Combination and Creation

Annual Report and Financial Statements 2018

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Who we are

Informa is an international business-to-business events, academic publishing and information services Group.

We are listed on the London Stock Exchange and a member of the FTSE 100.

What we do

We serve businesses, professionals and academics working in specialist communities all over the world, by helping them connect, learn and do business, and by providing access to content, intelligence and networks that enable them to work smarter and make better decisions faster.

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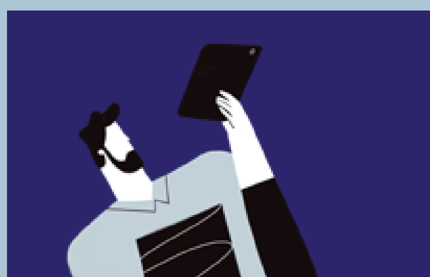

40 Divisional Reviews

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2018 Informa Group highlights

Revenue (£m) — £2,369.5m

2014	1,137.0
2015	1,212.2
2016	1,344.8
2017	*1,756.8
2018	2,369.5

Underlying revenue growth (%) — 3.7%

2014	0.7
2015	1.0
2016	1.6
2017	3.4
2018	3.7

Operating profit (£m) — £363.2m

2014	(2.8)
2015	236.5
2016	198.6
2017	*344.7
2018	363.2

Adjusted operating profit (£m) — £732.1m

2014	334.0
2015	365.6
2016	415.6
2017	*544.9
2018	732.1

Free cash flow (£m) — £503.2m

2014	237.2
2015	303.4
2016	305.7
2017	400.9
2018	503.2

Dividend per share (p) — 21.90p

2014	17.80
2015	18.50
2016	19.30
2017	20.45
2018	21.90

* Restated for the impact of IFRS 15. See Note 4 for more information.

2018 business highlights

Combination with UBM, June 2018

- £3.9bn addition of UBM brought 3,500 new colleagues, around 350 exhibitions and expanded the Group's footprint in Asia and the US.

Entry into the DJSI World Index, September 2018

- Informa ranked among the top 10% of listed companies according to performance on economic, social and environmental factors.

See the Financial Review on page 76 for full 2018 financials and definitions for adjusted results, and key performance indicators on page 60

Strategic Report
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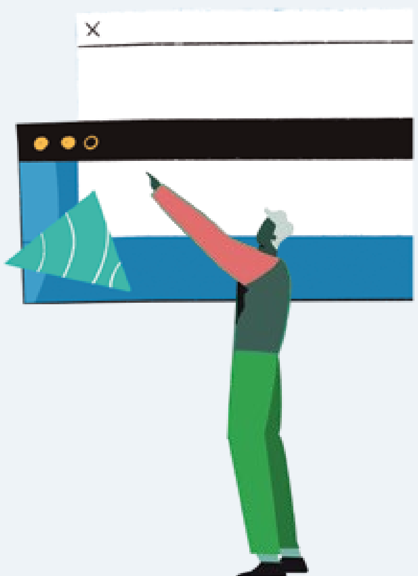
An international business-to-business events, academic publishing and information services Group

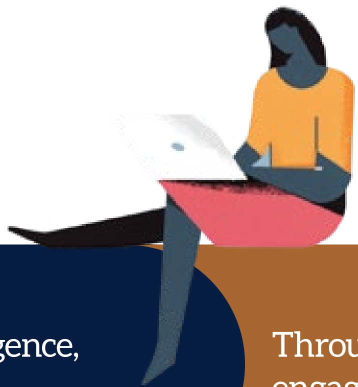
We work with customers in a range of specialist professional communities

Life Sciences, Aviation, Fashion & Jewellery, Technology, Medical Equipment, Pharmaceutical Ingredients, Health & Nutrition, Maritime, Humanities & Social Sciences, Finance, Advanced Manufacturing, Agriculture, Construction & Real Estate, Science, Technical & Medical, Pharma & Biotech, Waste Management, Telecoms, Beauty & Aesthetics, Infrastructure, Pop Culture, Transportation, Brand Licensing, Hospitality & Leisure, International Yachting

Providing high value business-to-business information services

- Critical data
- Peer reviewed research
- Face-to-face platforms for sales and product promotion
- Targeted lead generation
- Trusted market and competitor intelligence
- Data analytics
- Actionable industry insight
- Access to qualified buyers
- High quality content
- Expanded business and professional networks
- Specialist data and marketing solutions
- Accredited professional training
- Consultancy services
- Sales enablement tools





Creating and delivering intelligence, networks and connections

Through 11,000 colleagues working and engaging to a shared set of common values

4m
scholarly research articles available for download

4.2m sq. m
of exhibition space provided to businesses annually

27m
marketing/lead generation database of 27m business professionals

29
exhibitions ranked in top 250 US trade shows by size

26,000
partnering meetings held between investors and life sciences firms at BIO-Europe 2018

120,000
ebooks to search and download

5.5m+
people attend our events and exhibitions annually

700,000+
aviation professionals engage with our brands

R210m
value generated for attendees and exhibitors at AfricaCom 2017

Specialism and focus
Dedicated to and expert in our customers' specialist markets

Integrity and trust
Taking pride in our brands, with a focus on quality and credibility

Think big, act small
Forward looking and seeing the bigger picture while delivering on the detail

Freedom and authority
Distributed decision enables business teams to be responsive to customer needs

Agility and speed
A dynamic environment, with a flexible and commercial approach

Derek Mapp
Chairman

A year of delivery, combination and creation

> “*GAP* created a Group with greater balance and breadth and this positive momentum has given your management team and the Board the confidence to do more.”

I am delighted to have the opportunity to address Informa Shareholders and colleagues, and to express my thanks for their support, hard work and commitment through 2018.

It was another busy and productive period that saw the Group report a fifth consecutive year of growth in revenue, profits, cash flow and dividends. It was also a year when we took a considerable step forward in our future growth and ambition by adding UBM to the Informa portfolio.

From *GAP* to the *AIP*

The Informa Group has progressively and consistently evolved over the past five years. Through the 2014-2017 *Growth Acceleration Plan* (*GAP*), the Group was reshaped, restructured, repaired and rebalanced.

GAP created a Group with greater balance and breadth and this positive momentum has given your management team and the Board the confidence to do more. It directly led us to push for further scale in 2018, when adding UBM provided a unique opportunity to build on the progress made through *GAP* and enhance the Group’s international breadth and depth in specialist markets, particularly in exhibitions.

View from the Board: expansion and scale

What led the Board to endorse Informa’s 2018 expansion plans?
The Board’s view was that Informa had the potential to create significant value for Shareholders as well as opportunities for colleagues and other partners through adding the UBM business. We knew the business well and believed it was a good fit, with its complementary brands, similarities in culture and values, and a comparable recent history of change and growth. The progress made through *GAP* and the effective integration of Penton Information Services had also increased our confidence in Informa’s capability to combine the businesses effectively.

What role has the Board played so far?
As ever, the Board represents the interests of Shareholders and other stakeholders by overseeing the Group’s activities, guiding the management team and challenging plans where appropriate. The Directors provided support and input to the leadership team with its decision making during the offer process, assessed integration plans and received regular progress reports in Board meetings and through informal conversations in between. Board members also engaged with Shareholders and colleagues. I attended ReInvent, a gathering of around 100 leaders from across the enlarged Group, in July, answering questions and getting direct feedback on how the new Informa Group was coming together.

Did the Board have any concerns about the combination?
The impact on colleagues and our culture was foremost in our minds. Informa is a people business, and we knew an effective outcome would rely on the engagement, support and efforts of all those in each business. It was critical that combining the businesses would ultimately add to the experience and opportunities available to colleagues, rather than unduly disrupting or stretching teams. Diligence gave us comfort that the business cultures were aligned, and further work has been done to more fully understand what is important to colleagues and build a set of common principles and ways of working for everyone in the Group.

What is the Board’s focus for 2019?
Aside from our ongoing wider responsibilities and maintaining the focus on colleagues and culture, it is to make sure we complete the *AIP* effectively and deliver on our Shareholder promises by meeting our synergy targets and pursuing revenue opportunities. At the same time, we will work to ensure the Group continues to deliver consistent underlying growth and performance in each of our businesses, capitalising on our strengths and the progress made through *GAP*.

Twelve months later and well into our *Accelerated Integration Plan* (*AIP*), the Board remains confident that this step will deliver real long-term value and opportunity.

Following a period of intense activity, the *AIP* is ahead of schedule with key decisions on leadership and structure implemented. The Group is on track to deliver its cost synergy targets, and as it starts to operate as a single enlarged business, the benefits of increased scale and industry specialisation will also come through new revenue opportunities.

New brands and depth in customer markets

One of the early decisions made within the *AIP* was to reorganise and rename our Divisions as **Informa Markets**, **Informa Connect**, **Informa Intelligence**, **Informa Tech** and **Taylor & Francis**, as described on page 8.

> **"As Informa has expanded in 2018, so has the Board, welcoming two long-term appointments in David Wei and Mary McDowell who bring invaluable international experience in Asia and North America respectively."**

David Wei joined the expanded Informa Board during 2018

As we expand internationally, this approach aligns the enlarged business more closely behind the Informa brand, and these more descriptive divisional names provide our Divisions with greater commercial flexibility. Our **Academic Publishing** Division, which has long gone to market as **Taylor & Francis**, is conducting a separate brand review to understand how it might also adapt its approach in what is quite a distinct market.

The *AIP* has also enabled the Group to increase its focus on specialisation and serving individual industry communities. This approach has now been adopted at a divisional level through the launch of **Informa Tech**, a market facing business that brings together all our exhibitions, events, information, data, media and marketing services brands serving Technology, Media and Telecoms (TMT) under one structure and leadership.

In recent years, this increasingly vertical approach to customers and markets has delivered consistent improvement in growth and performance. In 2018, the Group reported underlying revenue growth of 3.7%, up from 3.4% in 2017 and 0.7% in 2014, the year *GAP* launched. Total revenues were £2.4bn and adjusted earnings per share grew 7% to 49.2p, with free cash flow reaching £503.2m, a figure that was £237.2m back in 2014.

Shareholder returns and governance

Over the last five years, as Informa has reaped the benefits of growth and more predictable performance, we have progressively increased our annual dividend growth from 2% to 4% and then to 6% in 2017.

Following the Group's continued progress in 2018, we have continued this commitment by proposing a final dividend for the year of 14.85p per share, bringing the total 2018 dividend to 21.90p, a year-on-year increase of just over 7%. It remains a priority to share the benefits of growth and our strong cash generation by taking a progressive approach to dividends, and

I am delighted Informa's continued performance in the past year has enabled us to do this.

As Informa has expanded in 2018, so has the Board, welcoming two long-term appointments in David Wei and Mary McDowell, who bring invaluable international experience in Asia and North America respectively.

Greg Lock also joined as Deputy Chairman for the period of the *AIP* to ensure a smooth transfer and transition for colleagues and businesses. Greg will step down at the Annual General Meeting in May and on behalf of the Board I thank him for his valuable contributions, both during the creation of the enlarged Informa Group and in his wise counsel since.

As 2018 testifies, we regularly review the shape, size and composition of the Board to ensure it has the skills and resources to govern effectively, and more information on the Board's developments during the year can be found on page 98.

Part of the Board's role is to stay abreast of wider economic and geopolitical trends that could impact the Group and so we have been closely monitoring the potential for disruption from the UK's exit from the European Union. While we remain vigilant, there is little direct exposure and we do not believe there are material risks for the Group. The Group's increased international scale and breadth means we are better placed than ever to manage individual market turbulence.

Creating opportunities in 2019 and beyond

Over recent years members of the Board have spent a considerable amount of time with Shareholders, discussing Informa, its performance, leadership and expansion plans amongst many other topics, including on our recent Annual Engagement Roadshow, described on page 114.

The overriding impression we have been left with is excitement about the potential of the enlarged Informa Group, and belief and confidence in the management team. To deliver on this potential will require another year of hard work in 2019, maintaining focus and delivery across each Division, as we complete the *AIP*, deliver our synergy targets and further adapt to make the most of our increased reach and strengthened market positions. I know the team is fully committed to this.

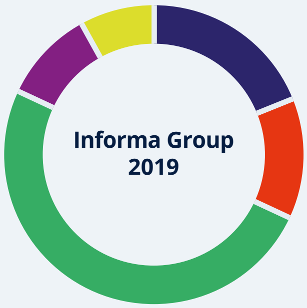
The Board remains equally committed to meeting our prior obligations to deliver the first full year of the enlarged Group, and so while acknowledging the latest guidance within the UK Corporate Governance Code, we all remain focused on supporting the leadership team to make this a reality. It is a privilege to be part of this unique, dynamic and ambitious Company and I look forward to seeing it move from strength to strength in the year ahead.

Derek Mapp
Chairman
6 March 2019

Mary McDowell joined the expanded Informa Board during 2018

Understanding the enlarged Group

New brands and operating structure



19%
Taylor & Francis
Publishes high quality scholarly research and reference-led content

13%
Informa Intelligence
Provides specialist data-driven insight and intelligence in targeted customer markets

50%
Informa Markets
Connects buyers and sellers in specialist markets at major branded exhibitions and online

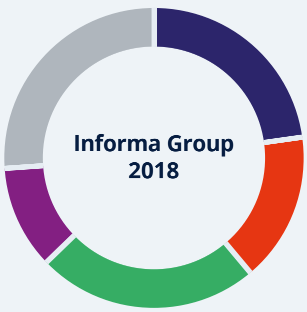
10%
Informa Connect
Creates content-driven events, training and digital platforms for learning and networking

8%
Informa Tech
Delivers research, insight, events and exhibitions to specialist international Technology communities

Group, operations and cross divisional operations teams provide an enlarged range of shared business services and Group leadership

Figures are based on 2018 pro-forma 12-month revenues

Informa Group in 2018



23%
Academic Publishing
Publishes high quality scholarly research and reference-led content

16%
Business Intelligence
Provides specialist data-driven insight and intelligence

24%
Global Exhibitions
Organises major branded transaction-oriented exhibitions

11%
Knowledge & Networking
Creates content-driven events, training and digital platforms

26%
UBM
Business-to-business event and exhibition organiser; joined the Informa Group in June 2018

Global Support teams providing shared business services and Group leadership

Figures are a proportion of 2018 Group revenue, including six and a half months' contribution from UBM

As part of the *Accelerated Integration Plan*, the shape of the Group is evolving as we continue to shift to a more customer and market-led model and integrate UBM brands and portfolios. This includes the creation of several new divisional brands that align more closely to Informa and a fifth Division, **Informa Tech**. The **Academic Publishing** Division, trading as **Taylor & Francis**, is also undergoing a brand review in 2019 designed to enhance its customer proposition.

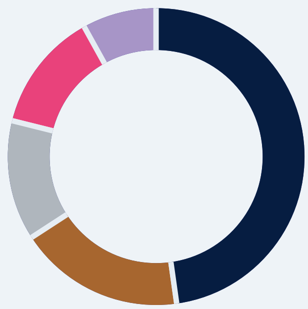
Why invest?

1. Predictable and recurring revenues
2. International scale
3. Breadth and balance of Group portfolio
4. Progressive dividend approach
5. Major specialist brands in attractive customer markets
6. Track record of consistent and improving performance
7. Depth of content, data and audiences
8. Strong cash conversion and free cash flow generation
9. Low capital requirements and Balance Sheet strength
10. Attractive margins

International reach and depth

Where we generate revenue (%)

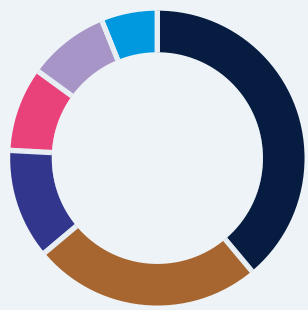
- North America – 48%
- Rest of World – 18%
- China (including Hong Kong) – 13%
- Continental Europe – 13%
- UK – 8%



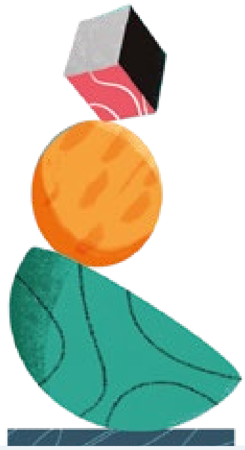
High level of forward booked revenues providing visibility

Type of revenue (%)

- Exhibitor – 39%
- Subscriptions – 25%
- Unit sales – 12%
- Attendee – 9%
- Marketing and advertising services – 9%
- Sponsorship – 6%



Informa's growth strategy



The *Accelerated Integration Plan*

1 Adapt and strengthen the Group operating model

Adapt the Group operating model to best fit Informa's increased international reach and specialism and our increasing focus on customer end markets.

2 Strengthen leadership and talent

Strengthen expertise and talent in key functions and leadership teams, adding capabilities and experience and creating the new roles necessary to operate effectively at scale.

3 Rebalance and focus through Progressive Portfolio Management

Continue the focus under *GAP* to prioritise customer markets where the strength of our brands and positions creates the greatest potential for future growth. Assess alternative ownership models for markets and businesses where long-term returns are less attractive.

One-year phased programme of activity

Phase 1 → Discovery & Validation

June – August 2018

- Teams connect; integration plans tested and confirmed

Phase 2 → Combination

August – November 2018

- Combination activities start; plans for 2019 formed

Phase 3 → Completion

November 2018 – March 2019

- Enter 2019 as a combined business commercially; further cultural integration

Phase 4 Creation & Ambition

March – June 2019

- New brands launch; realisation of synergies; identifying new customer opportunities

Informa's long-term focus is to build a business delivering broad-based, predictable growth and consistent performance, converting profits into cash to distribute to Shareholders and reinvest for continued growth and scale.

Between 2014 and 2017, this strategy was delivered through the *Growth Acceleration Plan*, a four-year programme of measured change and investment, under which all parts of the Group returned to growth.

As part of *GAP*, the Group built and bought a scale position in exhibitions, repaired and returned the **Business Intelligence** Division to growth, simplified and focused the **Knowledge & Networking** Division, and invested in Open Access and digital capabilities in **Academic Publishing**. We purposefully built reach and capabilities in the US and invested over £80m in products, people and platforms.

In 2018 Informa introduced an *Accelerated Integration Plan*, a phased one-year programme designed to integrate the UBM portfolio quickly, building on the disciplines and capabilities established through *GAP*.

The *AIP* is designed to minimise disruption, maintain operational focus and create an enlarged Group that can make full use of its increased international scale and depth in industry markets.

4

Deliver benefits of combination and scale through synergies

Deliver cost synergies from operating as a combined Group, and explore and capture additional revenue opportunities. Target to deliver £75m run rate in cost synergies by end of 2021, with £50m to be delivered in 2019.

5

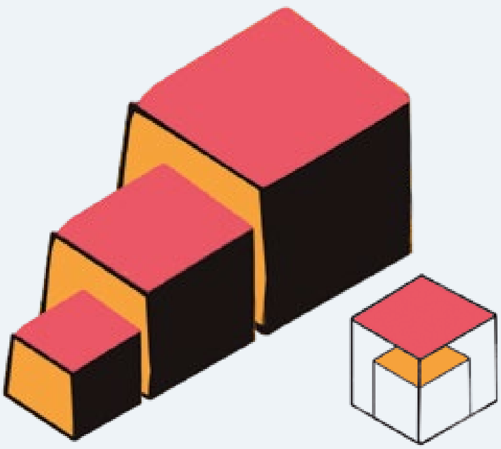
Repair and return the Fashion business to growth, through the Fashion *GAP*

Address underperformance in the Fashion exhibitions business through a three-year programme of change and operational improvement, applying the methods and disciplines of Informa's *GAP* programme to return the portfolio to growth.

6

Review, simplify and strengthen brand value

Review Informa's Group and divisional brands to build further value in the business and simplify our positioning across markets. Assess brand architecture, corporate positioning, and the articulation of culture and common values across the Group.



Stephen A. Carter
Group Chief Executive

Combination and Creation

"It has been another busy and significant period for Informa. I am pleased to report that 2018 marked the fifth consecutive year of positive performance."

Measured change and improvement

This time 12 months ago, the Informa Group had just come to the end of the 2014-2017 *Growth Acceleration Plan.*

GAP was a four-year programme of measured change, improvement and investment in the business, designed to return all parts of the Group to growth, to focus and build positions in markets where we saw the greatest future potential, and to simultaneously build the platforms and capabilities for Informa's long-term growth and development.

It enabled us to make significant individual progress in each of our then Operating Divisions:

- In **Global Exhibitions**, we significantly expanded, both organically and through a series of targeted acquisitions, taking a small business concentrated in the Middle East to become the leading exhibitions operator globally, with significant international scale and reach in attractive business-to-business customer markets.
- In **Academic Publishing**, we progressively invested and refocused the business. This included consolidating our Books business into a single, global operation and building a digital platform that is delivering market and customer benefits. In Journals, we invested significantly in Open Access, organically and through the addition of Dove Medical Press, building capacity and capabilities in a fast-growing segment of the market.
- In **Business Intelligence**, we reorganised and restructured the business to be closer to its customer markets and focused on subscriptions, introducing fresh leadership and investing significantly in products and platforms. This delivered a turnaround from negative growth as low as -8.5% back to consistent positive underlying growth.
- In **Knowledge & Networking**, we progressively focused the business, moving it away from its roots as a volume conference producer to concentrate on building major events brands that repeat each year and are the convening place for an industry. We invested in new leadership and in strengthening our digital infrastructure, offering more services to more customers with particular focus on TMT, Life Sciences and Finance.

The success of *GAP* and Informa's transformation over this period gave us the confidence and capabilities to bring the UBM portfolio into the Group in 2018. Like Informa, this is a business that had been on a similar journey of focus and investment, with a highly complementary footprint and reach in Asia that we had not had previously. It is also a business based on the skills, energy and commitment of its people, operating in a range of attractive, specialist customer markets, where knowledge, information and the ability to connect and transact are valued.

Through combination, we are creating a Group with operating scale, international reach and deep industry specialisation within these markets, capable of delivering consistent growth and sustainable, long-term financial performance.

The offer for UBM was approved by Shareholders in April 2018 and completed on 18 June 2018, shortly followed by the detail of our implementation plan for the combination, the *Accelerated Integration Plan*.

I would like to thank Shareholders for their strong support for this development, the Informa Board for its ongoing guidance and stewardship, and all colleagues for the efforts and contributions made during this period.

Thanks also go to colleagues from the UBM leadership team, with whom we worked closely and collaboratively to plan and transition the business into the Group, and a warm welcome to the new Board Directors and colleagues who have joined Informa through this process.

> "The success of *GAP* and Informa's transformation over this period gave us the confidence and capabilities to bring the UBM portfolio into the Group in 2018."

Group consistency and delivery

In 2018, the first year after the completion of *GAP*, we delivered further consistent and positive financial performance, underlining the capacity and capabilities now within the Group.

At a Group level, business growth and addition lifted revenues to just over £2.3bn, up nearly 35% on a reported basis. Underlying revenue growth, a key focus of improvement under *GAP*, continued to rise, from 3.4% in 2017 to 3.7% in 2018. Adjusted operating profit grew by nearly 35% to just over £730m on a reported basis and by 2.3% on an underlying basis.

Group adjusted operating margins remained steady and strong at 30.9%. Free cash flow, which continues to be an important metric for the Group, advanced to just over £500m from £400m in 2017, underlining the strength of cash flow generation and scale across the enlarged Group, which provides flexibility for future targeted expansion, reinvestment for growth and progressive Shareholder returns.

Positive growth in each Division

Following the investment in products, platforms and capabilities under *GAP*, each of Informa's Operating Divisions delivered further growth in 2018.

In our **Academic Publishing** Division **Taylor & Francis**, underlying growth improved to 2.2% from 2.0% the prior year, with revenues of over £530m and adjusted operating profit of nearly £200m.

This included robust renewal rates and a consistent performance from our subscription-based scholarly journals business, good growth in our expanding Open Access journals business, and a strong performance from our Books business following our *GAP* investments in production, marketing, and the digitisation and discoverability of our Books content.

Taylor & Francis remains focused on growing and maintaining the quality of its specialist content, launching new formats and developing new digital platforms and data products that provide its customers – scholarly researchers, universities and research institutions – with flexibility, value and benefits.

In **Business Intelligence**, following its restructuring and positioning through *GAP*, the priority has been to convert its investment in products and platforms into improved new business momentum.

Having returned to growth for the first time in six years in 2016 and made a further step forward in performance in 2017, the business improved again in 2018, posting underlying revenue growth of 2.6% and total revenues of £385m.

Colleagues on the combination

In June 2018, four colleagues from around the world were invited to London to interview Stephen Carter for a film that would be part of the internal launch of the enlarged Group. It was an opportunity to ask about the reasons for the combination, find out more about what to expect and get to know the Group's leadership a little better.

Looking back on the day, Eva van de Pol from the Amsterdam office recounted: "Meeting up with Stephen, Kathryn, Ryan and Woolly was a great experience. I loved meeting my colleagues from around the globe and getting a sense of the worldwide character of the business."

For Kathryn Frankson from Minneapolis, "my trip to London is still fresh in my mind! An unexpected takeaway but a benefit of working for a global company was realising just how similar our challenges and opportunities are, wherever in the world you work."

Woolly Ko, who travelled from Hong Kong for the interview, reflected that "it gave me a clear sense of what our shared values are and what it means to combine the two businesses".

Looking back at how the business has developed since the interview, Ryan Fell, who works on financial reporting in London, explained: "Working with the finance systems used by the business, we are seeing a lot of change related to the *Accelerated Integration Plan*, with various projects to streamline our finance systems. There is lots of extra work but some new and exciting challenges as well!"

For Woolly, "working in the Asia marketing and communications team, we've seen changes in brand architecture, an expansion of roles and changes of operating structure in some businesses. Plus, some teams have started to move into the same office, such as in Singapore and Shanghai, giving us the chance to join each other face to face."

Looking at what lies ahead in 2019, Woolly shared: "Right now, I'm working towards enhancing the marketing capabilities and skills of our Asia marketers by delivering training programmes and coaching sessions, mainly in China and Hong Kong. I feel like the business is encouraging more of us to share knowledge and skills."

In terms of feeling part of a larger business, Ryan commented that "as I work with old and new colleagues on establishing universal process and routines, I'll identify more and more with Informa".

Kathryn added: "I'm currently leading marketing efforts for the Catersource Conference & Tradeshow and I've been able to partner with several Informa teams to great success. We look to employ an engaging, human-centred brand approach and have plenty of opportunities to grow our audience through new and modern content, social and digital channels."

And for Kathryn, there are exciting times ahead. "I'm very much looking forward to more face time and deeper relationships with new colleagues in 2019. I genuinely feel like the year ahead brings more fresh energy, which in my mind equates to even more effective marketing activations!" she said.

Now firmly back in growth, we are using the *AIP* to focus on the markets where our Intelligence businesses have the strongest positions and best opportunities for growth, in the same way *GAP* brought market focus to **Global Exhibitions** and **Knowledge & Networking**.

This is leading to some portfolio management as we look to divest businesses for which there may be a better owner and put greater focus on areas such as Pharma and Consumer Retail Banking.

The **Global Exhibitions** Division became the largest part of the Informa Group by revenue by the end of *GAP*, as a result of a deliberate and targeted programme to expand our position in the attractive and fast-growing exhibitions market.

This particularly focused on building scale in the US, the single largest market for exhibitions, and deepening our presence in specialist customer communities.

2018 was another strong year for the Division, which generated revenues of £575m and underlying growth of 6.7%, meeting our target for above-market growth while expanding as a business.

This Division has particularly developed and scaled from the addition of the UBM portfolio, which has brought 275 exhibitions, around 2,500 colleagues, new capabilities and positions in several new specialist markets to its existing portfolios.

Most specifically, it has given us a much greater exposure to the growing Asian region and a particularly strong presence in Greater China, adding an exciting new dimension and growth opportunity for the future.

For the leadership team and all colleagues within the Division, it has been a huge effort to remain focused on performance and customers while simultaneously combining with UBM teams.

As detailed elsewhere, our teams have also moved quickly to identify synergies and commercial opportunities that put us in a good position to grow and further develop in new areas and markets in 2019.

Following a programme of simplification and investment in technology and customer experience through *GAP*, **Knowledge & Networking** returned to full-year growth in 2017.

This momentum continued in 2018, with a further improvement in underlying growth to 2.3% and revenues of £260m, thanks to strong performances from major brands in our three priority markets: Life Sciences, Finance and TMT.

The Division is now focused around branded, content-driven events in attractive and international markets that provide professional communities with opportunities to connect, network and learn.

These events are increasingly supported by digital content-based forums and marketing services, and there are many opportunities to expand what we offer to customers in these areas in 2019 and beyond.

The UBM business became part of Informa from 15 June 2018 and so Group financials reflect the business's contribution for just over six months, with revenues of £610m. Looking across the whole of the year, UBM performed as expected, delivering underlying revenue growth for 2018 of 2.8%, up from 1.4% in 2017.

Again, this performance is an encouraging one, indicating the continued focus of the management team and colleagues on business as usual during the combination period.

Combination and the *AIP*

One of the benefits of our expansion under *GAP* and the addition of businesses such as Penton Information Services is the experience and capabilities it has given us in integrating portfolios, brands and teams.

In June 2018, we introduced the *Accelerated Integration Plan* as the way in which our combination with UBM's portfolio and brands would be delivered.

As described on pages 10 and 11, the *AIP* is a one-year programme with six aspects designed to integrate UBM promptly and effectively, minimise disruption and maintain operational focus, while creating an enlarged Company that can make full use of its increased international reach and depth in industry markets.

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM

Informa enters DJSI World Index

Under *GAP*, one of the areas in which Informa sought to strengthen its capabilities was in sustainability. Having created the role of Head of Sustainability and appointed Ben Wielgus, the team's priority has been to understand how sustainability could be a competitive differentiator for Informa and to improve the impact we have on our key communities and partners.

To measure our progress, we set a Group KPI of continuing to participate in the Dow Jones Sustainability Index (DJSI) and to enhance our position and score. The DJSI is one of the broadest measures of a company's performance on social, governance and environmental factors and provides useful guidance on areas of future improvement.

In 2017, Informa was named an Industry Mover on account of strong improvement in our absolute score. In 2018, further improvements in areas including health and safety practices, information security, environmental management and the responsibility of our content led to Informa's inclusion in the headline DJSI World and European Indices for the first time, having scored in the top 10% of companies worldwide.

Chairman Derek Mapp commented: "Sustainability is about building a strong and responsible business for the long term, and I'm proud of the journey Informa has taken in this regard. Entering the DJSI is a great achievement and gives us plenty to build on in future years."

Customer-focused markets and brands

Encouragingly, the *AIP* is running ahead of schedule, which has allowed us to make a number of important changes to the way the Informa Group goes to market in 2019.

One of the shifts we made across our businesses through *GAP* was to focus increasingly around end customer markets. At this moment in the Group's evolution, we are seizing the opportunity to further adapt our Group operating model. In Technology, the breadth and scale of businesses we now have enable us to create a standalone, customer market-focused Division: **Informa Tech**.

This unites all our Tech product brands, whether focused on exhibitions, events, information, media or marketing services, allowing us to offer customers an array of business-to-business services through a single channel.

As shown on page 8, this means the Informa Group will be structured into five Operating Divisions for 2019. We have also taken this opportunity to refresh our divisional brands, aligning them more closely with the Informa brand with **Informa Markets** (formerly **Global Exhibitions**), **Informa Connect** (formerly **Knowledge & Networking**) and **Informa Intelligence** (formerly **Business Intelligence**) sitting alongside **Informa Tech**.

Our **Academic Publishing** Division currently goes to market as **Taylor & Francis**. This remains unchanged due to the value and importance its distinct customer base places on the history and reputation of individual publishing brands such as Routledge, CRC Press and Dove Medical Press. The Division has launched its own brand review to see how this brand architecture could evolve over time.

In the same way our exhibitions and events Divisions became more concentrated around priority markets through *GAP*, we are increasing the focus of our information and content businesses on markets where we have the strongest brands and best long-term growth prospects.

Our Progressive Portfolio Management programme led to the sale of the UBM Life Sciences media brands portfolio in January 2019, and we announced in November 2018 a review of IGM and the Agribusiness portfolio within **Business Intelligence**.

Another area of specific focus under the *AIP* is our Fashion *GAP*, a three-year plan to return the Fashion events portfolio within **Informa Markets** to growth.

This began with the appointment of Mark Temple-Smith to lead the turnaround, and the business has been quickly refocused on customers, rebuilding and strengthening industry relationships, revitalising brands and marketing, and improving the show experience. The Group has committed to invest around £10m

Talent and opportunities

As businesses combine and the structure of the Group evolves, this has led to a series of leadership appointments including the creation of a new Group Chief Operating Officer (COO) position.

Patrick Martell, previously **Business Intelligence** CEO, has taken on this role to examine ways Group operations can be simplified to make the most of our increased scale, whether through platforms and systems, procurement or shared service operations.

Increased scale has also led to the creation of the dedicated roles of Director of Group HR and Chief Information Officer, and the appointments of Eleanor Phillips and Simon Hollins respectively.

"The great strength of the Informa detail and the specialism across

under this programme, and while it will take time to reap the full benefits, we are encouraged by the early response internally and from customers.

This investment is self-funded through the *AIP*'s Operating Synergies programme and the cost savings we are creating by removing duplication and leveraging scale. Our initial target was £60m and this has since been increased to £75m of annualised savings by the end of 2021, with £50m being delivered in 2019.

The pursuit of revenue opportunities created through our increased depth in customer markets is underway. This includes cross marketing customer lists and cross promoting brands to longer-term projects around geo-cloning events, sponsorship, data and digital services. In the latter area, we have created a dedicated team to focus on developing initiatives and aligning plans across **Informa Markets**.

I am also delighted that Lara Boro has been appointed as CEO for the new **Informa Intelligence** Division and Gary Nugent as CEO for the new **Informa Tech** Division. Both come from within the Group, having worked closely with Patrick on the *GAP* programme within the then larger **Business Intelligence** Division.

Combination, colleagues and culture

At a commercial level, the Informa Group enters 2019 as a single business with teams operating to single budgets and starting to go to market in a unified way.

Much of the practical and infrastructure-related work necessary to combine UBM's portfolios into Informa is also advanced. Beyond this, and equally important to the success of the combination, is the way in which each of us working within the Group feels part of one Company.

Informa is a people business, and the business's success is in large part driven by the expertise of teams and individuals, partnering with customers and participating in the life of the Company.

Nearly 2,000 colleagues also contributed to an assessment of business culture and values during the second half of 2018, providing rich insight into what each of us believes matters in the workplace and what engages and motivates in each area.

This work is informing a brand and Values project to establish a set of shared values and principles we can take forward as a combined Group on completing the *AIP* in mid 2019.

The immediate focus in 2019 is to complete the *AIP*, consolidate our positions and maintain progressive improvements in our operating performance. This will create the foundations for Informa's future performance, growth and scale.

The Group remains alive to geopolitical and economic trends in the markets around us. At a macro level, we continue to track discussions around the UK's exit from the EU and, while not complacent, we feel comfortable there are no material risks for the Group from this.

Group is that we all work in the multiple customer markets."

Consolidation, performance and growth

Informa is a distinctly different business today, compared with when *GAP* launched in 2014.

The Group has a new scale in terms of the reach of our international footprint, the breadth of specialist markets and customer communities we serve, the number and strength of our brands and the range of our business-to-business information services.

The benefits and capabilities provide by *GAP*, the consistent and improving performance of our businesses and the addition of the UBM portfolio in 2018 have enabled us to evolve and adapt, moving closer to our customers and creating new growth opportunities. This gives us confidence that in 2019 and the coming years, we can continue to deliver consistent, sustainable growth, creating attractive returns for Shareholders, and the ability to invest and provide further opportunities and benefits for colleagues and customers.

The great strength of the Informa Group is that we all work in the detail and the specialism across multiple customer markets, with a focus on subject areas that are international, growing, and where knowledge, information, data, connections, the ability to transact, trade and network are prized. Some examples of these can be found on page 22 and 23. This breadth and specialism provide balance to the Group portfolio and build a level of resilience into our performance.

It is this specialist focus, combined with the passion and energy of colleagues around the world, that makes me as excited about the potential and future of Informa today as I was when I became Chief Executive in 2013. There is much work to be done to capture the opportunities available to all of us, and I firmly believe Informa's best days lie ahead.

Thanks again to Shareholders for their support in 2018, and to each of the 11,000 colleagues within the Group who care and contribute to this business every day.

Stephen A. Carter
Group Chief Executive

How Informa operates

1 Informa draws on…	2 We develop and support our assets and resources in various ways
Talent The expertise, engagement and contribution of 11,000 colleagues, who create and curate content, data and information services, deliver events, provide access to audiences and networks, and serve customers	Our culture encourages professional development, active participation and the exchange of ideas Authority is close to the business; colleagues are empowered to respond to customer needs and incentives are aligned to business objectives Colleagues are often experts in their markets, with a specialism that builds trust and value for customers
Brands and intellectual property Hundreds of unique product brands for specialist markets that customers engage with and buy, plus the content and data we create and source	Brands are protected and actively promoted within customer communities, building recognition, value and profile among customers We follow codes and standards around the quality, trustworthiness and independence of content and data
Technology Digital and data platforms and capabilities that serve customers online and at events, manage sales and operations and deliver content	Continuous investment in platforms and technology to improve how content is delivered, support new product development, enhance capabilities, safeguard the customer experience and maintain resilient business operations
Relationships and partnerships Relationships formed with customers in specialist communities plus critical business partnerships	We seek to form close relationships with customers by understanding their markets, working deeply in their communities and responding to their needs in an agile way We establish long-term, mutually beneficial partnerships with businesses that support the delivery of our products and services, such as event venues, trade associations and academic societies
Financing The strength of the Group's Balance Sheet and ability to access external sources of equity and debt capital	We cultivate relationships with Shareholders and debt partners to maintain access to flexible, competitive finance We apply a disciplined approach to capital allocation and investment decisions, including acquisition identification and funding
Access to dynamic and growing customer markets Our access to and position in a diverse range of dynamic, international and specialist customer markets from Life Sciences to Aviation, Technology to Yachting, Finance to Aesthetic Medicine	We focus resources and investment into building positions and relationships in growing, dynamic markets where information services are valued

What makes Informa different?

- A focus on specialist communities and markets in which we have brands and long-term positions to develop and grow
- International reach allows us to better serve customers wherever they do business and achieve benefits from scale
- A distributed business, with a common approach and values, where decision making and the ability to act and adapt are distributed amongst business teams
- The strength and specialism of our brands. Many are among the must-attend events for a particular market or must-have sources of insight
- Unique content, trusted insight and high quality data sets, delivered in ways that can be easily used and integrated
- Discipline in capital allocation and financial management

3 Our products and services are delivered internationally through a divisional operating structure and common frameworks

A market and product-focused operating structure, with four 2018 Operating Divisions, moving to a five Division structure in 2019

See page 8 for more

Operating Divisions are supported by shared business services teams and central leadership and governance functions

Common culture of participation, agility and freedom to act shared throughout the business

Defined authority frameworks give clarity to decision making and business activity

Overarching guiding principles of acting commercially, working responsibly, striving for excellence and having the freedom to succeed

Customers are located in 165+ countries, with Informa offices in 30+ countries

4 Creating benefits for Shareholders, colleagues, partners and our communities

- Long-term capital growth for **Shareholders**
  - Underlying revenue growth of 3.7% in 2018 from sales of subscriptions and access to data and content, exhibition space, delegate event attendance, sponsorship opportunities, consulting and marketing services
  - Total 2018 dividend of 21.90p
- Free cash flow funds dividends and reinvestment in platforms and capabilities for future growth
  - £503.2m free cash flow
- Delivery of intelligence and connections that allow **customers** to work smarter and benefit their businesses and markets
- Generate business activity that creates commercial opportunity for **suppliers** and **business partners**
- Create rewarding work and ongoing professional opportunities for **colleagues**
  - Salaries paid and other contributions to **colleagues**: £608.6m
- Economic contribution to the **communities** in which the Group works
  - Global total tax contribution of £316.9m
- Social contribution to our **communities** and **partners**
  - Charitable donations and **colleague** time and contribution to **community** activities

See page 30 for more

Working in specialist markets

Through the enlarged Group's five Operating Divisions, we work in a range of customer markets, delivering intelligence, research, content, connections and data through our specialist brands. Here are a few examples.

For more information on our brands visit: **informa.com**

CPhI

Natural Products EXPO

Health & Nutrition

From hubs in Boulder, Colorado; Phoenix, Arizona; Amsterdam; and London, we deliver large-scale exhibitions around the world, as well as insight and intelligence, to the growing international community for health and nutrition products and food and pharmaceutical ingredients.

AVIATION WEEK NETWORK

Routes

Aviation

The aviation and aerospace community is a global one, and relies on the latest data, analytics and intelligence, as well as forums to source new services and network. Our brands support specialists working in air transport, defence and space, network planning, aerospace, and maintenance, repair and operations.

Dovepress

Arab Health
By Informa Markets

Pharma, Life Sciences and Medical

From sourcing medical equipment to analysing clinical trial data, finding Life Sciences investment opportunities and understanding the latest trends in neurology, Informa's brands help a range of specialist communities research, discover and do business in the Pharma, Life Sciences and Medical markets.

London

Tokyo

SuperReturn International

EPFR Global
Financial intelligence | informa

Finance

In Finance, we provide major branded events, opportunities to connect and network, and data and intelligence services to specialist professional communities from private equity to retail banks and financial technology providers.

Sydney

AfricaCom

GDC

Technology

The new **Informa Tech** Division brings together all our brands that serve areas of the technology community, from information security to artificial intelligence, 5G networks, the Internet of Things, cloud computing, smart cities and more.

Trends in our specialist markets

The customer markets Informa focuses on are typically highly specialist, international and dynamic, with long-term growth prospects. This section includes insight into five of the markets we work in from Informa sector experts:

- Artificial Intelligence
- Life Sciences
- Consumer Retail Banking
- Pharmaceutical Ingredients
- Asia

Artificial Intelligence

Endless opportunities

Artificial intelligence (AI) is entering a new growth phase, driven by the convergence of three trends: more data, faster hardware and better algorithms. Together, they are accelerating research, development and commercial investment in AI applications at lightning speeds. Many organisations are scaling from pilot deployments to full-scale, enterprise rollouts of AI technology within months, rather than years. Tractica forecasts that worldwide annual revenue generated from the direct and indirect application of AI software will increase from $5.4bn in 2017 to $105.8bn by 2025.

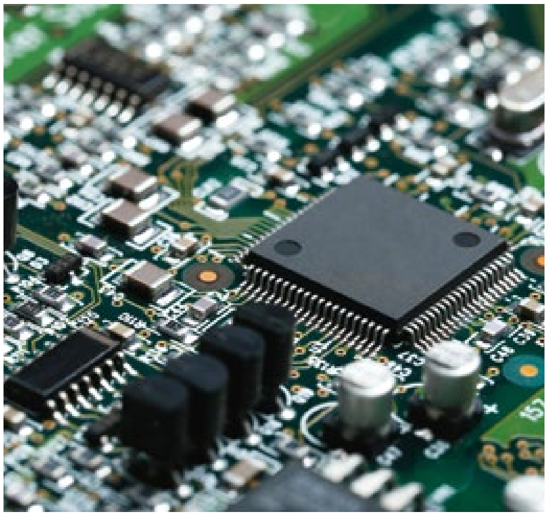
The breadth and velocity of the AI market have, however, led to increasing challenges for both technology adopters and suppliers, in maintaining the same pace of innovation with their products and integration plans. AI's manifestation will shift alongside other technology macro trends: it is not the only show in town. Numerous other technologies, including the Internet of Things, augmented reality, virtual reality, blockchain, renewable energy, genomics and 3D printing will influence AI's development, adoption and regulation.

Developing use cases

As the creation of data continues to increase exponentially and customers' expectations of AI technology shift, companies must navigate the hype, adopt new capabilities and adapt their strategies, all while demonstrating improved efficiencies and generating new revenue streams.

Broadly, all AI falls into three macro categories: big data, vision and language. Although most people think of it as being driven by big data analytics, the larger growth opportunity is related to vision and language perception capabilities.

For end-users, AI interactions like robotics or autonomously moving machines are obvious, even tangible. But looking at other use cases, profound opportunities lie in forecasting, empirical decision making, operations automation, product optimisation, new business models, greater access to services, targeted services, enhanced user experiences and even improved environmental and public health. Simultaneously, AI poses many urgent challenges, from data privacy and re-skilling workforces to uncharted legal and regulatory questions.



Human interactions

AI currently has a complex relationship with humans that will change over time. While certain jobs will become automated, AI is more often poised to augment human labour and decision making. Longer term, many applications will be designed to empower humans with non-human capabilities, memory, experiences and knowledge. Various ethical, philosophical, cultural, societal and business norms will be forced into reassessment.

The jury is still out regarding the ability of machines to seamlessly interact as a human would. While social media bots have effectively passed for Twitter and Facebook users, neither robots nor virtual digital assistants can disguise their code-based composition. Another area to consider is how companies are deploying AI to power virtual agents for consumer facing interactions. They must balance unprecedented opportunities for personalisation with significant risk of failure, faux pas or backlash.

Fragmented maturity

Maturity and the metrics for success in AI vary widely from application to application. Relatively low stakes applications, such as movie recommendations, are widely accepted and used, while others such as credit scoring or medical treatment recommendations remain regulatory grey areas and face significant barriers to widespread adoption.

But AI applications mark the next evolutionary step in digital transformation. Computing, sensing, networking and data generation were only the beginning. The ability to process data more quickly and intelligently across systems, leveraging hardware, sensors and cameras, and to digitise language itself, marks the next era of enterprise transformation.

Clint Wheelock
Managing Director
Tractica, Informa Tech

The Welcome desk at BIO-Europe, our Life Sciences international partnering event

Life Sciences

Clinical thinking

The Life Sciences industry enters 2019 with cautious optimism amid a great deal of change. Biotech innovation is booming, exit markets are robust, and new drug classes are emerging and gaining regulatory approval. At the same time, Western companies face increasing competition, the political and regulatory climate is mixed and the economics of healthcare remains a challenge.

Investment and consolidation

Innovation is moving fast, particularly in the US, where venture capital continues to pour into biotech companies in areas such as oncology, genomics and chronic diseases. In 2018, US Life Sciences firms reached a decade high in venture capital raised, while their European counterparts saw a smaller-scale increase.

Mergers and acquisitions surged in the past year, with 150-plus transactions worth a total of $148bn in disclosed deal values among therapeutics, diagnostics and medical device companies. The consolidation trend is hitting major players in pharmaceuticals and biotech. Bristol-Myers Squibb's $74bn buy-out of Celgene, a merger of two oncology drug giants announced in early 2019, will impact research, development and drug pipelines worldwide.

Regulatory approvals

The drug industry continues to see an upswing in regulatory approvals, with the US Food and Drug Administration approving 59 new drugs in 2018, up from 46 the previous year. The European Medicines Agency approved 42 new active substances, up from 35 in 2017.

Meanwhile, regulatory changes in China have made it easier to develop drugs and get them approved for the fast-rising domestic market. China recently approved a drug developed by Western companies, an anaemia treatment from AstraZeneca and Fibrogen, before any other country.

Recent US drug approvals of note include the first-ever RNA interference drug; the first-ever cancer drug that targets a genetic fingerprint instead of a tumour's location; and a new class of migraine medication. Conversely, despite breaking new ground, CAR-T immunotherapies for blood cancers have had mixed results commercially.

Progress in approvals should continue in 2019, with key clinical results expected to impact public health for years to come. After much hype and discussion around safety and ethics, the first clinical trials of CRISPR gene-editing therapeutics are slated to begin in the US. New drugs for neural disorders, such as depression and schizophrenia, are poised to receive regulatory approval, while novel approaches to Alzheimer's and neurodegenerative diseases face crucial tests in patients.

Rising prices

Software and analytics are playing an increasing role in industry progress. Life Sciences companies continue to apply AI techniques, particularly in imaging, pathology and diagnostics.

Digital therapeutics have emerged, with regulatory approvals granted for new kinds of software to treat addiction and other disorders. Amazon, Microsoft and other tech giants are moving deeper into health, making advances in areas such as healthcare delivery and infrastructure.

The high cost of healthcare remains a difficult issue. Tension over rising drug prices is mounting, and biotech and pharma companies are preparing for new legislation. The US Government announced policy proposals to lower drug prices but the immediate future is unclear. Meanwhile, drug companies and insurers are signing more outcomes-based agreements, which tie the payment for a drug to its performance in patients. Drug makers have touted these approaches to control costs, but they might only be useful for a small group of drugs.

With some uncertainty in the regulatory environment, Life Sciences companies expect to save more of their cash in the short term, even as they navigate the substantial opportunities ahead.

Gregory Huang
Xconomy Editor in Chief
Informa Connect

Digital payoff

The global banking sector is in good health, with assets, profitability and capitalisation all having materially increased since the global financial crisis. Add the prospect of rising interest rates and relaxed regulatory pressures, and the retail banking industry appears in better shape than it has been for some time.

The landscape is changing, however. Technology, demographics, customer expectations and new competitors are forcing traditional retail banks, credit unions and mortgage lenders to change their business practices to avoid being left behind.

Forces of technology

Digital banking has transformed the way bank services are delivered and consumed. Bank of America announced in 2018 that, for the first time, deposits made through smartphones and tablets outpaced those made through branches.

And according to EY, 85% of banks say that implementing a digital transformation programme is a near-term business priority. The investment in technology to drive efficiency, manage evolving risks and capture growth opportunities will be critical for sustainable success.

The emergence of non-traditional disrupters means banks, credit unions, mortgage lenders and insurers have been forced to turn to big data, machine learning and advanced analytics to offer more directed product placement and capture new customers. Underpinning these goals and challenges is the need to make investment decisions based on real-time, granular data. The appetite for this type of intelligence varies depending on the size of the institution: larger institutions have developed sophisticated analytics while smaller ones require a synthesised view.

The traditional model of keeping all data in-house is being turned on its head. Peer contributed data exchanges are being formed across the financial services world and having access to this data will give retail banks important insights on price elasticity, market share, revenue enhancement, cost containment and more, helping them make better investment decisions faster. Open Banking in the EU, a regulation that allows the use of open application programming interfaces (APIs) to enable third party developers to build applications and services for banks, is a clear example of how this data and technology transformation is having a direct impact.

Demographics and customer expectations

Ensuring the best customer experience in the multi-channel world of brick and mortar branch, online and mobile banking is critical. The emergence of non-traditional banks is driving market opportunity as innovative, fast-moving lenders like Quicken, Freedom Mortgage, PennyMac and Nationstar have rapidly taken share from traditional mortgage banks. Quicken surpassed Wells Fargo as the single largest mortgage originator in the US, largely due to its customer experience.

Consumer loyalty to big bank brands has diminished and satisfaction with mobile and online functionality has decreased. Only 28% of US consumers say the experience they receive from their bank's branch, online and mobile channels is seamless, according to Accenture.

New competitors

Consumers are willing and desirous to transact digitally, and nimble non-banks like Quicken have used technology to enhance the customer experience and reduce costs. Innovative fintech companies like Blend promise to make transactions faster and more consumer friendly, especially in the face of new regulations. These technologies offer the potential to jump ahead of incumbents with lower costs and superior customer experience.

The net result is that traditional models face significant margin pressure and must adapt or risk being left behind. And this is happening across lending, with companies like SoFi using these technologies to disrupt student lending, personal loans and other markets as well.

As consumers are forever wedded to their smartphones, the banking sector has changed forever. Matching attractive rates with the speed and execution of world-class, multi-channel customer experience are table stakes for retail banks worldwide.

Craig Woodward
President, Financial Intelligence
Informa Intelligence

Pharma Ingredients

Recipe for growth

The global pharmaceutical ingredient, processing and manufacturing market continues to mature, with the start of 2019 heralding significant acquisitions and major product announcements. Businesses in emerging markets like China and India are shaking up supply chains and bringing scrutiny from regulators and customers.

Acquiring to stay ahead

Our CPhI Forecast predicts continued consolidation through mergers and acquisitions of startups. Larger companies will use their scale to bring these startups' new technologies, biologics and drug delivery methods to market; recent notable acquisitions have focused on the development of cancer fighting drugs and the continued growth of biopharma and biotech.

These trends suggest that if large pharma companies want to keep filling their drug development pipelines, they will need to innovate through acquisition and continue to bring new technologies under larger research and development (R&D) budgets.

A question of trust

In order to meet the growing demands of ageing populations, global R&D investment is forecast to reach over $183bn by 2020. While R&D continues to be focused in Europe and the US, China and India are making large investments, including in large molecule biologics, and increasingly not only to support the global market but the domestic market as well.

The fastest-growing pharma countries realise the importance of increasing their reputation as reliable, reputable and transparent markets. According to the latest CPhI Report, published in October 2018, a survey of more than 2,000 industry professionals found that India and China were the countries whose reputations had increased the most in the previous 12 months.

Flattening supply chain

While the Pharma industry is facing scrutiny from regulators and the media, the pharma ingredients market is facing pressure for transparency, traceability and efficiency in production, pricing and delivery. However, with markets including China and India gaining industry trust and scale, the supply chain for active pharmaceutical ingredients is flattening.

As companies from emerging markets mature in this flattened supply chain, there is a growing expectation for them not only to meet the needs of the clients they are supplying but also to adhere to strict US Food and Drug Administration and European Medicines Agency regulations, to ensure they can reach consumers across the globe. The result is a growing need for pharma ingredients, contract services and packaging providers to develop strategies that work not only regionally but globally.

With the supply chain becoming more closely controlled, integrated pharma supply companies have an opportunity to offer multiple services and solutions, from contract and lab services to sales. But everyone, from pharma companies to healthcare providers, needs to be able to trust the effectiveness of the process and of the end products.

Digital future

The drug delivery and packaging market is becoming highly competitive and is focusing on drug delivery innovations that meet efficiency standards and demand from digital healthcare systems.

The packaging community in particular has been investing in digital solutions, with innovations and research helping to bring new delivery methods to consumers, as well as new ways to track usage, dosage and efficiency. These digital offerings complement the overall trend of digitisation within healthcare, from patient records to drug usage, that will continue to offer opportunities for the pharma ingredients market.

Adam Andersen
Group Brand Director
Pharma, Informa Markets

Diversity and growth

While Asia is by no means a homogenous region, there are several business and economic trends common to a number of Asian markets, which make it an exciting place to do business and find commercial opportunities, particularly in exhibitions.

Countries such as China, India and Vietnam are growing at a much higher rate than the rest of the world as their economies develop and mature, with China's GDP growth hitting 6.9% and India's nearly 6.7% in 2017 according to the World Bank, compared with 3.1% globally.

Asia is also home to three of the five most populous countries in the world, creating large consumer markets for businesses to target. According to IATA's 2018 data, Asia-Pacific recorded the largest year-on-year increase in international aviation traffic of any region, and India's domestic market for air travel posted the highest annual growth rate of any country, with an 18.6% increase in demand.

When it comes to exhibitions, one of the great strengths of Asia is its appetite and level of national support for business, commerce and innovation.

In industries like Manufacturing, Automotive and Technology, Asia is increasingly taking a leading position in the global supply chain, and this creates huge demand from businesses to connect with national and international customers, something exhibition platforms provide at scale.

This alignment is reflected in the rapid expansion of the exhibitions industry in the region.

China became the world's second largest exhibitions market in 2015 and was valued at $2.7bn in 2017, growing at 11%. Part of this growth is thanks to the construction of new venues in tier two cities as well as expansion of existing venues in the country's largest hubs. In late 2019, the Shenzhen World Exhibition & Convention Center is slated to open, which will ultimately offer over 500,000 sq. m of exhibition space, the largest single exhibitions venue in the world.

This commitment to exhibitions as a source of international investment is a trend being mirrored in other countries across Asia.

For example, both Thailand and Indonesia have formed a national Convention and Exhibition Bureau, specifically to provide active support for the exhibitions market.

In a region as large and diverse as Asia, there is not a one-size-fits-all model for a successful exhibitions operating approach but there are common factors that are important. Local relationships are critical, as individual markets have their way of doing things, from dealing with local authorities and trade associations, to collaborating with partners and managing suppliers. Having a strong and recognised brand also helps, as trust and reputation are key.

Perhaps the most important factor is attracting talent. Exhibitions is by nature a people business, dependent on the commitment and focus of individuals to bring brands to life. With the growth and innovation happening around us in other industries, attracting high quality talent into the exhibitions industry is not easy. One of the ways we are addressing this is through local partnerships; for instance, we have collaborated with the South China University of Technology to create a training base for future event professionals. In addition, our Asia operation is known for its internal training programmes which have proved successful in retaining and developing talent.

Margaret Ma Connolly
Informa Markets Asia CEO

Informa's footprint in Asia
Presence in 10+ countries

Engaging inside and outside Informa

To operate, grow and succeed, Informa relies on many different communities and partners inside and outside of the Company.

We actively manage our relationships and engage with the communities most important to the business: our **colleagues**, our **customers** and their communities, the **local communities** we work with, the many **business partners** that help deliver our products and services, and the **Shareholders** whose support provides funding for our operations. The Group also is mindful of its relationship with the **environment** and the use of natural resources.

At all times, Informa aims to participate in and contribute to our key communities in a way that creates a positive impact and supports the business's ongoing growth and success. This section provides examples of how we work with our communities, with Shareholder engagement detailed on page 126.

Inside Informa:
Growing with our colleagues

Informa is proudly a people business. Each of our 11,000 colleagues brings something different to work; a unique set of abilities, experience, ideas, energy and knowledge, the sum total of which drives Informa's success.

The Group takes a structured approach to fostering talent focused on three areas: **attracting** the right mix of talent, **supporting** colleagues to progress, develop and be the best they can be, and **engaging** colleagues to create a rich and dynamic culture based on participation and the exchange of views and ideas.

Progress is measured in various ways, including through views given in the regular Inside Informa engagement initiative (see Group KPIs on page 60), exit surveys and informal feedback. The Group's Code of Conduct and suite of 14 global policies continue to govern our ways of working, supported by the whistleblowing service Speak Up for reporting and resolving issues confidentially.

Attracting the right mix of talent

Attracting colleagues with a diverse range of skills and experience is fundamental to the Group's long-term success, and we aim to remove the potential for any bias at the point of recruitment and beyond. In 2018, unconscious bias training was extended from recruiters to managers in **Academic Publishing** and, following a successful pilot in the European Shared Service Centre, Informa's **UK-based Apprenticeship Scheme** was expanded. There are now approximately 50 apprentices across the Group, 30 of whom began a newly launched management training programme certified by the Chartered Management Institute.

Informa's Graduate Fellowship Scheme continues to attract hundreds of applicants from a broad range of UK universities, and a demanding selection process saw six new Fellows join the Group in 2018. Informa has deliberately made the scheme as flexible as possible so it can be tailored to each graduate's skills, experience and interests and since it launched in 2014, 12 Fellows have taken permanent roles across the Group.

Informa 2018 Graduate Fellows

Rewarding and sharing in success

Informa invests in colleagues through competitive salaries and flexible benefits, and we are accredited by the Living Wage Foundation for ensuring those based in the UK are paid at least the Living Wage, an independently calculated amount based on the cost of living.

As well as providing benefits packages tailored to each region, the Group now offers two equity/share plans that give colleagues an attractive opportunity to share more directly in Informa's performance. In 2018 and in recognition of our expanded base in the US, a new employee stock purchase plan (ESPP) launched for those based in the country that lets colleagues buy Informa stock at a 15% discount.

ShareMatch remains a popular way for colleagues in Australia, Germany, the Netherlands, Singapore, Sweden, the UAE and the UK to invest in the Group while receiving one free share for every share purchased, and colleagues from UBM will be able to participate in both the ESPP and ShareMatch on an equal basis in 2019.

Investing in workplaces

Informa's ongoing investment in work spaces is designed to create environments that make work personally enjoyable and professionally stimulating and productive.

In 2018 we opened a new hub office in New York, bringing together over 300 colleagues from **Business Intelligence**, **Global Exhibitions**, **Knowledge & Networking** and **Global Support** into an upgraded, modern and collaborative single base for the first time. New York-based colleagues from UBM will move into the building in 2019.

Developing our talent

Informa's learning and development programme is based on a mix of role-specific accreditation, internal management and leadership development programmes, and classroom-based and online training courses.

In **Global Exhibitions**, a global training framework was launched in 2018 to align personal development with business strategy in a standardised way. Learning Councils of subject matter experts met to approve learning needs and offerings for colleagues in sales, marketing and operations roles. This saw over 1,200 colleagues attending one of 200 classroom-based learning sessions. At a cross Group level, 2018 saw the completion of the first Informa Inspire programme, targeted at those reporting to Senior Management teams to support the development of future leaders.

In 2019, following a successful trial in **Global Exhibitions** and **Global Support**, LinkedIn Learning will be expanded to more areas of the business, offering on-demand online access to a wide range of development resources.

Participating and engaging in work life at Informa

Creating an environment of openness, exchange and dialogue, where all colleagues can equally contribute, be heard and inspired, is at the heart of Informa's culture.

A key area of engagement activity in 2018 was around the combination with UBM. Throughout the process, colleagues were kept informed and engaged via an integrated, visually exciting campaign that included branded newsletters, videos, emails, intranet stories and a dedicated microsite.

Midway through the year, 60% of colleagues gave feedback on the combination via **Inside Informa Pulse**. This is a regular platform for all colleagues to have their say on various aspects of work life as well as providing a measure of overall engagement levels that are used to drive change and action across the Group.

Separately, colleagues were also asked for views on workplace culture as part of a wider project to better understand the brand, culture and purpose of Informa following the combination with UBM. Over 1,800 colleagues gave feedback via an online survey and 250 took part in a series of discussion groups. Responses have helped to inform the Group's new brand rollout in 2019.

Informa uses various internal communication channels to keep colleagues informed on business updates, important news and key activities.

These include monthly CEO blogs, Group-wide town hall webcasts, divisional and local newsletters and regular campaign-based activity.

Informa's new New York office

Women in Publishing

Supporting and celebrating women

Within **Academic Publishing**, the Women in Publishing community is an internal forum, created voluntarily by and for colleagues, that aims to celebrate success and enhance women's professional development.

Women in Publishing ran events in the UK and US in 2018 with a global reach, including a Women in Technology panel, a session on imposter syndrome run by an external coach, a presentation from CEO Annie Callanan on leadership, and workshops on assertiveness. Debate is encouraged and the community has an online forum to share news and inspiration between events and connect colleagues worldwide.

"We set out to encourage dialogue about the challenges and opportunities for women in the workplace, but with a practical approach and focus on making a demonstrable difference to the working lives of our colleagues of all genders. We're proud that Women in Publishing activities grew in scope in 2018 and we have exciting plans for 2019", said Fiona Counsell, Head of Open Access Operations and Policy, and a Women in Publishing committee member.

Senior Managers and Board members also take part in office-based forums around the Group where colleagues can ask questions and provide opinions, and colleagues are also encouraged to organise local forums and groups on topics that interest them.

Informa's intranet and digital workplace **Portal** is an important channel for finding and sharing views and information. Upgrades in 2018 included the launch of a new social conversation tool which lets colleagues start and contribute to discussions on all aspects of work life.

The **Informa Awards** are another major engagement activity, and a popular way to reward and celebrate outstanding colleague achievements throughout the year. There were over 1,000 submissions for the 2018 awards, more than in any previous year.

Supporting inclusion

AllInforma is our approach to promoting a supportive and inclusive working environment and engaging all colleagues on diversity and inclusion, and is reinforced by the Group's Diversity and Inclusion Policy.

Building on 2017 activities, Informa launched **AllInforma Balance** on International Women's Day 2018, a platform for supporting colleagues on matters relating to gender and gender balance, which included new online access to personal development resources.

The **AllInforma Top Women** series of interviews with leading female colleagues are some of the most viewed features on Informa's intranet. Colleagues from the UK have also begun planning for the launch of **AllInforma Rainbow**, a programme that will support and engage colleagues on aspects of LGBTQI issues.

Supporting values and behaviour

Informa has a framework of policies that help guide and support colleagues to act respectfully, lawfully and with integrity. At its heart is the **Code of Conduct**. Translated into five languages, it offers clear guidance on areas including human rights, modern slavery, and dignity and respect in the workplace.

It is mandatory for colleagues joining the Group, including Board members, to complete Code of Conduct and Anti-Bribery and Corruption training, and non-compliance with the Code of Conduct can result in disciplinary action.

We continue to aim for a 100% completion rate while allowing new joiners 30 days to complete training. As an enlarged Group, our Code of Conduct and key policies are being reviewed and will be relaunched, along with an exercise to align recording and reporting practices.

Following the launch of the EU's General Data Protection Regulation, all colleagues were invited to take Privacy at Work and Data Protection training to ensure widespread awareness of the importance of proper data privacy practices, including how we collect, use, share and store information and data.

Specialist training, endorsed by the Group Finance Director, on how to spot and avoid facilitating tax evasion by third parties was also delivered to around 1,000 colleagues in 2018.

The confidential whistleblowing service **Speak Up** lets anyone report concerns relating to the Group, with no tolerance for retaliation of any form for raising concerns. Investigation training was conducted with HR and Compliance teams in 2018 to further improve the consistency and professionalism of how any breach investigations are run.

Putting customers first

FAN EXPO

Year-round fan engagement

FAN EXPO Canada is one of the largest events in our pop culture portfolio; an exciting and vibrant event where comic, film and gaming fans meet actors and creators, come together as a community and find the latest products from our exhibitors.

Away from the show floor, in 2018 we ran a new market research project to understand how the event and brand could better serve fans and deliver an enhanced experience next year. This included several facilitated customer round tables in both the US and Canada, as well as extensive surveys for each show.

Senior Marketing Executive Rija Tariq reported: “The direct feedback from fans led to a number of quick wins, such as fan-led advice sections on social media, in-app shopping categories showcasing local artists and more designated community meetup spaces for cosplayers. Plus, lots of the ideas generated from our research have been fed into long-term plans around how to keep FAN EXPO a premier brand for comic fans in North America and a continued celebration of fandom.”

Academic Publishing

Helping editors promote research excellence

Our **Academic Publishing** teams support many elements of the research publishing ecosystem, and one of their most recent investments has been in upgrading the resources available to journal editors.

A newly refreshed Editor Resources website launched in November, promoted through a range of vehicles including a new video, community events, social media and direct editor outreach by teams around the world.

The site was designed around editors and the key parts of their role to meet the needs of the community at every stage of their career, with curated information and policies from our teams, best practice guides, and blogs and case studies where editors can share stories with one another.

As Lan Murdock, Communications Manager for Societies and Editors, explained: “Our aim is to support our journal editors more effectively and highlight the important role they play in safeguarding the quality of journals and promoting responsible research. The site has been featured in the European Association of Science Editors blog and online toolkit for journal editors. We’ve had other good feedback on the content and how easy it is to use, and will keep building on it this year.”

Outside Informa:
Putting customers at the heart of what we do

Informa operates in many different specialist markets, and a diverse range of customers draws on our data, intelligence and content and engages with our event, exhibition and lead generation services.

What is common throughout our business is that understanding and staying in step with customers' needs and market trends are critical to our business success.

Colleagues across the Group engage with customers to inform how we should develop our current products and strengthen our brands, to pinpoint which new services we should focus investment towards because they meet customer needs and provide new commercial opportunity, and to understand where we can deepen our relationships for mutual benefit.

Two examples of different customer communities we work with, and the outcome of our engagement activities, can be found in our pop culture events portfolio and in our global journals business in the panel on the previous page.

Outside Informa:
Partnering for success

The Group relies on a range of business partners to deliver our products and services, and through open and proactive engagement we aim to establish strong and mutually productive relationships that have a positive effect on the wider supply chain.

To ensure business partners are aware of the standards we work to and our expectations of them, engagement around Informa's Business Partner Code of Conduct continued to be a focus in 2018. This included a well-received training session for exhibition partners in Egypt.

Health, safety and security

Partnering for safe and effective events

From a venue and its operations staff to contractors, exhibitor teams and local authorities, it takes many parties to deliver a safe, effective and successful event.

To ensure awareness of Informa's standards, build on our Business Partner Code of Conduct and play our part in enhancing safety culture, the Group held a free-to-attend Safety Awareness Training Day in Cairo for local contractors and venues.

Informa's Health, Safety and Security team and experts from key suppliers spoke on topics from hazard awareness to safe working best practice and structural safety. The dual language training was recorded so it could be disseminated throughout the business partners' teams.

Health, Safety and Security Manager Gary Buckett said: "Sessions sparked healthy interaction amongst our business partners to raise the local industry's safety standards to international best practices. The safety initiative has been a real success and is a template we can introduce into other markets, to improve the local industry safety culture and help continually improve exhibition standards for everyone involved."

The Business Partner Code of Conduct includes our expectations around the handling of information data, zero tolerance of bribery and corruption, and standards in areas such as employment conditions, child labour and modern slavery. It is available on our website and delivered in five languages, and business partners also have access to the Speak Up whistleblowing line for reporting issues and concerns.

Our support for the principles laid out in the Universal Declaration of Human Rights continues. Within the Group, our major human rights-related risks are focused primarily on colleagues, contractors and our value chain.

A Group-level human rights risk assessment is being conducted to understand our potential human rights impact areas and identify the mitigating actions we take to manage this risk. The assessment, which has included the development of a due diligence process and a new Human Rights Policy, to be launched in 2019, has looked at the enlarged Group, including the new countries in which we now operate.

In the specific area of modern slavery, we extended the training developed in 2017 on how to spot and report issues to more colleagues last year. Our full approach can be found in the Modern Slavery Statement, approved by the Board, on the Informa website.

In 2018 the Group prepared its first report on supplier payment practices and performance for UK-related contracts under new UK regulation. As an enlarged Group, we are aligning systems and practices across the business with the aim of upholding consistent payment practices while providing an effective process for resolving any queries or complaints.

Outside Informa:
Contributing to our local communities

We are proud to be part of the communities in which we live and operate, including the local communities around our offices and those linked to our events.

The Group aims to comply with tax laws and regulations everywhere we operate. We believe that a fair and effective tax system benefits society and business, and our approach balances the interests of Shareholders, governments, colleagues and the communities in which we operate. In 2018, the Group's global total tax contribution was over £300m.

Through the hundreds of events Informa produces each year, we support local communities by providing jobs and supporting suppliers and local businesses.

In 2018 Informa piloted a measurement tool to more effectively gauge the positive economic impact our events have on local areas, which will be made available to more of our brands in 2019.

We also take our responsibilities for helping to improve overall event sustainability standards seriously. In 2018, we were part of a group of 20 sustainability leaders from the industry which convened to discuss the future of sustainable events and identify ways to work together on key challenges. The group identified over 25 shared sustainability issues and voted on four core areas to focus and collaborate on.

Many of Informa's events support community organisations that operate in the same market sectors. Support is offered both financially and by additional means such as promotional opportunities at shows and in marketing materials.

At a Group level, Informa's key annual fundraising initiative Walk the World raised £171,000 for local organisations in 2018, with a record 4,000+ colleagues from 85 offices taking part in more than 60 walks and collectively covering over 26,000 miles, further than the length of the Equator.

Some teams used **Walk the World** as an opportunity to form deeper connections with their chosen charity partners: for example, Informa's Paris-based Beauty & Aesthetics team developed a new partnership with Raconte-Moi Un Visage, an association that helps patients with facial disfigurements. The team promoted the partnership and collected donations at its FACE show in London.

The **Taylor & Francis** team in Cape Town partnered with Read to Rise, a non-governmental organisation committed to promoting youth literacy in South Africa's under-resourced communities. As well as raising funds during Walk the World, several colleagues volunteered at a local school along with members of the Read to Rise team.

Informa's volunteering programme encourages all colleagues globally to use their full allocation of volunteering days to spend time with a charitable organisation of their choice. Opportunities where professional skills can be used and developed are particularly encouraged. Following the combination with UBM, Informa is reviewing its volunteering and charitable donation policies to take the best aspects from both organisations and create consistency across the Group.

Outside Informa:
Working responsibly with natural resources

Informa takes its environmental responsibilities seriously and aims to reduce its environmental impact on natural resources wherever possible.

We take a considered approach to our consumption of natural resources, which mostly relates to sourcing paper and minimising energy and waste in our offices and at our events, and where possible we seek to raise awareness around sustainability issues with suppliers, customers and venue owners.

As an example, last year, a team from the Fashion business partnered with the Mandalay Bay Convention Center in Las Vegas to replace more than 1,000 light fittings with LED lighting, increasing the overall brightness of the interior hall while reducing energy use by 85%. The upgraded system was used for the first time during our MAGIC show.

In terms of paper sourcing, any organisations supplying timber and paper products to Informa are expected to source from FSC or PEFC accredited suppliers as far as possible.

This is set out in Informa's Paper and Timber Sourcing Policy, which aims to ensure that all paper and timber used in our products and services is responsibly sourced from legally harvested, well-managed sources that have due diligence in place to ensure there is no slavery in the supply chain, and we are sourcing more than 90% of our paper from responsible sources now. This policy will become part of an expanded Environmental Policy in 2019, being introduced to bring greater consistency to the range of practices and guidelines that exist across the enlarged Group.

Live Design International

Building community relationships

Many of Informa's events and brands develop long-lasting relationships with local community organisations, providing both financial and non-financial support.

In 2018, Live Design International (LDI), the event for live entertainment professionals, gave visitors the chance to donate money to six charities upon registration, matching contributions up to $10,000.

But its support for local communities went further: a partnership with Families for Effective Autism Treatment (FEAT) saw families affected by autism invited to walk the show floor and visit the Live Experience Lounge, an immersive, interactive sensory booth sponsored by exhibitors.

LDI show manager Jessi Cybulski explained: "Light can be used as a form of therapy for children with autism, which means many of the products we design, manufacture, and operate in this industry have a therapeutic effect for children. We hope working with the Nevada chapter of FEAT is just the beginning of what we as an industry can do."

Non-financial information statement

In various sections throughout this report, we describe the way Informa works with its most important partners and communities, the purpose of doing so and how these activities are managed. This table provides a quick guide to such non-financial activities and where to find more information on them. It also provides compliance with Non Financial Reporting Directive requirements. Some of our policies are internal ones; policies available on the Informa website are marked with an asterisk.

Key topic areas	Major supporting policies	Related risks and other information	Page
Colleagues and their contribution	• Code of Conduct* • Diversity and Inclusion Policy* • Board Diversity Policy • Health and Safety Policy	• Inside Informa: Growing with our colleagues • Risk: Inability to attract and retain key talent • Risk: Ineffective change management • Group KPIs: Colleague support and participation • Nomination Committee report	30 70 68 60 103
Respect for human rights	• Modern Slavery Statement* • Business Partner Code of Conduct* • Diversity and Inclusion Policy* • Editorial Code* • Health and Safety Policy • Data privacy	• Outside Informa: Partnering for success • Risk: Health and safety incident • Group KPIs: Business sustainability	34 71 60
Regard for social matters: our local and customer communities	• Business Partner Code of Conduct* • Responsible advertising* • Editorial Code* • Health and Safety Policy • International Trade Policy • Volunteering and donation guidelines	• Outside Informa: Partnering for success • Outside Informa: Contributing to our local communities • Risk: Privacy regulation risk • Group KPIs: Business sustainability and use of natural resources	34 35 72 60
Anti-bribery and corruption compliance	• Anti-Bribery and Corruption Policy • Gifts and Entertainment Policy	• Inside Informa: Growing with our colleagues • Risk: Inadequate regulatory compliance	30 72
Managing environmental impact	• Paper and timber sourcing*	• Group KPIs: Business sustainability and use of natural resources	60
Principal risks and impact on business activity		• Risk management and principal risks and uncertainties	62
Business model description		• How Informa operates • Understanding the enlarged Group	20 8
Non-financial key performance indicators		• Group KPIs	60

A snapshot of our Divisions

In 2018, Informa traded through four Operating Divisions. The UBM business reported separately for the six months it was part of the Group in 2018. Read more about each Division, its position and performance highlights on the following pages.

Academic Publishing: Taylor & Francis

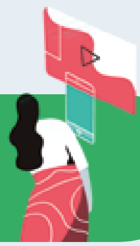
2.2%	£533.2m	23%
underlying revenue growth	2018 revenue	of Group revenue

Serves scholarly researchers, universities and research institutions

Delivers high quality books and journals in print and digital formats

See pages 40 to 43 for more detail

Global Exhibitions



6.7%	£575.8m	24%
underlying revenue growth	2018 revenue	of Group revenue

Serves businesses in a number of specialist markets

Delivers large-scale branded exhibitions and lead generation platforms

See pages 48 to 51 for more detail

Underpinned by: Global Support

Serves Informa's commercial teams

Delivers shared business services and function-specific expertise

See pages 56 to 59 for more detail

Business Intelligence

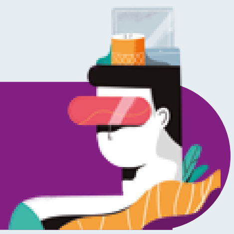
2.6%	£385.6m	16%
underlying revenue growth	2018 revenue	of Group revenue

Serves businesses in specialist markets including Pharma, Finance and Maritime

Delivers digital insight, intelligence and data products, plus consulting and marketing services

See pages 44 to 47 for more detail

Knowledge & Networking



2.3%	£261.4m	11%
underlying revenue growth	2018 revenue	of Group revenue

Serves businesses in specialist markets including Finance, Life Sciences and Technology

Delivers content-driven events, training and digital platforms

See pages 52 to 55 for more detail

UBM
Joined the Group in mid June 2018

2.8%	£613.5m	26%
pro-forma 12 month revenue growth	revenues	of Group revenue

See Financial Review on pages 76 to 89 for more detail

High quality scholarly research

Our content spans a range of specialist subject categories with particular strengths in Humanities & Social Sciences including areas such as Archaeology, Psychology and Education, and in the Biomedical, Life Sciences, Physical Sciences and Engineering fields.

The Division publishes around 145,000 book titles in print and digital formats, including 7,100 new books in 2018. It publishes 2,700 journals from which 150m articles were downloaded in 2018.

How we serve customers

High quality, cutting edge and peer reviewed research is what scientific discoveries, commercial research and development and future scholarship are based on.

Our **Academic Publishing** Division **Taylor & Francis** commissions, curates, produces and publishes scholarly research and reference-led content in specialist subject areas that advances research and enables knowledge to be discovered and shared.

We invest in maintaining and enhancing the technology that makes current and historical content discoverable and usable today, oversee the submission, independent review and production process, maintain and promote research brands and work closely with authors, editors and researchers to support their work.

Our markets and brands

Taylor & Francis operates through highly regarded imprints including Routledge, CRC Press, **Taylor & Francis**, Cogent OA and Dove.

Financial performance in 2018

- The Division delivered another year of consistent financial performance, with underlying growth of 2.2%.
- In Journals, our subscription business remained solid, maintaining high renewal levels alongside good growth in our expanding Open Access (OA) business.
- After a strong end to 2017, the Books business maintained good momentum into 2018, in part driven by our new ebooks platform launched in late 2017.
- We signed a number of new publishing partnerships with societies, including with the China Academy of Science and the China Academy of Social Sciences.
- Just over 50% of the Division's revenues are subscription-based, with high levels of visibility and predictability.
- In 2018, ebook sales accounted for around 30% of total book sales.

Opportunities for growth and development

A stable market for Academic Publishing: Some of the main purchasers of content are academic libraries. According to consultants Outsell, total library spend on content grew by 2% in 2018 and spend by academic libraries by 3.2%. In its latest study, Simba Information predicted industry growth of 1.5% in Humanities & Social Sciences books in 2018.

Choice and flexibility in publishing models: OA continues to be a feature of the academic publishing market, particularly in Europe, as an alternative publishing and payment model. Over recent years, we have been steadily building our OA content and capabilities, working with customers to tailor subscription packages, converting journals to OA and adding new journals and teams. In 2017 we acquired OA specialist Dove Medical Press, adding valuable OA capacity and capabilities that are being deployed across the business more broadly (see panel opposite). **Taylor & Francis** now publishes over 320 pure OA journals and offers hybrid OA options across the majority of its subscription journal portfolio.

Digitisation and discoverability: As the corpus of research grows, discoverability is paramount. When a keyword can return thousands of results, relevance, refinement and quality of search are crucial for a good reader experience and must be continuously revised.

Taylor & Francis continues to invest in digitisation and discoverability across Journals and Books. In 2018 we embarked on a project to upgrade descriptions, bibliographic data and chapter-level information, and brought our ebook delivery platform in-house, making it easier to develop the technology. Nearly 85% of the Division's Books backlist has now been digitised.

As authors and end-users look for ever more intuitive navigation, faster and better searches, and content to be delivered in a way that can be used and shared, we recently added Code Ocean to the tandfonline platform, which enables authors to include live code in their research and users to extrapolate and run executable code. Investments in digital discoverability and search engine optimisation mean that our Journals platform tandfonline.com is among the world's top 900 most visited websites.

Attracting high quality content from around the world: The market for academic research is a global one and dominated by English language content. After years of steady growth, a tipping point was reached in 2018 when China became the largest source of research in the world. **Taylor & Francis** has operated in China for a decade, and building strong relationships with Chinese authors and institutions has been a focus over the last three to five years.

"Taking the building blocks of deep, specialist and high quality content, we're creating a digital-first business that is dedicated to advancing research and knowledge in the academic community and beyond."

Annie Callanan
Taylor & Francis CEO

Taylor & Francis in 2019

Worldwide demand for robust, validated and authoritative content remains strong, and the Division is targeting another year of 2%+ growth by continuing to enhance its content and the experience of its digital platforms, and invest in new capabilities and growth opportunities like OA.

OA research continues to grow. In a market that is increasingly driven by choice, we aim to give researchers the publishing models and exposure, and the formats and price points, that deliver their work with maximum impact. This includes working flexibly with research funders, institutions and authors, providing tailored packages to suit markets that are gradually shifting towards OA.

Geographically, we continue to explore opportunities and expansion in markets such as China and India, where large populations and strong tertiary education sectors offer opportunities for both sourcing and providing scholarly knowledge.

We are also implementing a digital-first initiative to make each step in the value chain between customers, suppliers and ourselves an efficient, digital process.

While Informa's other Divisions are moving to new brand identities in 2019, **Taylor & Francis** is also undergoing a brand review to assess whether an updated approach, either aligned to the Informa brand or to another identity, would provide greater value to the business and to customers, and complement its existing strong and well-known individual imprints.

Spotlight

Taking Open Access to the next level

Taylor & Francis has long offered the choice to publish OA, where authors (or more typically, their funders) pay for the cost of publishing their research. The work is then offered free for anyone to read, enabling knowledge to be widely shared and accessed.

In 2017, our capabilities and reach in OA were extended with the acquisition of Dove Medical Press. Dove brought more than 90 high quality, fully OA journals into the Division and added to our portfolio in specialist subject areas such as diabetes, cancer, geriatrics, nanomedicine, neurology and and psychiatry. Almost all Dove journals have been indexed in the industry-recognised Web of Science and in PubMed, and 14 have gained Impact Factors, an industry-wide recognition of quality awarded by Clarivate Analytics.

Publishing Director Deborah Kahn said: "Dove has an unwavering focus on author service, as well as deep and productive relationships in China. In addition to their portfolio of journals, working with the team has been a rich source of learning for us."

Taylor & Francis has also brought its expertise and resources to streamline Dove's processes. In 2018 this enabled Dove to handle a 50%+ surge in submissions and a 25% increase in accepted papers while keeping peer review and production times stable. All the while, the two businesses worked to achieve a smooth integration, where key team members in Dove remained within the business.

This augurs well for 2019 and for expanding our OA offering further. We are building a peer reviewer development team in Beijing and a peer reviewer selection team in Delhi. As China and India increasingly become powerhouses of global research, the Division is well placed to serve authors, libraries and research institutions in vibrant new markets too.

Divisional Review

Business Intelligence

Specialist insight and intelligence

Lara Boro

Informa Intelligence CEO

How we serve customers

In every specialist sector, business and commercial decisions are founded on trusted data, expert intelligence, research and knowing the market deeply.

In the market for business intelligence, Informa provides digital information products as well as consultancy and marketing services that help companies make better informed decisions, gain competitive advantage and enhance the return on their investments, with an increasing focus on predictive and actionable intelligence.

Our markets and brands

Over 25,000 businesses worldwide subscribe to our 100+ products, which range from insight-focused brands providing market and trend analysis to intelligence products that provide real-time data as well as bespoke solutions including consultancy and direct access to experts.

In 2018, the Division operated in six specialist customer markets: Agribusiness, Finance, Industry and Infrastructure, Pharma, Transportation, and Technology, Media and Telecoms (TMT).

Within these markets, our product brands target specific niches, from clinical trial data in Pharma to equity fund flows in Finance, global shipping data in Transportation and payment technology in TMT.

Financial performance in 2018

- 2018 was the Division's third consecutive year of growth. Underlying revenue growth reached 2.6% and the Division represented just over 16% of the Group's revenue.
- Our largest two markets, Pharma and Finance, performed well, with strong customer demand through the key subscription period supporting a growth in annualised contract values, and continued growth across contingent products and services such as Consulting and Marketing Services.
- After a major focus on customer management and sales development, the Division also saw improving momentum in new business.
- As part of our focus on growing, specialist markets, we added the ICON Advisory business to our Finance vertical in 2018, enhancing our position in the consumer finance intelligence market.

Opportunities for growth and development

Growing market for business-to-business information services: According to consultants Outsell, the global market for business-to-business media and business information now stands at $42bn and is growing at a rate of just under 5% a year. The US remains the single largest market, with a share of 43% of the global total.

"Our customers are looking for specialist, on-demand intelligence, data and analytics, which help them solve the evolving challenges in their own markets."

Lara Boro
Informa Intelligence CEO

Demand for integrated data: Providers of intelligence are increasingly being challenged to supply live, high quality data in ways that customers can actively use, not just access. We are seeing growing demand for data that can pull through application programming interfaces (APIs) and integrate into workflows directly; for example, customers taking drug pipeline and clinical investigator information directly into their customer relationship management systems to minimise workflow.

Although driven by larger corporate customers with the technology to integrate data, we see this demand widening and growing as accessible technology drives down costs. The Division continues to invest in its API capability, with a target that all data products will be supported by APIs by the close of 2019. This trend is also influencing the skills the Division requires, and we are increasingly looking for talent in fields such as analytics, data science, data engineering and informatics.

Investments in product and capabilities: Under *GAP*, **Business Intelligence** saw a significant level of investment in products and platforms, from technologies and products to sales support and marketing automation, and the resulting benefits are flowing in the form of improved customer engagement. One example of continued investment is Citeline in the Pharma vertical (see panel opposite), which was relaunched early in the year to enable customers to access and process large amounts of data on clinical trials and diseases across over 160 countries.

Informa Intelligence in 2019

Informa Intelligence enters 2019 with a more focused portfolio, simplified brand identity, and under the new leadership of CEO Lara Boro.

Our TMT business Ovum has been realigned to the newly created **Informa Tech** Division. Further, as part of the *AIP*'s Progressive Portfolio Management programme, the Division has reviewed the markets in which it has the most opportunity for long-term growth, with a view to focusing on a more concentrated set of verticals and delivering an even deeper and richer offering to the specialist customer communities in those markets.

In turn, in late 2018, we began exploring alternative opportunities for the Agribusiness portfolio and IGM, our Credit and FX markets information business. Depending on the outcome of these discussions, the Division will, over the year, move to a greater focus on the Pharma market, on the Consumer Retail Banking sector within Finance, and on Maritime where we have strong brands and market positions.

A result of the combination with UBM, **Informa Intelligence** has added two specialist brands to its portfolio for 2019: Chemist+Druggist, which focuses on the specialist Pharmacy community, and Barbour ABI, which provides market intelligence and lead generation in the construction sector, and adds a new capability into our portfolio of asset and infrastructure brands.

Having performed consistently over the last three years and having closed 2018 with a strong run of new business, the goal is now to make the most of our investments in technology, product and customer engagement by maintaining the value and level of subscription renewals, enhancing the new business pipeline, and taking advantage of contingent revenue streams where they enhance the strength and depth of our relationship with customers.

Spotlight

Clinical trials with added intelligence

For a new drug in clinical trials, the road to regulatory approval is long and uncertain.

The full journey can take 12 to 15 years, but the failure rate along the way is exceptionally high. But what is certain is that a clinical trial can cost hundreds of thousands of dollars to run – every day.

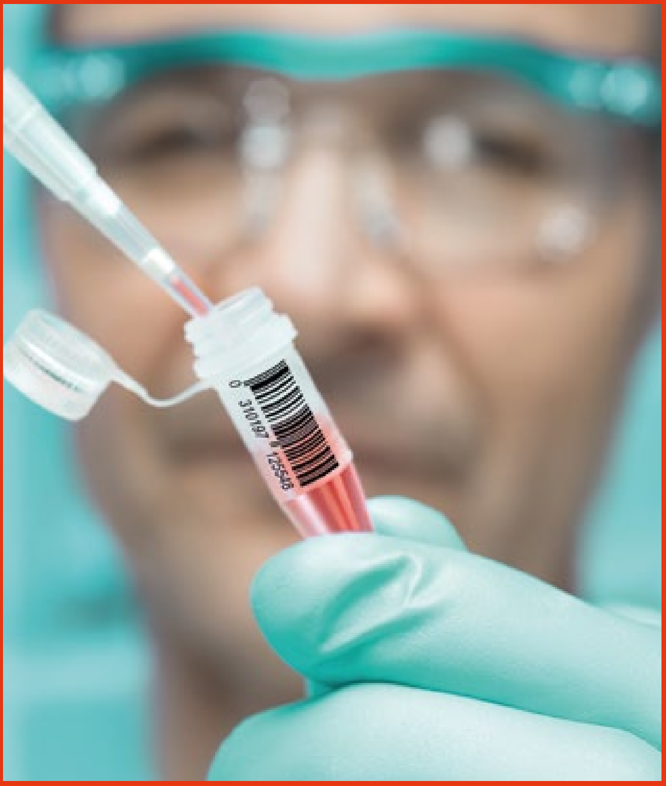
With stakes this high, optimising decision making is not just desirable, but imperative. Citeline is an industry leader in clinical trials intelligence and informs the trial strategy of many top Pharma organisations.

Nicola Marlin, VP of Product Management and Innovation, said: "We have invested in and relaunched Citeline to take its quality and usefulness to an entirely new level, responding to how our customers plan and run clinical trials. It is now the product of more than 100 sources of monitored information, interpreted and curated by our own scientists and updated every day."

This data feeds a suite of three Citeline tools. The first is Pharmaprojects, which helps biopharma companies monitor the competition and find new acquisition and partnering targets. It gives sharp visibility of the drugs pipeline: who is developing what new medicine; for which diseases; who is moving into the clinical phase, with which trials, and where.

The second tool, Trialtrove, helps companies understand where competitors are running trials and which types of trials they should run. It captures data on planned, ongoing and completed trials: which patients are eligible to take part; the current focus (such as early-stage toxicity studies, or later-stage efficacy testing); the overall trial design; and the trial results.

Thirdly, there is Sitetrove, which helps companies plan which hospitals and clinics to partner with to run trials, and which physicians to lead them. It shows which doctors have led which types of trial, in which locations, and with what levels of success. It updates them on competitor activity with rival products and their progress; other trial designs and valuable learning to be gained; and locations where the people, skills and resources needed – key doctors, eligible patients, hospitals, institutes, laboratories – might be available.



The new Citeline is the most comprehensive source of clinical trials, sites and investigator data on the globe. It is more flexible than ever before, and supports complex searches and analytics to keep customers abreast of ever more complex clinical trials. It is also delivering results with a new generation of functions and infographics.

"Critically, customers can drive how they receive and use that information. For example, new application programming interfaces allow them to build dashboards on top of Citeline's data, interrogate our content and import it directly into their workflows."

This inflow of high quality data is not only optimising the trial process but delivering a measurable return on investment. "Some customers report savings on their trial from more effective data, but it is the ability to get new drugs to market faster that is the real benefit" said Nicola Marlin.

Divisional Review

Global Exhibitions

Platforms for international trade and commerce

How we serve customers

Attracting new customers, meeting and selling to current partners, generating leads, showcasing products and discovering the latest solutions for business are common requirements for hundreds of industries worldwide.

We create large-scale exhibitions where buyers and sellers in a specialist market can meet face to face, see and show products, conduct business and build relationships that persist year-round. These are typically branded and annual events that over time become must-attend forums for their communities and provide a platform for trade and commerce in their market.

Exhibitors pay for stand space and other services, often well in advance of the event, while qualified attendees typically visit for free.

We work with a range of partners to deliver events, from trade associations to venue owners, suppliers of stand services and hotels.

Our markets and brands

Our exhibitions business operates in a number of specialist markets including Healthcare & Pharma, Health & Nutrition, Aviation, Beauty & Aesthetics and Agriculture. Some of our major brands include Arab Health, Natural Products Expo West, China Beauty Expo and World of Concrete.

Financial performance in 2018

- **Global Exhibitions** became Informa's largest Division by revenues in 2017, following the *GAP* programme to build and buy a scale position in the attractive exhibitions industry and invest in the capabilities for future growth.
- 2018 was a further year of strong performance and expansion for the Division, with growth remaining at our target of above-market average levels. Revenues were £575.8m with underlying revenue growth of 6.7% and adjusted operating profits of £200.1m.
- This performance was driven by an increase in space sold at some existing events, selective new launches and good trading at our largest 30 exhibitions. It was also assisted by the successful rollout of value-based pricing to more exhibitions.

Opportunities for growth and development

Strength of the global exhibitions market: According to consultants AMR International, the global exhibitions market grew by 3.5% in 2017 and is forecast to grow at an annualised rate of 5% between 2017 and 2022, with revenues from digital services estimated to grow at 11% over the period.

The US is the world's largest exhibitions market, accounting for over 50% of the markets AMR tracks, with China the second largest. The overall exhibitions market is fragmented, where the largest five organisers comprised under 20% of the global market in 2017. AMR estimates typical exhibitor renewal rates stand at 65% to 70%. At Informa, we steadily built our position in the US under *GAP* and now have a much larger footprint in China from the combination with UBM's Asia portfolio.

"Our ambition is to provide exceptional visitor and exhibitor experiences and opportunities, at our shows as well as beyond the show floor, and to help the specialist markets we operate in prosper."

Charlie McCurdy,
Informa Markets CEO

Ongoing product enhancements: To provide customers with more choice and flexibility, we have been working to create better differentiated exhibitor packages, with greater options around stand location, size and access to other exhibition services. This has also had a positive impact on yield at several exhibitions. The Division's MarkitMakr tool, which provides exhibitors with a year-round online platform to showcase products and allows buyers to research the market, was implemented more widely in 2018; see the panel opposite for more data.

Building our capabilities: Under *GAP*, we invested in a range of digital and data initiatives, designed to improve the effectiveness of sales and marketing and to explore additional opportunities for revenue growth and engagement with customers. The Division also began the progressive rollout of a common CRM platform for its sales and operations teams, designed to improve how we capture and record sales data and ultimately provide better intelligence for improved customer engagement and sales visibility.

Talent development: The Division has invested in new learning and development opportunities for colleagues to ensure it has the skills and expertise needed for an ever more digital and technology-enabled business. During 2018, over 1,200 colleagues attended one of 200 classroom-based learning sessions and all colleagues were given access to on-demand digital learning.

Informa Markets in 2019

Informa Markets enters the year with significant new operating scale, expanded international reach, positions in a broader range of customer markets and the potential for additional revenue opportunities from the combination of Informa's and UBM's exhibitions portfolios. It is the largest organiser of exhibitions in the world by revenue, organising around 500 exhibitions in around 30 countries with a particular presence in the US and Asia.

The combination with UBM has increased the number of specialist markets the Division operates in, with new sectors such as Advanced Manufacturing, Licensing and Fashion, and added complementary brands to markets in which Informa already had a presence such as in Natural Products (addition of CPhI and Food Ingredients), Aviation (Routes) and Maritime (Seatrade Cruise Global).

After significant time planning and combining the businesses during the second half of 2018, the Division entered 2019 as one **Informa Markets** business with combined teams, single structures and common budgets. It is now structured into eight major portfolios, each run by a member of the now-expanded divisional Senior Management team.

Common platforms, technology and processes will continue to be rolled out in areas such as marketing to capture efficiencies of scale, create a single engine to support customer facing activities across the business and build on our *GAP* investments in tools and capabilities. Efforts around consolidating supplier relationships and co-ordinating elements of procurement will continue, to create stronger partner relationships and deliver greater efficiency.

Beyond these combination activities, bringing UBM together with Informa creates additional customer, revenue and effectiveness opportunities, which are a priority to explore and start to capture over 2019.

They include cross marketing events to a larger international customer base, leveraging new opportunities for sponsorship across the portfolio and utilising a larger and richer pool of data to develop new digital and marketing initiatives. In this area, a new leadership role has been created to focus on expanding digital services.

The aim for **Informa Markets** in 2019 continues to be to outperform the wider exhibitions market and create capabilities for our continued growth and innovation.

Spotlight

Making markets online

The continued growth of the exhibitions market shows the value of face-to-face forums where buyers and sellers meet and products are shown and selected. But what happens during the rest of the year?

Following *GAP* investment, in 2017 we introduced MarkitMakr, a web platform that showcases exhibitor products and company profiles, and allows buyers to conduct research and connect with a company before and after the event.

"MarkitMakr provides benefits for everyone involved in an exhibition," explained Jason Brown, Chief Digital Officer. "For attendees going to a large-scale exhibition, knowing where to begin can be overwhelming. Using MarkitMakr means you can research exhibitors and products in detail in advance, indicate your interest, inform exhibitors about the products you'd like to discuss and view there, and create and download a walking list of your top products and suppliers to make navigating the venue easy.

"Exhibitors find out in advance what products people want to see and receive qualified leads to use year-round. It also provides our exhibition directors with useful information on what the hot products and categories are, so they can understand and adjust plans according to where foot traffic is likely to be highest."

80,000

Products listed on MarkitMakr

8 minutes

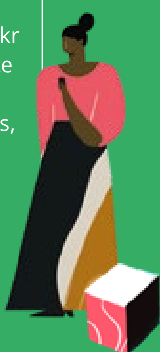
Average time buyers spend on the site

MarkitMakr was first deployed under the Omnia brand for our Dubai-based Life Sciences events and is now in place across 31 exhibitions. Around 80,000 products are listed across the platform, with nearly 40,000 product listings on Omnia. In the first eight weeks of 2019, Omnia generated over 10,000 leads for exhibitors, with buyers spending an average of eight minutes on the platform.

The platform continues to be developed by our in-house digital team, with enhancements including upgrading the directory's search function to help customers find products faster, improving search engine optimisation, creating matchmaking functionality and meeting scheduling, and enabling integration with third party mobile apps.

A snapshot of the online MarkitMakr product

Jason continued: "We're really excited to be rolling out MarkitMakr to our Natural Products exhibitions in 2019. There's nothing quite like it in this market, and it's an industry where the fine detail of each product is critical: what ingredients a food product contains, where they were sourced from, and so on. MarkitMakr makes it easy to share and find that information, as well as enabling suppliers of all sizes to connect with major buyers before, during and after the show. It's expanding the buyer–seller relationship to create a year-round market."



Divisional Review

Knowledge & Networking

Engaging communities, in person and online

Andrew Mullins

Informa Connect CEO

How we serve customers

Fear of missing out is not just a phenomenon driven by social media. Professionals in every specialist market have a need to meet, learn, network and be seen at their community's most important events.

The rise of online information and the opportunity to access and connect with experts digitally has affected parts of the events industry. There is, however, enduring demand for branded events that attract a sector's most senior and respected players and create imaginative environments in which to network with them.

Our **Knowledge & Networking** Division aims to provide content that you cannot Google; major annual events that are continually developed and become the must-attend functions for their markets. Delegates achieve a return on their investment in time and cost, and the experience is complemented by year-round branded digital engagement platforms.

Our markets and brands

In our connectivity and content Division, we operate more than 800 content-driven events for global communities in Life Sciences, Finance, TMT and a number of other specialist sectors.

In terms of scale, around 35 of our events generate over £1m in revenue. Our major brands include SuperReturn, FundForum and Inside ETFs in Finance; BIO-Europe, Biotech Showcase, Bio-Process and TIDES in Life Sciences; and AI Summit, Internet of Things US and 5G World in TMT.

Financial performance in 2018

- The Division exited 2017 with a modest 0.1% return to growth. In 2018, the continued benefits of its focus on major event brands and investment in digital infrastructure under *GAP* drove further improvements in performance.
- Underlying revenue growth reached 2.3% and the Division represented 11% of Group revenue for the year.
- Its portfolio of major events performed strongly, with particularly strong performances in Finance and Life Sciences.
- Just over 40% of the Division's revenue comes from attendees to events, with sponsorship revenues advancing to 28% in 2018.

Opportunities for growth and development

Enhancing the event experience: To maintain and deepen customer engagement, many events are treated as a relaunch in terms of applying fresh thinking, finding unique content, and developing new features and technologies to maintain and enhance the experience for customers.

“Delegates expect a quantifiable return on their investment in time and cost, and it’s our role to deliver it. We apply fresh thinking and new technologies to enhance both our live event experiences and our specialist digital communities.”

Andrew Mullins
Informa Connect CEO

One example is our AfricaCom event, which brings Africa’s telecoms and technology community together to network and gain knowledge. At the 2018 event, we launched a 12-month innovation competition to identify an economic, social or environmental challenge that the event’s community could harness telecoms and technology to solve, sustaining the event’s momentum and creating a natural pathway towards next year’s AfricaCom.

Another example is in our Life Sciences portfolio, where we have invested in a more responsive partnering platform that helps delegates and companies better target their time and meetings at our events, improving their experience and supporting strong return rates at our events.

Deepening digital engagement: The Division’s digital content platforms and marketing services create year-round engagement with brands, where prequel and sequel activities based on news, opinion, research, customised video and webinars create digital communities that keep customers informed and create sales opportunities for sponsors.

One recent example is the relaunch of our Banking Technology content brand under a new name – FinTech Futures – on a new digital platform, with improved user experience especially when browsing on mobile and more focus on making content search engine optimised. Monthly page views have risen by 400% year-on-year, with the increased audience driving more opportunities for advertising and marketing services sales.

Informa Connect in 2019

Informa Connect’s portfolio of brands and events is developing under the *AIP* and going into 2019.

As part of the combination with UBM, **Informa Connect** has added several of UBM’s content-focused brands, including Catersource, which focuses on the specialist catering and event professional market, and the CBI Life Sciences business that complements our existing Life Sciences events.

One of our content-focused events that previously sat within the exhibitions business, the sustainable building event Greenbuild, is moving into this Division, to benefit from its focus on driving community engagement in live forums and online.

The Division’s TMT portfolio has moved to become part of the Group’s new **Informa Tech** Division.

Under *GAP*, the Division’s portfolio was streamlined to focus on its major brands, with new investments in upgrading marketing technology, improving customer engagement and building out the Division’s year-round digital capabilities. **Informa Connect**’s target for 2019 is to further improve underlying revenue growth by building on the customer benefits of this work and strength of its brands.

Spotlight

Where the world's investors invest their time

Every specialist professional community has one: an event in the year whose place in the diary is a given. If you're in private equity or venture capital, that event is SuperReturn.

Now over 20 years old, the flagship SuperReturn International is the product of a continuous programme of product development, and a case example of listening to, and understanding, your audience.

It has also grown into something of a world tour. SuperReturn is now 16 events, running throughout the year across the US, Germany, China, the UK, the Netherlands, Hong Kong, Dubai, South Africa and Japan.

Dorothy Kelso, Global Head of SuperReturn, commented: "Over 2,500 investment professionals converge on Berlin for SuperReturn International, with many travelling from all over the world to be part of it, in addition to the SuperReturn event in their own country.

"This is anything but a passive conference. As well as hearing world-class industry speakers, everything is designed around an audience-first approach. It's about a blended and bespoke networking opportunity, and we do everything we can to help everyone access the specific content and people they're looking for."

A dedicated event app shows who is there, facilitates approaches and schedules meetings. There are VIP breakfasts, and social drinks and dinners; pre-arranged one-to-one introductions; private meeting rooms for negotiation and deals; closed-door sessions for full and frank discourse under the Chatham House Rule; pre-conference summits on special areas of focus; sponsorship and branding opportunities; and "speed dating" investor pitches.

"The attendees can pick and choose from this menu of additional services, selecting what's most valuable to them and tailoring their spend accordingly," said Dorothy Kelso.

SuperReturn also goes on to deliver value throughout the year. The live events are supported by continuous digital engagement that keeps the conversation going, with a stream of high quality content, analysis, thought leadership, a quarterly emagazine, webinars and SuperReturn TV.

Julian Kirby, Managing Director for **Informa Connect**'s Global Finance business, said: "There are many growth opportunities in events if you deliver on the new demands of customers: a large audience of genuine industry rainmakers; original content you can't find online; and outcome-oriented curated networking between market buyers and sellers. Our SuperReturn range ticks all the boxes."

Super Return International

The team behind the teams

How we serve customers

Within each Informa Operating Division, our teams focus on responding to the needs of customers, developing our brands and products, looking for new opportunities in our markets and delivering consistent performance.

Global Support provides shared, efficient business services and function-specific expertise to each Informa Operating Division, enabling our commercial teams to keep their focus on customers, products, markets and performance. These include maintaining core technology infrastructure, consistent HR processes and policies and shared finance platforms, providing a centre of expertise in areas such as Legal and supporting Informa's corporate operations.

In 2018, this **Global Support** community comprised around 850 colleagues working from three regional hubs: London and Colchester in the UK, Sarasota in the US and Singapore.

Developments in 2018

Supporting the offer for UBM: Teams including Corporate Development, Group Finance, HR, Investor Relations and Communications, Legal and Treasury were involved with supporting the UBM offer process and putting in place the plans and structures necessary for delivering the successful combination. Activity included ensuring Shareholders and colleagues were appropriately informed and engaged, regulatory requirements were followed and the financing structures necessary for completing the transaction were in place.

Combination governance: An Integration Management Office (IMO) was formed to oversee the *AIP*'s implementation, comprising members of the Corporate Development, Finance and Risk teams and senior representatives from several other **Global Support** functions, supported by external consultants. The IMO governed the process by which decisions were made, assessing integration plans and measuring progress, tracking integration expenditure and the delivery of cost synergies and providing regular reports to the Executive Management Team and the Board.

Service improvements: In January 2018, a single payroll system and a common approach to timekeeping and salary payments for all our businesses in the US were successfully introduced. This consolidated and simplified systems inherited from business additions, improving efficiency within HR service support.

Within Finance, 2018 saw the phased introduction of an upgraded Group-wide SAP enterprise resource platform to consolidate and standardise our financial operations globally and replace out-of-date systems. During the year, the focus shifted to improving the platform's stability, embedding new practices and ways of working and identifying areas of improvement.

Providing compliance leadership: With new requirements on handling personal data coming into effect under the General Data Protection Regulation, the **Global Support** team created online training to create widespread awareness of the importance of data privacy. This mandatory online training was tailored by job type to ensure those who might directly handle data received specific guidance, such as in HR and Marketing. Each Division's customer privacy policy was also reviewed ahead of May 2018, with a focus on providing a clear explanation of how we use data and how we manage any information requests.

Global Support in 2019

Global Support's structure is evolving in 2019 to ensure it continues to have the capabilities and capacity to support the enlarged Group, and so that Informa can pursue the benefits of scale in areas such as finance services.

It will now be organised into three areas: Group Functions, Group Operations and Cross Divisional Operations. Group Operations is being led by Patrick Martell in the newly created role of Group Chief Operating Officer. Patrick and the Group Operations leadership team have end-to-end responsibility for delivering common operational services effectively, including shared finance services, technology, procurement, property, travel and health, safety and security.

In Group Functions, UBM's in-house Internal Audit function has been brought into Informa and expanded to cover the combined Group. KPMG, which previously acted as Informa's outsourced Internal Audit provider, will supplement the in-house team in a co-source Internal Audit arrangement.

Group HR has been expanded to add expertise in areas such as rewards, benefits, and learning and development, and a new role of Group Director of HR created to provide Company-wide leadership on matters including the support and opportunities available to colleagues, and the quality and effectiveness of policies, practices and processes in place internationally.

Cross Divisional Operations represents a new operating approach for Informa and reflects the scale and efficiency benefits possible within a larger Group. This sees certain services that were previously managed within **Business Intelligence** and **Knowledge & Networking** separately, including central marketing, HR, divisional finance and communications, being delivered centrally and in a more common way across those Divisions and the **Informa Tech** Division.

A structured approach to sustainability

The Group Sustainability team provides leadership and subject matter expertise on sustainability and responsible business practice to all areas of Informa. It reports to the Director of Investor Relations to ensure business alignment and representation of sustainability at an Executive Management Team level.

The team takes a structured approach to sustainability, focusing its efforts on the five areas we believe are most relevant to the Group and where our impact is greatest: the responsibility and wider impact of the content we produce, our relationships with customer communities, how we work with local communities, the way colleagues are supported, and the business's use of natural resources and impact on the environment.

2019 will see the introduction of a new Informa Sustainable Event Management System, building on the Group's previous Sustainable Events Ladder and UBM's 10 Sustainability Principles, which will set out minimum sustainability standards for our events and include a self-assessment toolkit for show teams to deploy wherever they are.

We became part of the global Science Based Targets Initiative in 2018, and in 2019 will be setting Company-specific targets around reducing our emissions to help keep global temperature rises below 1.5C.

Spotlight

Meet the COO: Patrick Martell

How would you describe the new role of Group Chief Operating Officer?
Informa has changed significantly over the past five years. We are larger in exhibitions, more digital in our research and content product mix, working in more geographic markets and with more colleagues.

Under *GAP*, we added businesses in some areas and divested others. All of this has created an operational architecture that is quite complex in places. Looking through the lens of Informa's reach today, it is clear that by making considered decisions about the systems and processes we use, there is an opportunity to simplify the landscape and apply what is working well at a larger scale.

That is the reason the COO role has been created: it is the right time to start to optimise our common systems and architecture and create efficiencies from doing so.

What is the opportunity in Global Support?
What I know from my time in **Business Intelligence** is how dynamic Informa is. The business moves fast; we are agile and customer focused and like to get things done. I think that is true of each Operating Division even if the products and the customers are different.

Take our events. We operate hundreds of exhibitions every year, and for many of the largest ones, that means creating a mini city from scratch over a matter of days. Anyone visiting a site during its build stage could not fail to be struck by the scale of the task and the deadlines the business works to.

The opportunity is to enable our commercial businesses to do their work seamlessly and effectively, help them to meet their deadlines and their customers' needs, and not to get in the way.

What is your immediate focus?
Consistent, effective and high quality operations are where it all comes together. It is about continuing to serve our businesses while simplifying and improving our systems in flight, with our shared finance platforms an early area of focus. It is also about ways of working and the colleagues who deliver these support services, making sure **Global Support** is a supportive and enjoyable place to work while our approach to supporting the wider Group evolves.

Spotlight

Continuous improvement in health, safety and security

The Group Health, Safety and Security (HSS) team acts as a second line function, providing expert guidance, support and advice to the Operating Divisions, putting in place Company-wide systems and governance, and empowering colleagues to make risk-aware decisions. In 2018 the team focused on improving the processes and systems for managing HSS risk while assessing the most appropriate structures and approach for the enlarged Group.

During 2018, the Group HSS team continued to engage with operations teams throughout the business, providing recommendations and ensuring common minimum standards are adhered to. This included delivering well-received training to key event partners in Egypt (see page 34). In the second half of the year, the team visited UBM businesses across the world and attended team get-togethers in the US and several parts of Asia to understand current practice and start to build consistency and continuous improvement in Group reporting.

New HSS learning activities will be rolled out across Informa in 2019, including business travel. It is common for colleagues within the Group to travel for work, particularly in our events Divisions, and this is designed to provide more guidance on personal safety, appropriate behaviour and managing risk when working outside a normal place of work.

The depth and regularity of HSS reporting to the Executive Management Team and divisional management teams has been increased, and the Group HSS team continues to report to the Board through the Risk Committee.

Measuring performance and growth

Informa's Directors and management team use a number of financial and non-financial measures to track the Group's performance and the delivery of strategy. Some of these are alternative performance measures, chosen because we believe they are the most useful and appropriate explanations of the Group's business performance. Each Informa Division additionally tracks a range of other metrics that are relevant to its business model, such as subscription renewal rates, rebooking rates and customer satisfaction.

See more on Group strategy (page 10) and How Informa operates (page 20)

Group non-financial KPIs

Use of natural resources: Greenhouse gas emissions

	2018 tonnes CO_2e[2]	2017 tonnes CO_2e	2016 tonnes CO_2e	2015 tonnes CO_2e
Scope 1 (Gas and heating fuels)	1,630	1,333	1,136	1,287
Scope 1 (Refrigerant gases)	789	612	520	534
Scope 1 (Vehicle and generator fuels)	1,414	1,672	62	62
Scope 2 (Electricity and steam)	8,689	7,181	6,268	7,373
Total Scope 1 and 2	**12,522**	**10,798**	**7,986**	**9,256**
Scope 1 and 2 intensity	**1.28[1]**	**1.43**	**1.25**	**1.41**

1. Data for intensity for 2018 is based on carbon emissions for the full year, for both businesses, divided by the average headcount. This provides comparability in intensity.
2. Carbon emissions for 2018 show UBM data from date of acquisition with the exception of the intensity metric.

About: Greenhouse gas emission levels are one of several commonly accepted measures of a business's carbon footprint and the extent to which it relies on natural resources, and we recognise the importance of understanding and controlling our contribution to climate change. Our calculations follow GHG Protocol standards and Defra guidelines.

Performance: Absolute emissions have risen due to the expansion of the Group. One of our yachting exhibitions teams significantly reduced its use of generator fuel usage, which is a large component of the total.

Target: By 2020, we aim to cut our carbon footprint by 10% per colleague against our 2017 baseline by identifying new energy efficiency and renewable opportunities, and for at least five top 10 offices to have invested in energy efficiency.

Business sustainability: Dow Jones Sustainability Index

96th/68

2018 percentile/ absolute score

88th/61

2017 percentile/ absolute score

Definition: The DJSI ranks listed companies on their achievements in 22 economic, social and environmental areas relevant to long-term corporate performance. For Informa, it is one indicator of the business's operational performance and our capabilities to grow and succeed in the long term.

Performance: Informa ranked in the top 10% of participating companies in 2018 and in doing so joined the DJSI World Index two years ahead of target. The Group's absolute score improved by seven points. Due to a methodology change that affected all participating companies, our 2017 score was recalibrated to 61 from 67, with our percentile ranking remaining the same.

Target: To maintain and improve our absolute score, through progressively enhancing our practices and performance in areas such as health and safety, customer engagement and supply chain management.

Colleague support and participation: Engagement Index

80%

January 2019

78%

December 2017

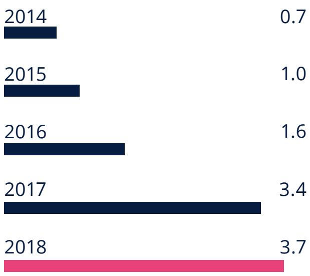
Definition: Informa relies on the skills, contribution and motivation of colleagues for business performance, and engagement indices provide one measure of this. Colleagues are invited to participate in the confidential Inside Informa questionnaire. The index is calculated by averaging responses to five questions, including how strongly colleagues believe in the goals of the business and how far they recommend the business as a good place to work.

Performance: 67% of colleagues participated in the January 2019 Inside Informa Pulse, with engagement levels rising by 2% following a period of organisational change.

Target: To maintain Inside Informa participation rates at over 50% and maintain a strong overall score, through measures that ensure Informa remains a good place to work, and that all colleagues are able to perform at their best.

Group financial KPIs

Underlying revenue growth (%)

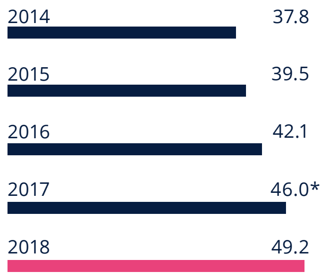


Definition: Measures underlying financial performance and growth of the business. This measure includes year-on-year growth of acquisitions from the day of completion, as if they had been owned in that period the year before, and excludes the impact of event phasing, disposals and currency movements.

Performance: Fifth consecutive year of improvement in the Group's growth rate.

Target: Consistent business and revenue growth.

Adjusted diluted earnings per share (p)



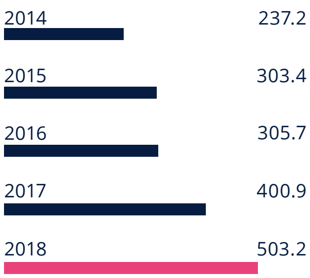
* Restated for the impact of IFRS 15.

Definition: One measure of profitability and the value created for Shareholders, adjusted for equity issuance. It is one of the measures tracked within the Group's executive remuneration plans.

Performance: The 7.0% increase on 2017 reflects another year of improving performance, as well as the combination with UBM. This led to an increase in the Group's adjusted earnings and the number of shares in issue, following the issue of equity to UBM Shareholders at the time of the acquisition.

Target: Steady and consistent improvement in earnings per share.

Free cash flow (£m)

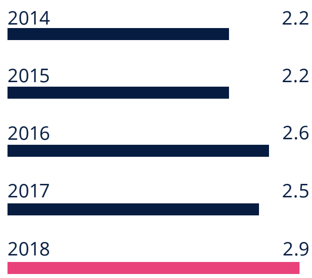


Definition: An indicator of operational efficiency and financial discipline, illustrating the capacity to reinvest, fund future dividends and pay down debt. It is measured as cash flow generated by the business before cash flows relating to acquisitions, disposals and related costs, dividends and new equity issuance or share purchases.

Performance: 2018 was another year of strong cash generation, reflecting higher underlying profit, the contribution from UBM and strong conversion of profits into cash.

Target: Consistent growth in free cash flow.

Gearing ratio

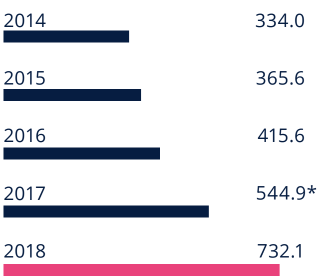


Definition: Indicates the Group's leverage level and is a measure of financial stability and discipline. It is a calculation of earnings before interest, tax, depreciation and amortisation compared with net debt.

Performance: Our long-term target leverage is 2.0–2.5 times, and the Directors are comfortable with an increase to 2.9 times in the short term to fund significant acquisitions. As a result of the combination with UBM, gearing is currently at the upper end of the range, with a target to return to within our target range through 2019.

Target: Return to target range of 2.0–2.5 times, to maintain financial stability and flexibility.

Adjusted operating profit (£m)



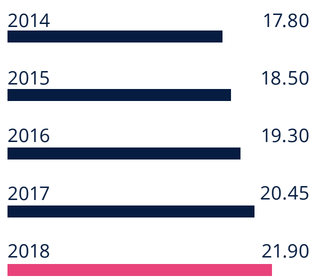
* Restated for the impact of IFRS 15.

Definition: An alternative measure of the Group's operating performance, representing profit before tax, interest and adjusting items in a way that is comparable to prior year and Informa's peers.

Performance: Strong growth in adjusted operating profit reflects improved underlying profits combined with the contribution from UBM.

Target: Consistent growth in underlying operating profits.

Dividend per share (p)



Definition: A measure of the value created for Shareholders through business performance and growth.

Performance: Improving underlying growth, resilient margins and strong cash flow conversion led to strong free cash flow generation, enabling the Board to pay a progressive dividend in 2018 up 7.1% on 2017.

Target: Progressive dividend payments, growing broadly in line with free cash flow.

Responsible risk-taking for performance and growth

As a growth-focused business, Informa takes measured risks. These range from investing in new services and technologies to acquiring and integrating new businesses into the Group.

To enable the Group to pursue commercial opportunities, Informa's approach to risk management is to ensure that significant risks are identified and understood, managed appropriately, and monitored and reported to the Company's governance bodies.

Our risk management approach is guided by the Board's Risk Appetite and Tolerance Statement, which gives the direction that:

- we should only take risks that help us to achieve our objectives;
- the amount of risk we are prepared to take should be balanced with proportionate reward; and
- our guiding principles determine our approach to risk tolerance, for example in areas of ethics and compliance.

The Board encourages a culture of transparency and of acting with integrity.

Risk governance

Informa's risk framework is designed to provide the Board with oversight of the most significant risks faced by the Group. The Risk Committee and Audit Committee report independently to the Board, as do steering committees for major projects.

Risk management governance framework

Governance	Risk governance function	Outputs
Board oversight	• Sets tone from the top • Positions risk appetite and tolerance • Challenges lines of defence • Accounts to Shareholders	Guidance and direction
Audit Committee 3rd line of defence	• Independently checks and challenges 1st and 2nd lines of defence • Provides assurance to the Board	Audit and Board reports
Risk Committee 2nd line of defence	• Provides advice and guidance to the 1st and 2nd lines of defence • Advises the Divisions and Board • Accounts to Audit Committee	Group risk register Principal risks Audit and Board reports
Divisions 1st line of defence	• Identifies and manages risks • Receives guidance • Reports to Risk Committee	Divisional risk registers

Key 2018 activity

Market risk

- Global trading may affect attendance at our exhibitions in certain sectors. We continue to monitor developments, but currently see only minimal financial impacts.
- Through the combination with UBM, the Group organises exhibitions for the Fashion sector. This market is seeing considerable change which presents both challenges and opportunities and we are refreshing our offering, with greater focus on how best to serve customers.

Acquisition and integration risk

- Substantial due diligence and analysis on business additions including UBM, and rigorous management and control of integration risk throughout 2018.

Ineffective change management

- As per page 57, we focused on combining talent, services and products while delivering business as usual across both companies.

Technology failure, data loss and cyber breach

- Considerable focus on understanding the enlarged Group's technology architecture.
- A technology vulnerability assessment was developed, which supports risk-informed decision making for remediation of systems and platforms.
- Privacy at work training was delivered across the Group to inform colleagues on protection of systems and data.

Health and safety incident

- Significant discovery process to ensure that our health and safety management system encompasses all activities across the enlarged Group.
- Consistent reporting metrics embedded across all regions.
- New security risk assessments and management guidance was rolled out and new travel security training delivered to operations teams.
- In addition to internal training, the Health, Safety and Security team is exploring how we can work with other business partners to raise standards. Examples included providing training to our venue provider and contractors in Egypt. See page 59 for further information.

Major incident

- Impacts from severe weather events, including typhoons in Asia and hurricanes and wildfires in the US, were managed in line with regional authority advice and specialist advice from our Health, Safety and Security team. Customers, colleagues and business partners were kept safe and financial impacts were negligible.
- Emergency response training rolled out to events teams and at our premises.

Inadequate regulatory compliance

- New training on anti-bribery and corruption to new joiners.
- Training on new tax evasion law delivered to around 1,000 targeted colleagues.
- Management training given to colleagues who deal with regulatory breaches.

Privacy regulation risk

- New data protection policies and guidance rolled out across the Group.

Through the governance channels and reporting process illustrated opposite, the Board monitors and reviews the effectiveness of the Group's internal control systems and issues guidance for the management of risk.

During 2018, the Group continued to foster a culture and process for responsible risk-taking. We maintained continuous improvement in risk management rigour, including developing statements of risk appetite and tolerance for each principal risk and enhancing monitoring and reporting through key risk indicators. This work will continue in 2019 and it, along with the Group's risk framework, will be aligned to Informa's expanded operating model.

The methodology for rating the magnitude of the financial impacts of our risks was reviewed during the year and adjusted to reflect the increased financial scale of the enlarged Group.

Risk management and the combination

Ineffective change risk is a principal risk to the Group as we continue to expand, grow and change. In this reporting year, the most significant change was the combination with UBM plc. Risk management was applied throughout, and prior to recommending the acquisition to Shareholders, the due diligence process identified the potential risks of the deal. These were highlighted in the Shareholder prospectus and included:

- The management attention required to integrate the widened operations may detract from delivery of existing business objectives:
  - Delivery of commercial business as usual objectives was addressed by providing risk management training to the **Global Exhibitions** Senior Management team. The team learned and applied risk management practices to understand how the causes and impacts of risks to commercial objectives should be mitigated.

  - Additional resource was brought in for critical roles so that ongoing operations and the combination could be delivered simultaneously.
- Increased exposure to developing markets:
  - The expansion of the Informa Group brings greater breadth to the business, increasing our exposure to both developing and developed markets. Our increased scale in developing markets is within our risk appetite as there are growth and opportunity in these markets, which are balanced by our business in developed markets. Market risk is managed through our strategy, objectives and regular planning meetings between the Executive Management Team and the Divisions.
- Loss of Senior Management without adequate replacement:
  - Changes to the Group's organisational structure were subject to multiple levels of review, and senior appointments were approved by the combination steering committee. A formal selection process ensured that Senior Management roles and responsibilities were thoroughly planned for, and appropriate skills are present in the enlarged Company.

Throughout the combination, each significant area of change has had a designated lead responsible for change delivery. These leads report to the Integration Management Office (IMO), led by our Group COO and Director of Strategy and Business Planning. Critical issues, risks and dependencies are surfaced to the IMO and actions are owned and followed up until they are mitigated.

Further governance for the combination has been provided through a dedicated steering committee, chaired by the Group COO who reports directly to the Board. External consultants were engaged during the process to support due diligence, discovery and integration.

The discovery period was focused on building our understanding of the enlarged business. This included consideration of risks within the business itself and risks arising from the combination work.

Throughout the combination, colleague sentiment was also closely monitored. A Pulse survey in January 2019 gauged our colleagues' feelings about the enlarged Group, which showed that over 75% of colleagues would recommend Informa as a good place to work.

As part of the combination, UBM's risks were reviewed and discussed by Senior Management from both companies and the most significant risks were mapped and compared. The Risk Committee is satisfied that all principal risks relating to the combined Group are now captured through Informa's risk framework.

Principal risks and uncertainties

- Risks are identified and reported by the Divisions to the Risk Committee.
- We record the most important and frequent risks reported by the Divisions on the Group risk register.
- We also consider emerging risks at divisional and Group levels throughout the year.
- We additionally recognise risks that only apply at Group level.
- The most significant of the Group-wide risks form our principal risks.
- All principal risks are considered when we draw up severe but plausible scenarios that could impact the financial viability of the Company. The methods and results of our viability modelling are on page 75.

There is a formal quarterly process to support risk recognition throughout the Group. We have a consistent way of categorising our risks and a common approach to risk management Information on the causes, impacts and mitigation of risks is captured through our risk registers and risk management system. Actions are assigned and logged by the Divisions, and then monitored by the Risk Committee until closed out. This gives us confidence that we have sufficient knowledge of relevant risks and a robust assessment of our principal risks.

Risk ratings

When we rate our risks, we consider the potential financial and non-financial impacts they could have, and the likelihood of them happening. We use a consistent grid to help us compare and prioritise risks. We rate our risks twice:

- The first rating (gross risk rating) is based on the potential exposure if nothing is done to manage or mitigate the risk, to understand the importance of the risk and form a baseline.
- The second rating considers all the controls and mitigations currently in place to either reduce the likelihood of the risk occurring, or to address the impact, or both. This indicates the current status (net risk rating).

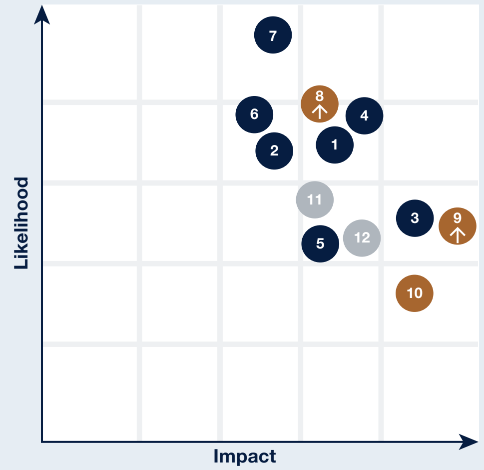
This approach allows us to consider whether risks are being managed appropriately or whether additional actions should be taken, according to our risk tolerance.

We review risk ratings regularly to consider whether the external or internal landscapes have changed, or whether the controls in place are managing the risks to the previously recorded status.

Relative net risk ratings of principal risks, and movement in risk ratings over 2018

Our principal risks relate directly to the delivery of our growth strategy, including the people, culture and operations that deliver it.

Relative risk ratings of principal risks and movement in net risk ratings over 2018



Key

- Risk related to growth
- Risk related to people
- Risk related to culture

Indicators of change in the year

↑ Increased during the year

Risks related to growth

1. Economic instability
2. Market risk
3. Acquisition and integration risk
4. Ineffective change management
5. Reliance on key counterparties
6. Technology failure
7. Data loss and cyber breach

Risks related to people

8. Inability to attract and retain key talent
9. Health and safety incident
10. Major incident

Risks related to culture

11. Inadequate regulatory compliance
12. Privacy regulation risk

Changes during the year

Where changes have occurred to the net mitigated risk ratings of principal risks, during 2018, these are explained on pages 66 to 72 under the relevant risk.

In 2018, we recognised that the threat of geopolitical risk raised the potential for increased economic instability. The net rating at the end of the year was unchanged, as no material impacts or any increased likelihood existed. This will remain under close monitoring.

We considered whether the net ratings for acquisition and integration risk and ineffective change management should be raised but believe that our management of these risks and continuous scrutiny have kept the net ratings stable.

The net risk of health and safety incidents has been raised to acknowledge that we are currently embedding a consistent process across the enlarged Group. See page 71 for further information.

We have also raised the rating of inability to attract and retain key talent, recognising that when two companies of scale combine, there is a heightened risk of voluntary departures.

An addition to the Group risk register was realisation of a pensions deficit position, relating to UBM's legacy defined benefit pension scheme. The current position is not significant to the combined Group and is therefore not reported as a principal risk.

The risk rating for Brexit was raised during the year as the deadline for the UK's departure approached without clarity of outcome. Based on a risk assessment of the most impactful, no deal scenario, Brexit is not a principal risk to the Group. The potential financial impacts are considered immaterial due to the diversified international nature of our business and a low reliance on cross EU/UK border goods movements to deliver our services and products.

Risk assessments have taken place across the Group at divisional and functional levels, informing more detailed contingency planning. Where Brexit risks exist, we have put actions in place to minimise interruptions to our business, including areas such as the physical supply of our books to customers in the EU, and planning for logistical and travel challenges for events close to the proposed exit day.

Consideration of other risks

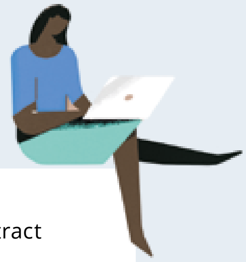
Informa keeps a range of risks under review. Amongst those not considered principal risks to the Group are tax compliance risk, climate change and currency fluctuation.

Informa is a responsible taxpayer. The Group takes a principled and low risk approach which limits the likelihood of disputes with tax authorities and makes unexpected material tax liabilities unlikely.

Climate change is not viewed as a principal risk for the Group, although severe weather events are recognised as one factor in the risk of major incident on page 71.

Informa's impact on the environment is relatively small and largely related to routine energy consumption at our premises, the use of paper in products in the supply chain, and business travel by colleagues and customers to Informa's exhibitions and events. Informa seeks to minimise impacts through initiatives detailed in the separate Sustainability Report.

The Group Treasury team continues to manage the risk of currency fluctuation, particularly in the relative value of sterling and the US dollar.



1. Economic instability

- 2018: no movement in net risk rating
- Has the potential to cause material financial impact
- Is modelled for the Viability Statement
- Oversight: Group Finance Director

Impact

A negative impact on the Group's ability to grow, whether in particular geographies, verticals or overall.

Potential to weaken brands and value over time, leading to reputational damage and impairing ability to raise funding.

Fluctuations in currency exchange rates can have both negative and positive effects.

Relevance to Informa

When economies decline, our customers may retract their budgets and choose not to exhibit or travel.

Changing patterns in global trading may impact specific sectors and affect demand for related industry exhibitions and conferences.

A global economic downturn could affect the Group's ability to deliver growth in the near term. However, it could also present an opportunity to acquire businesses at a lower cost and lay the foundation for long-term growth.

Mitigating activities

Informa has an international customer base, selling into around 170 countries, which dilutes the effect of downturns in specific geographies. We provide the world's leading exhibitions for certain industry sectors which drive our customers' order books, so even in economic downturns, attendance remains relatively stable. The breadth of the Group's portfolio by verticals, products and customer types also mitigates the impact of downturns in particular markets.

Many of our content and data products are subscription-based, making revenue more predictable. Exhibition revenue is often contracted well in advance of the event. Credit exposure is minimised through advance payments, particularly for exhibition stands, and through credit control activities.

Economic risk and opportunity are considered in the three-year planning process overseen by the Group Finance Director. The annual budgets that result from the planning process are a control, against which results are monitored through the monthly reporting process. This surfaces any effects of economic instability and informs commercial decision making.

Movements in currency can have positive and negative impacts on the Group's reported earnings. This is managed through hedging currency fluctuations so that our net debt profile is proportionate to our exposure to currency fluctuations in EBITDA.

Geopolitical volatility increases the likelihood of economic instability; however, our overall net rating remained stable at the end of 2018.

2. Market risk

- 2018: no movement in net risk rating
- Has the potential to cause material financial impact
- Is modelled for the Viability Statement
- Oversight: Executive Management Team

Impact

If market risk is not addressed through strategy, investment, development and innovation, products and services could be perceived as less valuable, with revenues and margins eroded and some products or services becoming obsolete.

Relevance to Informa

The markets which we serve experience growth and decline, and, in some sectors, disruption. We may not be able to innovate at a pace that ensures that our products, services and brands remain relevant or we may lose custom to our competitors.

Markets can be disrupted, for example fashion producers selling directly to purchasers online.

Group strategy is informed by customer demand and feedback. Wider market, strategic and investment decisions are made with due consideration of market risk.

Mitigating activities

Market developments are thoroughly considered in decision making. They are addressed at strategic levels and through market research into businesses and products operating in similar spaces. Acquisitions are considered for their portfolio fit for the markets we serve.

The enlarged Group now operates in the Fashion & Jewellery sector and has a larger exposure to emerging markets. Fashion is undergoing transformation as a sector, and we have launched the Fashion *GAP* programme to determine how we can enhance our products and customer experience, and drive the ongoing relevance of our portfolio. The Executive Management Team oversees market risk by conducting regular people, planning and product-focused meetings with each Division, typically on a quarterly basis.

Market risk is also regularly addressed by the Board and addressed as part of Informa's three-year planning cycle, with these plans formally presented to the Board.

3. Acquisition and integration risk

- 2018: no movement in net risk rating
- Has the potential to cause material financial impact
- Not modelled for the Viability Statement
- Oversight: Board

Impact

Acquisitions could deliver lower than expected return on investment, diminished growth, weaker acquired brand assets, increased risk and inconsistent corporate culture. Poor acquisitions may also lead to impairment charges and the inability to obtain future funding.

Relevance to Informa

Growth through targeted acquisition is one part of the Group's strategy and a way to seize opportunities that will create benefits for our stakeholders. The most recent scale addition was UBM in June 2018.

As well as organic growth, Informa's growth strategy includes the acquisition of businesses in target verticals and markets. The Group is prepared to take reasonable risks to acquire new assets, talent, capabilities, products, brands and innovations.

Mitigating activities

Informa actively monitors the market and engages with relevant parties to identify suitable acquisition targets. These are then assessed to see if they form an attractive strategic and cultural fit. Investment decisions are made according to set financial parameters and capital is allocated to the markets and Divisions in order to maximise long-term value creation. This process is led by the Director of Strategy and Business Planning.

Capital allocation for acquisitions is determined at Group level. Targets are analysed by the Corporate Development team, and a cross functional team of experts supports the commercial leads through due diligence prior to acquisition.

Integration plans are developed at Division level with support and oversight from the Group. All acquisitions have formal governance, leadership and project management to deliver integration, with significant acquisitions receiving greater Group-level governance. In the case of UBM, additional resources were brought in to support delivering business as usual while key colleagues focused on the integration.

An annual review is reported to the Board on post-acquisition performance, including an assessment of any variation to the expected return on investment. Progress on all acquisitions is also reported to the Board regularly throughout the year, with commensurately more detail for significant acquisitions.

See the section on risk management and the combination on page 63 for more information on Informa and UBM.

4. Ineffective change management

- 2018: no movement in net risk rating
- The potential to cause material financial impact is considered low
- Not modelled for the Viability Statement
- Oversight: Executive Management Team

Impact

Change, if not managed effectively, could result in unrealised opportunities, poor project delivery, colleague turnover, erosion of value and failure to deliver growth.

Relevance to Informa

Culturally, Informa adopts an agile business approach and pursues development and change in order to grow, innovate and respond to new challenges and opportunities.

The breadth and pace of change can present strategic and operational hurdles.

Bringing together new and different business cultures also presents risk.

Growth requires change, and ineffective change management may produce a lag on growth. Acquisitions may introduce cultures that are not aligned with Informa's culture of support and inclusion. This could result in behaviours that undermine and degrade performance and strategic direction.

Mitigating activities

Informa's large-scale investment programmes and acquisitions adopt common programme and change management disciplines, with defined governance and reporting structures in place.

The Executive Management Team oversees, and independently or collectively sponsors, key investment initiatives across Informa.

A team of programme directors and change delivery experts is deployed on core strategic projects. The stability in key leadership roles allows a culture of continuous learning and improvement.

Where appropriate, we adapt reward structures to incentivise successful delivery of in-year or multi-year strategic programmes.

The Risk Committee acts as the overseer of the risk landscape with the authority to map risk profiles of large change initiatives, and raise attention to areas of concern.

5. Reliance on key counterparties

- 2018: no movement in net risk rating
- The potential to cause material financial impact is considered low
- Not modelled for the Viability Statement
- Oversight: Risk Committee

Impact

If key counterparties fail, there could be serious disruption to certain business activities, resulting in lower levels of trading and revenues, and a decline in customer satisfaction.

Relevance to Informa

In certain conditions, markets and geographies, we rely on key strategic partners who enable the delivery of our business objectives.

Where we are dependent on key counterparties for critical business delivery, these relationships are identified and monitored.

Key relationships, services and venues could negatively affect the Group's ability to generate and deliver value, or impact our operations if they fail.

Mitigating activities

The Group diversifies its reliance on key counterparties wherever possible and has a Treasury Policy to ensure the Company is not over-reliant on a particular financing partner.

Each Division is required to identify key counterparties, explain the nature and extent of their exposure to them, and report on activities in place to mitigate specific exposures to the Risk Committee when requested.

Mitigations include requiring counterparties to have robust and tested business continuity plans in place; service level agreements; contracts; proactive relationship management; and ensuring suppliers are paid on time so that services are not suspended.

For Brexit planning, we are working with relevant business partners to ensure we can build resilience in areas where we may be impacted. For example, we have drawn up plans with the printers of our books to ensure continuity of supply.

6. Technology failure

- 2018: no movement in net risk rating
- The potential to cause material financial impact is considered low
- Not modelled for the Viability Statement
- Oversight: Risk Committee

Impact

A prolonged loss of critical systems networks or similar services could inhibit our ability to deliver events, products and services, increase costs, result in poor customer experience and negatively impact the Group's reputation.

Relevance to Informa

The Group relies on technology to make and deliver products and services, engage with customers and pay suppliers. This dependency is recognised in the risk of a major technology failure.

Technology underpins all the Group's business activity, and enables future scale and innovation.

Mitigating activities

Informa has a Group-wide strategy to deploy cloud computing, due to its benefits in building resilience into our products and services and in providing the foundations for scalable solutions.

To support this "Cloud First" strategy, technology service providers are assessed and selected on their capability to deliver the required service reducing the risk of downtime. Colleagues can utilise secure cloud desktop services, facilitating mobility and flexibility.

We continue to invest in backup and recovery technology and controls to mitigate the risk of data loss and extended unavailability of key systems.

The Group continues to reduce complexity and on-premise physical infrastructure. The combination of Informa's and UBM's systems and platforms is underway; a complex process that is prioritised and programmed through a defined roadmap, monitored by the Combination Integration Management Office and Executive Management Team.

7. Data loss and cyber breach

- 2018: no movement in net risk rating
- The potential to cause material financial impact is considered low
- Not modelled for the Viability Statement
- Oversight: Risk Committee

Impact

Loss of sensitive data through mismanagement, theft, cyber crime or security breaches could lead to losses for our stakeholders, and investigations, fines and business interruption. If handled poorly, reputational damage could also result.

Relevance to Informa

This risk encompasses major security breaches, and any resulting loss of sensitive or valuable data, content or intellectual property.

There could be significant reputational damage if this risk materialises and is not handled in line with stakeholders' expectations.

The business and delivery of strategic objectives relies on data. If a significant loss materialised, this would distract from our strategic goals through excessive demands on management time to respond to the loss.

Mitigating activities

The risk from criminal cyber activity continues to grow and attempts to attack and disrupt businesses are more common and widespread. To address the risk to key systems we continue to invest in information security countermeasures, controls and expertise.

A Group Chief Information Security Officer has been appointed to provide Group-wide leadership and governance, and drive information security strategy and tactical initiatives.

Informa takes the security and privacy of Company, colleague and customer data seriously and employs a defence-in-depth approach, comprising administrative, technical and physical controls aligned with industry good practice to protect the confidentiality, availability and integrity of key systems.

Our information security awareness programme supports an information security culture across the Group. Internal and external assurance programmes formally report the Group's compliance with Informa policies, standards and controls to the Audit Committee, Risk Committee and Executive Management Team.

8. Inability to attract and retain key talent

- 2018: net risk rating increased
- The potential to cause material financial impact is considered low
- Not modelled for the Viability Statement
- Oversight: Executive Management Team

Impact

A talent shortage could lead to an increased turnover of colleagues with an associated rise in costs; loss of knowledge; decreased efficiency; and a demotivated workforce with the associated lag on productivity and erosion of corporate value.

Relevance to Informa

The Company is dependent on appropriately skilled talent to deliver its products and services. The inability to attract, recruit and retain colleagues, and inadequate succession planning at Senior Management levels, would erode the Company's performance.

Our colleagues create and deliver products and services to our customers, and the innovation and operational execution necessary for future growth.

Mitigating activities

During the year, the Company's depth of talent expanded with over 3,000 colleagues joining from UBM.

Colleague engagement is evaluated at least annually, attrition is tracked through the year and leavers are surveyed to understand root causes. These insights are drawn together to understand underlying themes and to inform corrective action where it is necessary.

The Executive Management Team and Board review the depth of talent across Informa and the short and longer-term succession plans for critical roles.

Informa redesigned and invested in the global HR function during 2018. Specialist roles were created with expertise in reward, learning and development, recruitment and business partnering. The model and resource allocation placed our HR specialists closest to our colleagues and communities. The newly created role of Group HR Director is part of the Executive Management Team and sits on the Risk Committee.

Although attrition is inevitable, the Company seeks to protect the business through appropriate post-termination restrictions for colleagues in business-critical roles.

9. Health and safety incident

- 2018: net risk rating increased
- The potential to cause material financial impact is considered low
- Not modelled for the Viability Statement
- Oversight: Risk Committee

Impact

A major health and safety incident has the potential to cause life-changing injuries and, at worst, fatalities. Mismanagement of health and safety can also result in reputational damage, investigations, fines and multiple claims for damages.

Relevance to Informa

Good standards of health, safety and security are of primary importance.

Informa takes the welfare of its colleagues, customers and business partners seriously and expects to operate in safe and healthy conditions. This approach underpins how we deliver our events, engage with venues and manage our premises.

A serious failure in this area could undermine Informa's reputation as a leading and trusted business and organiser of events.

Mitigating activities

Informa's health and safety policies set out clear guidance on required standards across all areas of the Group.

To set the tone and direction, the Board has issued a Health and Safety Risk Appetite and Tolerance Statement, asserting that the welfare of colleagues, customers and business partners is of primary importance and that anyone may raise health and safety concerns without any fear of reprisal.

The Health and Safety function is focused on embedding consistent standards and approaches across the combined Group. Quarterly reports are made to the Risk Committee, and during the year we introduced a reporting dashboard which gives the Committee a good understanding of the status of health and safety developments and training.

Near-misses and incidents at our events and premises are reported to the Risk Committee. We audit events and premises, and monitor required actions until they are completed.

A Group-wide travel management system allows us to book accommodation and travel that meet acceptable safety standards, and to know where colleagues are in the event of an emergency.

We have established a skilled team of health and safety experts who are regionally based. They support our operations teams in embedding high, consistent standards. We have raised the net risk rating to reflect that we are in the process of embedding consistent standards across the enlarged Group.

10. Major incident

- 2018: no movement
- Has the potential to cause material financial impact
- Modelled for the Viability Statement
- Oversight: Risk Committee

Impact

Major incidents have the potential to cause harm and injury to people, venues and premises and severely interrupt business. If the Group's response to a major incident is inadequate, this could result in additional reputational damage.

Relevance to Informa

The nature of our global events businesses requires us to organise large volumes of people all over the world, so there is inherent potential to be impacted by major incidents.

We also operate in some countries where the infrastructure and ability to respond to major incidents can be limited.

Mitigating activities

We consider extreme weather events in the planning of event schedules. In 2018, some events and premises were disrupted by extreme weather. Our response is always to put the safety of people first, and this resulted in the evacuation of homes and offices in California and a one-day closure of an event.

The Group also considers terrorism threats, proximity to likely terrorist targets, and potential unrest or protests in event planning.

We apply defined security risk assessments for high risk operations so that appropriate additional security measures can be taken to protect customers, colleagues and business partners.

A key initiative of the Health, Safety and Security team in 2018 was to embed our emergency response planning, with training rolled out across our combined Group for events and premises teams.

The team provides support and advice in the event of an emergency and, in severe circumstances, a dedicated Crisis Council would convene to direct our response.

11. Inadequate regulatory compliance

- 2018: no movement in net risk rating
- The potential to cause material financial impact is considered low
- Not modelled for the Viability Statement
- Oversight: Risk Committee

Impact

Failure to comply with applicable regulations could lead to fines, imprisonment, reputational damage and the inability to trade in certain jurisdictions.

Relevance to Informa

We have a commitment to ethical and lawful behaviour. Where regulations are mandatory, we expect full compliance.

The Group's licence to operate and grow is in part determined by compliance with national and international regulation and the support of stakeholders. This includes customers, colleagues and Shareholders, who increasingly favour companies that work in an ethical way.

Mitigating activities

Through the Group's compliance programme, Informa aims to comply with all applicable regulations. The Group also supports a culture of transparency, integrity and respect, which ensures individual behaviours align with corporate policy.

A review of UBM's policies revealed a very similar approach, and during 2019 we will publish refreshed codes and policies across the enlarged Group.

During 2018, we continued to deliver compliance training to new joiners during the year, including Code of Conduct and Anti-Bribery and Corruption training. New starters receive these training modules promptly and are required to accept our core policies, including Acceptable Use of Technology and Information Security standards.

Our compliance programme is structured to meet our obligations under material legislation and we monitor our status to ensure continuous improvement.

Our Code of Conduct and Business Partner Code of Conduct together set out the behaviour we expect of all colleagues and business partners. We provide speak-up facilities, including a confidential hotline, to encourage both internal and external users to raise any concerns. Our policies make it clear that all issues reported are investigated promptly and that retaliation for raising genuine concerns is not tolerated.

12. Privacy regulation risk

- 2018: no movement in net risk rating
- The potential to cause material financial impact is considered low
- Not modelled for the Viability Statement
- Oversight: Risk Committee

Impact

The potential impacts include changes to operations to comply with regulations, and changes to the way the Company can market its products, services and events. Non-compliance can result in significant fines with associated customer dissatisfaction and reputational damage.

Relevance to Informa

We rely on data to produce and market our products and services. An inability to comply with the diverse tightening and growing global privacy legislation may limit our access to, and use of, data.

Compliance with privacy regulations will influence marketing strategies and, therefore, the acquisition of new customers. Over-compliance with privacy regulations, such as applying the strictest rules globally, could result in commercial disadvantage.

Mitigating activities

There is a global trend towards tightening privacy laws; the most significant to affect the Group was the introduction of the General Data Protection Regulation (GDPR), which came into force in May 2018. There were also changes to data compliance in Australia, Canada, Asia-Pacific and the US. This trend has a broad impact on the Group, from how we address privacy compliance to how we adapt marketing strategies to ensure successful business operations under tighter regulations.

During 2018, we continued to focus on GDPR compliance, implementing a privacy framework along with policies and guidance in key areas. This included updating terms and conditions with suppliers, web-based training to all colleagues, updated Customer Privacy Policies on our websites and new rights management processes.

We have a Group Data Protection Officer to lead data privacy compliance, along with divisional Privacy Managers who work with the Divisions to embed the standards into the business operations. A Data Protection Management Forum was established to support and oversee privacy compliance initiatives. We continue to monitor external factors to provide guidance and support to the Group and consider operational impacts.

Informa's prospects and viability

As part of the Group's strategy of continued and consistent growth and performance, Informa's Directors, at all times, maintain a sharp focus on assessing the Group's long-term prospects and the Company's viability as a business on a three-year basis.

The Directors have specifically assessed Informa's viability over the next three years, which they believe is an appropriate time frame, since it is consistent with our three-year business planning horizon and its associated three-year financial forecast, the nature of Informa's business and the previous time horizons we have reported on.

Assessing Informa's prospects

Informa operates in the market for knowledge and information and has developed strong positions in many customer end markets that offer the potential for long-term growth. It has many of the elements necessary for greater future business success – valuable brands, strong customer relationships and market knowledge, talent and a culture of ideas with commercial focus.

The Group seeks to build on these strong foundations with continued investment in its products and customer platforms, alongside further expansion.

After *GAP* and through the combination with UBM, Informa is seeking to benefit from having increased reach and the specialist capabilities to capture the long-term growth potential of the expanding market for business-to-business information services.

Informa runs a rigorous annual business planning and strategy process, involving divisional and Group management with Board input and oversight. This produces Group and divisional strategic plans, which in turn generate three-year financial plans that drive the setting of in-year budgets.

This process, and the plans that result from it are a significant contributor to the assessment of the Group's prospects. Informa's current position, Group-level strategy, business model and the risks related to the business model are also used in the assessment, as shown in the table on page 74.

Structured strategic and financial planning process

The Group's prospects are assessed primarily through the annual strategic planning process, which involves the creation of business plans by divisional management that are then reviewed in detail by the Group Chief Executive, Group Finance Director and the Director of Strategy and Business Planning.

To create these plans, each Division assesses external factors, such as peers and their activity, broad and specific risks and market trends, and internal factors, including people, planning and product-focused matters – that influence the business's approach today.

Objectives are set with consideration for what is known about customer trends and demands, and emerging risks and opportunities over that period, plus an analysis of what each Division needs to do to achieve those objectives, whether that is launching new activities, securing additional capabilities or continuing existing programmes.

What results is a set of objectives and initiatives from which each Division will derive a three-year financial plan including detailed financial forecasts and a clear explanation of key assumptions and risks. Plans are updated at key dates and for significant events.

At its annual Board Strategy meeting, the Board reviews and challenges these strategic and financial plans.

The latest set of three-year business plans was reviewed and agreed by the Board in September 2018. The first year of these plans is used to inform the 2019 budget, itself approved by the Board in December 2018.

These detailed financial forecasts are also used as a basis for the annual impairment review, to inform treasury funding requirements and as an assessment of the liquidity available for reinvestment and to return to Shareholders through dividends. Divisional financial plans combine to produce the Group's overall financial forecast, where it is assumed that dividends grow by at least 6% in line with Informa's most recently stated commitment.

Factors in assessing long-term prospects

Group's current position	Strategy and business model	Principal risks
• Recurring revenue streams with strong cash dynamics, including positive working capital driving high cash conversion • Diversified business model by geography of operations and customers • Diversified business model by products and by the markets in which Informa operates • Strong market positions, brands that customers value, and a focus on long-term customer relationships • Flexible cost structure, enabling the business to respond effectively to changes in demand or in markets See the Finance Review on page 76 for more detail	• Clear growth strategy • Under the *AIP*, focus on maintaining performance and integrating the UBM business at pace while creating an enlarged Informa Group with the positions and opportunities for continued growth and scale. • Support the *AIP* through a six part programme which includes: 1. Development of the Group operating model 2. Strengthening talent and leadership 3. Rebalance and focus through Progressive Portfolio Management 4. Delivering synergy benefits 5. Return Fashion business to growth 6. Simplify and strengthen brand value • Business model that draws on talent, brands and intellectual capital, technology, relationships and partnerships, financing and access to dynamic and growing customer markets See business model on page 20 and Group strategy on page 10 for more detail	• Consideration of the principal risks directly related to the Group's business model • Colleague and talent-focused risks around retention and change management • Market risk related to brand promotion and protection and economic instability • The risk of technology failure, data loss and cyber breach • Customers and relationships impacted by privacy regulation risk and reliance on key counterparties • Acquisition and integration-related risk See pages 66 to 72 for a description of each principal risk

Assessing the Group's viability

For each principal risk, a severe but plausible scenario is considered.

Scenarios include a considerably worse performance than anticipated from certain key markets, the impact of a general economic downturn and a significant external event impacting our most profitable events. In assessing the impact of a general economic downturn we have specifically considered the impact of Brexit and the sensitivity across our business.

Where a severe but plausible scenario creates a financial impact of over 5% of EBITDA, the principal risk is modelled against the three-year financial plan to test whether it would adversely impact the Group's viability. Additionally, the three largest risks in terms of their potential financial impact are modelled together as a single scenario, to understand their combined financial impact.

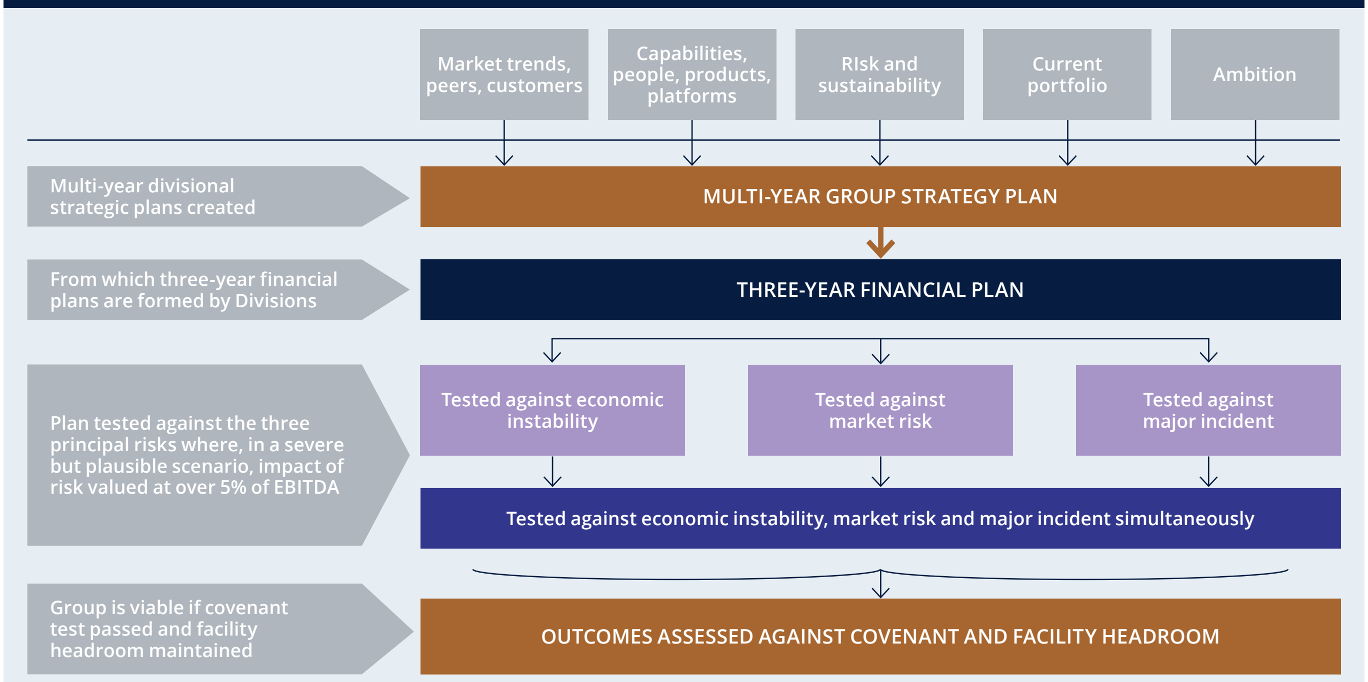
The Group is viable if gearing and interest cover ratios within its financial covenants are maintained within prescribed limits, and if there is available debt headroom and cash to fund operations.

Viability testing is carried out against Informa's existing debt facilities, assuming the renewal of the Group's Revolving Credit Facility, which was subsequently renewed on 15 February 2019.

In all cases, including after modelling the largest three scenarios together, no mitigating actions are necessary in order for Informa to remain viable.

Principal risk	Risk assessed	Risk above 5% EBITDA	Impact on viability modelled	Multi-scenario test
Economic instability	✓	✓	✓	✓
Market risk	✓	✓	✓	✓
Acquisition and integration risk	✓	×	×	×
Ineffective change management	✓	×	×	×
Reliance on key counterparties	✓	×	×	×
Technology failure	✓	×	×	×
Data loss and cyber breach	✓	×	×	×
Inability to attract and retain talent	✓	×	×	×
Health and safety incident	✓	×	×	×
Major incident	✓	✓	✓	✓
Inadequate regulatory compliance	✓	×	×	×
Privacy regulation risk	✓	×	×	×

Viability modelling



Viability Statement

Based on the results of this analysis, the Directors have a reasonable expectation that the Group will be able to continue to operate and meet its liabilities as they fall due over the three-year period to December 2021.

Gareth Wright
Group Finance Director

A further year of growth and financial performance

> “Free cash flow generation and the conversion of profits into cash continues to be a priority and one of the Group’s key performance indicators.”

Informa had another busy and productive year in 2018, delivering further improvement in our financial performance while expanding through combination with UBM, and reporting a fifth consecutive year of growth in revenue, adjusted operating profit, adjusted earnings, cash flow and dividends.

Group financial highlights

Group revenue increased by 3.7% on an underlying basis (2017: 3.4%) adjusting for the effect of currency movements, acquisitions, disposals and phasing. This met our stated target of more than 3.5% and brought total revenues to £2,369.5m (2017: £1,756.8m).

Adjusted operating profit reached £732.1m, reflecting a reported growth rate of 34.4% and an underlying growth rate of 2.3%. Statutory operating profit increased by 5.4% to £363.2m.

The Group’s adjusted operating margin remained stable at 30.9% (2017: 31.0%). When excluding the contribution from UBM, margins were slightly lower due to the effect of faster growth from some lower margin products such as Academic Books, the currency impact of a weaker US dollar, and higher depreciation from divisional *GAP* investments and from completing an enterprise resource technology upgrade. Overall, margins remain attractive and robust and reflect the quality of our business-to-business information services portfolio.

Adjusted earnings for 2018 rose to £519.8m (2017: £380.4m), increasing the Group’s diluted adjusted earnings per share by 7.0% to 49.2p (2017: 46.0p), reflecting a 36.6% increase in adjusted earnings and a 28.0% increase in the average number of shares after issuing equity to help fund the offer for UBM. Statutory diluted earnings per share decreased by 47.6% to 19.7p, principally reflecting the increase in adjusting costs in the year.

Free cash flow generation and the conversion of profits into cash continue to be a priority and are one of the Group’s key performance indicators, providing flexibility for paying down debt, future investment and consistent Shareholder returns. Free cash flow advanced to £503.2m in 2018.

The Group’s stated target range for leverage is between 2.0 and 2.5 times, with the potential to reach around 3.0 times for acquisitions. Given the strength of our cash flow generation, we are targeting to reduce leverage from 2.9 times at year end to within range by the end of 2019.

2018 divisional performance

An overview of the performance of Informa’s four Operating Divisions throughout 2018 can be found in the divisional review section starting on page 40 and a detailed summary follows in this section.

£503.2m

2018 free cash flow

30.9%

Adjusted operating margin

In 2018, the UBM portfolio contributed £613.5m to Group revenues for the six months and 15 days it was part of Informa. It traded in line with expectations, recording 2.8% underlying revenue growth across the full year, up from 1.4% in 2017. Its events area grew by +4.2%, offsetting a -5.8% decline in Other Marketing Services prior to the disposal described later in this section.

Financing the combination

A considerable amount of work was undertaken to secure an attractive funding package for the UBM offer. This was financed through a combination of debt and equity, with around 428m new shares issued to Shareholders and valued at £3,545.1m and a short-term acquisition facility financing the cash consideration of £643.5m.

The short-term facility was quickly refinanced while markets were favourable, leading to our first public bond, through oversubscribed issues for a €650m five-year Euro bond and a £300m eight-year sterling bond.

In early 2019, we also refinanced the Group's £855m Revolving Credit Facility, with a syndicate of 11 banks funding a five-year agreement for £600m and £300m for a three-year term, at lower rates than previous arrangements. This pushes average debt maturity to 5.2 years and our weighted average cost of funding to 3.7%, providing flexibility at an attractive rate of funding.

Enlarged Group's financial characteristics

A high proportion of the enlarged Group's revenues continue to be predictable and recurring in nature, giving us strong forward visibility. This includes revenues from the sale of annual or multi-year subscriptions to data and intelligence products and scholarly journals, from selling stand space at events and from multi-year sponsorship of events and exhibitions.

The Group's international operations mean that currency movements impact reported revenues and profits. The majority of revenues continue to be generated in US dollars and in currencies linked to the US dollar.

Our financial results are therefore particularly sensitive to the movements in the USD/GBP exchange rate, which was a headwind during 2018. Where there is a cash exposure, we continue to hedge currency exposure using interest rate swaps and other financial instruments.

Informa continues to take a low risk approach to tax planning, recognising the importance of tax contributions to the economies and communities in which we work. The Group's effective tax rate decreased to 17.9% in 2018 (2017: 21.2%) mainly due to the impact of a lower tax rate in the US following the recent US tax reform and the release of provisions for uncertain tax positions, primarily in relation to legacy UBM matters.

Through the combination, the Group has inherited two defined benefit pension schemes which, like Informa's existing defined benefit schemes, are closed to future accrual. The Group's net pension liability at the end of 2018 was a modest £33.0m.

"Informa continues to take a low risk approach to tax planning, recognising the importance of tax contributions to the economies and communities in which we work."

Combination and consolidation in 2019

Informa's consistent financial performance and accelerated integration during 2018 set the Group up well for delivering further growth as a combined Group in 2019.

Through our new divisional structure, we are targeting continuing growth across all five Operating Divisions, as well as improving margins and strong cash flow.

As part of this, we remain focused on delivering on the promises made to Shareholders, including generating at least £50m in gross cost synergies in year during 2019, rising to a £60m run rate by the end of 2020 and a £75m run rate by the end of 2021.

We continue to focus our businesses around key customer markets that offer the greatest opportunity for growth and attractive returns. Through the *AIP*, we are making further choices about where to focus efforts and investment.

In January 2019, as part of the Progressive Portfolio Management programme we completed the sale of UBM's Life Sciences media brands portfolio to MJH Associates for just over $100m and continue to explore options for other businesses, including the IGM financial information business and the Agribusiness Intelligence portfolio within **Business Intelligence**.

The proceeds of any disposals will be used to reinvest in the core business, fund future returns to Shareholders and maintain Balance Sheet flexibility.

Gareth Wright

Group Finance Director

6 March 2019

> **"Through our new divisional structure, we are targeting continuing growth across all five Operating Divisions as well as improving margins and strong cash flow."**

Income statement

In 2018, the first year following the completion of the 2014-2017 *Growth Acceleration Plan*, we delivered a fifth consecutive year of growth in revenue, adjusted profit, adjusted earnings and cash flow. Revenue increased by 34.9% to £2,369.5m and adjusted operating profit by 34.4% to £732.1m, with revenue growing by 3.7% on an underlying basis and adjusted operating profit by 2.3%. Statutory operating profit increased by 5.4% to £363.2m.

	Adjusted results 2018 £m	**Adjusting items 2018 £m**	**Statutory results 2018 £m**	Adjusted results 2017[1] £m	Adjusting items 2017[1] £m	Statutory results 2017[1] £m
Revenue	**2,369.5**	**–**	**2,369.5**	1,756.8	–	1,756.8
Operating profit/(loss)	**732.1**	**(368.9)**	**363.2**	544.9	(200.2)	344.7
Profit/(loss) on disposal	**–**	**1.1**	**1.1**	–	(17.4)	(17.4)
Net finance (costs)/income	**(82.4)**	**0.2**	**(82.2)**	(59.1)	–	(59.1)
Profit/(loss) before tax	**649.7**	**(367.6)**	**282.1**	485.8	(217.6)	268.2
Tax(charge)/credit	**(116.2)**	**55.7**	**(60.5)**	(103.0)	148.0	45.0
Profit/(loss) for the year	**533.5**	**(311.9)**	**221.6**	382.8	(69.6)	313.2
Adjusted operating margin	**30.9%**			31.0%		
Adjusted diluted EPS	**49.2p**		**19.7p**	46.0p		37.6p

1. 2017 restated for the implementation of IFRS 15.

Measurement and adjustments

In addition to the statutory results, adjusted results are prepared for the income statement, including adjusted operating profit and adjusted diluted earnings per share. The Board considers these non-Generally Accepted Accounting Principles (GAAP) measures as the most appropriate way to measure the Group's performance because it is comparable to the prior year. This is also in line with the similarly adjusted measures used by peers and therefore facilitates comparison. The adjusting items section provides a reconciliation between statutory operating profit and adjusted operating profit by Division. Adjusted results are prepared to provide a useful alternative measure to explain the Group's business performance and include recurring and non-recurring items.

Underlying refers to results adjusted for acquisitions/disposals, the phasing of events, including biennials, and the effects of changes in foreign currency. Year-on-year growth from acquisitions/disposals is included on a pro-forma basis from first day of ownership. Reported figures exclude all such adjustments. Underlying revenue and adjusted operating profit growth are reconciled to reported growth as follows:

	Underlying growth	Phasing and other items	Acquisitions and disposals	Currency change	Reported growth
2018					
Revenue	**3.7%**	**(0.4%)**	**35.4%**	**(3.8%)**	**34.9%**
Adjusted operating profit	**2.3%**	**(0.1%)**	**37.6%**	**(5.4%)**	**34.4%**
2017					
Revenue	3.4%	0.1%	21.4%	5.7%	30.6%
Adjusted operating profit	2.3%	(0.4%)	20.8%	8.4%	31.1%

Adjusting items

The adjusting items below have been excluded from adjusted results. The total charge against operating profit for adjusting items rose to £368.9m in 2018 (2017: £200.2m), mainly due to the combination with UBM, with the amortisation of acquired intangible assets comprising by far the largest item in both years.

	2018 £m	2017[2] £m
Intangible amortisation and impairment:		
Intangible asset amortisation[1]	243.6	157.8
Impairment of goodwill and acquisition intangibles	9.8	5.6
Acquisition costs	42.9	4.4
Integration costs	46.0	19.6
Restructuring and reorganisation costs:		
Redundancy and reorganisation costs	8.1	6.7
Vacant property costs	5.0	6.2
Remeasurement of contingent consideration	(0.1)	(0.1)
UAE VAT charge	9.1	–
Guaranteed Minimum Pension (GMP) equalisation	4.5	–
Adjusting items in operating profit	368.9	200.2
(Profit)/loss on disposal of subsidiaries and operations	(1.1)	17.4
Investment income	(1.2)	–
Finance costs	1.0	–
Adjusting items in profit before tax	367.6	217.6
Tax related to adjusting items	(55.7)	(62.6)
Tax adjusting item for US federal tax reform	–	(85.4)
Adjusting items in profit for the year	311.9	69.6

1. Intangible asset amortisation is in respect of acquired intangibles and excludes amortisation of software and product development.
2. 2017 restated for the implementation of IFRS 15.

The increase in intangible asset amortisation in 2018 primarily reflects the six and a half months of amortisation of acquired intangibles relating to the UBM acquisition. For the Group, other intangible amortisation relates to book lists and journal titles, acquired databases, customer and attendee relationships, and brands related to exhibitions and conferences. Intangible asset amortisation arising from software assets and product development is not treated as an adjusting item and so not included in the table, as it is treated as an ordinary cost in the calculation of adjusted operating profit.

Acquisition costs of £42.9m included £41.1m of costs relating to the acquisition of UBM, with integration costs of £46.0m including £39.5m relating to the integration of UBM.

Following the introduction of Value Added Tax on 1 January 2018 in the UAE the Group identified and reported an underpayment during 2018 and made a correcting payment. In January 2019 the UAE tax authorities assessed a tax penalty of £9.1m in relation to the late payment. The Group is disputing this penalty assessment; however, an amount of £9.1m has been provided for within adjusting items in the year.

Following the completion of the *Growth Acceleration Plan* at the end of 2017, all four Operating Divisions delivered positive underlying revenue growth in 2018. Combined with the stub period contribution from UBM, this produced Group underlying revenue growth of 3.7% and underlying profit growth of 2.3%, as illustrated in the following table:

	GE £m	AP £m	BI £m	K&N £m	UBM £m	Total £m
Revenue	**575.8**	**533.2**	**385.6**	**261.4**	**613.5**	**2,369.5**
Reported revenue growth	2.7%	0.6%	0.6%	(7.6%)	n/a	34.9%
Underlying revenue growth	6.7%	2.2%	2.6%	2.3%	3.7%	3.7%
Statutory operating profit	**116.4**	**138.3**	**69.3**	**9.2**	**30.0**	**363.2**
Add back:						
Intangible asset amortisation[1]	67.5	52.7	22.8	15.6	85.0	243.6
Impairment of intangibles	5.7	–	–	4.1	–	9.8
Acquisition costs	0.7	0.3	0.2	–	41.7	42.9
Integration costs	1.8	0.4	1.3	0.6	41.9	46.0
Restructuring and reorganisation costs	0.9	6.7	4.5	1.0	–	13.1
Remeasurement of contingent consideration	(2.0)	–	(7.3)	9.2	–	(0.1)
UAE VAT charge	9.1	–	–	–	–	9.1
GMP equalisation	–	–	0.3	0.2	4.0	4.5
Adjusted operating profit	**200.1**	**198.4**	**91.1**	**39.9**	**202.6**	**732.1**
Underlying adjusted operating profit growth	6.0%	0.3%	0.9%	(2.1%)	2.2%	2.3%

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

Net finance costs

Adjusted net finance costs, consisting principally of interest costs on US private placement loan notes, bond and bank borrowings, increased by £23.3m to £82.4m. The increase mainly reflects the effect of higher average debt levels following the acquisition of UBM in June 2018. This increased net debt by £1,211.9m, taking into account a cash consideration of £643.5m and £568.4m of net debt acquired. Finance costs also increased due to higher US LIBOR rates in the year.

Net interest paid increased by £12.4m to £64.2m, primarily associated with the interest payment on the additional debt finance from the UBM acquisition.

Taxation

Approach to tax

The Group continues to recognise that taxes paid are part of the economic benefit created for the societies in which we operate, and that a fair and effective tax system is in the interests of taxpayers and society at large. We aim to comply with tax laws and regulations everywhere the Group does business. Informa has open and constructive working relationships with tax authorities worldwide and our approach balances the interests of stakeholders including Shareholders, governments, colleagues and the communities in which we operate.

Tax expense

The Group's effective tax rate (ETR) reflects the blend of tax rates and profits in the jurisdictions in which we operate. In 2018, the adjusted effective tax rate was 17.9% (2017: 21.2%).

The decrease in the ETR principally relates to the impact of a lower tax rate in the US following recent US tax reform and the release of provisions for uncertain tax positions, primarily in relation to legacy UBM matters.

Tax payments

During 2018, the Group paid £82.4m (2017: £45.3m) of corporation and similar taxes on profits. The increase relates to tax payments by UBM companies, the timing of which was weighted to the second half of the year.

A breakdown of the main geographies in which the Group paid tax is as follows:

	2018 £m	2017 £m
UK	39.9	39.0
Continental Europe	7.7	2.3
United States	1.7	(3.2)
China (including Hong Kong)	25.2	3.3
Rest of World	7.9	3.9
Total	82.4	45.3

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

	2018 £m	2017[1] £m
Tax charge on adjusted profit before tax (PBT) per Consolidated Income Statement	116.2	103.0
Movement in deferred tax including US tax losses	(5.3)	(22.0)
Current tax deductions in respect of adjusting items	(29.4)	(39.4)
Movement in provisions for uncertain tax positions	5.6	(0.7)
Taxes paid in different year to charged	(4.7)	4.4
Taxes paid per Consolidated Cash Flow Statement	82.4	45.3
Less: tax relating to Penton acquisition forward contract	–	(11.8)
Taxes paid per free cash flow	82.4	33.5

1. 2017 restated for the implementation of IFRS 15.

At the end of 2018, the deferred tax asset relating to US tax losses was £106.0m (2017: £45.6m), which is expected to be utilised against future US profits.

Goodwill is not amortised, and as a result, there is no charge to adjusting items for goodwill amortisation. However, there can be an allowable tax benefit for certain goodwill amortisation in the US and elsewhere, and so where this benefit arises, it reduces the tax charge on adjusted profits.

The amortisation of intangible assets is considered an adjusting item. Therefore, the £16.7m (2017: £27.3m) current tax deduction taken in respect of the amortisation of intangible assets is also treated as an adjusting item and is included in the current tax deductions in respect of adjusting items noted above.

Tax contribution

The Group's total tax contribution, which comprises all material taxes paid out of profits and other material taxes paid by our businesses, was £139.1m in 2018 (2017: £82.3m). The geographic split of our total tax contribution was as follows:

	UK £m	US £m	Other £m	Total £m
Profit taxes borne	39.9	1.7	40.8	82.4
Employment taxes borne	23.6	17.8	7.5	48.9
Other taxes (e.g. business rates)	4.6	1.7	1.5	7.8
Total	68.1	21.2	49.8	139.1

In addition to the above, in 2018 we collected taxes on behalf of governments (e.g. employee taxes and sales taxes) amounting to £177.8m (2017: £126.1m).

Earnings per share

Diluted adjusted earnings per share (EPS) increased 7.0% to 49.2p (2017: 46.0p), calculated on the adjusted earnings for the year of £519.8m (2017: £380.4m). The increase reflects a 36.6% increase in adjusted earnings together with a 28.0% increase in the average number of shares. Statutory diluted earnings per share decreased by 47.6% to 19.7p, principally reflecting the increased cost of adjusting items in the year. The share increase comes from the time-pro-rated effect of the equity issued as part of Informa's acquisition of UBM, with 427.5m shares issued to the Shareholders of UBM on 18 June 2018.

	2018 £m	2017[1] £m
Adjusted profit for the year	533.5	382.8
Non-controlling interests	(13.7)	(2.4)
Adjusted earnings	519.8	380.4
Weighted average number of shares used in diluted EPS (m)	1,057.2	826.1
Adjusted diluted EPS (p)	49.2p	46.0p

1. 2017 restated for the implementation of IFRS 15.

Dividends

In 2018, £201.9m (2017: £162.0m) of dividends were paid to external Shareholders and £8.6m (2017: £2.0m) of dividends were paid to non-controlling interests.

On 28 June 2018, in the post-acquisition ownership period of UBM, there was also a special dividend payment of £59.0m to the former Shareholders of UBM. This settled a dividend liability whose payment had been agreed prior to the acquisition date.

The Group maintains a progressive dividend policy, with the aim to grow dividends broadly in line with earnings year-on-year. This approach aims to achieve a balance between sufficiently rewarding Shareholders, and retaining the financial strength and flexibility to reinvest in the business and pursue growth opportunities.

The Board has proposed a final dividend of 14.85p per share (2017: 13.80p per share). Subject to Shareholder approval at the AGM, the final dividend will be paid on 31 May 2019 to Ordinary Shareholders registered as at the close of business on 26 April 2019. This will result in total dividends for the year of 21.90p per share (2017: 20.45p) representing a 7.1% year-on-year increase. The growth in earnings in 2018 means dividend cover against adjusted earnings was 2.2 times (2017: 2.2 times).

Translation impact

As a result of the Group's strategic expansion in the US since 2014, the Group has a high exposure to US dollar revenues and costs. In 2018, the Group received in its revenue approximately 61% (2017: 65%) in USD or currencies pegged to USD, 6% (2017: 5%) in Euro and 7% (2017: 2%) in Chinese renminbi and incurred in its costs approximately 53% (2017: 55%) in USD or currencies pegged to USD, 2% (2017: 4%) in Euro and 6% (2017: 2%) in Chinese renminbi. Each one cent ($0.01) movement in the USD to GBP exchange rate has a circa £11.4m (2017: £8.5m) impact on annual revenue, a circa £4.5m (2017: £3.5m) impact on annual adjusted operating profit and a circa 0.4p (2017: 0.3p) impact on full-year adjusted diluted EPS, based on the 31 December 2018 closing rate.

The following USD rates versus GBP were applied during the year:

	2018		2017	
	Closing rate	Average rate	Closing rate	Average rate
USD	1.27	1.33	1.35	1.29

For the purposes of testing debt covenant levels and calculating Informa's leverage, both profit and net debt are translated using the average exchange rate during the relevant year.

Free cash flow

Cash flow generation remains one of the Group's priorities and strengths, providing the funds and flexibility for future investment. The following table shows the adjusted operating profit reconciled to free cash flow. Free cash flow is a key financial measure of cash generation and represents the cash flow generated by the business before cash flows relating to acquisitions and disposals and their related costs, dividends, and any new equity issuance or purchases.

	2018 £m	2017[4] £m
Adjusted operating profit	**732.1**	544.9
Depreciation of property and equipment	**13.1**	9.2
Software and product development amortisation and impairment	**42.5**	24.8
Share-based payments	**8.1**	5.4
Pension curtailment gain	**(0.8)**	–
Adjusted share of joint venture and associate results	**(1.0)**	–
Adjusted EBITDA[1]	**794.0**	584.3
Net capital expenditure	**(59.4)**	(79.0)
Working capital movement[2]	**(62.3)**	(10.5)
Pension deficit contributions	**(4.4)**	–
Operating cash flow	**667.9**	494.8
Restructuring and reorganisation	**(18.1)**	(8.6)
Net interest	**(64.2)**	(51.8)
Taxation[3]	**(82.4)**	(33.5)
Free cash flow	**503.2**	400.9

1. Adjusted EBITDA represents adjusted operating profit before interest, tax, and non-cash items including depreciation and amortisation.
2. Working capital movement excludes movement on restructuring, reorganisation, acquisition and integration accruals.
3. Tax payment for 2017 excludes £11.8m of tax relating to adjusting item for Penton derivative forward contract gain of £58.9m.
4. 2017 restated for the implementation of IFRS 15.

The Group's focus on cash generation led to another year of strong operating cash conversion at 91.2% (2017: 90.8%). The 91.2% result is calculated by dividing the operating cash flow (£667.9m) by the adjusted operating profit (£732.1m).

Net capital expenditure was £59.4m (2017: £79.0m), equivalent to 2.5% of 2018 revenue, and with the reduction year-on-year reflecting the end of the *Growth Acceleration Plan* investments. Going forward, net capital expenditure is expected to be in the range of 3% to 4% of revenue.

The working capital outflow of £62.3m was £51.8m higher than the outflow in 2017, largely due to the timing of the acquisition of UBM, with UBM working capital outflows of £84.5m in the post-acquisition period.

The following table reconciles net cash inflow from operating activities, as shown in the Consolidated Cash Flow Statement, to free cash flow:

	2018 £m	2017 £m
Net cash inflow from operating activities per statutory cash flow	**486.3**	433.9
Interest received	**2.1**	0.2
Purchase of property and equipment	**(23.4)**	(14.7)
Proceeds on disposal of property and equipment	**0.4**	1.0
Purchase of intangible software assets	**(30.2)**	(52.2)
Product development cost additions	**(6.2)**	(13.1)
Add back: acquisition and integration costs paid	**74.2**	34.0
Add back: tax paid on Penton-related derivative forward contract	**–**	11.8
Free cash flow	**503.2**	400.9

The following table reconciles cash generated by operations, as shown in the Consolidated Cash Flow Statement, to operating cash flow shown in the free cash flow table above:

	2018 £m	2017[1] £m
Cash generated by operations per statutory cash flow	**635.0**	531.2
Net Capex paid	**(59.4)**	(79.0)
Add back:		
Acquisition and integration costs paid	**74.2**	34.0
Restructuring and reorganisation costs paid	**18.1**	8.6
Operating cash flow per free cash flow statement	**667.9**	494.8

1. 2017 restated for the implementation of IFRS 15.

The following table reconciles free cash flow to net debt, which increased by £1,308.8m to £2,681.9m during the year. This included £1,211.9m related to the UBM acquisition, and a £150.9m adverse foreign exchange impact primarily due to a strengthening in the US dollar.

	2018 £m	2017 £m
Free cash flow	**503.2**	400.9
Acquisitions and disposals	**(690.4)**	(250.6)
Dividends paid	**(201.9)**	(162.0)
Dividend paid to settle UBM acquisition liability	**(59.0)**	–
Dividends paid to non-controlling interests	**(8.6)**	(2.0)
Net share proceeds/(payments)	**2.0**	(0.9)
Net funds flow	**(454.7)**	(14.6)
Borrowings acquired with acquisition of UBM	**(702.6)**	–
Non-cash movements	**(0.6)**	(2.2)
Foreign exchange	**(150.9)**	129.1
Net debt at 1 January	**(1,373.1)**	(1,485.4)
Net debt at 31 December	**(2,681.9)**	(1,373.1)

Financing and leverage

Our focus on maintaining a robust and flexible financing framework resulted in a number of developments in the Group's debt financing arrangements during the year, including the Group's inaugural public debt market issuance, to refinance the borrowings used for the acquisition of UBM.

Our leverage strategy is to target a ratio of net debt to EBITDA in the range of 2.0 to 2.5 times, with the potential to increase to around 3.0 times in the short term for a large acquisition. We used the Balance Sheet efficiently in financing the UBM acquisition, increasing leverage to 3.1 times at completion, before starting to manage leverage down to our target range, reaching 2.9 times leverage by the end of 2018.

Before UBM, on 4 January 2018, the Group issued $400m of private placement loan notes, with a maturity of 7 years ($200m) and 10 years ($200m), at an average interest rate of 4.03%. In March 2018 we extended a bank term loan facility for $200m, with a maturity of up to 12 months; this was subsequently repaid in February 2019.

Shortly after completing the acquisition of UBM, on 5 July 2018, we issued two Euro Medium Term Loan Notes, with an 8-year bond for £300m and a 5-year bond for €650m. These bonds were used to refinance acquisition debt facilities used to acquire UBM.

On 15 February 2019 the Revolving Credit Facility (RCF) was replaced with a new facility with two tranches: £600m for a 5-year term to February 2024 and £300m for a 3-year term to February 2022.

The net impact of these actions is to increase the Group's overall debt capacity, whilst extending the average maturity to 5.2 years and reducing the weighted average cost of debt to 3.7%.

At 31 December 2018, the Group had £3.6bn of committed facilities (£2.0bn at 31 December 2017), of which £0.8bn was undrawn.

	31 December 2018 £m	31 December 2017 £m
Cash at bank and in hand	**(168.8)**	(54.9)
Bank overdraft	**43.9**	6.7
Private placement loan notes	**1,396.4**	841.0
Private placement fees	**(3.4)**	(1.6)
Bond borrowings	**1,163.0**	–
Bond borrowing fees	**(7.4)**	–
Bank borrowings – Revolving Credit Facility (RCF)	**78.5**	287.6
Bank borrowings – term loan facility	**156.9**	296.3
Bank loan fees	**(0.9)**	(2.0)
Derivative assets associated with borrowings	**(1.5)**	–
Derivative liabilities associated with borrowings	**25.2**	–
Net debt	**2,681.9**	1,373.1
Borrowings (excluding derivatives, fees and overdrafts)	**2,794.8**	1,424.9
Unutilised committed facilities (undrawn portion of RCF)	**776.5**	567.4
Total committed facilities	**3,571.3**	1,992.3

Under the private placement loan notes and RCF in place at 31 December 2018, the principal financial covenant ratios are a maximum net debt to EBITDA of 3.5 times and a minimum EBITDA to interest cover of 4.0 times, tested semi-annually. The new RCF launched on 15 February 2019 has removed these covenants.

At 31 December 2018, the ratio of net debt to EBITDA was 2.9 times (31 December 2017: 2.5 times), calculated according to our facility agreements and using average exchange rates and including a full year's trading for acquisitions. The ratio of EBITDA to net interest payable was 9.5 times (at 31 December 2017: 9.8 times).

Corporate development

The Group's most significant acquisition in 2018 was UBM, with several other smaller additions to the portfolio. Total net expenditure on acquisitions and disposals was £690.4m (2017: £250.6m), with £616.2m relating to acquisition and disposal of businesses and £74.2m to integration and acquisition costs.

Acquisition expenditure in the period relating to UBM was £509.3m, with a cash payment to UBM Shareholders of £643.5m, less cash acquired of £134.2m. Total consideration was £4,190.0m, with the remaining £3,545.1m being satisfied through the issue of 427,536,794 shares in Informa at a price of £8.29 per share, and with £1.4m of deferred consideration relating to the settlement of UBM share save scheme awards that exercised after the acquisition date.

The first disposal under the Progressive Portfolio Management programme was signed on 19 December 2018, with the agreement to sell the Life Sciences media brands portfolio that was previously part of UBM to MJH Associates, for consideration of just over $100m. The sale completed on 31 January 2019, and this business has been disclosed as held for sale in the Consolidated Balance Sheet at 31 December 2018.

Pensions

The Group continues to meet all commitments to its pension schemes, which consist of six defined benefit schemes that are closed to future accrual. The acquisition of UBM added two defined benefit schemes to the Group, adding a net pension liability of £12.5m at 31 December 2018.

At 31 December 2018, the Group had a net pension liability of £33.0m (2017: £23.6m), represented by a pension deficit of £37.5m (2017: £23.6m) and a pension surplus of £4.5m (2017: £nil). Gross liabilities were £679.2m at 31 December 2018 (2017: £176.3m). Net pension liabilities increased by £4.5m in 2018 following the recognition of additional liabilities arising from the estimated financial impact of equalising Guaranteed Minimum Pensions (GMP) amongst members.

The net deficit remains manageable and relatively small compared with the size of the Group's Balance Sheet. All schemes are closed to future accrual and there were £4.4m of employer deficit payments during 2018, with £4.7m payments expected to be paid in 2019.

Restatement of 2017 results

Results for the year ended 31 December 2017 have been restated following the adoption of IFRS 15 *Revenue from Contracts with Customers* in 2018.

There were also restatements to the 2017 income statement from amounts previously recognised on a percentage complete basis. This resulted in reductions of £0.8m to revenue, £0.6m to profit before tax and £0.5m to profit after tax. These adjustments only affected the **Business Intelligence** Division. This resulted in basic EPS being restated from 37.8p per share to 37.7p per share, diluted EPS being restated from 37.7p to 37.6p and adjusted diluted EPS being restated from 46.1p to 46.0p.

This also resulted in the Consolidated Balance Sheet at 31 December 2017 being adjusted for the reclassification of £72.1m of deferred income against trade receivables, for amounts that have been invoiced and where services have not yet been provided and amounts are not yet due.

The Group also adopted IFRS 9 *Financial Instruments* from 1 January 2018. There was no material impact from the adoption of this standard and therefore there is no restatement to previously reported results.

New accounting standards

The only impact from new accounting standards in 2019 is from the adoption of IFRS 16 *Leases*.

IFRS 16 *Leases* will replace the existing leasing standard, IAS 17 *Leases.* It will treat all leases in a consistent way, eliminating the distinction between operating and finance leases, and will require lessees to recognise all leases on the Balance Sheet, except for low value leases and those with a term of less than 12 months. The most significant effect of the new standard will be an increase in lease assets and lease liabilities for leases currently categorised as operating leases. The new standard also changes the nature of expenses related to those leases, replacing the straight line operating lease expense with a depreciation charge for the right-of-use lease asset (included within operating costs) and an interest expense on the finance lease liability (included within finance costs).

Adoption of IFRS 16 is expected to result in an increase in assets of between £300m and £320m and a corresponding increase in liabilities of between £300m and £320m as at 1 January 2019. Operating profit for the year ending 31 December 2019 is estimated to increase by between £4m and £6m, being the difference between the lease expense and depreciation, and profit before tax will decrease by between £7m and £9m, reflecting a higher total lease interest expense in the initial years. Profit after tax is estimated to decrease by between £6m and £8m and adjusted diluted EPS and diluted EPS will decrease approximately between 0.4p and 0.6p.

There are several practical expedients and exemptions available under IFRS 16. The Group has elected to apply use of the modified retrospective method of implementation where there is no restatement of the comparative period and using the practical expedient where, at the adoption date, right-of-use lease assets are set to equal the lease liabilities. The Group will exclude leases of low value assets and short-term leases, with a duration of less than 12 months, from the application of IFRS 16, with payments for these leases continuing to be expensed directly to the income statement as operating leases. The major classes of leases impacted by the new standard are property and event space leases. The half-year results for the six months ending 30 June 2019 will include an update on the actual impact of IFRS 16.

Gareth Wright

Group Finance Director

6 March 2019

Progress and performance: The Chairman's review of 2018

Derek Mapp
Chairman

Dear Shareholder

I would like to start by thanking Shareholders for their support and engagement with the Informa Group and its Board during what was another very busy and productive year.

The Board's primary goal is to encourage and promote Informa's long-term success, the creation of value for Shareholders and the wider benefits for other stakeholders, including colleagues and customers.

Our progress and performance in the year covered by this Annual Report primarily reflects improving underlying growth in the historical **Academic Publishing**, **Business Intelligence**, **Global Exhibitions** and **Knowledge & Networking** businesses, which builds on the operational improvements and strengthened capabilities gained through the 2014-2017 *Growth Acceleration Plan* (*GAP*).

As highlighted elsewhere in this report, in 2018 Informa took a further step forward in ambition and reach through the acquisition of UBM. The Board took an active role in this process, from the initial assessment and review of the proposal through the Shareholder approval process and launch of the *Accelerated Integration Plan* (*AIP*). We rightly held the leadership team to account on the logic, strategic benefits and financial rationale, as well as its ability to integrate and operate the enlarged business effectively.

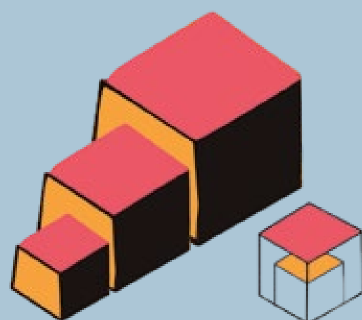
The Board's view was that following *GAP*, we had both the capacity and the capability to create significant value from the acquisition, with our increased international scale and depth in verticals providing strong foundations for future long-term growth and returns. This confidence led to our unanimous endorsement for the offer. More details on the Board's role can be found on page 5.

Whilst there was much activity and discussion on this project through 2018, the Directors were equally focused on the continued progress and performance of all our businesses, and it was particularly pleasing to see **Academic Publishing**, **Business Intelligence** and **Knowledge & Networking** all deliver improved growth through the year, despite the obvious distractions. It is testament to the operational fitness and strengthened capabilities now inherent within these businesses following their respective *GAP* programmes.

More broadly, the Board also continued to scrutinise and monitor progress on other significant operational matters, from data protection and risk appetite to culture, engagement and talent development across the Group. More on these activities can be found in the reports that follow.

Expanded Board

Over the last five years, initially through *GAP* and now through the *AIP*, the Informa Group has progressively built greater scale, reach and specialism in its operations, markets and brands. In the same way as the operating structure and management team have evolved with the Group through this period, the Board's composition has also been continually reviewed and updated to make sure we have the necessary expertise, capacity and experience to perform our duties and govern effectively.



In 2018, as Informa expanded, we chose to add two new long-term independent Non-Executive Directors to the Board: David Wei, who brings invaluable executive experience in Asia, now a significant region for the enlarged Group, and Mary McDowell, who brings significant executive experience in North America and the Telecoms and Tech space. In addition, I would like to pay thanks to Greg Lock, who joined the Board as Deputy Chairman for one year following the acquisition and will step down at the Annual General Meeting (AGM) in May. Greg was instrumental in the creation of the enlarged Informa Group and has offered wise and experienced counsel throughout his time on the Board.

Our new Board members received a detailed and tailored induction programme, including an introduction to all our Operating Divisions and many of their senior leadership teams. I am pleased to say that they have settled in quickly and are already making valuable contributions.

These appointments also provided the opportunity to refresh the Audit, Nomination and Remuneration Committees, and the current membership of each Committee is detailed in the reports that follow.

How the Board operates and meets its responsibilities

The aim of all the Directors is to encourage, support and challenge Informa's management teams by adopting an open, collaborative and engaged approach. There is a clear governance structure for decision making, summarised on page 96 of this report.

As Chairman, I aim to ensure sufficient time for a thorough discussion of key matters at formal Board meetings and during informal exchanges, and to ensure each Director can contribute effectively. Board decisions are made collectively, with input from each Director, and it is our aim that the Board's culture reflects that of the Informa Group as a whole: engaged, dynamic and collaborative.

During 2018, the Board continued to comply with the responsibilities set out in the 2016 UK Corporate Governance Code (the 2016 Code). For ease of review and reading, the following section of this report is structured according to the Code's five principal areas. I can confirm that for the year ended 31 December 2018, Informa has complied with each of the Principles of the 2016 Code and that each Director is aware of their duties and discharges them with due care and attention. Our formal statement of compliance with the 2016 Code can be found on page 93.

During 2018, the Board also spent time reviewing its key policies and processes, including the terms of reference of its standing Committees, in advance of the introduction of the new UK Corporate Governance Code (the 2018 Code) from January 2019.

Your Directors are fully aware of and support the requirements of section 172 of the Companies Act 2006, which include acting in ways that are most likely to promote the success of the Company for the benefit of its members as a whole. At all times, it is our aim to generate continued sustainable value for Shareholders, consider the interests of our colleagues in the Group, and maintain positive relationships with our customers, suppliers and other stakeholders. Further details on the Group's key communities and the way in which the business interacted with them during 2018 can be found on pages 30 to 36.

Shareholder discussion and engagement

The Board places significant value on regular, two-way engagement with Shareholders and investors, and through 2018, in a year of busy corporate activity, both the Group's Directors and its Executive Management Team were very active in this respect. The Chairman, accompanied by some of his Board colleagues, met in person with Shareholders representing almost two-thirds of the Group's equity base through the year, while the leadership team conducted more than 400 institutional investor meetings.

The Board appreciates the strong support from Shareholders for Informa's acquisition of UBM. Similarly, we value and appreciate the input and views provided through the consultation on our updated Directors' Remuneration Policy, which was approved at the AGM in May 2018. We remain committed to engaging on a regular basis with Shareholders on this and other matters going forward, and I was delighted how many Shareholders were keen to meet in early 2019 as part of my Annual Engagement Roadshow.

Colleagues, culture and communities

One of the strengths of Informa is its engaged and collaborative culture, with minimal hierarchy and an openness to ideas and input from all areas of the organisation. Reflecting this, the Directors also seek to engage with a wide range of colleagues throughout the year, both formally and informally. This helps to get beneath the surface of the Company and understand the business and colleagues' interests more deeply, whilst answering questions and contributing to the culture of the Group ourselves.

The Board and Executive Management Team interact regularly. The Executive Management Team attends Board meetings, joined by divisional Senior Management as well as subject matter experts, presenting and answering questions on specific business matters at Board, Committee and our annual Board Strategy meetings. Regular Board papers from the Group Chief Executive, Group Finance Director, Strategy Director, Director of Investor Relations, Communications & Brand and the Group General Counsel & Company Secretary also provide insight and reflections on the day-to-day activities within the Group, and often include internal communications circulated to the wider business.

As Chairman I work particularly closely with the Group Chief Executive, having weekly discussions and exchanges, and planning agendas collaboratively.

During July 2018, I was fortunate enough to attend an annual senior leadership gathering called ReInvent, where nearly 100 leaders across the Group came together. ReInvent gave me an opportunity to speak to the group, get to know new colleagues and hear first-hand of both the challenges and opportunities created by Informa's expansion. My Board colleagues also continue to enjoy participating in Group-wide initiatives like Walk the World, which gives an opportunity for less formal interaction with colleagues in various locations.

The Group's Board meetings rotate around Informa's offices and external venues close to key locations and events, and they often provide further opportunities to meet different communities of colleagues. It is our intention to hold a Board meeting in Hong Kong, an increasingly sizeable hub for the Group, as well as in the UK in 2019.

As these activities indicate, we believe there is a good level of engagement across and within the Group, and the Board has good access and regular interaction at all levels of the organisation. However, as structured engagement with colleagues becomes a more significant matter under the 2018 Code, I have asked Helen Owers to lead the Board's thinking on the formal and informal mechanisms by which we receive the views and feedback of colleagues. Helen will be monitoring the current approach and numerous activities that already take place through 2019 and assessing whether additional mechanisms or tools could be beneficial to Informa.

"One of the strengths of Informa is its engaged and collaborative culture, with minimal hierarchy and an openness to ideas and input."

Looking ahead

As Informa undertakes its first full year as a combined Group in 2019, your Board will remain very attentive to continued delivery and focus across all our businesses. At the same time, we will closely monitor the progress of the *AIP* to ensure we fulfil the promises made to Shareholders at the time of the transaction in delivering on synergy targets and building a Group with the capabilities and commitment to reap the full benefits of our increased scale and international reach.

As many Shareholders impressed upon us in our recent Annual Engagement Roadshow, retaining management and Board stability and continuity through this important period of integration is critical to its success. For this reason, whilst acknowledging the latest guidance from the 2018 Code, the Board remains committed to meeting our prior obligations to deliver the first full year of the enlarged Group, something we were very supportive of at the time and remain equally positive about today.

Thank you once again to all our colleagues, Shareholders and other stakeholders for your continued support for the Group and I look forward to working closely with you through 2019.

Derek Mapp
Chairman
6 March 2019

Compliance Statement

Informa's Board is accountable to the Group's Shareholders for its standards of governance and is committed to the principles of corporate governance contained in the Financial Reporting Council (FRC) Corporate Governance Code.

The Board is pleased to report that during 2018, Informa continued to apply the main Principles and complied with all relevant Provisions of the 2016 UK Corporate Governance Code (the 2016 Code). The Corporate Governance Report, and the Audit Committee, Nomination Committee and Directors' Remuneration Reports which follow, explain how Informa applied the principles of good governance set out in the 2016 Code.

The Board has noted the changes to the UK Corporate Governance Code as set out in the 2018 edition (the 2018 Code) which is applicable for accounting periods beginning on or after 1 January 2019. The Company will report on its compliance with the 2018 Code in the 2019 Annual Report and Accounts.

Both the 2016 Code and the 2018 Code can be found on the FRC's website at http://www.frc.org.uk.

The Audit Committee has been provided with suitable supporting material to review the Annual Report and, in accordance with the 2016 Code, has provided assurances for the Board to confirm that the Annual Report, taken as a whole, is fair, balanced and understandable. The Board also confirms that the Annual Report contains sufficient information for Shareholders to assess the Company's performance, business model and strategy.

Strength in depth

Derek Mapp
Chairman

Date of appointment: March 2008

Skills and experience: Derek brings a wealth of commercial and governance experience to the Group. He joined Taylor & Francis as a Non-Executive Director in 1998 before becoming a Non-Executive Director at Informa in 2005 and Chairman in 2008.

Derek won the Quoted Companies Non-Executive Director of the Year award in 2017 for his work as Chairman of Huntsworth plc (from which position he retired in March 2019). Derek founded and was Managing Director of Tom Cobleigh PLC and Imagesound Plc. He has a keen interest in sports and served as Chairman of the British Amateur Boxing Association.

Other current appointments: Derek is Chairman of Mitie Group plc and two private companies.

Greg Lock
Non-Executive Deputy Chairman

Date of appointment: June 2018

Skills and experience: Greg joined the Board in June 2018 having previously served as a Non-Executive Director and latterly as Chairman of UBM plc. He has been Chairman of five public companies during the past 15 years and a Board member of several private companies.

Greg has more than 45 years' experience in the technology, software and computer services industry. In a 30-year career at IBM, he held a range of senior roles including that of Global General Manager for the Industrial sector.

Greg holds an MA from Churchill College, Cambridge.

Other current appointments: Greg is Chairman of Computacenter plc and a Trustee of the Lock Foundation Charitable Trust.

Stephen A. Carter CBE (Lord Carter)
Group Chief Executive

Date of appointment: September 2013

Skills and experience: Stephen joined Informa as a Non-Executive Director in 2010, before being appointed as Group Chief Executive in 2013.

Stephen previously held senior positions in a range of Media & Technology businesses including as President and Managing Director EMEA of Alcatel Lucent Inc. and Managing Director and COO of ntl. In the public sector, he was the founding CEO of Ofcom before serving as Chief of Strategy to Prime Minister, The Right Hon. Gordon Brown, and as Minister for Telecommunications and Media.

Other current appointments: Stephen is a Non-Executive Board member of United Utilities Group PLC and the Department for Business, Energy & Industrial Strategy.

Gareth Wright
Group Finance Director

Date of appointment: July 2014

Skills and experience: Gareth has extensive Senior Executive experience in finance roles. He joined Informa in 2009 and held various roles within the Company, including Deputy Finance Director and Acting Group Finance Director, prior to his appointment as Group Finance Director in July 2014.

Prior to joining Informa, Gareth held a range of positions at National Express plc including Head of Group Finance and Acting Group Finance Director. He qualified as a chartered accountant with Coopers & Lybrand (now part of PwC), and worked in its audit function from 1994 to 2001.

Other current appointments: Gareth has no current external appointments.

Gareth Bullock
Senior Independent Director

Date of appointment: January 2014

Skills and experience: Gareth retired from the Board of Standard Chartered PLC, where he was Group Executive Director responsible for Africa, Middle East, Europe and the Americas as well as chairing Risk and Special Assets Management, in 2010. He had both wide functional and international experience, having been Head of Corporate Banking in Hong Kong, CEO Africa, Group Chief Information Officer and Head of Strategy.

Gareth has held numerous board positions, inter alia, Tesco PLC, Tesco Personal Financial Group Ltd, Spirax-Sarco Engineering PLC, Fleming Family & Partners Ltd, British Bankers' Association and Global Market Group Ltd (in China). He has just finished his term as a Trustee of the British Council.

Gareth holds an MA from St Catharine's College, Cambridge.

Other current appointments: Gareth is Chairman of Development Bank of Wales PLC.

Cindy Rose OBE
Non-Executive Director

Date of appointment: March 2013

Skills and experience: Cindy brings present-day operational experience to the Board as well as expertise in the TMT and digital sectors. She is currently Chief Executive Officer of Microsoft UK having spent nearly three years as the Managing Director of Vodafone's UK Consumer Division. Prior to this, Cindy was an Executive Director of Digital Entertainment at Virgin Media and held various Senior Executive roles at The Walt Disney Company.

Cindy holds a BA from Columbia University and trained at the New York Law School before working as an attorney in the US and the UK.

Other current appointments: Cindy is Chief Executive Officer of Microsoft UK and will be appointed as a Non-Executive Director of WPP PLC with effect from 1 April 2019.

Committee membership

Audit
John Rishton (Chairman)
Gareth Bullock
David Flaschen
Greg Lock
Cindy Rose

Nomination	
Derek Mapp (Chairman)	Mary McDowell
Gareth Bullock	Helen Owers
Stephen Davidson	John Rishton
David Flaschen	Cindy Rose
Greg Lock	David Wei

Remuneration
Stephen Davidson (Chairman)
Gareth Bullock
Helen Owers
Mary McDowell
David Wei

Helen Owers
Non-Executive Director

Date of appointment: January 2014

Skills and experience: Helen has extensive international Senior Executive experience within the Media sector, notably in business information from her role as President of Global Businesses and Chief Development Officer with Thomson Reuters.

Helen previously worked as a media and telecoms strategy consultant at Gemini Consulting and also has skills in professional publishing having worked at Prentice Hall. She holds an MBA from IMD Business School and a BA from the University of Liverpool.

Other current appointments: Helen is a Non-Executive Director of PZ Cussons plc and Eden Project International Limited.

Stephen Davidson
Non-Executive Director
Chairman of the Remuneration Committee

Date of appointment: September 2015

Skills and experience: Stephen brings extensive media, telecommunications, corporate and financial market experience to Informa, having been Chief Financial Officer and then Chief Executive of Telewest, Executive Chairman of Mecom Group plc and Vice-Chairman of Investment Banking at WestLB.

Throughout his career, Stephen has held various positions in both industry and investment banking. He has also held numerous Chairman and Non-Executive positions on the boards of media, telecoms and technology companies.

Stephen holds an MA from the University of Aberdeen.

Other current appointments: Stephen is Chairman of Rosenblatt plc, Datatec Limited, Actual Experience Plc and PRS for Music Ltd.

David Flaschen
Non-Executive Director

Date of appointment: September 2015

Skills and experience: David has 20 years of executive and leadership experience in information services, including roles at Thomson Financial and Dun & Bradstreet.

David has significant expertise in online companies, having held Non-Executive Directorships at companies such as TripAdvisor Inc. and BuyerZone.com. He is a frequent speaker on corporate governance and was cited as one of 10 "Next Generation of Directors" by Corporate Board Member Magazine.

A professional football player, David was a founding member of the Executive Committee of the North American Soccer League Players Association. He holds an MBA from the Wharton School, University of Pennsylvania.

Other current appointments: David is a Non-Executive Director and Audit Committee Chair of Paychex Inc.

John Rishton
Non-Executive Director
Chairman of the Audit Committee

Date of appointment: September 2016

Skills and experience: John brings significant international experience to Informa. He became a Non-Executive Director of Rolls-Royce Group plc in 2007 before being appointed to the position of CEO from 2011 to 2015. Before joining Rolls-Royce, he was Chief Executive and President of the Dutch international retailer, Royal Ahold NV, and, prior to that, their Chief Financial Officer. John also formerly held the position of Chief Financial Officer of British Airways plc.

John is a fellow of the Chartered Institute of Management Accountants.

Other current appointments: John is a Non-Executive Director and Chairman of the Audit Committee at both Unilever PLC and Serco Group plc, and a Non-Executive Director of Associated British Ports Ltd.

Mary McDowell
Non-Executive Director

Date of appointment: June 2018

Skills and experience: Mary joined the Board in June 2018 having previously been a Non-Executive Director of UBM plc. Mary has experience as a technology company CEO and has also led both enterprise and consumer divisions in multinational companies in the technology industry.

Mary was CEO of Polycom from 2016 until its acquisition by Plantronics in 2018. She was an Executive Partner at Siris Capital LLC prior to that. Mary spent nine years at Nokia, most recently as Executive Vice-President in charge of Nokia's Mobile Phones (feature phones) unit. Before joining Nokia, she served 17 years at HP-Compaq, including five years as Senior Vice President and General Manager in charge of the company's industry-standard server business.

Other current appointments: Mary is a Non-Executive Director of Autodesk, Inc. where she chairs the Compensation Committee.

David Wei
Non-Executive Director

Date of appointment: June 2018

Skills and experience: David joined the Board in June 2018 having previously served as a Non-Executive Director at UBM plc. He has extensive experience of both investing and managing operations in China.

David was CEO of Alibaba.com to February 2011, leading its listing on the Hong Kong Stock Exchange. He also held numerous senior positions at Kingfisher PLC, including CEO of B&Q China, served as Head of Investment Banking for Orient Securities Co. and held Non-Executive directorships at HSBC Bank China and the China Advisory Board of IMI plc.

Other current appointments: David is Chairman of Vision Knight Capital and holds Non-Executive positions at PCCW Limited, Zhong Ao Home Group Limited, OneSmart International Education Group Limited, Leju Holdings Limited and JNBY Design Limited. He is an Executive Director of Zall Development Group Limited.

Corporate governance

Informa PLC is the ultimate holding company of the Group and is controlled by its Board of Directors. This report has been prepared in accordance with the 2016 Code and the Company's statement of compliance is on page 93.

Corporate governance framework and reporting structure

This report explains the role and function of the Board. As required under the 2016 Code, the Board has established three standing Committees and has delegated certain responsibilities to them. Details of these responsibilities, and the Committees' activity during the year ended 31 December 2018, can be found on the following pages:

Nomination Committee	Pages 103 to 105
Audit Committee	Pages 107 to 112
Remuneration Committee	Pages 113 to 125

The Company has established a governance structure which enables the Board to focus on the key areas of responsibility that affect the long-term success of the business:

Board of Directors

The Board develops strategy and leads Informa to achieve long-term success; determines the risks faced by the business; gauges the level of risk it is prepared to take to achieve its strategy; and ensures that systems of risk management and control are in place. It gives leadership and governance to the Company as a whole, having regard to the views of Shareholders and other stakeholders.

The Board has reserved certain matters for its own approval (see http://www.informa.com) with others being delegated to Board or management Committees as appropriate.

Audit Committee

Oversees financial and narrative reporting; provides assurance on the effectiveness of internal control, risk management systems and audit processes; and reviews the effectiveness and objectivity of external and internal auditors.

Nomination Committee

Leads the process for Board appointments and succession planning; ensures that Board and Senior Management have appropriate skills, knowledge and experience to operate effectively and deliver strategy; and reports on diversity.

Remuneration Committee

Approves the Executive Directors' Remuneration Policy; sets the remuneration of the Chairman, Executive Directors and, from 2019, Senior Management; and approves annual and long-term performance objectives and awards.

Group Chief Executive

Overall responsibility for day-to-day management of the business and implementation of approved strategy lies with the Group Chief Executive with financial matters managed by the Group Finance Director.

Executive Management Team

Manages all operational aspects of the Group under the direction and leadership of the Group Chief Executive. Membership comprises both Executive Directors, Managing Directors of the Group's Operating Divisions and key central Group functions.

Management Committees

Risk Committee **Treasury Committee**

Leadership

A.1 The role of the Board

The role of the Board is to provide leadership to the Company and to deliver Shareholder value over the long term. The Board sets the Company's values and standards, making sure that they align with its strategic aims and the desired business culture. The Board also ensures that the Company's obligations to its Shareholders and other stakeholders, including colleagues, suppliers, customers and the environment in which the business operates, are understood.

The Board has overall responsibility for the management and oversight of the Group and its activities, providing entrepreneurial leadership within a control framework. It is responsible for approving the Group's strategic objectives and ensuring that the necessary financial and human resources are made available to meet those objectives. Through the Audit Committee, the Board also reviews the Company's risk management and internal control systems on an ongoing basis.

Regular Board and Committee meetings are scheduled throughout the year and the Directors ensure that they allocate sufficient time to discharge their duties effectively. Occasionally, Board meetings may be held at short notice when Board-level decisions of a time-critical nature need to be made.

The table below sets out details of each Director's attendance at Board meetings during the year ended 31 December 2018 and changes that took place.

The Board maintains, and annually reviews, a schedule of matters reserved for its decision, which include but are not limited to:

- approval of the Company's strategic objectives and overseeing their delivery;
- assessment and monitoring of the Company's culture to ensure alignment with its purpose, values and strategy;
- changes to the structure, size and composition of the Board following recommendations from the Nomination Committee;
- determining the Remuneration Policy for Directors, the Company Secretary and, from 2019, Senior Management;
- approval of significant investments/divestments;
- approval of the Company's full-year and half-year financial results and the Annual Report and Accounts;
- setting the dividend policy, approval of the interim dividend and recommendation of the final dividend;

	Scheduled Board meetings	Unscheduled Board meetings	Audit Committee meetings	Remuneration Committee meetings	Nomination Committee meetings
Derek Mapp	7/7	2/2	n/a	n/a	4/4
Stephen A. Carter[1]	7/7	2/2	n/a	n/a	1/1
Gareth Wright	7/7	2/2	n/a	n/a	n/a
Gareth Bullock	7/7	2/2	4/4	7/7	4/4
Stephen Davidson[2]	7/7	2/2	n/a	7/7	1/1
David Flaschen[2,5]	7/7	2/2	3/4	n/a	1/1
Helen Owers[2,5]	6/7	2/2	n/a	5/7	1/1
John Rishton[2]	7/7	2/2	4/4	n/a	1/1
Cindy Rose[5]	6/7	2/2	4/4	n/a	3/4
Greg Lock[3,5]	3/4	n/a	2/2	n/a	1/1
Mary McDowell[4,5]	3/4	n/a	n/a	2/2	1/1
David Wei[4,5]	3/4	n/a	n/a	1/2	1/1

1. Stephen A. Carter ceased to be a member of the Nomination Committee on 27 February 2018.
2. Stephen Davidson, David Flaschen, Helen Owers and John Rishton were appointed to the Nomination Committee on 25 May 2018.
3. Greg Lock was appointed as Deputy Chairman of the Board and a member of the Audit and Nomination Committees on 15 June 2018.
4. Mary McDowell and David Wei were appointed as Non-Executive Directors of the Board and as members of the Nomination and Remuneration Committees on 15 June 2018.
5. Cindy Rose, Greg Lock, Mary McDowell and David Wei missed one Board meeting each last year due to prior commitments. Due to extenuating personal circumstances, Helen Owers was unable to attend one Board meeting and two Committee meetings during the early part of the year. David Flaschen missed one Committee meeting during the year due to a prior commitment.

Board activity in 2018

During the year ended 31 December 2018, particular areas considered by the Board, either directly or through its standing Committees, included:

Strategy
- Group and divisional strategy
- Acquisition of UBM
- Other acquisition opportunities
- Competitive landscape
- External factors potentially impacting the businesses

Finance
- Three-year plan
- Dividend policy post acquisition of UBM and dividend payments in 2018
- Establishment of Euro Medium Term Notes (EMTN) Programme and Bonds issuance
- Group debt considerations
- Pension considerations

Operational performance
- Establishment of the *Accelerated Integration Plan*
- Divisional performance and structure post acquisition

People and culture
- Group culture post acquisition
- Talent and skills development
- Charitable activities
- Gender pay reporting and mitigating actions
- Sustainability pillars, indices and benchmarks

Shareholder relations
- Consideration and approval of the 2017 Annual Report
- Shareholder engagement and feedback relating to the annual and half-year results presentations, the AGM, the revised Directors' Remuneration Policy and proxy agency reports

Governance
- Board size, structure and composition
- Committee membership
- Conflicts of interest
- Outcome of the internal Board evaluation
- Succession planning for the Board and Senior Management
- Governance changes as a result of the 2018 Code and related regulations

Risk management and compliance
- Board's risk appetite and tolerance statement
- Principal risks, mitigating actions and controls
- Impact of GDPR and data protection legislation
- Renewal of insurance cover

- appointment, reappointment and removal of the Company's external auditor (subject to Shareholder approval);
- setting the Company's risk management strategy and maintaining a sound system of internal controls; and
- determining appropriate methods of engagement with the workforce.

Board priorities for 2019

The Board will continue to monitor the Group's financial performance and the performance and progress of each Division, while overseeing completion of the combination and maintaining a focus on the Group's culture and its engagement with, and support for, colleagues. As in previous years, and in compliance with the 2018 Code, Shareholder relations, risk management and governance will continue to be priorities for the Board.

A.2 Division of responsibilities

The roles of Chairman and Group Chief Executive are exercised by separate individuals and have clearly defined responsibilities. The division of responsibilities between the Chairman, Deputy Chairman, Group Chief Executive, Senior Independent Director and the Non-Executive Directors is set out in writing and reviewed by the Board on a regular basis. It is available on our website.

A.3 The Chairman

The Company's Chairman, Derek Mapp, was deemed to be independent on appointment and continues to be considered so by the Board. Further details on Derek's qualifications and experience can be found in his biography on page 94.

A.4 Non-Executive Directors

The Board includes nine independent Non-Executive Directors (excluding the Chairman) who help develop and constructively challenge proposals on strategy. They bring strong, independent judgement, knowledge and experience to the Board's deliberations and have been selected for their expertise. Their views carry significant weight in the Board's decision-making process.

As Senior Independent Director, Gareth Bullock is available for Shareholders to contact should the usual channels of communication be inappropriate or have broken down. No such concerns were raised by Shareholders during the year under review. He is also available for the Chairman and other Directors to discuss any concerns which may arise and ensures that the Non-Executive Directors meet to assess the Chairman's performance annually.

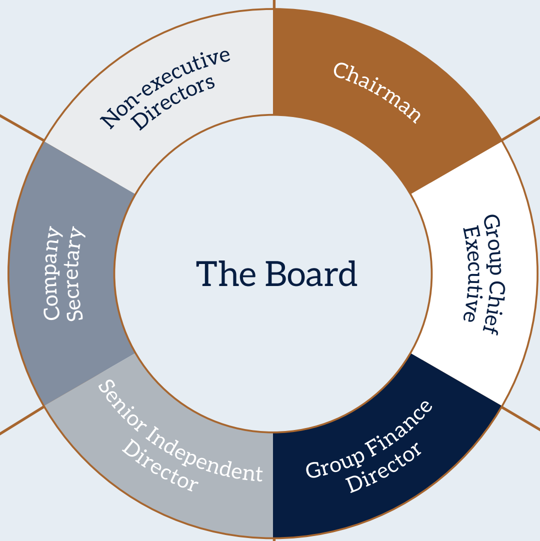
The Non-Executive Directors (including the Chairman) also hold meetings without the presence of the Executive Directors.

Non-Executive Directors

- Constructively challenge and help develop proposals on strategy
- Scrutinise the performance of the Executive Management Team in meeting agreed goals and objectives
- Monitor the reporting of performance
- Satisfy themselves on the integrity of financial information
- Ensure that financial controls and systems of risk management are robust and defensible
- Determine appropriate levels of remuneration for the Executive Directors, the Chairman and, from 2019, Senior Management
- Play a primary role in succession planning and appointing and, where necessary, removing Executive Directors
- Meet without the Executive Directors present
- Attend meetings with major Shareholders to discuss governance and strategy

Chairman

- Leads the Board and sets the tone and agenda, promoting a culture of openness and debate
- Ensures the effectiveness of the Board and that Directors receive accurate, timely and clear information
- Ensures effective communication with Shareholders
- Acts on the results of the Board performance evaluation and leads on the implementation of any required changes
- As Chairman of the Nomination Committee, leads the consideration of any changes to the Board
- Holds periodic meetings with Non-Executive Directors without the Executive Directors present



Company Secretary

- Responsible for advising the Board, through the Chairman, on all governance matters
- All Directors have access to the Company Secretary's advice and service

Group Chief Executive

- Runs the Company and is in direct charge of the Group day to day
- Accountable to the Board for the Group's operational performance
- Responsible for implementing the Company's strategy, including driving performance and optimising the Group's resources
- Primary responsibility for managing the Group's risk profile, identifying and executing new business opportunities, and management development and remuneration

Senior Independent Director

- Available to meet Shareholders on request
- Ensures that the Board is aware of any Shareholder concerns
- Assists where Shareholder issues are not resolved through existing mechanisms for investor communications
- Acts as a sounding board for the Chairman and, if and when appropriate, serves as an intermediary for the other Directors
- Leads the annual evaluation of the Chairman's performance

Group Finance Director

- Accountable to the Board for the Group's financial performance
- Responsible for raising the finance required to fund the Group's strategy, servicing the Group's financing and maintaining compliance with its covenants
- Maintains a financial control environment capable of delivering robust financial reporting information to indicate the Group's financial position
- Leads the Finance functions and has day-to-day responsibility for Finance, Tax, Treasury and Internal Audit
- Chairs key internal committees such as the Risk Committee and the Treasury Committee

Effectiveness

B.1 The composition of the Board

Informa's Board consists of the Chairman, two Executive Directors and nine independent Non-Executive Directors. Their biographies, including skills, qualifications, experience and external commitments, are set out on pages 94 and 95. As part of its ongoing review on Board effectiveness, the annual evaluation considers whether each Non-Executive Director continues to be independent and to appropriately challenge management, as well as each other, in Board and Committee meetings.

Each of the Non-Executive Directors is able to offer an external perspective on the business allowing constructive challenge and scrutiny. Following the 2018 evaluation, the Board considers that each of the Non-Executive Directors continues to be independent in character and judgement, has the required experience and is of the stature necessary to perform his or her role as an independent Director.

Directors' conflicts of interest

In accordance with the Articles of Association (Articles) of the Company, the Board is able to authorise any matter that would otherwise result in a Director breaching his or her duty to avoid a conflict of interest. The Board has adopted procedures which require Directors to notify the Chairman and the Company Secretary of all new external interests and any actual or perceived conflicts of interest that may affect their role as a Director of the Company. As part of this process, the Board will:

- consider each conflict situation separately according to the particular situation;
- consider the conflict situation in conjunction with the Articles;
- keep records and Board minutes on authorisations granted by Directors and the scope of any approvals given; and
- regularly review conflict authorisations.

In particular, the Board has previously noted and approved the following:

- John Rishton is a Director of Majid Al Futtaim, a company that takes part in **Global Exhibitions**' Cityscape Global event.
- David Flaschen previously worked with adviser Bruce Fador, who now acts as a consultant to an Informa-owned finance business in the US.
- Cindy Rose is Chief Executive Officer at Microsoft UK, a key Informa supplier and customer.
- Each of the Directors has a shareholding in the Company, none of which is considered significant. Full details of the Directors' shareholdings are set out in the Directors' Remuneration Report on pages 113 to 125.

B.2 Appointments to the Board

The Nomination Committee leads the process in relation to Board appointments and their report follows on pages 103 to 105.

All Non-Executive Directors are appointed for an initial three-year term subject to their election by Shareholders at the first AGM following their appointment. The expectation is that two further three-year terms will follow.

With the exception of Cindy Rose, none of the independent Non-Executive Directors have served for more than five years. As of March 2019, Cindy Rose has served on the Board for six years and her continued appointment was subject to particular review during the 2018 Board evaluation process, as required by the 2016 Code. The Nomination Committee concluded that Cindy continued to show commitment to the Company and was pleased to recommend her reappointment for a further three-year term.

B.3 Commitment

As required by the 2016 Code, the Nomination Committee, on behalf of the Board, reviewed the ability of all Non-Executive Directors to allocate sufficient time to the business in order to discharge their responsibilities effectively.

The letters of appointment for the Chairman and Non-Executive Directors set out the anticipated time commitment, being an average of 15–18 days a year. In addition, Directors are expected to allocate sufficient time to meet the expectation of their roles, including attending meetings, spending time in the business and ongoing development requirements.

All Directors are required to disclose any additional appointments or other significant commitments. Details of these can be found in the biographies on pages 94 and 95. In particular it should be noted that it was announced in December 2018 that Derek Mapp would be stepping down from his role as Chairman and a Director of Huntsworth plc with effect from 6 March 2019.

B.4. Development

All Directors receive a formal induction to the Group on first joining the Board. The programme is designed to provide new Directors with a good understanding of Informa's business structure, Operating Divisions and markets. They visit various Informa offices and forums to meet colleagues and management team members. Together with meetings with the Executive Directors and members of the Executive Management Team, the programme equips new Directors to become effective Board members from the outset.

Following the acquisition, three members of the former UBM Board were appointed as Directors of the Company: Greg Lock, Mary McDowell and David Wei. All three had the advantage of learning about the Informa business during the detailed due diligence process undertaken during the acquisition process. Even so, each completed a formal induction in July 2018 when they spent two days attending meetings and receiving presentations from the various Group Divisions. They also held private meetings with members of the Executive Management Team, including the Company Secretary, to gain an insight into the Company's investor relations, legal and financial functions, and other operational aspects.

In this growing and evolving business, the Company Secretary and Chairman regularly review the need for further training and take into consideration any areas of development identified during the annual Board evaluation.

B.5. Information and support

The Directors regularly receive written briefings on the Group's business and market environments and gain insights and updates through meetings with Senior Executives at every scheduled Board meeting.

The Board agenda is set by the Chairman, in conjunction with the Group Chief Executive and the Company Secretary. Each scheduled meeting includes a Management Report delivered by the Group Chief Executive, a financial update from the Group Finance Director and regular updates on the activities of various standing and management Committees. Presentations are also given on matters of topical interest, and discussions centre on strategic proposals, major acquisitions, disposals and developments, the investor relations programme, and legal and governance matters.

Before meetings, Board and Committee members receive papers with the appropriate level of detail in order to inform them of developments inside and outside the Group that may impact, or have impacted, the business. Papers are circulated in advance of Board and Committee meetings using a secure Board portal.

The Board has adopted a policy which allows any Director to seek independent professional advice on any matters relating to the Company's affairs at the Company's expense. Additionally, all Directors have access to the advice and services of the Company Secretary who liaises frequently with all Board members and ensures good information flows within the Board, its Committees and Senior Management.

B.6 Evaluation

A performance evaluation of the Board, its Committees and its individual members is carried out annually to ensure that each remains effective.

During 2018, an internal evaluation was led by the Chairman, Derek Mapp. This was carefully timed to ensure that the contributions of the three former UBM Directors were meaningful and allowed for experiences on the expanded Board to be taken into consideration.

The Chairman met with each of the Board members individually to obtain their views on the Board and its effectiveness with discussions focusing on Board structure following the acquisition of UBM, meeting content and preparedness, informal meetings and Board Committees.

No areas of major concern were raised during the evaluation and its findings were presented to the Board and actions agreed against the key themes. The evaluation concluded that the Board continued to work well, with a good quality of challenge and debate. The Board agreed areas of focus for 2019, which included:

- continual assessment of the structure of the Board. Although the Board's skill-set has been enhanced by the appointment of three UBM Directors, its relatively large size should be kept under review to ensure that meetings continue to be run effectively;
- further increasing the Directors' contact with divisional colleagues to enhance their understanding of the business and assess talent;
- increasing the frequency of Non-Executive Director only meetings and discussions;
- stakeholder engagement, and in particular, how to enhance the work already being done on colleague engagement; and
- giving greater consideration to succession planning for the Board and Senior Management by the Nomination Committee.

Progress against these focus areas will be detailed in the 2019 Annual Report.

As required by the 2016 Code, an external evaluation is carried out every three years. The last one was performed by Independent Audit Limited in 2017 and details of the process are shown in the 2017 Annual Report. The recommendations made have been reviewed during the year and progress has been made against the key themes:

Recommendations by Independent Audit in 2017	Action taken
Appointment of an additional Non-Executive Director who has the skills and experience to meet the Group's future strategic needs	Three UBM Directors appointed to the Board, bringing additional knowledge and experience of the US and Asian markets.
Succession planning at all levels	An in-depth discussion was held on the roles and responsibilities of the Executive Directors and Senior Management. Short and long-term succession plans were reviewed with further consideration to be undertaken in 2019.
Further development on Informa's approach to risk and risk management	Comprehensive risk reports have been developed for each of the Group's principal risks and overseen by the Risk Committee, with key risk indicators showing the status of internal controls.
More time dedicated to discussing innovation and strategy	Board meetings have been attended by divisional Senior Management, allowing the Board an opportunity to discuss strategy at an operational level and to see innovation in action. Board dinners have been useful, providing an informal setting to share ideas and a broader discussion on strategy without the formal constraints of the boardroom.
Evolution of the management structure to meet the needs of the Group as it grows in size and complexity	Talent management has been a key focus for the Executive Management Team. The revised operating structure post acquisition has led to the creation of a new **Informa Tech** Division and to the appointment of five new colleagues to our Executive Management Team.
Consider the level of information required by the Board to facilitate meaningful and effective discussion on operational and strategic issues	The Board has reviewed the quality and content of Board and Committee papers. In general, these are viewed as informative without being overly granular although continued improvement is still possible.

B.7 Re-election

The outcome of the performance evaluation of the Board, and the review of the Non-Executive Directors' commitment to their roles, concluded that each Director remains effective and committed, and is able to devote the required time to their role. In particular, the additional time and diligence given by all members of the Board during the acquisition of UBM demonstrated their dedication to the Company and their ongoing flexibility.

With the exception of Greg Lock, all Directors will stand for election or re-election as appropriate at the 2019 AGM in accordance with the Articles and the 2016 Code.

Nomination Committee Report


Derek Mapp
Chairman of the Nomination Committee

Dear Shareholder

I am pleased to present the Report of the Nomination Committee (the Committee) for the year ended 31 December 2018.

Responsibilities

The Committee has been tasked by the Board to continuously assess and review how the Board is structured, consider whether any changes are required, and monitor the engagement and retainment of talent across the Group, focusing on the following key areas:

- Reviewing the size, structure and composition of the Board; identifying and recommending suitable candidates for Board appointments; the reappointment and the annual re-election of Directors by Shareholders; and their membership of the Board's standing Committees.
- Ensuring appropriate succession plans are in place for the Board and reviewing similar plans for Senior Executives.
- Reviewing colleague engagement activities in line with legal requirements such as gender pay gap reporting, and monitoring diversity and inclusion initiatives across the Group.
- Assisting the Chairman with implementing the annual Board evaluation process, ensuring that an externally facilitated evaluation is performed at least every three years.
- Reviewing and approving the Committee's disclosures in the Annual Report and reviewing the Committee's terms of reference on a regular basis.

The Committee's terms of reference, which are reviewed annually and approved by the Board, most recently in December 2018, are available on our website: http://www.informa.com.

A verbal report is given to the Board on the outcome of Committee meetings and all Directors receive the minutes of Committee meetings for information.

The Committee met four times during the year. The Group Chief Executive, Company Secretary and former Director of Talent & Transformation attended meetings by invitation where appropriate.

Membership and attendance

Members of the Committee during the year, and to the date of this report, are:

Members	Committee member since	Attendance during 2018
Derek Mapp (Chairman)	10 March 2008	4/4
Gareth Bullock	24 July 2014	4/4
Stephen Davidson	25 May 2018	1/1
David Flaschen	25 May 2018	1/1
Greg Lock	15 June 2018	1/1
Mary McDowell	15 June 2018	1/1
Helen Owers	25 May 2018	1/1
John Rishton	25 May 2018	1/1
Cindy Rose	24 July 2014	3/4
David Wei	15 June 2018	1/1
Stephen A. Carter[1]	1 January 2015	1/1

1. Stephen A. Carter ceased to be a member of the Nomination Committee on 27 February 2018.

Full biographies of the Committee members and their attendance at all meetings during the year are on pages 94 to 97.

Key activities during 2018

Board and Committee membership, independence and re-election

This year, the Committee has focused on the benefits of appointing former UBM Directors to the Board following the combination. In addition to the continuity of knowledge these appointments would bring, the Committee considered the areas of experience which would most benefit the combined Group, and agreed that:

- knowledge of the US and Chinese markets would be highly beneficial and help to further internationalise Board membership;
- expertise in digital media, technology and analogous sector/content would be beneficial; and
- finance and capital markets experience would be helpful since the Group would be looking to refinance over the next 12 months.

The Committee considered the attributes offered by each of the UBM Non-Executive Directors and, noting that each offered excellent and relevant experience, made the following recommendations to the Board:

- appointment of Greg Lock as Deputy Chairman of the Board and as a member of the Audit and Nomination Committees;
- appointment of Mary McDowell as a Non-Executive Director and as a member of the Nomination and Remuneration Committees; and
- appointment of David Wei as a Non-Executive Director and as a member of the Nomination and Remuneration Committees.

Each appointment was effective from completion of the combination. Details of each Director's professional experience is shown in their biographies on pages 94 and 95, and an overview of the entire Board's skill-set is set out below.

The Committee made these additional recommendations to the Board during the year and to the date of this report:

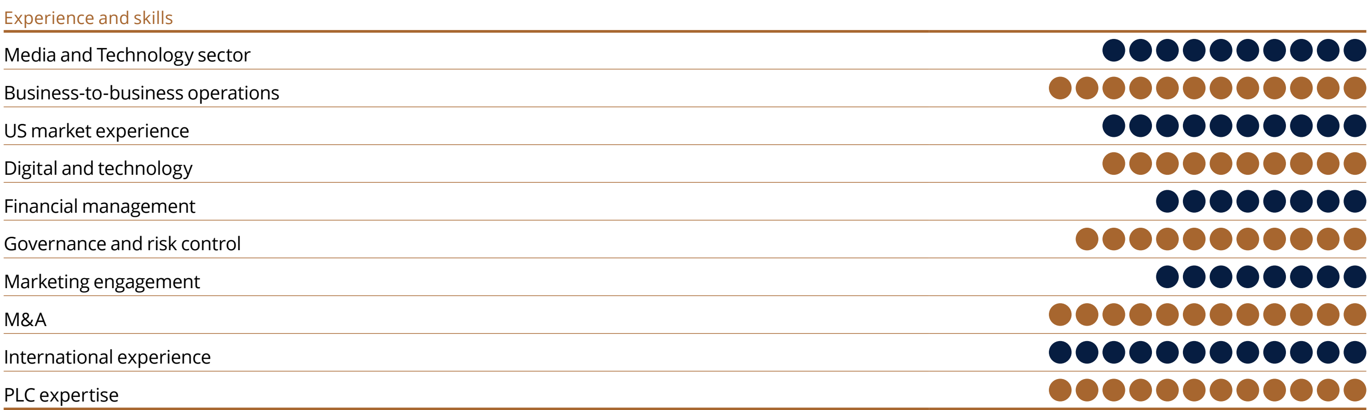
- the appointment of Stephen Davidson, Helen Owers, David Flaschen and John Rishton to the Nomination Committee with effect from 25 May 2018;
- reappointment of Stephen Davidson for a second three-year term with effect from 1 September 2018;
- reappointment of David Flaschen for a second three-year term with effect from 1 September 2018;
- reappointment of Cindy Rose for a third three-year term with effect from 1 March 2019; and
- election or re-election of continuing Directors at the AGM.

Before recommending resolutions to reappoint any Non-Executive Directors to the Board, or the election or re-election of Directors at the AGM, the Committee assesses their continued independence, the time commitment required and whether the continued appointment would be in the best interests of the Company. It gives detailed consideration to each Non-Executive Director's contribution to the Board and its Committees, together with the overall balance of knowledge, skills, experience and diversity on the Board as a whole.

Cindy Rose will have served for more than six years at the time of the 2019 AGM. In considering her reappointment to the Board, and her re-election by Shareholders, the Committee gave detailed consideration to the expertise she brings to the Board and the Committees on which she serves. The Committee unanimously concluded that Cindy Rose continued to bring expertise in technology and digital media to the Board, remained independent in character and judgement and continued to discharge her responsibilities effectively.

The Committee also believes that each of the remaining Non-Executive Directors continues to demonstrate commitment to their role as a member of the Board and its Committees, discharges their duties effectively and makes valuable contributions to the leadership of the Company for the benefit of all stakeholders. Greg Lock will retire at the conclusion of the 2019 AGM and will not therefore be seeking election by Shareholders. Accordingly, the Committee recommended to the Board that resolutions to elect or re-elect each continuing Non-Executive Director be proposed as appropriate to the AGM alongside the resolutions to re-elect the Executive Directors. Biographies for each Director can be found on pages 94 and 95.

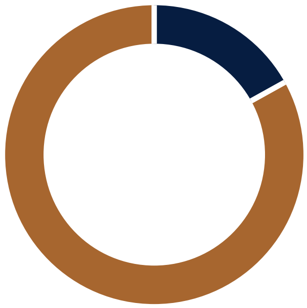
Board balance by experience and skills



Directors do not participate in any debate or decision about their own reappointment.

Board balance by independence

- Executive Directors – 17%
- Independent Non-Executive Directors – 83%



Succession planning

The Committee keeps succession planning for the Board and the Executive Management Team under review. It specifically considers the succession plans for the Chairman and Executive Directors, and monitors talent and performance management of Senior Executives across the Divisions.

The Committee undertook an in-depth discussion regarding the performance of the Executive Management Team and other Senior Management during the year, particularly in relation to the combination with UBM, and reviewed both short and long-term succession plans.

Diversity

Informa aims to recognise diversity in its broadest sense, including but not limited to gender, age, disability, ethnicity, education and social background, and to uphold a working environment that is welcoming, stimulating, based on respect and providing opportunity to all.

The Board continues to support the findings of the Hampton-Alexander Review on women's representation in senior leadership positions, and the Parker Review on the ethnic diversity of Boards. The Group Chief Executive is a member of the 30% Club, an international organisation working to increase the representation of women and diverse talent at all levels, and the Group is also involved in the organisation of the 30% Club's annual flagship event. The appointment of Mary McDowell to the Board has increased the number of women on our Board to three and increased the percentage of female Board members to 25% (2017: 22%). The Board's international breadth also developed with the appointment of both Mary McDowell and David Wei.

Board balance by gender

- Female – 25%
- Male – 75%

Informa believes that colleagues are amongst our most important assets and we set great store by difference and diversity. There is a focus throughout the business on attracting, supporting and engaging colleagues wherever they work, and maintaining a culture of openness and respect. In turn, the Committee receives updates and monitors the application of talent and colleague-focused policies in the wider Group.

The Committee believes that diversity and maintaining a balanced mix of talent at all levels brings competitive advantage to the Group and supports the business's future growth and potential.

Informa operates an Apprenticeship Scheme and a Graduate Fellowship Scheme as an additional way of attracting early-career talent. Informa is accredited by the UK Living Wage Foundation and UK colleagues are paid at least the independently calculated Living Wage, above the Government's National Minimum Wage, which is regularly audited.

The Group will shortly publish the second of its Colleagues and Pay reports, which include the difference between the average pay of UK female and male colleagues as required under UK legislation. As at April 2018, the Group's UK gender pay gap stood at 21.5% (2017: 23.2%) compared with a UK national average pay gap of 17.9% (2017: 18.4%). The bonus pay gap was 37.3% (2017: 17.6%) after a material increase in the amount of female and male colleagues participating in a bonus scheme in one of our businesses.

Informa continues to undertake a range of initiatives designed to ensure that all colleagues can develop their careers on an equal basis and have opportunities to participate and engage fully in work life at the Group. For more information on some of these, see pages 30 to 36 and the Colleagues and Pay reports available on the Informa website.

Board and colleague balance by gender:

	Average over 2018		Average over 2017	
Colleagues	F 6,649 M 4,548	F 59% M 41%	F 4,220 M 3,305	F 56% M 44%
Senior Leadership Team	F 80 M 170	F 32% M 68%	F 46 M 123	F 27% M 73%
Directors	F 3 M 9	F 25% M 75%	F 2 M 7	F 22% M 78%

Effectiveness

The review into the Committee's effectiveness was carried out as part of the internal Board evaluation. I am pleased to report it found that the Committee continued to operate effectively and that the inclusion of all Non-Executive Directors in its membership had been welcomed. Nevertheless, the Board felt that further work could be undertaken on succession planning and talent management and this will be the key focus for the Committee in 2019.

Derek Mapp

Chairman of the Nomination Committee

6 March 2019

Accountability

C.1 Financial and business reporting

The Directors are responsible for preparing the Annual Report and Accounts. The Statement of Directors' Responsibilities can be found on page 133 and includes an explanation of how the Directors ensured that the Annual Report for the year ended 31 December 2018 is fair, balanced and understandable. Details of the business model and how the Company generates value for stakeholders are set out on pages 20 and 21 of the Strategic Report.

C.2 Risk management and internal control

The Board is responsible for ensuring that Informa maintains a sound system of internal controls and reviewing its effectiveness. It recognises that risks must be taken to achieve the Company's business objectives and has mandated a responsible and balanced approach to managing risk through its risk appetite and tolerance statement.

Informa's system of internal controls is designed to manage risks by addressing causes and mitigating their potential impact. It can only provide reasonable, rather than absolute, assurance against material misstatement or loss, a concept that recognises that the cost of control procedures should not exceed their expected benefits.

Responsibility for the day-to-day management of the Group rests with the Group Chief Executive, supported by the Executive Management Team. The Executive Management Team includes the CEO of each Division together with key Senior Management from Group functions. During 2018 the Executive Management Team met bi-weekly by phone and bi-monthly in person to consider the implementation of Group strategies, plans and policies, to monitor operational and financial performance and to manage risks. As far as possible, each Division is given operational autonomy within an internal control framework. Details of the activities of the Operating Divisions are set out on pages 38 to 59.

As illustrated in the Risk Management section on page 62, the Board has adopted a risk management framework for identifying, evaluating and managing the significant risks faced by the Group which is overseen by the Risk Committee. Informa's internal control and risk management systems and procedures around financial reporting include the following:

- Business planning – each Operating Division produces and agrees an annual business plan against which the performance of the business is regularly monitored.
- Financial analysis – each Division's operating profitability and capital expenditure are closely monitored. Management incentives are tied to annual and longer-term financial results. These results include explanations of variance between forecast and budgeted performance and are reviewed in detail by the Executive Management Team on a monthly basis. Key financial information is regularly reported to the Board.
- Group Authority Framework – the framework provides clear guidelines on approval limits for capital and operating expenditure and other key business decisions for all Divisions.
- Risk assessment – risk assessment is embedded into the operations of the Group and reports are provided to the Executive Management Team, Risk Committee, Audit Committee and the Board.
- Compliance – compliance controls are based on the US Federal Sentencing Guidelines.

The Board regularly reviews the effectiveness of the Group's system of internal controls, including financial, operational and compliance controls, risk management and the Group's high level internal control arrangements.

The Audit Committee has been charged by the Board with oversight of these controls and has considered the following factors in determining the overall effectiveness of the Group's risks and associated control environment:

- The Risk Committee, a sub-committee of the Audit Committee, reports on the effectiveness of risk management, governance and compliance activity within the Group.
- The Audit Committee approved a schedule of work to be undertaken by the Group's Internal Audit team during the year. It receives reports on any issues identified during these audits and follows up on the implementation of management action plans, ensuring any identified control weaknesses are addressed.

C.3 Audit Committee and auditors

The Audit Committee Report, including details on the Company's auditors, follows.

Audit Committee Report

Dear Shareholder

I am pleased to present the report of the Audit Committee (the Committee) for the year ended 31 December 2018.

Responsibilities

The Committee's key responsibilities continue to be to:

- review the integrity of the Group's financial statements and reporting;
- review and monitor the effectiveness of the Group's risk management programme and internal control procedures;
- oversee the relationship with the external auditor including appointments, qualifications, independence, fees and performance; and
- review the effectiveness of the Internal Audit function and the annual Internal Audit plan

The Committee's terms of reference, which are reviewed annually and approved by the Board, most recently in December 2018, are available on our website: http://www.informa.com.

Membership and attendance

Members of the Committee during the year, and to the date of this report, are:

Members	Committee member since	Attendance during 2018
John Rishton (Chairman)	1 September 2016	4/4
Gareth Bullock	1 January 2015	4/4
David Flaschen	1 October 2015	3/4
Greg Lock	15 June 2018	2/2
Cindy Rose	1 August 2013	4/4

Full biographies of the Committee members and their attendance at all meetings during the year are set out on pages 94 to 97.

The Committee continues to be entirely comprised of independent Non-Executive Directors, with Greg Lock joining, on the recommendation of the Nomination Committee, following his appointment to the Board in June 2018. Greg has an in-depth knowledge of the technology, software and computer services industry having held a number of senior roles in the UK, Europe and US for IBM, as well as board memberships of both listed and private companies.

All members of the Committee are independent in judgement and mindset. Both the Committee and the Board are satisfied that the Committee's members have the broad commercial knowledge and competence in the business-to-business information services market and vertical industries in which Informa operates. Each also offers a relevant mix of business and financial experience that positions them to effectively discuss, challenge and oversee critical financial matters and fulfil their responsibilities. For the purposes of the 2016 Code, I have been deemed to meet the specific requirement of having significant, recent and relevant financial experience.

There were four meetings in 2018, structured to allow a full, open and robust investigation into key accounting, audit and risk issues relevant to the Group.

All members of the Board have an open invitation to attend Committee meetings. Members of the Senior Management Team, including the Chief Financial Officer, the Head of Group Finance, the Head of Internal Audit and the General Counsel & Company Secretary attend each meeting together with representatives of the external auditor. When appropriate, the Head of Group Tax, Head of Group Risk, Head of Group Compliance and the Group Treasurer are also invited to attend to facilitate information-sharing and discussion. Twice a year, Committee meetings conclude with private meetings between the members and the external and internal auditors without management being present.

In addition, I hold regular meetings with the Board Chairman, the Group Chief Executive and the Group Finance Director, as well as other members of management to obtain a good understanding of issues affecting the Group and to identify matters which require meaningful discussion at Committee meetings. I also meet the external audit partner and Head of Internal Audit privately to discuss any matters they wish to raise or concerns they may have.

Training and external advice

As noted in the Corporate Governance Report on page 101, all new members of the Board and the Committee follow a formal induction programme on appointment, to provide them with

Activities during the year

The Committee performed the following activities to the date of this report:

Financial reporting	Considered the accuracy and integrity of the Group's full-year and half-year financial results and the Annual Report and Accounts
	Assessed whether the Annual Report and Accounts and half-year press release were fair, balanced and understandable
	Reviewed the opinions of management and the external auditor on the carrying values of the Group's assets
	Reviewed the information and underlying assumptions in support of the Viability Statement and the going concern assessment for the 18-month period to 31 December 2020
	Discussed different presentational options for the Group's financial statements following the combination with UBM
	Considered key accounting matters and new accounting standards
	Reviewed non-financial KPIs relevant to the Group
	Considered the FRC thematic review of alternative performance measures
External Audit	Approved the external auditor's audit plan for the Group's 2018 financial statements and associated audit fee schedule including a review of the scope of work subsequent to the acquisition of UBM and a review of the key risks
	Reviewed and approved non-audit services and related fees payable to the Group's external auditor
	Reviewed external auditor effectiveness including confirmation of independence
	Reviewed the external auditor's report on the 2017 full-year and 2018 half-year financial statements
	Assessed the materiality levels applied to the financial statements by the external auditor
Internal Audit	Reviewed and approved the annual Internal Audit plan
	Reviewed the work done by Internal Audit and monitored the subsequent actions
	Considered and approved the structure of a revised Internal Audit function following the acquisition of UBM
	Reviewed the effectiveness of Internal Audit
	Continued monitoring the implementation of the new enterprise resource planning system across shared service centres
Risk management and internal controls	Reviewed the adequacy and appropriateness of the Group's system of controls and its effectiveness, with relevant input from the Company's internal and external auditors
	Reviewed work undertaken by the Risk Committee and the Governance Risk sub-committee
	Reviewed risk appetite and tolerance, the Group's principal risks and the material controls in place to mitigate those risks
	Managed risks following the acquisition of UBM and streamlining processes for the new combined Group
	Reviewed IT risk and the appointment of a Chief Information Security Officer responsible for cyber security and technology risk
	Reviewed tax, treasury and other risks relating to the increased size and complexity of the Group following the acquisition of UBM
Corporate Governance	Reviewed fraud and fraud reporting across the Group including cyber attacks
	Reviewed reports on the Group's whistleblowing, anti-bribery and corruption procedures
Other key matters considered	Reviewed the Group treasury policy
	Reviewed the Group tax strategy
	Considered the outcome of the annual effectiveness review and updated the Committee's terms of reference

detailed information about the Group. Directors are given updated information on legal and governance requirements on an ongoing and timely basis. Members of the Committee are able to obtain training at the Company's expense on any legal or accounting requirements required to carry out their roles.

The Committee's terms of reference also allow members of the Committee to obtain independent legal and professional advice at the Company's expense. No such advice was obtained during 2018.

Financial reporting

At the request of the Board, the Committee continues to review the content and tone of the preliminary results announcement, Annual Report and Accounts and the half-year financial results. Drafts of the Annual Report are reviewed by the Committee Chairman and the Committee as a whole prior to formal consideration by the Board.

Fair, balanced and understandable reporting

As in previous years, the Committee has given significant time and attention to ensuring that this Annual Report and the incorporated financial statements provide a fair, balanced and understandable assessment of the Group's financial reporting.

In approaching this, the Committee assesses whether suitable accounting policies have been adopted. It also considers accounting papers prepared by management that provide details on the main financial reporting judgements and on the approach taken to ensure that the Annual Report as a whole is fair, balanced and understandable.

The Committee considers how the overall position and prospects of the Group are disclosed, in particular:

- whether the overall message of the narrative reporting is consistent with the primary financial statements, the industry as a whole and the wider economic environment;
- whether the Annual Report is consistent with messages already communicated to investors, analysts and other stakeholders;
- the consistency of the Strategic Report and the financial statements; and
- the linkage between the Company's performance, business model and strategy.

Significant judgement areas

The critical accounting judgements and key accounting matters considered by the Committee in relation to the financial statements during the year ended 31 December 2018 are set out below:

Valuation of separately identifiable intangible assets	To determine the value of separately identifiable intangible assets on a business combination, and deferred tax on these intangibles, the Group is required to make judgements when using valuation methodologies. These include the use of discounted cash flows, revenue forecasts and estimates for the useful economic lives of intangible assets. There are significant judgements involved in assessing what amounts are recognised as the estimated fair value of assets and liabilities acquired through business combinations; in particular the amounts attributed to separate intangible assets such as titles, brands, acquired customer lists and associated customer relationships. These judgements impact the amount of goodwill recognised on acquisitions. Any provisional amounts are subsequently finalised within the 12-month measurement period, as permitted by IFRS 3. In 2018 the significant judgements are in relation to the acquisitions of UBM plc and ICON Advisory Group, Ltd. The Group has built up considerable knowledge of these valuation techniques, and for major acquisitions, defined as when consideration is £75m or above, the Group also considers the advice of third party independent valuers to identify and calculate the valuation of intangible assets arising on acquisition. Details of acquisitions in the year are set out in Note 18.
Measurement of retirement benefit obligations	The measurement of the retirement benefit obligation and surplus involves using a number of assumptions. The most significant of these relate to the discount rate, the rate of increase in salaries and pension and mortality assumptions. Note 34 details the principal assumptions which have been adopted following advice received from independent actuaries. It also provides sensitivity analysis with regard to changes to these assumptions.
Impairment of assets	Identifying indicators of asset impairment involves estimating future cash flows based on a good understanding of the value drivers behind the asset. At each reporting period, an assessment is performed to determine whether there are any such indicators of impairment, which involves considering the performance of our businesses, any significant changes to the markets in which we operate and future forecasts. For impairment testing purposes, goodwill is allocated to the specific groups of cash generating units (CGUs) that are expected to benefit from the goodwill. When there are changes in business structure, judgement is required to identify any changes to the CGU groups, taking account of the lowest level of independent cash inflows being generated, among other factors. The Group has considered a number of assumptions in performing impairment reviews of assets, which are set out in Note 16. The determination of whether assets are impaired requires an estimation of the value in use of the CGU groups to which assets have been allocated, except where a fair value less costs to sell methodology is applied. The value in use calculation requires the Group to estimate the future cash flows expected to arise from each CGU group, using three-year projections and determining a suitable discount rate to calculate present value and the long-term growth rate. The Directors are satisfied that the Group's CGU groups have a value in use in excess of their Balance Sheet carrying value. The sensitivities considered by the Directors for CGUs that have less headroom are described in Note 16.
Contingent consideration	When the consideration transferred by the Group in a business combination includes assets or liabilities from a contingent consideration arrangement, it is measured at its acquisition-date fair value and is included as part of the consideration transferred in a business combination. The contingent consideration is based on future business valuations and profit multiples and has been estimated on an acquisition by acquisition basis using available profit forecasts. The higher the profit forecast, the higher the fair value of any contingent consideration (subject to any maximum payout clauses). Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. These adjustments will result in a restatement to previous reported results if the changes relate to amounts arising in previously reported periods.

The Committee also reviews reports by the external auditor on the full-year and half-year results, which highlight any issues identified in their audit process.

Risk management and internal controls

The Board has delegated responsibility for overseeing the effectiveness of the Group's risk management and internal control systems to the Audit Committee. The Committee has established, and has oversight of, an executive Risk Committee, receiving minutes of all its meetings and discussing any significant matters raised.

Systems, security and data capabilities

As part of its remit, the Committee regularly monitors the Group's investment and approach in areas that are critical to performance, the protection of its intellectual property and the integrity of its data and financial reporting.

In 2018 the Committee's focus areas included the following:

Cyber security: The Risk Committee continued its work in establishing a Cyber Security Capability Roadmap with additional initiatives and frequent reporting on the improvements made. During the year the IT Security team's priorities were email security and phishing, systems vulnerabilities and raising awareness of IT security issues. The acquisition of UBM also required a remodelling exercise on the IT risk framework and a reassessment of the key issues faced by the enlarged Group.

Data management: In May 2018, the General Data Protection Regulation (GDPR) came into force, imposing new rules on the handling of personal data. As reported in the 2017 Annual Report, the Company began its preparations early in order to consider the impact of any issues that might arise. In this reporting year, the Group Data Protection Officer continued work on building a GDPR framework setting out the Company's

Risk Committee

The Audit Committee is responsible for ensuring Group risk is managed effectively. The Risk Committee monitors business risks and their impact on the Group and reports its findings to the Committee. During the year under review, the Risk Committee comprised the Chief Financial Officer of each Division, the Group Chief Information Security Officer, the Group General Counsel & Company Secretary, the Group HR Director, the Head of Group Finance, the Head of Group Risk, the Head of Internal Audit and the Head of Compliance. Gareth Wright, Group Finance Director, is Chairman of the Risk Committee.

The Risk Committee meets quarterly and its principal duties include:

- providing guidance to the Board and the Audit Committee regarding the Group's overall risk appetite, tolerance and strategy;
- overseeing and advising the Board and the Audit Committee on the Group's current risk exposures and recommending which risks should be recognised as the Group's principal risks;
- ensuring that a robust assessment is completed of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity;
- reviewing the Group's overall risk assessment processes, the parameters of the qualitative and quantitative metrics used to review the Group's risks, and monitoring the actions taken to mitigate them;
- monitoring and reviewing all material controls;
- reviewing the effectiveness of the Group's internal controls and risk management systems, including all material operational and compliance controls;
- reviewing the Group's approach to, and management of, health and safety risks, including the Health and Safety Risk Appetite Statement;
- reviewing the adequacy and security of the Company's whistleblowing arrangements for colleagues and contractors to raise concerns in confidence about possible wrongdoing in financial reporting or other matters;
- reviewing the Group's instances of fraud and fraud reporting to the Committee; and
- reviewing the Group's insurance arrangements.

The Risk Committee monitors the divisional risk registers on a quarterly basis and assesses changes and emerging risks, updates the Group risk register and recommends the principal risks and any changes to risk ratings.

Recommendations for the treatment of significant risks, and reports on the progress and status of risks that require action, are made to the Board.

In addition to the regular engagement with the **Knowledge & Networking** and **Business Intelligence** leaderships, the risk management function also:

- worked with training the **Global Exhibitions** senior leadership team to identify risks to business as usual resulting from the combination and developed mitigations for these risks; and
- facilitated **Academic Publishing**'s deep dive on emerging and significant risks facing that business and used a structured risk and problem-solving approach to identify new mitigations.

“The Committee takes seriously its responsibility for the development, implementation and monitoring of the Group’s policy on external audit.”

objectives on data protection compliance and embedding the ways to achieve them within the Divisions. A programme of training was rolled out from Group level through to the Divisions, and a Data Protection Management Forum was established comprising key individuals within the business. GDPR remains an agenda item at every Risk Committee meeting and the Audit Committee continues to monitor and shape the approach taken to data privacy.

Enterprise resource platform: Following the 2017 rollout of a new SAP enterprise resource platform across the Group, the Committee monitored a programme of operational stabilisation which was completed in 2018 and involved a project team to resolve issues identified in 2017. With the acquisition of UBM in June 2018, the Group now has a second major enterprise resource platform which is Oracle-based and covers the majority of UBM legacy legal entities.

External auditor

Deloitte LLP (Deloitte) was reappointed as the Group’s external auditor following a competitive tender in 2016. Full details of the process are set out in the 2016 Annual Report. Deloitte was first appointed as the Group’s external auditor in 2004. The Committee will keep its external auditor under review on an annual basis and, in accordance with legislation and its own terms of reference, will ensure that a competitive tender for external audit services takes place every 10 years. Deloitte’s last eligible year to serve as the Group’s external auditor is the year ending 31 December 2023.

With effect from August 2018, the external audit engagement partner is Anna Marks. She is a qualified accountant, a senior audit partner in the London audit practice and a Vice-Chairman of the UK firm. Anna replaces William Touche who was appointed as the Group’s external audit engagement partner in July 2015.

The Committee takes seriously its responsibility for the development, implementation and monitoring of the Group’s policy on external audit. This policy assigns oversight responsibility for monitoring independence, objectivity and compliance with ethical and regulatory requirements to the Committee, and day-to-day responsibility to the Group Finance Director. It states that the external auditor is jointly responsible to the Board and the Committee, with the Committee as the primary contact. The policy also sets out which categories of non-audit services the external auditor will and will not be allowed to provide to the Group, subject to *de minimis* levels.

Non-audit services

The Committee considers that certain non-audit services should be provided by the external auditor, because its existing knowledge of the business makes this the most efficient and effective way for non-audit services to be carried out.

The Committee regularly reviews the Non-Audit Fees Policy in order to safeguard the ongoing independence of the external auditor and ensure the Group complies with the FRC’s Ethical Standard for Auditors and other EU audit regulations.

The policy defines and describes:

- those services the auditor is and is not permitted to provide;
- those services where provision by the external auditor has been pre-approved by the Committee or where the specific approval of the Committee is required before the auditor provides the service;
- the fee arrangements appropriate for external auditor engagements; and
- the internal approval and external reporting mechanisms.

The policy allows the external auditor to provide the following non-audit services to the Informa Group:

- Audit-related services.
- Reporting accountant services.
- Assurance services in relation to financial statements within an M&A transaction such as providing comfort letters in connection with any prospectus that Informa may issue.
- Tax advisory and compliance work for non-EEA subsidiaries.
- Expatriate tax work.
- Other non-audit services not covered in the list of prohibited and permitted services, where the threat to the auditor’s independence and objectivity is considered trivial and safeguards are applied to reduce any threat to an acceptable level.

Details of all fees charged by the external auditor during the year are set out in Note 7. During the year ended 31 December 2018, the non-audit fees paid to Deloitte totalled £2.8m (2017: £0.3m) and were 88% (2017: 14%) of the 2018 audit fee. The increase in non-audit fees relates to Deloitte's engagement to assist with the acquisition of UBM which incurred £2.6m in exceptional non-audit fees. The Audit Committee approved the appointment of Deloitte in relation to the acquisition on the basis that they were best placed to provide these services and that there was no conflict of interest with their external auditor role.

The remainder of the non-audit fees were for advisory services relating to the Company's launch of the EMTN programme and the closure of a subsidiary company in Saudi Arabia. The non-audit fees incurred were disclosed to the Committee in accordance with Group policy and were approved by the Chairman of the Committee.

The Audit Committee reviewed Deloitte's independence following the completion of the UBM acquisition and Deloitte ceased providing services which had created a conflict of interest.

External auditor effectiveness

In accordance with best practice, the performance of the external auditor is reviewed annually to assess the delivery of the external audit service and identify areas for improvement. The review takes into account the quality of planning, delivery and execution of the audit (including the audit of subsidiary companies), the technical competence and strategic knowledge of the audit team and the effectiveness of reporting and communication between the audit team and management. Performance is assessed according to whether the audit exceeds, meets or is below expectations against a variety of factors, with a questionnaire completed by Group and divisional colleagues in different locations.

Deloitte's performance was assessed as to whether it exceeded, met or was below expectations for each of these factors. The evaluation concluded that Deloitte continues to be viewed as a strong and effective auditor by the business.

Internal Audit

During the first half of 2018, the Internal Audit function continued to be outsourced to KPMG. KPMG provided independent assurance through planned audit activities, identifying controls on a sample and rotational basis and reviewing whether these controls are adequately designed and implemented.

Following the acquisition of UBM, the Informa outsourced model was combined with UBM's Internal Audit function and UBM's Head of Internal Audit was appointed as Group Head of Internal Audit.

At the beginning of each year the Committee approves the annual Internal Audit plan with an emphasis on the Group's key risk areas and certain key financial controls. The Head of Internal Audit attends each Audit Committee and Risk Committee meeting, tabling reports on:

- any issues identified around the Group's business processes and control activities during the course of their work;
- the implementation of management action plans to address any identified control weaknesses; and
- any management action plans where resolution is overdue.

An Internal Audit effectiveness review is carried out each year to assess the delivery of the function and areas for improvement. The last review, which was carried out prior to the Internal Audit function being restructured, concluded that KPMG continued to work well and provided the Company with assurance over its risk and control environment.

Committee effectiveness

The 2018 evaluation of the Committee's performance was undertaken as part of the broader performance evaluation conducted by the Chairman of the Board. Details of the evaluation process are set out on pages 101 and 102 and I am pleased to confirm that its conclusion was that the Committee continued to operate effectively. Nevertheless, continuing to spend time understanding the enlarged business, particularly the newly acquired elements, will improve the Committee's effectiveness over the coming year.

John Rishton

Chairman of the Audit Committee

6 March 2019

Directors' Remuneration Report

Stephen Davidson
Committee Chairman

Annual Statement from the Remuneration Committee Chairman

Dear Shareholder

On behalf of the Remuneration Committee (the Committee), I am pleased to present the Directors' Remuneration Report for 2018. This report is split into two sections: my Annual Statement as Chairman of the Remuneration Committee and the Annual Report on Remuneration.

The Committee's primary focus is to align Director and Senior Management remuneration to the strategic priorities of the Group and the creation of long-term value for Shareholders. As well as taking into consideration Shareholder feedback and market practice, the challenging performance measures and targets set for management are based on a range of factors including internal budgets, strategic priorities, market growth and sellside analyst expectations.

In 2018, we updated our Remuneration Policy and this was approved by Shareholders at the AGM in May. The changes made reflect continued adoption of the latest best practice recommendations in areas such as malus and clawback, as well as updates to reflect the significant evolution of the Informa Group, in terms of its scale, complexity and international diversity, since the Policy was previously updated.

As detailed below, we consulted extensively with Shareholders as part of this process, both early in 2018 to gather input and views and then again leading up to the AGM. I also accompanied the Chairman of the Board on his Annual Engagement Roadshow with Shareholders early this year, which provided a further opportunity to discuss the updated Policy and how we are implementing it.

As ever, these discussions were engaging and valuable, underlining the many different and evolving views on incentives, and these were taken into account in finalising the updated Policy and in its implementation. I would like to thank Shareholders for supporting the updated Policy at last year's AGM, particularly given the timing was somewhat complicated by the separate vote to approve the UBM transaction.

In implementing the Policy in 2018, the Committee set measures and targets it felt were fair and appropriate, with the maximum award potential for Directors set below the thresholds approved in the Policy and with additional performance measures introduced to align management ever closer to Shareholders. Given the significance of Informa's acquisition of UBM, the Committee felt it was important that management was incentivised directly against the successful delivery of related synergies and return on investment and so these two *Accelerated Integration Plan* performance measures were introduced as part of the 2018 Long-Term Incentive Plan (LTIP) award.

Our overall remuneration philosophy remains the same: to focus on incentivising the Executive Directors in a way that closely aligns to Shareholders' interests; is linked directly to the Group's strategy; and continues to focus on pay for performance, with the emphasis on variable incentives ahead of increases to fixed pay. This ethos will be reflected in how we implement the Policy going forward, and we will remain flexible in adapting our approach as the Group grows and evolves to ensure the Directors are incentivised in the best interests of the Group and its Shareholders.

This approach is also mirrored further through the organisation. Informa is an increasingly international Group and we operate in highly competitive markets for talent across the world, and so we adapt our approach by market and geography to remain relevant and competitive. The reward structure for all Informa colleagues is set out on pages 120 and 121 and a comparison of CEO to average colleague pay is also included in this report.

In 2018, we also reviewed Board compensation for Non-Executive Directors and this led to an increase in salary for the Chairman to align more closely to peers of a similar size and complexity, reflecting the increasing demands and responsibility attached to this role.

2018 performance and incentive outcomes

As detailed in the Strategic Report, 2018 was another busy and productive year for Informa. Building on our increased focus and strengthened capabilities following the 2014-2017 *Growth Acceleration Plan*, we delivered a fifth consecutive year of growth in underlying revenue, adjusted profits, adjusted earnings, cash flow and dividends. Alongside continuing improvement in our financial performance we also took a considerable step forward in scale and ambition through Informa’s acquisition of UBM.

Executing and completing such a large and complex transaction whilst maintaining focus and delivery on day-to-day trading and activity is no easy task and the successful outcome in 2018 is testament to the commitment and focus of the Executive Directors, wider leadership team and all colleagues in the Group.

Short-term incentive

For the 2018 Short-Term Incentive Plan (STIP), the two measures for the Executive Directors were adjusted diluted earnings per share (EPS) and underlying revenue growth (URG). The reported adjusted diluted EPS of 48.28p reflected 105.88% of the target and, combined with URG of 3.70%, led to a total annual bonus of 93.33% of the maximum potential being awarded to both Executive Directors. Further details can be found on pages 115 and 116.

Long-term incentive

The 2016 LTIP performance period ended on 31 December 2018. The measures for the Executive Directors within this plan cycle were total shareholder return compared to the FTSE 51–150 peer group excluding financial services and natural resources companies, and the compound annual growth rate in adjusted EPS. The Group’s performance against these measures resulted in an overall outcome of 93.90% of the original award for both Executive Directors.

Shareholder engagement

The Board of Informa places significant importance on regular and detailed discussions with Shareholders, both through formal consultation on specific matters and more general engagement. In 2018, we held very active discussions with our major Shareholders, partly to consult on our updated Remuneration Policy but also to discuss and gather views and input in relation to Informa’s offer for UBM. In March and April, the Chairman and I met with more than 15 institutions, representing around 60% of our ownership by value, to discuss our thinking on the updated Remuneration Policy and we followed this up with a number of letters and additional phone calls and meetings in the lead up to the AGM in May.

More recently, in early 2019 the Senior Independent Director and I accompanied the Chairman of the Board during his Annual Engagement Roadshow. As part of this programme, we wrote to our top 30 Shareholders, inviting them to meet and discuss any issues in relation to the Group, its performance, the Board and Executive Management Team. We met in person with more than half of those contacted, representing more than 40% of our ownership by value, as well as several of the proxy agencies, providing a valuable opportunity to informally discuss the performance of the Group, corporate activity, management, engagement, culture, Board structure and many other matters, including remuneration.

Employee share plans

The Board and Executive Directors believe that equity ownership is an effective and important way to connect and align colleagues to the progress and performance of the Group. We actively encourage participation in colleague share plans, the largest of which is ShareMatch, a share matching scheme that gives participants one free share for every one they purchase, subject to a holding period. Over the last five years this has led to a significant increase in share ownership amongst colleagues. In 2018, this meant that 21.3% of eligible colleagues in countries where ShareMatch is offered were members.

To make it easier and more efficient for US colleagues to invest in the Group’s shares, a US Employee Stock Purchase Plan was launched in January 2019 and has seen an immediate take-up of 10.6%. This year we will also be asking Shareholders to approve a new Save As You Earn plan as a potential future benefit to colleagues in various countries, further details of which can be found in the AGM Notice of Meeting.

Looking forward

As the Group continues to grow and expand internationally, we will monitor and review incentive plans for the Executive Directors accordingly to ensure we maintain a strong link between pay and performance. As part of this process, we will continue to regularly engage with Shareholders, particularly if any changes are proposed, whilst also closely monitoring the latest remuneration guidance and best practice detailed through the 2018 Code.

As always, we welcome comments and feedback on our executive remuneration arrangements from all our Shareholders.

Stephen Davidson
Committee Chairman
6 March 2019

Remuneration Policy

Following consultation in March and April 2018, the Remuneration Policy was approved by Shareholders at the AGM on 25 May 2018. The full Policy can be found on the Company’s website at https://informa.com/investors/corporate-governance/terms-of-reference/.

Annual Report on Remuneration

This section of the Report provides details of how Informa's existing Remuneration Policy was implemented during the financial year ended 31 December 2018. Any information contained in this section of the Report that is subject to audit is highlighted.

Single total figure of remuneration for Executive Directors (audited)

(£)		Salary[1]	Taxable benefits	Pension	Total fixed pay	STIP[2]	LTIP[3]	Total variable pay	Total fixed and variable pay
Stephen A. Carter	2018	829,398	46,281	207,349	1,083,028	1,166,935	1,824,905	2,991,840	4,074,868
	2017	825,271	57,574	206,316	1,089,161	1,020,035	2,023,023	3,043,058	4,132,219
Gareth Wright	2018	472,912	16,861	118,226	607,999	665,371	780,392	1,445,763	2,053,762
	2017	470,559	16,475	117,636	604,670	581,611	860,876	1,442,487	2,047,157

1. The Executive Directors' base salaries increased halfway through the year as detailed in the notes below.
2. STIP awards in excess of 100% of base salary are deferred in shares for a further three years in line with the Company's Deferred Share Bonus Plan (DSBP).
3. The LTIP award granted in 2016, which becomes exercisable on 17 March 2019, is expected to vest at 93.90%. The estimated value of the LTIP award has been calculated using the average share price over a three-month period from 1 October 2018 to 31 December 2018, being 698.9p. The value of the 2015 LTIP awards included in the single total figure of remuneration for 2017 have been updated to reflect the actual share price on vesting (being 668.6p on 12 February 2018) rather than the average for the three months to 31 December 2017 which was used in the 2017 Annual Report.

Notes to the single total figure of remuneration table (audited)

Fixed pay

Salary

Executive Directors' salaries were reviewed in May 2018. In the spirit of previous years and in line with our overall remuneration philosophy to put the emphasis on performance-related pay ahead of fixed pay, the Committee kept base salary increases to 1.0% for both Stephen A. Carter and Gareth Wright, effective from 1 July 2018.

	Salary from 1 July 2018	Salary to 30 June 2018
Stephen A. Carter	£833,524	£825,271
Gareth Wright	£475,265	£470,559

Taxable benefits

Benefits include private health and dental insurance, expenses incurred for accompanied attendance at certain corporate events, company car allowance or chauffer costs in lieu of company car allowance, travel insurance, health screening and professional advice.

Pension

The Group makes a cash payment of 25% of basic salary to the Executive Directors in lieu of pension contributions. Neither Executive Director is a member of the defined benefit schemes provided by the Group or any of its subsidiaries, and accordingly they have not accrued entitlements under these schemes.

Variable pay

Short-Term Incentive Plan (STIP)

For 2018, the STIP was linked to the achievement of budgeted adjusted diluted EPS (weighted 80% of total) and URG (weighted 20%). Under the EPS element, if threshold performance is achieved, 30% of bonus will vest. This increases on a straight line basis to on-target performance where 90% of bonus will vest. Under the URG element, if threshold performance is achieved, 0.1% of bonus will vest. This also increases on a straight line basis to on-target performance where 10% of bonus will vest. The maximum STIP opportunity was 150% of salary for both Executive Directors.

The EPS measure is based on budgeted exchange rates, in line with market practice, and therefore the targets and outturn shown below have been adjusted for the impact of exchange rates to enable constant currency comparison.

Measure	Weighting (% of maximum)	Performance targets			Actual outcome	Payout (% of maximum)
		Threshold	Target	Maximum		
EPS	80%	43.3p	45.6p	47.9p	48.28p	80%
URG	20%	2.20%	3.20%	4.20%	3.70%	13.33%
Total STIP	100%					93.33%

Informa performed well through 2018, delivering further improvement in underlying revenue growth and another year of growth in profit, earnings and cash flow. This led to an EPS outcome for 2018 above the maximum, resulting in a payout of 80.0%, being the maximum. URG for the year was 3.70%, resulting in a payout between target and maximum of 13.33%.

The Committee approved the overall STIP outcome for 2018 being 93.33% of maximum, equal to 140% of salary for each Executive Director, having determined that the general financial underpin had been satisfied.

In line with the Directors' Remuneration Policy, the equivalent of 100% of base salary will be paid in cash, with the remainder (40% of base salary) being deferred into shares for a further three years under the rules of the DSBP, and subject to malus and clawback provisions.

Long-Term Incentive Plan

On 17 March 2016, Stephen A. Carter and Gareth Wright received LTIP awards as set out in the table below and which will become exercisable on 17 March 2019:

	Date of award	Number of shares awarded[1]	Price at date of award	Value as a percentage of base salary	Value at date of award (£)
Stephen A. Carter	17 March 2016	235,136	695.0p	200%	1,634,195
Gareth Wright	17 March 2016	100,553	695.0p	150%	698,843

1 Following the rights issue on 26 October 2016, the number of options awarded increased by a factor of 1.0862, resulting in an amended total award of 255,400 options for Stephen A. Carter and 109,218 options for Gareth Wright.

Vesting of the awards is based on two equally weighted performance conditions over the three years to 31 December 2018. The first measured relative total shareholder return (TSR) vs. the FTSE 51–150 peer group (excluding financial services and commodities companies) while the second measured the compound annual growth rate (CAGR) in adjusted EPS.

Measure	Weighting (% of maximum)	Performance targets		Actual outcome	Payout (% of maximum)
		Threshold	Maximum		
TSR against comparator group	50%	Median	80th percentile	75th percentile vs. peer group	43.90%
EPS CAGR	50%	2%	6%	7.59%	50.0 %
Total LTIP					93.90%

Under the TSR element, if Informa ranks at median, 20% of the award subject to this measure will vest. This increases on a straight line basis to full vesting for ranking at or above the 80th percentile. A ranking below median will result in the lapsing of the TSR element. Willis Towers Watson has confirmed that Informa's TSR over the period was ranked at the 75th percentile vs. the peer group, resulting in a vesting outcome of 43.90% for that element.

Under the EPS element, 2% p.a. growth will result in 20% of the award subject to this measure vesting, 4% p.a. growth will result in 50% vesting, and 6% p.a. growth or higher will result in full vesting; vesting occurs on a straight line basis between these points. Growth below 2% p.a. will result in the lapsing of the EPS element. Informa's compound annualised growth rate over the period was 7.59%, resulting in a vesting outcome of 50% for that element.

The total amount expected to become exercisable is therefore 93.90% of the total award.

The performance outcomes above have resulted in the following LTIP vesting levels:

	Number of shares granted[1]	Number of shares to lapse	Number of shares to become exercisable[2]	Estimated value[3] (£)
Stephen A. Carter	255,400	15,580	261,111	1,824,905
Gareth Wright	109,218	6,663	111,660	780,392

1. Figures adjusted for the rights issue on 26 October 2016.
2. Accrued dividends are included to 31 December 2018.
3. Based on the three-month average share price to 31 December 2018 of 698.9p. The actual value of the exercisable options will be disclosed in the 2019 Remuneration Report.

Share scheme interests awarded during the year (audited)

LTIP

	Type of award	Number of options awarded	Value as a percentage of base salary	Face value at date of award[3]
Stephen A. Carter	LTIP (option)	337,350[1,2]	300%	£2,475,810
Gareth Wright	LTIP (option)	144,265[1,2]	225%	£1,058,760

1. On 22 March 2018 the Company granted an LTIP award equal to 200% of salary to Stephen A. Carter (228,848 options) and 150% of salary to Gareth Wright (97,865 options). The performance conditions attached to this award are TSR vs. FTSE 51–150 and EPS CAGR. The measures for these performance conditions are: (i) TSR ranked between the median to upper quintile and (ii) EPS between 3% and 8%. The performance conditions will be measured over the three years to 31 December 2020 and 20% of this award will vest in the event that threshold performance is achieved.
2. On 30 May 2018 the Company granted an *AIP* LTIP award equal to 100% of salary to Stephen A. Carter (108,502 options) and 75% of salary to Gareth Wright (46,400 options). The performance conditions are (i) to achieve a run rate of £60m–£70m of cost synergies by the end of 2020 (weighting of 60%) and (ii) a post-tax return on invested capital in line with or ahead of the Group's WACC (calculated at 7.2–7.95%) by the end of 2021 (weighting of 40%). 25% of this award will become exercisable in the event the threshold performance is achieved.
3. The face value of award granted on 22 March 2018 was calculated using the five-day average share price prior to the grant date (721.24p) and the face value of the award granted on 30 May 2018 was calculated using the closing share price immediately prior to the grant date (760.60p).

The Committee will disclose details of its assessment of performance following the conclusion of the performance period.

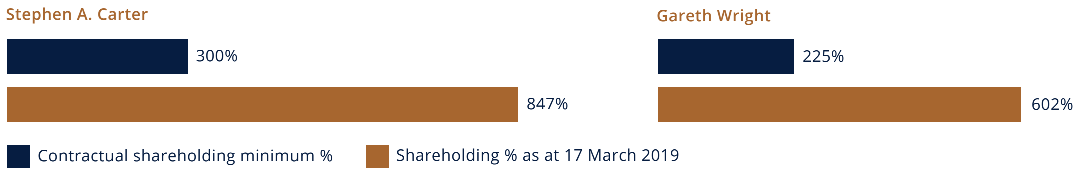
All options granted in 2018 will be subject to an additional two-year holding period once the award becomes exercisable. During the two-year holding period, Executive Directors are only allowed to dispose of shares to meet income tax, National Insurance or other regulatory obligations.

Executive Directors' shareholdings and share interests (audited)

Shareholding requirements

The Committee believes that equity ownership by the Executive Directors and wider management team and colleague base is an important and effective way of connecting them to the progress and performance of the Group, closely aligning them with Shareholders. For this reason, under the terms of the 2018 Remuneration Policy, Executive Directors are required to hold a percentage of their salary in shares or in exercisable options over shares equivalent to their largest outstanding LTIP award, which is currently 300% of salary for Stephen A. Carter and 225% of salary for Gareth Wright. Executive Directors are expected to meet the guideline within five years of appointment, or 25 May 2018 (being the date of the 2018 AGM), whichever is the later, and maintain this holding throughout their term of office.

Both Stephen A. Carter and Gareth Wright comfortably exceed the Group's current share ownership guidelines.



Shareholdings

The beneficial interest of each Executive Director in the Company's shares (including those held by connected persons) as at 31 December 2018 and their anticipated beneficial interests as at 17 March 2019 are set out below:

	Beneficial holding[1]	Exercisable options over shares (not exercised)	ShareMatch[2]	DSBP awards[3]	Total interests as at 31 December 2018[4]	Shareholding as % of salary as at 31 December 2018[5]	2016 LTIP award[6]	Anticipated total interests as at 17 March 2019	Anticipated shareholding as % of salary as at 17 March 2019
Stephen A. Carter	103,695	607,623	2,689	35,056	749,063	628%	261,111	1,010,174	847%
Gareth Wright	14,493	258,928	4,284	20,139	297,844	438%	111,660	409,504	602%

1. Stephen A. Carter's beneficial shareholding receives share dividends through the Dividend Reinvestment Plan (DRIP).
2. Shares held under ShareMatch are made up of shares purchased by the Executive Director, shares "matched" by the Group and dividend shares.
3. Includes DSBP awards granted in 2016 and 2018 and accrued dividends to 31 December 2018.
4. Total interests are shares held legally or beneficially and those held by connected persons, and exercisable options held in the LTIP, and shares held in ShareMatch, in accordance with the Company's Executive Shareholding Guidelines.
5. The average share price for the three months from 1 October 2018 to 31 December 2018 has been taken for the purpose of calculating the current shareholding as a percentage of salary.
6. The 2016 LTIP will become exercisable from 17 March 2019. Full details are set out on page 116.

Scheme interests

The table below shows details of outstanding awards held by Executive Directors, including awards granted in 2018. LTIP awards are subject to the achievement of performance conditions set at grant and DSBP awards are based on the prior achievement of annual performance conditions and will become exercisable on the third anniversary of grant.

Director/ Scheme	Date of grant	Held at 1 January 2018[1]	Exercised/ released during 2018	Vested but unexercised	Granted during 2018	Lapsed during 2018	Held at 31 December 2018[1]	Accrued dividend shares at 31 December 2018	Total held at 31 December 2018[2]	Date options exercisable	Exercise period to
Stephen A. Carter											
LTIP	08/09/2014	263,755	–	263,755	–	–	263,755	33,013	296,768	08/09/2017	07/09/2024
	12/02/2015	332,832	–	276,183	–	56,649	276,183	34,672	310,855	12/02/2018	11/02/2025
	17/03/2016	255,400	–	–	–	–	255,400	22,674	278,074	17/03/2019	16/03/2026
	15/03/2017	253,345	–	–	–	–	253,345	14,470	267,815	15/03/2020	14/03/2027
	22/03/2018	–	–	–	228,848	–	228,848	6,262	235,110	22/03/2021	21/03/2028
	30/05/2018	–	–	–	65,101	–	65,101	1,781	66,882	30/05/2021	29/05/2028
	30/05/2018	–	–	–	43,401	–	43,401	1,187	44,588	01/03/2022	29/05/2028
DSBP	17/03/2016	6,016	–	–	–	–	6,016	534	6,550	17/03/2019	16/03/2026
	02/03/2018	–	–	–	28,039	–	28,039	467	28,506	02/03/2021	01/03/2028
Gareth Wright											
LTIP	08/09/2014	112,521	–	112,521	–	–	112,521	14,126	126,647	08/09/2017	07/09/2024
	12/02/2015	141,634	–	117,527	–	24,107	117,527	14,754	132,281	12/02/2018	11/02/2025
	17/03/2016	109,218	–	–	–	–	109,218	9,696	118,914	17/03/2019	16/03/2026
	15/03/2017	108,341	–	–	–	–	108,341	6,188	114,529	15/03/2020	14/03/2027
	22/03/2018	n/a	–	–	97,865	–	97,865	2,678	100,543	22/03/2021	21/03/2028
	30/05/2018	n/a	–	–	27,840	–	27,840	761	28,601	30/05/2021	29/05/2028
	30/05/2018	n/a	–	–	18,560	–	18,560	507	19,067	01/03/2022	29/05/2028
DSBP	17/03/2016	3,413	–	–	–	–	3,413	302	3,715	17/03/2019	16/03/2026
	02/03/2018	–	–	–	15,987	–	15,987	437	16,424	02/03/2021	01/03/2028

1. Excludes accrued dividends.
2. Includes accrued dividends.

Payments to past Directors (audited)

No payments were made to past Directors during the year ended 31 December 2018.

Payments for loss of office (audited)

No payments for loss of office were made during the year ended 31 December 2018.

Other disclosures

Service contracts

The Executive Directors have rolling service contracts with the Company which have notice periods of 12 months on either side.

	Date of service contract
Stephen A. Carter[1]	9 July 2013
Gareth Wright	9 July 2014

1. Stephen A. Carter was appointed as a Non-Executive Director on 11 May 2010, CEO-Designate on 1 September 2013 and became Group Chief Executive on 1 December 2013.

In accordance with the Code, all continuing Directors stand for election or re-election by the Company's Shareholders on an annual basis. The Company may terminate an Executive Director's appointment with immediate effect without notice or payment in lieu of notice under certain circumstances, prescribed within the Executive Director's service contract. The Executive Directors' service contracts are available for inspection at the registered office during normal business hours and at the AGM.

External appointments

The Executive Directors are entitled to accept external board appointments provided that the Chairman determines that it is appropriate. The Executive Director is entitled to retain any fees in relation to such external appointments.

Stephen A. Carter has been a Non-Executive Director of United Utilities Group PLC since September 2014. During the year to 31 December 2018, he received fees of £78,033 in respect of this role (2017: £74,866). Stephen A. Carter is also a Non-Executive Board member of the Department for Business, Energy & Industrial Strategy (BEIS) and chooses not to receive remuneration for this role.

Gareth Wright has no external appointments.

Relative importance of spend on pay

Informa is a people business, and is driven by the contributions and expertise of its 11,000+ colleagues around the world. The Group believes in the importance of investing in colleagues and offering market competitive salaries, as well as flexible benefits and further opportunities such as ShareMatch. The table below shows the aggregate colleague remuneration, dividends paid, revenue and operating profit as stated in the financial statements, for the years ended 31 December 2018 and 31 December 2017:

	2018	2017	Percentage change
Total number of colleagues[1]	**9,832**	7,539	30.4%
Aggregate colleague remuneration (£m)[1]	**526.2**	413.3	27.3%
Remuneration per colleague (£)	**53,519**	54,822	-2.4%
Dividends paid in the year[2] (£m)	**201.8**	162.2	24.4%

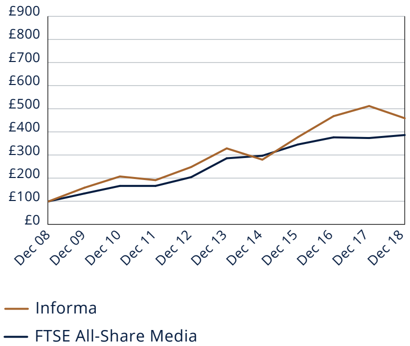
1. Figures taken from Note 9 to the Consolidated Financial Statements.
2. Figures taken from Note 14 to the Consolidated Financial Statements.

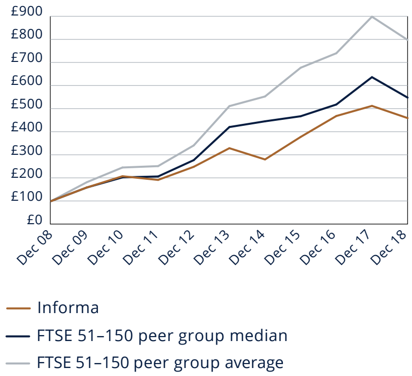
Total shareholder return and Group Chief Executive pay

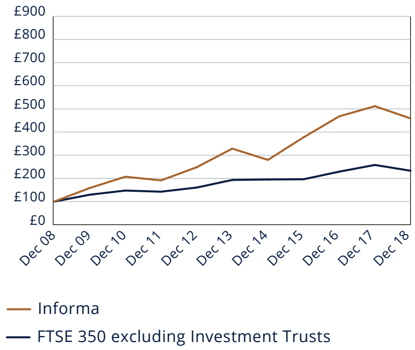
The graphs below illustrate the Group's TSR performance compared with the performance of the FTSE All-Share Media Index, the FTSE 350 Index excluding Investment Trusts and the FTSE 51–150 peer group (excluding financial services and natural resources), in the 10-year period ended 31 December 2018. These indices and peer group have been selected for this comparison because the Group is a constituent company of all three.

Historical TSR performance

Growth in the value of a hypothetical £100 holding invested in Informa over 10 years:







Over the same period, the total remuneration of the individual holding the role of Group Chief Executive has been as follows:

Year	2009	2010	2011	2012	2013	2013	2014	2015	2016	2017	2018
CEO	Peter Rigby	Peter Rigby	Peter Rigby	Peter Rigby	Peter Rigby	Stephen A. Carter	Stephen A. Carter	Stephen A. Carter	Stephen A. Carter	Stephen A. Carter	Stephen A. Carter
CEO single figure of remuneration	£1,651,200	CHF 3,067,504	CHF 5,231,269	CHF 3,987,897	CHF 3,718,566	£588,365[1]	£1,794,152	£2,083,275	£3,407,650	£4,132,219	£4,074,868
STIP payout (% of maximum)	83.6%	86.3%	75.7%	65.9%	n/a	59.0%	66.7%	69.8%	40.0%	82.4%	93.33%
LTIP vesting (% of maximum)	40.2%	0%	74.0%	42.5%	–	n/a	n/a	34.6%	79.3%	83.0%	93.90%

1. Group Chief Executive remuneration for Stephen A. Carter for 2013 covers the period from 1 September 2013 to 31 December 2013. The LTIP award made in 2013 was pro-rated to reflect his time as CEO-Designate during that year.

CEO and colleague remuneration changes and ratios

An analysis of the average total compensation for the Senior Management Team, which represents a group of around 250 colleagues based around the world, compared with the CEO has been carried out, and results in a ratio of 12.9 times.

The key annual remuneration averages in the Group, and the CEO multiples, are:

- Senior Management Team – £317k (12.9x multiple)
- Group-wide – £57k (71.4x multiple)

Comparing the 2018 single total figure of remuneration for the Group Chief Executive with the average total compensation for UK colleagues results in a ratio of 72.9 times, where the average UK colleague total compensation is £55,905.

The total compensation figures include salary, bonus payments and benefits package, and, where appropriate, LTIP earnings. The CEO comparator figure is that of total fixed and variable pay as set out in the single total figure of remuneration on page 115. The ratio calculations are consistent with prior year disclosures. The methodology prescribed in the Companies (Miscellaneous Reporting) Regulations 2018 will be followed in the 2019 Annual Report and Accounts.

The following table shows the percentage change in salary, benefits and bonus from 2017 to 2018 for the Group Chief Executive and the average percentage change from 2017 to 2018 for all colleagues in the Group:

	Salary %	Benefits %	Bonus %
Group Chief Executive	1%	-20%	14%
All colleagues	3.9%	1.6%	12.9%

Single total figure of remuneration for Non-Executive Directors (audited)

The remuneration of the Chairman is determined by the Committee in consultation with the Group Chief Executive. The remuneration of the Non-Executive Directors is determined by the Chairman and the Executive Directors within the limits set by the Articles.

The fees for the Chairman and other Non-Executive Directors were reviewed during the year and increased as follows with effect from 1 July 2018:

	Current fee (£)	Effective date	Previous fee (£)	Effective date
Chairman	375,000	1 July 2018	269,256	1 January 2017
Deputy Chairman	92,920	1 July 2018	92,000	15 June 2018
Non-Executive Directors	64,649	1 July 2018	64,009	1 January 2017
Audit Committee Chairman	13,826	1 July 2018	13,689	1 January 2017
Remuneration Committee Chairman	10,419	1 July 2018	10,316	1 January 2017
Senior Independent Director	10,419	1 July 2018	10,316	1 January 2017

The table below show the actual fees paid to our Non-Executive Directors for the years ended 31 December 2018 and 2017:

	2018		2017	
	Total fees (£)	**Taxable benefits[2] (£)**	Total fees (£)	Taxable benefits[2] (£)
Derek Mapp	**322,128**	**12,098**	269,256	4,855
Greg Lock[1]	**49,999**	**–**	–	–
Gareth Bullock	**74,697**	**3,045**	74,325	2,935
Helen Owers	**64,329**	**7,025**	64,009	5,238
Cindy Rose	**64,329**	**295**	64,009	–
Stephen Davidson	**74,697**	**4,160**	74,325	1,717
David Flaschen	**64,329**	**10,088**	64,009	8,210
John Rishton	**78,087**	**4,487**	72,205	1,630
Mary McDowell[1]	**34,786**	**2,570**	–	–
David Wei[1]	**34,786**	**3,528**	–	–

1. Greg Lock, Mary McDowell and David Wei were appointed to the Board on 15 June 2018 following completion of the acquisition of UBM plc.
2. Taxable benefits disclosed relate to the reimbursement of taxable relevant travel and accommodation expenses for attending Board meetings and professional advice and include tax which is settled by the Company.

Non-Executive Directors' shareholdings (audited)

Non-Executive Directors are not subject to a shareholding requirement. Details of their interests in shares (including those held by connected persons) as at 31 December 2018 and 2017 are set out below:

Non-Executive Director	**Shareholdings as at 31 December 2018**	Shareholdings as at 31 December 2017
Derek Mapp	**132,061**	128,594
Greg Lock	**50,000**	n/a
Gareth Bullock	**13,204**	12,859
Cindy Rose	**4,375**	4,375
Helen Owers	**3,867**	3,767
Stephen Davidson	**3,350**	3,350
David Flaschen[1]	**7,000**	7,000
John Rishton	**8,681**	8,681
Mary McDowell	**6,299**	n/a
David Wei	**1,902**	n/a

1. David Flaschen holds 3,500 American Depository Receipts (ADRs). One ADR is equivalent to two Ordinary Shares.

There have been no changes to these holdings between 31 December 2018 and the date of this report.

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

Letters of appointment

All Non-Executive Directors have a letter of appointment with the Company, which are available for inspection at the registered office during normal business hours and at the AGM. The effective dates of appointment are shown below:

	Effective date of appointment
Derek Mapp[1]	17 March 2008
Greg Lock	15 June 2018
Cindy Rose	1 March 2013
Gareth Bullock	1 January 2014
Helen Owers	1 January 2014
Stephen Davidson	1 September 2015
David Flaschen	1 September 2015
John Rishton	1 September 2016
Mary McDowell[2]	15 June 2018
David Wei[3]	15 June 2018

1. Derek Mapp was appointed as a Non-Executive Director on 10 May 2004 before being appointed as Chairman on 17 March 2008.
2. Mary McDowell was appointed as a Non-Executive Director of UBM plc on 1 August 2014 before being appointed to the Informa PLC Board.
3. David Wei was appointed as a Non-Executive Director of UBM plc on 1 November 2016 before being appointed to the Informa PLC Board.

Implementation of the Directors' Remuneration Policy in 2019

A summary of how the Directors' Remuneration Policy will be applied for the year ending 31 December 2019 is set out below.

Base salary and fees

The base salaries of the Executive Directors increased by 1% effective from 1 January 2019. For comparison, the typical rate of salary increase for UK colleagues is 0–3%.

The fees payable to the Chairman and the Non-Executive Directors will similarly increase by 1% effective from 1 April 2019.

Pension

The Group will continue to make a cash payment of 25% of basic salary to the Executive Directors in lieu of pension contributions.

STIP

The maximum bonus opportunity is 175% of base salary for the Group Chief Executive and 150% of base salary for the Group Finance Director.

The performance measures and weightings for 2019 will be as follows:

Measure	As a percentage of maximum bonus opportunity Group Chief Executive	 Group Finance Director
Adjusted diluted EPS	69%	80%
Underlying revenue growth	17%	20%
Engagement and culture	14%	–

- Performance below threshold will not result in a payout for any element of the STIP.
- For the EPS-related measure, threshold and on-target performance will result in payouts of 25% and 75% of the maximum respectively.
- For the URG-related measure, threshold and on-target performance will result in payouts of 20% and 33.3% of that element respectively.
- In respect of the Group Chief Executive's engagement and culture measure, performance will be judged in the round against a range of non-financial KPIs.

The targets themselves, as they relate to the 2019 financial year, are commercially sensitive. However, retrospective disclosure of the targets and performance against them will be provided in next year's Directors' Remuneration Report unless they remain commercially sensitive at that time.

LTIP

We intend to make LTIP awards of 300% of base salary to the Group Chief Executive and 225% of base salary to the Group Finance Director in respect of the 2019 financial year. The performance measures and weightings for each element will mirror those of the 2018 awards set out on page 117 with the exception of the EPS element. Under the EPS element, 3.5% p.a. growth will result in 25% of the award subject to this measure vesting and 8.5% p.a. growth or higher will result in full vesting. Vesting will occur on a straight line basis between these points. Growth below 3.5% p.a. will result in the EPS element lapsing.

Remuneration Committee membership and responsibilities

Membership of the Committee was changed during the year following the acquisition of UBM. Throughout the year ended 31 December 2018, and as at the date of this report, the Committee was comprised wholly of independent Non-Executive Directors. Members of the Committee during the year, and to the date of this report, are:

Members	Committee member since	Attendance during 2018
Stephen Davidson (Chairman)	1 September 2015	7/7
Gareth Bullock	11 February 2016	7/7
Mary McDowell	15 June 2018	2/2
Helen Owers	1 January 2014	5/7
David Wei	15 June 2018	1/2

Full biographies for the Committee members and attendance at all meetings during the year are shown on pages 94 to 97.

The Chairman of the Board and the Group Chief Executive attend meetings by invitation only and are not present when matters relating to their own fees or remuneration are discussed.

In determining the Executive Directors' remuneration, the Committee consulted the Chairman about its proposals. In addition, the former Director of Talent & Transformation, Company Secretary and the Company's remuneration advisers attended meetings and provided assistance to the Committee during the year, other than for any item relating to their own remuneration.

There is regular communication between the Committee Chairman, Chairman of the Board, Group Chief Executive and Group HR Director on all aspects of remuneration within the Group. The Committee Chairman is also available to the remuneration adviser to discuss matters of governance or the Remuneration Policy.

Key responsibilities of the Remuneration Committee

The Committee's terms of reference were last reviewed in December 2018 and are available on the Company's website: http://www.informa.com. The Committee's key areas of responsibility are:

- setting the Remuneration Policy for Executive Directors and the Company Chairman;
- reviewing the Remuneration Policy and strategy for members of Senior Management, whilst having regard to pay and employment conditions across the Group;
- determining the total remuneration package of the Executive Directors and Senior Management;
- approving the design and implementation of all colleague share plans and pension arrangements;
- approving the design of, determining targets and monitoring performance against conditions attached to all annual and long-term incentive awards to Executive Directors and Senior Management and approving the vesting and payment outcomes of these arrangements; and
- selecting, appointing and setting the terms of reference of any independent remuneration advisers.

Activities of the Remuneration Committee during 2018

The Committee met seven times in the year ended 31 December 2018 during which the following activities were undertaken:

- recommended the revised Directors' Remuneration Policy for approval by the Board and Shareholders;
- approved the 2017 Directors' Remuneration Report;
- reviewed the base salaries of the Executive Directors and other members of Senior Management together with the fees for the Chairman and Deputy Chairman;
- assessed the level of achievement of targets for the 2017 STIP and set targets for the 2018 STIP;
- assessed the achievement of targets for the LTIP awards made in 2015 and set targets for the LTIP awards made in 2018;
- reviewed and approved awards made under the STIP (including the DSBP) and LTIP;
- approved changes to the structure of executive and all-employee schemes in relation to GDPR;
- reviewed the Committee's terms of reference; and
- received updates and training on corporate governance and remuneration matters from the independent remuneration consultant.

Remuneration consultants

Mercer Kepler was appointed as independent remuneration consultant by the Committee in May 2017. Mercer Kepler is a member of the Remuneration Consultants Group and follows its voluntary Code of Conduct. It does not provide any other material services or have any other connection to the Group. The Committee is satisfied that the advice it has received is independent and objective.

Fees paid to Mercer Kepler during the year ended 31 December 2018, which are charged on a time basis, amount to £102,025 (2017: £81,010) and relate to attendance at Committee meetings, Remuneration Policy review and advice to the Committee. The Committee has not requested advice from any other external remuneration advisory firm during the year ended 31 December 2018.

Voting at the AGM

We engage regularly with our Shareholders and are aware of the variety of views expressed around executive remuneration, both publicly and in recent discussions. The Committee has a clear commitment to governance, best practice and listening to Shareholder views. As noted on page 114, the Committee consulted with its major Shareholders on the Directors' Remuneration Policy and the setting of targets prior to the 2018 AGM. Following the outcome, which included a minority vote against the updated Remuneration Policy, the Board engaged deeply and extensively with Shareholders in early 2019. This feedback has been reflected upon by the Committee, along with other input from Shareholders and Shareholder representative bodies, and will be taken into account in determining how the Policy is implemented going forward.

The following table summarises the voting outcomes of the resolutions put to Shareholders at the 2018 AGM regarding the Annual Report on Remuneration and the Directors' Remuneration Policy:

	Votes for		Votes against			
	Number	%	Number	%	Total votes cast	Votes withheld (abstentions)
Annual Report on Remuneration	628,334,895	93.21	45,796,471	6.79	674,131,366	767,534
Directors' Remuneration Policy	426,506,481	64.19	237,979,957	35.81	664,486,438	10,412,463

This report was approved by the Board and signed on its behalf by

Stephen Davidson

Chairman of the Remuneration Committee

6 March 2019

Relations with Shareholders

E.1 Dialogue with Shareholders

As described on page 30, Shareholders are one of Informa's most important stakeholders.

The support of our equity and debt holders provides the financial capital that enables Informa to fund ongoing operations, reinvest in people, products and platforms and add new businesses that extend the Group's scale, reach and specialism.

Informa's Directors and Executives participate in a proactive Shareholder engagement programme designed to maintain positive and constructive relations with investors, analysts and debt holders throughout any given year. The Group also engages with the proxy agencies that advise certain Shareholders on governance and voting matters.

We aim to provide clear, timely and balanced corporate and financial information, in person and through the latest digital channels, enabling Shareholders to engage with the Executive Management Team while meeting all necessary standards for public company disclosure.

Informa operates a Level I sponsored American Depository Receipts (ADR) programme through BNY Mellon to facilitate investment from US-based Shareholders, with ADR ownership accounting for 1.1% of Informa's share capital at the end of December 2018.

Director and Executive participation and engagement

On a day-to-day basis, Shareholder engagement is led by the Director of Investor Relations, Corporate Communications & Brand, who is a member of the Executive Management Team and attends all main Board meetings. The Group Chief Executive and Group Finance Director are also heavily involved in institutional investor and analyst engagement, and Informa's divisional CEOs take part where practical and where Shareholders have a particular interest in meeting them.

All Board members attend the AGM, where they are available to engage with, and answer questions from, Shareholders. They also make themselves available for ad hoc meetings and the Chairman, Derek Mapp, undertakes his own Annual Engagement Roadshow to meet Shareholders. Most recently, he was joined on his Roadshow by the Senior Independent Director, Gareth Bullock, and the Chairman of the Remuneration Committee, Stephen Davidson.

A detailed Investor Relations Report is submitted to every Board meeting and the Director of Investor Relations provides an update on investor activities in person. The report includes detailed shareholding information, movements, sector news flow and feedback from analysts and institutional investor meetings, as well as the latest analyst reports on the Group.

Year-round digital communications

The Group's Investor Relations and Communications team provides relevant materials online in an engaging and accessible format. To ensure that investors have access to the latest information no matter their location, size of holding or communication preference, presentations are streamed live through Informa's website, with audio, video and written transcripts and presentation materials published online promptly afterwards. Major news is also delivered via social media.

Shareholders are encouraged to access corporate materials online, as a way of reducing the cost and resources involved with printed materials and to ensure the prompt delivery of information. Colleagues who are Shareholders are also encouraged to use these facilities to stay up to date on developments, as well as receiving major news through internal communication channels.

2018 Shareholder engagement

During a typical year, formal Shareholder engagement takes place to coincide with Informa's financial reporting calendar. This includes in-person presentations at full and half-year results and at the time of the AGM, and statements and conference calls at the time of quarterly trading updates.

Informa also attends major investor conferences as an efficient way to meet with current Shareholders and non-holders. In any given year, there will also be ad hoc individual meetings with investors, as well as pre-planned roadshows to meet current and potential Shareholders and analysts, in London and in cities throughout the world.

The Investor Relations and Communications team is available for individual information requests on an ongoing basis and, where it is of interest, provides investors with the opportunity to visit Informa events and access our data and content products for research purposes.

During 2018, the Executive Management Team participated in an extensive investor engagement programme to discuss and answer questions on Informa's offer for UBM. In total, in 2018 it undertook over 450 meetings with institutions. For the purposes of the offer for UBM, it also created a dedicated and legally compliant hub on Informa's website for information about the offer, including formal documentation, Company information, video interviews and media commentary.

Informa's Directors also met with a range of Shareholders to discuss views and feedback on our updated Remuneration Policy ahead of the AGM in May. Further information on this consultation can be found on page 114 of the Directors' Remuneration Report.

Key 2018 engagement forums

January →

30 January
Presentation on Informa's offer for UBM

February →

28 February
2017 full-year results presentation

May →

23–24 May
Investor meetings at Berenberg US Conference

25 May
Annual General Meeting and trading update

July →

25 July
2018 half-year results presentation

September →

4 September
Investor meetings at Barcap Media & Telco Conference

7 September
Investor meetings at Deutsche Media Conference

November →

9 November
10-month trading update statement and conference call

14–15 November
Investor meetings at Morgan Stanley TMT Conference

Relations with debt holders

Informa also runs an active programme of engagement with debt holders.

In July 2018, the Group entered the public bond market for the first time, issuing €650m five-year notes and £300m eight-year notes. In addition, at the end of December 2018, the Group had £1,396.4m of private placement loan notes held by over 30 institutions and a further $350m of US public bonds originally issued by UBM plc.

The Group regularly holds conference calls and face-to-face meetings with debt investors to keep them updated with developments and the latest financial results. These are co-ordinated through the Treasury and Investor Relations and Communications teams.

Planned engagement in 2019

A programme is underway to refresh and update all the Group's materials and digital platforms, reflecting Informa's new operating structure and brands and the position of the combined Group after the *AIP*. Informa's Investor Relations and Communications team is expanding in 2019 to meet increased demand for information and interaction with the Group.

Informa's 2019 Investor Day is scheduled for 10 May in London. Investors will have the opportunity to hear from the Executive Management Team as well as divisional Senior Management. The event and all materials presented will be made available online shortly afterwards.

E.2. Constructive use of general meetings

We value the AGM as a major forum for engaging with investors, and retail investors in particular. All Directors attend, and an update is given on the Company's performance. Shareholders are encouraged to ask questions to individual Directors and the Chairmen of the Board Committees are available for specific questions relating to Audit, Nomination and Remuneration matters.

The Directors are also available to meet with Shareholders on an individual basis after the AGM.

AGM 2018

The last AGM was held in London on 25 May 2018 with all Directors in attendance. A poll was taken on each resolution and all were passed by the required majority.

The Board noted the voting outcome on the resolutions in relation to Informa's updated Directors' Remuneration Policy and the amendments to the Long-Term Incentive Plan, which received 64.2% and 69.5% support from Shareholders respectively. Informa maintains a regular dialogue with its Shareholders to establish an open forum for discussion on key market and Company-specific issues, and the Board had consulted extensively before the proposals were put to the AGM. It was clear at the time that there were many differing views, which were reflected in the minority vote against these resolutions.

In line with the majority of our Shareholders, the Board firmly believe the updated Directors' Remuneration Policy is in the best interests of the Company. However, given our clear commitment to governance best practice and proactive stakeholder engagement, the Board has since written to all its major Shareholders inviting further discussion, and a series of face-to-face meetings took place in early 2019. Further details are given on page 114 of the Directors' Remuneration Report.

AGM 2019

The 2019 AGM will be held on Friday 24 May 2019 at 240 Blackfriars Road, London SE1 8BF at 11.00 am. The formal Notice of Meeting is being dispatched as a separate document to all Shareholders and is also available on Informa's website. It sets out the resolutions to be proposed at the AGM and an explanation of each resolution.

All members are invited to attend the AGM and, as required by the 2016 Code, at least 20 working days' notice is given to allow Shareholders time to consider the resolutions being proposed. Shareholders are encouraged to attend in person or may appoint a proxy if they are unable to do so. Details on proxy appointments and the voting process can be found in the Notice of Meeting.

Directors' Report and other statutory information

The Directors present their Report on the affairs of the Group together with the audited financial statements and report of the auditor for the year ended 31 December 2018.

This Directors' Report forms part of the Strategic Report of the Company as required by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. The Strategic Report also forms the Management Report for the purposes of Disclosure and Transparency Rule 4.1.8R and includes the reporting requirements of the EU Non-Financial Reporting Directive. Information that is relevant to the report, and information required in accordance with the Companies Act 2006 and Listing Rule 9.8.4R, is incorporated by reference and can be found in the following sections:

Information	Section in Annual Report	Page
Future developments of the Company	Strategic Report	4–75
Risk factors and principal risks	Strategic Report	62–72
Use of financial instruments, financial risk management objectives and policies	Strategic Report	Note 32 195–203
Sustainability	Strategic Report	17, 36, 60
Greenhouse gas emissions	Strategic Report	60
Viability and going concern statements	Strategic Report	73–75
Governance arrangements	Governance	90–133
Directors	Governance	94–95
Employment policies and employee involvement	Strategic Report	30–32
Post balance sheet events	Financial statements	221
Dividends	Strategic Report	84

Articles of Association

The Company's Articles of Association (Articles) may only be amended by special resolution at a general meeting of Shareholders. The Articles are available on the Company's website: http://www.informa.com.

Directors

The names and biographical details of all the Directors and details of their Board Committee membership are set out on pages 94 and 95.

In accordance with the Articles and the 2016 Code, all continuing Directors will offer themselves for election or re-election by Shareholders at the 2019 AGM.

Directors' interests

Details of the remuneration paid to the Directors, their interests in the shares of the Company and any awards granted to the Executive Directors under any of the Company's all-employee or executive share schemes are set out in the Directors' Remuneration Report on pages 113 to 125. The service contracts of the Executive Directors and the letters of appointment of the Non-Executive Directors are summarised in the Directors' Remuneration Report and are available for inspection at the Company's registered office.

No Director had a material interest in any contract in relation to the Company's business at any time during the year.

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 ordinary resolution of the Company or by the other members of the Board. The Company can remove a Director from office, including by the passing an ordinary resolution, or by notice being given by all of the other members of the Board.

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. 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 English law.

Directors' indemnities

The Company has agreed to indemnify the Directors, to the extent permitted by English law and the Articles, in respect of any liability arising from or in connection with the execution of their powers, duties and responsibilities as a Director of the Company, any of its subsidiaries or as a Trustee of an occupational pension scheme for colleagues. The indemnity would not provide coverage where the Director is proved to have acted fraudulently or dishonestly. The Company purchases 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.

Substantial shareholdings

As at 31 December 2018, the Company had received notice in accordance with the Financial Conduct Authority's (FCA) Disclosure and Transparency Rules (DTR 5) of the following notifiable interests in the Company's issued share capital. The information provided below was correct at the date of notification to the Company:

Shareholder	% Shareholding
BlackRock, Inc.	5.49%
Newton Investment Management Limited	5.30%
Lazard Asset Management LLC	4.30%
Artemis Investment Manager LLP	3.59%
Invesco Ltd	3.56%
APG Asset Management N.V.	3.49%

No additional notifications have been received by the Company between 31 December 2018 and the date of this report.

All notifications made to the Company under DTR 5 are published on the Regulatory Information Service and made available on the Investors section of our website.

Share capital

Informa PLC is a public company limited by shares and incorporated in England and Wales. It has a premium listing on the London Stock Exchange and is the holding company of the Informa Group of companies.

The Company has one class of shares, being Ordinary Shares of 0.1p each, all of which are fully paid. As at 31 December 2018, the Company's issued share capital comprised 1,251,798,534 Ordinary Shares of 0.1p each.

During the year, 427,536,794 new Ordinary Shares were issued pursuant to the recommended offer by the Company for UBM plc which was completed on 15 June 2018. A further 256,689 shares were issued during the year to satisfy awards under UBM plc's Save As You Earn share scheme.

At the 2018 AGM, the Directors were granted authority by the Shareholders to make market purchases of Ordinary Shares representing up to 10% of its issued share capital at that time, being 82,400,505 Ordinary Shares. This authority, which has not been exercised during the year ended 31 December 2018 or to the date of this report, will expire at the conclusion of the 2019 AGM, when the Directors intend to propose that the authority is renewed.

See Note 35 for further information on the Company's share capital.

Rights and obligations attaching to shares

The rights attaching to the Company's Ordinary Shares are set out in the Articles, available on the Company's website. Subject to relevant legislation, 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 ordinary 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.

The Company may pass an ordinary resolution to declare a dividend to be paid to holders of Ordinary Shares subject to the recommendation of the Board as to the amount. 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, subject to certain thresholds being met, may requisition the Board to convene a general meeting 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 general meetings 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 themselves 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 they are the holder. Electronic and paper proxy appointments and voting instructions must be received no later than 48 hours before a general meeting. A holder of Ordinary Shares can lose the entitlement to vote at general meetings 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 set out above and as permitted under applicable laws, 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 put in place from time to time, for example insider-trading laws;
- in accordance with the Listing Rules of the FCA, 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; or
- 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

From time to time, shares are 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 in Note 36.

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 except for the Group's principal borrowings described in Note 29. The Company does not have agreements with any Director or employee that would provide compensation for loss of office or employment resulting from a change of control on takeover, except that provisions in the Company's share schemes and plans may cause options and awards granted to employees under such schemes and plans to vest on a change of control on takeover.

Political donations

Neither the Company nor the Group made any political donations during the financial year (2017: nil).

Overseas branches

The Company operates branches in the following countries: Australia, China, Hong Kong, Ireland, Japan, Luxembourg, Malaysia, the Netherlands, Singapore, South Africa, South Korea, Switzerland, Taiwan, the UAE, the US and Vietnam.

Audit and auditor

Each of the Directors at the date of approval of this report confirms that:

- to the best of their knowledge there is no relevant audit information that has not been brought to the attention of the auditor; and
- they have taken all steps required of them to make themselves aware of any relevant audit information and to establish that the Company's auditor was aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Deloitte LLP has indicated its willingness to continue in office as auditor and, on the recommendation of the Audit Committee, a resolution to reappoint Deloitte as the Company's auditor will be proposed at the 2019 AGM.

Colleague engagement

Informa has a continuous and proactive programme of internal communications and colleague engagement activities, designed to support and inform colleagues and foster a dynamic and engaged culture throughout the Group.

Further details are given on pages 30 to 36. Colleagues are kept informed about major Group and divisional developments by various digital, physical and in-person channels, including written and video blogs from the Group Chief Executive, divisional newsletters, email campaigns, stories and discussions on the Group's Portal digital workspace and both in person and through online town halls and meetings. Colleagues are also able to chat, share ideas and ask questions using the Portal's social capabilities and are encouraged to create local groups and forums based around activities and topics of interest.

Colleagues receive regular updates on the Company's performance and the Group Chief Executive holds an online town hall to coincide with half-year and full-year results, as well as at other times, where colleagues can ask questions directly.

The Group actively seeks feedback from colleagues on their experience of working in the Company and takes that feedback into account when prioritising investment in talent and workplaces among other matters. Informa was, once again, named as a UK Top Employer for 2018 by the Top Employers Institute.

Equal opportunities

Informa sets great store by diversity and aims to attract and retain talented colleagues with a wide range of backgrounds, skills and experiences. This breadth is both an essential business need and, the Group believes, the only and right way to operate.

We recognise the value that differences bring, including but not limited to difference of gender, age, race, nationality, social background, professional and personal experiences and preferences. We comply fully with all national equal opportunities legislation and make recruitment and promotion decisions based solely on the ability to perform each role. Colleagues, and potential colleagues, receive the same treatment regardless of age, gender, sexual orientation, disability, ethnicity or religion. In the event that a colleague's circumstances change, every effort is made to ensure that their employment with the Group continues including, where possible, providing specialised training and adjusting their working environment.

The Directors' Report was approved by the Board on 6 March 2019 and signed on its behalf by

Gareth Wright

Group Finance Director

Informa PLC
Company Number: 08860726

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements 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 are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the International Accounting Standards (IAS) Regulation and have elected to prepare the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under Company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing the Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group financial statements, IAS 1 requires that Directors:

- 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group 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 4.1.12R, the Directors, whose names and roles appear on pages 94 and 95 confirm that to the best of their knowledge:

- the Consolidated Financial Statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group and the Parent Company; and
- the Management Report (which includes the Strategic Report and the Directors' Report) includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

In addition, each of the Directors as at the date of this report considers the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position, performance, business model and strategy.

Approved by the Board and signed on its behalf by

Gareth Wright
Group Finance Director
6 March 2019

Independent Auditor's report to the members of Informa PLC

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Informa PLC and its subsidiaries (the "Group") give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2018 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

We have audited the financial statements which comprise:

- the Consolidated Income Statement;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated and Parent Company Balance Sheets;
- the Consolidated Cash Flow Statement;
- the Consolidated and Parent Company Statements of Changes in Equity;
- the related notes 1 to 42 to the Consolidated Financial Statements; and
- the related notes 1 to 12 to the Parent Company Financial Statements.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and IFRSs as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the FRC's) Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that the non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • the valuation of intangible assets acquired through the business combination with UBM; • the recoverability of the carrying value of goodwill and intangible assets; and • the timing of revenue recognition. In 2017, we identified the phased implementation of the Group's SAP system as a key audit matter. This is no longer a key audit matter in 2018, as the implementation is substantially complete and deficiencies identified in 2017 have been remediated. In 2017, we identified a key audit matter in relation to the identification and valuation of intangible assets and associated goodwill in business combinations; we continue to consider this a key audit matter, which in 2018, is specifically in relation to the acquisition of UBM.
Materiality	The audit materiality that we agreed with the Audit Committee for the current year was £27.0 million. This represents 5% of statutory pre-tax profit adjusted for impairment charges and amortisation of intangible assets acquired in business combinations. The increase in materiality over the prior year materiality figure (£22.0 million) reflects the inclusion of the post-combination results of UBM, acquired on 15 June 2018.
Scoping	Following the UBM combination, we have reassessed the audit scope for the enlarged Group, in order to reflect the business operations, finance function structure, and geographic scope of UBM. Similar to Informa, UBM's finance function is primarily structured through shared service centres in each region. We performed full scope audits or specified audit procedures at the principal business units within the enlarged Group's shared service centres in the UK, USA, China, Hong Kong and Singapore. These in-scope locations represent the principal business units within the Group's operating divisions and account for 73% (2017: 72%) of the Group's revenue and 78% (2017: 74%) of the Group's adjusted operating profit.
Significant changes in our approach	Our planned audit approach was discussed with the Audit Committee in May 2018, prior to the UBM combination. Following the combination in June 2018 and our appointment as auditor to the enlarged Group, our audit plan was revised. The most significant changes to our audit plan were in relation to: • an increase in audit materiality to reflect UBM's post-acquisition contribution to the Group's results; • the inclusion of a number of new components in our audit scope to incorporate UBM's primary regional finance functions; • the identification of a key audit matter in relation to valuation of intangible assets acquired through the UBM business combination; • the identification of a controls approach for the legacy-UBM business, which included a controls-reliant audit approach for the purchase-to-pay cycle; and • the extension of our analytics approach to legacy-UBM components. Our revised audit plan was discussed with the Audit Committee in November 2018; there have been no significant changes in our approach since then.

Conclusions relating to going concern, principal risks and viability statement

Going concern

We have reviewed the directors' statement in Note 2 to the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the Group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.

We considered as part of our risk assessment the nature of the Group, its business model and related risks including where relevant the impact of Brexit, the requirements of the applicable financial reporting framework and the system of internal control. We evaluated the directors' assessment of the Group's ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment, and evaluated the directors' plans for future actions in relation to their going concern assessment.

We are required to state whether we have anything material to add or draw attention to in relation to that statement required by Listing Rule 9.8.6R(3) and report if the statement is materially inconsistent with our knowledge obtained in the audit.

We confirm that we have nothing material to report, add or draw attention to in respect of these matters.

Principal risks and viability statement

Based solely on reading the directors' statements and considering whether they were consistent with the knowledge we obtained in the course of the audit, including the knowledge obtained in the evaluation of the directors' assessment of the Group's and the company's ability to continue as a going concern, we are required to state whether we have anything material to add or draw attention to in relation to:

- the disclosures on pages 64 to 72 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation on page 63 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity; or
- the directors' explanation on pages 73 to 75 as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to report whether the directors' statement relating to the prospects of the Group required by Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.

We confirm that we have nothing material to report, add or draw attention to in respect of these matters.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The valuation of intangible assets acquired through the business combination with UBM

Key audit matter description

On 15 June 2018, Informa acquired 100% of the issued share capital of UBM plc for £4.2 billion.

The key audit matter identified relates to the valuation of the acquired intangible assets and, in particular, to the appropriateness of the assumptions used in the valuation methodology. This includes the revenue and contribution forecasts used in the model, and the acquisition model assumptions such as customer retention rates, royalty rates, discount rates and expected lives over which projections are forecast. Management have engaged independent valuation specialists to assist with the valuation of acquired intangible assets, which primarily relate to trade names and customer relationships. Provisionally, £2,315.7 million of intangible assets have been recognised in relation to the UBM combination.

Management discusses the policies and procedures around business combinations in Note 2, and discloses business combinations in Note 18 to the Consolidated Financial Statements. In Note 3, the valuation of intangible assets acquired in business combinations is identified by management as a critical accounting judgement.

This judgement area is also referred to within the Audit Committee report on page 107.

How the scope of our audit responded to the key audit matter

We assessed the design and implementation of controls around the valuation of intangible assets in the UBM combination, including management's review controls around the work of the valuation specialists.

Our procedures to respond to this key audit matter included the following:

- We engaged Deloitte internal valuation specialists to assist in testing the key assumptions used within the valuation process. Our specialists reviewed the valuation approaches applied for reasonableness, and benchmarked the input assumptions, including discount rates and customer retention rates, to external data.
- Our valuation specialists also considered the appropriateness of the valuation model methodology against applicable standards and accepted valuation practices.
- We tested the underlying revenue and contribution forecasts used in the valuation model by challenging the growth assumptions within the 3-year-plan on a Group-wide basis as well as for a sample of individual events, based on historical performance, and our understanding of developments within the business and the wider industry.

Key observations

We reported to the Audit Committee that out audit procedures were performed satisfactorily and we did not identify any material exceptions as a result of our audit procedures.

We note that management has elected to show the fair value amounts within Note 18 as provisional as permitted by IFRS 3 for finalisation within 12 months of the acquisition date.

The recoverability of the carrying value of goodwill and intangible assets

Key audit matter description

The Group has expanded significantly through acquisition. As at 31 December 2018, total goodwill and intangible assets were stated at £6,257.3 million and £3,910.3 million respectively (2017: £2,608.2 million and £1,701.4 million respectively). The UBM combination resulted in an additional £3,470.0 million goodwill and £2,315.7 million intangible assets being recognised.

Where goodwill exists, accounting standards require that management perform an annual impairment test, computing the “recoverable amount” based on the higher of “value in use” and “fair value less costs to sell”. The recoverable amount is then compared to the balance sheet carrying value of each cash generating unit or group of cash generating units (CGU). This same impairment test is required for intangible assets where indicators of potential impairment have been identified. This year management have performed their impairment assessment in respect of goodwill on a divisional basis by aggregating the CGUs at the divisional level, reflecting the level at which they monitor goodwill.

To perform its impairment review, management prepares forecasts for three years, using the budget for year one and the strategic plan for years two and three, and then applies a terminal value beyond year three using growth factors and discount rates applicable for each CGU. The selection of the growth rates and the discount rate assumptions requires judgement and is fundamental to this audit risk. Management engages independent expert valuation advisers to assist in deriving appropriate long-term growth rates and discount rates.

We considered the recoverability of the carrying value of goodwill and intangible assets as a key audit matter for two reasons:

- the significant amount of audit resources and effort applied in respect of testing the impairment review of goodwill and intangible assets. This reflects the significance of the carrying value of goodwill and intangible assets on the Group balance sheet; and
- we identified a significant risk of material misstatement in respect of two specific CGUs. The carrying value of these CGUs at the date of the impairment review was £44.8 million and £56.8 million respectively. The assessment that led to the identification of these CGUs as being at significant risk of material misstatement focussed on performance against budget in 2018 and the prior year and where the level of headroom relative to the carrying value is small.

Management discusses the policies and processes followed in respect of the impairment review in Notes 2 and 16 to the Consolidated Financial Statements, and impairment of assets is identified as a key source of estimation uncertainty in Note 3. This key source of estimation uncertainty is also referred to within the Audit Committee report on page 107.

How the scope of our audit responded to the key audit matter

We audited management's impairment review for goodwill and other intangible assets using a range of audit procedures. The audit procedures that we performed with respect to all CGUs included the following:

Assessing management's methodology:

- obtaining an understanding of the basis of preparation of the forecasts and impairment review, and assessing the design and implementation of key controls within the impairment review process;
- assessing recent forecasting accuracy against actual performance;
- assessing the impairment review of goodwill at both an individual CGU, and an aggregation of CGUs, basis for this year, reflecting 2018 being a transition year in terms of the approach taken by management to the goodwill impairment review;
- involving our internal valuation specialists to assess the appropriateness of the key assumptions including the discount rates and long-term growth rates prepared by management's expert valuation adviser; and
- considering the reasonableness of sensitivities applied by management and reperforming this sensitivity analysis.

Assessing the cash flow forecasts:

- determining whether the 2019 forecast performance for each CGU was consistent with the budgets adopted by management and approved by the Board of Directors;
- assessing the appropriateness of short-term forecasts for each CGU against historical performance to assess the reasonableness of the budgets; and
- determining whether the growth rates selected by management were reasonable, in line with the requirements of accounting standards and reflected industry trends. We involved our internal valuations specialists in these procedures.

The incremental audit procedures that we performed in respect of the two CGUs that we identified as being at a significant risk of material misstatement were:

- assessing the design and implementation of key controls within the budget preparation and review process in relation to these specific CGUs;
- further challenging the cash flow forecasts used within the impairment model based on our understanding of the business and developments within the year, discussions with finance and divisional management, and external industry information;
- further considering historical forecasting accuracy by comparing actual performance to budgets over a 5-year lookback period;
- performing breakeven analysis to identify the period over which the CGU's carrying value would be recovered by forecast cash flows; and
- performing further sensitivity analyses on the impairment model for the two CGUs identified, based on historical performance against budget.

Key observations

We reported to the Audit Committee that the audit response procedures were performed satisfactorily and that the assumptions management had applied in their impairment review were reasonable.

The timing of revenue recognition

Key audit matter description

The specific nature of the risk of material misstatement in revenue recognition varies across the Group's revenue streams and operating divisions. We identified a risk in relation to the cut-off of revenue and whether the release of deferred revenue is allocated appropriately; this was identified as an area of potentially fraudulent management manipulation, as required by auditing standards.

In respect of the events revenue stream, within the **Global Exhibitions**, **Knowledge & Networking** and UBM divisions, customers are generally billed in advance and a key risk in revenue recognition is that revenue from events and conferences might be recognised in the wrong period, particularly if events are held close to year-end.

In respect of subscriptions revenue within the **Academic Publishing**, **Business Intelligence** and UBM divisions, we identified a risk that the deferral and release of subscription revenues does not appropriately match the subscription period in customer contracts.

In **Academic Publishing**, for the unit sales revenue stream, we identified a key risk relating to sales cut-off, being that revenue for books or e-books is not recognised in line with the agreed delivery terms, and that expected post year end returns are not appropriately provided for.

The Group's revenue recognition accounting policies are disclosed in Note 2 to the Consolidated Financial Statements with an analysis by revenue stream and by segment in Notes 5 and 6 respectively.

How the scope of our audit responded to the key audit matter

We confirmed our understanding of each of the divisions' business models and our understanding of the principles set out in customer contracts and the sales process. We then confirmed our understanding of the design and implementation of controls by performing sample transaction walkthroughs of the revenue recording process, from order processing to invoice production through to cash collection. These procedures enabled us to design and perform substantive audit procedures to respond to each of the specific risks of material misstatement we identified.

The procedures we performed across the entities within our audit scope included the following:

- In relation to events revenue:
  - we performed detailed testing of a sample of transactions, obtaining invoices, payments, exhibitor contracts and evidence of event occurrence to determine whether revenue was recognised at the appropriate time; and
  - we used data analytics techniques to identify the revenue and cost profile of all events in the year, comparing this to the calendar of events and testing occurrence by reference to third party sources.
- In relation to subscriptions revenue:
  - we performed detailed testing of a sample of subscription transactions, obtaining and reviewing the relevant order confirmations and contracts to validate whether revenue was appropriately recorded across the term; and
  - we used data analytics techniques to recalculate the deferred revenue in relation to subscription revenue for contracts spanning the year end.
- In relation to unit sales revenue:
  - we performed detailed testing of a sample of transactions close to year end, examining supporting documentation to determine whether revenue recognition criteria has been met and whether the revenue has been appropriately recognised in the period or deferred at the period end.

Key observations

We reported to the Audit Committee that our audit procedures were performed satisfactorily.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£27.0 million (2017: £22.0 million)	£10.8 million (2017: £11.0 million)
Basis for determining materiality	Our materiality is based on a percentage of statutory pre-tax profit adjusted for impairment charges and amortisation of intangible assets acquired in business combinations. £27.0 million represents 5% of this measure (2017: 5%). £27.0 million represents 9.2% of statutory profit before tax (2017: 8.3%) and 4.2% of reported adjusted profit before tax (2017: 4.5%).	Materiality is capped at 40% of Group materiality (2017: 50%), which equates to 0.1% of net assets (2017: 0.3% of net assets).
Rationale for the benchmark applied	We adjust for impairment charges and amortisation of intangible assets acquired in business combinations to use a profit measure also used by analysts, and because profits adjusted for these items more closely align with current cash flows.	Net assets is typically considered an appropriate benchmark for materiality as the parent company is a holding company, but given the quantum of the net assets on the parent company balance sheet we have limited materiality to 40% of Group materiality.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £1.3 million (2017: £1.1 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. Following the UBM combination, we have reassessed the audit scope for the enlarged Group, in order to reflect the business operations, finance function structure, and geographic scope of UBM. Similar to Informa, UBM's finance function is primarily structured through shared service centres in each region.

Based on that assessment, we performed full scope or specified audit procedures at the principal business units within the legacy-Informa shared service centres in Colchester (UK), Sarasota, Florida (USA), Cleveland, Ohio (USA) and Singapore. We also performed full scope or specified audit procedures at the principal business units within the legacy-UBM business in Kent (UK), New York (USA), Shanghai (China), Hong Kong, and Singapore. The parent company is located in the UK and audited directly by the Group audit team.

The in-scope locations (those at which a full scope audit or specified audit procedures were performed as part of the Group audit) represent 73% (2017: 72%) of the Group's revenue and 79% (2017: 74%) of the Group's adjusted operating profit. The Group audit team directly audit the entirety of the Group's goodwill and acquired intangible assets. Our audit work at all the locations in the Group audit scope was executed to a materiality of up to £14.9 million, and therefore not exceeding 55% of Group materiality of £27.0 million.

	Revenue	Adjusted operating profit
Full audit scope	65%	68%
Specified audit procedures	8%	10%
Review at Group level	27%	22%
	100%	100%

At the Group level, we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement in the aggregated financial information of the remaining components not subject to audit.

IT specialists within the Group team tested the Group's two main ERP systems, SAP ECC (legacy-Informa) and Oracle (legacy-UBM), centrally. We tested the design, implementation and operating effectiveness of key controls within the legacy-UBM purchase-to-pay cycle and relied on these controls in the execution of our audit procedures.

The Group audit team continued to follow a programme of planned visits that has been designed so that the Senior Statutory Auditor or a designate visits each of the locations in the Group audit scope at least once every two years and the most significant of them at least once a year. In the course of the 2018 audit, visits were undertaken to all of the audit locations identified above with the exception of Cleveland, Ohio (USA), which was visited in 2017 and 2016. For each component, we included the component audit team in our team briefings, to discuss the Group risk assessment and audit instructions, to confirm their understanding of the business, and to discuss their local risk assessment. Throughout the audit, we maintained regular contact in order to support and direct their audit approach. We also attended (either in person or dial in) local audit close meetings with local management, performed on-site or remote reviews of their working papers, and reviewed their reporting to us of the findings from their work.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

We have nothing to report in respect of these matters.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

In this context, matters that we are specifically required to report to you as uncorrected material misstatements of the other information include where we conclude that:

- fair, balanced and understandable – the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- Audit Committee reporting – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- directors' statement of compliance with the UK Corporate Governance Code – the parts of the directors' statement required under the Listing Rules relating to the company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of management, internal audit, and the Audit Committee, including obtaining and reviewing supporting documentation, concerning the Group's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team including significant component audit teams and involving relevant internal specialists, including tax, valuations, pensions, IT, and analytics specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud; and
- obtaining an understanding of the legal and regulatory framework that the Group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Group. The key laws and regulations we identified that have a direct effect on the determination of the financial statements are the UK Companies Act, Listing Rules, pensions legislation and tax legislation. Other key laws and regulations which could have a material effect on the financial statements include GDPR, anti-bribery legislation and anti-money laundering regulations.

Audit response to risks identified

As a result of performing the above procedures, we identified the timing of revenue recognition as a key audit matter. The key audit matters section of our report explains this matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed described as having a direct effect on the financial statements above;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal audit reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Other matters

Auditor tenure

Following the recommendation of the Audit Committee, we were reappointed by the members at the AGM on 24 May 2018 to audit the financial statements for the year ending 31 December 2018. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 15 years, covering the years ending 2004 to 2018. The most recent external audit tender was finalised in June 2016.

Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Anna Marks FCA

Senior statutory auditor

For and on behalf of Deloitte LLP
Statutory Auditor
London

6 March 2019

Financial Statements
Consolidated Income Statement for the year ended 31 December 2018

	Notes	Adjusted results 2018 £m	Adjusting items 2018 £m	Statutory results 2018 £m	Adjusted results 2017 (restated)[1] £m	Adjusting items 2017 (restated)[1] £m	Statutory results 2017 (restated)[1] £m
Continuing operations							
Revenue	5	**2,369.5**	**–**	**2,369.5**	1,756.8	–	1,756.8
Net operating expenses	7	**(1,638.4)**	**(368.9)**	**(2,007.3)**	(1,211.9)	(200.2)	(1,412.1)
Operating profit/(loss) before joint ventures and associates		**731.1**	**(368.9)**	**362.2**	544.9	(200.2)	344.7
Share of results of joint ventures and associates	20	**1.0**	**–**	**1.0**	–	–	–
Operating profit/(loss)		**732.1**	**(368.9)**	**363.2**	544.9	(200.2)	344.7
Profit/(loss) on disposal of subsidiaries and operations	21	**–**	**1.1**	**1.1**	–	(17.4)	(17.4)
Investment income	11	**7.0**	**1.2**	**8.2**	0.2	–	0.2
Finance costs	12	**(89.4)**	**(1.0)**	**(90.4)**	(59.3)	–	(59.3)
Profit/(loss) before tax		**649.7**	**(367.6)**	**282.1**	485.8	(217.6)	268.2
Tax (charge)/credit	13	**(116.2)**	**55.7**	**(60.5)**	(103.0)	148.0	45.0
Profit/(loss) for the year		**533.5**	**(311.9)**	**221.6**	382.8	(69.6)	313.2
Attributable to:							
– Equity holders of the Company	15	**519.8**	**(311.9)**	**207.9**	380.4	(69.6)	310.8
– Non-controlling interests	37	**13.7**	**–**	**13.7**	2.4	–	2.4
Earnings per share							
– Basic (p)	15	**49.4**		**19.7**	46.2		37.7
– Diluted (p)	15	**49.2**		**19.7**	46.0		37.6

1. 2017 restated for implementation of IFRS 15 (see Note 4).

Consolidated Statement of Comprehensive Income for the year ended 31 December 2018

	Notes	2018 £m	2017 (restated)[1] £m
Profit for the year		**221.6**	313.2
Items that will not be reclassified subsequently to profit or loss:			
Actuarial (loss)/gain on defined benefit pension schemes	34	**(14.3)**	14.2
Tax credit/(charge) relating to items that will not be reclassified to profit or loss	22	**1.3**	(4.2)
Total items that will not be reclassified subsequently to profit or loss		**(13.0)**	10.0
Items that may be reclassified subsequently to profit or loss:			
Recycling of exchange gains arising on disposal of foreign operations		**–**	(3.7)
Exchange gain/(loss) on translation of foreign operations		**224.6**	(183.5)
Exchange (loss)/gain on net investment hedge debt		**(91.3)**	56.7
Loss on derivative hedges		**(22.4)**	–
Total items that may be reclassified subsequently to profit or loss		**110.9**	(130.5)
Other comprehensive income/(expense) for the year		**97.9**	(120.5)
Total comprehensive income for the year		**319.5**	192.7
Total comprehensive income attributable to:			
– Equity holders of the Company		**303.3**	190.3
– Non-controlling interests		**16.2**	2.4

1. 2017 restated for implementation of IFRS 15 (see Note 4).

Consolidated Statement of Changes in Equity for the year ended 31 December 2018

	Share capital £m	Share premium account £m	Translation reserve £m	Other reserves £m	Retained earnings (restated)[1] £m	Total (restated)[1] £m	Non-controlling interests £m	Total equity (restated)[1] £m
At 1 January 2017	0.8	905.3	74.0	(1,570.8)	2,777.3	2,186.6	1.2	2,187.8
IFRS 15 restatement	–	–	–	–	(1.2)	(1.2)	–	(1.2)
At 1 January 2017 – as restated	0.8	905.3	74.0	(1,570.8)	2,776.1	2,185.4	1.2	2,186.6
Profit for the year (restated)[1]	–	–	–	–	310.8	310.8	2.4	313.2
Recycling of exchange gains arising on disposal of foreign operations	–	–	(3.7)	–	–	(3.7)	–	(3.7)
Exchange loss on translation of foreign operations	–	–	(183.5)	–	–	(183.5)	–	(183.5)
Exchange gain on net investment hedge debt	–	–	56.7	–	–	56.7	–	56.7
Actuarial gain on defined benefit pension schemes	–	–	–	–	14.2	14.2	–	14.2
Tax relating to components of other comprehensive income	–	–	–	–	(4.2)	(4.2)	–	(4.2)
Total comprehensive income for the year	–	–	(130.5)	–	320.8	190.3	2.4	192.7
Dividends to Shareholders	–	–	–	–	(162.2)	(162.2)	–	(162.2)
Dividends to non-controlling interests	–	–	–	–	–	–	(2.0)	(2.0)
Share award expense	–	–	–	5.4	–	5.4	–	5.4
Own shares purchased	–	–	–	(0.9)	–	(0.9)	–	(0.9)
Transfer of vested LTIPs	–	–	–	(2.1)	2.1	–	–	–
Non-controlling interest (NCI) arising from purchase of subsidiary	–	–	–	–	–	–	(1.1)	(1.1)
Acquisition of NCI	–	–	–	0.1	–	0.1	–	0.1
NCI adjustment arising from disposal	–	–	–	(0.4)	–	(0.4)	10.8	10.4
At 31 December 2017 (restated)[1]	0.8	905.3	(56.5)	(1,568.7)	2,936.8	2,217.7	11.3	2,229.0
Profit for the year	**–**	**–**	**–**	**–**	**207.9**	**207.9**	**13.7**	**221.6**
Exchange gain on translation of foreign operations	**–**	**–**	**222.1**	**–**	**–**	**222.1**	**2.5**	**224.6**
Exchange loss on net investment hedge debt	**–**	**–**	**(91.3)**	**–**	**–**	**(91.3)**	**–**	**(91.3)**
Loss arising on derivative hedges	**–**	**–**	**(22.4)**	**–**	**–**	**(22.4)**	**–**	**(22.4)**
Actuarial loss on defined benefit pension schemes	**–**	**–**	**–**	**–**	**(14.3)**	**(14.3)**	**–**	**(14.3)**
Tax relating to components of other comprehensive income	**–**	**–**	**–**	**–**	**1.3**	**1.3**	**–**	**1.3**
Total comprehensive income for the year	**–**	**–**	**108.4**	**–**	**194.9**	**303.3**	**16.2**	**319.5**
Dividends to Shareholders	**–**	**–**	**–**	**–**	**(201.8)**	**(201.8)**	**–**	**(201.8)**
Dividends to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**(8.6)**	**(8.6)**
Share award expense	**–**	**–**	**–**	**8.1**	**–**	**8.1**	**–**	**8.1**
Issue of share capital	**0.5**	**–**	**–**	**3,546.8**	**–**	**3,547.3**	**–**	**3,547.3**
Own shares purchased	**–**	**–**	**–**	**(3.5)**	**–**	**(3.5)**	**–**	**(3.5)**
Transfer of vested LTIPs	**–**	**–**	**–**	**(3.9)**	**3.9**	**–**	**–**	**–**
NCI arising from purchase of subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**176.8**	**176.8**
Adjustment to NCI arising from exercise of put option	**–**	**–**	**–**	**(4.3)**	**–**	**(4.3)**	**(2.3)**	**(6.6)**
At 31 December 2018	**1.3**	**905.3**	**51.9**	**1,974.5**	**2,933.8**	**5,866.8**	**193.4**	**6,060.2**

1. 2017 restated for implementation of IFRS 15 (see Note 4).

Consolidated Balance Sheet
as at 31 December 2018

	Notes	2018 £m	2017 (restated)[1] £m
Non-current assets			
Goodwill	16	**6,237.3**	2,608.2
Other intangible assets	17	**3,882.0**	1,701.4
Property and equipment	19	**70.4**	31.8
Investments in joint ventures and associate	20	**19.1**	1.5
Other investments	20	**5.1**	4.6
Deferred tax assets	22	**22.0**	9.0
Retirement benefit surplus	34	**4.5**	–
Other receivables	23	**6.3**	0.1
Derivative financial instruments	24	**1.5**	–
		10,248.2	4,356.6
Current assets			
Inventory	25	**50.9**	54.1
Trade and other receivables	23	**402.7**	326.1
Current tax asset		**15.9**	25.4
Cash and cash equivalents	28	**168.8**	54.9
Assets classified as held for sale	26	**79.5**	–
		717.8	460.5
Total assets		**10,966.0**	4,817.1
Current liabilities			
Borrowings	29	**(200.8)**	(303.0)
Current tax liabilities		**(96.2)**	(30.5)
Provisions	30	**(63.4)**	(25.1)
Trade and other payables	31	**(443.0)**	(296.6)
Deferred income		**(701.2)**	(462.5)
Derivative financial instruments	24	**(10.1)**	–
Liabilities directly associated with assets classified as held for sale	26	**(16.1)**	–
		(1,530.8)	(1,117.7)
Non-current liabilities			
Borrowings	29	**(2,626.2)**	(1,125.0)
Derivative financial instruments	24	**(27.0)**	–
Deferred tax liabilities	22	**(620.3)**	(251.0)
Retirement benefit obligation	34	**(37.5)**	(23.6)
Provisions	30	**(30.1)**	(33.0)
Non-current tax liabilities		**–**	(11.1)
Trade and other payables	31	**(33.9)**	(26.7)
		(3,375.0)	(1,470.4)
Total liabilities		**(4,905.8)**	(2,588.1)
Net assets		**6,060.2**	2,229.0
Equity			
Share capital	35	**1.3**	0.8
Share premium account	35	**905.3**	905.3
Translation reserve		**51.9**	(56.5)
Other reserves	36	**1,974.5**	(1,568.7)
Retained earnings		**2,933.8**	2,936.8
Equity attributable to equity holders of the parent		**5,866.8**	2,217.7
Non-controlling interest		**193.4**	11.3
Total equity		**6,060.2**	2,229.0

1. 2017 restated for implementation of IFRS 15 (see Note 4).

These financial statements were approved by the Board of Directors and authorised for issue on 6 March 2019 and were signed on its behalf by

Stephen A. Carter
Group Chief Executive

Gareth Wright
Group Finance Director

Strategic Report
Governance
Financial Statements

Financial Statements
Consolidated Cash Flow Statement
for the year ended 31 December 2018

	Notes	2018 £m	2017 £m
Operating activities			
Cash generated by operations	33	**635.0**	531.2
Income taxes paid		**(82.4)**	(45.3)
Interest paid		**(66.3)**	(52.0)
Net cash inflow from operating activities		**486.3**	433.9
Investing activities			
Interest received		**2.1**	0.2
Purchase of property and equipment	19	**(23.4)**	(14.7)
Proceeds on disposal of property and equipment		**0.4**	1.0
Purchase of intangible software assets		**(30.2)**	(52.2)
Product development costs additions		**(6.2)**	(13.1)
Purchase of intangibles related to titles, brands and customer relationships		**(21.0)**	(30.7)
(Costs)/proceeds on disposal of other intangible assets related to titles and brands		**(3.2)**	5.2
Acquisition of subsidiaries and operations, net of cash acquired	18	**(593.6)**	(193.2)
Acquisition of non-controlling interests	18	**(5.3)**	–
Acquisition of investment		**(0.5)**	(0.5)
Proceeds from disposal of subsidiaries and operations		**7.4**	14.4
Net cash outflow from investing activities		**(673.5)**	(283.6)
Financing activities			
Dividends paid to Shareholders	14	**(201.9)**	(162.0)
Dividends paid to non-controlling interests	14	**(8.6)**	(2.0)
Dividend paid in settlement of UBM acquisition liability	14	**(59.0)**	–
Proceeds from EMTN bond issuance	27	**872.7**	–
Repayment of loans	27	**(1,179.4)**	(1,292.1)
New loan advances	27	**644.0**	1,070.8
Repayment of private placement borrowings	27	**(101.5)**	(159.7)
New private placement borrowings	27	**313.6**	406.4
Borrowing fees paid	27	**(10.0)**	(0.7)
Cash inflow from other loan receivables		**–**	0.2
Cash inflow/(outflow) from the issue/purchase of shares		**2.0**	(0.9)
Net cash inflow/(outflow) from financing activities		**271.9**	(140.0)
Net increase in cash and cash equivalents		**84.7**	10.3
Effect of foreign exchange rate changes		**(8.0)**	(2.3)
Cash and cash equivalents at beginning of the year	28	**48.2**	40.2
Cash and cash equivalents at end of the year	28	**124.9**	48.2

Reconciliation of Movement in Net Debt
for the year ended 31 December 2018

	Notes	2018 £m	2017 £m
Increase in cash and cash equivalents in the year (including cash acquired)	27	**84.7**	10.3
Cash flows from net drawdown of borrowings and derivatives associated with debt instruments	27	**(539.4)**	(24.9)
Increase in net debt resulting from cash flows		**(454.7)**	(14.6)
Borrowings acquired with UBM plc	27	**(702.6)**	–
Other non-cash movements including foreign exchange	27	**(151.5)**	126.9
(Increase)/decrease in net debt in the year		**(1,308.8)**	112.3
Net debt at beginning of the year	33	**(1,373.1)**	(1,485.4)
Net debt at end of the year	33	**(2,681.9)**	(1,373.1)

1. General information

Informa PLC (the Company) is a company incorporated in the United Kingdom under the Companies Act 2006 and is listed on the London Stock Exchange. The Company is a public company limited by shares and is registered in England and Wales with registration number 08860726. The address of the registered office is 5 Howick Place, London, SW1P 1WG. The nature of the Group's operations and its principal activities are set out in the Strategic Report.

The Consolidated Financial Statements as at 31 December 2018 and for the year then ended comprise those of the Company and its subsidiaries and its interests in joint ventures and associates (together referred to as the Group).

These financial statements are presented in pounds sterling (GBP), the functional currency of the Parent Company, Informa PLC. Foreign operations are included in accordance with the policies set out in Note 2.

2. Significant accounting policies

Basis of accounting

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) adopted by the European Union and therefore comply with Article 4 of the EU International Accounting Standards (IAS) Regulations.

The Directors have, at the time of approving the Consolidated Financial Statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements. Further detail is contained in the Strategic Review on page 73.

The Consolidated Financial Statements have been prepared on the historical cost basis, except for derivative financial instruments and hedged items which are measured at fair value. The principal accounting policies adopted are set out below, all of which have been consistently applied to all periods presented in the Consolidated Financial Statements.

Basis of consolidation

The Consolidated Financial Statements incorporate the accounts of the Company and all its subsidiaries. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity, has the rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. 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 interests 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.

Joint ventures are joint arrangements in which the Group has the rights to the net assets through joint control with a third party. Joint operations arise where there is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control, and where the joint operators have rights to the assets and obligations for the liabilities relating to the arrangement. Associates are undertakings over which the Group exercises significant influence, usually from 20–50% of the equity voting rights, in respect of the financial and operating policies.

The Group accounts for its interests in joint ventures and associates using the equity method. Under the equity method, the investment in the joint venture or associate is initially measured at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture or associate since the acquisition date. The income statement reflects the Group's share of the results of operations of the entity. The statement of comprehensive income includes the Group's share of any other comprehensive income recognised by the joint venture or associate. Dividend income is recognised when the right to receive the payment is established. Where an associate or joint venture has net liabilities, full provision is made for the Group's share of liabilities where there is a constructive or legal obligation to provide additional funding to the associate or joint venture.

2. Significant accounting policies (continued)

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 included in net operating expenses 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.

The balance sheets of foreign subsidiaries are translated into pounds sterling at the closing rates of exchange. The income statement results are translated at an average exchange 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 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 IFRS 9 *Financial Instruments*, are also taken directly to the translation 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 acquisition closing rate.

Business combinations

The acquisition of subsidiaries and other asset purchases that are assessed as meeting the definition of a business under the rules of IFRS 3 *Business Combinations* are 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. If the accounting for business combinations involves provisional amounts, which are finalised in a subsequent reporting period during the 12-month measurement period as permitted under IFRS 3, restatement of these provisional amounts may be required in the subsequent reporting period. Acquisition and integration 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.

Put option arrangements that allow non-controlling interest Shareholders to require the Group to purchase the non-controlling interest are treated as derivatives over equity instruments and are initially recognised at fair value within derivative financial liabilities, with a corresponding charge directly to equity. Interest rate swaps, forward exchange contracts, put options over non-controlling interests and other derivatives are classified as financial assets or financial liabilities at fair value through profit or loss and are measured at each reporting date at fair value. Changes in the fair values are included in profit or loss within financing income/expense unless the instrument has been designated as a hedging instrument.

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 classified as a financial liability that is within the scope of IFRS 9 will be recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests 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. On an acquisition by acquisition basis, the Group recognises any non-controlling interest either at fair value (under the full goodwill method) or at the proportionate share of the acquiree's identifiable net assets. 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 acquisition closing rate. This is then revalued at the year end rate with any foreign exchange difference taken directly to the translation reserve.

Disposal

At the date of a disposal, or loss of control, joint control or significant influence over a subsidiary, joint venture or associate, the Group derecognises the assets (including goodwill) and liabilities of the entity, with the carrying amount of any non-controlling interest and any cumulative translation differences recorded in equity. The fair value of consideration including the fair value of any investment retained is recognised. The consequent profit or loss on disposal that is not disclosed as a discontinued operation is recognised in profit and loss within "profit or loss on disposal of subsidiaries and operations".

Equity transactions

Where there is a change of ownership of a subsidiary without a change of control, the difference between the consideration and the relevant share of the carrying amount of net assets acquired or disposed of the subsidiary is recorded in equity. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiary. Any difference between the amount at which the non-controlling interests are adjusted and the fair value of the consideration is recognised directly in equity.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 *Revenue from Contracts with Customers* provides a single, principles-based five-step model to be applied to all sales contracts. It is based on the transfer of control of goods and services to customers and replaces the separate models for goods, services and construction contracts previously included in IAS 11 *Construction Contracts* and IAS 18 *Revenue*. The major change is the requirement to identify and assess the satisfaction of delivery of each performance obligation in contracts in order to recognise revenue.

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 for online services, information and journals is normally received in advance and is therefore deferred and recognised evenly over the term of the subscription.

Revenue from exhibitions, trade shows, conferences and learning events, together with attendee fees and event sponsorship, is recognised when the event is held, with advance receipts recognised as deferred income in the Balance Sheet. Transaction prices for performance obligations are fixed within contracts and for example relate to an event attendee ticket or exhibition stand. Where material, transaction prices and discounts are appropriately allocated between performance obligations based on the market price of products.

Unit sales revenue is recognised on the sale of books and related publications when title passes, depending on the terms of the sales agreement. The performance obligations for subscription and unit sales revenue streams are distinct within customer contracts. The performance obligations are to deliver goods, deliver subscription contracts over time, or provide access to databases either on a one-off basis or over a period of time. If access is indefinite then revenue is recognised at the point access is provided. Transaction prices for performance obligations are fixed within contracts and each book or journal has a value and each subscription has a value. A provision is recognised for future returns and is debited against revenue for subscriptions and unit sales. The cost of processing returns is immaterial.

Marketing and advertising services revenues are recognised on issue of the related publication, over the period of the advertising subscription or over the period when the marketing service is provided. The performance obligations are distinct, being events held or publications issued. Transaction prices for performance obligations are fixed within contracts and recognised in line with the performance obligations.

2. Significant accounting policies (continued)

Revenue relating to barter transactions is recorded at fair value and recognised in accordance with the Group's revenue recognition policies. Expenses from barter transactions are recorded at fair value and recognised as incurred. Barter transactions typically involve the trading of advertisements and trade show space in exchange for services provided at events.

Due to the nature of the business, there is an immaterial value of transaction price allocated to unsatisfied performance obligations and there are no material contract assets or liabilities arising on work performed in order to deliver performance obligations.

Pension costs and pension scheme arrangements

Certain Group companies operate defined contribution pension schemes for colleagues. 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 incurred.

The Group also operates funded defined benefit schemes for colleagues. The cost of providing these benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at regular intervals. There is no service cost due to the fact that these schemes are closed to future accrual. Net interest is calculated by applying a discount rate to the opening net defined benefit liability or asset and shown in finance costs, and the administration costs are shown as a component of operating expenses. 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 retirement benefit obligation recognised in the Consolidated Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Share-based payments

The Group issues equity-settled share-based payments to certain colleagues. These are measured at fair value at date of grant. 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. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate.

For awards under the Long-Term Incentive Plan (LTIP), where the proportion of the award is dependent on the level of total shareholder return, the fair value is measured using a Monte Carlo model of valuation, which is considered to be the most appropriate valuation technique. The valuation takes into account factors such as non-transferability, exercise restrictions and behavioural considerations. Where the proportion of the award is dependent on earnings per share performance conditions, which are non-market-based measures, the fair value is remeasured at each reporting date to reflect updates for expected or actual performance. For awards issued under ShareMatch, the fair value is expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. For cash-settled share-based payments, a liability is recognised over the vesting period, with the fair value remeasured at each reporting date and any changes recognised in the Consolidated Income Statement.

Own shares are deducted in arriving at total equity and represent the cost of the Company's Ordinary Shares acquired by the Employee Share Trust (EST) and ShareMatch in connection with certain of the Group's colleague share schemes.

Interest income

Interest income is recognised on an accruals basis, by reference to the principal outstanding and at the effective interest rate applicable.

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.

A current tax provision is recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

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 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.

Current and deferred tax are recognised in the Consolidated Income Statement, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Group is a multinational group with tax liabilities arising in many geographic locations. This inherently leads to complexity in the Group's tax structure. Therefore, the calculation of the Group's current tax liabilities and tax expense necessarily involves a degree of estimation and judgement in respect of items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The resolution of issues is not always within the control of the Group and issues can, and often do, take many years to resolve.

Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result, there can be substantial differences between the tax charge in the income statement and tax payments. The final resolution of certain of these items may give rise to material profit and loss and/or cash flow variances. Any difference between expectations and the actual future liability will be accounted for in the period identified.

Goodwill

Goodwill arising on the acquisition of subsidiary companies and businesses is calculated as the excess of the fair value of purchase consideration over the fair value of identifiable assets and liabilities acquired 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. Fair value measurements are based on provisional estimates and may be subject to amendment within one year of the acquisition in line with IFRS 3 *Business Combinations*, resulting in an adjustment to goodwill.

2. Significant accounting policies (continued)

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units (CGUs), as determined by the Executive Directors, which are 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. In 2018, the Group revised the approach to impairment testing of goodwill to reflect a change in the level at which goodwill is monitored. This reflects the completion of the Group's 2014-2017 *Growth Acceleration Plan* in which the operating structure of the business changed to four market facing Operating Divisions plus the UBM Division, with monitoring of goodwill now undertaken at the segment level representing an aggregation of CGUs rather than at the individual CGU level. As 2018 is the year of change in the approach for goodwill impairment testing we have undertaken testing at both the former CGU level and the new segment level. Where an impairment test is performed, the carrying value is compared with the recoverable amount which is the higher of the value in use and the fair value less costs to sell. Value in use is the present value of future cash flows and is calculated using a discounted cash flow analysis based on the cash flows of the CGU compared with the carrying value of that CGU, including goodwill. The Group estimates the discount rates as the risk-adjusted cost of capital for the particular CGUs. If the recoverable amount of the CGU 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. At each reporting date, the Group reviews the composition of its CGUs to reflect the impact of changes to cash inflows associated with reorganisations of its reporting structure.

On disposal of a business which includes all or part of a CGU, any attributable goodwill is included in the calculation of the profit or loss on disposal.

Intangible assets

Intangible assets are initially measured at cost. For intangible assets acquired in business combinations, cost is calculated based on the Group's valuation methodologies (Note 17). These assets are amortised over their estimated useful lives on a straight line basis, as follows:

Book lists	20 years[1]
Journal titles	20 years[1]
Brands and trademarks	5–30 years
Customer relationships databases and intellectual property	5–30 years
Non-compete agreements	1–3 years
Software	3–10 years
Product development	3–5 years

1. Or licence period if shorter.

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 other direct costs for employees who devote substantial time to the project. Capitalisation of these costs ceases when the project is substantially complete and available for use. These costs are amortised on a straight line basis over their expected useful lives.

Product development expenditure is capitalised as an intangible asset only if all of certain conditions are met, with all research costs and other development expenditure being expensed when incurred. The capitalisation criteria are:

- an asset is created that can be separately identified, and which the Group intends to use or sell;
- it is technically feasible to complete the development of the asset for use or sale;
- it is probable that the asset will generate future economic benefit; and
- the development cost of the asset can be measured reliably.

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. Freehold land is not depreciated. The rates of depreciation on other assets are as follows:

Freehold buildings	50 years
Leasehold land and buildings	Over life of the lease
Equipment, fixtures and fittings	3–15 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 Consolidated Income Statement.

Assets classified as held for sale

Non-current assets or disposal groups are classified as held for sale if: their carrying amount will be recovered principally through sale, rather than continuing use; they are available for immediate sale; and the sale is highly probable. A disposal group consists of assets that are to be disposed of, by sale or otherwise, in a single transaction together with the directly associated liabilities.

Goodwill arising from business combinations is included for CGUs which are part of the disposal group.

On initial classification as held for sale, non-current assets or components of a disposal group are remeasured at the lower of their carrying amount and fair value less costs to sell. Any impairment on a disposal group is first allocated to goodwill and then to remaining assets and liabilities on a pro-rata basis. Impairment on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the income statement. Gains are not recognised in excess of any cumulative impairment.

No amortisation or depreciation is charged on non-current assets (including those in disposal groups) classified as held for sale.

Assets classified as held for sale are disclosed separately on the face of the Consolidated Balance Sheet and classified as current assets or liabilities, with disposal groups being separated between assets held for sale and liabilities held for sale.

Impairment of tangible and intangible assets

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 CGU 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 CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) 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.

2. Significant accounting policies (continued)

Investments in joint ventures and associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The results and assets and liabilities of associates and joint ventures are accounted for under the equity method and stated in the Balance Sheet at cost adjusted for post-acquisition changes in the Group's share of net assets, less any impairments in value.

Other investments

Other investments are entities over which the Group does not have significant influence (where the Group holds less than 20% interest in the voting interests of the entity). Other investments are classified as assets held at fair value through profit and loss, with changes in fair value reported in the income statement.

Inventory

Inventory is 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. Pre-publication costs are included in inventory, representing costs incurred in the origination of content prior to publication. These are expensed systematically, reflecting the expected sales profile over the estimated economic lives of the related products (typically over one to five years).

Leases

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 would be 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 Consolidated Balance Sheet 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 on a straight line basis over the lease term. Lease incentives where these are received from the lessor, such as rent-free periods and contributions to leasehold improvements, are treated as a reduction in lease rental expense and spread over the term of the lease.

Rental income from sub-leasing property space is recognised on a straight line basis over the term of the relevant lease.

Financial assets

Financial assets are recognised in the Group's Consolidated Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are classified into the following categories: trade and other receivables, and cash at bank and on hand.

Trade and other receivables

Trade receivables 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 balances with banks and similar institutions. Cash equivalents comprise bank deposits and money market funds, which are readily convertible to known amounts of cash and with a maturity of three months or less 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 Consolidated Cash Flow Statement.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been negatively impacted.

For unlisted shares classified as fair value through profit or loss, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- a probability that the borrower will enter bankruptcy or financial reorganisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with increased default risk on receivables. A specific provision will also be raised for trade receivables when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired.

The Group always recognises lifetime expected credit losses (ECL) for trade receivables and contract assets. The ECL on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of a provision account. When a trade receivable is considered uncollectible, it is written off against the provision account. Subsequent recoveries of amounts previously written off are credited against the provision account. Changes in the carrying amount of the provision are recognised in the Consolidated Income Statement.

Financial liabilities and equity instruments issued by the Group

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

2. Significant accounting policies (continued)

Borrowings

Interest-bearing loans and overdrafts are recorded at the proceeds received, net of direct issue costs and stated at amortised cost using the effective interest rate method. The amortised cost calculation is revised when necessary to reflect changes in the expected cash flows and the expected life of the borrowings including the effects of the exercise of any prepayment, call or similar options. Any resulting adjustment to the carrying amount of the borrowings is recognised as interest expense in the income statement.

Net debt

Net debt consists of cash and cash equivalents and includes bank overdrafts, borrowings, derivatives associated with debt instruments, and other loan receivables where these are interest bearing and do not relate to deferred consideration arrangements and finance leases.

Debt issue costs

Debt issue costs, including premium payable on settlement or redemption, are accounted for on an accrual basis in the Consolidated Income Statement using the effective interest rate method and added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade and other payables

Trade payables and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, as set out above, with interest expense recognised on an effective yield basis.

Derivative financial instruments and hedge accounting

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The derivative instruments utilised by the Group to hedge these exposures are primarily interest rate swaps and cross currency swaps. The Group does not use derivative contracts for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured 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 hedge);
- 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

Changes in fair value of derivative financial instruments that are designated, and effective cash flow hedges of forecast transactions are recognised in other comprehensive income. The cumulative amount recognised in other comprehensive income is reclassified into the Consolidated Income Statement out of other comprehensive income in the same period when the hedged item is recognised in profit or loss.

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 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.

Discontinuation of hedge accounting

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 Notes 24 and 32.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) 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. Any difference between the amounts previously recognised and the current estimates is recognised immediately in the Consolidated Income Statement.

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

Use of non-Generally Accepted Accounting Principles (GAAP) measures

In addition to the statutory results, adjusted results are prepared for the income statement, including adjusted operating profit and adjusted diluted earnings per share, as the Board considers these non-GAAP measures to be the most appropriate way to measure the Group's performance in a way that is comparable to the prior year.

Adjusted results (Notes 8 and 15)

The Group presents adjusted results (Note 8) and adjusted diluted earnings per share (Note 15) to provide additional useful information on business performance trends to Shareholders. These results are used for performance analysis and incentive compensation arrangements for employees. Adjusted results exclude items that are commonly excluded across the media sector: amortisation and impairment of goodwill and intangible assets relating to businesses acquired and other intangible asset purchases of titles and exhibitions, acquisition and integration costs, profit or loss on disposal of businesses, restructuring costs and other items that in the opinion of the Directors would distort underlying results. The term "adjusted" is not a defined term under IFRSs and may not therefore be comparable to similarly titled profit measurements reported by other companies. It is not intended to be a substitute for, or superior to, IFRS measurements of profit. Refer to Note 8 for details of adjusting items recorded for the year and reconciled to statutory operating profit.

2. Significant accounting policies (continued)

Adoption of new and revised IFRS

Standards and interpretations adopted in the current year

The accounting policies, significant judgements and key sources of estimation adopted in the preparation of the condensed set of Consolidated Financial Statements are consistent with those applied by the Group in its Consolidated Financial Statements for the year ended 31 December 2017 except for the adoption of new standards and interpretations effective as of 1 January 2018 listed below.

- IFRS 9 *Financial Instruments*
- IFRS 15 *Revenue from Contracts with Customers*
- Amendments to IFRS 4: Applying IFRS 9 *Financial Instruments* with IFRS 4 *Insurance Contracts*
- Interpretation IFRIC 22: *Foreign Currency Transactions and Advance Consideration*
- Amendments to IFRS 2: *Classification and Measurement of Share-based Payment Transactions*
- Annual improvements to IFRS Standards 2014-2016 Cycle
- Amendments to IAS 40: *Transfer of Investment Property*

With the exception of IFRS 15, the adoption of these standards and interpretations has not led to any significant changes to the Group's accounting policies or had any other material impact on the financial position or performance of the Group. Following an assessment of the financial impact of the changes required from the adoption of this new standard, there is no material change to the Consolidated Income Statement of the Group. The change only affects the recognition of consultancy revenue within the **Business Intelligence** Division, where we are no longer able to recognise revenue over the course of a contract, but instead must recognise revenue once consultancy performance obligations have been delivered.

The Consolidated Balance Sheet has been adjusted by the requirement to net down the contract liabilities against trade receivables for amounts that have been invoiced but are not yet due, together with the restatement of unbilled income (see Note 4).

The Group adopted IFRS 15 on 1 January 2018 using the "full" retrospective approach. As a result, the prior period results have been restated as detailed in Note 4.

Other amendments to IFRS effective for the period ended 31 December 2018 have no impact on the Group.

Standards and interpretations in issue, but not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but have not yet come into effect:

Effective from 1 January 2019:

- IFRS 16 *Leases* – EU endorsed
- Amendments to IAS 28: *Long-term Interests in Associates and Joint Ventures* – EU endorsed
- IFRIC 23 *Uncertainty over Income Tax Treatments* – EU endorsed
- Amendments to IFRS 9: *Prepayment Features with Negative Compensation* – EU endorsed
- Annual improvements to IFRS standards 2015-2017 cycle – not yet EU endorsed
- Amendements to IAS 19: *Plan Amendment, Curtailment or Settlements* – not yet EU endorsed

Other items applicable in subsequent periods:

- IFRS 17 *Insurance Contracts* – not yet EU endorsed
- Amendments to References to the *Conceptual Framework in IFRS Standards* – not yet EU endorsed
- Amendment to IFRS 3: *Business Combinations* – not yet EU endorsed
- Amendments to IAS 1 and IAS 8: *Definition of Material* – not yet EU endorsed

The Directors anticipate that the adoption of these standards and interpretations in future periods will not have a material impact on the financial statements of the Group, except as described below in relation to IFRS 16 *Leases*.

IFRS 16 *Leases* (effective for the 2019 financial year) will replace the existing leasing standard, IAS 17 *Leases*. It will treat all leases in a consistent way, eliminating the distinction between operating and finance leases, and require lessees to recognise all leases, except for low value leases and those with a term of less than 12 months, on the Balance Sheet. The most significant effect of the new requirements will be an increase in lease assets and lease liabilities for leases currently categorised as operating leases. The new standard also changes the nature of expenses related to those leases, replacing the straight line operating lease expense with a depreciation charge for the right-of-use lease asset (included within operating costs) and an interest expense on the finance lease liability (included within finance costs).

Adoption of IFRS 16 is expected to result in an increase in assets of between £300m to £320m and a corresponding increase in liabilities of between £300m and £320m as at 1 January 2019. Operating profit for the year ending 31 December 2019 is estimated to increase by between £4m and £6m, being the difference between the lease expense and depreciation, and profit before tax will decrease by between £7m and £9m, reflecting a higher total lease interest expense in the initial years. Profit after tax is estimated to decrease by between £6m and £8m and adjusted diluted earnings per share and diluted earnings per share will decrease approximately between 0.4p and 0.6p. Note 38 provides further information on the Group's operating lease obligations.

There are several practical expedients and exemptions available under IFRS 16. The Group has elected to apply the modified retrospective method of implementation where there is no restatement of the comparative period and using the practical expedient where, at the adoption date, right-of-use lease assets are set to equal the lease liabilities. The Group will exclude leases of low value assets and short-term leases, with a duration of less than 12 months from the application of IFRS 16, with payments for these leases continuing to be expensed directly to the income statement as operating leases. The major classes of leases impacted by the new standard are property and event space leases.

The half-year results for the six months ending 30 June 2019 will include an update on the actual impact of IFRS 16.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 2, the Directors are required to make judgements, 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.

Critical accounting judgements

In addition to the judgement taken by the Group in selecting and applying the accounting policies set out above, the Directors have made the following judgements concerning the amounts recognised in the Consolidated Financial Statements.

Identification of cash generating units (Note 16)

For impairment testing purposes, judgement is used to allocate goodwill to the specific groups of CGUs that are expected to benefit from this goodwill. When there are changes in business structure, judgement is required to identify any changes to the CGU groups, taking account of the lowest level of independent cash inflows being generated, amongst other factors.

Key sources of estimation uncertainty

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.

Impairment of assets (Note 16)

Identifying indicators of asset impairment involves estimating future cash flows based on a good understanding of the drivers of value behind the asset. At each reporting period, an assessment is performed to determine whether there are any such indicators of impairment, which involves considering the performance of our businesses, any significant changes to the markets in which we operate, and future forecasts.

3. Critical accounting judgements and key sources of estimation uncertainty continued

The Group has considered a number of assumptions in performing impairment reviews of assets, which can be found in Note 16. The determination of whether assets are impaired requires an estimation of the value in use of the CGU groups to which assets have been allocated, except where a fair value less costs to sell methodology is applied. The value in use calculation requires the Group to estimate the future cash flows expected to arise from each CGU group, using three-year projections and determining a suitable discount rate to calculate present value and the long-term growth rate. The Directors are satisfied that the Group's CGU groups have a value in use in excess of their Balance Sheet carrying value. The sensitivities considered by the Directors for CGUs that have less headroom are described in Note 16.

Valuation of separately identifiable intangible assets (Notes 17 and 18)

To determine the value of separately identifiable intangible assets on a business combination, and deferred tax on these intangibles, the Group is required to make estimates when utilising valuation methodologies. These methodologies include the use of discounted cash flows, revenue forecasts and the estimates for the useful economic lives of intangible assets.

There are significant estimates involved in assessing what amounts are recognised as the estimated fair value of assets and liabilities acquired through business combinations, particularly the amounts attributed to separate intangible assets such as titles, brands, acquired customer lists and associated customer relationships. These estimates impact the amount of goodwill recognised on acquisitions. Any provisional amounts are subsequently finalised within the 12-month measurement period, as permitted by IFRS 3. In 2018, the significant estimates are in relation to the acquisitions of UBM plc and ICON Advisory Group, Ltd.

The Group has built considerable knowledge of these valuation techniques, and for major acquisitions, defined as when consideration is £75m or above, the Group also considers the advice of third party independent valuers to identify and support the valuation of intangible assets arising on acquisition. Details of acquisitions in the year in relation to this are set out in Note 18.

Contingent consideration (Notes 18 and 30)

When the consideration transferred by the Group in a business combination includes assets or liabilities from a contingent consideration arrangement, it is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. The contingent consideration is based on future business valuations and profit multiples and has been estimated on an acquisition by acquisition basis using available profit forecasts. The higher the profit forecast, the higher the fair value of any contingent consideration (subject to any maximum payout clauses). Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. These adjustments will result in a restatement to previous reported results if the changes relate to amounts arising in previously reported periods.

Measurement of retirement benefit obligations (Note 34)

The measurement of the retirement benefit obligation and surplus involves the use of a number of assumptions. The most significant of these relate to the discount rate, the rate of increase in salaries and pension and mortality assumptions. The most significant scheme is the UBM Pension Scheme (UBMPS). Note 34 details the principal assumptions which have been adopted following advice received from independent actuaries and also provides sensitivity analysis with regards to changes to these assumptions.

4. Restatement

The results for the year ended 31 December 2017 have been restated following the adoption in 2018 of IFRS 15 *Revenue from Contracts with Customers*.

This resulted in the Consolidated Balance Sheet at 31 December 2017 being adjusted for the reclassification of £72.1m of deferred income against trade receivables, for amounts that have been invoiced and where services have not yet been provided and amounts are not yet due, together with the adjustment for unbilled income described below.

There were also restatements to the 2017 income statement from amounts previously recognised on a percentage complete basis. This resulted in reductions of £0.8m to revenue, £0.6m to profit before tax and £0.5m to profit after tax. These adjustments only affected the **Business Intelligence** Division. This resulted in basic earnings per share being restated from 37.8p per share to 37.7p per share, diluted earnings per share being restated from 37.7p to 37.6p and adjusted diluted earnings per share being restated from 46.1p to 46.0p.

Consolidated Balance Sheet: as at 31 December 2017 – restatement

	Previously reported £m	IFRS 15 Adjustments: Percentage complete £m	IFRS 15 Adjustments: Net-down £m	Restated £m
Non-current assets	4,356.6	–	–	4,356.6
Current assets: Trade and other receivables	401.1	(2.9)	(72.1)	326.1
Other current assets	134.4	–	–	134.4
Total assets	4,892.1	(2.9)	(72.1)	4,817.1
Current liabilities: Trade and other payables	(297.2)	0.6	–	(296.6)
Current liabilities: Deferred income	(534.6)	–	72.1	(462.5)
Other current liabilities	(358.6)	–	–	(358.6)
Non-current deferred tax liabilities	(251.6)	0.6	–	(251.0)
Other non-current liabilities	(1,219.4)	–	–	(1,219.4)
Total liabilities	(2,661.4)	1.2	72.1	(2,588.1)
Net assets	2,230.7	(1.7)	–	2,229.0

Consolidated Income Statement: for the year ended 31 December 2017 – restatement

	Previously reported				Restated		
	Adjusted results 2017 £m	Adjusting items 2017 £m	Statutory results 2017 £m	IFRS 15 adjustments 2017 £m	Adjusted results 2017 £m	Adjusting items 2017 £m	Statutory results 2017 £m
Revenue	1,757.6	–	1,757.6	(0.8)	1,756.8	–	1,756.8
Net operating expenses	(1,212.1)	(200.2)	(1,412.3)	0.2	(1,211.9)	(200.2)	(1,412.1)
Operating profit/(loss)	545.5	(200.2)	345.3	(0.6)	544.9	(200.2)	344.7
Profit/(loss) before tax	486.4	(217.6)	268.8	(0.6)	485.8	(217.6)	268.2
Tax (charge)/credit	(103.1)	148.0	44.9	0.1	(103.0)	148.0	45.0
Profit/(loss) for the period	383.3	(69.6)	313.7	(0.5)	382.8	(69.6)	313.2
Earnings per share							
– Basic (p)	46.3		37.8		46.2		37.7
– Diluted (p)	46.1		37.7		46.0		37.6

4. Restatement continued

Segment revenue and results restatement of 2017

The tables below set out the previously reported amounts and restated amounts for each segment for the year ended 31 December 2017:

	Academic Publishing £m	Business Intelligence £m	Global Exhibitions £m	Knowledge & Networking £m	Unallocated £m	Total £m
Revenue						
Previously reported	530.0	384.2	560.4	283.0	–	1,757.6
IFRS 15 restatement	–	(0.8)	–	–	–	(0.8)
Restated	530.0	383.4	560.4	283.0	–	1,756.8
Operating profit/(loss)						
Previously reported	154.1	47.8	126.2	17.2	–	345.3
IFRS 15 restatement	–	(0.6)	–	–	–	(0.6)
Restated	154.1	47.2	126.2	17.2	–	344.7
Adjusted operating profit						
Previously reported	208.0	92.2	201.4	43.9	–	545.5
IFRS 15 restatement	–	(0.6)	–	–	–	(0.6)
Restated	208.0	91.6	201.4	43.9	–	544.9
Segment assets						
Previously reported	1,157.9	1,144.5	1,898.7	558.2	132.8	4,892.1
IFRS 15 net-down adjustment	(16.0)	(30.1)	(20.9)	(7.8)	2.7	(72.1)
IFRS 15 other adjustment	–	(2.9)	–	–	–	(2.9)
Restated	1,141.9	1,111.5	1,877.8	550.4	135.5	4,817.1

5. Revenue

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

	2018 £m	2017 (restated)[1] £m
Exhibitor	**921.1**	433.2
Subscriptions	**583.1**	566.7
Unit sales	**279.9**	278.0
Attendee	**226.5**	177.2
Marketing and advertising services	**219.2**	182.0
Sponsorship	**139.7**	119.7
Total revenue	**2,369.5**	1,756.8

1. 2017 restated for classification changes including the implementation of IFRS 15 (see Note 4).

6. Business segments

Business segments

The Group has identified reportable segments based on financial information used by the Executive Directors in allocating resources and making strategic decisions. We consider the chief operating decision maker to be the two Executive Directors.

The Group's five identified reportable segments under IFRS 8 *Operating Segments* are as described in the Strategic Report. UBM is a new reportable segment in 2018 following acquisition of the business on 15 June 2018 (see Note 18).

Segment revenue and results

The Group's primary internal income statement performance measures for business segments are revenue and adjusted operating profit. A reconciliation of adjusted operating profit to statutory operating profit and profit before tax is provided below:

Year ended 31 December 2018

	Global Exhibitions £m	Academic Publishing £m	Business Intelligence £m	Knowledge & Networking £m	UBM[2] £m	Total £m
Revenue	575.8	533.2	385.6	261.4	613.5	2,369.5
Adjusted operating profit before joint ventures and associates	200.3	198.4	91.1	39.8	201.5	731.1
Share of adjusted results of joint ventures and associates (Note 20)	(0.2)	–	–	0.1	1.1	1.0
Adjusted operating profit	200.1	198.4	91.1	39.9	202.6	732.1
Intangible asset amortisation[1]	(67.5)	(52.7)	(22.8)	(15.6)	(85.0)	(243.6)
Impairment (Note 17)	(5.7)	–	–	(4.1)	–	(9.8)
Acquisition and integration costs (Note 8)	(2.5)	(0.7)	(1.5)	(0.6)	(83.6)	(88.9)
Restructuring and reorganisation costs (Note 8)	(0.9)	(6.7)	(4.5)	(1.0)	–	(13.1)
Subsequent remeasurement of contingent consideration (Note 8)	2.0	–	7.3	(9.2)	–	0.1
UAE VAT charge (Note 8)	(9.1)	–	–	–	–	(9.1)
GMP equalisation (Note 8)	–	–	(0.3)	(0.2)	(4.0)	(4.5)
Operating profit	116.4	138.3	69.3	9.2	30.0	363.2
Profit on disposal of businesses (Note 21)						1.1
Investment income (Note 11)						8.2
Finance costs (Note 12)						(90.4)
Profit before tax						282.1

1. Excludes acquired intangible product development and software amortisation.
2. UBM segment results are for the post-acquisition period to 31 December 2018 (see Note 18).

Year ended 31 December 2017 (restated)[2]

	Global Exhibitions £m	Academic Publishing £m	Business Intelligence[2] £m	Knowledge & Networking £m	Total £m
Revenue	560.4	530.0	383.4	283.0	1,756.8
Adjusted operating profit before joint ventures and associates	201.4	208.0	91.6	43.9	544.9
Share of adjusted results of joint ventures and associates (Note 20)	–	–	–	–	–
Adjusted operating profit	201.4	208.0	91.6	43.9	544.9
Intangible asset amortisation (Note 17)[1]	(66.7)	(50.1)	(24.0)	(17.0)	(157.8)
Impairment (Note 8)	(0.4)	(2.0)	(3.2)	–	(5.6)
Acquisition and integration costs (Note 8)	(6.7)	(1.5)	(10.2)	(5.6)	(24.0)
Restructuring and reorganisation costs (Note 8)	(1.2)	(0.3)	(7.0)	(4.4)	(12.9)
Subsequent remeasurement of contingent consideration (Note 8)	(0.2)	–	–	0.3	0.1
Operating profit	126.2	154.1	47.2	17.2	344.7
Loss on disposal of businesses (Note 21)					(17.4)
Investment income (Note 11)					0.2
Finance costs (Note 12)					(59.3)
Profit before tax					268.2

1. Excludes acquired intangible product development and software amortisation.
2. 2017 restated for implementation of IFRS 15 (see Note 4).

6. Business segments continued

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Adjusted operating result by operating segment is the measure reported to the Executive Directors for the purpose of resource allocation and assessment of segment performance. Finance costs and investment income are not allocated to segments, as this type of activity is driven by the central Treasury function, which manages the cash positions of the Group.

Segment assets

	31 December 2018 £m	31 December 2017 (restated)[1] £m
Academic Publishing	**1,022.5**	1,141.9
Business Intelligence	**1,127.4**	1,111.5
Global Exhibitions	**1,803.3**	1,877.8
Knowledge & Networking	**517.2**	550.4
UBM	**6,186.7**	–
Total segment assets	**10,657.1**	4,681.6
Unallocated assets	**308.9**	135.5
Total assets	**10,966.0**	4,817.1

1. 2017 restated for implementation of IFRS 15 (see Note 4).

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

Segment revenue by type

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

Year ended 31 December 2018

	Global Exhibitions £m	Academic Publishing £m	Business Intelligence £m	Knowledge & Networking £m	UBM[2] £m	Total £m
Exhibitor	**408.8**	**–**	**–**	**40.6**	**471.7**	**921.1**
Subscriptions	**–**	**282.3**	**286.1**	**–**	**14.7**	**583.1**
Unit sales	**–**	**250.9**	**29.0**	**–**	**–**	**279.9**
Attendee	**61.6**	**–**	**–**	**107.0**	**57.9**	**226.5**
Marketing and advertising services	**63.7**	**–**	**70.5**	**39.4**	**45.6**	**219.2**
Sponsorship	**41.7**	**–**	**–**	**74.4**	**23.6**	**139.7**
Total	**575.8**	**533.2**	**385.6**	**261.4**	**613.5**	**2,369.5**

Year ended 31 December 2017[1]

	Global Exhibitions £m	Academic Publishing £m	Business Intelligence £m	Knowledge & Networking £m	Total £m
Exhibitor	385.9	–	–	47.3	433.2
Subscriptions	–	279.1	287.6	–	566.7
Unit sales	–	250.9	27.1	–	278.0
Attendee	57.5	–	–	119.7	177.2
Marketing and advertising services	71.3	–	68.7	42.0	182.0
Sponsorship	45.7	–	–	74.0	119.7
Total	560.4	530.0	383.4	283.0	1,756.8

1. 2017 restated for classification changes including the implementation of IFRS 15 (see Note 4).
2. UBM segment results are for the post-acquisition period to 31 December 2018 (see Note 18).

Geographic information

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

	Revenue		Segment assets	
	2018 £m	2017 (restated)[1] £m	2018 £m	2017 (restated)[1] £m
UK	182.2	153.1	7,352.1	1,386.7
Continental Europe	297.8	236.7	68.2	69.7
North America	1,135.5	939.1	3,226.0	3,080.9
China (including Hong Kong)	317.2	77.1	124.6	98.4
Rest of World	436.8	350.8	195.1	181.4
	2,369.5	1,756.8	10,966.0	4,817.1

1. 2017 restated for implementation of IFRS 15 (see Note 4).

No individual customer contributes more than 10% of the Group's revenue in either 2018 or 2017.

7. Operating profit

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

	Notes	Adjusted results 2018 £m	Adjusting items 2018 £m	Statutory results 2018 £m	Adjusted results (restated)[1] 2017 £m	Adjusting items (restated)[1] 2017 £m	Statutory results (restated)[1] 2017 £m
Cost of sales		780.8	–	780.8	537.2	–	537.2
Staff costs (excluding adjusting items)	9	596.8	–	596.8	467.8	–	467.8
Amortisation of other intangible assets	17	42.5	243.6	286.1	24.8	157.8	182.6
Impairment – goodwill	8	–	–	–	–	3.4	3.4
Impairment – intangibles	8	–	9.8	9.8	–	2.2	2.2
Depreciation	19	13.1	–	13.1	9.2	–	9.2
Acquisition-related costs	8	–	42.9	42.9	–	4.4	4.4
Integration-related costs[2]	8	–	46.0	46.0	–	19.6	19.6
Restructuring and reorganisation costs	8	–	13.1	13.1	–	12.9	12.9
Subsequent remeasurement of contingent consideration	8	–	(0.1)	(0.1)	–	(0.1)	(0.1)
Operating lease expense							
– Land and buildings	38	35.0	–	35.0	26.7	–	26.7
– Other	38	1.0	–	1.0	1.1	–	1.1
UAE VAT charge	8	–	9.1	9.1	–	–	–
GMP equalisation	8	–	4.5	4.5	–	–	–
Net foreign exchange loss		7.6	–	7.6	4.9	–	4.9
Auditor's remuneration for audit services		3.2	–	3.2	2.1	–	2.1
Other operating expenses		158.4	–	158.4	138.1	–	138.1
Total net operating expenses before joint ventures and associates		1,638.4	368.9	2,007.3	1,211.9	200.2	1,412.1

1. 2017 restated for implementation of IFRS 15 (see Note 4).
2. Integration costs include £3.8m of impairment of other intangible assets.

7. Operating profit continued

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

	2018 £m	2017 £m
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	2.4	1.7
Fees payable to the Company's auditor and its associates for other services to the Group:		
Audit of the Company's subsidiaries	0.8	0.4
Total audit fees	3.2	2.1
Fees payable to the Company's auditor for non-audit services comprises:		
Transaction support services	2.6	–
Half-year review	0.2	0.1
Taxation services	–	0.1
Other services	–	0.1
Total non-audit fees[1]	2.8	0.3

1. In addition to these amounts for 2018 there were non-audit fees totalling £1.6m for UBM fees paid to the Company's auditors in the pre-acquisition period from 1 January 2018 to 14 June 2018. These related to £1.5m of spend supporting the development of the global Sales Solution (Salesforce) as part of the Events First Strategy, and the change management of the global marketing model within the Events First Sales and Marketing programme. The remaining £0.1m is related to spend on tax and other services which were concluded in accordance with applicable independence guidelines.

Fees payable to Deloitte LLP and its associates for non-audit services to the Company are included in the consolidated disclosures above.

The Audit Committee approves all non-audit services within the Company's policy. The Audit Committee approved the use of the auditor for transaction support services in relation to the reporting requirements associated with the Company's acquisition of UBM plc, having concluded that the auditor was best placed to perform these services due to its knowledge of the Company and the timescales involved.

The Committee considers that certain non-audit services should be provided by the external auditor, because its existing knowledge of the business makes this the most efficient and effective way for those non-audit services to be carried out. In 2018 the non-audit fees paid to Deloitte, excluding any pre-acquisition Deloitte fees incurred by UBM in 2018, totalled £2.8m (2017: £0.3m), which represented 88% (2017: 14%) of the 2018 audit fee. The majority of non-audit fees in 2018 related to the UBM project where there was £2.6m of accounting services required for the UBM acquisition. In awarding this non-audit work to Deloitte, the Committee took account of Deloitte's knowledge of the Group as auditor, the benefits of Deloitte reviewing the financial data in detail before the announcement, and considered Deloitte able to provide an effective service.

In the prior year, other services relate to services provided by Market Gravity Limited, a training organisation which was acquired by Deloitte on 31 May 2017. Market Gravity Limited was contracted by Informa, prior to the acquisition by Deloitte, to support in delivering the London Tech Week Innovation Mini MBA from 12–16 June. **Knowledge & Networking** engaged Market Gravity Limited for a further three events in 2017.

A description of the work of the Audit Committee is set out in the Corporate Governance Statement on pages 107 to 112 and includes an explanation of how auditor objectivity and independence is safeguarded when non-audit services are provided by the auditor. No services were provided under contingent fee arrangements.

8. Adjusting items

The Board considers certain items should be recognised as adjusting items since, due to their nature or infrequency, such presentation is relevant to an understanding of the Group's performance. These items do not relate to the Group's underlying trading and are adjusted from the Group's adjusted operating profit measure. The following charges/(credits) are presented as adjusting items:

	Notes	2018 £m	2017 £m
Intangible amortisation and impairment			
Intangible asset amortisation	17	243.6	157.8
Impairment – goodwill	16	–	3.4
Impairment – acquisition-related intangible assets	17	9.8	2.2
Acquisition costs	7	42.9	4.4
Integration costs	7	46.0	19.6
Restructuring and reorganisation costs	7		
Redundancy costs		7.3	5.7
Reorganisation costs		0.8	1.0
Vacant property costs		5.0	6.2
Subsequent re measurement of contingent consideration	7	(0.1)	(0.1)
UAE VAT charge		9.1	–
GMP equalisation charge	34	4.5	–
Adjusting items in operating profit		**368.9**	200.2
(Profit)/loss on disposal of subsidiaries and operations	21	(1.1)	17.4
Investment income	11	(1.2)	
Finance costs	12	1.0	–
Adjusting items in profit before tax		**367.6**	217.6
Tax related to adjusting items	13	(55.7)	(62.6)
Tax adjusting item for US federal tax reform	13	–	(85.4)
Adjusting items in profit for the year		**311.9**	69.6

The principal adjusting items are in respect of:

- intangible asset amortisation – the amortisation charges in respect of intangible assets acquired through business combinations or the acquisition of trade and assets;
- impairment – the Group tests for impairment on an annual basis or more frequently when an indicator exists. Impairment charges are individually disclosed and are excluded from adjusted results;
- acquisition costs are the costs and fees incurred by the Group in acquiring businesses and totalled £42.9m, with £41.1m relating to the UBM plc acquisition and £1.8m for other acquisitions;
- integration costs related to the costs incurred by the Group in integrating share and asset acquisitions. Integration costs totalled £46.0m, with £39.5m relating to the acquisition of UBM plc;
- restructuring and reorganisation costs – these costs are incurred by the Group in business restructuring and operating model changes. These include vacant property costs arising from restructuring activities;
- subsequent remeasurement of contingent consideration is recognised in the year as a charge or credit to the Consolidated Income Statement unless qualifying as a measurement period adjustment arising within one year from the acquisition date;
- following the introduction of Value Added Tax on 1 January 2018 in the UAE the Group identified and reported an underpayment during 2018 and made a correcting payment. In January 2019 the UAE tax authorities assessed a tax penalty of £9.1m in relation to the late payment. The Group is disputing this penalty assessment; however, an amount of £9.1m has been provided for within adjusting items in the year;
- GMP equalisation charge relates to the additional pension liability arising in the UK from the requirement to equalise the guaranteed element of pensions as described in Note 34;
- profit on disposal of subsidiaries and operations – the profit on disposal primarily relates to the £5.4m profit on disposal from the release of indemnity provisions associated with the disposal of PR Newswire that UBM plc completed in 2016, partly offset by the £3.3m loss on disposal of ehi Live, see Note 21 for further details;
- investment income of £1.2m relates to the fair value gain on derivatives relating to the EMTN during the unhedged period (see Note 11);
- finance costs of £1.0m relate to the one-off refinancing costs associated with the UBM plc acquisition (see Note 12); and
- the tax items relate to the tax effect on the items above and are analysed in Note 13.

9. Staff numbers and costs

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

	Number of employees	
	2018	2017
Academic Publishing	**2,205**	2,137
Business Intelligence	**2,338**	2,549
Global Exhibitions	**1,772**	1,519
Knowledge & Networking	**1,241**	1,334
UBM[1]	**2,276**	–
Total	**9,832**	7,539

1. The average number of persons for UBM represents the average number for the period of ownership divided by 12 months. If UBM had been owned for the whole year the average would have been approximately 3,639 and the total for the Group would have been 11,195.

Their aggregate remuneration comprised:

	2018 £m	2017 £m
Wages and salaries	**526.2**	413.3
Social security costs	**46.2**	37.0
Pension costs associated with staff charged to adjusted operating profit (Note 34)	**15.3**	10.6
Share-based payments (Note 10)	**9.1**	6.9
Staff costs (excluding adjusting items)	**596.8**	467.8
Redundancy costs	**7.3**	5.7
GMP equalisation charge (Note 34)	**4.5**	–
	608.6	473.5

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 39). Further information about the remuneration of individual Directors is provided in the audited part of the Remuneration Report on pages 113 to 125.

	2018 £m	2017 £m
Short-term employee benefits	**4.1**	3.7
Post-employment benefits	**0.3**	0.3
Share-based payments (Note 10)	**2.0**	1.7
	6.4	5.7

10. Share-based payments

The Group recognised total expenses of £9.1m (2017: £6.9m) related to share-based payment transactions in the year ended 31 December 2018 with £7.1m (2017: £4.8m) relating to equity-settled LTIPs, £1.0m (2017: £0.6m) relating to equity-settled ShareMatch and £1.0m (2017: £1.5m) relating to cash-settled awards.

The Group's Long-Term Incentive Plans (LTIP) provide for nil-cost options and have a grant price used in the valuation of the awards equal to the closing share price from the day prior to the grant date. The performance period is three years starting with the year in which the grant is made. LTIP awards are conditional share awards with specific performance conditions. To the extent that they are met or satisfied then awards will be exercisable following the end of the relevant performance period. LTIP allocations are equity-settled and will lapse if the colleague leaves the Group before an LTIP grant is exercisable, unless the employee meets certain eligibility criteria.

Long-Term Incentive Plans

The 2018 LTIP award was granted on 22 March 2018, with the 2017 LTIP award granted on 15 March 2017 and the 2016 LTIP award granted on 17 March 2016. The performance conditions for each of these awards to Executive Directors are relative total shareholder return (TSR for FTSE 51–150 constituents, excluding financial services and commodities), earnings per share (EPS) and compound annual growth rate (CAGR).

The movement during the year is as follows:

	2018 Number of options	2017 Number of options
Outstanding at 1 January	**2,931,757**	2,897,323
LTIPs granted in the year	**2,354,031**	1,223,006
LTIPs exercised in the year	**(161,878)**	(279,035)
LTIPs lapsed in the year	**(51,020)**	(909,537)
Outstanding at 31 December	**5,072,890**	2,931,757
Exercisable awards included in outstanding number at 31 December	**1,182,939**	414,227

The TSR award components of the LTIPs were valued using a Monte Carlo simulation model. The inputs into the Monte Carlo simulation model for the LTIP performance conditions are:

	Share price at grant date[1]	Expected volatility	Expected life (years)[2]	Risk-free rate
8 September 2014	£4.77	20.0%	3	0.9%
13 February 2015	£4.86	21.0%	3	0.8%
17 March 2016	£6.37	20.4%	3	0.6%
15 March 2017	£6.52	20.0%	3	0.1%
22 March 2018	£7.19	19.1%	3	0.9%

1. Share price at grant restated for bonus element of 2016 rights issue.
2. From 1 January of year in which grant was made.

In order to satisfy share awards granted under the LTIP, the share capital would need to be increased by 4,508,800 shares (2017: 2,543,639 shares) taking account of the 564,091 shares (2017: 388,118 shares) held in the Employee Share Trust (Note 36). The Company will satisfy the awards either through the issue of additional share capital or the purchase of shares as needed on the open market. The weighted average share price during the year was £7.40 (2017: £6.81).

Expected volatility was determined by calculating the historical volatility of the Group's share price over one, two and three years back from the date of grant. The expected life used in the model has been adjusted, based on the Group's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

10. Share-based payments continued

ShareMatch (Share Incentive Plan)

In June 2014, the Company launched ShareMatch, a global Share Incentive Plan (tax qualifying in the UK), under which eligible colleagues can invest up to the limit of £1,800 per annum in the Company's shares. The Scheme includes a matching element, whereby for every one share purchased by the colleague, the Company will award the participant one matching share. Matching shares are subject to forfeiture if the purchased shares are withdrawn from the Scheme within three years of purchase or if the colleague leaves the Group, unless the reason for leaving is due to restructuring or retirement. In addition, both the purchased and matching shares are eligible to receive any dividends payable by the Company, which are reinvested in more shares. Employee subscriptions can be made on a monthly or one-off lump sum basis and matching shares are purchased on a monthly basis, through a UK Trust. Further details are set out in the remuneration section of the financial statements.

	2018 ShareMatch Number of share awards	2017 ShareMatch Number of share awards
Outstanding at 1 January	**273,560**	141,814
Purchased in the year	**178,148**	147,785
Transferred to participants in the year	**(39,896)**	(16,039)
Outstanding at 31 December	**411,812**	273,560

11. Investment income

	2018 £m	2017 £m
Interest income on bank deposits	**3.8**	0.2
Fair value gain on financial instruments through the income statement	**3.2**	–
Investment income before adjusting items	**7.0**	0.2
Adjusting item: fair value gain on derivatives associated with EMTN borrowings	**1.2**	–
Total investment income	**8.2**	0.2

12. Finance costs

	Note	**2018 £m**	2017 £m
Interest expense on borrowings and loans[1]		**87.6**	58.1
Interest cost on pension scheme net liabilities	34	**1.1**	1.1
Total interest expense		**88.7**	59.2
Fair value loss on financial instruments through the income statement		**0.7**	0.1
Financing costs before adjusting items		**89.4**	59.3
Adjusting item: financing expense associated with UBM plc acquisition[2]		**1.0**	–
Total financing expense		**90.4**	59.3

1. Included in interest expense above is the amortisation of debt issue costs of £2.5m (2017: £2.2m).
2. The adjusting item for finance income relates to a £1.0m charge related to the amortisation of the fees associated with the UBM plc Revolving Credit Facility that was repaid in June 2018.

13. Taxation

The tax charge/(credit) comprises:

	2018 £m	2017 (restated)[1] £m
Current tax:		
UK	40.5	30.7
Continental Europe	13.4	(0.6)
US – excluding US federal tax reform	(7.9)	3.4
US – charge arising from US federal tax reform	–	9.2
China (including Hong Kong)	26.2	3.9
Rest of World	9.3	4.3
Current year	81.5	50.9
Deferred tax:		
Current year	(21.0)	(0.9)
Credit arising from US federal tax reform	–	(94.6)
Credit arising from UK Corporation Tax rate change	–	(0.4)
Total deferred tax	(21.0)	(95.9)
Total tax charge/(credit) on profit on ordinary activities	60.5	(45.0)

1. 2017 restated for implementation of IFRS 15 (see Note 4).

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

	Notes	Gross 2018 £m	Tax 2018 £m	Gross 2017 £m	Tax 2017 £m
Amortisation of other intangible assets	8	(243.6)	55.2	(157.8)	58.6
Deferred tax charge arising from revised treatment of certain non-UK intangible assets		–	–	–	(3.1)
Benefit of goodwill amortisation for tax purposes only		–	(15.1)	–	(12.7)
Impairment of goodwill and intangibles	8	(9.8)	2.1	(5.6)	–
Acquisition and integration related costs	8	(88.9)	9.6	(24.0)	9.3
Restructuring and reorganisation costs	8	(13.1)	2.9	(12.9)	3.8
Subsequent remeasurement of contingent consideration	8	0.1	–	0.1	–
UAE VAT charge	8	(9.1)	–	–	–
GMP equalisation charge	8	(4.5)	0.8	–	–
Profit/(loss) on disposal of subsidiaries and operations	21	1.1	–	(17.4)	6.3
Investment income	8	1.2	–	–	–
Finance costs	8	(1.0)	0.2	–	–
Deferred tax credit on intangible assets arising from UK Corporation Tax rate change	22	–	–	–	0.4
Tax on adjusting items		(367.6)	55.7	(217.6)	62.6
Tax adjusting item for US federal tax reform		–	–	–	85.4
Total tax adjusting items		(367.6)	55.7	(217.6)	148.0

The current and deferred tax are calculated on the estimated assessable profit for the year. Taxation is calculated in each jurisdiction based on the prevailing rates of that jurisdiction. US federal tax reform refers to the Tax Cuts and Jobs Act enacted in December 2017.

13. Taxation continued

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

	2018		2017 (restated)[1]	
	£m	%	£m	%
Profit before tax	282.1		268.2	
Tax charge at effective UK statutory rate of 19.0% (2017: 19.25%)	53.6	19.0	51.6	19.3
Non-deductible impairments	–	–	1.1	0.4
Other non-deductible expenses and similar items	8.0	2.8	2.0	0.7
Different tax rates on overseas profits	10.1	3.6	(3.5)	(1.3)
Adjustments for prior years	(6.1)	(2.2)	(3.0)	(1.1)
Adjustments to deferred tax on intangible assets	–	–	(0.8)	(0.3)
Acquisitions and disposals related items	12.6	4.5	(0.7)	(0.3)
Benefits from financing structures	(4.7)	(1.7)	(1.4)	(0.5)
Tax incentives and foreign tax credits	(2.4)	(0.9)	(4.6)	(1.7)
Movements in deferred tax not recognised	1.8	0.6	0.1	–
Deferred tax credit arising from UK Corporation Tax rate change	–	–	(0.4)	(0.1)
Non-taxable income	(6.8)	(2.4)	–	–
Net movement in provisions for uncertain tax positions	(5.6)	(2.0)	–	–
Net tax credit arising from US federal tax reform	–	–	(85.4)	(31.9)
Tax charge/(credit) and effective rate for the year	60.5	21.3	(45.0)	(16.8)

1. 2017 restated for implementation of IFRS 15 (see Note 4).

In addition to the income tax charge to the Consolidated Income Statement, a tax credit of £1.3m (2017: charge of £4.2m) has been recognised directly in the Consolidated Statement of Comprehensive Income during the year.

Current tax liabilities include £57.4m (2017: £12.2m) in respect of provisions for uncertain tax positions. In 2017 the European Commission announced that it would be opening a State Aid investigation into the UK's Controlled Foreign Company regime and in particular the exemption for group finance companies. Like many UK-based multinational companies, the Group has made claims in relation to this exemption and will potentially have an additional tax liability if a negative State Aid decision is upheld. The maximum amount that could become payable by the Group in relation to this matter is £37.2m. As part of the acquisition accounting relating to contingent liabilities, an amount of £8.0m has been provided in relation to UBM companies. We do not currently believe it is probable that we will ultimately have to make a payment in respect of this issue and therefore have not provided for any additional liabilities.

14. Dividends

	2018 Pence per share	2018 £m	2017 Pence per share	2017 £m
Amounts recognised as distributions to equity holders in the year:				
Final dividend for the year ended 31 December 2016	–	–	13.04p	107.4
Interim dividend for the year ended 31 December 2017	–	–	6.65p	54.8
Final dividend for the year ended 31 December 2017	13.80p	113.6	–	–
Interim dividend for the year ended 31 December 2018	7.05p	88.2	–	–
	20.85p	201.8	19.69p	162.2
Proposed final dividend for the year ended 31 December 2018 and actual dividend for the year ended 31 December 2017	14.85p	185.8	13.80p	113.7

On 28 June 2018 a special dividend payment of £59.0m was made to the former Shareholders of UBM plc, settling a dividend liability agreed to be paid prior to the acquisition date.

As at 31 December 2018, £0.1m (2017: £0.2m) of dividends were still to be paid, and total dividend payments in the year were £201.9m (2017: £162.0m). The proposed final dividend for the year ended 31 December 2018 of 14.85p (2017: 13.80p) per share is subject to approval by Shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The payment of this dividend will not have any tax consequences for the Group.

In the year ended 31 December 2018 there were dividend payments of £8.6m (2017: £2.0m) to non-controlling interests.

15. Earnings per share

Basic

The basic earnings per share calculation is based on profit attributable to equity Shareholders of the parent of £207.9m (2017: £310.8m profit, restated). This profit on ordinary activities after taxation is divided by the weighted average number of shares in issue (less those shares held by the Employee Share Trust and ShareMatch), which is 1,052,752,894 (2017: 823,352,304).

Diluted

The diluted earnings per share calculation is based on the basic EPS 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 1,057,236,186 (2017: 826,146,627).

The table below sets out the adjustment in respect of dilutive potential Ordinary Shares:

	2018	2017
Weighted average number of shares used in basic earnings per share	**1,052,752,894**	823,352,304
Potentially dilutive Ordinary Shares	**4,483,292**	2,794,323
Weighted average number of shares used in diluted earnings per share	**1,057,236,186**	826,146,627

Earnings per share

In addition to basic EPS, adjusted diluted EPS calculations have been provided as this is useful additional information on underlying performance. Earnings are based on profits attributable to equity Shareholders and adjusted to exclude items that, in the opinion of the Directors, would distort underlying results with the items detailed in Note 8.

Earnings per share	**Earnings 2018 £m**	**Per share amount 2018 Pence**	Earnings 2017 (restated)[1] £m	Per share amount 2017 (restated)[1] Pence
Profit for the year	**221.6**		313.2	
Non-controlling interests	**(13.7)**		(2.4)	
Earnings for the purpose of statutory basic EPS/statutory basic EPS (p)	**207.9**	**19.7**	310.8	37.7
Effect of dilutive potential Ordinary Shares	**–**	**–**	–	(0.1)
Earnings for the purpose of statutory diluted EPS/statutory diluted EPS (p)	**207.9**	**19.7**	310.8	37.6

1. 2017 restated for implementation of IFRS 15 (see Note 4).

15. Earnings per share continued

Adjusted earnings per share	Earnings 2018 £m	Per share amount 2018 Pence	Earnings 2017 (restated)[1] £m	Per share amount 2017 (restated)[1] Pence
Earnings for the purpose of statutory basic EPS/statutory basic EPS (p)	**207.9**	**19.7**	310.8	37.7
Adjusting items:				
Intangible amortisation and impairment (Note 8)	**253.4**	**24.1**	163.4	19.8
Acquisition and integration costs (Note 8)	**88.9**	**8.4**	24.0	2.9
Redundancy and restructuring costs (Note 8)	**13.1**	**1.3**	12.9	1.6
Subsequent remeasurement of contingent consideration (Note 8)	**(0.1)**	**–**	(0.1)	–
UAE VAT charge	**9.1**	**0.9**	–	–
GMP equalisation	**4.5**	**0.4**	–	–
(Profit)/loss on disposal of subsidiaries and operations (Note 8)	**(1.1)**	**(0.1)**	17.4	2.2
Investment income (Note 8)	**(1.2)**	**(0.1)**	–	–
Finance costs (Note 8)	**1.0**	**0.1**	–	–
Tax related to adjusting items (Note 8)	**(55.7)**	**(5.3)**	(62.6)	(7.6)
Tax adjusting items for US federal tax reform (Note 8)	**–**	**–**	(85.4)	(10.4)
Earnings for the purpose of adjusted basic EPS/adjusted basic EPS (p)	**519.8**	**49.4**	380.4	46.2
Effect of dilutive potential Ordinary Shares	**–**	**(0.2)**	–	(0.2)
Earnings for the purpose of adjusted diluted EPS/adjusted diluted EPS (p)	**519.8**	**49.2**	380.4	46.0

1. 2017 restated for implementation of IFRS 15 (see Note 4).

16. Goodwill

	£m
Cost	
At 1 January 2017	2,892.1
Additions in the year	114.6
Disposals	(101.4)
Exchange differences	(173.0)
At 1 January 2018	**2,732.3**
Additions in the year (Note 18)	**3,499.2**
Disposals	**(2.2)**
Transfer to held for sale	**(31.4)**
Exchange differences	**160.4**
At 31 December 2018	**6,358.3**
Accumulated impairment losses	
At 1 January 2017	(192.6)
Impairment losses for the year (Note 8)	(3.4)
Disposals	67.8
Exchange differences	4.1
At 1 January 2018	**(124.1)**
Impairment losses for the year	**–**
Disposals	**1.2**
Exchange differences	**1.9**
At 31 December 2018	**(121.0)**
Carrying amount	
At 31 December 2018	**6,237.3**
At 31 December 2017	2,608.2

Impairment review

As goodwill is not amortised, it is tested for impairment annually, or more frequently if there are indicators of impairment. The impairment review took place on 31 December 2018. The testing involved comparing the carrying value of assets in each cash generating unit (CGU) at the segment level with value in use calculations or assessments of fair value less costs to sell, derived from the latest Group cash flow projections.

In 2018 there was £nil impairment of goodwill (2017: £3.4m impairment charge) and there was a £9.8m (2017: £2.2m) impairment charge in relation to intangible assets arising on acquisition of businesses or assets, with £5.7m arising in the ICRE CGU in **Global Exhibitions** associated with a business that was subsequently sold and £4.1m in the TMT CGU in **Knowledge & Networking** associated with an event that was no longer operated in 2018.

In 2018 the Group revised the approach to impairment testing of goodwill to reflect a change in the level at which goodwill is monitored. This reflects the completion of the Group's 2014–2017 *Growth Acceleration Plan* in which the operating structure of the business changed to four market facing Operating Divisions plus the UBM Division, with monitoring of goodwill now undertaken at the segment level representing an aggregation of CGUs rather than at the individual CGU level. As 2018 is the year of change in the approach for goodwill impairment testing we have undertaken testing at both the former CGU level and the new segment level. This has involved testing for impairment at a segment level by aggregating the carrying value of assets across CGUs in each Division and at the segment level and comparing this to value in use calculations or assessments of fair value less costs to sell, derived from the latest Group cash flow projections.

Following this change, there were five groups of CGUs for goodwill impairment testing and segment reporting in 2018. The carrying amount of goodwill recorded in the CGU groups is set out below:

CGU groups	2018 Number of CGUs	2017 Number of CGUs	2018 £m	2017 £m
Academic Publishing	1	1	541.4	527.4
Business Intelligence	6	6	811.6	766.1
Global Exhibitions	11	12	1,037.5	983.4
Knowledge & Networking	4	7	342.4	331.3
UBM	1	–	3,504.4	–
	23	26	6,237.3	2,608.2

The recoverable amounts of the CGU groups are determined as the greater of the value in use calculations or fair value less costs to sell, which are based on the cash flow projections for each CGU group. The key assumptions are those regarding the revenue and operating margin growth rates together with the long-term growth rate and the discount rate applied to the forecast cash flows.

Estimated future cash flows are determined by reference to the budget for the year following the balance sheet date and forecasts for the following two years, after which a long-term perpetuity growth rate is applied. The most recent financial budget approved by the Board of Directors has been prepared after considering the current economic environment in each of our markets.

	Long-term market growth rates		Pre-tax discount rates	
Key assumptions	2018	2017	2018	2017
Academic Publishing	2.2%	2.5%	9.6%	9.9%
Business Intelligence	2.1%	2.0–2.5%	10.1%	10.2–10.5%
Global Exhibitions	2.4%	1.7–3.9%	10.5%	7.2–12.9%
Knowledge & Networking	2.1%	1.7–2.5%	9.3%	9.2–11.8%
UBM	2.4%	n/a	10.4%	n/a

The pre-tax discount rates used in the value in use calculations reflect the Group's assessment of the current market and other risks specific to the CGUs. Long-term growth rates are applied after the forecast period. Long-term growth rates are based on external reports on long-term CPI inflation rates for the geographic market in which each CGU operates and therefore do not exceed the long-term average growth prospects for the individual markets.

16. Goodwill continued

The Group has undertaken a sensitivity analysis taking into consideration the impact on changes to key impairment test assumptions arising from a range of possible future trading and economic scenarios including the potential impact of Brexit. These have been applied across all CGUs and CGU groups. For the UBM CGU an increase in the pre-tax discount rate by 0.6%, or a decrease in the terminal growth rate of 0.7%, or a reduction to the operating profit growth rate of 6.4%, reduces the headroom to nil. There were no impairments to other CGUs or CGU groups under the following scenarios, which are summarised as follows:

- An increase in the pre-tax discount rate by 1%
- A decrease in the terminal growth rate by 0.5%
- A decrease in the operating profit growth rate by 5%
- An increase in the pre-tax discount rate by 1% and a decrease in the terminal growth rate by 0.5%

17. Other intangible assets

	Publishing book lists and journal titles £m	Database and intellectual property, brand and customer relationships £m	Exhibitions and conferences, brand and customer relationships £m	Sub-total £m	Intangible software assets £m	Product development[1] £m	Total £m
Cost							
At 1 January 2017	911.4	567.3	1,385.0	2,863.7	156.1	50.9	3,070.7
Disposals following review of register	–	(1.7)	(13.0)	(14.7)	–	–	(14.7)
Arising on acquisition of subsidiaries and operations	14.4	14.9	90.1	119.4	0.1	0.8	120.3
Additions	7.8	6.3	18.1	32.2	49.6	12.7	94.5
Reclassification	–	(3.0)	3.0	–	(2.4)	2.4	–
Disposals	–	(0.2)	(0.6)	(0.8)	(0.4)	(0.1)	(1.3)
Disposal of subsidiaries	(19.0)	(10.8)	(3.8)	(33.6)	(0.7)	–	(34.3)
Exchange differences	(46.2)	(34.7)	(111.0)	(191.9)	(5.5)	(3.2)	(200.6)
At 1 January 2018	**868.4**	**538.1**	**1,367.8**	**2,774.3**	**196.8**	**63.5**	**3,034.6**
Arising on acquisition of subsidiaries and operations	**–**	**61.2**	**2,270.7**	**2,331.9**	**21.2**	**–**	**2,353.1**
Additions[2]	**1.2**	**0.8**	**14.7**	**16.7**	**31.4**	**6.2**	**54.3**
Disposals	**–**	**–**	**(6.8)**	**(6.8)**	**(1.3)**	**(0.5)**	**(8.6)**
Transfer to held for sale (Note 26)	**–**	**–**	**(35.5)**	**(35.5)**	**–**	**–**	**(35.5)**
Exchange differences	**27.1**	**58.4**	**70.6**	**156.1**	**4.4**	**2.0**	**162.5**
At 31 December 2018	**896.7**	**658.5**	**3,681.5**	**5,236.7**	**252.5**	**71.2**	**5,560.4**
Amortisation							
At 1 January 2017	(410.5)	(474.2)	(300.0)	(1,184.7)	(68.7)	(15.2)	(1,268.6)
Disposals following review of register	–	1.7	13.0	14.7	–	–	14.7
Charge for the year	(51.3)	(15.5)	(91.0)	(157.8)	(16.0)	(8.8)	(182.6)
Impairment losses	(2.0)	(0.1)	(0.1)	(2.2)	–	–	(2.2)
Reclassification	–	0.1	(0.1)	–	–	–	–
Disposals	–	0.1	0.5	0.6	0.3	–	0.9
Disposal of subsidiaries	14.7	10.8	2.6	28.1	0.7	–	28.8
Exchange differences	22.5	29.1	19.9	71.5	2.9	1.4	75.8
At 1 January 2018	**(426.6)**	**(448.0)**	**(355.2)**	**(1,229.8)**	**(80.8)**	**(22.6)**	**(1,333.2)**
Charge for the year	**(52.7)**	**(52.9)**	**(138.0)**	**(243.6)**	**(27.8)**	**(14.7)**	**(286.1)**
Impairment losses (Note 16)	**–**	**–**	**(9.8)**	**(9.8)**	**–**	**(3.8)**	**(13.6)**
Disposals	**–**	**–**	**3.9**	**3.9**	**2.1**	**0.5**	**6.5**
Transfer to held for sale (Note 26)	**–**	**–**	**1.2**	**1.2**	**–**	**–**	**1.2**
Exchange differences	**(15.1)**	**(22.6)**	**(11.3)**	**(49.0)**	**(3.0)**	**(1.2)**	**(53.2)**
At 31 December 2018	**(494.4)**	**(523.5)**	**(509.2)**	**(1,527.1)**	**(109.5)**	**(41.8)**	**(1,678.4)**
Carrying amount							
At 31 December 2018	**402.3**	**135.0**	**3,172.3**	**3,709.6**	**143.0**	**29.4**	**3,882.0**
At 31 December 2017	441.8	90.1	1,012.6	1,544.5	116.0	40.9	1,701.4

1. All product development in 2018 and 2017 is internally generated.
2. Additions includes business asset additions and product development. Of the £54.3m total additions, the Consolidated Cash Flow Statement shows £57.4m for these items with £30.2m for intangible software assets, £6.2m for product development and £21.0m for titles, Brands and customer relationships.

Intangible software assets includes a gross carrying amount of £208.4m (2017: £171.0m) and accumulated amortisation of £95.7m (2017: £68.0m) which relates to software that has been internally generated. The Group does not have any of its intangible assets pledged as security over bank loans.

18. Business combinations

Cash paid on acquisition net of cash acquired	Segment	2018 £m	2017 £m
Current period acquisitions			
UBM plc	UBM	509.3	–
ICON Advisory Group, Ltd	Business Intelligence	42.7	–
CitiExpo	Global Exhibitions	7.0	–
ECMI ITE	UBM	3.2	–
Other		0.1	–
		562.3	–
Prior period acquisitions			
2017 acquisitions:			
Yachting Promotions, Inc. (YPI)	Global Exhibitions	–	111.1
Dove Medical Press Limited	Academic Publishing	0.6	43.0
Futurum Media Limited	Knowledge & Networking	5.0	1.6
Skipta, LLC	Business Intelligence	1.4	4.6
Guangzhou Informa Yi Fan Exhibitions Co., Limited	Global Exhibitions	0.4	4.2
Karnac Books Limited	Academic Publishing	0.4	3.9
New AG International Sarl	Knowledge & Networking	2.5	5.5
Mapa International Limited	Business Intelligence	0.2	2.0
Other		3.9	5.7
2010-2016 acquisitions:			
Penton		16.9	(4.5)
Other		–	16.1
Total prior period acquisitions		31.3	193.2
Total cash paid in year net of cash acquired		593.6	193.2

18. Business combinations continued

Acquisitions

The provisional amounts recognised in respect of the estimated fair value of identifiable assets and liabilities for the acquisitions made in 2018 and payments made in 2018 relating to prior year acquisitions was:

	UBM plc £m	ICON Advisory Group, Ltd £m	Other acquisitions £m	Prior year acquisitions and deferred consideration £m	Total £m
Intangibles	2,315.7	22.0	15.5	–	2,353.2
Property and equipment	30.1	0.1	–	–	30.2
Investments in joint ventures and associates	16.5	–	–	–	16.5
Deferred tax assets	2.6	–	–	–	2.6
Retirement benefit surplus	6.0	–	–		6.0
Trade and other receivables	225.6	0.6	1.1	–	227.3
Cash and cash equivalents	134.2	1.6	6.7	–	142.5
Current tax liabilities	(66.0)	–	(0.3)	–	(66.3)
Trade and other payables[1]	(213.8)	(0.7)	(4.2)	–	(218.7)
Deferred income	(426.9)	(0.2)	–	–	(427.1)
Provisions	(44.8)	–	–	31.3	(13.5)
Retirement benefit obligation	(0.9)	–	–	–	(0.9)
Derivative liabilities	(17.1)	–	–	–	(17.1)
Borrowings including derivatives associated with borrowings	(702.6)	–	–	–	(702.6)
Deferred tax liabilities	(370.2)	–	(6.8)	–	(377.0)
Identifiable net assets acquired	888.4	23.4	12.0	31.3	955.1
Put options over non-controlling interests	6.6	–	–	–	6.6
Non-controlling interest	(175.8)	–	(1.0)	–	(176.8)
Goodwill	3,470.8	20.9	7.5	–	3,499.2
Total consideration	4,190.0	44.3	18.5	31.3	4,284.1
Satisfied by:					
Cash consideration	643.5	44.3	17.0	–	704.8
Deferred and contingent cash consideration	–	–	1.5	31.3	32.8
Deferred consideration	1.4	–	–	–	1.4
Initial share consideration	3,545.1	–	–	–	3,545.1
Total consideration	4,190.0	44.3	18.5	31.3	4,284.1
Net cash outflow arising on acquisitions:					
Initial cash consideration	643.5	44.3	17.0	–	704.8
Deferred and contingent consideration paid	–	–	–	31.3	31.3
Less: net cash acquired	(134.2)	(1.6)	(6.7)	–	(142.5)
Net cash outflow arising on acquisitions	509.3	42.7	10.3	31.3	593.6

1. Included within trade and other payables was £59.0m paid to former UBM Shareholders on 28 June 2018.

Business combinations made in 2018

UBM plc

On 15 June 2018, the Group acquired 100% of the issued share capital of UBM plc. Total consideration was £4,190.0m, of which £643.5m was paid in cash, £3,545.1m was settled by the issue of 427,536,794 shares in Informa PLC at a price of £8.29 per share, and there was £1.4m of deferred consideration relating to the costs to settle share save scheme awards that were exercised after the acquisition date, with £2.5m of deferred consideration settled in shares and cash less £1.1m of SAYE option proceeds. There was cash acquired of £134.2m and debt acquired at fair value of £702.6m including associated derivatives.

The provisional fair value of the identifiable assets acquired, and liabilities assumed, at the acquisition date are shown below:

	Book value[1] £m	Provisional fair value adjustments £m	Provisional fair value £m
Intangibles	27.9	2,287.8	2,315.7
Property and equipment	30.1	–	30.1
Investment in joint ventures and associates	17.1	(0.6)	16.5
Deferred tax assets	86.3	(83.7)	2.6
Retirement benefit surplus	6.0	–	6.0
Trade and other receivables	229.0	(3.4)	225.6
Cash and cash equivalents	134.2	–	134.2
Current tax liabilities	(58.0)	(8.0)	(66.0)
Trade and other payables	(213.8)	–	(213.8)
Deferred income	(426.9)	–	(426.9)
Provisions	(41.2)	(3.6)	(44.8)
Retirement benefit obligation	(0.9)	–	(0.9)
Derivative liabilities	(17.1)	–	(17.1)
Borrowings including derivatives associated with borrowings	(688.6)	(14.0)	(702.6)
Deferred tax liabilities	–	(370.2)	(370.2)
Identifiable net assets acquired	(915.9)	1,804.3	888.4
Put options over non-controlling interests	6.6	–	6.6
Non-controlling interest	(32.9)	(142.9)	(175.8)
Provisional goodwill			3,470.8
Total consideration			4,190.0
Consideration			
Cash			643.5
Share consideration			3,545.1
Deferred consideration			1.4
Total			4,190.0

1. Book value excludes UBM goodwill, acquisition intangible assets and the related deferred tax liability on these intangibles as these amounts are replaced at acquisition date.

The fair values are described as provisional and will be finalised in the reporting for the six months ending 30 June 2019. Provisional fair values of acquisition intangibles and goodwill are based on a detailed fair value exercise, which involved support from a third party valuation specialist.

The provisional goodwill arising from the acquisition has initially been identified as relating to the following factors:

- Increased scale and industry specialisation in business-to-business information services.
- Access to new markets where Informa previously had less presence, with the benefit of global reach of the highly complementary geographic fit of the combined portfolios.
- Synergy opportunities from cost savings and incremental revenue opportunities.
- Enhanced quality of earnings as increased scale and international breadth provide resilience and greater revenue predictability.
- Greater levels of product and platform innovation facilitated increased operating and financial scale.

The provisional fair value of acquired intangible assets is £2,294.5m offset by a £6.7m fair value reduction in sales and marketing software and consolidation finance systems that will not be utilised in the combined Group. A further £3.4m of sales and marketing software work in progress was reported within trade and other receivables and is reduced to a fair value of £nil.

18. Business combinations continued

The associated deferred tax liability recognised on the acquisition intangible assets is £525.5m. Deferred tax assets of £157.9m are recognised in the 15 June 2018 Balance Sheet relating to brought forward losses and other tax attributes in the UK, US and Brazil. Of this balance, £71.6m previously not recognised by UBM as it was uncertain that they would be utilised. £2.6m of the total deferred tax asset recognised as an asset, the remainder is offset as permitted against the deferred tax liability.

A fair value decrease to joint ventures and associates of £0.6m and a fair value increase to non-controlling interests of £142.9m have been recognised with support from a third party valuation specialist. The increase in non-controlling interest is primarily driven by overseas businesses (most notably China) having been established with local partners a number of years ago.

There is a fair value provision of £8.0m in respect of the European Commission's State Aid investigation into the UK's Controlled Foreign Company regime. Further information is given in Note 13.

A fair value provision of £3.6m has been recognised for an unfavourable property contract in London.

The provisional fair value adjustment to borrowings is an increase of £14.0m to the private placement loan notes and Bond borrowings. This fair value reflects the market rate of interest on these borrowings at the acquisition date.

Acquisition costs charged to operating profit (included in adjusted items in the Consolidated Income Statement) amounted to £41.1m for adviser and related external fees.

The business generated adjusted operating profit of £202.6m, profit after tax of £21.4m, and £613.5m of revenue for the period between the date of acquisition and 31 December 2018. If the acquisition had completed on the first day of the financial year, it would have generated profit after tax of £54.8m and £988.4m of revenue for the year ended 31 December 2018.

ICON Advisory Group, Ltd

Informa purchased ICON Advisory Group, Ltd on 26 July 2018 for total consideration of £44.3m ($58.2m), settled in cash.

The provisional fair value of the identifiable assets acquired and liabilities assumed at the acquisition date are shown below:

	Book value[1] £m	Provisional fair value adjustments £m	Provisional fair value £m
Intangible assets	–	22.0	22.0
Property and equipment	0.1	–	0.1
Trade and other receivables	0.6	–	0.6
Cash and cash equivalents	1.6	–	1.6
Trade and other payables	(0.7)	–	(0.7)
Deferred income	(0.2)	–	(0.2)
Current tax liabilities	–	–	–
Identifiable net assets acquired	1.4	22.0	23.4
Provisional goodwill			20.9
Total consideration			44.3
Consideration			
Cash			44.3
Total			44.3

1. Book value excludes goodwill, acquisition intangible assets and the related deferred tax liability on these intangibles as these amounts are replaced at acquisition date.

The provisional goodwill arising from the acquisition has initially been identified as relating to the following factors:

- Providing Informa with greater presence in the growing **Business Intelligence** financial market.
- Providing a strong operational and management team to the Group.

The fair value of acquisition intangible assets was estimated to be £22.0m. No deferred tax liability has been recognised on acquisition as a result of claiming a tax deduction for goodwill and intangible assets which gives rise to a deferred tax asset equal to the deferred tax liability.

Acquisition costs charged to operating profit (included in adjusted items in the Consolidated Income Statement) amounted to £0.2m for adviser and related external fees.

The business generated an adjusted operating profit of £1.3m, profit after tax of £1.0m, and £3.1m of revenue for the period between the date of acquisition and 31 December 2018. If the acquisition had completed on the first day of the financial period, it would have incurred a profit after tax of £2.1m and generated £6.5m to the revenue of the Group for the year ended 31 December 2018.

Other business combinations made in 2018

There were three other acquisitions completed in the year ended 31 December 2018 for a total consideration of £18.5m, of which £10.3m was paid in cash, net of cash acquired of £6.7m with £1.5m of deferred consideration.

Update on deferred and contingent consideration paid in 2018 relating to business combinations completed in prior years

In the year ended 31 December 2018 there were contingent and deferred net cash payments of £31.3m relating to acquisitions completed in prior years.

There were no further adjustments made in 2018 in respect of the fair value of the acquired assets and assumed for acquisitions completed in 2017 which were disclosed in the 2017 Annual Report and Accounts.

Equity transactions

When there is a change in ownership of a subsidiary without a change in control, the difference between the consideration paid/received and the relevant share of the carrying amount of net assets acquired/disposed of the subsidiary is recorded in equity. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid is recognised directly in equity.

	2018 £m	2017 £m
Cash paid	**(5.3)**	–
Contingent consideration	**(1.0)**	–
Put option liability	**6.3**	–
Carrying amount of non-controlling interest at acquisition date	**(2.3)**	–
Recognised in equity	**(2.3)**	–

On 6 July 2018, the Group acquired the remaining 15% minority shareholding of UBM ICC Fuarcilik ve Organizasyon Ticaret A.Ş and the remaining 25% of UBM Istanbul Fuarcılık ve Gösteri Hizmetleri A.Ş. and NTSR Fuar ve Gösteri Hizmetleri A.Ş. for initial consideration of £5.3m and contingent consideration of £1.0m. This equity purchase brings the Group's total shareholding in these entities to 100%.

19. Property and equipment

	Freehold land and buildings £m	Leasehold land and buildings £m	Equipment, fixtures and fittings £m	Total £m
Cost				
At 1 January 2017	3.1	17.6	44.7	65.4
Additions[1]	–	6.0	10.3	16.3
Acquisition of subsidiaries	–	–	3.7	3.7
Disposals	–	(1.0)	(2.5)	(3.5)
Disposal of subsidiaries	–	(0.5)	(0.9)	(1.4)
Exchange differences	(0.1)	(1.0)	(2.9)	(4.0)
At 1 January 2018	**3.0**	**21.1**	**52.4**	**76.5**
Additions[1]	**–**	**15.6**	**7.8**	**23.4**
Acquisition of subsidiaries	**–**	**27.9**	**2.3**	**30.2**
Disposals	**–**	**(2.7)**	**(8.3)**	**(11.0)**
Transfer to held for sale (Note 26)	**–**	**(0.4)**	**(1.2)**	**(1.6)**
Exchange differences	**0.1**	**3.1**	**5.5**	**8.7**
At 31 December 2018	**3.1**	**64.6**	**58.5**	**126.2**
Depreciation				
At 1 January 2017	(0.3)	(7.5)	(33.5)	(41.3)
Charge for the year	(0.1)	(2.5)	(6.6)	(9.2)
Disposals	–	0.7	1.7	2.4
Disposal of subsidiaries	–	0.3	0.8	1.1
Exchange differences	–	0.4	1.9	2.3
At 1 January 2018	**(0.4)**	**(8.6)**	**(35.7)**	**(44.7)**
Charge for the year	**(0.1)**	**(5.0)**	**(8.0)**	**(13.1)**
Disposals	**–**	**2.3**	**8.2**	**10.5**
Impairment	**–**	**(2.6)**	**(0.1)**	**(2.7)**
Transfer to held for sale (Note 26)	**–**	**0.3**	**0.5**	**0.8**
Exchange differences	**(0.1)**	**(1.5)**	**(5.0)**	**(6.6)**
At 31 December 2018	**(0.6)**	**(15.1)**	**(40.1)**	**(55.8)**
Carrying amount				
At 31 December 2018	**2.5**	**49.5**	**18.4**	**70.4**
At 31 December 2017	2.6	12.5	16.7	31.8

1. £23.4m (2017: £14.7m) additions represents cash paid.

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

20. Other investments and investments in joint ventures and associates

Investments in joint ventures and associates

The carrying value of investments in joint ventures and associates is set out below:

	2018 £m	2017 £m
At 1 January	**1.5**	1.5
Arising on acquisition of subsidiaries and operations	**16.5**	–
Share of results of joint ventures and associates	**1.0**	–
Foreign exchange	**0.1**	–
At 31 December	**19.1**	1.5

The following represents the aggregate amount of the Group's share of assets, liabilities, income and expenses of the Group's joint ventures:

	100% of results 2018 £m	Group share 2018 £m	100% of results 2017 £m	Group share 2017 £m
Non-current assets	**88.4**	**16.5**	–	–
Current assets	**73.4**	**13.7**	2.8	1.4
	161.8	**30.2**	2.8	1.4
Non-current liabilities	**(48.6)**	**(9.8)**	–	–
Current liabilities	**(100.4)**	**(20.1)**	(0.9)	(0.5)
Net assets	**12.8**	**0.3**	1.9	0.9
Operating profit	**5.9**	**1.1**	0.1	–
Profit before tax	**5.9**	**1.1**	0.1	–
Profit after tax	**5.6**	**1.0**	0.1	–

The Group's investments in joint ventures at 31 December 2018 are as follows:

Company	Division	Country of incorporation and operation	Class of shares held	Shareholding or share of operation	Accounting year end
Lloyd's Maritime Information Services Limited	BI	UK	Ordinary	50%	31 December
Independent Materials Handling Exhibitions Limited	GE	UK	Ordinary	50%	31 December
Informa Tharawat LLC	K&N	State of Qatar	Ordinary	49%	31 December
Cosmosprof Shanghai Exhibitions Limited	UBM	China	Ordinary	50%	31 December
Guangdong International Exhibitions Limited	UBM	China	Ordinary	50%	31 December
Guzhen Lighting Expo Co., Ltd	UBM	China	Ordinary	51%	31 December
GML Exhibition (Thailand) Co., Ltd	UBM	China	Ordinary	49%	31 December
Games for Good Causes plc	UBM	UK	Ordinary	36%	31 December
PT Dyandra UBM International	UBM	Indonesia	Ordinary	49%	31 December
MedtecLive GmbH	UBM	Germany	Ordinary	49%	31 December

The Group's investments in associates at 31 December 2018 are as follows:

Company	Division	Country of incorporation and operation	Class of shares held	Shareholding or share of operation	Accounting year end
Pestana Management Limited[1]	K&N	Cyprus[1]	Ordinary	49%	31 December
Independent Television News Limited	UBM	UK	Ordinary	20%	31 December
PA Group	UBM	UK	Ordinary	17%	31 December

1. Pestana Management Limited is incorporated in Cyprus and operates in Russia.

Other investments

The Group's other investments at 31 December 2018 are as follows:

	2018 £m	2017 £m
At 1 January	**4.6**	1.6
Additions in year	**0.5**	3.0
At 31 December	**5.1**	4.6

Other investments include investments in unlisted equity securities and convertible loan notes which are redeemable through the issue of equity.

21. Disposal of subsidiaries and operations

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

	2018 £m	2017 £m
Delicious Living	0.2	–
ehi Live exhibition	(3.3)	–
PR Newswire	5.4	–
Euroforum conference business in Germany and Switzerland	(0.7)	15.5
Compendium Contech	–	(1.6)
Garland Science	–	(7.5)
Biotechniques	–	(19.2)
Lloyd's List Australia	–	(4.6)
Australia Bulk Handling Review	–	(0.7)
Corporate Training businesses loan recovery	–	0.6
Other operations (loss)/profit on disposal	(0.5)	0.1
Profit/(loss) for the year from disposal of subsidiaries and operations	1.1	(17.4)

On 17 September 2018, the Group disposed of the ehi Live exhibition and recorded a loss on disposal of £3.3m. In August 2018, there was a £5.4m profit on disposal relating to the release of indemnity provisions associated with the 2016 disposal of PR Newswire by UBM plc. On 19 June 2018, there was a loss on disposal of £0.7m relating to a payment for the finalisation of working capital amounts in relation to the 2017 disposal of Euroforum.

22. Deferred tax

	Consolidated Balance Sheet at 31 December		Consolidated Income Statement year ended 31 December	
Deferred tax liabilities	2018 £m	2017 £m	2018 £m	2017 £m
Accelerated capital allowances	(3.0)	2.7	0.9	(0.2)
Intangibles	764.5	306.6	(34.1)	(146.2)
Pensions (Note 34)	(7.5)	(5.8)	(0.5)	(0.1)
Losses	(120.4)	(45.6)	14.8	46.3
Other	(35.3)	(15.9)	(2.1)	4.3
	598.3	242.0	(21.0)	(95.9)

The movement in deferred tax balance during the year is:

	2018 £m	2017 £m
Net deferred tax liability at 1 January	242.0	335.5
(Credit)/charge to other comprehensive income for the year	(1.3)	4.2
Acquisitions and additions	373.8	26.4
Disposal	(0.4)	–
Transfer to held for sale	(8.7)	–
Credit to profit or loss for the year excluding US federal tax reform	(21.0)	(4.3)
Credit to profit or loss for the year arising from US federal tax reform	–	(94.6)
Credit to profit or loss for the year arising from UK Corporation Tax rate change	–	(0.4)
Other rate change movements	–	(0.7)
Foreign exchange movements	13.9	(24.1)
Net deferred tax liability at 31 December	598.3	242.0

Certain deferred tax assets and liabilities have been offset. The following is the analysis of deferred tax balances for the Consolidated Balance Sheet.

	2018 £m	2017 £m
Deferred tax liability	620.3	251.0
Deferred tax asset	(22.0)	(9.0)
	598.3	242.0

Deferred tax assets have been recognised because, based on the Group's current forecasts, it is expected that there will be taxable profits against which these assets can be utilised.

The Finance Act 2016 enacted a reduction in the UK Corporation Tax rate to 17.0% from 1 April 2020. Deferred tax has been provided on UK temporary timing differences at the UK rate at which they are expected to reverse.

The Group has the following unused tax losses in respect of which no deferred tax assets have been recognised:

- £270.8m (2017: £nil) of UK tax losses.
- £109.7m (2017 £2.2m) of US federal tax losses which expire between 2019 and 2038. In addition, there are unrecognised deferred tax assets in respect of US state tax losses of £5.4m (2017: £4.0m).
- £251.6m (2017: £nil) of UK capital losses which are only available for offset against future capital gains.
- £5.0m (2017: £37.9m) of US capital losses which are only available for offset against future capital gains.
- £7.5bn (2017: £nil) of Luxembourg tax losses.
- £36.1m (2017: £41.9m) of Brazilian tax losses.
- £40.4m (2017: £29.0m) of tax losses in other countries.

No deferred tax has been recognised in respect of these tax losses as it is not considered probable that these losses will be utilised.

In addition, the Group has unrecognised deferred tax assets in relation to other deductible temporary differences of £2.6m (2017: £nil). No deferred tax assets have been recognised in respect of these amounts as it is not considered probable that they will be utilised.

At the reporting date, deferred tax liabilities of £0.7m (2017: £nil) have been recognised in respect of withholding tax on post-acquisition undistributed earnings of the Group's subsidiaries. The aggregate amount of withholding tax on post-acquisition undistributed earnings for which deferred tax liabilities have not been recognised was £1.2m (2017: £1.2m). No liability has been recognised because the Group, being in a position to control the timing of the distribution of intra-Group dividends, has no intention to distribute intra-Group dividends in the foreseeable future that would trigger withholding tax.

23. Trade and other receivables

	2018 £m	2017 (restated)[1] £m
Current		
Trade receivables	**250.1**	231.6
Less: loss allowance	**(37.7)**	(27.2)
Trade receivables net	**212.4**	204.4
Other receivables	**33.8**	22.6
Prepayments and accrued income	**156.5**	99.1
Total current	**402.7**	326.1
Non-current		
Other receivables	**6.3**	0.1
	409.0	326.2

1. 2017 restated for implementation of IFRS 15 (see Note 4).

The average credit period taken on sales of goods is 48 days (2017: 52 days) applying consistent methodology. The Group has provision policies for its various Divisions which have been determined by reference to past default experience. Under the normal course of business, the Group does not charge interest on its overdue receivables.

The Group's exposures to credit risk and impairment losses related to trade and other receivables are disclosed in Note 32. The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

24. Derivative financial instruments

	2018 £m	2017 £m
Financial assets – non-current		
Interest rate swaps – hedged	**0.4**	–
Interest rate swaps – not hedged	**1.1**	–
	1.5	–
Financial liabilities – current		
Put options over non-controlling interests	**10.1**	–
	10.1	–
Financial liabilities – non-current		
Interest rate swaps – hedged	**25.2**	–
Put options over non-controlling interests	**1.8**	–
	27.0	–

Interest rate swaps are associated with debt instruments and are included within net debt (see Note 27). There were £1.5m of derivative financial assets and £25.2m of derivative financial liabilities relating to interest rate swaps (£24.1m in relation to cross currency interest rate swaps – see Note 32 for further details).

Put options over non-controlling interests relate to options over previous acquisitions (see Note 32 for further details).

25. Inventory

	2018 £m	2017 £m
Work in progress	8.2	11.3
Finished goods and goods for resale	42.7	42.8
	50.9	54.1

Write-down of inventory during the year amounted to £3.0m (2017: £3.0m).

26. Assets classified as held for sale and liabilities directly associated with assets classified as held for sale

On 19 December 2018, the Group agreed the disposal of the UBM Life Sciences business, with the sale completing on 31 January 2019 (see Note 42). In accordance with IFRS 5, the Group has classified the assets and liabilities of UBM Life Sciences as held for sale in the Consolidated Balance Sheet at 31 December 2018 as it does not meet the requirement of a discontinued operation.

The major classes of assets and liabilities of the UBM Life Sciences business at 31 December 2018 were as follows:

	2018 £m
Goodwill	31.4
Intangibles	34.3
Property and equipment	0.8
Trade and other receivables	13.0
Assets of business classified as held for sale	79.5
Trade and other payables	(7.1)
Deferred tax liability	(8.7)
Provisions	(0.3)
Liabilities of business associated with assets classified as held for sale	(16.1)
Net assets of business held for sale	63.4

27. Movements in net debt

Net debt consists of cash and cash equivalents and includes bank overdrafts, borrowings, derivatives associated with debt instruments, and other loan note receivables where these are interest bearing and do not relate to deferred contingent arrangements.

	At 1 January 2018 £m	Non-cash movements £m	UBM net debt acquired £m	Cash flow £m	Exchange movements £m	At 31 December 2018 £m
Cash at bank and in hand	54.9	–	134.2	(12.4)	(7.9)	168.8
Overdrafts	(6.7)	–	–	(37.1)	(0.1)	(43.9)
Cash and cash equivalents	48.2	–	134.2	(49.5)	(8.0)	124.9
Bank loans due in less than one year	(296.3)	–	(151.0)	307.9	(17.5)	(156.9)
Bank loans due in more than one year	(287.6)	–	–	227.5	(18.4)	(78.5)
Bank loan fees due in less than one year	–	(2.5)	–	2.5	–	–
Bank loan fees due in more than one year	2.0	(1.1)	–	–	–	0.9
Private placement loan notes due in less than one year	–	183.1	(284.6)	101.5	–	–
Private placement loan notes due in more than one year	(841.0)	(182.4)	–	(313.6)	(59.4)	(1,396.4)
Private placement loan note fees	1.6	(0.6)	1.3	0.9	0.2	3.4
Bond borrowings due in more than one year	–	1.1	(269.1)	(872.7)	(22.3)	(1,163.0)
Bond borrowing fees	–	(0.9)	1.7	6.6	–	7.4
Derivative assets associated with borrowings	–	–	1.5	–	–	1.5
Derivative liabilities associated with borrowings	–	2.7	(2.4)	–	(25.5)	(25.2)
Net debt	(1,373.1)	(0.6)	(568.4)	(588.9)	(150.9)	(2,681.9)

27. Movements in net debt continued

Included within the net cash outflow of £588.9m (2017: outflow of £14.6m) is £1,179.4m (2017: £1,292.1m) of loan repayments, £644.0m (2017: £1,070.8m) of facility loan drawdowns, £872.7m of proceeds from the EMTN bond issuance, £101.5m of private placement repayments (2017: £159.7m) and £313.6m of private placement drawdowns (2017: £406.4m).

28. Cash and cash equivalents

	Note	2018 £m	2017 £m
Cash at bank and on hand		168.8	54.9
Bank overdrafts	29	(43.9)	(6.7)
Cash and cash equivalents in the Consolidated Cash Flow Statement		124.9	48.2

The cash at bank and on hand is presented net of the Group's legal right to offset overdrafts. The Group's exposure to interest rate risks and a sensitivity analysis for financial assets and liabilities is disclosed in Note 32.

29. Borrowings

Total borrowings, excluding derivative assets and liabilities associated with borrowings, are as follows:

	Notes	2018 £m	2017 £m
Current			
Bank overdraft	28	43.9	6.7
Bank borrowings ($400.0m) – due March 2018		–	296.3
Bank borrowings ($200.0m) – due March 2019		156.9	–
Total current borrowings	27	200.8	303.0
Non-current			
Bank borrowings – Revolving Credit Facility – due October 2020		78.5	287.6
Bank debt issue costs		(0.9)	(2.0)
Bank borrowings – non-current	27	77.6	285.6
Private placement loan note ($385.5m) – due December 2020		302.5	285.5
Private placement loan note ($45.0m) – due June 2022		36.5	–
Private placement loan note ($120.0m) – due October 2022		94.2	88.9
Private placement loan note ($55.0m) – due January 2023		43.1	40.7
Private placement loan note ($76.1m) – due June 2024		60.9	–
Private placement loan note ($80.0m) – due January 2025		62.8	59.2
Private placement loan note ($200.0m) – due January 2025		156.9	–
Private placement loan note ($130.0m) – due October 2025		102.0	96.3
Private placement loan note ($365.0m) – due January 2027		286.4	270.4
Private placement loan note ($116.0m) – due June 2027		94.2	–
Private placement loan note ($200.0m) – due January 2028		156.9	–
Private debt issue costs		(3.4)	(1.6)
Private placement – non-current	27	1,393.0	839.4
Bond borrowings ($350.0m) – due November 2020		279.1	–
Euro Medium Term Note (€650.0m) – due July 2023		583.9	–
Euro Medium Term Note (£300.0m) – due July 2026		300.0	–
Bond borrowings issue costs		(7.4)	–
Bond borrowings – non-current	27	1,155.6	–
Total non-current borrowings		2,626.2	1,125.0
		2,827.0	1,428.0

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

At 31 December 2018, the Group had private placement loan notes amounting to $1,772.6m (2017: $1,135.5m). As at 31 December 2018, the note maturities ranged between two and nine years (2017: three and ten years), with an average duration of 5.8 years (2017: 6.1 years), at a weighted average interest rate of 4.1% (2017: 4.1%).

For the purpose of refinancing the UBM plc acquisition borrowings the Group issued the following Euro Medium Term Notes (EMTNs), which are debt instruments traded outside of the USA and Canada. On 2 July 2018, the bonds were priced with an issue date of 5 July 2018:

- A 5-year fixed term note, until July 2023, of value €650m.
- An 8-year fixed term note, until July 2026, of value £300m.

The Group maintains the following lines of credit:

- £855.0m (2017: £855.0m) Revolving Credit Facility, of which £78.5m (2017: £287.6m) was drawn down at 31 December 2018. Interest is payable at the rate of LIBOR plus a margin based on the ratio of net debt to EBITDA.
- £156.9m (USD 200.0m) bank term loan facility with a maturity of up to March 2019 and issued by Bank of America Merrill Lynch. This was repaid in February 2019.
- £167.1m (2017: £134.0m) comprising a number of bilateral bank uncommitted facilities that can be drawn down to meet short-term financing needs, of which £43.9m (2017: £6.7m) was drawn at 31 December 2018. These facilities consist of £101.0m (2017: £81.0m), USD 25.0m (2017: USD 15.0m), €42.0m (2017: €43.0m), AUD 1.0m (2017: AUD 1.0m), CAD 2.0m (2017: CAD 2.0m), SGD 2.3m (2017: SGD 2.3m) and CNY 50.0m (2017: CNY 50.0m). Interest is payable at the local base rate plus a margin.
- Four bank guarantee facilities comprising in aggregate up to USD 10.0m (2017: USD 10.0m), €7.0m (2017: €7.0m), £2.0m (2017: £nil) and AUD 1.5m (2017: AUD 1.5m).

The effective interest rate for the year ended 31 December 2018 was 3.8% (2017: 3.8%).

The Group's exposure to liquidity risk is disclosed in Note 32(g).

30. Provisions

	Contingent consideration £m	Acquisition & integration £m	Property leases £m	Restructuring provision £m	Other provision £m	Total £m
At 1 January 2017	21.2	12.3	8.4	4.3	–	46.2
Increase in year	33.9	5.0	7.9	7.9	2.4	57.1
Utilisation	(15.7)	(14.7)	(3.1)	(9.4)	–	(42.9)
Release	0.1	(0.4)	(1.9)	(0.1)	–	(2.3)
At 1 January 2018	39.5	2.2	11.3	2.7	2.4	58.1
Increase in year	**9.7**	**9.0**	**6.7**	**8.6**	**17.9**	**51.9**
Acquisition of subsidiaries	**12.8**	**7.9**	**10.8**	**3.6**	**–**	**35.1**
Currency translation	**0.5**	**–**	**–**	**–**	**0.1**	**0.6**
Utilisation	**(21.9)**	**(12.7)**	**(5.8)**	**(10.8)**	**6.1**	**(45.1)**
Transfer to held for sale	**–**	**–**	**–**	**(0.3)**	**–**	**(0.3)**
Release	**–**	**(1.2)**	**(0.3)**	**–**	**(5.3)**	**(6.8)**
At 31 December 2018	**40.6**	**5.2**	**22.7**	**3.8**	**21.2**	**93.5**
2018						
Current liabilities	**28.5**	**5.2**	**7.7**	**4.0**	**18.0**	**63.4**
Non-current liabilities	**12.1**	**–**	**15.0**	**(0.2)**	**3.2**	**30.1**
2017						
Current liabilities	15.5	2.2	3.3	2.7	1.4	25.1
Non-current liabilities	24.0	–	8.0	–	1.0	33.0

The contingent consideration will be paid primarily in one to two years. The contingent consideration is based on future business valuations and profit multiples (both Level 3 fair value measurements) and has been estimated on an acquisition by acquisition basis using available profit forecasts (a significant unobservable input). The higher the profit forecast, the higher the fair value of any contingent consideration (subject to any maximum payout clauses), and if all future business valuations and profit multiples were achieved, the maximum undiscounted amounts payable for contingent consideration would be £221.3m.

The property lease provision represents a provision for vacant property. This is calculated as 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.

See Note 8 for details of items included in restructuring provisions and details of the remeasurement of contingent consideration. Amounts included within restructuring provisions are expected to be utilised in 2019.

31. Trade and other payables

	2018 £m	2017 (restated)[1] £m
Current		
Deferred consideration	3.4	2.0
Trade payables	115.8	68.6
Accruals	265.7	200.4
Other payables	58.1	25.6
Total current	443.0	296.6
Non-current		
Deferred consideration	–	17.0
Other payables	33.9	9.7
Total non-current	33.9	26.7
	476.9	323.3

1. 2017 restated for implementation of IFRS 15 (see Note 4).

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 46 days (2017: 49 days) applying consistent methodology. There are no suppliers who represent more than 10% of the total balance of trade payables in either 2018 or 2017. 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. The Directors consider that the carrying amount of trade payables is approximate to their fair value.

32. 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 risk management policies. The Treasury Committee meets regularly and reports to the Audit Committee 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. These risks include market risk (including currency risk and price risk), credit risk, liquidity risk and interest rate risk.

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

32. Financial instruments continued

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 capital structure of the Group consists of net debt, which includes borrowings (Note 29), cash and cash equivalents (Note 28), and equity attributable to equity holders of the parent, comprising issued capital (Note 35), 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 the Group's borrowing 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 2018, both financial covenants were achieved, with the ratio of net debt (using average exchange rates) to EBITDA being 2.9 times (2.5 times at 31 December 2017). The ratio of EBITDA to net interest payable in the year ended 31 December 2018 was 9.5 times (2017: 9.8 times). EBITDA is calculated from earnings before interest, tax, depreciation and amortisation, with earnings stated before adjusting items.

(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 2.

	Notes	2018 £m	2017[1] £m
Financial assets			
Trade receivables	23	**212.4**	204.4
Other receivables	23	**40.1**	22.7
Cash at bank and on hand	28	**168.8**	54.9
Derivative assets associated with borrowings	27	**1.5**	–
Investments in unquoted companies	20	**5.1**	4.6
Total financial assets		**427.9**	286.6
Financial liabilities			
Bank overdraft	29	**43.9**	6.7
Bank borrowings	29	**234.5**	581.9
Private placement loan notes	29	**1,393.0**	839.4
Bond borrowings	29	**1,155.6**	–
Derivative liabilities associated with borrowings	27	**25.2**	–
Derivative liabilities associated with put options over non-controlling interests	24	**11.9**	–
Trade payables	31	**115.8**	68.6
Accruals	31	**265.7**	200.4
Other payables	31	**92.0**	35.3
Deferred consideration	31	**3.4**	19.0
Contingent consideration	30	**40.6**	39.5
Total financial liabilities		**3,381.6**	1,790.8

1. 2017 restated for implementation of IFRS 15 (see Note 4).

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange and interest rates, will affect the Group's income or the value of its holdings of financial instruments.

The Group manages these risks by maintaining a mix of fixed and floating rate debt and currency borrowings using derivatives where necessary. 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 adverse effects on the Group's financial performance. Risk management is carried out by a central treasury department under policies approved by the Board of Directors.

(d) Interest rate risk

The Group has no significant interest-bearing assets at floating rates, except cash, but 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 or converted to fixed rates expose the Group to fair value interest rate risk.

The interest rate risk is managed by maintaining an appropriate mix of fixed and floating rate borrowings and by the use of interest rate swap contracts. The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk section of this note.

The following table details financial liabilities by interest category:

	2018				2017 (restated)[1]			
	Fixed rate £m	Floating rate £m	Non-interest bearing £m	Total £m	Fixed rate £m	Floating rate £m	Non-interest bearing £m	Total £m
Bank overdraft	–	43.9	–	43.9	–	6.7	–	6.7
Bank borrowings	–	234.5	–	234.5	–	581.9	–	581.9
Private placement loan notes	1,356.5	36.5	–	1,393.0	839.4	–	–	839.4
Bond borrowings	1,155.6	–	–	1,155.6	–	–	–	–
Derivatives liabilities associated with borrowings	24.1	1.1	–	25.2	–	–	–	–
Derivative liabilities associated with put options over non-controlling interests	–	–	11.9	11.9	–	–	–	–
Trade payables	–	–	115.8	115.8	–	–	68.6	68.6
Accruals	–	–	265.7	265.7	–	–	200.4	200.4
Other payables	–	–	92.0	92.0	–	–	35.3	35.3
Deferred consideration	–	–	3.4	3.4	–	–	19.0	19.0
Contingent consideration	–	–	40.6	40.6	–	–	39.5	39.5
	2,536.2	316.0	529.4	3,381.6	839.4	588.6	362.8	1,790.8

1. 2017 restated for implementation of IFRS 15 (see Note 4).

Interest rate sensitivity analysis

88% of borrowings are at fixed interest rates; 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 £3.2m (2017: £5.9m).

32. Financial instruments continued

Fair value hedges

	2018 £m	2017 £m
Interest rate swaps – derivative financial assets	1.5	–
Interest rate swaps – derivative financial liabilities	(25.2)	–

At 31 December 2018, interest rate swaps were in place for $76.1m matched against $76.1m of the US private placement loan notes due 2024. Under this swap, the Group receives a fixed rate of 4.45% and pays a floating rate of interest semi-annually in arrears. At 31 December 2018, the fair value of this swap was a financial liability of £1.1m.

Interest rate swaps at 31 December 2018 also relate to the floating rate swaps for $100.0m matching against $100.0m of the $350.0m 5.75% bond borrowings due in November 2020. Under these swaps the Group receives interest of 5.75% to match the bond coupons and pays a floating rate of interest semi-annually in arrears. At 31 December 2018 the fair value of these swaps was a financial asset of £0.4m.

There were also cross currency interest rate swaps over the EMTN borrowings where the Group receives a fixed rate of interest for £300.0m of EMTN borrowings for the duration of the 8 year bond and pays a fixed rate of interest for $393.7m; also where the Group receives a fixed rate of interest on €150.0m of EMTN borrowings for the duration of the 5 year bond and pays a fixed rate of interest for $174.1m. At 31 December 2018, the fair value of these swaps was a financial liability of £24.1m.

The interest rate swaps are used to increase the Group's exposure to interest rates to maintain a balance of fixed and floating interest rate cost. These hedges were assessed to be highly effective at 31 December 2018 with the small ineffective portions of the hedging contracts included in financing income.

(e) Foreign currency risk

The Group is a business with significant net US dollar (USD) transactions; hence exposures to exchange rate fluctuations arise.

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 USD. This policy has the effect of partially protecting the Group's Consolidated Balance Sheet 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	
	2018 £m	2017 £m	2018 £m	2017 £m
USD	379.9	208.4	(2,527.6)	(1,791.3)
EUR	44.6	23.2	(723.3)	(25.9)
Other	191.2	259.1	(900.5)	(310.8)
	615.7	490.7	(4,151.4)	(2,128.0)

The foreign currency borrowings of £2,494.8m (2017: £1,292.3m) are used to hedge the Group's net investments in foreign subsidiaries.

	Average rate		Closing rate	
	2018	2017	2018	2017
USD	1.33	1.29	1.27	1.35

Foreign currency sensitivity analysis

In 2018, the Group earned approximately 61% (2017: 65%) of its revenues and incurred approximately 53% (2017: 55%) of its costs in USD or currencies pegged to USD. The Group is therefore sensitive to movements in USD against GBP. In 2018, each $0.01 movement in the USD to GBP exchange rate has a circa £11.4m (2017: £8.5m) impact on revenue and a circa £4.5m (2017: £3.5m) impact on adjusted operating profit. Offsetting this are reductions to the value of USD borrowings, interest and tax liabilities. This analysis assumes all other variables, including interest rates, remain constant.

(f) Credit risk

The Group's principal financial assets are trade and other receivables (Note 23) and cash and cash equivalents (Note 28), which represent the Group's maximum exposure to credit risk in relation to financial assets.

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 assessing creditworthiness of counterparties as a means of mitigating the risk of financial loss from defaults.

The Group's exposure and the creditworthiness 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 as part of the Group's treasury policies.

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.

The Group's current credit risk grading framework is comprised of the following categories:

Category	Description	Basis for recording expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit impaired
In default	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

Trade receivables

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

Trade receivables consist of a large number of customers, spread across diverse industries and geographic areas, and the Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. 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 always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The ECLs on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no significant change in the estimation techniques or significant assumptions made during the current reporting period.

32. Financial instruments continued

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are overdue and considered irrecoverable, whichever occurs earlier. None of the trade receivables that have been written off are subject to enforcement activities.

All customers have credit limits set by credit managers and are subject to the standard terms of payment of each Division. As the **Global Exhibitions** and **Knowledge & Networking** Divisions and the Journals part of the **Academic Publishing** Division work predominantly 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 approximates their fair value.

Non-current other receivables

Non-current other receivables arose from disposals made in the current and prior years as disclosed in Note 23. The Risk Committee reviews these receivables and the credit quality of the counterparties on a regular basis.

Ageing of trade receivables:

	Gross 2018 £m	Provision 2018 £m	Gross 2017 (restated)[1] £m	Provision 2017 £m
Not past due	124.6	–	54.2	–
Past due 0–30 days	41.4	–	89.9	–
Past due > 31 days	84.1	(17.0)	87.5	(10.2)
Books provision (see below)	–	(20.7)	–	(17.0)
	250.1	(37.7)	231.6	(27.2)

1. 2017 restated for implementation of IFRS 15 (see Note 4).

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 £10.4m (2017: £24.4m) 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 £20.7m (2017: £17.0m) has been disclosed separately in the table above. This is based on the Group's best estimate of previous returns trends, and the amount is included as part of the overall provision balance of £38.3m (2017: £27.2m).

Movement in the provision:

	2018 £m	2017 £m
1 January	27.2	31.3
Arising on acquisition of subsidiaries and operations	22.3	–
Provision recognised	2.3	5.7
Receivables written off as uncollectible	(7.7)	(2.8)
Amounts recovered during the year	(6.4)	(7.0)
31 December	37.7	27.2

There are no customers who represent more than 10% of the total gross balance of trade receivables in either 2018 or 2017.

(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 with oversight by the Treasury Committee. Group Treasury has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding. The Group manages liquidity risk by maintaining adequate reserves and debt facilities, together with 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.

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 fulfil its borrowing requirements by borrowing in the currencies in which it operates, principally USD and EUR; thereby providing a natural hedge against projected future surplus USD cash inflows.

(h) Liquidity and interest risk tables

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

The table below presents 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.

	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
31 December 2018						
Non-derivative financial assets						
Non-interest bearing	**426.4**	**426.4**	**415.0**	**11.4**	**–**	**–**
	426.4	**426.4**	**415.0**	**11.4**	**–**	**–**
31 December 2017						
Non-derivative financial assets						
Non-interest bearing	286.6	286.6	281.9	4.7	–	–
	286.6	286.6	281.9	4.7	–	–

1. Under IFRS 7 contractual cash flows are undiscounted and therefore may not agree with the carrying amounts in the Consolidated Balance Sheet.

The following tables present the earliest date on which the Group can settle its financial liabilities. The table includes both interest and principal cash flows.

	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
31 December 2018						
Non-derivative financial liabilities						
Variable interest rate instruments	**314.9**	**320.5**	**202.5**	**80.2**	**37.8**	**–**
Fixed interest rate instruments	**2,512.1**	**2,992.9**	**89.9**	**666.6**	**891.7**	**1,344.7**
Trade and other payables	**473.5**	**473.5**	**439.6**	**33.9**	**–**	**–**
Deferred consideration	**3.4**	**3.4**	**3.4**	**–**	**–**	**–**
Contingent consideration	**40.6**	**40.6**	**28.4**	**12.2**	**–**	**–**
	3,344.5	**3,830.9**	**763.8**	**792.9**	**929.5**	**1,344.7**
31 December 2017						
Non-derivative financial liabilities						
Variable interest rate instruments	588.6	588.6	303.0	285.6	–	–
Fixed interest rate instruments	839.4	1,054.30	34.1	34.1	450.1	536.0
Trade and other payables[2]	304.3	304.3	294.6	9.7	–	–
Deferred consideration	19.0	19.0	2.0	17.0	–	–
Contingent consideration	39.5	39.5	15.5	24.0	–	–
	1,790.8	2,005.7	649.2	370.4	450.1	536.0

1. Under IFRS 7 contractual cash flows are undiscounted and therefore may not agree with the carrying amounts in the Consolidated Balance Sheet.
2. 2017 restated for implementation of IFRS 15 (see Note 4).

32. Financial instruments continued

(i) Fair value of financial instruments

Financial assets and financial liabilities measured at fair value in the Consolidated Balance Sheet:

	Carrying amount 2018 £m	Estimated fair value 2018 £m	Carrying amount 2017 £m	Estimated fair value 2017 £m
Financial assets				
Derivative financial instruments in designated hedge accounting relationships	0.4	0.4	–	–
Unhedged derivative financial instruments	1.1	1.1	–	–
Equity investments in unquoted companies	5.1	5.1	4.6	4.6
	6.6	6.6	4.6	4.6
Financial liabilities				
Derivative financial instruments in designated hedge accounting relationships	25.2	25.2	–	–
Derivative liabilities associated with put options over non-controlling interests	11.9	11.9		
Contingent and deferred consideration on acquisitions	44.0	44.0	58.5	58.5
	81.1	81.1	58.5	58.5

(j) Fair values and fair value hierarchy

Valuation techniques use observable market data where it is available and rely as little as possible on entity-specific estimates. The fair values of interest rate swaps and forward exchange contracts are measured using discounted cash flows. Future cash flows are based on forward interest/exchange rates (from observable yield curves/forward exchange rates at the end of the reporting period) and contract interest/forward rates, discounted at a rate that reflects the credit risk of the counterparties.

The fair values of put options over non-controlling interests (including exercise price) and contingent and deferred consideration on acquisitions are measured using discounted cash flow models with inputs derived from the projected financial performance in relation to the specific contingent consideration criteria for each acquisition, as no observable market data is available. The fair values are most sensitive to the projected financial performance of each acquisition; management makes a best estimate of these projections at each financial reporting date and regularly assesses a range of reasonably possible alternatives for those inputs and determines their impact on the total fair value. An increase of 20% to the projected financial performance used in the put option measurements would increase the aggregate liability by £1.8m. The fair value of the contingent and deferred consideration on acquisitions is not significantly sensitive to a reasonable change in the forecast performance. The potential undiscounted amount for all future payments that the Group could be required to make under the contingent consideration arrangements for all acquisitions is disclosed in Note 30.

Financial instruments that are measured subsequently to initial recognition at fair value are grouped into Levels 1 to 3, based on the degree to which the fair value is observable, as follows:

Level 1: fair value measurements are those derived from unadjusted quoted prices 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 (as prices) or indirectly (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).

Financial assets and liabilities measured at fair value in the statement of financial position and their categorisation in the fair value hierarchy:

	Level 1 2018 £m	Level 2 2018 £m	Level 3 2018 £m	Total 2018 £m
Financial assets				
Derivative financial instruments in designated hedge accounting relationships	–	0.4	–	0.4
Unhedged derivative financial instruments	–	1.1	–	1.1
Equity investments in unquoted companies	–	5.1	–	5.1
	–	6.6	–	6.6
Financial liabilities at amortised cost				
Bank borrowings (including bank overdraft)	–	278.4	–	278.4
Private placement loan notes	–	1,318.2	–	1,318.2
Bond borrowings	–	1,072.9	–	1,072.9
Financial liabilities at fair value through profit or loss				
Private placement loan notes	–	59.2	–	59.2
Bond borrowings	–	80.3	–	80.3
Derivative financial instruments in designated hedge accounting relationships[1]	–	25.2	–	25.2
Contingent and deferred consideration on acquisitions	–	–	44.0	44.0
Put options over non-controlling interests	–	–	11.9	11.9
	–	2,834.2	55.9	2,890.1

1. £24.1m relates to interest rate swaps associated with Euro Medium Term Notes. Refer to Note 29.

	Level 1 2017 £m	Level 2 2017 £m	Level 3 2017 £m	Total 2017 £m
Financial assets				
Derivative financial instruments in designated hedge accounting relationships	–	–	–	–
Equity investments in unquoted companies	–	4.6	–	4.6
	–	4.6	–	4.6
Financial liabilities				
Derivative financial instruments in designated hedge accounting relationships	–	–	–	–
Contingent and deferred consideration on acquisitions	–	–	58.5	58.5
	–	–	58.5	58.5

33. Notes to the cash flow statement

	Notes	2018 £m	2017 (restated)[1] £m
Profit before tax		282.1	268.2
Adjustments for:			
Depreciation of property and equipment	19	13.1	9.2
Amortisation of other intangible assets	17	286.1	182.6
Impairment – goodwill	8	–	3.4
Impairment – acquisition intangible assets	17	9.8	2.2
Impairment – other intangible assets	17	3.8	–
Impairment – property and equipment	19	2.7	–
Share-based payments	10	8.1	5.4
Subsequent remeasurement of contingent consideration	8	(0.1)	(0.1)
(Profit)/loss on disposal of businesses	21	(1.1)	17.4
Pension curtailment gain	34	(0.8)	–
GMP equalisation charge	34	4.5	–
Investment income	11	(8.2)	(0.2)
Finance costs	12	90.4	59.3
Share of adjusted results of joint ventures and associates	20	(1.0)	–
Operating cash inflow before movements in working capital		689.4	547.4
Decrease/(increase) in inventories		3.2	(2.2)
Decrease/(increase) in receivables		89.7	(40.5)
(Decrease)/increase in payables		(142.9)	26.5
Movements in working capital		(50.0)	(16.2)
Pension deficit contributions		(4.4)	–
Cash generated by operations		635.0	531.2

1. 2017 restated for implementation of IFRS 15 (see Note 4).

34. Retirement benefit schemes

(a) Charge to operating profit

The charge to operating profit for the year in respect of pensions, including both defined benefit and defined contribution schemes, was £19.8m (2017: £10.6m). This consisted of a £0.8m credit to operating profit related to a past service cost curtailment gain on the closure of the UBM Retirement Medical Plan in the US, a £4.5m past service cost charge to adjusting items within operating profit for the GMP equalisation cost and a £16.1m charge to operating profit relating to defined contribution schemes (2017: £10.6m).

(b) Defined benefit schemes – strategy

The Group operates four defined benefit pension schemes in the UK (the UK Schemes): the Informa Final Salary Scheme, the Taylor & Francis Group Pension and Life Assurance Scheme and, following the UBM acquisition, the UBM Pension Scheme (UBMPS) and the United Newspapers Executive Pension Scheme (UNEPS). These are for qualifying UK colleagues and provide benefits based on final pensionable pay. The Group has two defined benefit schemes in the US, the Penton Media, Inc. Retirement Plan and the Penton Media, Inc. and Supplemental Executive Retirement Plan. All schemes (the Group Schemes) are closed to future accrual. Contributions to the UK Schemes are determined following triennial valuations undertaken by a qualified actuary using the Projected Unit Credit Method. Contributions to the US Schemes are assessed annually following valuations undertaken by a qualified actuary.

For the UK Schemes, the defined benefit schemes are administered by separate funds that are legally separated from the Company. The Trustees are responsible for running the UK Schemes in accordance with the Group Schemes' Trust Deed and Rules, which sets out their powers. The Trustees of the UK Schemes are required to act in the best interests of the beneficiaries of the Group Schemes. There is a requirement that one-third of the Trustees are nominated by the members of the UK Schemes. The Trustees of the pension funds are responsible for the investment policy with regard to the assets of the fund. Neither of the Schemes has any reimbursement rights.

The Group's pension funding policy is to provide sufficient funding, as agreed with the Trustees, to ensure any pension deficit will be addressed to ensure pension payments made to current and future pensioners will be met.

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For the Penton Schemes, the defined benefit scheme is administered by Penton Media, Inc. and is subject to the provisions of the Retirement Income Security Act 1974. The Company is responsible for the investment policy with regard to the assets of the fund. The Scheme has no reimbursement rights.

The investment strategies adopted by the Trustees of the UK Schemes include some exposure to index-linked gilts and corporate bonds. The investment objectives of the US Penton Schemes are to maximise plan assets within designated risk and return profiles. The current asset allocation of all schemes consists primarily of equities, bonds, property, diversified growth funds, credit funds, LIBOR funds, bespoke funds and annuity contracts. All assets are managed by a third party investment manager according to guidelines established by the Company.

(c) Defined benefit schemes – risk

Through the Group Schemes the Company is exposed to a number of potential risks as described below:

- **Asset volatility:** the Group Schemes' defined benefit obligation is calculated using a discount rate set with reference to corporate bond yields; however, the Group Schemes invest significantly in equities. These assets are expected to outperform corporate bonds in the long term, but provide volatility and risk in the short term.
- **Changes in bond yields:** a decrease in corporate bond yields would increase the Group Schemes' defined benefit obligation; however, this would be partially offset by an increase in the value of the Schemes' bond holdings.
- **Inflation risk:** a significant proportion of the Group Schemes' defined benefit obligation is linked to inflation; therefore higher inflation will result in a higher defined benefit obligation (subject to caps for the UK Schemes). The majority of the UK Schemes' assets are either unaffected by inflation, or only loosely correlated with inflation, therefore an increase in inflation would also increase the deficit.
- **Life expectancy:** if the Group Schemes' members live longer than expected, the Group Schemes' benefits will need to be paid for longer, increasing the Group Schemes' defined benefit obligations.

The Trustees and the Company manage risks in the Group Schemes through the following strategies:

- **Diversification:** investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.
- **Investment strategy:** the Trustees are required to review their investment strategy on a regular basis.

There are three categories of pension Scheme members:

- employed deferred members: currently employed by the Company;
- deferred members: former colleagues of the Company; and
- pensioner members: in receipt of pension.

The defined benefit obligation is valued by projecting the best estimate of future benefit payments (allowing for future salary increases for UK employed deferred members, revaluation to retirement for deferred members and annual pension increases for UK members) and then discounting to the balance sheet date. UK members receive increases to their benefits linked to inflation (subject to caps for the UK Schemes). There are no caps on benefits in the US Schemes as benefits are not linked to inflation in these Schemes. The valuation method used for all Schemes is known as the Projected Unit Credit Method.

34. Retirement benefit schemes continued

The approximate overall duration of the Group Schemes' defined benefit obligation as at 31 December 2018 was as follows:

	2018			2017	
	Penton US Schemes	UBM UK Schemes	Other UK Schemes	Penton US Schemes	UK Schemes
Overall duration (years)	14	14	19	15	20

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

	2018			2017	
	Penton US Schemes	UBM UK Schemes	Other UK Schemes	Penton US Schemes	Other UK Schemes
Discount rate	4.10%	2.80%	2.80%	3.25%	2.4%
Rate of price inflation	n/a	2.15% (CPI) 3.15% (RPI)	2.15% (CPI) 3.15% (RPI)	n/a	2.1% (CPI) 3.1% (RPI)
Rate of increase for deferred pensions	n/a	2.15%	2.15%	n/a	2.1%
Rate of increase for pensions in payment	n/a	1.85–3.60%	1.95–3.05%	n/a	1.9–3.0%
Life expectancy:					
For an individual aged 60 – male (years)	84	86	87	85	87
For an individual aged 60 – female (years)	88	89	89	87	89

For the UK Schemes, mortality assumptions used in the IAS 19 valuations are taken from tables published by Continuous Mortality Investigation (CMI). The latest base tables for the other UK schemes use S2PMA (males) and S2PFA (females), with UBM UK Schemes using 105% of the "SAPS' S2" tables based on the year of birth, and all UK Schemes use life expectancy improvements taken from CMI 2017 (2017: CMI 2016) with the long-term rate of improvement of 1.25% (2017: 1.25%). For the valuation of US Scheme liabilities, the RP-2014 mortality tables adjusted to 2006 total data set mortality have been used (2017: RP-2014 adjusted to 2006 total data set mortality), with life expectancy improvements using scale MP-2018 (2017: scale MP-2017).

(d) Defined benefit schemes – individual defined benefit scheme details

Informa Final Salary Scheme

The Trustees are required to carry out an actuarial valuation every three years. The result of this valuation determines the level of contributions payable by the Group. The last actuarial full valuation of the Informa Final Salary Scheme was performed by the Scheme actuary for the Trustees as at 31 March 2017. This valuation revealed a funding shortfall of £5.5m. The recovery plan shows annual employer contributions of £2.0m in the 12 months to 31 March 2019 and 31 March 2020 and £1.5m in the 12 months to 31 March 2021. The next triennial actuarial valuation of the Informa Final Salary Scheme will be as at 31 March 2020, at which point the recovery plan will be reassessed.

The Scheme was closed to new entrants on 1 April 2000 and closed to future accrual on 1 April 2011. The Group's contribution over the year was £1.5m (2017: £nil). The weighted average duration of pension scheme liabilities was 19 years at 31 December 2018.

An actuarial valuation was carried out for IAS 19 purposes as at 31 December 2018 by a qualified independent actuary.

Taylor & Francis Group Pension and Life Assurance Scheme

The Trustees are required to carry out an actuarial valuation every three years. The result of this valuation determines the level of contributions payable by the Group. The last actuarial full valuation of the Taylor & Francis Group Pension and Life Assurance Scheme was performed by the Scheme actuary for the Trustees as at 30 September 2017. The valuation as at 30 September 2017 revealed a funding surplus of £1.7m and no recovery plan was required. The next triennial actuarial valuation of the Taylor & Francis Group Pension and Life Assurance Scheme is due as at 30 September 2020.

The Scheme was closed to new entrants on 1 April 2000 and closed to future accrual on 1 April 2011. The Group's contribution over the year was £nil (2017: £nil). The weighted average duration of pension scheme liabilities was 19 years at 31 December 2018.

An actuarial valuation was carried out for IAS 19 purposes as at 31 December 2018 by a qualified independent actuary.

UBM Pension Scheme (UBMPS)

The Trustees are required to carry out an actuarial valuation every three years. The result of this valuation determines the level of contributions payable by the Group. The last actuarial full valuation was performed by the Scheme actuary for the Trustees as at 31 March 2017. This valuation revealed a funding shortfall of £11.2m. The recovery plan shows annual employer contributions of £2.5m per annum for three years and two months from 1 January 2019. The next triennial actuarial valuation will be as at 31 March 2020, at which point the recovery plan will be reassessed.

The Scheme was closed to future accrual on 31 August 2016.

An actuarial valuation was carried out for IAS 19 purposes as at 31 December 2018 by a qualified independent actuary.

United Newspapers Executive Pension Scheme (UNEPS)

The Trustees are required to carry out an actuarial valuation every three years. The result of this valuation determines the level of contributions payable by the Group. The last actuarial full valuation was performed by the Scheme actuary for the Trustees as at 5 April 2017. This valuation revealed a funding surplus of £4.7m and no recovery plan was required. The next triennial actuarial valuation is due as at 5 April 2020.

The Scheme now has only members who are pensioners in payment.

An actuarial valuation was carried out for IAS 19 purposes as at 31 December 2018 by a qualified independent actuary.

Penton Media, Inc. Retirement Plan

Actuarial valuations are undertaken every year, with the result determining the level of contributions payable by the Group. The last actuarial valuation of the Scheme was performed by the Scheme actuary as at 31 December 2018. The Group's contribution over the year was £1.3m (2017: £nil). The employer expects to pay contributions during the accounting year beginning 1 January 2019 of £0.7m, with contributions for future years dependent on the level of deficits arising from future valuations. The weighted average duration of pension scheme liabilities was 14 years at 31 December 2018.

Penton Media, Inc. Supplemental Executive Retirement Plan

Actuarial valuations are undertaken every year, with the result determining the level of contributions payable by the Group. The last actuarial valuation of the Scheme was performed by the Scheme actuary as at 31 December 2018. The employer expects to pay £nil contributions to the Scheme during the accounting year beginning 1 January 2019.

The sensitivities regarding the principal assumptions used to measure the IAS 19 pension scheme liabilities are set out below:

Sensitivity analysis at 31 December 2018	Impact on scheme liabilities: Increase				
	Informa £m	Taylor & Francis £m	UBMPS £m	UNEPS £m	Penton £m
Discount rate – decrease by 0.1%	1.8	0.4	6.9	0.1	0.4
Rate of price inflation pre-retirement – increase by 0.25%	4.1	0.9	16.6	0.3	n/a
Life expectancy – increase by 1 year	2.8	0.8	21.9	1.5	0.7

34. Retirement benefit schemes continued

(e) Defined benefit schemes – individual defined benefit scheme details

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

	2018 £m	2017 £m
Recognised in profit before tax		
Past service curtailment gain on closure of the UBM US Scheme	**(0.8)**	–
Past service cost associated with GMP equalisation[1]	**4.5**	–
Interest cost on net pension deficit	**1.1**	1.1
Total cost	**4.8**	1.1

1. Guaranteed Minimum Pension (GM) equalisation relates to the 26 October 2018 High Court judgement requiring Trustees to equalise for the unequal effect of GMPs for members earning GMPs between 17 May 1990 and 5 April 1997. This requires that compensation is to be paid on a basis that is no more or less favourable regardless of gender.

	2018 £m	2017 £m
Recognised in the Consolidated Statement of Comprehensive Income		
Return on Scheme assets	**(30.6)**	11.1
Experience (loss)/gain	**2.1**	3.4
Change in demographic actuarial assumptions	**0.7**	(0.9)
Change in financial actuarial assumptions	**13.7**	0.9
Effect of movement in foreign currencies	**(0.2)**	(0.3)
Actuarial gain/(loss)	**(14.3)**	14.2

	2018 £m	2017 £m
Movement in net deficit during the year		
Net deficit in schemes at beginning of the year	**(23.6)**	(38.0)
New schemes associated with the UBM plc acquisition	**8.3**	–
Net finance cost	**(1.1)**	(1.1)
Past service cost from curtailment gain on closure of UBM US Scheme	**0.8**	–
Past service cost associated with GMP equalisation[1]	**(4.5)**	–
Actuarial (loss)/gain	**(14.3)**	14.2
Other payments to/(from) Schemes	**4.4**	(0.4)
Effect of movement in foreign currencies	**(0.5)**	1.7
Net deficit in Schemes at end of the year before irrecoverable tax	**(30.5)**	(23.6)
Irrecoverable tax associated with UBM acquisition[1]	**(3.2)**	–
Movement in irrecoverable element of pension surplus[1]	**0.7**	–
Irrecoverable tax[1]	**(2.5)**	–
Net deficit in Schemes at end of the year after irrecoverable tax	**(33.0)**	(23.6)

1. Under IFRIC 14, any surplus on the UK Schemes ultimately to be paid to the Company by the Trustees would be subject to a 35% tax charge prior to being repaid. New Schemes include £3.2m of irrecoverable element of pension surplus at the acquisition date.

The amounts recognised in the Consolidated Balance Sheet in respect of the Group Schemes are as follows:

	2018 £m	2017 £m
Present value of defined benefit obligations	(679.2)	(176.3)
Fair value of Scheme assets	648.7	152.7
Irrecoverable element of pension surplus[1]	(2.5)	–
Net deficit	(33.0)	(23.6)
Reported as:		
Retirement benefit surplus recognised in the Consolidated Balance Sheet	4.5	–
Deficit in Scheme and liability recognised in the Consolidated Balance Sheet	(37.5)	(23.6)
Net deficit	(33.0)	(23.6)

1. The UBM UNEPS Scheme was in surplus at 31 December 2018 and the irrecoverable element of pension surplus was £2.5m.

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

	2018 £m	2017 £m
Opening present value of defined benefit obligation	(176.3)	(184.4)
New Schemes from UBM plc acquisition	(526.7)	–
Service cost associated with curtailment gain on closure of UBM US scheme	0.8	–
Past service cost associated with GMP equalisation	(4.5)	–
Interest cost	(11.7)	(5.1)
Benefits paid	25.0	5.4
Actuarial gain	16.5	3.4
Effect of movement in foreign currencies	(2.3)	4.4
Closing present value of defined benefit obligation	(679.2)	(176.3)

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

	2018 £m	2017 £m
Opening fair value of Scheme assets	152.7	146.4
New schemes from UBM plc acquisition[1]	535.0	–
Return on Scheme assets	10.6	4.0
Actuarial (loss)/gain	(30.6)	10.8
Benefits paid	(25.0)	(5.4)
Contributions from the employer to the Schemes	4.4	–
Other payments made from Schemes	–	(0.4)
Effect of movement in foreign currencies	1.6	(2.7)
Closing fair value of Scheme assets	648.7	152.7

1. New Schemes' assets from the UBM plc acquisition are stated before the irrecoverable element amount of the surplus of £3.2m.

The assets of the Taylor & Francis Group Pension and Life Assurance Scheme include assets held in managed funds and cash funds operated by Legal & General Assurance (Pensions Management) Limited, Zurich Assurance Limited, Partners Group AG, BlackRock Investment Management (UK) Limited, Standard Life Investments and Insight Investment Management Limited.

The assets of the Informa Final Salary Scheme include assets held in managed funds and cash funds operated by BlackRock Investment Management (UK) Limited, Partners Group AG, Zurich Assurance Limited, Standard Life Investments and Insight Investment Management Limited.

34. Retirement benefit schemes continued

The assets of the UBM Pension Scheme include assets held in equities, absolute return bonds and bespoke Liability Driven Investment funds with Legal & General, diversified growth funds with Newton and Schroders, long-lease property with Aviva and M&G and an illiquid credit fund with M&G.

The assets of the United Newspapers Executive Pension Scheme include assets held in absolute return bonds and index-linked gilt funds with Legal & General.

The assets of the Penton Media, Inc. Retirement Plan and the Penton Media, Inc. Supplemental Executive Retirement Plan Schemes include assets held in managed funds and cash funds operated by New York Life Insurance Company, BlackRock Institutional Trust Company NA, Invesco Asset Management Limited and others.

The fair values of the assets held are as follows:

31 December 2018	Informa £m	Taylor & Francis £m	UBMPS £m	UNEPS £m	Penton £m	Total £m
Equities	**38.8**	**10.3**	**135.1**	**–**	**11.8**	**196.0**
Bonds	**4.4**	**1.2**	**–**	**21.0**	**11.3**	**37.9**
Property	**9.1**	**3.7**	**52.6**	**–**	**4.3**	**69.7**
Diversified Growth Fund	**11.7**	**3.5**	**109.3**	**–**	**–**	**124.5**
Illiquid credit funds	**–**	**–**	**50.1**	**–**	**–**	**50.1**
Absolute Return Bond Fund	**–**	**–**	**52.2**	**1.8**	**–**	**54.0**
Bespoke funds (Liability Driven Investment)	**5.7**	**2.0**	**72.4**	**–**	**–**	**80.1**
Annuity contracts	**–**	**–**	**5.9**	**–**	**–**	**5.9**
Cash	**20.2**	**5.4**	**2.1**	**–**	**2.8**	**30.5**
Total	**89.9**	**26.1**	**479.7**	**22.8**	**30.2**	**648.7**

31 December 2017	Informa £m	Taylor & Francis £m	Penton £m	Total £m
Equities	42.6	11.2	21.8	75.6
Bonds	6.7	1.9	1.1	9.7
Property	8.4	3.3	–	11.7
Diversified Growth Fund	23.8	7.1	–	30.9
Other	11.4	3.8	7.9	23.1
Cash	1.3	0.3	0.1	1.7
Total	94.2	27.6	30.9	152.7

All the assets listed above have a quoted market price in an active market. 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.

35. Share capital and share premium

Share capital

Share capital as at 31 December 2018 amounted to £1.3m (2017: £0.8m). For details of options issued over the Company's shares see Note 10.

	2018 £m	2017 £m
Issued and fully paid		
1,251,798,534 (2017: 824,005,051) Ordinary Shares of 0.1p each	1.3	0.8

	2018 Number of shares	2017 Number of shares
At 1 January	824,005,051	824,005,051
Issue of new shares in relation to consideration for the acquisition of UBM plc	427,536,794	–
Other issue of shares	256,689	–
At 31 December	1,251,798,534	824,005,051

Share premium

	2018 £m	2017 £m
At 1 January and 31 December	905.3	905.3

36. Other reserves

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

	Reserves for shares to be issued £m	Merger reserve £m	Other reserve £m	Employee Share Trust and ShareMatch shares £m	Total £m
At 1 January 2017	6.5	578.6	(2,154.3)	(1.6)	(1,570.8)
Share award expense	5.4	–	–	–	5.4
Own shares purchased	–	–	–	(0.9)	(0.9)
Transfer of vested LTIPs	(2.1)	–	–	–	(2.1)
Adjustment to non-controlling interest arising from put option	–	–	0.1	–	0.1
Non-controlling interest adjustment arising from disposal	–	–	(0.4)	–	(0.4)
At 1 January 2018	**9.8**	**578.6**	**(2,154.6)**	**(2.5)**	**(1,568.7)**
Fair value loss on derivative	–	–	–	–	–
Issue of new shares in relation to consideration for acquisition of UBM plc	–	3,544.6	–	–	3,544.6
Other issue of shares associated with settlement of UBM SAYE awards	–	2.2	–	–	2.2
Share award expense	8.1	–	–	–	8.1
Own shares purchased	–	–	–	(3.5)	(3.5)
Transfer of vested LTIPs	(3.9)	–	–	–	(3.9)
Non-controlling interest adjustment arising from disposal	–	–	(4.3)	–	(4.3)
At 31 December 2018	**14.0**	**4,125.4**	**(2,158.9)**	**(6.0)**	**1,974.5**

Reserve for shares to be issued

This reserve relates to LTIPs granted to colleagues reduced by the transferred and vested awards. Further information is set out in Note 10.

36. Other reserves continued

Merger reserve

The merger reserve was created in 2004 when the merger of Informa PLC and **Taylor & Francis** Group plc resulted in a merger reserve amount of £496.4m being recorded. On 2 November 2016, the Group acquired Penton Information Services and the £82.2m share premium on the shares issued to the vendors was recorded as an increase in the merger reserve in accordance with the merger relief rules of the Companies Act 2006. There were 427,536,794 shares issued on 18 June 2018 in connection with the acquisition of UBM plc, which at the acquisition date closing share price of £8.29 resulted in an increase in the merger reserve of £3,544.6m. From 19 July 2018 to 13 December 2018 there were 256,689 shares issued in connection with the satisfaction of SAYE awards in the UBM business and resulted in an increase in the merger reserve of £2.2m.

Other reserve

The other reserve includes the inversion accounting reserve of £2,189.9m which was created from an issue of shares under a Scheme of Arrangement in May 2014.

Employee Share Trust and ShareMatch shares

As at 31 December 2018, the Informa Employee Share Trust (EST) held 564,091 (2017: 388,118) Ordinary Shares in the Company at a market value of £3.6m (2017: £2.8m). As at 31 December 2018, the ShareMatch scheme held 411,812 (2017: 273,560) matching Ordinary Shares in the Company at a market value of £2.6m (2017: £2.0m). At 31 December 2018 the Group held 0.1% (2017: 0.1%) of its own called up share capital.

37. Non-controlling interests

The Group has subsidiary undertakings where there are non-controlling interests. At 31 December 2018, these non-controlling interests were composed entirely of equity interests and represented the following holding of minority shares by non-controlling interests:

- Brazil Design Show (45%, 2017: 45%)
- Chengdu Wiener Meibo Exhibitions Co., Ltd (40%, 2017: 40%)
- Shanghai Yingye Exhibitions Co., Ltd (40%, 2017: 40%)
- Agra CEAS Consulting Limited (18.2%, 2017: 18.2%)
- Bureau Européen de Recherches SA (18.2%, 2017: 18.2%)
- Shanghai Baiwen Exhibitions Co., Ltd (15%, 2017: 15%)
- Shanghai Meisheng Culture Broadcasting Co., Ltd (15%, 2017: 15%)
- Informa Tianyi Exhibitions (Chengdu) Co., Ltd (40%, 2017: 0%)
- Guangzhou Informa Yi Fan Exhibitions Co., Ltd (40%, 2017: 0%)
- Monaco Yacht Show S.A.M. (10%, 2017: 10%)
- Yachting Promotions, Inc. (10%, 2017: 10%)
- APLF Ltd (40%)
- UBM BN Co. Ltd (formerly Boannews co. (40%)
- China International Exhibitions Limited (30%)
- Shanghai Expobuild International Exhibition Co., Ltd (30%)
- Shanghai UBM Showstar Exhibitions Co., Ltd (30%)
- Shanghai UBM Sinoexpo International Exhibitions Co., Ltd (30%)
- UBMMG Holdings Sdn Bhd (4.1%)
- UBM Creativity Exhibition (Shenzhen) Company Ltd (35%)
- UBM Sinoexpo Holdings Ltd (30%)
- UBM Sinoexpo Ltd (30%)
- UBM Trust Company Ltd (30%)
- Shenzhen Herong Exhibition Company Limited (30%)
- United Business Media (M) Sdn Bhd (4.1%)
- UBM Exhibitions Ltd (4.1%)
- UBM Asia (Thailand) Co., Ltd (4.1%)
- DSA (Malaysia) (4.1%)
- Singapore Exhibition Services Ltd (4.1%)
- Sea Asia Singapore (13.7%)
- Seatrade Communications Singapore (4.1%)
- Myanmar Trade Fair Management (4.1%)
- SES Vietnam Exhibitions (4.1%)
- Malaysian Exhibitions Services (4.1%)
- International Expo Management (4.1%)
- Eco Exhibitions (4.1%)
- Bangkok Exhibition Services (4.1%)
- PT UBM Pamerindo Niaga Indonesia (35.7%)
- UBM Exhibitions Philippines (4.1%)
- Trade Link ITE (4.1%)
- Premier ITE (4.1%)
- ECMI ITE ASIA Sdn Bhd (4.1%)
- Navalshore Organizacao De Eventos Ltda (40%)
- UBM Mexico Exposiciones, S.A.P.I. (20%)
- Sea Asia Singapore Pte Limited (10%)

38. Operating lease arrangements

	2018 £m	2017 £m
Minimum lease payments under operating leases recognised in Consolidated Income Statement for the year	**36.0**	27.8

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

	2018		2017	
	Land and buildings £m	**Other £m**	Land and buildings £m	Other £m
Within one year	**47.3**	**1.0**	27.6	0.7
Within two to five years	**132.1**	**1.1**	71.7	1.3
After five years	**130.1**	**–**	30.7	–
	309.5	**2.1**	130.0	2.0

Operating lease payments on land and buildings represent rentals payable by the Group for certain properties.

39. 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 and associates 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 year.

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.

During the period, the Group incurred expenses of £2.7m (2017: £2.2m) and generated revenue of £3.2m relating to Microsoft UK. One of the Group's Non-Executive Directors is the Chief Executive Officer of this organisation.

Further information about the remuneration of individual Directors is provided in the audited part of the Remuneration Report on pages 113 to 125 and Note 9.

Other related party disclosures

At 31 December 2018, Informa Group companies have guaranteed the pension scheme liabilities of the Taylor & Francis Group Pension and Life Assurance Scheme, the Informa Final Salary Scheme and the UBM Pension Scheme.

Transactions with related parties are made at arm's length. Outstanding balances at year end are unsecured and settlement occurs in cash. There are no bad debt provisions for related party balances as at 31 December 2018, and no debts due from related parties have been written off during the year. During the period, Informa entered into related party transactions to the value of £0.2m (2017: £0.2m) with a balance of £0.06m (2017: £0.07m) outstanding at 31 December 2018.

40. Subsidiaries

The listing below shows the subsidiary undertakings as at 31 December 2018.

Company name	Country	Ordinary Shares held	Registered office
Academic Publishing			
Informa Limited	Hong Kong	100%	HK2
Taylor & Francis Books India Pvt Limited	India	100%	IN2
Colwiz Limited	Ireland	100%	IR1
Dove Medical Press (Z) Limited	New Zealand	100%	NZ1
Informa Healthcare AS	Norway	100%	NO1
Colwiz Pakistan (Private) Limited	Pakistan	100%	PK1
Taylor & Francis (S) Pte Limited	Singapore	100%	SG1
Co-Action Publishing AB	Sweden	100%	SE1
Taylor & Francis AB	Sweden	100%	SE1
Afterhurst Limited	United Kingdom	100%	UK1
Cogent OA Limited	United Kingdom	100%	UK1
Colwiz UK Limited	United Kingdom	100%	UK1
Dove Medical Press Limited	United Kingdom	100%	UK1
H. Karnac (Books) Ltd	United Kingdom	100%	UK1
Karnac Books Ltd	United Kingdom	100%	UK1
Psychology Press New Co., Limited	United Kingdom	100%	UK1
Routledge Books Limited	United Kingdom	100%	UK1
Taylor & Francis Books Limited	United Kingdom	100%	UK1
Taylor & Francis Group Limited	United Kingdom	100%	UK1
Taylor & Francis Group, LLC	United States	100%	US14
Taylor & Francis Limited	United Kingdom	100%	UK1
Taylor & Francis Publishing Services Limited	United Kingdom	100%	UK1
Business Intelligence			
Datamonitor Pty Limited	Australia	100%	AU1
Ovum Pty Limited	Australia	100%	AU1
Agra CEAS Consulting – Bureau Européen de Recherches S.A.	Belgium	82%	BE1
Informa Economics FNP Consultoria Ltda	Brazil	100%	BR4
INet Interactive Canada, Inc.	Canada	100%	CA3
F.O. Licht Zuckerwirtschaflicher Verlag und Marktforschung GmbH	Germany	100%	GE2
Datamonitor Publications (HK) Limited	Hong Kong	100%	HK1
Informa Global Markets (Hong Kong) Limited	Hong Kong	100%	HK1

Company name	Country	Ordinary Shares held	Registered office
Penton Media Asia Limited	Hong Kong	100%	HK3
NND Biomedical Data Systems Private Limited	India	100%	IN1
Informa Global Markets (Japan) Limited	Japan	100%	JA1
Informa Global Markets (Singapore) Private Limited	Singapore	100%	SG1
Marketworks Datamonitor (Pty) Limited	South Africa	100%	ZA1
Agra Ceas Consulting Limited	United Kingdom	82%	UK1
Agra Informa Limited	United Kingdom	100%	UK1
Datamonitor Limited	United Kingdom	100%	UK1
Ebenchmarkers Limited	United Kingdom	100%	UK1
Informa Global Markets (Europe) Limited	United Kingdom	100%	UK1
James Dudley International Limited	United Kingdom	100%	UK1
Mapa International Limited	United Kingdom	100%	UK1
MRO Exhibitions Limited	United Kingdom	100%	UK1
MRO Network Limited	United Kingdom	100%	UK1
MRO Publications Limited	United Kingdom	100%	UK1
OTC Publications Limited	United Kingdom	100%	UK1
Penton Communications Europe Limited	United Kingdom	100%	UK1
TU-Automotive Holdings Limited	United Kingdom	100%	UK1
TU-Automotive Limited	United Kingdom	100%	UK1
Informa Telecoms & Media Limited	United Kingdom	100%	UK1
Duke Investments, Inc.	United States	100%	US1
Farm Progress Limited	United States	100%	US3
Farm Progress/VX LLC	United States	100%	US12
Icon Advisory Group LLC	United States	100%	US17
Informa Business Intelligence, Inc.	United States	100%	US5
Informa Business Media Holdings, Inc.	United States	100%	US2
Informa Business Media, Inc.	United States	100%	US2
Informa DataSources, Inc.	United States	100%	US6
Informa Media, Inc.	United States	100%	US2
Informa Operating Holdings, Inc.	United States	100%	US2
Internet World Media, Inc.	United States	100%	US10
Ovum, Inc.	United States	100%	US2
Spotlight Financial, Inc.	United States	100%	US13
Skipta, LLC	United States	100%	US4
Trimtabs Investment Research, Inc.	United States	100%	US15

Company name	Country	Ordinary Shares held	Registered office
Global Exhibitions			
Informa Fashion Pty Limited	Australia	100%	AU2
Informa Middle East Limited	Bermuda	100%	BM1
Brasil Design Show – Eventos, Midias, Consultorias, Treinamentos e Participações Ltda	Brazil	55%	BR1
BTS Informa Feiras Eventos e Editora Ltda	Brazil	100%	BR2
Informa Canada, Inc.	Canada	100%	CA1
Guanzhou Citiexpo Jianke Exhibition Co., Ltd	China	60%	CH22
Guangzhou Informa Yi Fan Exhibitions Co., Ltd	China	60%	CH8
Informa Exhibitions (Beijing) Co., Ltd	China	100%	CH4
Informa Tianyi Exhibitions (Chengdu) Co., Ltd	China	60%	CH9
Informa Wiener Exhibition (Chengdu) Co., Ltd	China	60%	CH1
Shanghai Baiwen Exhibitions Co., Ltd	China	85%	CH5
Shanghai Meishing Culture Broadcasting Co., Ltd	China	85%	CH6
Shanghai Yingye Exhibitions Co., Ltd	China	60%	CH7
Informa Egypt LLC	Egypt	100%	EG1
Euromedicom SAS	France	100%	FR1
Eurovir SAS	France	100%	FR1
Itec Edition Sarl	France	100%	FR1
Informa Monaco SAM	Monaco	100%	MC1
Monaco Yacht Show SAM	Monaco	90%	MC1
Informa Saudi Arabia LLC	Saudi Arabia	100%	SA1
Informa Saudi Arabia Limited	Saudi Arabia	100%	SA2
Informa Exhibitions Pte Limited	Singapore	100%	SG1
Informa Middle East Media FZ LLC	United Arab Emirates	100%	UAE1
Design Junction Limited	United Kingdom	90%	UK1
E-Health Media Limited	United Kingdom	100%	UK1
IIR Exhibitions Limited	United Kingdom	100%	UK1
IIR Management Limited	United Kingdom	100%	UK1
IIR (U.K. Holdings) Limited	United Kingdom	100%	UK1
Informa Exhibitions Limited	United Kingdom	100%	UK1
Fort Lauderdale Convention Services, Inc.	United States	100%	US16
Informa Exhibitions Holding Corp.	United States	100%	US7
Informa Exhibitions LLC	United States	100%	US7
Informa Exhibitions U.S. Construction & Real Estate, Inc.	United States	100%	US8

Company name	Country	Ordinary Shares held	Registered office
Informa Life Sciences Exhibitions, Inc.	United States	100%	US6
Informa Marine Holdings, Inc.	United States	100%	US16
Informa Pop Culture Events, Inc.	United States	100%	US6
Southern Convention Services, Inc.	United States	100%	US16
Yachting Promotions, Inc.	United States	90%	US16
Knowledge & Networking			
IIR Pty Limited	Australia	100%	AU1
IBC Conferencesand Event Management Services (Shanghai) Co., Ltd.	China	100%	CH2
New AG International Sarl	France	100%	FR1
EBD Group GmbH	Germany	100%	GE1
Informa Holding Germany GmbH	Germany	100%	GE1
EBD GmbH	Switzerland	100%	SW1
Futurum Media Limited	United Kingdom	100%	UK1
IIR Limited	United Kingdom	100%	UK1
Light Reading UK Limited	United Kingdom	100%	UK1
Knect365 US, Inc.	United States	100%	US11
UBM			
International Exhibition Holdings Limited	Bahamas	100%	BH1
Arabian Exhibition Management Limited	Bahrain	100%	BA1
CTEE (Centro De Treinamento e Estudos em Energia Ltda	Brazil	100%	BR5
Live Healthcare Midia SA	Brazil	100%	BR6
Navalshore Organizacao de Eventos Limiteda	Brazil	60%	BR7
Sienna Interlink Comunicacoes Ltda	Brazil	100%	BR8
UBM Brazil Feiras e Eventos Ltda	Brazil	100%	BR8
China International Exhibitions Limited	China	70&	CH10
Cosmosprof Shanghai Exhibitions Limited	China	50%	CH11
Guangdong International Exhibitions Limited	China	50%	CH12
Guzhen Lighting Expo Co., Ltd	China	51%	CH13
Shanghai Expobuild International Exhibition Company Limited	China	70%	CH14
Shanghai UBM Showstar Exhibition Co Limited	China	70%	CH15
Shanghai UBM Sinoexpo International Exhibitions Company Limited	China	70%	CH10
Shenzhen UBM Herong Exhibition Company	China	70%	CH16

40. Subsidiaries continued

Company name	Country	Ordinary Shares held	Registered office
UBM China (Beijing) Co., Limited	China	100%	CH17
UBM China (Beijing) Exhibition Company Limited	China	100%	CH17
UBM China (Guangzhou) Co., Limited	China	100%	CH18
UBM China (Hangzhou) Company Limited	China	100%	CH19
UBM China (Shanghai) Co., Limited	China	100%	CH20
UBM Trust Company Limited	China	70%	CH21
Stormcliff Limited	Cyprus	100%	CY1
UBM Medica Holding France SNC	France	100%	FR2
UNM Holdings Ireland	Republic of Ireland	100%	RI1
CMP Media GmbH	Germany	100%	GE3
Think Services Game Group Germany GmbH	Germany	100%	GE4
UBM Canon Deutschland GmbH	Germany	100%	GE5
APLF Limited	Hong Kong	60%	HK4
Cosmoprof Asia Limited	Hong Kong	50%	HK5
Hong Kong Exhibition Services Limited	Hong Kong	100%	HK6
MAI Brokers (Asia & Pacific) Limited	Hong Kong	100%	HK7
Mills & Allen Holdings (Far East) Limited	Hong Kong	100%	HK7
UBM Asia Group Limited	Hong Kong	100%	HK7
UBM Asia Holdings (HK) Limited	Hong Kong	100%	HK7
UBM Asia Limited	Hong Kong	100%	HK7
UBM Asia Partnership	Hong Kong	99%	HK4
UBM Creativity Exhibition (Shenzhen) Co., Ltd	Hong Kong	65%	HK8
UBM SinoExpo Limited	Hong Kong	70%	HK7
UBM South China	Hong Kong	100%	HK7
UBM India Private Limited	India	100%	IN3
PT Pamerindo Indonesia	Indonesia	95.9%	ID1
PT UBM Pameran Niaga Indonesia	Indonesia	64.3%	ID2
UNM International Holdings Limited	Isle of Man	100%	IM1
UNM Overseas Holdings Limited	Isle of Man	100%	IM1
Miller Freeman (Israel) Limited	Israel	100%	IS1
UBM Japan Limited	Japan	100%	JA2
Miller Freeman Investments I Limited	Jersey	100%	JE2
Miller Freeman Investments II Limited	Jersey	100%	JE2
MWFWAHC Investments Unlimited	Jersey	100%	JE2
MWFWAHC Investments No.2 Limited	Jersey	100%	JE2
UBM (Jersey) Limited	Jersey	100%	JE2
UBM Investments Unlimited	Jersey	100%	JE2

Company name	Country	Ordinary Shares held	Registered office
UBM plc	Jersey	100%	JE2
UBMI UAE Jersey Limited	Jersey	100%	JE2
United Finance (Jersey) Unlimited	Jersey	100%	JE2
United Jersey Holdings Unlimited	Jersey	100%	JE2
CMP Holdings Sarl	Luxembourg	100%	LU1
CMP Intermediate Holdings Sarl	Luxembourg	100%	LU1
UBM Finance Sarl	Luxembourg	100%	LU1
UBM IP Luxembourg Sarl	Luxembourg	100%	LU1
United Brazil Holdings Sarl	Luxembourg	100%	LU1
United Commonwealth Holdings Sarl	Luxembourg	100%	LU1
United Consumer Media Holdings Sarl	Luxembourg	100%	LU1
United CP Holdings Sarl	Luxembourg	100%	LU1
United News Distribution Sarl	Luxembourg	100%	LU1
United Professional Media Sarl	Luxembourg	100%	LU1
UNM Holdings Sarl	Luxembourg	100%	LU1
Vavasseur International Holdings Sarl	Luxembourg	100%	LU1
DSA Exhibition and Conference SDN BHD	Malaysia	100%	MA1
ECMI ITE Asia Sdn Bhd	Malaysia	95.9%	MA1
Eco Exhibitions Sdn Bhd	Malaysia	95.9%	MA1
Malaysian Exhibition Services Sdn Bhd	Malaysia	95.9%	MA1
Premier ITE Sdn Bhd	Malaysia	95.9%	MA2
Trade Link ITE Sdn Bhd	Malaysia	95.9%	MA2
UBMMG Holdings Sdn Bhd	Malaysia	95.9%	MA1
United Business Media (M) Sdn Bhd	Malaysia	95.9%	MA1
UBM Mexico Exposiciones, S.A.P.I.	Mexico	80%	ME2
Myanmar Trade Fair Management Company Limited	Myanmar	95.9%	MY1
Kuben Holding B.V.	Netherlands	100%	NE3
UBM Asia BV	Netherlands	100%	NE3
UBMi BV	Netherlands	100%	NE4
United Pascal France B.V.	Netherlands	100%	NE3
United Pascal Holdings B.V.	Netherlands	100%	NE3
UPRN 1 SE	Netherlands	100%	NE3
UBM Exhibitions Philippines, Inc.	Philippines	95.9%	PH2
Chartbay Limited	Republic of Ireland	100%	RI1
CX Properties	Republic of Ireland	100%	RI1
Donytel Limited	Republic of Ireland	100%	RI1

Company name	Country	Ordinary Shares held	Registered office
Garragie Investments	Republic of Ireland	100%	RI1
Hickdale Limited	Republic of Ireland	100%	RI1
MAI Finance Ireland	Republic of Ireland	100%	RI1
MAI Holdings Ireland	Republic of Ireland	100%	RI1
Maypond Limited	Republic of Ireland	100%	RI1
MFWWnet	Republic of Ireland	100%	RI1
Springport Limited	Republic of Ireland	100%	RI1
Tanahol Limited	Republic of Ireland	100%	RI1
UBM Ireland No 1 Limited	Republic of Ireland	100%	RI1
UBM Ireland No 2 Limited	Republic of Ireland	100%	RI1
UBM Ireland No 3 Limited	Republic of Ireland	100%	RI1
UBM Ireland No 4 Limited	Republic of Ireland	100%	RI1
UBM Ireland No 5 Limited	Republic of Ireland	100%	RI1
UBM Ireland No 6 Limited	Republic of Ireland	100%	RI1
UBM Ireland No 8 Limited	Republic of Ireland	100%	RI1
UBM Ireland No 9 Limited	Republic of Ireland	100%	RI1
UBM Financial Services Ireland	Republic of Ireland	100%	RUI1
UBM IP Ireland Limited	Republic of Ireland	100%	RI1
United Media Finance Ireland	Republic of Ireland	100%	RI1
Wenport Limited	Republic of Ireland	100%	RI1
UBM BN Co. Ltd	Republic of Korea	60%	RK1
UBM Korea Corporation	Republic of Korea	100%	RK2
International Expo Management (Pte) Limited	Singapore	95.9%	SG2
Sea Asia Singapore Pte Limited	Singapore	86.3%	SG3
Seatrade Communications Singapore Pte Limited	Singapore	95.9%	SG3
Singapore Exhibition Services (Pte) Limited	Singapore	95.9%	SG4
UBM Exhibition Singapore Pte Limited	Singapore	95.9%	SG3
Bangkok Exhibition Services Ltd	Thailand	95.9%	TH1
UBM Asia (Thailand) Co Ltd	Thailand	95.9%	TH2
UBM I C Fuarcilik ve Organizasyon Ticaret A.Ş.	Turkey	100%	TU1

Company name	Country	Ordinary Shares held	Registered office
UBM Istanbul Fuarcilik ve Gosteri Hizmetleri A.Ş.	Turkey	100%	TU2
UBM NTSR Fuar ve Gosten Hizmetleri A.Ş.	Turkey	100%	TU3
UBM Rotaforte Ullararasi Fuarcolik	Turkey	100%	TU4
ABI Building Data Limited	United Kingdom	100%	UK1
Advanstar Communications (UK) Limited	United Kingdom	100%	UK1
Airport Strategy and Marketing Limited	United Kingdom	100%	UK1
AMA Research Limited	United Kingdom	100%	UK1
Aztecgem	United Kingdom	100%	UK1
Bank of Europe	United Kingdom	100%	UK1
Blessmyth Limited	United Kingdom	100%	UK1
CMP Information (2004) Limited	United Kingdom	100%	UK1
CMP Information Holdings	United Kingdom	100%	UK1
CMP Maritime Limited	United Kingdom	100%	UK1
CMP Media (UK) Limited	United Kingdom	100%	UK1
CMP Media Limited	United Kingdom	100%	UK1
CMPI Group Limited	United Kingdom	100%	UK1
CMPI Holdings Limited	United Kingdom	100%	UK1
Colonygrove Limited	United Kingdom	100%	UK1
Crosswall Nominees Limited	United Kingdom	100%	UK1
DIVX Express Limited	United Kingdom	100%	UK1
Farming Press Limited	United Kingdom	100%	UK1
Great Tactic Limited	United Kingdom	100%	UK1
GNC Media Investments Limited	United Kingdom	100%	UK1
Green Thinking (Services) Limited	United Kingdom	100%	UK1
Hirecorp Limited	United Kingdom	100%	UK1
Insight Media Limited	United Kingdom	100%	UK1
Ithaca Media Limited	United Kingdom	100%	UK1
London On-Water	United Kingdom	100%	UK1
MAI	United Kingdom	100%	UK1
MAI Luxembourg (UK) Limited	United Kingdom	100%	UK1

40. Subsidiaries continued

Company name	Country	Ordinary Shares held	Registered office
MAI Luxembourg SE	United Kingdom	100%	UK1
Miller Freeman Worldwide Limited	United Kingdom	100%	UK1
Morgan Grampian (Farming Press) Limited	United Kingdom	100%	UK1
Nexgrove Investments Limited	United Kingdom	100%	UK1
OES Exhibitions Limited	United Kingdom	100%	UK1
Research Solutions for Airports Limited	United Kingdom	100%	UK1
Roamingtarget Limited	United Kingdom	100%	UK1
Safefine Limited	United Kingdom	100%	UK1
Seatrade Communications Ltd	United Kingdom	100%	UK1
Smarter Shows (Power) Europe Holdings Limited	United Kingdom	100%	UK1
Smarter Shows (Power) Holdings Limited	United Kingdom	100%	UK1
Smarter Shows (Power) Europe Limited	United Kingdom	100%	UK1
Smarter Shows (Power) Limited	United Kingdom	100%	UK1
Syndicate Nine Limited	United Kingdom	100%	UK1
The Builder Group Limited	United Kingdom	100%	UK1
Turtle Diary Limited	United Kingdom	100%	UK1
UAP Admin No.6 Limited	United Kingdom	100%	UK1
UBM (GP) No 1 Limited	United Kingdom	100%	UK1
UBM (GP) No 2 Limited	United Kingdom	100%	UK1
UBM (GP) No 3 Limited	United Kingdom	100%	UK1
UBM (UK) Limited	United Kingdom	100%	UK1
UBM Aviation Routes Limited	United Kingdom	100%	UK1
UBM Aviation Worldwide Limited	United Kingdom	100%	UK1
UBM Canon Europe Limited	United Kingdom	100%	UK1
UBM Canon UK Holdings Limited	United Kingdom	100%	UK1
UBM Canon UK Limited	United Kingdom	100%	UK1
UBM Holdings Limited	United Kingdom	100%	UK1
UBM International Holdings SE	United Kingdom	100%	UK1
UBM Property Limited	United Kingdom	100%	UK1
UBM Property Services Limited	United Kingdom	100%	UK1

Company name	Country	Ordinary Shares held	Registered office
UBM Shared Services Limited	United Kingdom	100%	UK1
UBM TrUnited Statestees Limited	United Kingdom	100%	UK1
UBM Worldwide Group Limited	United Kingdom	100%	UK1
UBMA Holdings Limited	United Kingdom	100%	UK1
UBM Holdings Limited	United Kingdom	100%	UK1
UBM Limited	United Kingdom	100%	UK1
United Advertising Publications Limited	United Kingdom	100%	UK1
United Consumer Magazines Limited	United Kingdom	100%	UK1
United Consumer Media SE	United Kingdom	100%	UK1
United Executive Trustees Limited	United Kingdom	100%	UK1
United Finance Limited	United Kingdom	100%	UK1
United Newspapers Publications Limited	United Kingdom	100%	UK1
United Trustees Limited	United Kingdom	100%	UK1
UNM Investments Limited	United Kingdom	100%	UK1
Vavasseur Overseas Holdings Limited	United Kingdom	100%	UK1
WCN 2 Limited	United Kingdom	100%	UK1
Workyard Limited	United Kingdom	100%	UK1
Advanstar Communications Inc	United States	100%	US17
Canon Communications (France) Inc.	United States	100%	US18
CBI Research Inc.	United States	100%	US19
CMP Childcare Center, Inc.	United States	100%	US21
ENK International LLC	United States	100%	US18
Healthcare Holdings, Inc	United States	100%	US18
Ludgate USA LLC	United States	100%	US18
Miller Freeman Acquisition Corp	United States	100%	US20
Rocket Holdings, Inc	United States	100%	US18
Roast LLC	United States	100%	US20
Spectrum ABM Corp	United States	100%	US17
The Verecom Group, Inc	United States	100%	US20
UBM Canon LLC	United States	100%	US17
UBM Delaware LLC	United States	100%	US20
UBM Finance Inc	United States	100%	US20
UBM Holdings, Inc	United States	100%	US18
UBM Investments Inc	United States	100%	US20
UBM LLC	United States	100%	US20
UBM Medica Group LLC	United States	100%	US18
UBM UK LLC	United States	100%	US18
UBMi Princeton LLC	United States	100%	US18

Company name	Country	Ordinary Shares held	Registered office
United Business Media Community Connection Foundation	United States	100%	US20
United Delaware Investments Limited	United States	100%	UK1
SES Vietnam Exhibition Services Company Limited	Vietnam	95.9%	VI1
Wenport Limited	Republic of Ireland	100%	RI1
Workyard Limited	United Kingdom	100%	UK1

Group			
Informa Australia Pty Limited	Australia	100%	AU1
Informa Holdings (Australia) Pty Limited	Australia	100%	AU1
Informa Enterprise Management (Shanghai) Co., Ltd.	China	100%	CH3
Informa European Financial Shared Service Centre GmbH	Germany	100%	GE1
Informa Switzerland Limited	Jersey	100%	JE1
IIR South Africa B.V.	Netherlands	100%	NE1
Informa Europe B.V.	Netherlands	100%	NE2
Lesbistes B.V.	Netherlands	100%	NE2
Informa Finance B.V.	Netherlands	100%	NE2
IBC Asia (S) Pte Limited	Singapore	100%	SG1
IIR Espana S.L.	Spain	100%	ES1
Informa Finance GmbH	Switzerland	100%	SW1
Informa IP GmbH	Switzerland	100%	SW1
IBC (Ten) Limited	United Kingdom	100%	UK1
IBC (Twelve) Limited	United Kingdom	100%	UK1
IBC Fourteen Limited	United Kingdom	100%	UK1
Informa Final Salary Pension Trustee Company Limited	United Kingdom	100%	UK1
Informa Finance UK Limited	United Kingdom	100%	UK1
Informa Finance USA Limited	United Kingdom	100%	UK1
Informa Group Holdings Limited	United Kingdom	100%	UK1
*Informa Group Ltd	United Kingdom	100%	UK1
Informa Holdings Limited	United Kingdom	100%	UK1
Informa Investment Plan Trustees Limited	United Kingdom	100%	UK1
Informa Overseas Investments Limited	United Kingdom	100%	UK1
Informa Quest Limited	United Kingdom	100%	UK1
Informa Six Limited	United Kingdom	100%	UK1
Informa Three Limited	United Kingdom	100%	UK1

Company name	Country	Ordinary Shares held	Registered office
Informa UK Limited	United Kingdom	100%	UK1
Informa US Holdings Limited	United Kingdom	100%	UK1
LLP Limited	United Kingdom	100%	UK1
Informa Academic and Business, LLC	United States	100%	UK1
Informa Export, Inc.	United States	100%	US6
Informa Global Sales, Inc.	United States	100%	US6
Informa Support Services, Inc.	United States	100%	US6
Informa USA, Inc.	United States	100%	US9

* Name changed from Informa Group Plc to Informa Group Ltd in 2018.

Company registered office addresses

UK

UK1	5 Howick Place, London, SW1P 1WG, United Kingdom

The Americas

US1	748 Whalers Way, Building E., Fort Collins, CO 80525, USA
US2	1166 Avenue of the Americas, 10th Floor, New York, NY 10036, USA
US3	255 38th Avenue, Suite P, Saint Charles, IL 60174-5410, USA
US4	8N. Queen Street, Suite 800, Lancaster, PA 17603, USA
US5	52 Vanderbilt Avenue, 11th Floor, New York, NY 10017, USA
US6	101 Paramount Drive, Suite 100, Sarasota, FL 34232, USA
US7	2020 N. Central Avenue, Suite 400, Phoenix, AZ 85004, USA
US8	6191 N. State Highway, Suite 500, Irving, TX 75038, USA
US9	One Research Drive, Westborough, MA 01581, USA
US10	1100 Superior Avenue, 8th Floor, Cleveland, OH 44114-2518, USA
US11	708 Third Avenue, 4th Floor, New York, NY 10017, USA
US12	4580 Scott Trail, Suite 100, Eagan, MN 55122, USA
US13	2225 SE 60th Avenue, Portland, OR 97215, USA
US14	6000 NW Broken Sound Parkway, Suite 300, Boca Raton, FL 33487, USA
US15	1 Harbour Drive, Suite 211, Sausalito, CA 94965, USA
US16	1115 NE 9th Avenue, Fort Lauderdale, FL 33304, USA
US17	2901 28th Street, Suite 100, Santa Monica, CA 90405, USA
US18	2 Penn Plaza, 15th Floor, NY 10121, New York, USA
US19	70 Blanchard Road, Suite 301, Burlington, MA 01803, USA
US20	1983 Marcus Avenue Suite 250, Lake Success NY 11042, USA
US21	600 Community Drive, Manhasset, NY 11030, USA
BH1	M B & H Corporate Services Limited, Mareva House, 4 George Street, Nassau, Bahamas
BM1	Canon's Court, 22 Victoria Street, Hamilton, Bermuda
BR1	Rue Bela Cintra 967, 11th Floor, Suite 112-C, Consolação, São Paulo 01415-003, Brazil
BR2	Rue Bela Cintra 967, 11th Floor, Suite 112-A, Consolação, São Paulo 01415-003, Brazil
BR3	Rue Bela Cintra 967, 11th Floor, Suite 111, Consolação, São Paulo 01415-003, Brazil
BR4	Rue Bela Cintra 967, 11th Floor, Suite 112-B, Consolação, São Paulo 01415-003, Brazil
BR5	Av Evandro Lins E Silva, 840, Sala 1206/1207/1209a1211, 22631-470, Rio de Janiero, Brazil
BR6	Rua Olimpiadas, São Paulo (Vila Olimpia) – 04551-000, Brazil
BR7	Centro de Apolo II, Alphaville, Santana de Parnaiba, São Paulo, 06541-060, Brazil
BR8	Alameda Tocatins, 75, Sala 1402, Edificio West Gate, Alphaville, Barueri, CEP 06455-020, São Paulo, Brazil
CA1	112th Floor, 20 Eglinton Avenue West, Yonge Eglinton Centre, Toronto, ON M4R 1K8, Canada
CA2	c/o McMillan LLP, Brookfield Place, 181 Bay Street, Suite 4400, Toronto, Ontario M5J 2T3, Canada
CA3	c/o McMillan LLP, 1500 Royal Centre, 1055 West Georgia Street, Vancouver BCV6E 4N7, Canada
ME1	Cintermex, Primer Nivel, Local 45, Av. Parque Fundidora, 501, Col. Obrera, Monterrey 64010, Mexico
ME2	Av. Benjamin Franklin 235-4, DF06100, Mexico

China & Asia

BA1	Building 1, Road 22, Block 414, Al-Daih, Po Box 20200, Jidhafs, Bahrain
CH1	No. 6 & 7, Fl 10, Block 1, No. 19, Section 4, South Renmin Road, Wuhou District, Chengdu, China
CH2	Room 2072, 2nd Floor, 124 Building, No. 960 Zong Xing Road, Jian'an District, Shanghai, China
CH3	Room 2201, Hong Kong New Tower, No. 300 Huai Hai Middle Road, Huang Pu District, Shanghai, China
CH4	Room 802, 8th Floor, No. 87, Building No. 4, Worker's Stadium North Road, Chaoyang District, Beijing 100027, China
CH5	Room 1010, 10F, No. 93 Nanjing West Road, Jian'an District, Shanghai, China
CH6	Room 101-75, No. 15 Jia, No.152 Alley, Yanchang Road, Zhabei District, Shanghai, China
CH7	Room 234, 2nd Floor, M Zone, 1st Building, No. 3398, Hu Qing Ping Road, Zhao Xiang Town, Qing Pu District, Shanghai, China
CH8	Room 1103-1104, No. 996, East Xingang, Haizhu, Distrct, Guangzhou
CH9	No. 1, 2, 3, Fl 10, Block 1, No. 19, Section 4, South Renmin Road, Wuhou District, Chengdu, China
CH10	Floor 7/8, Urban Development International Tower, No. 355 Hong Qiao Road, XU Hui District, Shanghai 200030, China
CH11	10/F Xian Dai Mansion, 218 Xiangyang Road, Shanghai 200031, China
CH12	Room 405 Parkview Square, 960 Jie Fang Bei Road, Guangzhou 510040, China
CH13	2F, Guzhen Convention & Exhibition Center, Zhongshan, Guangdong, China
CH14	Room 1019, 39 Weigaojiao, Shanghai, China
CH15	9/F Ciro's Plaza, 388 West Nanjing Road, Huangpu District, Shanghai 200003, China
CH16	Room 607, East Block, Coastal Building, Haide 3rd Road, Nanshan District, Shenzhen, Guangdong 518054, China
CH17	Unit 01-02, 12/F, Tower A, Park View Green, 9 Dongdaqiao Road, Chaoyang District, Beijing 100020, China
CH18	Room 1159-1164, China Hotel Office Tower, Liu Hua Road, Guangzhou, China
CH19	Room 129, Floor 1, Building 1, No. 108 Kangqiao Road, Gongshu District, Hangzhou, China
CH20	Room 207, No.453 Fahuazhen Road, Shanghai, China
CH21	Room 1806-1807, Fu Li Tian He Business Mansion, No. 4, Hua Ting Road, Lin He Dong Road, Guangzhou 510610, China
CH22	Room 902, No. 996, East Xingang Road, Haizhu District, Guangzhou, China
HK1	Suite 1106-8, 11/F Tai Yau Building, No 181 Johnston Road, Wanchai, Hong Kong
HK2	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
HK3	Level 15 Langham Place, 8 Argyle Street, Mong Kok, Kowloon, Hong Kong
HK4	Room 812, Silvercord, Tower 1, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong
HK5	17/F China Resources Building, 26 Harbour Road, Wanchai, Hong Kong
HK6	Unit 1203, 12/F Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong
HK7	Room 812, Silvercord, Tower 1, 30 Canton Road, Tsimshatsui Kowloon, Hong Kong
HK8	Unit 201, Building A, No. 1 Qianwan Road One, Qianhai Shenzhen & Hong Kong Cooperation Zone, Shenzhen, China
ID1	Menara Utara Gedung Menara Jamsotek Lt. 12 unit TA 12-04 Jl Jend. Gabot Subroto No. 38, Jakarta, Indonesia
ID2	Jalan Sultan Iskandar Muda, No 7 Arteri Pondok Indah, Kebayoran Lama, Jakarta Selantan, 12240, Indonesia
IN1	2nd & 3rd Floor, The National Council of YMCAs of India, 1 Jai Singh Road, New Delhi 110001, Delhi, India
IN2	Flat No. 104, Dhanunjaya Residence, Plot No. 143, Kalyan Nagar III, Hyderabad, Andhra Pradesh 500018, India
IN3	Unit No. 1&2, Times Square, Andheri Kurla Road, Marol, Andheri East, 400 059, Mumbai, India

JA1	5F Iwanami Hitotsubashi Building, 2-5-5 Hitotsubashi, Chiyoda-Ku, Tokyo 101-003, Japan
JA2	Kanda 91 Building, 1-8-3 Kajicho, Chiyoda-ku, Tokyo, 101-0044, Japan
MA1	Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No 8, Jalan Kerinchi 59200 Kuala Lumpur, Malaysia
MA2	B-13-15, Level 13, Menara Prima Tower B, Jalan PJU 1/39, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia
MY1	Apartment 203/204, Residence G, 12 A Kokkine Yeik Tha Street, Shwe Taung Gyar, Bahan Township, Yangon 11041 Myanmar
PH1	Unit 1003, Autel 2000 Corporate Centre, Valero Street Corner, Herrera Street, Saleedo Village, Makati City, Philippines
PH2	Unit 1 Mezzanine Floor Fly Ace Corporate Center, 13 Coral Way Barangay 76, Pasay City, NCR Fourth District, Philippines
PK1	6th Floor, City View, Block-3, Bahadur Yar Jung Co-operative Housing Society, Shaheed Millat Road, Karachi, Pakistan
RK1	8F, Woodo Building, 214 Mangu-ro, Jungnang-gu, Seoul 02121, Republic of Korea
RK2	8F, Woodo Building, 129-3 Sangbong-dong Chungnang-gu, Seoul, Republic of Korea
SG1	111 Somerset Road, #10-05 Tripleone Somerset, 238164, Singapore
SG2	10 Kallang Avenue, 09-15, Aperia, 339510, Singapore
SG3	10 Hoe Chaing Road, 20-05 Keppel Towers, 089315, Singapore
SG4	80 Robinson Road, 02-00, 068898, Singapore
TH1	252 SPE Tower, 9th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok, Thailand
TH2	428 Ari Hills Building, 18th Floor, Phahonyothin Road, Samsen Nai, Phaya Thai, Bangkok 10400, Thailand
VI1	10th Floor, Ha Phan Building, 17-17A-19, Ton That Tung Street, District 1, HCMC Vietnam

Australia & New Zealand

AU1	Level 18, 347 Kent Street, Sydney, NSW 2000, Australia
AU2	Level 5, 267 Collins Street, Melbourne, VIC 3000, Australia
NZ1	c/o Hall & Parsons CA Limited, 145 Kitchener Road, Milford, Auckland 0620, New Zealand

Middle East & Africa

EG1	7H, 263 Street, New Maadi, Cairo, Egypt
SA1	Aziziya District Bin, Mahfouz Centre, PO Box 4100, Jeddah 21491, Saudi Arabia
SA2	Office 110, Leaders Tower 2 King Fahad Road, PO Box 16743, Riyadh 12333, Saudi Arabia
UAE1	17th & 18th Floor, Creative Tower, P.O. Box 422, Fujairah, UAE
ZA1	Broadacres Business Centre, Corner Cedar and 3rd Avenue, Broadacres Sandton, Gauteng 2021, South Africa

Europe

BE1	Rue de Commerce 20/22, B-1000 Brussels, Belgium
CY1	2nd Floor, Sotiri Tofini 4, Agios Athanasios, Limassol 4102, Cyprus
ES1	C/Azcona, 36 Bajo, 28028 Madrid, Spain
FR1	37 avenue de Friedland, 75008, Paris, France
FR2	21/23, rue Camille Desmoulins, 92130 Issy les Moulineaux, France
GE1	Isartorplatz 4, 80331, Munich, Germany
GE2	AM Muhlengraben 22, 23909, Ratzeburg, Germany
GE3	Prielmayerstr. 3, c/o Rüter und Partner Steuerberatungsgesellschaft, 80335 Munich, Germany
GE4	Kaiser-Wilhelm-Str. 30, 12247, Berlin, Germany
GE5	Friedensplatz 13, 53721, Siegburg, Germany
IM1	First Names House, Victoria Road, Douglas, Isle of Man, IM2 4DF
IR1	70 Sir John Rogerson's Quay, Dublin 2, Ireland
IS1	Silver Building, Suite 112-115, 7 Abba Hillel Street, Ramat Gan 52522, Israel
JE1	22 Grenville Street, St Helier, JE4 8PX, Jersey
JE2	44 The Esplanade, St Helier, JE4 9WG Jersey
LU1	17 Boulevard Prince Henri, L-1724 Luxembourg
MC1	Le Suffren, 7 Rue Suffren-Reymond, 98000, Monaco
NE1	Kabelweg 37, 1014 BA, Amsterdam, Netherlands
NE2	Schimmelt 32, Kantoor C, 7E Verdieping, 5611 ZX, Eindhoven, Netherlands
NE3	Coengebouw, Kabelweg 37, 1014 BA Amsterdam, Netherlands
NE4	De Entree 73, 1101 BH, Toren A, Amsterdam, Netherlands
NO1	c/o Wahl-Larson, Advokatfirma AS, Fridtjof Nansens Plass 5, Oslo 0160, Norway
RI1	68 Merrion Square, Dublin, Republic of Ireland
SE1	Box 3255, 103 65, Stockholm, Sweden
SW1	Baarerstrasse 139, 6300 Zug, Switzerland
TU1	Rüzgarlıbaçe Mah. Kavak Sok, Smart Plaza B Blok, No: 31/1 Kat:8, 34805 Kavacık-Beykoz, Istanbul, Turkey
TU2	Molla Fenari Mah, Bab-i Ali Cad, No:9 K:3-4, Fatih 34120, Istanbul, Turkey

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 2 for further description of the method used to account for investments in subsidiaries.

41 Contingent liabilities

Consideration for the acquisition of Penton Information Services on 2 November 2016 included deferred consideration payable in October 2018 for anticipated future tax benefits. The estimated fair value of this consideration of £16.9m ($21.9m) was paid in October 2018. The final amount payable is under dispute with the seller, as a remaining amount of approximately £13.4m ($17m) is expected by the seller. No provision has been made for this potential additional amount as the Directors do not consider it probable that an additional amount is due.

42 Post balance sheet events

On 19 December 2018, the Group agreed the disposal of the Life Sciences media brands portfolio which was previously part of UBM plc for consideration of just over $100m, with the sale completing on 31 January 2019. As a result, the balance sheet of the Life Sciences business was shown as held for sale in the Consolidated Balance Sheet as at 31 December 2018.

On 15 February 2019 the Revolving Credit Facility was replaced with a new facility with two tranches: £600m for a 5-year term to February 2024 and £300m for a 3-year term to February 2022.

Financial Statements
Company Balance Sheet
as at 31 December 2018

	Notes	2018 £m	2017 £m
Fixed assets			
Investment in subsidiary undertakings	3	**7,861.2**	3,664.0
Other debtors: amounts falling due after one year	4	**867.8**	–
		8,729.0	3,664.0
Current assets			
Debtors due within one year	5	**3,175.1**	2,202.9
Cash at bank and on hand		**0.2**	0.1
		3,175.3	2,203.0
Creditors: amounts falling due within one year	6	**(1,572.5)**	(732.5)
Net current assets		**1,602.8**	1,470.5
Creditors: amounts falling due after more than one year	7	**(2,737.5)**	(842.3)
Net assets		**7,594.3**	4,292.2
Capital and reserves			
Share capital	8	**1.3**	0.8
Share premium account	9	**905.3**	905.3
Reserve for shares to be issued		**12.1**	8.7
Merger reserve	9	**4,501.9**	955.1
Employee Share Trust and ShareMatch shares		**(0.7)**	(0.7)
Capital redemption reserve		**(2.3)**	–
Profit and loss account	9	**2,176.7**	2,423.0
Equity Shareholders' funds		**7,594.3**	4,292.2
(Loss)/profit for the year ended 31 December		**(48.4)**	22.6

The financial statements of this Company, registration number 08860726, were approved by the Board of Directors and authorised for issue on 6 March 2019 and were signed on its behalf by

Stephen A. Carter
Group Chief Executive

Gareth Wright
Group Finance Director

Company Statement of Changes in Equity
for the year ended 31 December 2018

	Share capital £m	Share premium account £m	Reserve for shares to be issued £m	Merger reserve £m	Employee Share Trust shares £m	Capital redemption reserve £m	Profit and loss account £m	Total £m
At 1 January 2017	0.8	905.3	6.0	955.1	(0.7)	–	2,560.5	4,427.0
Share-based payment charge	–	–	4.8	–	–	–	–	4.8
Profit for the year	–	–	–	–	–	–	22.6	22.6
Equity dividends	–	–	–	–	–	–	(162.2)	(162.2)
Transfer of vested LTIPs	–	–	(2.1)	–	–	–	2.1	–
At 1 January 2018	**0.8**	**905.3**	**8.7**	**955.1**	**(0.7)**	**–**	**2,423.0**	**4,292.2**
Issue of share capital	**0.5**	**–**	**–**	**3,544.6**	**–**	**–**	**–**	**3,545.1**
Purchase of own shares	**–**	**–**	**–**	**–**	**–**	**(2.3)**	**–**	**(2.3)**
Share-based payment charge	**–**	**–**	**7.3**	**–**	**–**	**–**	**–**	**7.3**
Exercise of share awards	**–**	**–**	**–**	**2.2**	**–**	**–**	**–**	**2.2**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(48.4)**	**(48.4)**
Equity dividends	**–**	**–**	**–**	**–**	**–**	**–**	**(201.8)**	**(201.8)**
Transfer of vested LTIPs	**–**	**–**	**(3.9)**	**–**	**–**	**–**	**3.9**	**–**
At 31 December 2018	**1.3**	**905.3**	**12.1**	**4,501.9**	**(0.7)**	**(2.3)**	**2,176.7**	**7,594.3**

Notes to the Company Financial Statements for the year ended 31 December 2018

1. Corporate information

Informa PLC (the Company) is a company incorporated in the United Kingdom under the Companies Act 2006 and is listed on the London Stock Exchange. The Company is a public company limited by shares and is registered in England and Wales with registration number 08860726. The address of the registered office is 5 Howick Place, London, SW1P 1WG.

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.

2. Accounting policies

Basis of accounting

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* as issued by the Financial Reporting Council.

The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2015. There were no material adjustments recorded for the transition from UK GAAP to FRS 102. As permitted by FRS 102, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, presentation of a cash flow statement, standards not yet effective and related party transactions. The Directors' Report, Corporate Governance Statement and Directors' Remuneration Report disclosures are on pages 96 to 125 of this report. The financial statements have been prepared on the historical cost basis except for the remeasurement of the derivative financial instruments which are measured at fair value at the end of each reporting period. The financial statements have been prepared on the going concern basis as explained in Note 2 to the Consolidated Financial Statements.

There were no critical accounting judgements that would have a significant effect on the amounts recognised in the Company financial statements or key sources of estimation uncertainty at the balance sheet date that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The principal accounting policies adopted are the same as those set out in Note 2 to the Consolidated Financial Statements, with the exception of the merger reserve accounting treatment arising from the Scheme of Arrangement in 2014. The Company's financial statements are presented in pounds sterling being the Company's functional currency.

Profit and loss account

As permitted by section 408 of the Companies Act 2006, the Company has elected not to present its own profit and loss account or statement of comprehensive income for the year. The Company's revenue for the year is £nil (2017: £nil), and loss after tax for the year is £48.4m (2017: profit after tax £22.6m).

Share-based payment amounts that relate to employees of subsidiary Group companies are recorded as capital contributions to the relevant Group company.

Investments in subsidiaries and impairment reviews

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. Impairment reviews are undertaken at least annually or more frequently where there is an indication of impairment.

3. Investments in subsidiary undertakings

Cost	2018 £m	2017 £m
At 1 January	**3,664.0**	3,659.6
Additions – initial cash consideration relating to UBM plc	**643.5**	–
Additions – share consideration relating to UBM plc	**3,545.1**	–
Additions – other[1]	**8.6**	4.4
At 31 December	**7,861.2**	3,664.0

1. Additions – other includes deferred consideration of £2.5m related to UBM plc and £6.1m (2017: £4.4m) related to the fair value of share incentives issued to employees of subsidiary undertakings during the year.

The listing below shows the direct subsidiary and other subsidiary undertakings as at 31 December 2018 which affected the profit or net assets of the Company:

Company	Country of registration and operation	Principal activity	Ordinary Shares held
Informa Switzerland Limited	England and Wales	Holding company	100%
Informa Global Sales, Inc.	US	Domestic international sales corporation	100%
UBM plc	UK	Holding company	100%

Details of subsidiaries controlled by the Company are disclosed in the Consolidated Financial Statements (Note 40).

4. Debtors falling due after one year

	2018 £m	2017 £m
Amounts owed from Group undertakings	**867.8**	–

Amounts owed to Group undertakings falling due after one year are unsecured, interest bearing and repayable on demand. Interest rates on amounts owed from Group undertakings is 0% (2017: n/a).

5. Debtors falling due within one year

	2018 £m	2017 £m
Amounts owed from Group undertakings	**3,174.9**	2,202.8
Prepayments and accrued income	**0.2**	0.1
	3,175.1	2,202.9

Amounts owed to Group undertakings falling due within one year are unsecured, interest bearing and repayable on demand. Interest rates on amounts owed from Group undertakings range from 0% to 5.25% (2017: 0% to 4.25%).

6. Creditors: amounts falling due within one year

	2018 £m	2017 £m
Term loan	**156.9**	296.3
Bank overdraft	**24.0**	–
Amounts owed to Group undertakings	**1,364.5**	423.8
Other creditors and accruals	**23.5**	8.1
Current tax liabilities	**3.6**	4.3
	1,572.5	732.5

Amounts owed to Group undertakings falling due within one year are unsecured, interest bearing and repayable on demand. Interest rates on amounts owed to Group undertakings range from 0% to 5.1% (2017: 0% to 3.75%).

7. Creditors: amounts falling due after one year

	2018 £m	2017 £m
Revolving Credit Facility[1]	77.6	285.6
Private placement loan notes[1]	900.4	554.1
Euro Medium Term Notes[1]	877.9	–
Derivative financial instruments	24.1	–
Amounts owed to Group undertakings	854.1	–
Other payables	3.4	2.6
	2,737.5	842.3

1. Stated net of arrangement fees.

On 4 January 2018, the Company issued $400.0m of private placement loan notes with maturities of 7 years and 10 years.

On 23 October 2014, the Company entered into a five-year Revolving Credit Facility for an equivalent of £900.0m. In July 2017, this facility was reduced to £855.0m of which £78.5m was drawn down at 31 December 2018 (2017: £287.6m), and is stated net of £0.9m (2017: £2.0m) of arrangement fees. The facility matures in October 2020, but on 15 February 2019 the Revolving Credit Facility was replaced with a new facility with two tranches: £600m for a 5-year term to February 2024 and £300m for a 3-year term to February 2022. Interest is payable at the rate of LIBOR plus a margin based on the ratio of net debt to EBITDA.

The private placement loan notes total £902.3m ($1,150.0m) and are stated net of £1.9m of arrangement fees.

For the purpose of financing the UBM plc acquisition Informa issued Euro Medium Term Notes (EMTNs), which are debt instruments traded outside of USA and Canada. On 2 July 2018, the bonds were priced with an issue date of 5 July 2018:

- An 8-year fixed term note, until July 2026, of value £300m with a 3.125% coupon rate
- A 5-year fixed term note, until July 2023, of value €650m with a 1.50% coupon rate

8. Share capital

	2018 £m	2017 £m
Issued and fully paid		
1,251,798,534 (2017: 824,005,051) Ordinary Shares of 0.1p each	1.3	0.8

	2018 Number of shares	2017 Number of shares
At 1 January	824,005,051	824,005,051
Issue of shares in relation to acquisition of UBM plc	427,536,794	–
Other issue of shares in relation to satisfying UBM SAYE shares	256,689	–
31 December	1,251,798,534	824,005,051

9. Capital and reserves

Share capital

On 30 May 2014, under a Scheme of Arrangement, 603,941,249 Ordinary Shares of 435p each in the Company were allotted to Shareholders. On 4 June 2014, a capital reduction took place which resulted in a reduction in share capital of £2,626.5m and the establishment of a distributable reserve of the same amount. This involved the nominal value per share of the issued share capital of the Company of 603,941,249 shares being reduced from 435p per share to 0.1p per share. During 2014, the Company also issued 45,000,000 Ordinary Shares of 0.1p for consideration of £207.0m.

On 11 October 2016, the Group issued 162,234,656 Ordinary Shares of 0.1p each through a 1-for-4 rights issue to part-fund the Penton acquisition. The shares were issued at £4.41 each and raised gross proceeds before expenses of £715.5m. On 2 November 2016, the Group issued 12,829,146 Ordinary Shares to the sellers of the Penton business in part consideration for the sale (Consideration Shares). Share capital as at 31 December 2016 and 2017 amounted to £0.8m (824,005,051 shares at 0.1p).

There were 427,536,794 shares issued on 18 June 2018 in connection with the acquisition of UBM plc, which at the acquisition date closing share price of £8.29 resulted in an increase in share capital of £0.5m. There were also 256,689 shares issued in 2018 to satisfy UBM SAYE Scheme awards maturing in the post-acquisition period.

Share premium

In 2014, the Company issued 45,000,000 Ordinary Shares of 0.1p with the share premium (net of transaction costs) being £204.0m. Share premium as at 31 December 2014 and 2015 amounted to £204.0m. On 11 October 2016, the Group issued 162,234,656 Ordinary Shares of 0.1p each through a 1-for-4 rights issue. The shares were issued at £4.41 each and resulted in share premium (net of transaction costs) of £701.3m. Share premium as at 31 December 2018 and 2017 amounted to £905.3m.

Merger reserve

On 30 May 2014, under a Scheme of Arrangement, the Company subscribed to shares in Informa Switzerland Limited, formerly Old Informa, a subsidiary undertaking, which were valued at £3,500.0m. This resulted in new share capital of £2,627.1m from the issue of 603,941,249 shares at a nominal value of 435p and the creation of a merger reserve of £872.9m.

On 2 November 2016, the Group acquired Penton Information Services and the Group issued 12,829,146 Ordinary Shares to the vendors, with the £82.2m share premium on the shares issued recorded against the merger reserve in accordance with the merger relief rules of the Companies Act 2006.

The Group acquired UBM plc on 15 June 2018 and issued 427,536,794 shares resulting in an increase in the merger reserve of £3,544.6m. There were also 256,689 shares issued in 2018 to satisfy UBM SAYE Scheme awards maturing in the post-acquisition period and there was an increase in the merger reserve of £2.2m in relation to the issue of these shares.

Profit and loss account

On 4 June 2014, a capital reduction took place which resulted in a reduction in share capital of £2,626.5m and the establishment of a distributable reserve of the same amount. This involved the nominal value per share of the issued share capital of the Company of 603,941,249 shares being reduced from 435p per share to 0.1p per share.

The distributable reserves of the Company are not materially different to the profit and loss account balance, with distributable reserves of £2,169.4m at 31 December 2018 (31 December 2017: £2,419.6m).

As at 31 December 2018, the Informa Employee Share Trust (EST) held 564,091 (2017: 388,118) Ordinary Shares in the Company with a market value of £3.6m (2017: £2.8m). The shares held by the EST have not been allocated to individuals and the remaining shares have been allocated to individuals in accordance with the Deferred Share Bonus Plan as set out in the Directors' Remuneration Report on page 113 to 125. As at 31 December 2018, the ShareMatch Scheme held 411,812 (2017: 273,560) matching Ordinary Shares in the Company at a market value of £2.6m (2017: £2.0m).

Details of the description of reserves are disclosed in the Consolidated Financial Statements (Note 36).

10. Share-based payments

Details of the share-based payments are disclosed in the Consolidated Financial Statements (Note 10).

11. Dividends

During the year, an interim dividend of £88.2m (2017: £54.8m) and a final dividend for the prior year of £113.6m (2017: £107.4m) were recognised as distributions by the Company. Details of dividends are disclosed in the Consolidated Financial Statements (Note 14).

12. Related parties

The Directors of Informa PLC had no material transactions with the Company or its subsidiaries during the year other than service contracts and Directors' liability insurance. Details of Directors' remuneration are disclosed in the Remuneration Report. The Company has taken advantage of the exemption that transactions with wholly owned subsidiaries do not need to be disclosed.

Audit exemption

The following UK subsidiaries will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the year ended 31 December 2018:

Audit exempt companies	Registration numbers
Advanstar Communications (UK) Limited	03287275
Afterhurst Limited	01609566
Agra Informa Limited	00746465
AMA Research Limited	04501364
Blessmyth Limited	03805559
Colonygrove Limited	04109768
Colwiz UK Ltd	08164609
Datamonitor Limited	02306113
Design Junction Limited	07634779
DIVX Express Limited	03212879
Dove Medical Press Limited	04967656
Ebenchmarkers Limited	04159695
E-Health Media Limited	04214439
Futurum Media Limited	09813559
Green Thinking (Services) Limited	05803263
Hirecorp Limited	04790559
IBC Fourteen Limited	03119071
IBC (Ten) Limited	01844717
IBC (Twelve) Limited	03007085
IIR Exhibitions Limited	02972059
IIR Limited	01835199
IIR Management Limited	02922734
IIR (U.K. Holdings) Limited	02748477
Informa Exhibitions Limited	05202490
Informa Finance UK Limited	08774672
Informa Finance USA Limited	08940353
Informa Global Markets (Europe) Limited	03094797
Informa Holdings Limited	03849198
Informa Overseas Investments Limited	05845568
Informa Six Limited	04606229

Audit exempt companies	Registration numbers
Informa Three Limited	04595951
Informa US Holdings Limited	09319013
James Dudley International Ltd	02394118
Karnac Books Ltd	03194381
Light Reading UK Limited	08823359
LLP Limited	03610056
London On-Water Limited	10621549
Mapa International Ltd	04757016
Miller Freeman Worldwide Limited	01750865
MRO Exhibitions Limited	02737787
MRO Network Limited	09375001
MRO Publications Limited	02732007
OES Exhibitions Limited	09958003
OTC Publications Ltd	02765878
Penton Communications Europe Limited	02805376
Roamingtarget Limited	05419444
Routledge Books Limited	03177762
Seatrade Communications Limited	00495334
Smarter Shows (Power) Europe Holdings Limited	10025028
Smarter Shows (Power) Europe Limited	09893244
Taylor & Francis Books Limited	03215483
Taylor & Francis Group Limited	02280993
Taylor & Francis Publishing Services Limited	03674840
TU-Automotive Holdings Limited	09823826
TU-Automotive Limited	09798474
UBM (GP) No 1 Limited	03259390
UBM Property Limited	08227422
UBM Property Services Limited	03212363
UBMG Services Limited	03666160
United Newspapers Publications Limited	00235544

Five-year summary

	2018 £m	2017[1] £m	2016 £m	2015 £m	2014 £m
Results from operations					
Revenue	**2.369.5**	1,756.8	1,344.8	1,212.2	1,137.0
Adjusted operating profit	**732.1**	544.9	415.6	365.6	334.0
Statutory operating profit/(loss)	**363.2**	344.7	198.6	236.5	(2.8)
Statutory profit/(loss) before tax	**282.1**	268.2	178.1	219.7	(31.2)
Profit/(loss) attributable to equity holders of the parent	**207.9**	310.8	171.5	171.4	(52.4)
Free cash flow	**503.2**	400.9	305.7	303.4	237.2
Net assets					
Non-current assets	**10,248.2**	4,356.6	4,542.3	2,731.9	2,612.7
Current assets	**717.8**	460.5	489.3	327.9	306.2
Current liabilities	**(1,530.8)**	(1,117.7)	(1,048.8)	(650.0)	(658.3)
Non-current liabilities	**(3,375.0)**	(1,470.4)	(1,795.0)	(1,141.7)	(1,028.9)
Net assets	**6,060.2**	2,229.0	2,187.8	1,268.1	1,231.7
Key statistics from continuing operations (in pence)					
Earnings per share	**19.7**	37.7	23.6	24.3	(7.9)
Diluted earnings per share	**19.7**	37.6	23.6	24.3	(7.9)
Adjusted earnings per share	**49.4**	46.2	42.2	39.5	37.8
Adjusted diluted earnings per share	**49.2**	46.0	42.1	39.5	37.8
Dividends per share	**21.90**	20.45	19.30	18.50	17.80

1. 2017 restated for implementation of IFRS 15 (see Note 4 of the Consolidated Financial Statements).

Shareholder information

Annual General Meeting (AGM)

The 2019 AGM will be held at 240 Blackfriars Road, London, SE1 8BF on Friday 24 May 2019 and will commence at 11.00 am. Details of the resolutions to be considered at the AGM are set out in the Notice of Meeting which is available on our website: http://www.informa.com.

Registrars

All general enquiries concerning holdings of Ordinary Shares in Informa PLC should be addressed to our Registrar:

Computershare Investor Services PLC
The Pavilions, Bridgwater Road, Bristol BS99 6ZZ
Helpline: +44 (0)370 707 1679
Website: http://www.investorcentre.co.uk

The helpline is available between Monday and Friday, 8.30 am to 5.30 pm.

To access your shareholding details online, go to http://www.investorcentre.co.uk. To register to use the website, you will need your Shareholder reference number as shown on your share certificate or dividend voucher.

The website enables you to:

- view and manage all of your shareholdings;
- register for electronic communications;
- buy and sell shares online with the dealing service; and
- deal with other matters such as a change of address, transferring shares or replacing a lost certificate.

Electronic Shareholder communications

As part of Informa's commitment to the sustainable use of natural resources and reducing our environmental impact, we offer all Shareholders the opportunity to elect to register for electronic communications. To elect to receive all future Shareholder communications by email, please visit http://www.investorcentre.co.uk/ecomms.

Dividend

Informa generally pays dividends in June and September each year.

Shareholders who do not currently mandate their dividends, and who wish to do so, should complete a mandate instruction form available online at www.investorcentre.co.uk or by contacting our Registrar using the details above.

If you wish to receive your dividends in a different currency, you will need to register for the global payments service provided by our Registrar. Further information is available at http://www.investorcentre.co.uk.

Shareholders can also elect to join Informa's Dividend Reinvestment Plan (DRIP), using their cash dividends to buy further Informa shares in the market. Further details and full terms and conditions, including eligibility for Shareholders based outside of the UK, are available at http://www.investorcentre.com.

Share dealing

Shareholders are able to buy or sell Informa PLC shares using a share dealing facility operated by our Registrar. Shareholders can deal on the internet or by phone. Log on to http://www.investorcentre.co.uk or call +44 (0)370 703 0084 between 8.00 am and 4.30 pm Monday to Friday for more information on this service, including eligibility and costs. You should have your Shareholder Reference Number (SRN) to hand when logging on or calling.

Please note that UK regulations require the Registrar to check that you have read and accepted the Terms & Conditions before being able to trade. This could delay your first phone trade. If you wish to trade quickly, we suggest visiting http://www.investorcentre.co.uk having first registered online at http://www.computershare.trade.

ShareGift

ShareGift (registered charity no. 1052686) is an independent charity which specialises in releasing value from small shareholdings generating funding for thousands of charities. ShareGift accepts donations of small uneconomic numbers of shares which it then aggregates, sells and donates the proceeds to a wide range of registered charities, based on the suggestions of its donors and supporters. Further information about ShareGift can be found on http://www.ShareGift.org, by emailing help@sharegift.org or by calling 020 7930 3737.

ADR programme

On 1 July 2013, Informa established a Level I American Depositary Receipt (ADR) programme with BNY Mellon, the global leader in investment management and investment services. Each Informa ADR represents two Ordinary Shares and they trade on the "Over-the-Counter" market in the US under the symbol "IFJPY" (ISIN US45672B2060).

Investors can find information on Informa's ADRs at http://www.bnymellon.com/dr. Informa's Ordinary Shares continue to trade on the Premium Main Market of the London Stock Exchange under the symbol "INF" (ISIN: GB00BMJ6DW54).

Protecting your investment from share register fraud

Shareholders should be aware that they may receive unsolicited phone calls or correspondence concerning investment matters.

Shareholders are advised to be very wary of any unsolicited investment advice or offers to buy or sell any shares. If you receive any unsolicited phone calls or correspondence:

- Do not give out or confirm any personal information.
- Make sure you record the correct name of the person who contacted you and the name of the organisation.
- Do not hand over any money without first checking that the organisation is properly authorised by the Financial Conduct Authority (FCA) and doing further research. You can check at http://www.fca.org.uk.

If you think that you may have been targeted, you should report the matter to the FCA as soon as possible. Further information can be found on the FCA's website http://www.fca.org.uk or by calling their consumer helpline on 0800 111 6768 from the UK or +44 20 7066 1000 from outside the UK. You should also notify the Registrar by calling +44 (0)370 707 1679.

Tips on protecting your shareholding:

- Ensure all your certificates are kept in a safe place or hold your shares electronically in CREST via a nominee.
- Keep all documentation containing personal share information in a safe place and destroy any correspondence you do not wish to keep by shredding it.
- Know when the dividends are paid and consider having your dividend paid directly into your bank rather than by cheque.
- If you change address or bank account, inform the Registrar immediately. If you receive a letter from the Registrar regarding a change of address or bank details that you did not instigate, please ensure that you contact them immediately on +44 (0)370 707 1679.
- If you are buying or selling shares, only deal with brokers registered in the UK or in your country of residence.

Advisers

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UK

www.deloitte.com

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www.cliffordchance.com

Stockbrokers
Joint Stockbroker
BAML
2 King Edward Street
London EC1A 1HQ
UK

www.bofaml.com

Joint Stockbroker
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London E14 5AB
UK

www.morganstanley.com

Depository Bank
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Depositary Receipts
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New York NY 10286
United States

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Legal notices
Notice concerning forward-looking statements
This Annual Report contains forward-looking statements. Although the Group believes that the expectations reflected in such forward-looking statements are reasonable, these statements are not guarantees of future performance and 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", "estimate", "forecast", "target", "believe", "should be", "will be" and similar expressions are intended to 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, those identified under "Principal Risks and Uncertainties" on pages 62 to 72 of this Annual Report. The forward-looking statements contained in this Annual Report speak only as of the date of publication of this Annual Report and the Group therefore cautions readers not to place undue reliance on any forward-looking statements.

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.

Website
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Informa is grateful to the following for their support and contribution to the production of this Annual Report:

Consultancy, design and production by Luminous
www.luminous.co.uk

Cover, markets and divisional illustrations by Janis Andzans

Board of Directors photography by Simon Jarratt. CEO photography by Chris Warren.

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