amount of resilient subscription products within our publishing divisions and the increasing proportion of larger events within our events division, underpins our confidence in the Group's prospects.

2012 has started in line with our expectations, with a number of our large shows displaying 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.

Peter Rigby
Chief Executive

THE STRONG FOUNDATIONS WE HAVE ALREADY BUILT, SUPPLEMENTED BY TARGETED INVESTMENT AND SELECTIVE ACQUISITIONS, WILL SUPPORT YET ANOTHER YEAR OF GROWTH

Our Strategy in Action



BUSINESS STRATEGY 01

HIGH QUALITY SUBSCRIPTION INCOME

CITELINE

HELPING CLIENTS DO WHAT THEY COULDN'T DO THEMSELVES

Drug development is a lengthy, costly and risky process. Each new drug costs from $500m to $1bn to develop and up to 98% of new drugs fail to come to market.

Citeline's innovative products are changing the planning and use of clinical trials data. Through its ever-increasing suite of web-enabled subscription-based products, Citeline provides current, comprehensive and actionable information on global live clinical trials, drug development and competitors, backed up by exceptional customer service.

The products achieve what even the largest pharmaceutical company cannot do on its own. Indeed, they have become a "must-have" service for over 1,000 biopharmaceutical organisations and companies that service the industry, including all the top pharmaceutical companies in the world, by saving each millions of dollars in research and development.

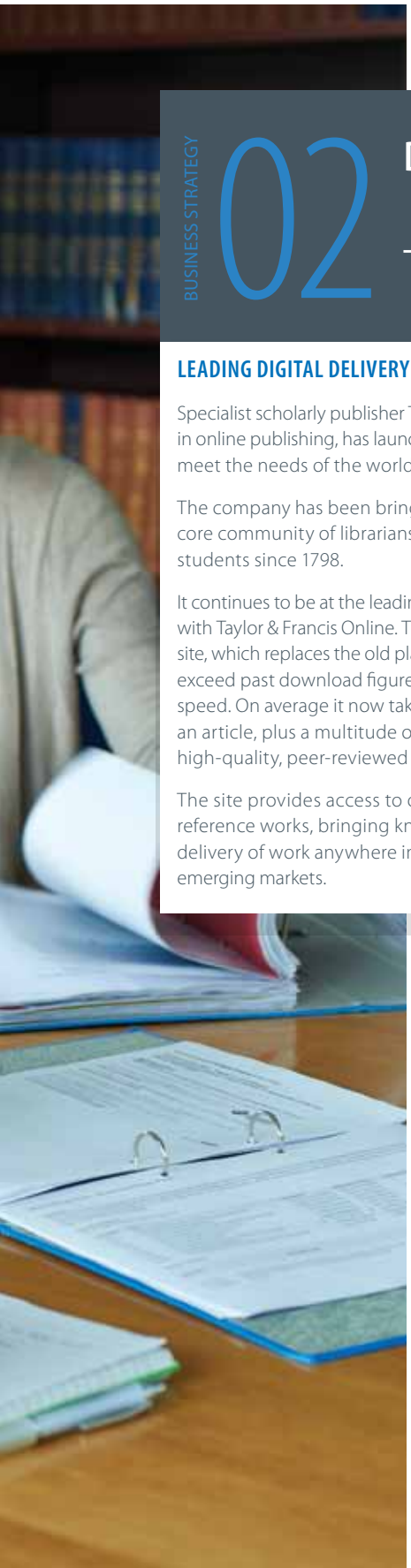
"Trials can run for years and require thousands of patients. The better a trial is designed the more it avoids the need to do additional trials; selecting the right research sites up front can mean dramatically quicker trials; and the better or the sooner that a 'go' or 'no-go' decision can be made means millions saved." says Linda Blackerby, Citeline's President. "This is exactly what our products help our clients to do."

Citeline's high-value, extremely loyal subscribers underpin its high client retention rates. Digital delivery enables cross-selling and corporate licence deals. These excellent characteristics create a highly resilient and visible income for Informa.

Want to know more?
www.citeline.com

A "MUST-HAVE" SERVICE FOR OVER 1,000 BIOPHARMACEUTICAL ORGANISATIONS AND COMPANIES THAT SERVICE THE INDUSTRY, SAVING EACH MILLIONS OF DOLLARS

Our Strategy in Action CONTINUED



BUSINESS STRATEGY

02 DIGITAL EXCELLENCE

TAYLOR & FRANCIS

LEADING DIGITAL DELIVERY

Specialist scholarly publisher Taylor & Francis, one of the leaders in online publishing, has launched a state of the art platform to meet the needs of the worldwide academic community.

The company has been bringing knowledge to life for its core community of librarians, academics, researchers, and students since 1798.

It continues to be at the leading edge of journal digital delivery with Taylor & Francis Online. The excellence and simplicity of the site, which replaces the old platform, means the company will exceed past download figures with improved accessibility and speed. On average it now takes just one second to download an article, plus a multitude of new features to navigate the high-quality, peer-reviewed content.

The site provides access to over 1,600 journals and reference works, bringing knowledge to life and enabling delivery of work anywhere in the world, including emerging markets.

Taylor & Francis publishes many thousands of journal articles every year on topics that range across the humanities, social sciences, and science and technology. Articles are downloaded at a rate of almost two per second.

Future opportunities are excellent, especially when Taylor & Francis Online is combined with the compatible E-books platform. Related articles and a rich archive of digitised content are readily available, and the platform supports a range of business models including site licenses, subscriptions, pay-per-view and open access. Customers can also access their content via mobile devices, maximising dissemination of authors' work to peers and colleagues.

Want to know more?
www.tandfonline.com

THE PLATFORM SUPPORTS A RANGE OF BUSINESS MODELS INCLUDING SITE LICENSES, SUBSCRIPTIONS, PAY-PER-VIEW AND OPEN ACCESS

Our Strategy in Action CONTINUED

BUSINESS STRATEGY

03 RESILIENT EVENTS

ARAB HEALTH

SOLID GROWTH CREATES RESILIENT TRADING FLOOR

In an economy where negative financial news is ever-present, Arab Health continues to buck the trend.

Arab Health, one of Informa's resilient and buoyant events, creates millions of dollars of business every year and has become a major medical force, essential for trading, knowledge and networking. The 2012 event sold out months in advance, while the 2013 event is selling fast. Now in its 36th year, its importance was evident as early as 1979, when Britain's HRH Queen Elizabeth II visited, escorted by His Highness Sheikh Rashid bin Saeed Al Maktoum.

In addition to the exhibition, the Life Sciences team at Informa Exhibitions are building Arab Health's conference portfolio, offering a scientific and educational platform making up the world's largest multi-track series of medical conferences.

More than 70,000 visitors from 137 countries attended the 2012 event; an estimated 18% increase from the previous year. Arab Health attracts leading healthcare companies from across the globe, specialising in everything from medical technology and products, healthcare building technology, medical services to consulting services.

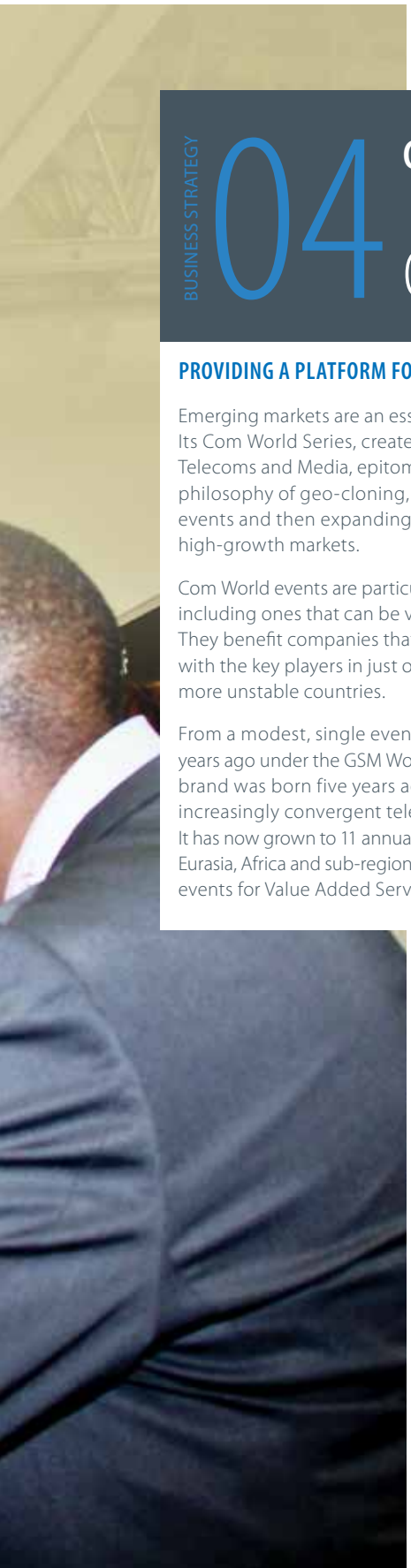
Exhibition marketing is a primary selling tool for companies, creating stability and impressive product growth opportunities for Informa. Arab Health spin-off products include geo-cloning, where proven events expand geographically into other high-growth markets.

New events include Mediconex and Africa Health, Hospital Build Europe, China, India and the Middle East. Four successful magazines are also published, as well as a number of directories dedicated to the health sector in the Middle East. A new online platform has been created to enable pre-show interaction.

Want to know more?
www.arabhealthonline.com

MORE THAN 70,000 VISITORS FROM 137 COUNTRIES ATTENDED THE 2012 EVENT

Our Strategy in Action CONTINUED



BUSINESS STRATEGY

04 GEOGRAPHIC EXPANSION

COM WORLD SERIES

PROVIDING A PLATFORM FOR GEOGRAPHIC GROWTH

Emerging markets are an essential part of Informa's portfolio. Its Com World Series, created and managed by Informa Telecoms and Media, epitomises the Company's successful philosophy of geo-cloning, serving niche markets with events and then expanding geographically into other high-growth markets.

Com World events are particularly strong in emerging markets, including ones that can be volatile or lack infrastructure. They benefit companies that need to reach and network with the key players in just one place without travelling to more unstable countries.

From a modest, single event in the Middle East almost 20 years ago under the GSM World Series banner, the Com World brand was born five years ago to serve the evolution of the increasingly convergent telecoms, media and ICT markets. It has now grown to 11 annual events including the Middle East, Eurasia, Africa and sub-regions of Africa, plus three topic-specific events for Value Added Services, Cloud and Enterprise ICT.

The events are unrivalled. Not only do Informa's relationships with primary global sponsors bring international support to the regions, but analysis, research, market data and forecasts from Informa Telecoms and Media ensure they are entirely focused on the market's current and future needs.

Africa Com, now in its 15th year and held annually in Cape Town, attracts some 6,000 attendees from across the continent and includes the region's largest single telecoms showcase of 250 international exhibitors.

Specialist Informa Telecoms and Media publications, such as Telecoms.com, ensure people in the industry can share in global knowledge and expertise, gaining fundamental business intelligence before, during and after the events.

Want to know more?
ww.comworldseries.com

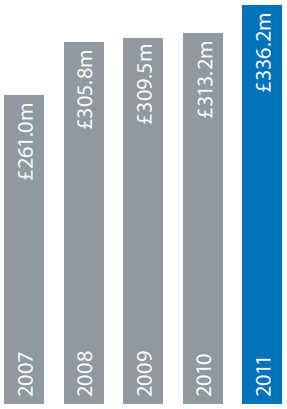
THE COM WORLD BRAND HAS NOW GROWN TO 11 ANNUAL EVENTS INCLUDING THE MIDDLE EAST, EURASIA, AFRICA AND SUB-REGIONS OF AFRICA

Monitoring Performance

KEY PERFORMANCE INDICATORS

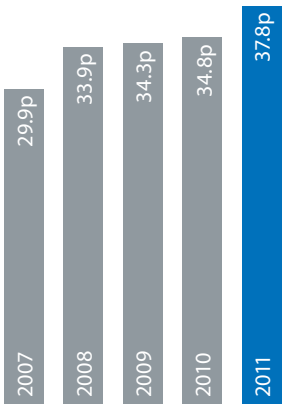
The financial key performance indicators (KPIs) selected are used by management to monitor the Group's progress in delivering its strategy of creating shareholder value by growing and managing our AI, PCI and Events and Training businesses.

ADJUSTED OPERATING PROFIT



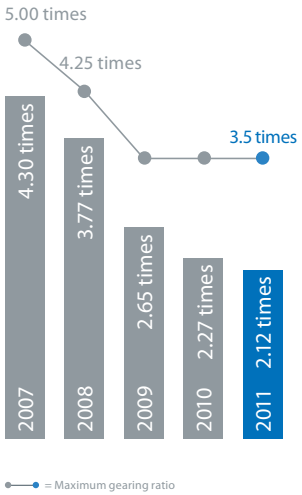
Aim:
To deliver strong underlying performance
The Group's underlying business performance remains strong.

ADJUSTED DILUTED EPS



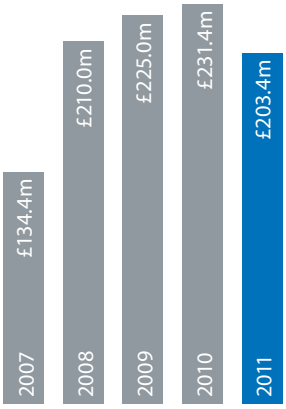
Aim:
To deliver consistent year on year growth
During 2011 adjusted diluted EPS grew 9%.

GEARING RATIO



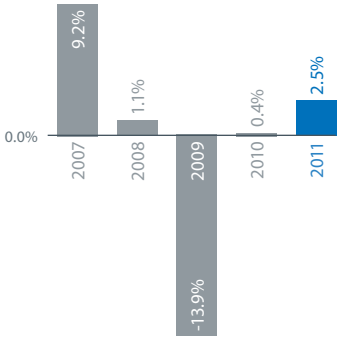
Aim:
Management of debt covenants
The Group continues to improve its covenant headroom.

FREE CASH FLOW



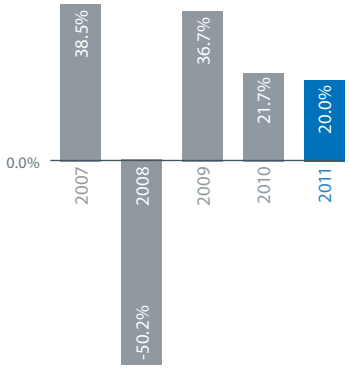
Aim:
Conversion of profit into cash
The Group has continued to convert profit into cash and maintained free cash flow in excess of £200m.

ORGANIC REVENUE GROWTH



Aim:
To deliver continued organic growth
Achieving growth despite continuing instability in world markets.

DIVIDEND GROWTH



Aim:
To deliver continued dividend growth
The Group continues to deliver a strong return to shareholders.

THE STRATEGIC DRIVERS UNDERPINNING INFORMA HAVE IMPROVED THE OVERALL QUALITY OF EARNINGS AND HAVE POSITIONED US WELL FOR FUTURE GROWTH

Financial Review

AN EXCELLENT SET OF FINANCIAL RESULTS

Adam Walker
Finance Director

Global economic conditions remained challenging in 2011 especially following the Eurozone crisis in the second half of the year. Nevertheless, I 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 £m	2010 £m	Actual %	Organic %	Organic (ex IPEX) %
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 ("RG").

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 RG, 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 RG 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).

ADJUSTED OPERATING PROFIT INCREASED TO £336.2m

Financial Review CONTINUED

OTHER ADJUSTING ITEMS

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

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 11.80p per share (2010: 9.50p 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 16.80p per share (2010: 14.00p 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.

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 Financial Reporting Council ("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 at 31 December 2011 there is headroom of £281.5m on the Group's borrowing facilities. 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. For further details see Note 29 to the Consolidated Financial Statements.

The Group's solvency risk (its ability to meet its liabilities in full) is also considered low. The most significant exposure is with regards to the potential impairment of goodwill and intangibles relating to the European Conferences cash generating unit as outlined in Note 16 to the Consolidated Financial Statements.

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 resw(s)1(a)1(s)0TD(t)13(o)-6(ma)1& rg2.433 -1.294 Td(m361-4(r)-9(u)-6(c)-29(t)-4(ur)6(e)u(t)-221(s)-6(

Risks and Uncertainties

A number of factors ("risk factors") could potentially affect the Group's operating results and financial condition. In common with other information providers, the Group's profitability depends in part on the prevailing economic environment and the strength of the academic, professional and business communities to which it sells. In addition, the Group's profitability is dependent on maintaining a strong and highly motivated management team, maintaining brand reputation, enforcement of intellectual property rights, quality of information and its ability to use and protect the security of its marketing databases. This section describes some of the principal risk factors that the Directors believe could materially affect the Group. The Group adopts a risk management process that is monitored by the Board and which is intended to ensure a consistent and coherent approach to the risk factors that are described in this section and to those other risk factors that may arise or which may become material in the future. Alongside the description on each risk is a note of the main mitigating factors or actions which the Group takes.

Risk	Mitigation
1. The Group's businesses are affected by the economic conditions of the sectors and regions in which they and their customers operate and the markets in which the Group operates are highly competitive and subject to rapid change The performance of the Group depends on the financial health and strength of its customers, which in turn is dependent on the economic conditions of the industries and geographic regions in which they operate. Traditionally, spending on parts of the Group's products has been cyclical due to companies spending significantly less in times of economic uncertainty. Additional negative factors include downward pressure on budgets and corporate consolidation in certain sectors (e.g. financial services). Global economic conditions also mean that certain customers might become insolvent which may in turn lead them to default on payments for products already purchased. Unforeseen disruptions, whether caused by natural causes or otherwise, can also be detrimental to the Group's businesses. The markets for the Group's products are highly competitive and in a state of ongoing and uncertain change. Some of the Group's principal competitors have substantial financial resources, recognised brands, technological expertise and market experience that may better position them to anticipate and respond to these changes. If the Group is unable to successfully enhance and/or develop its products in a timely fashion, the Group's revenue could be affected. There are also low barriers to entry in relation to certain parts of the Group's businesses.	› Mitigation is achieved, where possible, through the Group's diversification of its operations across vertical markets and geographies, which provides a broad customer base. The Group maintains a competitive advantage through ongoing investment in its products, reinforcing its market leading position in many markets. The Group also recognises that its competitiveness is maintained by the recruitment and retention of key employees – see point 5. › During the recent difficult economic conditions the Group has enhanced its credit control function with a view to maintaining tighter control over upfront payments for events and subscriptions and also continuous monitoring of trade receivables to mitigate further default risk.
2. The Group's intellectual property ("IP") rights may not be adequately protected and may be challenged by third parties The Group relies on agreements with its customers and trademark, copyright and other IP laws to establish and protect the IP rights subsisting in its journals, books and training materials. However, these rights may be challenged, limited, invalidated or circumvented by third parties seeking to infringe or otherwise profit from the Group's proprietary rights without its authorisation. In addition, there is now a growing amount of copyright legislation relating to digital content. These laws remain under legislative review and there remains significant uncertainty as to the form copyright law may ultimately take. Additionally, enforcement of IP rights is limited in certain jurisdictions, and the global nature of the internet makes it impossible to control the ultimate destination of content produced by the Group. The Group may also be the subject of claims of infringement of the rights of others or party to claims to determine the scope and validity of the IP rights of others. Litigation based on these claims is common amongst companies that utilise digital IP.	› The Group protects its rights by consolidating its portfolio of trademark registrations, implementing its brand protection strategy, and increasing its digital rights protection. The Group supports these activities through membership of organisations that defend IP rights globally.
3. The Group's Academic Information division's revenue can be adversely affected by changes in the purchasing behaviour of academic institutions Academic institutions fund purchases of Group products from budgets that may be sensitive to changes in private (including endowments) and governmental sources of funding particularly in times of economic uncertainty and austerity. Accordingly, any such decreases are likely to affect adversely the Group's results within its AI division.	› The Group is constantly developing its product types and content range to minimise this effect so that academic institutions consider that the Group's online and print based content are an important purchase even in times of economic uncertainty and austerity. Additionally, the Group has developed its reach, and continues to expand its sales activities outside of the more established western territories to the faster developing markets, like Asia, where economic growth is currently stronger.

Risks and Uncertainties CONTINUED

Risk continued	**Mitigation** continued
4. The Group's continued growth depends, in part, on its successful ability to identify and complete acquisitions and its ability to expand the business into new geographic regions With new acquisitions there can be no assurances that the Group will achieve the expected return on its investment, particularly as the success of any acquisition also depends in part on the Group's ability to integrate the acquired business or assets. This process may involve unforeseen difficulties and integration could take longer than anticipated as well as requiring a disproportionate amount of management's attention and financial resources. Further, the Group may not be able to maintain or improve the historical financial performance of acquired businesses or otherwise derive all of the anticipated benefits from its acquisitions, such as reduced operating costs from centralised services. Finally, attractive acquisitions may be difficult to identify and complete for a number of reasons, including competition among prospective buyers and economic uncertainty. These issues particularly relate to large acquisitions. The Group's businesses could be adversely affected by a variety of other international factors, including changes in a specific country or region's political and cultural climate (including political unrest) or economic condition and changes to, or variances among, foreign laws (including laws relating to intellectual property rights and contract enforcement) and regulatory requirements. The Group's expansion into various geographic regions also presents logistical and management challenges related to business cultures, language compliance and restrictions on repatriation of earnings. The Group may face risks in penetrating new geographic markets due to established and entrenched competitors, difficulties in developing products that are tailored to the needs of local customers, the management team's lack of understanding of the local market, lack of local acceptance or knowledge of the Group's products, lack of recognition of its brands, and the unavailability of local companies for acquisition.	› To mitigate these risks, the Group has formal investment decision criteria to identify suitable, earnings enhancing, acquisition targets and employs an experienced Corporate Finance Director and in house Legal Counsel to drive the acquisition process. Post acquisition integration plans are prepared to ensure businesses are effectively integrated into the Group and that planned synergies are realised. The Group's ongoing objectives to keep borrowings at a sustainable level and to ensure that it is not only dependent upon bank finance as its source of borrowings, serve to reduce the risk of acquisition financing being unavailable. › In expanding its business geographically, both organically and by acquisition, the Group regularly reviews risks relevant to particular geographies and formulates appropriate mitigation strategies.
5. The Group relies on the experience and talent of its senior management and on its ability to recruit and retain key employees for the success of its business The successful management and operations of the Group are reliant upon the contributions of its senior management and other key personnel. In addition, the Group's future success depends in part on its ability to continue to recruit, motivate and retain highly experienced and qualified employees in the face of often intense competition from other companies. Additionally, many of the Group's key employees are employed by the Group under profit-sharing or profit related bonus arrangements with respect to the businesses they operate, and in times of declining profit there can be no assurances that the Group will be able to retain such senior management or other key personnel (or indeed that the Group will be able to attract new personnel to support the growth of its business).	› The Group offers compensation packages which are competitive based on current market information and thereby give it the best opportunity to recruit and retain people of sufficient calibre. The Group believes that its people are challenged in their day to day work and obtain appropriate and relevant experience to develop further and prepare for progression within the organisation, which assists in their retention. › As a Group we actively seek feedback from staff through Employee Engagement Surveys. The results of these surveys are shared with all staff, the basis of agreed action planning and analysed against previous year's results. The Group actively seeks recognition through established External Awards. The gaining of these awards is influential when recruiting key talent and maximising the engagement levels of current staff. › The Group continually monitors the past, current and predicted future earnings of its senior management team to ensure that key individuals are rewarded fairly and appropriately, and will continue to be motivated by their remuneration.
6. Changes in tax laws or their application or interpretation may adversely impact the Group The Group operates in a large number of countries. Accordingly, its earnings are subject to tax in many jurisdictions. Relevant authorities may amend the substance or interpretation of tax laws that apply to the Group's businesses, in a manner that is adverse to the Group. There can therefore be no assurance that the various levels of taxation to which the Group is subject will not be increased or changed. In addition, if any Group company is found to be, or to have been, tax resident in any jurisdiction other than those in which the Group is currently deemed to be tax resident or to have a permanent establishment in any such jurisdiction, this may have a material adverse effect on the amount of tax payable by the Group. Given that the Company has its domicile in Zug, Switzerland, the risk may be more pronounced.	› The Group employs an experienced Head of Group Tax who keeps abreast of potential changes in tax legislation across a range of jurisdictions, engaging in pro-active tax planning strategies which enable the Group to react quickly to changes in the tax position of any of its companies or businesses.

Risk continued	**Mitigation** continued
7. The Group is dependent on the internet and its electronic delivery platforms, networks and distribution systems The Group's businesses are increasingly dependent on electronic platforms and distribution systems, which primarily deliver the Group's products through the internet. Any significant failure or interruption of these systems, or the Group's wider IT infrastructure, including sabotage, break-ins, terrorist activities, natural disaster, service outages and computer viruses could thereby restrict the Group's ability to provide services to customers. The Group may also be disadvantaged if it does not keep abreast of all relevant new technological advances or if such changes are expensive to implement.	› The Group regularly invests in its internet and electronic delivery platforms, networks and distribution systems, and provides user support and services to customers having problems accessing data.
8. Breaches of the Group's data security systems or other unauthorised access to its databases could adversely affect the Group's businesses and operations The Group has valuable databases and as part of its business provides its customers with access to database information. There are persons who may try to breach the Group's data security systems or gain other unauthorised access to its databases in order to misappropriate such information for potentially fraudulent purposes or to approach the Group's customers for commercial purposes. As the techniques used by such persons change frequently, the Group may be unable to anticipate or fully protect against the threat of breaches of data security or other unauthorised access. This could damage the Group's reputation and expose it to risks of loss, litigation and/or regulatory action, as well as increase the likelihood of more extensive governmental supervision of these activities in a way that could adversely affect this aspect of the Group's business.	› The Group regularly invests in improving data security, digital rights encryption and contracted obligations of distributors. These efforts are led by a designated Data Security Officer. In the event of unauthorised access, the Group would protect its IP as outlined in point 2.
9. The Group is subject to regulation regarding the use of personal customer data The Group is increasingly required to comply with strict data protection and privacy legislation which restrict the Group's ability to collect and use personal information. The need to comply with data protection legislation can affect the Group in a number of material ways, including making it more difficult to grow and maintain marketing data and also through potential litigation or regulatory action relating to the alleged misuse of personal data. In some cases, the Group may rely on third party contractors to maintain its databases. The Group is exposed to the risk that its data could be wrongfully appropriated, lost or disclosed, or processed in breach of data protection regulation, by or on behalf of the Group, in which case the Group could face liability under data protection laws and/or suffer reputational damage from the resulting lost customer goodwill.	› The Group seeks to monitor ongoing changes to data protection laws and best practices across its main trading areas in order to ensure that appropriate protections and procedures are in place in relation to the data held by or on behalf of the Group. This work is overseen by a Group Data Privacy Officer.
10. The Group may be adversely affected by enforcement of and changes in legislation and regulation affecting its businesses and that of its customers Compliance with various laws and regulations may impose significant compliance costs and restrictions on the Group or alternatively fines for non-compliance. In addition, such regulations often provide broad discretion to the administering authorities and changes in existing laws or regulations, or in their interpretation or enforcement, could require the Group to incur additional costs in complying with those laws, or require changes to its strategy, operations or accounting and reporting systems. In particular, laws and regulations relating to communications, data protection, e-commerce, direct marketing and digital advertising have become more prevalent in recent years. Existing and proposed legislation and regulations may impose limits on the Group's collection and use of certain kinds of information and its ability to communicate such information effectively to its customers. Similarly, the Group's customers are required to comply with various laws, regulations, administrative actions and policies that are subject to change. For example, the Group relies on the pharmaceutical industry for a proportion of its publishing subscription revenue. Changes in government health policies and regulatory pressures may affect pharmaceutical companies' ability or desire to continue to commit the same levels of spending with the Group as they do currently. Anti-bribery legislation, which has now been introduced in the UK, may continue to pose particular challenges, given the uncertainty concerning some of its provisions.	› The Group monitors legislative and regulatory changes and alters its business practices where appropriate.

Risk continued	**Mitigation** continued
11. A major accident at an exhibition or event The Group's Events and Training division organises events that can be attended by up to 50,000 individuals on a given day, which results in health and safety risks including crowd control, security and evacuation routes in an emergency. Furthermore, the delegates are often not familiar with the venue which increases the risk of trip and fall type accidents. At its most severe, there have been incidents in the last 10 years, albeit not involving the Group, resulting in loss of life through accidents at an exhibition or event. Additionally, the Events and Training division does not normally own the venues it operates from, instead hiring floor space from a number of sources including exhibition centres, conference halls, hotels and training centres. As the Group does not own the venues directly, it is dependent on the operators of the venues to have adequate safety policies in place, which comply with all regulations in the local jurisdiction.	› The risks are mitigated by the Group's Health and Safety ("H&S") policies and H&S training courses. The venues used for our Events are assessed against a minimum Company criteria based on the risk it poses. › The Group HR Director reports on Health and Safety issues to the Risk Committee. The implementation of the policies is the responsibility of local management teams, with the Group Health & Safety Manager (Events) available to assist with the implementation.
12. Significant operational disruption caused by a major disaster Major disasters, arising from either natural causes or man-made, have the potential to significantly disrupt the operation of the business. In particular, the success of the Group's Events and Training division is dependent on bringing potentially large numbers of individuals to events, either as paying delegates or non-paying visitors to exhibitions. Events that have the capacity to result in significant operational disruption to global travel include natural disasters, military conflict, political unrest, terrorist activity and industrial action. Additionally, disasters can disrupt the Group's electronic platforms and distribution systems as outlined in point 7.	› Business continuity plans have been implemented across the Group, including disaster recovery programs, and plans to minimise business disruption. Risk assessments are also carried out for all higher risk locations used by the Group, and these are reviewed on a regular basis. The Group also has relevant insurance cover for such occurances.
13. Reliance on or loss of key customers or exhibitions, including as a result of increased accessibility to free or relatively inexpensive information sources may reduce demand for the Group's products In recent years, more public sources of free or relatively inexpensive information have become available, particularly through the internet, and this trend is expected to continue. For example, some governmental and regulatory agencies have increased the amount of information they make publicly available at no cost. Such sources may reduce demand for the Group's Publishing products. In the Events and Training division there are a number of exhibitions that individually contribute significantly to the profitability of their respective business units, because of the size of the events and the relatively high gross profit margins earned by them.	› The Group continuously monitors changes in its market places and regularly seeks feedback from customers, adjusting its product offering in response where appropriate. The Group also invests in its products and delivery platforms.
14. Inadequate crisis management The impact of any given event on the Group can potentially increase if the emerging situationhtial eion theventingrencrS0 cs 3-14(d)-5(j)-4(u)-2(s)j0.021 Tc -0.14(e)18( )nuou il vd by1(Pu)wTc -0.14(20(d)1-23(o)-3-9(6 l-1.076 -0.(t)-9(h)-10 -1.0( )n)-8(r)-70 Tc 0 Tw.7(o)-	

Our Corporate Responsibility Performance CONTINUED

1.Ensuring the highest quality content

Ensuring the integrity of the Group's content is fundamental to its survival and ability to make a positive impact on society. The Group's clients need to trust that events and publications are rigorously researched and reliable in every way.

Taylor & Francis continues to operate an independent peer review process of their publications. For the PCI division an Editorial and Content Code was developed some years ago, and this is now a formal part of the induction training for all new editorial staff.

The Group also needs to ensure that its content is relevant and bespoke. The majority of its publications and events are seen as thought-leaders in their fields and many define knowledge in a particular area. In 2011, the Group won considerable external recognition for its content. Lloyd's List Intelligence for example won two Professional Publishers' Association awards while Forum, an Informa training business, was named in TrainingIndustry.com's 2011 Top 20 Lists for Content Development, Leadership Training and Sales Training Companies. It was the only company in its industry to appear in all three lists. A number of publications and events also provoke and facilitate debate around sustainability. To give an idea, two new conferences, "Building Green" and "Future Cities", were launched in Denmark and Dubai last year on the subject of sustainable development.

The Company is constantly looking for fair and viable ways of managing the rights to its content. For example, a pilot is currently underway in respect of a new author rights policy, allowing contributors to academic science journals to retain the copyright to their work and to post it within their institutional repository without an embargo period. Both of Informa's major publishing arms invest in Digital Rights Management and Taylor & Francis has been working with the Publishing Association's anti-piracy programme for nearly five years to ensure its approach is flexible enough for customers while maintaining a robust approach to fighting piracy.

2. Ensuring retention and development of the brightest people to manage its content

The Group is a knowledge provider and its people are its strongest asset. We remain committed to delivering training and professional development to further the expertise the Group needs to succeed globally. In 2011, Informa was certified as one of Britain's Top Employers for the fourth year in a row based on independent research by the CRF Institute. The internal training centre, Informa Academy, continued to grow, boosting the online learning resources available and increasing attendance to webinars and courses by 19% compared with 2010. In one part of the business, "try days" were introduced, giving employees the chance to shadow work in departments other than their own. A partnership with the national UK youth charity, the Prince's Trust, was also launched giving UK staff the opportunity to develop skills as they run workshops for young people. Lastly, the Group continues to develop its approaches to flexible working. Taylor and Francis developed a "preferred working hours" policy at their head office, allowing staff flexibility in when they arrive in the morning. Much of the business has also developed initiatives to enable mothers to return to work, offering reduced hours and home-working where workable. Such initiatives have for example resulted in over 80% of mothers returning to work from maternity leave at Taylor & Francis.

THE GROUP IS A KNOWLEDGE PROVIDER AND ITS PEOPLE ARE ITS STRONGEST ASSET

3. Ensuring the most innovative and accessible platforms to deliver content globally

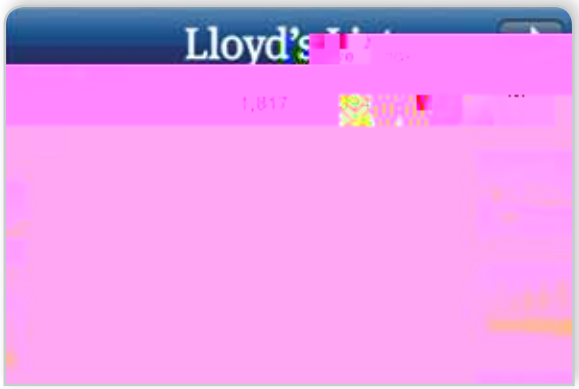
The Group's publications and events help drive social, environmental and economic development across the globe, so the Group has a duty to make its content readily available. Informa does business in 190 countries and continues to innovate its delivery platforms:

IN 2011, INFORMA WAS CERTIFIED AS ONE OF BRITAIN'S TOP EMPLOYERS FOR THE FOURTH YEAR IN A ROW

° Taylor & Francis Online Mobile now provides access to 1,600 journals and reference works through mobile phones

° One of the Group's publications, Psychology Press, became amongst the most popular Twitter feeds of its kind in the world

° Informa Healthcare launched a podcast-based learning platform for physicians



° Lloyd's List launched the 1st ever app for shipping news

Informa also worked together with the International Association for Digital Publishers on an Affordable Access Program for students in developing countries with limited access to scientific materials and low income.

It is also essential that the Group makes its content as accessible as possible to all its audiences. Across the Group, the Informa web estate is huge and ensuring it abides by the highest accessibility standards is a challenge. One of the Group's academic publishers has committed to accessibility standards and programmes globally for those with print disabilities. Informa intends to build on these and other experiences by launching webinars and guidelines on best practice in 2012 across all Informa businesses.

Board of Directors

Below are brief biographical details for each of the Directors and the Company Secretary of Informa plc.

DEREK MAPP

Non-Executive Chairman (61)

Nomination Committee

Derek Mapp joined the Board of Taylor & Francis Group plc as a Non-Executive Director in 1998. He is currently Non-Executive Chairman of Salmon Developments plc and Executive Chairman of Imagesound plc. He is also Chairman of the British Amateur Boxing Association. Following the merger of Informa and Taylor & Francis in May 2004, he was appointed as Non-Executive Director. On 17 March 2008 he was appointed as Non-Executive Chairman. He is also Chairman of the Nomination Committee.

ADAM WALKER

Finance Director (44)

Adam Walker joined Touche Ross in 1989. Following his qualification as a Chartered Accountant he specialised in corporate finance work. In 1994 he joined NatWest Markets as an Associate Director. In 1998 his team joined Arthur Andersen where he became a Director of Corporate Finance. In 2001, he joined National Express Group Plc as Head of Corporate Development, and was appointed to the Board as Finance Director in 2003. He took up his appointment as Finance Director of the Company on 28 March 2008.

PETER RIGBY

Chief Executive (56)

After graduating from Manchester University, Peter qualified as an accountant working at Metalbox Company and then worked at W H Smith. In 1983 he was appointed Finance Director of Stonehart Publications, which was acquired by IBC Group plc of which he became CEO in 1989. Since becoming CEO, Peter has completed two on-market mergers with LLP (to form Informa in 1998) and Taylor & Francis which, together with the major acquisitions of IIR and Datamonitor and substantial organic growth has helped establish Informa as a major international business. Peter is also Non-Executive Chairman of Electric Word plc.

DR PAMELA KIRBY

Senior Independent Non-Executive Director (58)

Nomination & Remuneration Committees

Dr Kirby is currently Chairman of Scynexis Inc., a privately held chemistry-focused drug discovery and development company based in the US. She is also a Non-Executive Director of Smith & Nephew plc and Victrex plc and a member of the Board of Simmons and Simmons LLP. She was previously Non-Executive Chairman of Oxford Immunotec Limited, Non-Executive Director of Novo Nordisk A/S and was the CEO of US-based Quintiles Transnational Corporation. Prior to joining Quintiles, Dr Kirby held various senior positions in the pharmaceutical industry. Dr Kirby was appointed as a Non-Executive Director of Informa in September 2004. She chairs the Remuneration Committee and is a member of the Nomination Committee. She was also appointed as Senior Independent Non-Executive Director on 17 March 2008.

JOHN DAVIS

Non-Executive Director (50)

Audit, Nomination & Remuneration Committees

Having qualified as a Chartered Accountant with Price Waterhouse, John has worked extensively within the media sector most recently as the Chief Financial Officer of Yell Group plc where he spent over 10 years. Previous roles include Group Finance Director of the FT Group, Chief Financial Officer of Pearson Inc and Director of Corporate Finance and Treasury at EMAP plc. John has a Masters in Management from The Stanford Graduate School of Business. He was appointed as a Non-Executive Director with effect from 1 October 2005 and is a member of the Audit, Nomination, and Remuneration Committees.

STEPHEN A. CARTER CBE

Non-Executive Director (48)

Audit Committee

Stephen A. Carter CBE is the President/Managing Director, Europe, Middle East & Africa for Alcatel Lucent, and is a member of the Executive Management Board. He is also Chairman of the Board at the Ashridge Business School, and a Governor of the Royal Shakespeare Company. He is a law graduate, holds an Honorary Doctorate of Laws, has completed the Harvard Business School Advanced Management Program, and is a Life Peer.

DR BRENDAN O'NEILL

Non-Executive Director (63)

Audit & Remuneration Committees

Dr O'Neill is currently a Non-Executive Director of Tyco International Inc, Towers Watson Inc and Endurance Speciality Holdings Limited. From 1999 to 2003 he was Chief Executive of ICI plc. Prior to joining ICI in 1998 he was an Executive Director of Guinness plc with responsibility for the Guinness Group's worldwide brewing interests. He was also Non-Executive Director on Emap plc from 1995 to 2002. Dr O'Neill was appointed as of Non-Executive Director with effect from 1 January 2008. He chairs the Audit Committee and is a member of the Remuneration Committee.

RUPERT HOPLEY

Company Secretary (42)

Rupert is the Company Secretary and Group General Counsel and joined Informa on 1 November 2011. He trained as a solicitor at Allen & Overy and worked in their corporate finance department before joining Cable and Wireless plc in 2004. He held various roles at Cable & Wireless, including Head of M&A and Deputy General Counsel, before joining Expedia Inc. in 2008 as their General Counsel (EMEA).

Advisers

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The Directors present their Annual Report and Accounts ("Consolidated Financial Statements") on the affairs of Informa plc (the "Company") and its subsidiaries (the "Group" or "Informa"), together with the financial statements and auditor's report, for the year ended 31 December 2011.

CORPORATE STRUCTURE

Informa plc is a public company limited by shares, incorporated in Jersey and domiciled in Switzerland. It has a primary listing on the London Stock Exchange.

PRINCIPAL ACTIVITIES

Informa provides academics, businesses and individuals with unparalleled knowledge, up-to-the minute information and highly specialist skills and services. Our AI division publishes books and journals with in excess of 81,000 titles available that provide individuals and organisations with the knowledge they need to carry out their work. Our PCI businesses offer structured databases, subscription-based services, real-time news, research and business-critical information creating business advantage. We are the largest publicly-owned organiser of exhibitions, events and training in the world providing inspiring marketplaces and the opportunity for knowledge to be shared. The principal subsidiary undertakings affecting the profits or net assets of the Group in the year are listed in Note 21 to the Consolidated Financial Statements.

BUSINESS REVIEW

The Business Review includes details of the risks and uncertainties facing the Company and Group, along with a review of the development and the operations and financial performance of the business during the year, and is a true and

Directors' Report CONTINUED

The remuneration and interests in the share capital of the Company of the Directors who held office as at 31 December 2011 are set out in the Directors' Remuneration Report on pages 51 to 59. All the Directors offer themselves for re-election by the shareholders at the next AGM. Details of the contracts of the Executive and Non-Executive Directors with the Company can be found on page 56. There are no agreements in place between the Company and its Directors and employees providing for compensation for loss of office of employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid. No Director was materially interested in any contract of significance.

DIRECTORS' INDEMNITIES

Indemnities are in force under which the Company has agreed to indemnify the Directors, to the extent permitted by Jersey law and the Company's Articles of Association, in respect of any liability arising out of, or in connection with, the execution of their powers, duties and responsibilities, as Directors of the Company, any of its subsidiaries or as a trustee of an occupational pension scheme for employees of the Company. The Company has purchased and maintains Directors' and Officers' insurance cover against certain legal liabilities and costs for claims in connection with any act or omission by its Directors and Officers in the execution of their duties.

REGISTRATION AND DOMICILE

The Company's registered office is at 22 Grenville Street, St Helier, Jersey, JE4 8PX. The Company is registered in Jersey under number 102786. The Company is domiciled in Switzerland with its head office at Gubelstrasse 11, CH-6300, Zug.

CORPORATE GOVERNANCE AND COMPLIANCE

A report on corporate governance, and the ways in which the Company complies with the provisions of The UK Corporate Governance Code (the "Code") is set on pages 44 to 50, and forms part of this report by reference.

The Directors' Report including details of the business, the development of the Group and likely future developments as set out in pages 2 to 59 of this document, forms the management report for the purposes of the UK Financial Services Authority's Disclosure and Transparency Rule (DTR) 4.

The notice concerning forward looking statements is set out on page 139. References to the Company may also include references to the Group.

ANNUAL GENERAL MEETING

The Company's AGM will be held on 17 May 2012, at the Radisson Blu Hotel, Zurich Airport, 8058 Zurich-Flughafen, Switzerland, at 9am (Central European Summer Time). The notice is being dispatched as a separate document to all shareholders. The notice sets out the resolutions to be proposed at the AGM and an explanation on each resolution. The notice is also available at www.informa.com.

CHARITABLE AND POLITICAL CONTRIBUTIONS

The Group made charitable donations during the year of £0.3m (2010: £0.3m), principally to local charities serving some of the communities in which the Group operates. No political donations were made.

SUPPLIER PAYMENT POLICY

The Company's policy, which is also applied by the Group, is to settle terms of payment with suppliers when agreeing the terms of each transaction, to ensure that suppliers are aware of the terms of payment and to abide by the agreed terms, provided that the supplier has provided the goods or services in accordance with the relevant terms and conditions. Trade payables of the Group at 31 December 2011 were equivalent to 45 days' purchases (2010: 45 days), based on the average daily amount invoiced by suppliers during the year.

SHARE INFORMATION

Substantial Shareholdings

As at 31 December 2011, the Company had been notified of the following substantial interests (over 3%) in the issued ordinary share capital of the Company. This table details those shares held under discretionary management and therefore total voting rights.

	As at 31 December 2011		As at 29 February 2012	
Fund Manager	Number of shares	% held	Number of shares	% held
M&G Investment Management (Prudential plc)	35,181,919	5.85	29,148,896	4.84
Marathon Asset Management	30,873,477	5.14	31,709,102	5.26
Fidelity Investments	30,712,576	5.11	31,971,590	5.31
Lazard Asset Management	30,268,974	5.03	30,921,878	5.13
Norges Bank Investment Management	29,148,278	4.85	29,328,774	4.87
Legal & General Investment Management	27,205,309	4.53	26,174,243	4.34
Standard Life Investments	22,176,524	3.69	26,515,997	4.40
F&C Asset Management	21,483,715	3.57	21,361,623	3.54
Invesco Perpetual	19,758,583	3.29	20,014,356	3.32
AllianceBernstein	18,970,593	3.16		<3%
Kames Capital (formerly AEGON UK Group of Companies)	18,858,145	3.14	18,096,537	3.00
Newton Investment Management		<3%	18,280,812	3.03

Share Capital
As at 31 December 2011, the Company's issued share capital comprised 601,202,853 ordinary shares with a nominal value of 0.1p each. Details of the authorised and issued share capital, together with movements in the issued share capital during the year, are shown in Note 31 of the Consolidated Financial Statements.

Rights and Obligations Attaching to Shares
The rights attaching to the Company's ordinary shares, being the only share class of the Company, are set out in the Company's Articles of Association ("Articles"), which can be found at www.informa.com. Subject to Jersey law, any share may be issued with or have attached to it such preferred, deferred or other special rights and restrictions as the Company may by special resolution decide or, if no such resolution is in effect, or so far as the resolution does not make specific provision, as the Board may decide. No such resolution is currently in effect. Subject to the recommendation of the Board, holders of ordinary shares may receive a dividend. On liquidation, holders of ordinary shares may share in the assets of the Company. Holders of ordinary shares are also entitled to receive the Company's Annual Report and Accounts and, subject to certain thresholds being met, may requisition the Board to convene a general meeting ("GM") or the proposal of resolutions at AGMs. None of the ordinary shares carry any special rights with regard to control of the Company.

Voting Rights
Holders of ordinary shares are entitled to attend and speak at GMs of the Company and to appoint one or more proxies or, if the holder of shares is a corporation, a corporate representative. On a show of hands, each holder of ordinary shares who (being an individual) is present in person or (being a corporation) is present by a duly appointed corporate representative, not being himself a member, shall have one vote and on a poll, every holder of ordinary shares present in person or by proxy shall have one vote for every share of which he is the holder. Electronic and paper proxy appointments and voting instructions must be received not later than 48 hours before a GM. A holder of ordinary shares can lose the entitlement to vote at GMs where that holder has been served with a disclosure notice and has failed to provide the Company with information concerning interests held in those shares. Except as (1) set out above and (2) permitted under applicable statutes, there are no limitations on voting rights of holders of a given percentage, number of votes or deadlines for exercising voting rights.

Restrictions on Transfer of Securities in the Company
There are no restrictions on the transfer of securities in the Company; except that:

- the Directors may from time to time refuse to register a transfer of a certificated share which is not fully paid, provided it meets the requirements given under the Articles;
- transfers of uncertificated shares must be carried out using CREST and the Directors can refuse to register a transfer of an uncertificated share in accordance with the regulations governing the operation of CREST;
- legal and regulatory restrictions may be in put place from time to time, for example insider trading laws;
- pursuant to the Company's share dealing code whereby the Directors and certain employees of the Company require approval to deal in the Company's shares;
- where a shareholder with at least a 0.25% interest in the Company's certificated shares has been served with a disclosure notice and has failed to provide the Company with information concerning interests in those shares; and
- the Directors may decide to suspend the registration of transfers, for up to 30 days a year, by closing the register of shareholders. The Directors cannot suspend the registration of transfers of any uncertificated shares without obtaining consent from CREST.

There are no agreements between holders of ordinary shares that are known to the Company which may result in restrictions on the transfer of securities or on voting rights.

Shares Held on Trust
Shares are from time to time held by a trustee in order to satisfy entitlements of employees to shares under the Group's share schemes. Usually the shares held on trust are no more than sufficient to satisfy the requirements of the Group's share schemes for one year. The shares held by these trusts do not have any special rights with regard to control of the Company. While these shares are held on trust their rights are not exercisable directly by the relevant employees. The current arrangements concerning these trusts and their shareholdings are set out on page 58.

Purchase of Own Shares
At the end of the year, the Directors had authority, under a shareholders' resolution passed on 10 May 2011, to purchase through the market up to 10% of the Company's issued ordinary shares as at 29 March 2011 (the date on which the AGM notice was published). This authority expires at the conclusion of the AGM of the Company to be held on 17 May 2012.

CHANGE OF CONTROL

There are no significant agreements to which the Company is a party that take effect, alter or terminate upon a change of control following a takeover bid (nor any agreements between the Company and its Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid) except for the Group's private placement loan notes and facilities described in Note 29 of the Consolidated Financial Statements.

Directors' Report CONTINUED

APPOINTMENT AND REPLACEMENT OF DIRECTORS

The rules for appointment and replacement of the Directors are set out in the Articles. Directors can be appointed by the Company by ordinary resolution at a GM or by the Board upon the recommendation of the Nomination Committee. The Company can remove a Director from office, including by passing an ordinary resolution or by notice being given by all the other Directors.

POWERS OF THE DIRECTORS

The powers of the Directors are set out in the Articles and provide that the Board may exercise all the powers of the Company including to borrow money up to an aggregate of three times a formula based on adjusted capital and reserves. The Company may by ordinary resolution authorise the Board to issue shares, and increase, consolidate, sub-divide and cancel shares in accordance with its Articles and Jersey law.

The Company may amend its Articles by special resolution approved at a GM.

EMPLOYEE CONSULTATION

The Group places considerable value on the involvement of its employees and continues to keep them informed on matters affecting them and on the various factors affecting the performance of the Group. This is achieved principally through formal and informal meetings, email updates and via the Company's global intranet site. The intranet site enables staff to put anonymous questions to the Executive management. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

The Group divisions regularly undertake staff surveys. In 2011 comprehensive surveys were performed in the Taylor & Francis, Datamonitor and Informa Telecoms and Media Divisions. Staff in these divisions were provided with comprehensive feedback from the surveys and each division created and communicated an action plan to address any highlighted areas for development. For the second consecutive year the Taylor & Francis response rate improved, with 90% of staff completing the 2011 survey.

All employees worldwide are also invited periodically to attend webinars, take part in live on-line polls and ask the Executive Directors questions about the business and its future. The webinars, including the results of the polls, are posted on the Company's intranet so that those employees who are unable to attend can view them. Employees are invited to ask the Executive Directors questions after the announcement of the Half Year and Full Year Results. These Q&A sessions are recorded and available for all staff to access.

EMPLOYEE SHARE SCHEMES

Since the establishment of the Share Incentive Plan ("SIP") in 2009, all UK employees are eligible to participate in the SIP once they have completed six months' service with the Company. The SIP is an HM Revenue & Customs Approved All Share Incentive Plan offering UK employees the opportunity to purchase annually up to £1,500 of shares in the Company out of pre-tax salary. In addition, from 2008, all US employees are eligible to participate in the Company's US Stock Purchase Plan ("SPP") once they have completed six months' service. The SPP offers US employees the opportunity to purchase annually up to $2,940 of shares in the Company at a 15% discount to the prevailing market price.

EQUAL OPPORTUNITIES

Informa believes in equality of opportunity for all employees based on merit and that no employee or job applicant should receive less favourable treatment on the grounds of age, gender, sexual orientation, disability, colour, race, religion, nationality or ethnicity. Informa's divisions are all disabled friendly business operations.

The Company's equal opportunity policy not only covers fair recruitment, but also the opportunities given to staff on training and development, and the Group's views on equal opportunities form a part of the employee induction training.

The Group's objective is to provide continued suitable employment to staff whose circumstances change, with appropriate training if necessary. Informa's offices are required to enable access for all abilities and comply with all applicable local laws.

AUDITOR

Each of the persons who is a Director at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming AGM.

GOING CONCERN BASIS

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement and Chief Executive's Review on pages 6 to 13.

As set out on pages 29 to 32 a number of risk factors and uncertainties could potentially affect the Group's results and financial position. In particular the current economic climate creates uncertainties over the level of demand for the Group's products and services. The Group adopts an extensive budgeting process in forecasting its trading results and cash flows and updates these forecasts to reflect current trading on a regular basis.

The Group's net debt and banking covenants are discussed in the Financial Review on page 27 and the exposure to liquidity risk is discussed in Note 30 to the Consolidated Financial Statements.

The Group sensitises its projections to reflect reasonably possible changes in trading performance and cash conversions, taking into account its substantial deferred revenues (£327.0m at 31 December 2011). These forecasts and projections for the period up to 30 June 2013, show that the Group is expected to be able to operate within the level of its current facility and meet its covenant requirements for a period of one year from the date of the signing of the Group's financial statements for the year ended 31 December 2011.

After making enquiries, the Directors have a reasonable expectation that there are no material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the annual report and accounts in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year.

Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to be properly prepared in accordance with the Companies (Jersey) Law 1991.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, the Directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with DTR 4.1.12, the Directors confirm that, to the best of their knowledge:

- the financial statements have been prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the management report, which is incorporated into the Directors' Report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Approved by the Board and signed on its behalf by

Rupert Hopley
Company Secretary

23 February 2012

Corporate Governance Statement

The Board recognises that it is accountable to shareholders for its standards of governance and is therefore committed to the principles of corporate governance contained in The UK Corporate Governance Code (the "Code") published in June 2010 (previously the Combined Code).

As a company listed on the London Stock Exchange, Informa is subject to the Listing Rules of the Financial Services Authority (the "FSA") and complies with the provisions of the Code and relevant institutional shareholder guidelines.

As Informa is incorporated in Jersey, it is not subject to the UK Companies Act. However, the Board considers it appropriate to provide shareholder safeguards which are similar to those that apply to a UK registered company and are consistent with the relevant provisions of the UK Companies Act.

This report describes how Informa has applied the main provisions of the Code. It is in the Board's view that the Company has been fully compliant with all the Code provisions throughout the year ended 31 December 2011. Together this report and the Directors' Remuneration Report on pages 51 to 59, explain how the Company has applied the principles and supporting principles of good Governance set out in the Code.

THE BOARD

Informa plc is the ultimate holding company of the Group and is controlled by its Board of Directors. The Board, chaired by Derek Mapp, has seven Directors, comprising two Executive Directors and five Non-Executive Directors. The Board members are noted on pages 36 to 37. There were no changes to the Board throughout the year under review. The Board's main roles are to create value for shareholders, to provide entrepreneurial leadership of the Group, to approve the Group's strategic objectives and to ensure that the necessary financial and human resources are made available to enable those objectives to be met.

MATTERS RESERVED FOR THE BOARD

A schedule which sets out the matters reserved for the Board's approval is reviewed and updated annually. The specific responsibilities reserved for the Board include, but are not limited to:

- responsibility for the overall management of the Group;
- approving the Group's long-term objectives and commercial strategy;
- approving the Group's annual operating and capital expenditure budgets;
- reviewing operational and financial performance;
- approving major acquisitions, disposals and capital projects;
- reviewing the Group's systems of internal control and risk management;
- reviewing the environmental, health and safety policies of the Group;
- approving appointments to, and removals from, the Board and of the Company Secretary;
- approving policies relating to Directors' remuneration; and
- reviewing the dividend policy and determining the amounts of dividends.

The Board has delegated the following activities to the Executive Directors:

- the development and recommendation of strategic plans for consideration by the Board that reflect the longer-term objectives and priorities established by the Board;
- implementation of the strategies and policies of the Group as determined by the Board;
- monitoring of the operating and financial results against plans and budgets;
- monitoring the performance of acquisitions and investments against plans and objectives;
- prioritising the allocation of capital, technical and human resources; and
- developing and implementing risk management systems.

Full details of the matters reserved for the Board are available at www.informa.com.

THE ROLES OF THE CHAIRMAN, CHIEF EXECUTIVE AND SENIOR INDEPENDENT DIRECTOR

The division of responsibilities between the Chairman of the Board, the Chief Executive and the Senior Independent Director comply with the guidance from the UK Institute of Chartered Secretaries and Administrators and as such are clearly defined. These are set out in writing and have been approved by the Board.

Derek Mapp has been Non-Executive Chairman since 17 March 2008 and as Chairman, he leads the Board and is responsible for setting its agenda and ensuring its effectiveness. He is also responsible for ensuring that Directors receive accurate, timely and clear information and for effective communication with shareholders. He promotes a culture of openness and debate to facilitate the effective contribution of Non-Executive Directors and constructive relations between the Executive and Non-Executive Directors. He also acts on the results of the Board's performance evaluation by leading on the implementation of any required changes to the Board and its Committees including recognising the strengths and addressing the weaknesses of the Board, and, where appropriate, proposes new members be appointed to the Board or seeking the resignation of Directors. The Chairman holds periodic meetings with Non-Executive Directors without the Executives present.

Peter Rigby was appointed as Chief Executive of Informa on 17 March 2008 and has the responsibility of running the Company. As Chief Executive, he has direct charge of the Group on a day-to-day basis and is accountable to the Board for its operational and financial performance. He is also primarily responsible for implementation of the Company's strategy including ensuring the achievement of the Group's budgets and optimising the Group's resources. He also has primary responsibility for managing the Group's risk profile, identifying and executing new business opportunities and for management development and remuneration.

Dr Pamela Kirby was appointed as Senior Independent Director on 17 March 2008 and is available to meet shareholders on request and to ensure that the Board is aware of any shareholder concerns not resolved through existing mechanisms for investor communication. She acts as a sounding board for the Chairman and, if and when appropriate, serves as an intermediary for the other Directors.

DIRECTORS AND DIRECTORS' INDEPENDENCE

The Board includes independent Non-Executive Directors who constructively challenge and help develop proposals on strategy and bring strong, independent judgement, knowledge and experience to the Board's deliberations. The independent Directors are of sufficient calibre and number that their views carry significant weight in the Board's decision-making process. The Board considers all of its Non-Executive Directors to be independent in character and judgement. In particular none of them has any personal or business relationships which give rise to any conflict or potential conflict and each freely contributes to Board and Committee discussions and decision making.

There is an agreed procedure in place for the Directors to obtain independent professional advice, at the Group's expense, should they consider it necessary to do so in order to carry out their responsibilities. The Directors' contracts are available for inspection at the registered office and principal office during normal business hours and will be available for inspection at the AGM.

INFORMATION AND PROFESSIONAL DEVELOPMENT

On appointment the Directors receive relevant information about the Group, the role of the Board and the matters reserved for its decision, the terms of reference and membership of the principal Board Committees and the powers delegated to those Committees, the Group's corporate governance policies and procedures and the latest financial information about the Group. This is supplemented by introductory meetings with key senior executives. On appointment the Directors are also advised of their legal and other duties and obligations as a Director of a listed company.

Throughout their period in office, the Directors are regularly updated on the Group's business and the environment in which it operates, by written briefings and by meetings with senior executives, who are invited to attend and present at Board meetings from time to time. They are also updated on any changes to the legal and governance requirements of the Group and those which affect themselves as Directors and are able to obtain training, at the Group's expense, to ensure they are kept up-to-date on relevant new legislation and changing commercial risks.

Regular reports and papers are circulated to the Directors in a timely manner in preparation for Board and Committee meetings. These papers are supplemented by any information specifically requested by the Directors from time to time. The Non-Executive Directors receive monthly management reports from the Chief Executive and the Finance Director which enable them to scrutinise the Group's and management's performance against agreed objectives. More details on Board and Committee meetings can be found on page 47.

PERFORMANCE EVALUATION OF THE BOARD AND ITS COMMITTEES

The Board utilises a formal and rigorous process, led by the Chairman, for the annual internal evaluation of the performance of the Board, its principal Committees and individual Directors. On appointment the Directors are made aware that their performance will be subject to evaluation. The Non-Executive Directors led by the Senior Independent Director meet at least annually to appraise the Chairman's performance.

A full and extensive external board evaluation was carried out in 2010 of the corporate governance of Informa plc, including an evaluation of its Chairman. The review resulted in a detailed analysis of the operation and effectiveness of both the Board and its Committees and of compliance with the Code. The feedback was provided both orally and in a written report. The conclusions provided a very positive report on the Company's governance and provided some suggestions for improvement. These findings were considered by the Board as part of its decision making for 2011. In accordance with the Code the next external board evaluation will take place within the next two years.

RE-ELECTION

The Company's Articles of Association provide for all Directors to be subject to annual re-election at the AGM. The Board is satisfied, following independent formal evaluation, that each Director continues to be effective and to demonstrate commitment to their role.

DIVERSITY

Informa operates a successful business based on a proven track record of equal opportunity and reward for performance.

Across the management of the Group around 50% are women and we are committed to maintaining this level. In 2011, women accounted for 59% of all internal promotions.

At Board level, we believe that the current representation of one female Non-Executive Director (14%) is the minimum acceptable and whilst below the target that has been set for 2015, with a small number of Directors this percentage can increase quickly with a new appointment. However, we are reluctant at this stage to increase the size of the Board as a small Board fits Informa's entrepreneurial culture and approach to fast commercial decision making and we do not want to accelerate the departure of existing male Non-Executives, who are both high quality and high contributors to the Board and the business. As opportunities arise through natural vacancies and rotation, our intention is to ensure we achieve an increasing level of women membership of the Board.

THE COMPANY SECRETARY

During the year, John Burton resigned from the Company with effect from 31 August. Adam Walker was appointed as Company Secretary on an interim basis on 1 September until Rupert Hopley was appointed Company Secretary and Group General Counsel with effect from 1 November. The Company Secretary is responsible for advising the Board through the Chairman on all governance matters and all Directors have access to his advice and services.

RELATIONS WITH SHAREHOLDERS

The Company is committed to maintaining good communications with investors. Derek Mapp as Chairman and Dr Pamela Kirby as Senior Independent Director provides the Board with feedback on any issues raised with them by shareholders.

Financial results are announced on a quarterly basis. The Chief Executive and Finance Director give presentations on the half year and full year results in face to face meetings with institutional investors, analysts and the media, which are also accessible via webcast on www.informa.com. After the release of the Interim Management Statements in respect of the first and third quarters, the Company holds webcasts for institutional investors, analysts and the media. In addition to these presentations, the Executive Directors have frequent discussions with institutional shareholders on a range of issues, including governance and strategy, affecting the Group's performance. Meetings are also held with the Group's largest institutional shareholders on an individual basis following the announcement of the Group's half-yearly and full year results and on other occasions. In addition, the Group responds to individual ad hoc requests for discussions from institutional shareholders. Following meetings held with shareholders after the half-yearly and full year results announcements, the Board is provided with feedback from the Executive Directors, the Group's brokers and its public relations advisers on investor perceptions. The Company's brokers' reports on the Group are also circulated to all Directors, as are monthly reports of significant changes in the holdings of larger investors.

The AGM, for which at least 20 working days' notice is given and where shareholders are invited to ask questions during the meeting and are able to meet with the Directors after the meeting, is normally attended by all the Directors. The number of proxy votes for, against or withheld in respect of each resolution is disclosed at the AGM and a separate resolution is proposed for each item.

The Group's corporate website at www.informa.com provides a wide range of information about the Group which is of interest to both institutional and private investors. This includes all announcements made by the Company to the FSA as well as video recordings of the half year and full year presentations made to analysts, and details of the Group's business and sectors in which it operates.

PROCEDURES TO DEAL WITH DIRECTORS' CONFLICTS S

Corporate Governance Statement CONTINUED

AUDIT COMMITTEE

Chair: Dr Brendan O'Neill
Other members: John Davis, Stephen Carter
Secretary: John Burton (until 31 August 2011)
Adam Walker (1 September – 31 October 2011)
Rupert Hopley (after 1 November 2011)

Objective: To be responsible for corporate reporting, risk management and internal control procedures, and for maintaining the relationship with the Company's auditor.

The membership of the Audit Committee is set out above.

The Committee's terms of reference were reviewed and last amended in July 2011 and are available on the Company's website. The Committee's terms of reference allow it to obtain independent external advice at the Company's expense. No such advice was obtained during 2011. The Audit Committee has at least one member possessing recent and relevant experience, as recommended in the Financial Reporting Council's Guidance on Audit Committees. Its Chairman, Dr Brendan O'Neill, has extensive experience of Audit Committee procedures, and John Davis is a qualified Chartered Accountant and until November 2010 was the Chief Financial Officer of Yell Group plc. The meetings of the Committee operate so as to investigate the key accounting, audit and risk issues that are relevant to the Group. The mixture of experience of its members assist in providing a challenging environment in which these issues are debated. The Finance Director, Deputy Finance Director, Head of Internal Audit and Head of Group Tax attend all or part of its proceedings in order to provide information to, and be questioned by, the Committee. The composition of the Committee was reviewed during the year and the Board and Committee are satisfied that it has the expertise and resource to fulfil its responsibilities effectively including those relating to risk and control.

The Audit Committee monitors the integrity of the Group's financial statements and any formal announcements relating to the Group's performance. The Committee is responsible for monitoring the effectiveness of the external audit process and making recommendations to the Board in relation to the appointment, re-appointment and remuneration of the external auditor. It is responsible for ensuring that an appropriate relationship between the Group and the external auditor is maintained, including reviewing non-audit services and fees. The Committee also, in accordance with Turnbull Guidance, reviews annually, and has done so during the year and up to the date of this report, the Group's system of internal controls and the process for identifying, evaluating and managing the significant risks faced by the Group. It reviews the effectiveness of the Group Internal Audit function and is responsible for approving, upon the recommendation of the Chief Executive, the appointment and termination of the head of that function. These responsibilities are principally carried out through the Risk Committee whose activities are overseen by the Chairman of the Audit Committee on behalf of the Board.

The Committee meets as appropriate with the Executive Directors and management, as well as privately with both the external and internal auditors. The Committee has during the year to 31 December 2011 received sufficient, reliable and timely information from the senior managers to enable it to fulfil its duties.

In 2011 the Committee has fulfilled its duties under its terms of reference during the year and discharged its responsibilities primarily by:

- reviewing the Group's draft full year and half-yearly results statements prior to Board approval and reviewing the external auditor's detailed reports thereon. In particular reviewing the opinions of management and the auditor in relation to the carrying values of the Group's assets and any contingent liabilities;
- reviewing the appropriateness of the Group's accounting policies;
- reviewing regularly the impact on the Group's financial statements of matters such as the adoption of International Financial Reporting Standards;
- recommending to the full Board, which adopted the recommendation, the reappointment of Deloitte LLP as the Group's external auditor;
- reviewing and recommending the audit fee and reviewing non-audit fees payable to the Group's external auditor to the Board;
- reviewing the external auditor's plan for the audit of the Group's financial statements, which included key areas of scope of work; key risks on the financial statements; confirmations of auditor independence and the proposed audit fee and approving the terms of engagement for the audit;

Corporate Governance Statement CONTINUED

NOMINATION COMMITTEE

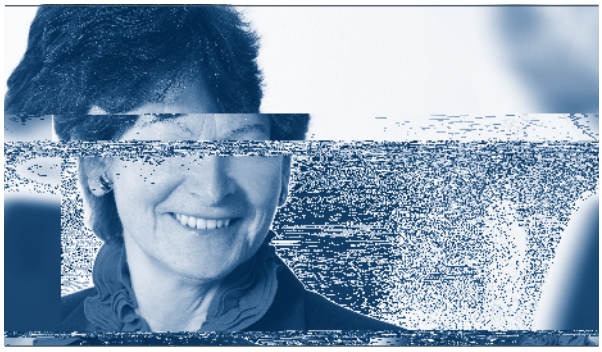
Chair: Derek Mapp
Other members: Dr Pamela Kirby, John Davis
Secretary : John Burton (until 31 August 2011)
Adam Walker (1 September – 31 October 2011)
Rupert Hopley (after 1 November 2011)

Objective: To ensure there is a formal, rigorous and transparent procedure for the appointment of new Directors to the Board and its Committees.

The membership of the Nomination Committee is set out above.

The Chief Executive usually attends meetings by invitation. The Committee's terms of reference were reviewed and amended in February 2011 and are available on the Company's website. The Nomination Committee considers the mix of skills and experience that the Board requires and seeks the appointment of Directors who meet those requirements to ensure that the Board is effective in discharging its responsibilities.

REMUNERATION COMMITTEE



Chair: Dr Pamela Kirby
Other members: Dr Brendan O'Neill, John Davis
Secretary : John Burton (until 31 August 2011)
Adam Walker (1 September – 31 October 2011)
Rupert Hopley (after 1 November 2011)

Objective: To set, review and recommend for approval the remuneration policy and strategy, and individual remuneration packages of the Executive Directors and to approve the introduction and rules of all Group share-based incentive schemes.

The membership of the Remuneration Committee is set out above.

All of the members of the Remuneration Committee are independent Non-Executive Directors, with the Chairman of the Board only attending meetings by invitation. The Committee's terms of reference were reviewed and amended in February 2011 and are available on the Company's website. The Remuneration Committee's principal responsibilities are to:

- set, review and recommend to the Board for approval the remuneration policy and strategy with respect to the Executive Directors;
- set, review and approve the individual remuneration packages of the Executive Directors including terms and conditions of employment and any changes to the packages; and
- approve the introduction and rules of any Group share-based incentive schemes.

A full Remuneration Report is provided on pages 51 to 59.

Approved by the Board and signed on its behalf by

Rupert Hopley
Company Secretary

23 February 2012

Directors' Remuneration Report CONTINUED

Remuneration Policy

The remuneration of the Executive Directors is designed to provide for a competitive compensation package which reflects the Group's performance against financial objectives and personal performance criteria. Incentives reward above-average performance and are designed to attract, motivate and retain high-calibre executives. The performance assessment of the Executive Directors and the determination of their annual remuneration packages are undertaken by the Committee.

There are five elements of the remuneration package for Executive Directors:

- basic annual salary;
- benefits;
- annual bonus;
- share incentives; and
- relocation, retirement and life assurance benefits.

The Company's policy is that a clear majority of the maximum potential remuneration of the Executive Directors should be performance-related. As described further below, Executive Directors may earn an annual bonus and benefit from participation in a performance-based LTIP. For 2011, all of the bonus earned by the Executive Directors was based on earnings per share ("EPS") performance. Their 2012 bonus targets have been set on the same basis. Vesting of LTIP awards is subject solely to total shareholder return ("TSR") performance as described below. The information below sets out the details of performance-related remuneration to base salary and benefits for the Executive Directors paid or awarded in respect of the 2011 financial year. These arrangements for bonus and LTIP awards reflect the Committee's view that the best long-term interests of shareholders are achieved though incentivising the Executive Directors through a dual focus on EPS and TSR growth.

The Committee is able to consider corporate performance on environmental, social and governance issues when setting the remuneration of the Executive Directors. In its judgement the remuneration policies for both Executive Directors and senior management do not raise environmental, social or governance/operational risks by inadvertently motivating irresponsible behaviour. Senior management remuneration is set on a similar basis to the Executive Directors except often with lower basic salary and substantially lower LTIP elements but proportionately more variable bonus/profit share provision. The latter is usually tied directly to the annual profit performance of a business unit.

Executive Directors are entitled to accept appointments outside of the Company provided that the Chairman determines that it is appropriate.

During 2011 Peter Rigby served as Non-Executive Chairman of Electric Word plc, for which he received and retained fees of £12,000.

Relocation Benefits

As a result of the Company's redomicile to Switzerland in 2009, the Committee has determined that the Company would provide an ongoing relocation benefits allowance on the basis that the ongoing arrangements would be broadly cost-neutral to the Company, taking into account estimated savings that the Company would be able to realise as the result of the relocation. The main benefit provided from the allowance relates to the provision of housing in Switzerland. The costs of the provision of these benefits is contained in the benefits in kind/allowances column of the table of Directors' Emoluments on page 57 of this Report.

Reporting Currency

As the Executive Directors are now required to reside in Switzerland they have entered into new service contracts under which they are paid in Swiss Francs ("CHF"). As a result, for clarity of reporting, all monetary benefits receivable by the Executive Directors are set out in this report in CHF. However, the remuneration of the Directors in the financial statements is set out in Pounds Sterling ("GBP"), the Company's reporting currency.

Basic Salary

The basic salaries of the Executive Directors are reviewed by the Committee prior to the beginning of each year and upon a change of position or responsibility. In deciding appropriate levels, the Committee considers pay practices in the Group as a whole and makes reference to objective external research which gives current information on remuneration practices in appropriate comparator companies. Following a review at the end of 2011, and at the request of the Executive Directors, the Committee resolved that there would be no change to the Executive Directors remuneration package for 2012.

	2011 Salary	2012 salary
Peter Rigby	CHF 1,225,700	CHF 1,225,700
Adam Walker	CHF 744,175	CHF 744,175

Other Benefits

Each of the Executive Directors receives a general benefit allowance of CHF42,500 per annum together with private medical insurance cover and permanent health insurance cover.

Annual and Deferred Bonus

The Committee continues to consider adjusted diluted EPS to be the most suitable financial measurement on which to base annual incentives and align the interests of the Executive Directors with those of the Company's shareholders as this measurement of performance can be directly influenced by the performance of the Executive Directors and is a key driver in generating returns to shareholders. For 2011 the maximum annual bonus was 150% of basic salary dependent upon achievement of a sliding scale of challenging diluted adjusted EPS targets which were set at levels to encourage and reward the delivery of excellent levels of performance.

The bonus scheme is focused on the achievement of budgeted EPS. Threshold performance requires achievement of 90% of budgeted EPS, below which no bonus is payable. Achievement of 90% of budgeted EPS will result in a bonus of 50% of basic salary. Achievement of 100% of budgeted EPS will result in a bonus equal to 100% of basic salary. Achievement of 110% or more of budgeted EPS will result in a maximum bonus equal to 150% of basic salary, though any award in excess of 100% of basic salary will take the form of a conditional award of Company shares. Any EPS achievement between 90% and 110% will result in a pro rata bonus between 50% and 150% of base salary. EPS for bonus purposes is calculated as the adjusted fully diluted earnings per share number. The EPS calculation will be adjusted to eliminate any benefit or deterioration that changes in foreign exchange rates have on Adjusted Operating Profit. To achieve that both the Actual Adjusted Operating Profit and the Budget Adjusted Operating Profit are recalculated on a constant currency basis. While the Committee will adhere to the simple objective calculation it reserves the right to adjust the calculation if it considers there has been a material change in circumstances, such as a major share issue or significant Mergers and Acquisitions activity.

Any award of bonus above 100% may only take the form of a conditional award of shares in the Company which will vest only if the Executive Director remains in employment throughout the deferral period of three years from the date of grant, subject to good leaver provisions. The number of shares awarded will be determined by reference to the market value of the shares at the date concurrent awards under the LTIP are made. Shares utilised for this purpose will be acquired by market purchase; newly issued shares will not be used.

In February 2011 the Executive Directors were awarded a bonus of 107.9% with respect to the 2010 financial year. Of this, both Executive Directors received 100% cash bonuses and the remaining bonus of 7.9% will be payable in deferred shares which are exercisable from 2014, subject to the terms of the Deferred Share Bonus Plan (the "DSBP"). Under the DSBP award for 2010 Peter Rigby will receive 14,822 shares and Adam Walker will receive 8,999 shares. More information regarding this is given on page 58.

Applying the sliding scale formula, a bonus of 113.6% of basic salary was awarded to each of Peter Rigby and Adam Walker for the 2011 financial year, reflecting a year of good financial performance.

For 2012, the annual bonus will again be determined based on a sliding scale of diluted adjusted EPS performance, with the maximum opportunity of 150% of basic salary for appropriately stretching levels of performance. If achieved, any award in excess of 100% of base salary may only take the form of a conditional award of shares in the Company, which will vest only if the Executive Director remains in employment throughout the deferral period of three years, subject to good leaver provisions.

Long-Term Incentive Plan

Since 2006 Executive Directors have been invited to participate in the Company's LTIP, which had been introduced and approved by shareholders in 2005.

Awards were made to the Executive Directors in 2009, 2010 and 2011 of 150% of basic salary. A review of the total remuneration packages of the Executive Directors was undertaken at the end of 2011 with the assistance of Towers Watson. It included an analysis of benchmark data from a comparator group of FTSE 51-150 companies, excluding those in financial services. Following its review, while the Committee concluded that there could be grounds for revisions to the LTIP component of the packages, it was resolved that no changes be made for 2012. Consequently awards of 150% of salary will be made to the Executive Directors in 2012.

2008 Awards

The EPS-related performance conditions attaching to the LTIP awards made in 2008 had not been met as at 31 December 2010 and accordingly the 2008 LTIP awards lapsed in March 2011.

2009, 2010 and 2011 Awards

For the LTIP awards made in 2009, 2010 and 2011, the following performance conditions apply. These performance conditions will also apply to awards to be made in 2012:

- one half of the shares under an award will vest based on the Company's TSR performance ranked against the TSR performance of the constituents of the FTSE 350 index (excluding investment trusts). In respect of this half of an award 20% will vest for ranking at median with 100% vesting for ranking at or above the upper quintile. Any ranking below median results in none of the award vesting;
- one half of the shares under an award will vest based on the Company's TSR performance ranked against the TSR performance of the constituents of the FTSE All Share Media Index. In respect of this half of an award, 20% will vest for ranking at median with 100% vesting for ranking at or above the upper quintile. Any ranking below median results in none of the award vesting; and
- irrespective of the extent to which the TSR performance conditions have been met for the vesting of an award, an award will not vest unless a general financial underpin is satisfied. If the Board is not satisfied that the underlying financial performance of the Company is reflected in the TSR determined result, it will have the ability to scale back vesting (to zero if it considers it appropriate to do so).

Use of TSR as a primary performance measure is considered the best way to align the longer-term interests of management and shareholders, with the approach also being the most transparent way of ensuring that executives are incentivised to, and rewarded for, the delivery of above market returns to shareholders. In addition, operating a general financial underpin also seeks to ensure that a keen focus is maintained on the underlying financial performance of the business.

The shares awarded to participants of the LTIP grants are satisfied through the Informa Group Employee Share Trust, currently administered by Nautilus Trust Company Limited in Jersey.

All-Employee Share Plans

From January 2006 the Executive Directors, along with all other UK employees, were eligible to participate in the Company's pre-existing Share Incentive Plan (the pre-existing SIP), introduced and approved by shareholders in 2005. A new Share Incentive Plan (new SIP) was approved by shareholders for its adoption effective on 30 June 2009 and approved by HM Revenue and Customs ("HMRC") on 6 July 2009. The terms of the new SIP are the same in all material aspects. Both SIPs are HMRC Approved All-Employee Share Incentive Plans which offer UK employees the opportunity to purchase up to £1,500 of shares in the Company per year out of pre-tax salary. Eligible employees can join the SIP provided they have completed six months' service with the Company.

Following the relocation of both the Executive Directors to Switzerland, as overseas employees and in accordance with the rules of the SIP, neither of the Executive Directors is able to continue to participate in the plan. Consequently, both Executive Directors have ceased to contribute to the SIP and so have ceased to acquire shares through the plan. Shares previously acquired under the SIP prior to the Executive Directors' relocation remain in the SIP. Peter Rigby holds a total of 1,820 shares and Adam Walker 669 shares in the SIP.

The Company introduced a US Stock Purchase Plan (SPP) in 2008 which was approved by shareholders at the AGM in May 2008. Eligible employees are invited to join the SPP on an ongoing basis once they have completed six months' service with the Company. The SPP provides a means by which the Group's US employees may purchase the Company's shares at a 15% discount to the market price. No tax benefit is available under the SPP. Eligible US employees can purchase up to $2,940 of shares per year out of post-tax salary. Shares in Informa held in the SPP at the time of the Scheme of Arrangement becoming effective on 30 June 2009 were exchanged for shares in the Company; accordingly no new SPP was introduced at this date.

Share Options

The Committee decided in 2005 to cease the granting of share options to Executive Directors. Details of subsisting share options granted to Peter Rigby in 2004 and earlier are shown on page 58. Existing grants were amended for the Rights Issue on 27 May 2009 and rolled over to the Company in June 2009. The remaining share options held by Peter Rigby lapsed on 6 March 2011.

Share Ownership Guidelines

Formal share ownership guidelines require the Executive Directors to build up, over a three-year period, a holding in the Company's shares equal to at least one and a half times annual basic salary. Both Executive Directors met this requirement as at 31 December 2011.

Retirement and Life Assurance Benefits

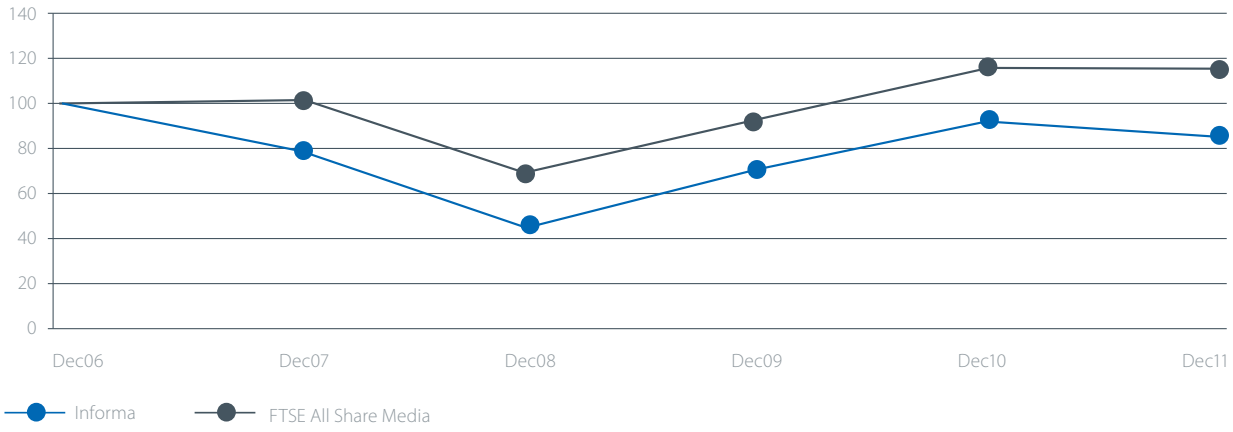
The Executive Directors receive a contribution of 25% of basic salary toward their retirement arrangements. The Company also provides life assurance cover providing for the payment of a lump sum in the event of the insured's death in service.

In Switzerland the maximum pension contribution payable free of deductions is CHF 208,800. For Peter Rigby the excess due to him is paid in cash after deducting incremental Swiss employer social security costs.

Further details of these entitlements are shown on pages 59.

Performance Graph

The graph below shows the Company's performance, measured by TSR, compared with the performance of the FTSE All Share Media Index, also measured by TSR, in the five-year period ended 31 December 2011. The FTSE All Share Media Index has been selected for this comparison because the Company is a constituent company of that index.



Directors' Remuneration Report CONTINUED

Directors' Contracts

In March 2010, as a result of the relocation to Switzerland, the Executive Directors entered into new service contracts with the Company. These contracts are under Swiss law but other than changes required to reflect local law and custom in Switzerland, the terms and conditions are essentially the same as those contained in their previous service contracts which had been entered into under English law.

There are no specific terms in relation to the service contracts concerning termination following a change of control or any special rules concerning equity awards following termination; the Executive Directors are subject to the same rules and awards under share schemes following a termination of employment as for all other participants of the relevant schemes. In the event of early termination (except for cause), their contracts provide for compensation equal to basic salary, benefits allowance and retirement benefit and, in the case of Peter Rigby only, bonus for the notice period. The Company's policy in respect of protection from exposure to the risk of payment in the event of termination of an Executive Director's contract due to poor performance is to ensure that in the event of a new Executive Director being appointed that no bonus is payable under the service contract in the event of the Company making a payment in lieu of notice of termination. This policy was followed in relation to the service contract of Adam Walker.

Each of the Non-Executive Directors has specific terms of appointment, terminable by three months' notice. The dates of the Directors' original contracts are shown in the table below, although the contracts have been amended from time to time by letter agreement as required, including to reflect the Group's redomicile, the relocation to Switzerland of the Executive Directors and to reflect changes to salary or fee levels. The contracts, which include details of remuneration, are available for inspection at the registered office and principal office, and will be available for inspection at the AGM.

	Date of original contract
Executive Directors	
Peter Rigby	25 September 1996
Adam Walker	12 March 2008
Non-Executive Directors	
Derek Mapp	10 May 2004
Pamela Kirby	3 August 2004
John Davis	19 September 2005
Brendan O'Neill	26 November 2007
Stephen Carter	11 May 2010

Non-Executive Directors

The remuneration of the Non-Executive Directors is determined by the Board within the limits set by the Articles of Association. As stated above, no Director plays a part in any discussion about his or her remuneration. Fees are reviewed annually, taking account of the responsibility and time commitment of the Non-Executive Directors, including a comparison with the level of fees paid by other companies of similar size and complexity.

For 2011, annual fees were paid to the Non-Executive Directors as shown below and the Board has resolved that these fees will remain at the same level in 2012.

		2011 £	2012 £
Derek Mapp	Non-Executive Chairman	216,300	216,300
Pamela Kirby	Senior Independent Director and Chair of Remuneration Committee	67,000	67,000
John Davis	Non-Executive Director	57,700	57,700
Brendan O'Neill	Chairman of Audit Committee	70,040	70,040
Stephen Carter	Non-Executive Director	57,700	57,700

Non-Executive Directors are not eligible to participate in any of the Company's share incentive schemes or join any Company pension scheme.

AUDITED INFORMATION

As referred to above, from March 2010 the Executive Directors' emoluments are payable in Swiss Francs. Accordingly, the information for the Executive Directors in the table of Directors' Emoluments below is set out in Swiss Francs. For 2010 and 2011 the figures have been converted from Swiss Francs based on the average GBP / CHF exchange rate for 2010 of 1.6105, and 1.4152 for 2011.

Aggregate Directors' Remuneration

The total amounts for Directors' remuneration were as follows:

	2011 CHF'000	2010 CHF'000
Emoluments	5,289	5,195
Share incentive gains and payments	268	152
Retirement contributions (or cash payments in lieu)	569	519
	6,126	5,866

Directors' Emoluments

	Basic salary/ fees CHF'000	Bonus Accrued CHF'000	Benefits in kind/ allowances CHF'000	Total 2011 CHF'000	Total 2010 CHF'000
Executive Directors					
Peter Rigby	1,226	1,226	379	2,831	2,745
Adam Walker	744	744	306	1,794	1,747
	1,970	1,970	685	4,625	4,492

	Fees CHF'000[1]	Bonus Accrued CHF'000	Benefits in kind/ allowance CHF'000	Total 2011 CHF'000	Total 2010 CHF'000
Non-Executive Directors					
Derek Mapp	306	–	–	306	338
Pamela Kirby	95	–	–	95	105
John Davis	82	–	–	82	90
Brendan O'Neill	99	–	–	99	110
Stephen Carter	82	–	–	82	60
Total	664	–	–	664	703

[1] Based on an average exchange rate of 1.4152 during 2011.

Aggregate emoluments disclosed above do not include any amounts concerning (1) payments in respect of pension arrangements (which are disclosed below in this report but except as noted above) or (2) the value of share options granted to or held by Directors or of awards under the Company's LTIP. Details of these share-based incentives are given below and the value the share based awards which vested during the year are also included in the table of Aggregate Directors' Remuneration set out above.

Directors' Remuneration Report CONTINUED

Directors' Share Interests

The Directors who held office at 31 December 2011 had the following beneficial interests in the issued share capital of the Company:

	Ordinary Shares	
	At 31 December 2011	At 31 December 2010
Derek Mapp	100,000	90,531
Peter Rigby	937,048	937,048
Adam Walker	190,881	172,021
Pamela Kirby	14,000	14,000
John Davis	64,000	14,000
Brendan O'Neill	8,200	8,200
Stephen Carter	5,000	–

None of the Directors had any beneficial interests in the shares of other Group companies. In addition to the beneficial interests in the shares of the Company shown above, during 2011 Peter Rigby and Adam Walker were, for the purposes of the UK Companies Act, regarded as interested in the ordinary shares held by Nautilus Trust Company Limited, as trustee of the Informa Group Employee Share Trust. This trust held 46,527 shares at 31 December 2011. Employees of the Group (including Peter Rigby and Adam Walker) are potential beneficiaries under this trust.

There have been no changes in Directors' share interests from 31 December 2011 to the date of this Report.

Directors' Deferred Share Bonus Plan

Set out below are the details of shares in Informa plc held by the Directors issued under the Deferred Share Bonus Plan outlined on page 53. The shares are held by the Informa Group Employee Share Trust in named nominee accounts for each Director, and administered by Nautilus Trust Company Limited in Jersey.

	2010 Award			
	Cash Bonus Awarded 100% Salary (CHF)	Excess Bonus Awarded (7.9% achieved) (CHF)	Excess Bonus Awarded at 7.9% (GBP)	Number of shares awarded[1]
Peter Rigby	1,190,000	94,538	63,025	14,822
Adam Walker	722,500	57,398	38,265	8,999
	1,912,500	151,936	101,290	23,821

[1] Based on share price on date of grant of 425.2p.

Applying the bonus achieved of 113.6% for 2011, the Directors will be awarded a cash bonus of 100% of salary, and 13.6% of salary will form the excess bonus awarded as shares, and held on trust, in accordance with the rules of the scheme. It is anticipated that the shares awarded under this scheme in respect of 2011 will be granted in March 2012.

Directors' Share Options

Set out below are the details of options to acquire shares in Informa plc held by the Directors who served during the year. All of the conditions to exercise these options have been satisfied. No share options were granted during 2011.

	At 31 December 2010	Exercised	Lapsed	Exercise price (p)	Market price at date of exercise (p)	At 31 December 2011	Exercise period
Peter Rigby	108,699	–	108,699	–	–	–	07.03.04 to 06.03.11
	108,699	–	108,699	–	–	–	

The market price of the Company's ordinary shares at 31 December 2011 was 361.30p and the range during the year was between 313.90p to 461.10p. The daily average market price during the year was 393.53p.

Directors' Participation in Long-Term Incentive Scheme

The Executive Directors have been granted conditional awards over shares in the Company under the LTIP as described above.

The subsisting LTIP awards for the Executive Directors are as follows:

	At 31 December 2010	Vested	Lapsed	Granted[1]	At 31 December 2011	Award date	End of performance period
Peter Rigby	217,853	–	217,853	–	–	09.04.2008	31.12.2010
	411,764	–	–	–	411,764	04.08.2009	31.12.2011
	262,631	–	–	–	262,631	08.04.2010	31.12.2012
	–	–	–	290,761	290,761	09.03.2011	31.12.2013
	892,248	–	217,853	290,761	965,156		
Adam Walker	146,965	–	146,965	–	–	09.04.2008	31.12.2010
	250,000	–	–	–	250,000	04.08.2009	31.12.2011
	159,454	–	–	–	159,454	08.04.2010	31.12.2012
	–	–	–	176,533	176,533	09.03.2011	31.12.2013
	556,419	–	146,965	176,533	585,987		

[1] The market price of the Company's shares on the grant date was 419.90 pence per share.

The grants were made on the terms described on page 54. Subject to achievement of the relevant performance conditions and continued employment, these awards will vest subject to a three-year performance period, commencing on 1 January of the year of grant. The Committee noted that the EPS-related performance conditions covering the Executive Directors' awards made in 2008 were not achieved and accordingly the 2008 awards lapsed in March 2011.

Directors' Pension Entitlements

No Directors are members of defined benefit schemes provided by the Company or any of its subsidiaries and accordingly they have no accrued entitlements under these schemes.

Payments made by the Group directly to Directors or their nominated retirement investment vehicles in respect of their retirement benefit entitlements are as set out below. Consistent with the form of presentation of the financial information in the emoluments table above, the figures below are provided in Swiss Francs.

	2011 CHF'000	2010 CHF'000
Peter Rigby[1]	359	323
Adam Walker	210	196

[1] Due to the CHF835,200 earnings cap into Swiss Pension Schemes, Peter Rigby's payment is part into a pension scheme and part by way of cash payment.

APPROVAL

This Report was approved by the Board of Directors and signed on its behalf by:

Dr Pamela Kirby
Chair of the Remuneration Committee

23 February 2012

FINANCIAL STATEMENTS

Independent Auditor's Report

TO THE MEMBERS OF INFORMA PLC

We have audited the Group financial statements (the "financial statements") of Informa plc for the year ended 31 December 2011 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position, the Consolidated Cash Flow Statement and the related notes 1 to 38. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the Parent Company's affairs as at 31 December 2011 and of the Group's and Parent Company's profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly prepared in accordance with the Companies (Jersey) Law 1991.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following:

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- proper accounting records have not been kept by the Parent Company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review.

OTHER MATTERS

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the provisions of the UK Companies Act 2006 as if that Act had applied to the Company.

We have reviewed the directors' statement, in relation to going concern as if the company had been incorporated in the UK and have nothing to report to you in that respect.

Ian Waller
for and on behalf of Deloitte LLP
Chartered Accountants and Recognized Auditor
London, UK

23 February 2012

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	5	1,275.3	–	1,275.3	1,226.5	–	1,226.5
Net operating expenses	7	(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	19	–	0.1	0.1	–	–	–
Finance costs	11	(46.1)	(1.5)	(47.6)	(41.8)	(2.2)	(44.0)
Investment income	12	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	13	(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	33			(1.1)			–
Earnings per share from continuing operations							
– Basic (p)	15			12.5			16.5
– Diluted (p)	15			12.5			16.5
Adjusted earnings per share from continuing operations							
– Basic (p)	15	37.9			34.8		
– Diluted (p)	15	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	36	(5.1)	(1.0)
Tax on income and expenses taken directly to equity	28	(3.6)	(4.0)
Transfer from profit or loss on cash flow hedges		–	(0.6)
De-designation of hedge accounting	11	–	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	33	(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 (Note 36)	–	–	–	(1.0)	(1.0)	–	(1.0)
Tax on income and expenses taken directly to equity (Note 28)	–	–	(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 14)	–	–	–	(74.1)	(74.1)	(0.9)	(75.0)
Share award expense (Note 10)	–	–	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 (Note 36)	–	–	–	(5.1)	(5.1)	–	(5.1)
Tax on income and expenses taken directly to equity (Note 28)	–	–	(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 14)	–	–	–	(87.2)	(87.2)	(0.3)	(87.5)
Share award expense (Note 10)	–	–	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 to the Consolidated Financial Statements CONTINUED

1 GENERAL INFORMATION continued

- IFRS 10 is a new standard which replaces the portion of IAS 27 that addresses the accounting for consolidated financial statements. IFRS 10 includes a new definition of control, which determines which entities are consolidated. This standard is effective for accounting periods commencing on or after 1 January 2013. The Group has evaluated the impact on its consolidation and concluded that IFRS 10 would currently have no impact. However for any future acquisitions, the implications of IFRS 10 should be considered.
- IFRS 11 is a new standard which replaces IAS 31 and SIC 13. Under IFRS 11 joint control is defined as the contractually agreed sharing of control of an arrangement which exists only when the decisions about the relevant activities require the unanimous consent of the parties sharing control. IFRS 11 addresses only two forms of joint arrangements (joint operations and joint ventures) and removes the option to account for using proportionate consolidation. This standard is effective for accounting periods commencing on or after 1 January 2013. Since the current accounting for Joint Ventures is by proportionate consolidation, the Group will consider in 2012 how it can change its system to equity accounting. This change in policy will require a restatement of the comparative period as well.
- IFRS 13 is a new standard which provides guidance on the determination of fair value and introduces consistent requirements for disclosure on fair value measurements. IFRS 13 applies to all transactions and balances (financial or non-financial) for which IFRSs require or permit fair value measurements, with the exception of share-based payment transactions accounted for under IFRS 2 *Shared-based Payment* and leasing transactions within the scope of IAS 17 *Leases*. This standard is effective for accounting periods commencing on or after 1 January 2013. The Group evaluated the impact on the Group's consolidation and concluded that the only item not covered within our existing IFRS disclosures, that is measured at fair value would be separately identified Intangibles acquired in a material business combination.

2 BASIS OF PREPARATION

The financial statements have been prepared in accordance with IFRS adopted by the European Union and therefore comply with Article 4 of the EU IAS Regulations.

Adjusted results

Management believes that adjusted results and adjusted earnings per share (Note 15) 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/(credits) were presented as adjusting items:

	Notes	2011 £m	2010 £m
Restructuring and reorganisation costs	8	15.2	8.3
Acquisition related costs	7	1.4	1.3
Amortisation of other intangible assets	17	137.9	133.8
Impairment – Robbins Gioia	16/17	50.7	–
Impairment – Counsel on Education in Management	19	–	5.0
Impairment – Other	17	3.6	–
Subsequent re-measurement of contingent consideration	7	(2.9)	0.8
Profit on disposal of business	19	(0.1)	–
De-designation of hedge accounting	11	–	1.1
Excess interest on early repayment of syndicated loans	11	1.5	1.1
		207.3	151.4
Tax related to adjusting items	13	(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%.

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

Notes to the Consolidated Financial Statements CONTINUED

3 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain assets and financial instruments. The principal accounting policies adopted, all of which have been consistently applied, are set out below.

Basis of consolidation

The Consolidated Financial Statements incorporate the accounts of the Company and all of its subsidiaries. The Consolidated Financial Statements are prepared on a going concern basis. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The results of subsidiaries acquired or sold are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the results of acquired subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expense are eliminated on consolidation.

Non-controlling interest in the net assets of consolidated subsidiaries are identified separately from the Group's equity and consist of the amount of those interests at the date of the original business combination plus their share of changes in equity since that date.

Revenue

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

Subscription income is deferred and recognised over the term of the subscription.

Sponsorship and exhibition income is deferred and recognised when the event is held.

Delegates' income represents fees earned and is recognised when the event is held.

Copy sales revenue is recognised on the sale of the directory or publication.

Advertising revenue is recognised on issue of the publication.

Consulting and training revenues are recognised as services are delivered. Where consultancy services are provided over a period of time, revenue is recognised using the stage of completion method when the outcome of the contract can be measured reliably. The stage of completion is determined with regard to key milestones in the contract being attained and the percentage of services performed under the contract as a percentage of the total services to be performed.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Business combinations

Business combinations from 1 January 2010:
The acquisition of subsidiaries is accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of fair values of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition costs incurred are expensed and included in adjusting items in the Consolidated Income Statement.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Business combination prior to 1 January 2010:
The acquisition of subsidiaries is accounted for using the purchase method. The cost of an acquisition is measured at the aggregate of fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 (2004) are recognised at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill

Goodwill arising on the acquisition of subsidiary companies and businesses is calculated as the excess of purchase consideration over the fair value of net identifiable assets and liabilities at the date of acquisition. It is recognised as an asset at cost, assessed for impairment at least annually and subsequently measured at cost less accumulated impairment losses. Any impairment is recognised immediately in the Consolidated Income Statement and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units, as defined by the Board for internal management purposes, expected to benefit from the combination. Goodwill is tested for impairment annually or more frequently when there is an indication that it may be impaired. Where an impairment test is performed a discounted cash flow analysis is carried out based on the cash flows of the cash generating unit compared with the carrying value of that goodwill. Management estimate the discount rates as the risk affected cost of capital for the particular cash generating units. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Upon disposal, the attributable carrying value of goodwill is included in the calculation of the profit or loss on disposal.

Intangible assets

Intangible assets are initially measured at cost. For business combinations, cost is calculated based on the Group's valuation methodologies (Note 18). These assets are amortised over their estimated useful lives on a straight line basis, which are as follows:

Book lists	20 years
Journal titles	20 – 40 years
Database content and intellectual property	4 – 20 years
Large scale events and exhibitions	8 – 10 years

Software which is not integral to a related item of hardware is included in intangible assets. Capitalised internal-use software costs include external direct costs of materials and services consumed in developing or obtaining the software, and payroll and payroll related costs for employees who are directly associated with, and who devote substantial time to, the project. Capitalisation of these costs ceases no later than the point at which the project is substantially complete and ready for its internal purpose. These costs are amortised on a straight line basis over their expected useful lives which are deemed to be 3-10 years.

The expected useful lives of intangible assets are reviewed annually.

The Group does not have any intangible assets with indefinite lives (excluding goodwill).

Property and equipment

Property and equipment is recorded at cost less accumulated depreciation and provision for impairment. Depreciation is provided to write off the cost less the estimated residual value of property and equipment on a straight line basis over the estimated useful lives of the assets. The rates of depreciation are as follows:

Freehold buildings	50 years
Leasehold land and buildings	Over life of the lease
Equipment, fixtures and fittings	3 – 15 years
Freehold land is not depreciated	

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the net sale proceeds and the carrying amount of the asset and is recognised in the Consolidated Income Statement.

Notes to the Consolidated Financial Statements CONTINUED

3 ACCOUNTING POLICIES continued

Impairment of tangible and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Non-current assets classified as held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying value and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Inventory

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and expenses incurred in bringing the inventory to its present location and condition. Net realisable value represents the estimated selling price less marketing and distribution costs expected to be incurred.

Foreign currencies

Transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the rates ruling at that date. These translation differences are disclosed in the Consolidated Income Statement.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the Consolidated Income Statement for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

The statements of financial position of foreign subsidiaries are translated into pounds sterling at the closing rates of exchange. The results are translated at an average rate, recalculated for each month between that month's closing rate and the equivalent for the preceding month.

Foreign exchange differences arising from the translation of opening net investments in foreign subsidiaries at the closing rate are taken directly to the translation reserve. In addition, foreign exchange differences arising from retranslation of the foreign subsidiaries' results from monthly average rate to closing rate are also taken directly to the Group's hedging and translation reserve. Such translation differences are recognised in the Consolidated Income Statement in the financial year in which the operations are disposed of. The translation movement on matched long-term foreign currency borrowings, qualifying as hedging instruments under IAS 39, are also taken directly to the hedging reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the lease and depreciated over the shorter of the period of the lease and the estimated useful economic lives of the assets. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation. Finance charges are allocated over the period of the lease in proportion to the capital amount outstanding and are charged to the Consolidated Income Statement.

Operating lease rentals are charged to the Consolidated Income Statement in equal annual amounts over the lease term.

Rental income from sub leasing property space is recognised on a straight line basis over the term of the relevant lease and is matched with the corresponding payments made under the head lease.

Taxation

The tax expense represents the sum of the current tax payable and deferred tax.

Current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Consolidated Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax nor accounting profit.

Deferred tax is calculated for all business combinations in respect of intangible assets and properties. A deferred tax liability is recognised to the extent that the fair value of the assets for accounting purposes exceeds the value of those assets for tax purposes and will form part of the associated goodwill on acquisition.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Consolidated Income Statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Pension costs

Certain Group companies operate defined contribution pension schemes for employees. The assets of the schemes are held separately from the individual companies. The pension cost charge associated with these schemes represents contributions payable and is charged as an expense when they fall due.

The Group also operates funded defined benefit schemes for employees. The cost of providing these benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. Past service cost is recognised immediately to the extent the benefits are vested, and otherwise are amortised on a straight line basis over the average period until the benefits become vested. The current service cost and the recognised element of any past service cost are presented within operating profit. The interest cost arising on the pension liability less the interest return on the scheme assets is presented within finance costs. Actuarial gains and losses are recognised in full in the period in which they occur, outside of the Consolidated Income Statement and in the Consolidated Statement of Comprehensive Income. The expected return on scheme assets reflects the estimate made by management of the long-term yields that will arise from the specific assets held within the pension scheme.

The retirement benefit obligation recognised in the Consolidated Statement of Financial Position represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost and the fair value of any relevant scheme assets.

Notes to the Consolidated Financial Statements CONTINUED

3 ACCOUNTING POLICIES continued

Share-based payments

The Group issues equity-settled share-based payments to certain employees. A fair value for the equity-settled share awards is measured at the date of grant. The fair value of the Share Options and Long-Term Incentive Plan is measured using the Binomial or Monte Carlo model of valuation, which are considered to be the most appropriate valuation techniques. The valuation takes into account factors such as non-transferability, exercise restrictions and behavioural considerations. To assign a fair value to share awards granted under the Share Matching Plan where the proportion of the award released is dependent on the level of total shareholder return, the Monte Carlo Simulation methodology is considered the most appropriate.

An expense is recognised to spread the fair value of each award over the vesting period on a straight line basis, after allowing for an estimate of the share awards that will actually vest. The estimate of vesting is reviewed annually, with any impact on the cumulative charge being recognised immediately.

Financial assets

Financial assets are recognised in the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are classified into the following categories: loans and receivables, cash and cash equivalents, and available-for-sale investments. The classification is determined by management upon initial recognition, and it is based on the purpose for which the financial assets were acquired.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest basis for all debt instruments within the Group.

Loans and receivables

Trade receivables, loans and other receivables are measured on initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible (with a maturity of three months or less) to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Cash Flow Statement.

Available-for-sale investments

Listed and unlisted shares held by the Group that are traded in an active market are classified as being available-for-sale and are stated at fair value. F

Notes to the Consolidated Financial Statements CONTINUED

3 ACCOUNTING POLICIES continued

Derivative financial instruments and hedge accounting continued

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of a change of fair value of recognised assets and liabilities or firm commitments (fair value hedges); or
- hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
- hedges of a net investment in a foreign operation (net investment hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Fair value hedge:
Changes in the fair value of derivative financial instruments that are designated and qualify as fair value hedges are recorded in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the line of the Consolidated Income Statement relating to the hedged item.

Cash flow hedge:
The effective portion of changes in the fair value of derivative financial instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated Income Statement. If the cash flow hedge of a firm commitment or forecast transaction results in the recognition of a financial asset or financial liability, amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss in the same line of the Consolidated Income Statement as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedges of net investment in foreign operations:
Hedges of net investment in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument in relation to the effective portion of the hedge is recognised in the other comprehensive income and accumulated in the foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated Income Statement. Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to profit or loss when the hedged item is disposed of.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Consolidated Income Statement as they arise.

Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the Consolidated Income Statement in the period.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Further details of derivative financial instruments are disclosed in Note 30.

ESOP Trust shares

Own shares deducted in arriving at shareholders' funds represent the cost of the Company's ordinary shares acquired by the Employee Share Option Plan ("ESOP") trusts in connection with certain of the Group's employee share schemes.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Restructuring provisions are recognised when the Group has a detailed formal plan for the restructuring that has been communicated to the affected parties.

4 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In addition to the judgment taken by management in selecting and applying the accounting policies set out above, the Directors have made the following judgments concerning the amounts recognised in the consolidated financial statements.

Valuation and asset lives of separately identifiable intangible assets

In order to determine the value of the separately identifiable intangible assets on a business combination, management are required to make estimates when utilising the Group's valuation methodologies. These methodologies include the use of discounted cash flows and revenue forecasts. For significant acquisitions management have considered the advice of third party independent valuers in identifying and calculating the valuation of any intangible assets arising on acquisition.

Asset lives are estimated based on the nature of the intangible asset acquired and range between 3 and 40 years.

Valuation of share-based payments

In order to determine the value of share-based payments, management are required to make an estimation of the effects of non-transferability, exercise restrictions, and behavioural considerations. The expected volatility is determined by calculating the historical volatility of the Company's share price calculated over one, two and three years back from the date of grant. The list of inputs used in the Binomial and Monte Carlo Simulation models to calculate the fair values are provided in Note 10.

Valuation of financial instruments at fair value

Management have made a number of assumptions with regards to the models used to value financial instruments at their fair value at year end. Valuation techniques commonly used by market practitioners are applied. Note 30 details the methods used to value the primary financial instruments held or issued to finance the Group's borrowing requirements and the derivative financial instruments held to manage the interest rate profile.

For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates.

Impairment of goodwill and other intangible assets

There are a number of assumptions management have considered in performing impairment reviews of goodwill and intangible assets, as determining whether goodwill or intangible assets are impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. Note 16 details the assumptions that have been applied.

Pension assumptions

There are a number of assumptions management have considered on the advice of actuaries which have an impact on the results of the valuation of the pension scheme liabilities at year end. The most significant assumptions are those relating to the discount rate of return on investments and the rates of increase in salaries and pensions. Note 36 details the assumptions which have been adopted.

Deferred tax

Deferred tax assets and liabilities require management judgment in determining the amounts to be recognised. In particular, judgment is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income.

Provisions

Provisions have been made for onerous leases, dilapidations and restructuring. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made. Details of the Group's provisions are set out in Note 27.

Contingent consideration

Contingent consideration relating to acquisitions has been included based on management estimates of the most likely outcome (Note 18). However under IFRS3 (2008) subsequent re-measurement of contingent consideration is recognised in the Consolidated Income Statement.

Notes to the Consolidated Financial Statements CONTINUED

5 REVENUE

An analysis of the Group's revenue is as follows:

	2011 £m	2010 £m
Subscriptions	464.1	441.3
Delegates	319.6	319.7
Copy sales	210.1	212.4
Exhibition	134.0	107.4
Sponsorship	63.2	51.3
Consulting	55.2	64.0
Advertising	29.1	30.4
Total revenue	1,275.3	1,226.5

6 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 (Note 5)	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 8)	(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 17)	(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 11)				(47.6)
Investment income (Note 12)				5.8
Profit before tax				88.6

[1] Excludes software amortisation.

Notes to the Consolidated Financial Statements CONTINUED

6 BUSINESS SEGMENTS continued

Segment revenue and results continued

31 December 2010

	AI £m	PCI £m	Events and Training £m	Total £m
Revenue (Note 5)	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 8)	(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 17)	(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 11)				(44.0)
Investment income (Note 12)				5.0
Profit before tax				125.0

[1] Excludes software amortisation.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. 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.

Notes to the Consolidated Financial Statements CONTINUED

7 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)	9	355.5	–	355.5	344.6	–	344.6
Amortisation of other intangible assets	17	13.1	137.9	151.0	16.3	133.8	150.1
Depreciation	20	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	34	24.8	–	24.8	24.8	–	24.8
– Other	34	1.2	–	1.2	1.3	–	1.3
Restructuring and reorganisation costs	8	–	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

Amounts payable to the auditor, Deloitte LLP and their associates by the Company and its subsidiary undertakings is provided below:

	2011 £m	2010 £m
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	0.8	0.7
Fees payable to the Company's auditor and their associates for other services to the Group:		
Audit of the Company's subsidiaries	0.5	0.5
Total audit fees	1.3	1.2
Fees payable to the Company's auditor for non-audit services comprises:		
Audit related assurance services	0.1	0.1
Other services	0.1	0.3
Total non-audit fees	0.2	0.4

A description of the work of the Audit Committee is set out in the Corporate Governance Statement on page 48 and includes an explanation of how auditor objectivity and independence is safeguarded when non-audit services are provided by the auditor.

8 RESTRUCTURING AND REORGANISATION COSTS

	2011 £m	2010 £m
Reorganisation costs	2.8	2.8
Redundancy costs	11.9	4.6
Vacant property provisions	0.5	0.9
	15.2	8.3

9 STAFF NUMBERS AND COSTS

The monthly average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	Number of employees	
	2011	2010
AI	1,581	1,497
PCI	3,025	3,130
Events and Training	3,669	3,614
	8,275	8,241

Their aggregate remuneration comprised:

	2011 £m	2010 £m
Wages and salaries	312.6	304.1
Social security costs	30.8	29.6
Pension costs charged to operating profit (Note 36)	9.1	8.8
Share-based payment (Note 10)	3.0	2.1
Staff costs (excluding redundancy costs)	355.5	344.6
Redundancy costs (Note 8)	11.9	4.6
	367.4	349.2

The remuneration of Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures* (Note 37). Further information about the remuneration of individual Directors is provided in the audited part of the Directors' Remuneration Report on pages 57 to 59.

	2011 £m	2010 £m
Short-term employee benefits	3.7	3.2
Post-employment benefits	0.4	0.3
Share-based payments	0.2	0.1
	4.3	3.6

Notes to the Consolidated Financial Statements CONTINUED

10 SHARE-BASED PAYMENTS

The Group share options and Long-Term Incentive Plans ("LTIPs") provide for a grant price equal to the average quoted market price of the Group's shares on the date of grant. The vesting period is generally three years. The options expire if they remain unexercised after the exercise period has lapsed. Furthermore, options are forfeited if the employee leaves the Group before the options vest, unless they meet certain eligibility criteria. The options are equity-settled.

The Group recognised total expenses of £3.0m (2010: £2.1m) related to equity-settled share-based payment transactions in the year ended 31 December 2011.

Share options

The number and weighted average exercise prices of share options are as follows:

	2011		2010	
	Options	Weighted average exercise price (p)	Options	Weighted average exercise price (p)
Outstanding at the beginning of the year	496,998	286.99	1,935,431	392.71
Forfeited/lapsed during the year	(108,699)	436.40	(1,035,337)	489.99
Exercised during the year	(158,133)	269.56	(403,096)	259.93
Outstanding at the end of the year	230,166	228.40	496,998	286.99
Exercisable at the end of the year	230,166		496,998	

The weighted average share price at the date of exercise for share options exercised during the year was 269.56p (2010: 259.93p).

The options outstanding at 31 December 2011 had a weighted average remaining contractual life of 0.25 years (2010: 0.77 years) and exercise prices ranging from 212.32p to 252.38p (Note 31).

Inputs used to calculate those fair values and the method of calculation are set out in the following tables:

Date of grant	Estimated fair value	Share price	Exercise price	Expected volatility	Expected life (years)	Risk free rate	Dividend yield
4 March 2004[1]	£1.18	£3.76	£3.73	32.3%	5.0	4.8%	2.0%
22 March 2004/10 May 2004 (Executive)[1]	£1.08	£3.49	£3.41* (adjusted)	32.8%	4.9	4.6%	2.0%
22 March 2004/10 May 2004 (Employee)[1]	£0.93	£3.49	£3.41* (adjusted)	32.8%	3.5	4.2%	2.0%
15 September 2004[1]	£1.16	£3.71	£3.70	30.6%	5.0	5.0%	2.0%

[1] Valued using the Binomial model of valuation.

* Adjusted for the business combination in 2004 of Taylor & Francis Group plc and Informa Group plc, and in 2005 for a rights issue.

13 TAXATION

The tax charge comprises:

	Note	2011 £m	2010 £m
Current tax		44.5	58.6
Deferred tax:			
Current year	28	(18.9)	(28.5)
Credit arising from UK corporation tax rate change		(6.0)	(4.0)
Deferred tax credit in respect of prior years	28	(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 17)	(137.9)	35.7	(133.8)	34.7
Impairment (Note 2)	(54.3)	3.1	(5.0)	–
Restructuring and reorganisation costs (Note 8)	(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 19)	0.1	–	–	–
De-designation of hedge accounting (Note 11)	–	–	(1.1)	0.3
Excess interest on early repayment of syndicated loans (Note 11)	(1.5)	0.4	(1.1)	0.3
Deferred tax credit arising from UK corporation tax rate change (Note 28)	–	6.0	–	4.0
Deferred tax credit in respect of prior years (Note 28)	–	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 (Note 28) has been recognised directly in the Consolidated Statement of Comprehensive Income during the year.

Notes to the Consolidated Financial Statements CONTINUED

14 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.

15 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

Notes to the Consolidated Financial Statements CONTINUED

16 GOODWILL

	£m
Cost	
At 1 January 2010	1,745.8
Additions in the year	14.0
Reclassification (Note 17)	(9.5)
Exchange differences	24.3
At 1 January 2011	1,774.6
Additions in the year	65.2
Disposals (Note 19)	(0.2)
Exchange differences	(11.1)
At 31 December 2011	1,828.5
Accumulated impairment losses	
At 1 January 2010	(18.5)
Impairment losses for the year (Note 2)	(3.1)
Exchange differences	0.7
At 1 January 2011	(20.9)
Impairment losses for the year (Note 2)	(43.2)
Exchange differences	0.4
At 31 December 2011	(63.7)
Carrying amount	
At 31 December 2011	1,764.8
At 31 December 2010	1,753.7

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ("CGUs") that are expected to benefit from that business combination.

The carrying amount of goodwill recorded in the major groups of cash generating units is set out below:

	2011 £m	2010 £m
AI	420.6	416.3
PCI	693.3	692.3
Events and Training	650.9	645.1
	1,764.8	1,753.7

The Group has recorded an impairment charge in relation to the value of goodwill and intangible assets in the Robbins Gioia business. This business generates the majority of its revenues from US Government contracts, a market that is decreasing in size following a US Government decision to take more of these contracts in-house. The impairment charge of £43.2m in relation to Goodwill and £7.5m in relation to the Database Content and Intellectual Property intangible assets has been recognised as an adjusting item in the Consolidated Income Statement. This impairment charge reduces the carrying value of the business to management's assessment of its recoverable amount. Robbins Gioia is included in the Events and Training segment.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions in the value in use are those regarding the discount rates, growth rates and expected changes to cash flows during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs.

The pre-tax discount rates applied are 9.5% for AI and PCI and 10.5% for the Events and Training businesses. There has been no change to the discount rate since the prior year, which is consistent with the fact that there has been no significant change in the markets in which the Group operates.

Estimated future cash flows are determined by reference to latest budgets and forecasts for the next five years approved by management, after which a long term perpetuity growth rate is applied. The most recent financial budgets approved by the Board of Directors have been prepared after considering the current economic environment in each of our markets. The estimates of future cash flows are consistent with past experience adjusted for management's estimates of future performance.

Short-term average growth rates used for the five year forecasts vary between 2.8% and 25%. Long-term average growth rates are 2% for AI and PCI and 3% for Events and Training. The rates do not exceed the average long-term growth rate for the relevant markets.

At 31 December 2011 and 31 December 2010, the carrying amounts of goodwill for CGUs were tested for impairment and deemed not to be impaired.

The CGUs which had the lowest level of headroom or potential impairment in this analysis related to the Events and Training businesses.

If the economic environment surrounding this sector continues to decline in 2012 and the effect of which erodes the customer base further, there may be the possibility of a future impairment. Management will conduct regular reviews to monitor this.

Management has undertaken sensitivity analysis taking into consideration the impact on key impairment test assumptions arising from a range of possible future trading and economic scenarios. The scenarios have been performed separately for each CGU with the sensitivities summarised as follows:

- an increase in the pre-tax discount rate by 1%;
- a decrease of 1% of AI and PCI and 2% for Events and Training on forecast operating profits over years 2-5; and
- a decrease in the terminal growth rate by 1% for all CGUs.

The sensitivity analysis shows that applying all of the above criteria, an impairment of £37.1m would arise for European Conferences (a CGU included in Events and Training). The carrying value of Goodwill and Intangible assets in the European Conferences business was £165.9m as at 31 December 2011.

Notes to the Consolidated Financial Statements CONTINUED

17 OTHER INTANGIBLE ASSETS

	Book lists and journal titles £m	Database content and intellectual property £m	Exhibitions and Conferences £m	Sub total £m	Intangible software assets £m	Total £m
Cost						
At 1 January 2010	620.1	728.3	174.5	1,522.9	111.7	1,634.6
Arising on acquisitions in the year	3.4	28.2	23.8	55.4	–	55.4
Additions[1,2,3]	2.5	9.6	7.6	19.7	10.7	30.4
Reclassification	–	9.5	–	9.5	2.1	11.6
Disposals	–	–	–	–	(4.0)	(4.0)
Exchange differences	11.9	19.8	3.7	35.4	1.1	36.5
At 1 January 2011	637.9	795.4	209.6	1,642.9	121.6	1,764.5
Arising on acquisitions in the year	6.3	2.8	36.7	45.8	0.1	45.9
Additions[1,2,3]	20.5	8.1	0.1	28.7	12.6	41.3
Reclassification	–	(0.5)	–	(0.5)	0.5	–
Disposals[4]	(0.9)	–	(0.8)	(1.7)	(18.2)	(19.9)
Exchange differences	0.7	2.2	(3.6)	(0.7)	0.1	(0.6)
At 31 December 2011	664.5	808.0	242.0	1,714.5	116.7	1,831.2
Amortisation						
At 1 January 2010	(116.1)	(318.3)	(78.0)	(512.4)	(44.6)	(557.0)
Charge for the year	(25.8)	(88.3)	(19.7)	(133.8)	(16.3)	(150.1)
Impairment losses for the year (Note 2)	–	(1.6)	–	(1.6)	–	(1.6)
Disposals	–	–	–	–	4.0	4.0
Exchange differences	(2.1)	(8.8)	(1.5)	(12.4)	(0.4)	(12.8)
At 1 January 2011	(144.0)	(417.0)	(99.2)	(660.2)	(57.3)	(717.5)
Charge for the year	(30.4)	(82.0)	(25.5)	(137.9)	(13.1)	(151.0)
Impairment losses for the year (Note 2)	–	(10.0)	(1.1)	(11.1)	–	(11.1)
Disposals[4]	0.1	–	0.3	0.4	17.9	18.3
Exchange differences	(0.2)	(0.2)	0.4	–	(0.1)	(0.1)
At 31 December 2011	(174.5)	(509.2)	(125.1)	(808.8)	(52.6)	(861.4)
Carrying amount						
At 31 December 2011	490.0	298.8	116.9	905.7	64.1	969.8
At 31 December 2010	493.9	378.4	110.4	982.7	64.3	1,047.0

[1] Of the £28.7m (2010: £19.7m) additions to Book lists and journal titles, Database content and intellectual property and Exhibitions and conferences, £28.5m (2010: £17.7m) represents cash paid.

[2] £12.6m (2010: £10.7m) additions to Intangible software assets represents cash paid.

[3] Of the £8.1m (2010: £9.6m) additions to Database content and intellectual property, £4.0m (2010: £9.6m) represents product development.

[4] £0.9m in Book lists and journal titles relates to the disposal of the journal title called Ergonomics Abstracts. The NBV on disposal of £0.5m in Exhibitions and Conferences relates to the disposal of Nicholas Publishing International FZ-LLC. Further information on the disposal of subsidiaries is included in Note 19.

Intangible software assets include a gross carrying amount of £69.9m (2010: £58.4m) and accumulated amortisation of £23.1m (2010: £13.0m) which relates to software that has been internally generated.

Intangible database content and intellectual property include a gross carrying amount of £22.5m (2010: £18.9m) and accumulated amortisation of £4.7m (2010: £3.5m) which relates to product development that has been internally generated.

The Group does not have any of its other intangible assets pledged as security over bank loans.

During the year ended 31 December 2011, the Database Content and Intellectual Property intangible assets in relation to the Robbins Gioia business were impaired by £7.5m. Further details are provided in Note 16.

As a consequence of reducing the contingent consideration for the recent acquisitions by £2.9m (see Note 2), an impairment charge of £2.5m in Database Content and Intellectual Property and £1.1m in Exhibitions and Conferences has also been recognised. The re-measurement of the contingent consideration and impairment has been presented as adjusting items in the Consolidated Income Statement. Further information is disclosed in Note 2.

Notes to the Consolidated Financial Statements CONTINUED

18 BUSINESS COMBINATIONS

Cash paid on acquisition net of cash acquired

	2011 £m	2010 £m
Current period acquisitions		
Brazil Trade Shows Partners Participacoes S.A.	50.7	–
Ibratexpo Feiras E Eventos LTDA.	17.2	–
Other	13.0	–
Prior year acquisitions		
2010 acquisitions:		
EuroMediCom SAS	1.8	1.3
CPDcast.com Limited	–	4.9
Emerging Portfolio Fund Research Inc.	–	9.6
Australian Exhibitions and Conferences Group	(0.7)	14.4
Other	1.0	5.4
2009 acquisitions:		
Heldref Journals	–	0.7
Other	0.4	0.6
2008 acquisitions	–	0.3
2007 acquisitions:		
Datamonitor plc	–	3.7
	83.4	40.9

[1] These acquisitions are covered by the 'Current year's business combinations' tables in this note. Where goodwill is provisional, a best estimate of fair value has been made but these will be reviewed and adjusted in the next year should it be necessary.

All acquisitions were paid for in cash (including deferred and contingent consideration) and in all acquisitions full control over the business has been acquired by acquiring 100% of the ordinary issued share capital, with the exception of China Medical Data Services Limited and its wholly owned subsidiary Asia Gateway Healthcare Information Technology (Beijing) Co., Ltd.

Business combinations made in 2011

Brazil Trade Shows Partners Participacoes S.A.

On 31 May 2011, the Group acquired 100% of the issued share capital of Brazil Trade Shows Partners Participacoes S.A. and its wholly owned subsidiary BTS Feiras Eventos e Editora LTDA. The Company organises trade shows in the food and beverage services, furniture manufacturing and franchising sectors.

The net cash outflow was £50.7m comprising of cash consideration of £56.3m less net cash acquired of £5.6m.

The disclosure below provides the net assets acquired on a combined basis with the related fair value adjustments.

Net assets at date of acquisition	Book value £m	Fair value adjustments £m	Fair value £m
Intangible assets	17.1	6.5	23.6
Property and equipment	0.3	–	0.3
Deferred tax asset	3.3	(3.3)	–
Trade and other receivables	7.7	–	7.7
Cash and cash equivalents	5.6	–	5.6
Trade and other payables	(4.0)	–	(4.0)
External loans payable	(4.3)	–	(4.3)
Deferred income	(13.2)	–	(13.2)
Net assets	12.5	3.2	15.7
Provisional goodwill			46.8
Total consideration			62.5
Less: deferred consideration			(6.2)
Less: net cash acquired			(5.6)
Net cash outflow			50.7

Goodwill, being the excess of the consideration over the fair value of the net tangible and intangible assets acquired, represents benefits which do not qualify for recognition as intangible assets. The fair value of the acquired identifiable assets and liabilities assumed are provisional pending receipt of final valuations.

For significant acquisitions, management is assisted by the work of external advisors in identifying and calculating the valuation of any intangible assets. The intangible assets acquired as part of the acquisition is as follows:

	£m
Trademarks	17.0
Customer relationships	5.7
Non-compete agreements	0.9
Total intangible assets	23.6

No deferred tax liability arises on the initial recognition of intangible assets because shortly after the acquisition the Company was merged with the acquiring vehicle and as a consequence, tax deductions are available on the Company's intangible assets, including goodwill.

Acquisition related costs (included in adjusting items in the Consolidated Income Statement for the year ended 31 December 2011) amounted to £0.6m.

The business contributed £5.5m to profit and £16.2m to revenue of the Group for the period between the date of acquisition and 31 December 2011.

If the acquisition had been completed on the first day of the financial year, it would have contributed £2.7m to profit and £16.6m to revenue of the Group.

Notes to the Consolidated Financial Statements CONTINUED

18 BUSINESS COMBINATIONS continued

Business combinations made in 2011 continued

Ibratexpo Feiras E Eventos LTDA.

On 29 April 2011, the Group acquired 100% of the issued share capital of Ibratexpo Feiras E Eventos LTDA. The Company operates an annual print exhibition with related magazines.

The net cash outflow and cash consideration was £12.2m.

The disclosure below provides the net liabilities acquired with the related fair value adjustments.

Net assets at date of acquisition	Book value £m	Fair value adjustments £m	Fair value £m
Intangible assets	–	7.7	7.7
Trade and other receivables	0.7	–	0.7
Trade and other payables	(0.2)	–	(0.2)
Deferred income	(2.5)	–	(2.5)
Net (liabilities)/assets	(2.0)	7.7	5.7
Provisional goodwill			11.5
Total consideration			17.2
Less: deferred consideration			(1.2)
Less: contingent consideration			(3.8)
Net cash outflow			12.2

Goodwill, being the excess of the consideration over the fair value of the net tangible and intangible assets acquired, represents benefits which do not qualify for recognition as intangible assets.

For significant acquisitions, management is assisted by the work of external advisors in identifying and calculating the valuation of any intangible assets. The intangible assets acquired as part of the acquisition is as follows:

	£m
Trademarks	3.2
Customer relationships	2.6
Non-compete agreements	1.9
Total intangible assets	7.7

No deferred tax liability arises on the initial recognition of intangible assets because shortly after the acquisition the Company was merged with the acquiring vehicle and as a consequence, tax deductions are available on the Company's intangible assets, including goodwill.

During 2011, the deferred and contingent consideration of £5.0m was paid.

Acquisition related costs (included in adjusting items in the Consolidated Income Statement for the year ended 31 December 2011) amounted to £0.2m.

The business contributed £2.5m to profit and £4.0m to revenue of the Group for the period between the date of acquisition and 31 December 2011.

If the acquisition had been completed on the first day of the financial year, it would have contributed £2.1m to profit and £4.3m to revenue of the Group.

Notes to the Consolidated Financial Statements CONTINUED

18 BUSINESS COMBINATIONS continued

Business combinations made in 2010

CPDcast.com Limited

On 30 April 2010, the Group acquired 100% of the issued share capital of CPDcast.com Limited and its wholly owned subsidiary Podlab Limited. The company provides online legal training through podcasts.

The net cash outflow and cash consideration was £4.9m.

The disclosure below provides the net liabilities acquired with the related fair value adjustments.

Net assets at date of acquisition	Book value £m	Fair value adjustments £m	Fair value £m
Intangible assets	–	8.2	8.2
Trade and other receivables	0.1	–	0.1
Trade and other payables	(0.2)	–	(0.2)
Deferred tax liabilities	–	(2.3)	(2.3)
Net (liabilities)/assets	(0.1)	5.9	5.8
Provisional goodwill			2.3
Total consideration			8.1
Less: contingent consideration			(3.2)
Net cash outflow			4.9

At the end of 2011, there was a re-measurement of the contingent consideration, resulting in a decrease of £2.3m. This release is partially offset by an impairment in Intangible Assets of £1.5m. Both of these adjustments are shown as adjusting items in the Consolidated Income Statement, see Note 2.

The remaining contingent consideration of £0.9m is payable in 2012.

EuroMediCom SAS

On 6 April 2010, the Group acquired the Aesthetic and Anti-Ageing Medicine World Congress (AMWC) for a cash consideration of £1.8m from EuroMediCom SAS. The Group subsequently acquired 100% of the issued share capital of EuroMediCom SAS, an events business focused on aesthetics and anti-ageing medicine for a cash consideration of £1.1m.

The net cash outflow was £1.3m, which includes a cash consideration totaling £2.9m, less cash acquired of £1.6m.

The disclosure below provides the net liabilities acquired on a combined basis with the related fair value adjustments.

Net assets at date of acquisition	Book value £m	Fair value adjustments £m	Fair value £m
Intangible assets	–	7.3	7.3
Trade and other receivables	1.1	–	1.1
Cash and cash equivalents	1.6	–	1.6
Trade and other payables	(2.9)	–	(2.9)
Deferred tax liabilities	–	(2.0)	(2.0)
Net (liabilities)/assets	(0.2)	5.3	5.1
Provisional goodwill			2.0
Total consideration			7.1
Less: deferred consideration			(1.4)
Less: contingent consideration			(2.8)
Less: net cash acquired			(1.6)
Net cash outflow			1.3

During 2011, there was a re-measurement of the contingent consideration, resulting in an increase of £0.8m. This additional charge is shown as an adjusting item in the Consolidated Income Statement, see Note 2.

Deferred and contingent consideration of £1.8m was paid in 2011. The remaining deferred and contingent consideration of £3.8m is payable in 2012.

Notes to the Consolidated Financial Statements CONTINUED

18 BUSINESS COMBINATIONS continued

Business combinations made in 2010 continued

Emerging Portfolio Fund Research Inc.

On 8 October 2010, the Group acquired 100% of the issued share capital of Emerging Portfolio Fund Research Inc. The company provides funds flow and asset allocation data to financial institutions.

The net cash outflow was £9.6m, which includes a cash consideration totaling £10.1m, less cash acquired of £0.5m.

The disclosure below provides the net liabilities acquired with the related fair value adjustments.

Net assets at date of acquisition	Book value £m	Fair value adjustments £m	Fair value £m
Intangible assets	–	17.8	17.8
Trade and other receivables	0.7	0.1	0.8
Cash and cash equivalents	0.5	–	0.5
Deferred income	(1.6)	–	(1.6)
Deferred tax liabilities	–	(0.5)	(0.5)
Net (liabilities)/assets	(0.4)	17.4	17.0
Provisional goodwill			0.5
Total consideration			17.5
Less: deferred consideration			(0.5)
Less: contingent consideration			(6.9)
Less: net cash acquired			(0.5)
Net cash outflow			9.6

The Group made a fair value adjustment in 2011 to recognise a deferred tax asset of £0.6m and a corporation tax payable of £0.8m. The adjustments have been booked against the intangible asset as they occurred within the measurement period.

The remaining deferred and contingent consideration is payable over the next 2 years.

Australian Exhibitions and Conferences Group

On 13 December 2010, the Group acquired 100% of the issued share capital of Fashion Exposed Proprietary Limited, 70% of the issued share capital of Australian Exhibitions and Conferences (Australasia) Proprietary Limited; and the business and assets of a number of smaller entities owned by the sellers. The companies acquired comprise a portfolio of exhibitions and events in the safety, building and furnishings, fashion and automotive industries.

The net cash outflow was £13.6m, which includes a cash consideration totaling £14.2m, less cash acquired of £0.6m.

The disclosure below provides the net liabilities acquired with the related fair value adjustments.

Net assets at date of acquisition	Book value £m	Fair value adjustments £m	Fair value £m
Intangible assets	–	16.7	16.7
Deferred tax asset	0.1	–	0.1
Trade and other receivables	2.3	–	2.3
Cash and cash equivalents	0.6	–	0.6
Trade and other payables	(1.2)	–	(1.2)
Deferred income	(4.3)	–	(4.3)
Deferred tax liabilities	–	(4.7)	(4.7)
Net (liabilities)/assets	(2.5)	12.0	9.5
Provisional goodwill			4.7
Total consideration			14.2
Less: deferred consideration			–
Less: net cash acquired			(0.6)
Net cash outflow			13.6

During 2011, the Group made a number of adjustments to the acquisition balance sheet. The adjustments relate to a reduction in trade and other receivables by £1.9m; reduction in trade and other payables by £0.3m; reduction in deferred consideration of £0.5m and cash received of £0.7m. The adjustments (net increase of £0.4m) have been booked against the intangible asset as they occurred within the measurement period.

Notes to the Consolidated Financial Statements CONTINUED

18 BUSINESS COMBINATIONS continued

Business combinations made in 2010 continued

Other business combinations made in 2010

The Group acquired the trading assets or 100% of the issued share capital of Energyfiles Limited, Willan Publishing Limited, AK Peters Limited and various other events and titles.

The net cash outflow was £5.4m, which includes a cash consideration totaling £6.0m, less cash acquired of £0.6m.

The disclosure below provides the net assets acquired with the related fair value adjustments.

Net assets at date of acquisition	Book value £m	Fair value adjustments £m	Fair value £m
Intangible assets	–	8.0	8.0
Deferred tax asset	0.1	0.2	0.3
Inventory	1.1	(0.7)	0.4
Trade and other receivables	0.8	(0.1)	0.7
Cash and cash equivalents	0.6	–	0.6
Trade and other payables	(1.1)	(0.1)	(1.2)
Deferred income	(0.2)	–	(0.2)
Deferred tax liabilities	–	(2.5)	(2.5)
Net (liabilities)/assets	1.3	4.8	6.1
Provisional goodwill			2.5
Total consideration			8.6
Less: deferred consideration			(1.9)
Less: contingent consideration			(0.7)
Less: net cash acquired			(0.6)
Net cash outflow			5.4

At the end of 2011, there was renegotiation on the deferred and contingent consideration payable for Energyfiles Limited, resulting in a decrease of £0.3m. This release is offset by an impairment in Intangible Assets of £1.0m. Both of these adjustments are shown as adjusting items in the Consolidated Income Statement, see Note 2.

Deferred and contingent consideration of £1.0m was paid in 2011. The remaining £1.1m of deferred and contingent consideration is payable over the next 3 years.

19 DISPOSAL OF SUBSIDIARY

Disposals made in 2011

On 23 June 2011, the Group disposed of its shareholdings in Nicholas Publishing International FZ-LLC, a Publishing company which creates magazines for specific market segments and audiences. Upon completion, proceeds of £0.6m were received, resulting in a profit on disposal of £0.1m.

Disposals made in 2010

On 23 July 2010, the Group disposed of Counsel on Education in Management ("CEM"), an Events business specialising in conferences for HR professionals. An impairment charge of £5.0m was recognised in respect of this disposal.

20 PROPERTY AND EQUIPMENT

	Freehold land and buildings £m	Leasehold land and buildings £m	Equipment fixtures and fittings £m	Total £m
Cost				
At 1 January 2010	1.7	11.9	70.7	84.3
Additions[1]	0.8	0.5	6.4	7.7
Reclassification	–	–	(2.1)	(2.1)
Disposals	–	(0.9)	(13.5)	(14.4)
Exchange differences	(0.1)	0.2	1.6	1.7
At 1 January 2011	2.4	11.7	63.1	77.2
Additions[1]	–	1.6	6.1	7.7
Acquisition of subsidiaries	–	0.1	0.3	0.4
Disposals	–	(1.1)	(15.7)	(16.8)
Exchange differences	–	–	(0.4)	(0.4)
At 31 December 2011	2.4	12.3	53.4	68.1
Depreciation				
At 1 January 2010	(0.4)	(6.0)	(56.5)	(62.9)
Disposals	–	0.6	13.2	13.8
Charge for the year	–	(1.1)	(6.6)	(7.7)
Exchange differences	–	(0.1)	(1.3)	(1.4)
At 1 January 2011	(0.4)	(6.6)	(51.2)	(58.2)
Charge for the year	–	(1.2)	(5.5)	(6.7)
Disposals	–	1.0	15.1	16.1
Exchange differences	–	–	0.4	0.4
At 31 December 2011	(0.4)	(6.8)	(41.2)	(48.4)
Carrying amount				
At 31 December 2011	2.0	5.5	12.2	19.7
At 31 December 2010	2.0	5.1	11.9	19.0

[1] All the £7.7m (2010: £7.7m) additions to tangible fixed assets was paid in cash during the year.

The Group does not have any of its property and equipment pledged as security over bank loans.

Notes to the Consolidated Financial Statements CONTINUED

21 SUBSIDIARIES

The listing below shows the principal subsidiary undertakings as at 31 December 2011 which principally affected the profits or net assets of the Group. To avoid a statement of excessive length, details of investments which are not significant have been omitted.

Company	Country of registration and incorporation	Principal activity	Ordinary shares held
Taylor & Francis Group LLC	USA	Publishing	100%
Taylor and Francis Group Limited	England and Wales	Holding company	100%
IIR Holdings Limited Dubai Branch	Middle East	Conferences, exhibitions and training	100%
BTS Feiras, Eventos e Editora Ltda	Brazil	Publishing and exhibitions	100%
Informa Global Markets (Europe) Limited	England and Wales	Financial information	100%
Citeline Inc	USA	Intelligence information gathering service	100%
Euroforum Deutschland (Holding) GmbH	Germany	Conference organisation and publishing	100%
Ibratexpo Feiras E Eventos	Brazil	Publishing and exhibitions	100%
Informa Australia Pty Ltd	Australia	Events, conference organisation and publishing	100%
Informa UK Limited	England and Wales	Events, conference organisation and publishing	100%
Informa Holdings Limited	England and Wales	Holding company	100%
Datamonitor Inc	USA	Business information	100%
IIR Exhibitions Limited	England and Wales	Event organisation	100%
I.I.R. Holdings Limited	Bermuda	Holding company	100%
Robbins-Gioia LLC[1]	USA	US Government contractor	100%
AchieveGlobal Inc	USA	Training company	100%
ESI International Inc	USA	Training company	100%
I.I.R. Limited	England and Wales	Conference organisation and training	100%
Institute for International Research Inc	USA	Conference organisation	100%
SAM Monaco Yacht Show	Monaco	Event organisation	100%
Informa Investment Solutions Inc	USA	Financial information	100%
Informa Business Information Inc	USA	Intelligence information gathering service	100%
Informa Research Services Inc	USA	Market research consulting	100%
Datamonitor Limited	England and Wales	Business information	100%
Informa IP GmbH	Switzerland	Business information	100%
Informa Finance GmbH	Switzerland	Finance	100%
Informa Group Holdings Limited	England and Wales	Holding company	100%
Informa Group plc	England and Wales	Holding company	100%
Informa IP LLC	USA	Business information	100%

[1] The holding in Robbins-Gioia is structured by proxy agreement with certain powers retained by the proxy holders to among others, protect the national security interests of the government of the United States of America.

Of the above only Informa IP GmbH, Informa IP LLC, Informa Finance GmbH and Informa Group Holdings Limited are directly owned by Informa plc. The proportion of voting power held is the same as the proportion of ownership interest. The consolidated financial statements incorporate the financial statements of all entities controlled by the Company as at 31 December each year. Refer to Note 3 for further description of the method used to account for investments in subsidiaries.

22 INVENTORY

	2011 £m	2010 £m
Raw materials	0.9	0.9
Work in progress	3.0	2.8
Finished goods and goods for resale	30.0	29.7
	33.9	33.4

Write down of inventory during the year amounted to £1.1m (2010: £2.5m).

23 TRADE AND OTHER RECEIVABLES

	2011 £m	2010 £m
Current		
Trade receivables	220.0	204.1
Less: provision	(23.6)	(22.1)
Trade receivable net	196.4	182.0
Other receivables	10.5	11.6
Prepayments and accrued income	32.2	31.4
Conference costs in advance	12.3	10.0
	251.4	235.0

The average credit period taken on sales of goods is 28 days (2010: 25 days). The Group has provision policies for its various divisions which have been determined by references to past default experience.

The Group's exposures to credit risk and impairment losses related to trade and other receivables are disclosed in Note 30.

Under the normal course of business, the Group does not charge interest on its overdue receivables.

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

24 CASH AND CASH EQUIVALENTS

	2011 £m	2010 £m
Cash at bank and in hand	25.0	27.8
Bank overdrafts	(0.2)	–
Cash and cash equivalents in the Consolidated Cash Flow Statement	24.8	27.8

Cash at bank and in hand has been presented on a net basis where the Group has legal right to set-off.

The Group's exposure to interest rate risks and a sensitivity analysis for financial assets and liabilities is disclosed in Note 30.

Notes to the Consolidated Financial Statements CONTINUED

25 TRADE AND OTHER PAYABLES

	2011 £m	2010 £m
Current		
Deferred consideration	5.0	4.9
Trade payables	31.7	30.4
Accruals	137.3	140.8
Other payables	32.9	30.8
Total current	206.9	206.9
Non-current		
Deferred consideration	2.8	0.7
Other payables	4.3	3.9
Total non-current	7.1	4.6
	214.0	211.5

An analysis of the maturity of debt is given in Note 30.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 45 days (2010: 45 days).

There are no suppliers who represent more than 10% of the total balance of trade payables in either 2011 or 2010.

The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame. Therefore, under the normal course of business, the Group is not charged interest on overdue payables.

26 DEFERRED INCOME

	2011 £m	2010 £m
Subscriptions and event fees received in advance	327.0	309.8

27 PROVISIONS

	Contingent consideration £m	Property leases £m	Restructuring provision £m	Total 2011 £m	Contingent consideration £m	Property leases £m	Restructuring provision £m	Total 2010 £m
1 January	16.0	7.2	3.5	26.7	7.0	7.6	7.6	22.2
Increase in year	8.0	2.3	17.5	27.8	14.0	2.0	8.5	24.5
Utilisation	(5.4)	(4.4)	(17.1)	(26.9)	(4.2)	(1.9)	(11.8)	(17.9)
Release	(3.8)	(0.8)	(0.4)	(5.0)	(0.8)	(0.5)	(0.8)	(2.1)
At 31 December	14.8	4.3	3.5	22.6	16.0	7.2	3.5	26.7
Included in current liabilities	5.5	2.0	2.9	10.4	1.0	2.9	3.0	6.9
Included in non-current liabilities	9.3	2.3	0.6	12.2	15.0	4.3	0.5	19.8

The contingent consideration relates primarily to the acquisitions made in the year (Ibratexpo Feiras E Eventos LTDA and International Trade Exhibition Company France S.A.S.). The contingent consideration will be paid between one and four years.

The property lease provision represents the estimated excess of rent payable on surplus property leases, plus dilapidation provisions, less rent receivable via sub leases. The property lease provisions will be fully utilised between one and five years.

As discussed in Note 2, during 2011 the Group implemented a number of restructuring and reorganisation projects. The restructuring provision is expected to be substantially utilised by 31 December 2012.

Notes to the Consolidated Financial Statements CONTINUED

28 DEFERRED TAX

	Accelerated tax depreciation £m	Intangibles £m	Pensions (Note 36) £m	Other £m	Losses £m	Cash flow hedges £m	Total £m
At 1 January 2010	4.2	223.8	(3.1)	(16.2)	(3.2)	(10.3)	195.2
(Credit)/debit to Other Comprehensive Income for the year	–	–	(0.3)	–	–	4.3	4.0
Acquisition of subsidiaries	–	14.4	–	–	–	–	14.4
Debit/(credit) to profit or loss for the year excluding UK corporation tax rate change	(3.0)	(27.1)	0.5	(2.1)	3.2	–	(28.5)
Debit/(credit) to profit or loss for the year arising from UK corporation tax rate change	(0.1)	(4.2)	0.1	0.2	–	–	(4.0)
Disposal of qualifying assets	0.4	–	–	–	–	–	0.4
Foreign exchange movements	–	6.0	–	0.6	–	–	6.6
At 1 January 2011	1.5	212.9	(2.8)	(17.5)	–	(6.0)	188.1
(Credit)/debit to Other Comprehensive Income for the year	–	–	(1.1)	–	–	4.7	3.6
Acquisition of subsidiaries	–	4.6	–	(1.4)	–	–	3.2
Debit/(credit) to profit or loss for the year excluding UK corporation tax rate change	(3.2)	(24.7)	0.9	2.8	–	–	(24.2)
Debit/(credit) to profit or loss for the year arising from UK corporation tax rate change	0.1	(6.3)	–	0.2	–	–	(6.0)
Foreign exchange movements	–	(0.1)	–	0.1	–	–	–
At 31 December 2011	(1.6)	186.4	(3.0)	(15.8)	–	(1.3)	164.7

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is the analysis of deferred tax balances for Consolidated Statement of Financial Position purposes:

	2011 £m	2010 £m
Deferred tax liability	164.7	189.3
Deferred tax asset	–	(1.2)
	164.7	188.1

The June 2010 UK Budget Statement included proposals to reduce the rate of corporation tax from 28% to 24% by 1 April 2014. These proposals were amended in the March 2011 UK Budget Statement to reduce the rate to 23% by 1 April 2014.

A change from 28% to 27% was enacted as at 31 December 2010. The effect of that reduction was that the deferred tax liability at 31 December 2010 was reduced by approximately £3.8m, profit increased by £4.0m and Consolidated Other Comprehensive Income was decreased by £0.2m.

The Finance Act 2011 amended the enacted change in 2011 from 27% to 26% and a further change to 25% was enacted as at 31 December 2011. The effect of this further reduction is to reduce the deferred tax liability by £5.7m, increase profit for the year by £6.0m and reduce Consolidated Other Comprehensive Income by £0.3m.

The proposed further reductions to 23%, if applied to the deferred tax balance at 31 December 2011, would reduce the deferred tax liability by approximately a further £6.0m.

Notes to the Consolidated Financial Statements CONTINUED

30 FINANCIAL INSTRUMENTS

(a) Financial risk management

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

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

This note presents information about the Group's exposure to each of the above risks, the Group's management of capital, and the Group's objectives, policies and procedures for measuring and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established a Treasury Committee which is responsible for developing and monitoring the Group's financial instrument related risk management policies. The committee meets and reports regularly to the Board of Directors on its activities.

The Group treasury function provides services to the Group's businesses, co-ordinates access to domestic and international financial markets and monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Treasury Committee has put in place policies that have been established to identify and analyse financial instrument related risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. These policies provide written principles on funding and investment policies, credit risk, foreign exchange risk and interest rate risk. Compliance with policies and exposure limits is reviewed by the Treasury Committee. This Committee is assisted in its oversight role by Internal Audit, who undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders as well as sustaining the future development of the business. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group's overall strategy remains unchanged from 2010.

The capital structure of the Group consists of net debt, which includes borrowings (Note 29) and cash and cash equivalents (Note 24), and equity attributable to equity holders of the parent, comprising issued capital (Note 31), reserves and retained earnings.

Cost of capital

The Group's Treasury Committee reviews the Group's capital structure on a regular basis and as part of this review, the Committee considers the weighted average cost of capital and the risks associated with each class of capital.

Gearing ratio

The principal financial covenant ratios under these 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.

(b) Categories of Financial instruments

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

	Notes	2011 £m	2010 £m
Financial assets			
Loans and receivables			
Trade receivables	23	196.4	182.0
Other receivables	23	10.5	11.6
Cash and cash equivalents	24	25.0	27.8
Derivative financial instruments in designated hedge accounting relationships[1]		2.0	–
Total financial assets		233.9	221.4

[1] Derivative financial instruments in designated hedge accounting relationships are presented £0.7m (2010: £nil) within current assets and £1.3m (2010: £nil) within non-current assets.

	Notes	2011 £m	2010 £m
Financial liabilities			
Amortised cost			
Bank overdraft	29	0.2	–
Bank borrowings	29	341.8	366.9
Private placement loan notes	29	467.0	440.0
Trade payables	25	31.7	30.4
Accruals	25	137.3	140.8
Other payables	25	37.2	34.7
Deferred consideration	25	7.8	5.6
Contingent consideration	27	14.8	16.0
Derivative financial instruments in designated hedge accounting relationships[2]		5.1	22.7
Total financial liabilities		1,042.9	1,057.1

[2] Derivative financial instruments in designated hedge accounting relationships are presented £5.1m (2010: £18.9m) within current liabilities and £nil (2010: £3.8m) within non-current liabilities.

Notes to the Consolidated Financial Statements CONTINUED

30 FINANCIAL INSTRUMENTS continued

(c) Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Group's activities expose it mainly to the financial risks of changes in foreign currency exchange rates and changes in interest rates. The Group enters into interest rate swaps to mitigate the risk of rising interest rates and by managing the risk of currencies of its borrowings, the Group is able to achieve a level of natural hedge of both the Statement of Financial Position net currency assets and also the currency earnings due to the currency interest payable. Refer to both interest rate risk and foreign currency risk in Note 30 (d) and (e) respectively.

The Group does not use derivative contracts for speculative purposes.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by a central treasury department ("Group Treasury") under policies approved by the Board of Directors. The Board sets the Group's treasury policy to ensure that it has adequate financial resources to develop the Group's businesses and to manage the currency and interest risks to which the Group is exposed. Group Treasury monitors the distribution of its cash assets, borrowings and facilities so as to control exposure to the relative performance of any particular territory, currency or institution.

The Board and the Treasury Committee provides written principles for overall risk management, as well as policies covering specific areas, such as funding, foreign exchange risk, interest rate risk, credit risk and investments of excess liquidity.

Risk is measured in terms of impact, inherent risk and residual risk, and takes account of management's control actions in mitigating against both external and internal risk events.

The risk model consolidates unique risk events and aggregated risk categories at both a business unit level and Group-wide, and the results are presented to the Risk Committee and the Audit Committee for discussion and review, and may drive the allocation of Internal Audit resources to provide assurance on significant risks in its annual plan.

(d) Interest rate risk

The Group has no significant interest-bearing assets and is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings by the use of interest rate swap contracts and by the use of cross currency swaps. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring optimal hedging strategies are applied, by either protecting the Statement of Financial Position or protecting interest expense through different interest rate cycles.

The Group's policy is to minimise its exposure to fluctuations in interest rates by using interest rate swaps as cash flow hedges to hedge up to 90% of forecast interest payments over a period of up to five years, based on forecast net debt levels by currency during that period. This policy provides a level of certainty of future interest costs by swapping floating to fixed interest payments which in turn assists the predictability of achieving interest-based loan covenants.

During the year, the Group entered into floating to floating cross-currency swaps of €60m to manage the interest rate risk on the borrowings. The cross-currency swaps have also been designated as part of the net investment hedge of the foreign operations of the Group.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk section of this note.

Interest rate swap contracts

The Group draws down on its bank borrowing facilities at floating rates of interest. A portion of those are then swapped to fixed rates in line with the Group Treasury policy in order to manage its cash flow interest rate risk. Such contracts enable the Group to convert borrowings from floating rates and swap them into fixed rates. Under interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (primarily quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts.

The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the future interest rate curves at the reporting date and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balance at the end of the financial year.

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the reporting date:

Cash flow hedges

	Average contracted fixed interest rate		Notional principal amount		Fair value	
Outstanding receive floating, pay fixed contracts	**2011 %**	**2010 %**	**2011 £m**	**2010 £m**	**2011 £m**	**2010 £m**
Within one year	5.66	4.59	114.8	403.7	(5.1)	(18.9)
Within one to two years	–	5.66	–	114.6	–	(3.8)
			114.8	518.3	(5.1)	(22.7)

Notes to the Consolidated Financial Statements CONTINUED

30 FINANCIAL INSTRUMENTS continued

(d) Interest rate risk continued

Interest rate swap contracts

At 31 December 2011, the fixed interest rates vary from 5.23% to 6.08% (2010: 3.13% to 6.15%), and the main floating rates are EURIBOR and LIBOR. Gains or losses deferred in equity on interest rate swap contracts as of 31 December 2011 will be recognised in the Consolidated Income Statement in the same period in which the hedged item affects net profit or loss.

The excess of the notional principal amount over group borrowings represents the de-designated interest rate swaps.

The following table details financial liabilities by interest category:

	Fixed rate £m	Floating rate £m	Non-interest bearing £m	Total 2011 £m	Fixed rate £m	Floating rate £m	Non-interest bearing £m	Total 2010 £m
Bank overdraft	–	–	0.2	0.2	–	–	–	–
Bank borrowings	113.6	228.2	–	341.8	338.6	28.3	–	366.9
Private placement loan notes	467.0	–	–	467.0	440.0	–	–	440.0
Trade payables	–	–	31.7	31.7	–	–	30.4	30.4
Accruals	–	–	137.3	137.3	–	–	140.8	140.8
Other payables	–	–	37.2	37.2	–	–	34.7	34.7
Deferred consideration	–	–	7.8	7.8	–	–	5.6	5.6
Contingent consideration	–	–	14.8	14.8	–	–	16.0	16.0
Derivative financial instruments in designated hedge accounting relationships[1]	5.1	–	–	5.1	22.7	–	–	22.7
	585.7	228.2	229.0	1,042.9	801.3	28.3	227.5	1,057.1

[1] Derivative financial instruments in designated hedge accounting relationships are presented £5.1m (2010: £18.9m) within current liabilities and £nil (2010: £3.8m) within non-current liabilities.

Interest rate sensitivity analysis

A high percentage of loans are at fixed interest rates or are designated in hedging relationships, and hence the Group's interest rate sensitivity would only be affected by the exposure to variable rate debt.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's profit for the year would have decreased or increased by £2.3m (2010: £0.3m).

(e) Foreign currency risk

The Group is a business with significant net US Dollar ("USD") and net Euro ("EUR") transactions; hence exposures to exchange rate fluctuations arise. In the absence of any currency conversion, cash positions in USD and other trading currencies, such as the EUR would develop imbalances by growing GBP debt.

Allied to the Group's policy on the hedging of surplus foreign currency cash inflows, the Group will usually seek to finance its net investment in its principal overseas subsidiaries by borrowing in those subsidiaries' functional currencies, primarily EUR and USD. This policy has the effect of partially protecting the Group's consolidated Statement of Financial Position from movements in those currencies to the extent that the associated net assets are hedged by the net foreign currency borrowings.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	Assets		Liabilities	
	2011 £m	2010 £m	2011 £m	2010 £m
USD	**105.2**	**116.9**	**(683.2)**	**(99.3)**
EUR	**31.6**	**43.9**	**(136.4)**	**(27.4)**
Other	**36.9**	**24.1**	**(51.2)**	**(7.5)**
	173.7	**184.9**	**(870.8)**	**(134.2)**

After taking into account the cross currency swaps, foreign currency borrowings amount to £631.5m (2010: £620.1m). These are used to hedge against net investments in foreign subsidiaries with the remaining monetary assets and liabilities being in the same currency as the functional currency of the operations involved.

	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

Foreign currency sensitivity analysis

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.

Notes to the Consolidated Financial Statements CONTINUED

30 FINANCIAL INSTRUMENTS continued

(f) Credit risk

The Group's principal financial assets are loans and receivables (trade and other receivables) and cash and cash equivalents, which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its trade and other receivables. The amounts presented in the Statement of Financial Position are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and their assessment of the current economic environment.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The credit risk on liquid funds and derivative financial instruments is limited by dealing only with counterparty banks with high credit-ratings assigned by international credit-rating agencies such as Standard and Poor's, Moody's and Fitch. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved financial institutions. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Treasury Committee regularly.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

Trade receivables

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas and the Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including default risk of the industry and country in which the customers operate, has less of an influence on credit risk.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar character-istics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 5% of gross monetary assets at any time during the year.

The Group establishes a provision that represents its estimate of incurred losses in respect of trade and other receivables and investments when there is objective evidence that the asset is impaired. The main components of this provision are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss provision is determined by references to past default experience.

Before accepting any new customer, the Group uses an external credit rating system to assess the potential customer's credit quality.

All customers have credit limits set by credit managers and are subject to standard terms of payment for each division. As the events division works on a prepaid basis they are not subject to the same credit controls and they have a low bad debt history. The Group is exposed to normal credit risk and potential losses are mitigated as the Group does not have significant exposure to any single customer.

The Directors consider that the carrying amount of trade and other receivables, which are non-interest bearing, approximates their fair value.

Ageing of trade receivables:

	Gross 2011 £m	Provision 2011 £m	Gross 2010 £m	Provision 2010 £m
Not past due	91.6	–	121.0	–
Past due 0 – 30 days	86.2	(0.8)	51.2	(0.9)
Past due over 31 days	42.2	(12.7)	31.9	(11.8)
Books provision (see below)	–	(10.1)	–	(9.4)
	220.0	(23.6)	204.1	(22.1)

Trade receivables that are less than three months past due for payment are generally not considered impaired. For trade receivables that are more than three months past due for payment, there are debtors with a carrying amount of £3.3m (2010: £0.5m) which the Group has not provided for, as there has not been a significant change in the credit quality and the amounts are considered recoverable. The Group does not hold any collateral over these balances.

A provision relating to returns on books of £10.1m (2010: £9.4m) has been disclosed separately in the table above. This provision is based on Management's best estimate of previous seasonal sales and returns trends, and is included as part of the overall provision balance.

Movement in the provision:

	2011 £m	2010 £m
Balance at beginning of the year	22.1	25.2
Provision recognised	9.4	2.9
Receivables written off as uncollectible	(3.5)	(3.3)
Amounts recovered during the year	(4.4)	(2.7)
	23.6	22.1

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the above amounts.

There are no customers who represent more than 10% of the total gross balance of trade receivables in both 2011 and 2010.

(g) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board of Directors, though operationally it is managed by Group Treasury. Group Treasury have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking and other debt facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in Note 29 is a summary of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

Historically and for the foreseeable future the Group has been and is expected to continue to be in a net borrowing position. The Group's policy is to fulfill its borrowing requirements by borrowing in the currencies in which it operates, principally GBP, USD and EUR; thereby providing a natural hedge against projected future surplus USD and EUR cash inflows as well as spreading the Group's interest rate profile across a number of currencies.

Notes to the Consolidated Financial Statements CONTINUED

30 FINANCIAL INSTRUMENTS continued

(g) Liquidity risk continued

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its financial assets and liabilities.

The table below has been drawn up based on the contractual maturities of the financial assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period.

31 December 2011	Carrying amount £m	Contractual cash flows[1] £m	Less than 1 year £m	1-2 years £m	2-5 years £m	Greater than 5 years £m
Non-derivative financial assets						
Non-interest bearing	231.9	231.9	231.9	–	–	–
	231.9	231.9	231.9	–	–	–
Derivative financial assets						
Derivative financial instruments in designated hedge accounting relationships	2.0	2.0	0.7	1.3	–	–
	233.9	233.9	232.6	1.3	–	–
31 December 2010						
Non-derivative financial assets						
Non-interest bearing	221.4	221.4	221.4	–	–	–
	221.4	221.4	221.4	–	–	–

[1] Under IFRS 7 contractual cash flows are undiscounted and therefore may not agree with the carrying amounts in the Consolidated Statement of Financial Position.

The following tables have been drawn up based on the earliest date on which the Group can settle its financial liabilities. The table includes both interest and principal cash flows.

31 December 2011	Carrying amount £m	Contractual cash flows[1] £m	Less than 1 year £m	1-2 years £m	2-5 years £m	Greater than 5 years £m
Non-derivative financial liabilities						
Non-interest bearing	0.2	0.2	0.2	–	–	–
Variable interest rate instruments	228.2	231.0	2.3	–	228.7	–
Fixed interest rate instruments	580.6	735.1	20.2	20.2	244.2	450.5
Trade and other payables	206.2	206.2	199.1	7.1	–	–
Deferred consideration	7.8	7.8	5.0	2.8	–	–
Contingent consideration	14.8	14.9	5.5	8.3	1.1	–
	1,037.8	1,195.2	232.3	38.4	474.0	450.5
Derivative financial liability						
Derivative financial instruments in designated hedge accounting relationships	5.1	5.5	5.5	–	–	–
	1,042.9	1,200.7	237.8	38.4	474.0	450.5

[1] Under IFRS 7 contractual cash flows are undiscounted and therefore may not agree with the carrying amounts in the Consolidated Statement of Financial Position.

Notes to the Consolidated Financial Statements CONTINUED

30 FINANCIAL INSTRUMENTS continued

(h) Fair value of financial instruments continued

	Notes	Carrying amount 2011 £m	Estimated fair value 2011 £m	Carrying amount 2010 £m	Estimated fair value 2010 £m
Financial assets					
Loans and receivables					
Trade receivables	23	196.4	196.4	182.0	182.0
Other receivables	23	10.5	10.5	11.6	11.6
Cash and cash equivalents	24	25.0	25.0	27.8	27.8
Financial liabilities					
Amortised Cost					
Bank overdraft	29	0.2	0.2	–	–
Bank borrowings	29	341.8	341.8	366.9	366.9
Private placement loan notes	29	467.0	467.0	440.0	440.0
Trade payables	25	31.7	31.7	30.4	30.4
Accruals	25	137.3	137.3	140.8	140.8
Other payables	25	37.2	37.2	34.7	34.7
Deferred consideration	25	7.8	7.8	5.6	5.6
Contingent consideration	27	14.8	14.8	16.0	16.0

(i) Fair value measurements recognised in the Consolidated Statement of Financial Position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 2011 £m	Level 2 2011 £m	Level 3 2011 £m	Total 2011 £m
Financial assets				
Derivative financial instruments in designated hedge accounting relationships	–	2.0	–	2.0
Financial liabilities				
Derivative financial instruments in designated hedge accounting relationships	–	5.1	–	5.1

	Level 1 2010 £m	Level 2 2010 £m	Level 3 2010 £m	Total 2010 £m
Financial assets				
Derivative financial instruments in designated hedge accounting relationships	–	–	–	–
Financial liabilities				
Derivative financial instruments in designated hedge accounting relationships	–	22.7	–	22.7

31 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

Share options

As at 31 December 2011, outstanding options to subscribe for ordinary shares of 0.1p were as follows:

Number	Exercise price per share (pence)	Exercise period
137,766	212.32	15.03.05 to 14.03.12
92,400	252.38	15.03.05 to 14.03.12
230,166		

It is intended that the above options will be satisfied by the issue of new shares in the Company except for 46,527 shares already in issue. Share options held by Directors as at 31 December 2011 are disclosed in the Directors' Remuneration Report on page 58.

Notes to the Consolidated Financial Statements CONTINUED

32 CAPITAL AND RESERVES

This note provides further explanation for the "Other reserves" listed in the Consolidated Statement of Changes in Equity.

	Reserve for shares to be issued £m	Merger reserve £m	Other reserve £m	ESOP Trust shares £m	Hedging reserve £m	Translation reserve £m	Total £m
At 1 January 2010	4.2	496.4	(1,718.6)	(0.4)	(21.3)	14.7	(1,225.0)
Decrease in fair value of cash flow hedges	–	–	–	–	15.2	–	15.2
Gain on translation of foreign operations	–	–	–	–	–	34.6	34.6
Tax on income and expenses taken directly to equity (Note 28)	–	–	–	–	(4.3)	–	(4.3)
Transfer from profit or loss on cash flow hedges	–	–	–	–	(0.6)	–	(0.6)
De-designation of hedge accounting	–	–	–	–	1.1	–	1.1
Total comprehensive income for the year	–	–	–	–	11.4	34.6	46.0
Share award expense	2.1	–	–	–	–	–	2.1
Transfer of vested LTIPS	(1.5)	–	–	–	–	–	(1.5)
At 1 January 2011	4.8	496.4	(1,718.6)	(0.4)	(9.9)	49.3	(1,178.4)
Decrease in fair value of cash flow hedges	–	–	–	–	11.6	–	11.6
Loss on translation of foreign operations	–	–	–	–	–	(13.1)	(13.1)
Tax on income and expenses taken directly to equity (Note 28)	–	–	–	–	(4.7)	–	(4.7)
Total comprehensive income for the year	–	–	–	–	6.9	(13.1)	(6.2)
Share award expense	3.0	–	–	–	–	–	3.0
Own shares purchased	–	–	–	(0.1)	–	–	(0.1)
Transfer of vested LTIPS	(1.6)	–	–	0.3	–	–	(1.3)
At 31 December 2011	6.2	496.4	(1,718.6)	(0.2)	(3.0)	36.2	(1,183.0)

Reserve for shares to be issued

This reserve relates to share options granted to employees under the employee share option plan. Further information about share-based payments to employees is set out in Note 10.

Merger reserve

The merger reserve has not changed since 2004, when it was created from the business combination with Taylor & Francis Group plc.

Other reserve

Other reserve includes the inversion accounting reserve of £1,641.8m, which was created from the new equity structure in June 2009. It also includes a redemption reserve, which is the reserve fund into which profits are allocated for the purpose of redeeming or buying back shares in the Company.

ESOP Trust shares

As at 31 December 2011 the Informa Employee Share Trust held 46,527 (2010: 49,237) ordinary shares in the Company at a cost of £47 (2010: £0.1m) and a market value of £0.2m (2010: £0.2m). 46,527 shares (2010: 49,237) held by the Employee Share Trust have not been allocated to individuals and accordingly, dividends on these shares are waived.

At 31 December 2011 the Group held 0.0% (2010: 0.0%) of its own called up share capital.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary.

33 NON-CONTROLLING INTEREST

The Group's non-controlling interest at 31 December 2011 was composed entirely of equity interests and represents the minority shares of Agra CEAS Consulting Limited (18.2%), Bureau European de Recherches SA (18.2%), China Medical Data Services Limited (49.9%), and Asia Gateway Healthcare Information Technology (Beijing) Co., Ltd (49.9%).

At 31 December 2010, the Group's non-controlling interest represented the minority shares of Nicholas Publishing International (25.0%), Agra CEAS Consulting Limited (18.2%), Bureau European de Recherches SA (18.2%) and Australian Exhibitions and Conferences (Australasia) Propriety Limited (30%).

34 OPERATING LEASE ARRANGEMENTS

	2011 £m	2010 £m
Minimum lease payments under operating leases recognised in Consolidated Income Statement for the year	26.0	26.1

At the reporting date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2011		2010	
	Land and buildings £m	Other £m	Land and buildings £m	Other £m
Operating leases which expire:				
Within one year	22.4	1.1	25.0	0.9
Within two to five years	51.8	1.1	55.9	1.0
After five years	23.9	–	28.2	–
	98.1	2.2	109.1	1.9

Operating lease payments on land and buildings represent rentals payable by the Group for certain of its properties. Leases are negotiated for an average term of five years and rentals are fixed for an average of three years.

Notes to the Consolidated Financial Statements CONTINUED

35 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	20	6.7	7.7
Amortisation of other intangible assets	17	151.0	150.1
Share-based payment	10	3.0	2.1
Profit on disposal of business	19	(0.1)	–
Loss/(profit) on disposal of property and equipment		0.3	(0.2)
Loss on disposal of software		0.3	–
Finance costs	11	47.6	44.0
Investment income	12	(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).

36 RETIREMENT BENEFIT SCHEMES

The Group operates three defined benefit pension schemes, the Informa Final Salary Scheme, the Taylor & Francis Group Pension and Life Assurance Scheme and the Achieve Learning (UK) Pension and Benefits Scheme (the "Group Schemes") for all qualifying UK employees providing benefits based on final pensionable pay. The assets of the Group Schemes are held in separate trustee administered funds. Contributions to the Group Schemes are charged to the Income Statement so as to spread the cost of contributions over employees' working lives with the Group. Contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

Charge to operating profit

The charge to operating profit for the year in respect of pensions was £9.1m (2010: £8.8m). The net pension charge for the defined benefit schemes in the Consolidated Income Statement for the year was £0.3m (2010: £1.8m), of which £0.3m (2010: £1.2m) was charged to operating profit. The Group also operates defined contribution schemes, and contributions charged to the Consolidated Income Statement during the year were £8.8m (2010: £7.6m).

Defined benefit schemes

Informa Final Salary Scheme

The latest full actuarial valuation of the Informa Final Salary Scheme was carried out at 31 March 2008. A new actuarial valuation is currently in process as at 31 March 2011 and it is expected that the Trustees will put in place a new recovery plan. An actuarial valuation was carried out for IAS 19 purposes as at 31 December 2011 by a qualified independent actuary. The Group agreed to pay annual contributions of 27.3% of members' pensionable salaries each year, plus payments to pay off the deficit. The Employer expects to pay £3.0m to the Scheme during the accounting year beginning 1 January 2012 in respect of the deficit payments. The market value of the scheme's assets as at 31 December 2011 was £50.0m which represented 84% of the benefits (valued on an IAS 19 basis) that had accrued to members, after allowing for expected future increases in earnings. The Scheme was closed to new entrants on 1 April 2000 and closed to future accrual on 1 April 2011.

The assumptions which have the most significant effect on the results of the IAS 19 valuation are those relating to the discount rate, rate of return on investments and the rates of increase in salaries, price inflation and pensions. The assumptions adopted are:

	2011	2010
Discount rate	4.9% p.a.	5.2% p.a.
Rate of return on investments	4.4% p.a.	5.8% p.a.
Rate of price inflation pre-retirement	1.8% p.a.	2.6% p.a.
Rate of increase in pensions in payment – non pensioners	3.7% p.a.	3.7% p.a.
Rate of increase in pensions in payment – pensioners	2.8% p.a.	3.2% p.a.
Rate of increase in salaries	4.3% p.a.	4.8% p.a.

The sensitivities regarding the principal assumptions used to measure the Informa Final Salary Scheme liabilities are set out below:

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.1%	Decrease/increase by £1.3m
Rate of price inflation pre-retirement	Increase/decrease by 0.25%	Increase/decrease by £3.3m
Rate of increase in salaries	Increase/decrease by 0.25%	Increase/decrease by £0.6m
Rate of mortality	Increase/decrease by 1 year	Increase/decrease by £1.5m

Taylor & Francis Group Pension and Life Assurance Scheme

The latest full actuarial valuation of the Taylor & Francis Group Pension and Life Assurance Scheme was carried out at 30 September 2008. A new actuarial valuation is currently in process as at 30 September 2011 and it is expected that the Trustees will put in place a new recovery plan. An actuarial valuation was carried out for IAS 19 purposes as at 31 December 2011 by a qualified independent actuary. The Group agreed to pay annual contributions of 27.8% of members' pensionable salaries each year, plus payments to pay the deficit. The Employer expects to pay £0.7m to the scheme during the accounting year beginning 1 January 2012 in respect of the deficit. The market value of the scheme's assets as at 31 December 2011 was £18.1m which represented 94% of the benefits (valued on an IAS 19 basis) that had accrued to members, after allowing for expected future increases in earnings. The Scheme was closed to new entrants on 1 April 2000 and closed to future accrual on 1 April 2011.

Notes to the Consolidated Financial Statements CONTINUED

36 RETIREMENT BENEFIT SCHEMES continued

Defined benefit schemes

Taylor & Francis Group Pension and Life Assurance Scheme continued

The assumptions which have the most significant effect on the results of the IAS 19 valuation are those relating to the discount rate, rate of return on investments and the rates of increase in salaries, price inflation and pensions. The assumptions adopted are:

	2011	2010
Discount rate	4.9% p.a.	5.2% p.a.
Rate of return on investments	4.6% p.a.	6.0% p.a.
Rate of price inflation pre-retirement	1.8% p.a.	2.6% p.a.
Rate of increase in pensions in payment – non pensioners	3.7% p.a.	3.7% p.a.
Rate of increase in pensions in payment – pensioners	2.8% p.a.	3.2% p.a.
Rate of increase in salaries	4.3% p.a.	4.8% p.a.

The sensitivities regarding the principal assumptions used to measure the Taylor & Francis Group Pension and Life Assurance Scheme liabilities are set out below:

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.1%	Decrease/increase by £0.4m
Rate of price inflation pre-retirement	Increase/decrease by 0.25%	Increase/decrease by £0.5m
Rate of increase in salaries	Increase/decrease by 0.25%	Increase/decrease by £0.1m
Rate of mortality	Increase/decrease by 1 year	Increase/decrease by £0.5m

Achieve Learning (UK) Pension & Benefits Scheme

The latest full actuarial valuation of the Achieve Learning (UK) Pension & Benefits Scheme was carried out at 31 December 2009. The results have been updated to 31 December 2011 by a qualified independent actuary. The scheme was closed to future accrual of pensions at the time of the acquisition of IIR Holdings Limited in 2005. The Group's contribution over the year was £150,000. The market value of the scheme's assets as at 31 December 2011 was £5.6m which represented 98% of the benefits (valued on an IAS 19 basis) that had accrued to members, after allowing for expected future increases in inflation.

The assumptions which have the most significant effect on the results of the IAS 19 valuation are those relating to the discount rate, rate of return on investments and the rates of increase in price inflation and pensions. The assumptions adopted are:

	2011	2010
Discount rate	4.9% p.a.	5.2% p.a.
Rate of return on investments	5.3% p.a.	6.8% p.a.
Rate of price inflation pre-retirement	1.8% p.a.	2.6% p.a.
Rate of increase in pensions in payment – non pensioners	3.7% p.a.	3.7% p.a.
Rate of increase in pensions in payment – pensioners	2.8% p.a.	3.2% p.a.
Rate of increase in salaries	n/a	n/a

The sensitivities regarding the principal assumptions used to measure the Achieve Learning (UK) Pension & Benefits Scheme liabilities are set out below:

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.1%	Decrease/increase by £0.1m
Rate of price inflation pre-retirement	Increase/decrease by 0.25%	Increase/decrease by £0.2m
Rate of mortality	Increase/decrease by 1 year	Increase/decrease by £0.1m

Amounts recognised in respect of these defined benefit schemes are as follows:

	2011 £m	2010 £m
Analysis of the amount charged to operating profit		
Current service cost	(0.3)	(1.2)
Total operating charge	(0.3)	(1.2)
Analysis of finance income/(cost)		
Expected return on pension scheme assets	4.4	3.7
Interest cost on pension scheme liabilities	(4.3)	(4.3)
Net finance income/(cost)	0.1	(0.6)

Amounts recognised in respect of these defined benefit schemes are as follows:

	2011 £m	2010 £m
Analysis of amount recognised in the Consolidated Statement of Comprehensive Income		
Actual return less expected return on scheme assets	(5.8)	3.6
Experience gain	1.5	2.2
Change in actuarial assumptions	(0.8)	(6.8)
Actuarial loss	(5.1)	(1.0)
Movement in deficit during the year		
Deficit in Scheme at beginning of the year	(10.5)	(11.3)
Current service cost	(0.3)	(1.2)
Contributions	3.7	3.6
Other net finance income	0.1	(0.6)
Actuarial loss	(5.1)	(1.0)
Deficit in Scheme at end of the year	(12.1)	(10.5)

The amounts recognised in the Consolidated Statement of Financial Position in respect of the Group Schemes are as follows:

	2011 £m	2010 £m
Present value of defined benefit obligations	(85.8)	(83.6)
Fair value of Scheme assets	73.7	73.1
Deficit in Scheme and liability recognised in the Consolidated Statement of Financial Position	(12.1)	(10.5)

Changes in the present value of defined benefit obligations are as follows:

	2011 £m	2010 £m
Opening defined benefit obligation	(83.6)	(74.7)
Service cost	(0.3)	(1.2)
Interest cost	(4.3)	(4.3)
Contributions from Scheme members net of benefits paid	1.7	1.1
Actuarial gains and losses	0.7	(4.5)
Closing defined benefit obligation	(85.8)	(83.6)

Notes to the Consolidated Financial Statements CONTINUED

36 RETIREMENT BENEFIT SCHEMES continued

Changes in the fair value of Scheme assets are as follows:

	2011 £m	2010 £m
Opening fair value of Scheme assets	73.1	63.4
Expected return on Scheme assets	4.4	3.7
Actuarial gains and losses	(5.8)	3.5
Contributions from the sponsoring companies	3.7	3.6
Contributions from Scheme members net of benefits paid	(1.7)	(1.1)
Closing fair value of Scheme assets	73.7	73.1

The assets of the Taylor & Francis Group Pension and Life Assurance Scheme are held in managed funds and cash funds operated by Zurich Assurance Ltd and Legal & General. The assets of the Informa Final Salary Scheme are held in managed funds and cash funds operated by Skandia Investment Management. The assets of the Achieve Learning (UK) Pension and Benefits Scheme are managed by Schroder Investment Management Ltd. The fair value of the assets held and the expected rates of return assumed are as follows:

	Expected rate of return year commencing 31 December 2011 %	Fair value at 31 December 2011 £m	Expected rate of return year commencing 31 December 2010 %	Fair value at 31 December 2010 £m
Equities				
Achieve Learning	6.0	4.5	7.5	4.8
Taylor & Francis	6.0	8.8	7.5	9.0
Informa	6.0	29.8	7.5	32.2
Bonds				
Achieve Learning	3.8	0.8	5.0	0.9
Taylor & Francis	3.8	5.4	4.9	5.0
Informa	3.0	7.5	4.3	6.2
Cash				
Achieve Learning	0.5	0.4	0.5	0.3
Taylor & Francis	0.5	2.6	0.5	1.8
Informa	0.5	10.6	0.5	9.8
Property				
Achieve Learning	6.0	–	7.5	–
Taylor & Francis	6.0	1.2	7.5	1.1
Informa	6.0	2.1	7.5	2.0
		73.7		73.1

The expected return on assets assumptions are derived by considering the expected long-term rates of return on plan investments. The overall rate of return is a weighted average rate of return of each asset class. The long-term rates of return on equities and property are derived from considering current long-term fixed interest government bond rates with the addition of an appropriate future risk premium. The long-term rates of return on bonds and cash investments are set in line with market yields currently available.

The Group Schemes' assets do not include any of the Group's own financial instruments, nor any property occupied by, or other assets used by, the Group.

The history of the Group Schemes for the current and prior years is as follows:

	2011 £m	2010 £m	2009 £m	2008 £m	2007 £m
Present value of defined benefit obligations	(85.8)	(83.6)	(74.7)	(63.0)	(66.1)
Fair value of Scheme assets	73.7	73.1	63.4	52.7	57.7
Deficit in the Scheme and liability recognised in Consolidated Statement of Financial Position	(12.1)	(10.5)	(11.3)	(10.3)	(8.4)
Related deferred tax assets	3.0	2.8	3.1	2.8	2.4
Deficit net of deferred tax assets	(9.1)	(7.7)	(8.2)	(7.5)	(6.0)
Experience adjustments on Scheme liabilities:					
Amount (£m)	1.3	2.2	0.5	(0.1)	0.5
Percentage of Scheme liabilities (%)	1.6	2.6	0.7	(0.2)	0.7
Experience adjustments on Scheme assets:					
Amount (£m)	(5.8)	3.6	6.8	(11.2)	(1.9)
Percentage of Scheme assets (%)	(7.8)	4.9	10.7	(21.2)	(3.0)

Notes to the Consolidated Financial Statements CONTINUED

37 RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The transactions between the Group and its joint ventures are disclosed below. The following transactions and arrangements are those which are considered to have had a material effect on the financial performance and position of the Group for the period.

Transactions with Directors

There were no material transactions with Directors of the Company during the year, except for those relating to remuneration and shareholdings. For the purposes of IAS 24, *Related Party Disclosures,* Executives below the level of the Company's Board are not regarded as related parties.

Further information about the remuneration of individual Directors is provided in the audited part of the Directors' Remuneration Report on pages 57 to 59 and Note 9.

Transactions with joint ventures

During the period the Group received revenue of £2.4m (2010: £3.0m) from Lloyd's Maritime Information Services Limited a joint venture.

Other related party disclosures

At 31 December 2011, the Group owed £12.1m (2010: £10.5m) to the pension schemes which it operates.

38 EVENTS AFTER THE REPORTING DATE

On 1 February 2012, the Group completed the acquisition of 100% of the shares of Fertecon Limited, 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 over two years.

Independent Auditor's Report

TO THE MEMBERS OF INFORMA PLC

We have audited the financial statements (the "financial statements") of Informa plc for the year ended 31 December 2011 which comprise the Company Balance Sheet and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2011;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Companies (Jersey) Law 1991.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following:

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- proper accounting records have not been kept by the Company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Ian Waller
for and on behalf of Deloitte LLP
Chartered Accountants and Recognized Auditor
London, UK

23 February 2012

Company Balance Sheet

AS AT 31 DECEMBER 2011

	Notes	2011 £m	2010 £m
Fixed assets			
Investment in subsidiary undertakings	3	2,002.6	2,001.8
Property and equipment	4	0.1	0.1
		2,002.7	2,001.9
Current assets			
Debtors due within one year	5	6.7	342.0
Cash at bank and in hand		0.4	0.4
		7.1	342.4
Creditors: amounts falling due within one year	6	(15.1)	(356.1)
Net current liabilities		(8.0)	(13.7)
Net assets		1,994.7	1,988.2
Capital and reserves			
Called up share capital	7	0.6	0.6
Share premium account	8	1.6	1.3
Reserve for shares to be issued	8	5.6	2.6
ESOP Trust shares	8	(0.2)	(0.4)
Profit and loss account	8	1,987.1	1,984.1
Equity shareholders' funds	8	1,994.7	1,988.2

These financial statements were approved by the Board of Directors on 23 February 2012 and were signed on its behalf by:

Peter Rigby
Chief Executive

Adam Walker
Finance Director

Notes to the Company Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2011

1 CORPORATE INFORMATION

Informa plc (the "Company") was incorporated under Jersey Company Law on 11 March 2009, as a public company limited by shares with the name Informa Limited and changed its name on 29 April 2009 to Informa plc. The principal legislation under which the Company operates is the Companies (Jersey) Law 1991 and regulations made there under, although the Company is domiciled in Switzerland and therefore operates under Swiss tax laws.

Principal activity and business review

Informa plc is the parent company of the Informa Group (the "Group") and its principal activity is to act as the ultimate holding company of the Group.

The shares of the Company are listed on the London Stock Exchange and trading in these shares commenced on 30 June 2009.

2 ACCOUNTING POLICIES

Basis of accounting

The Company's financial statements have been prepared on a going concern basis (for further analysis – refer to Directors' Report on page 42 to 43) and under the historical cost convention and in accordance with the Companies (Jersey) Law 1991 and United Kingdom Generally Accepted Accounting Practice ("UK GAAP").

The Company's financial statements are presented in pounds sterling being the Company's functional currency.

The Directors' Report, Corporate Governance Statement and Directors' Remuneration Report disclosures are on pages 39 to 59 of this report.

Profit and loss account

Pursuant to Article 105 of the Companies (Jersey) Law 1991, the Company's revenue for the period is £nil (2010: £nil), profit before tax for the year is £11.9m (2010 loss: £6.8m) and profit after tax for the year is £11.8m (2010 loss: £6.8m).

Cash flow statement

The Company's results for the year ended 31 December 2011 are included in the consolidated financial statements of Informa plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 *(Revised 1996) Cash Flow Statements*.

Related party transactions

The Company has taken advantage of the exemption in FRS 8 *Related Party Disclosures*, that transactions with wholly owned subsidiaries, do not need to be disclosed.

Financial instruments

The Informa plc consolidated financial statements contain financial instrument disclosures required by IFRS 7 *Financial Instruments: Disclosures* and these would also comply with the disclosures required by FRS 29 *Financial Instruments: Disclosures*. Accordingly, the Company has taken advantage of the exemptions provided in paragraph 2D of FRS 29 not to present separate financial instrument disclosures for the Company.

Investments in subsidiaries

Investments held as fixed assets are stated at cost less any provision for impairment. Where the recoverable amount of the investment is less than the carrying amount, an impairment is recognised.

ESOP Trust shares

Own shares deducted in arriving at shareholders' funds represent the cost of the Company's ordinary shares acquired by the Employee Share Option Plan ("ESOP") trusts in connection within certain of the Company's employee share schemes.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible (with a maturity of three months or less) to a known amount of cash and are subject to an insignificant risk of changes in value.

Notes to the Company Financial Statements CONTINUED

2 ACCOUNTING POLICIES continued

Property and equipment

Property and equipment is recorded at cost less accumulated depreciation and provision for impairment. Depreciation is provided to write off the cost less the estimated residual value of property and equipment on a straight line basis over the estimated useful lives of the assets. The rates of depreciation are as follows:

Equipment, fixtures and fittings	3 – 5 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the net sale proceeds and the carrying amount of the asset and is recognised in the Income Statement.

Share-based payments

The Company issues equity settled share-based payments to certain employees. A fair value for the equity settled share awards is measured at the date of grant. The fair value is measured using the Binomial or Monte Carlo model of valuation, which are considered to be the most appropriate valuation techniques. The valuation takes into account factors such as non-transferability, exercise restrictions and behavioural considerations. To assign a fair value to share awards granted under the Share Matching Plan where the proportion of the award released is dependent on the level of total shareholder return, the Monte Carlo Simulation methodology is considered the most appropriate.

In terms of FRS 20 Share-based payment, where a parent grants rights to its equity instruments to employees of a subsidiary, and such share-based compensation is accounted for as equity-settled in the consolidated financial statements of the parent, the subsidiary is required to record an expense for such compensation, with a corresponding increase recognised in equity as a contribution from the parent. Consequently, in accordance with UITF 44 *FRS 20 (IFRS 2) – Group and Treasury Transactions* the Company has recognised an addition to fixed asset investments of the aggregate amount of these contributions that have accrued in the period with a corresponding credit to equity shareholders' funds.

Foreign currencies

Foreign currency transactions arising from operating activities are translated from local currency into pounds sterling at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year-end are translated at the period end exchange rate. Foreign currency gains or losses are credited or charged to the Profit and Loss account as they arise.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Interest expense

Finance costs of debts are capitalised against the debt value on first drawdown of the debt and are recognised in the Profit and Loss account at a constant rate over the life of the debt.

3 INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	£m
At 1 January 2011	2,001.8
Additions	0.8
At 31 December 2011	2,002.6

The addition of £0.8m relates to the fair value of the share incentives issued to employees of subsidiary undertakings during the year, in accordance with UITF 44 FRS 20 (IFRS 2) – *Group and Treasury Transactions*.

The listing below shows the subsidiary undertakings as at 31 December 2011 which affected the profit or net assets of the Company:

Company	Country of registration and operation	Principal activity	Ordinary shares held
Informa Group Holdings Limited	England and Wales	Holding company	100%
Informa International Holdings Limited	Bermuda	Holding company	55%
IIR Hungary Limited	Bermuda	Trading	55%
Informa IP LLC	USA	Business information	100%
Informa Finance GmbH	Switzerland	Finance	100%
Informa IP GmbH	Switzerland	Business information	100%

The proportion of voting power held is the same as the proportion of ownership interest.

4 PROPERTY AND EQUIPMENT

	Equipment fixtures and fittings £m
Cost	
At 1 January 2011	0.1
Additions	–
At 31 December 2011	0.1
Depreciation	
At 1 January 2011	–
Charge for the year	–
At 31 December 2011	–
Carrying amount	
At 31 December 2011	0.1
At 31 December 2010	0.1

Notes to the Company Financial Statements CONTINUED

5 DEBTORS DUE WITHIN ONE YEAR

	2011 £m	2010 £m
Amounts owed from group undertakings	6.4	341.2
Other debtors and prepayments	0.3	0.8
	6.7	342.0

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £m	2010 £m
Amounts owed to group undertakings	12.5	355.0
Other creditors and accruals	2.6	1.1
	15.1	356.1

Amounts owed to group undertakings falling due within one year are unsecured, interest bearing and repayable on demand.

7 SHARE CAPITAL

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

	2010 £m	2009 £m
Issued and fully paid		
601,202,853 ordinary shares of 0.1p each (2010: 600,927,884 ordinary shares 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

8 CAPITAL AND RESERVES

	Share capital £m	Share premium account £m	Reserve for shares to be issued £m	ESOP Trust shares £m	Profit and loss account £m	Total £m
At 1 January 2010	0.6	0.2	0.5	(0.4)	1,999.6	2,000.5
Options exercised	–	1.1	–	–	–	1.1
Share-based payment charge	–	–	2.1	–	–	2.1
Loss for the year	–	–	–	–	(6.8)	(6.8)
Dividend paid	–	–	–	–	(8.7)	(8.7)
At 1 January 2011	0.6	1.3	2.6	(0.4)	1,984.1	1,988.2
Options exercised	–	0.3	–	–	–	0.3
Share-based payment charge	–	–	3.0	–	–	3.0
Transfer of vested LTIPs	–	–	–	0.3	–	0.3
Own shares purchased	–	–	–	(0.1)	–	(0.1)
Own shares sold	–	–	–	–	0.6	0.6
Profit for the year	–	–	–	–	11.8	11.8
Dividend paid	–	–	–	–	(9.4)	(9.4)
At 31 December 2011	0.6	1.6	5.6	(0.2)	1,987.1	1,994.7

As at 31 December 2011 the Informa Employee Share Trust held 46,527 (2010: 49,237) ordinary shares in the Company at a cost of £47 (2010: £0.1m) and a market value of £0.2m (2010: £0.2m). 46,527 shares (2010: 49,237) held by the Employee Share Trust have not been allocated to individuals and accordingly, dividends on these shares are waived.

During the year equity dividends of £9.4m (2010: £8.7m) were paid by the Company to those shareholders who did not elect to receive dividends under the Dividend Access Plan ("DAP") arrangements. In total, dividends of £87.2m (2010: £74.1m) were paid in the period of which £77.8m (2010: £65.4m) were paid by Informa DAP Limited under the DAP arrangements. Further details of the proposed dividend and DAP arrangements are given in Note 14 to the Group financial statements.

9 SHARE-BASED PAYMENTS

Details of the share-based payments are disclosed in the Group financial statements (Note 10).

10 POST BALANCE SHEET EVENTS

There have been no significant events since the reporting date.

Five Year Summary

	2011 £m	2010 £m	2009 £m	2008 £m	2007 £m
Results					
Revenue	1,275.3	1,226.5	1,221.7	1,278.0	1,129.1
Adjusted operating profit	336.2	313.2	309.5	305.8	261.0
Statutory operating profit	130.3	164.0	145.7	164.6	154.0
Statutory profit before tax	88.6	125.0	96.5	109.0	124.4
Profit attributable to equity holders of Informa plc	75.4	98.9	105.6	84.9	99.2
Assets employed					
Non-current assets	2,755.6	2,820.9	2,859.1	3,123.5	2,767.6
Current assets	320.1	299.5	279.6	337.7	303.9
Non-current assets classified as held for sale	–	–	–	–	2.2
Current liabilities	(692.3)	(851.7)	(656.6)	(795.3)	(591.3)
Non-current liabilities	(1,003.0)	(867.8)	(1,152.6)	(1,592.9)	(1,553.9)
Net assets	1,380.4	1,400.9	1,329.5	1,073.0	928.5
Financed by					
Equity	1,382.1	1,400.9	1,328.6	1,071.8	927.9
Non-controlling interest	(1.7)	–	0.9	1.2	0.6
	1,380.4	1,400.9	1,329.5	1,073.0	928.5
Key statistics (in pence)					
Earnings per share	12.5	16.5	18.8	16.8	19.7
Diluted earnings per share	12.5	16.5	18.8	16.8	19.6
Adjusted earnings per share	37.9	34.8	34.3	33.9	30.0
Adjusted diluted earnings per share	37.8	34.8	34.3	33.9	29.9

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Legal Notices

NOTICE CONCERNING FORWARD-LOOKING STATEMENTS

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

The Group warns investors that a number of important factors, including those in this Annual Report, could cause actual results to differ materially from those contained in any forward-looking statements. Such factors include, but are not limited to, those discussed under Risks and Uncertainties on pages 29 to 32 of this Annual Report.

WEBSITE

Informa's website www.informa.com gives additional information on the Group. Information made available on the website does not constitute part of this Annual Report.

Shareholder Information

REGISTRARS

In early 2011 Informa moved its Registrar service from Equiniti (Jersey) Limited ("Equiniti") to Computershare Investor Services (Jersey) Limited ("Computershare"). The Shareholder Helpline run by Computershare is available between Monday and Friday, 8.30 am to 5.30 pm. The number to call is 0870 707 4040, if you are calling from outside the UK please call: +44 870 707 4040. This helpline deals with various share related queries.

They also offer a free online service which enables you to:

- view and manage all of your shareholdings;
- register for electronic communications;
- buy and sell shares instantly online with the dealing service; and
- other shareholder services such as change of address, transfer shares or replace a lost certificate.

Visit www.investorcentre.co.uk/je for further information. You will need your shareholder reference number as shown on your letter from Informa dated 25 January 2011 which outlines the move to Computershare. You can register quickly and easily by going to www.investorcentre.co.uk/je and clicking on the 'Register' button. You will be asked for various information including the following:

- the company in which you hold shares or loan notes managed by Computershare;
- your last name as it appears on a recent share certificate or tax voucher;
- shareholder reference;
- your postcode; and
- your current email address.

Or you can select the 'Single Access' option which allows you to view your Informa holdings without creating an account. In order to do this you just need to input your shareholder reference number and your post code. Once entered you are then able to manage your shareholding account online.

GLOBAL PAYMENTS SERVICE

This service provided by Informa's Registrar enables shareholders to have dividend payments paid directly into their bank account in their chosen local currency. To view terms and register for this service, please visit www.investorcentre.co.uk/je.

DIVIDEND

Informa usually pays a dividend to all shareholders twice each year. Informa operates a Dividend Access Plan which is open to all its shareholders. Those shareholders who hold fewer than 100,000 shares are deemed to consent to receive their dividends from a UK resident Informa company. However if a shareholder holding over 100,000 shares wishes to do so may elect to join the Dividend Access Plan by completing an Election Form. This form is available from Informa's Registrars by calling 0870 707 4040, if you are calling from outside the UK please call: +44 870 707 4040. If you hold over 100,000 shares and do not elect to join the Dividend Access Plan you will receive your dividends from Informa plc which is domiciled in Switzerland.

Alternatively, shareholders can elect to receive shares instead of cash from their dividend allocation through the Dividend Reinvestment Plan ("DRIP").

Shareholders can also arrange for dividends to be paid by mandate directly to a UK bank or building society account through the BACSTEL-IP (Bankers' Automated Clearing Services) system. For the benefit of shareholders resident in any of the eurozone countries, the Company offers the option to receive dividends in euros.

SHARE DEALING

If shareholders wish to buy or sell any Informa shares, they can do so by calling the Company's stockbrokers, Equiniti Financial Services Limited (formerly Natwest Stockbrokers), on 0808 208 4433. Instructions on how to deal will be provided over the phone. The helpline is open 8.00 am to 4.30 pm UK time, Monday to Friday, except Bank Holidays.

CREST ELECTRONIC PROXY VOTING

The Company will be accepting proxy votes through the CREST Electronic Proxy Voting system.

SHAREGIFT

ShareGift (Registered Charity no. 1052686) is an independent charity which specialises in accepting donations of small numbers of shares which are uneconomic to sell on their own. ShareGift is particularly designed to accept unwanted shares and uses the ultimate proceeds to support a wide range of UK charities. Over £14m has been given by ShareGift so far to over 1,700 different UK charities. Further information about ShareGift can be found on their website, www.ShareGift.org or by calling 020 7930 3737.

ELECTRONIC SHAREHOLDER COMMUNICATION

As part of Informa's Corporate Social Responsibility programme and in particular our ongoing commitment to reduce our environmental impact, we offer all shareholders the opportunity to elect to register for electronic communications. For further information please visit www.informa.com.

PROTECTING YOUR INVESTMENT FROM SHARE REGISTER FRAUD

Over the last few years a number of companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from brokers who target existing shareholders offering to sell what often turn out to be worthless or high risk shares in US or UK investments. They can be extremely persuasive and very persistent. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

If you receive any unsolicited investment advice:

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For more information
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