

informa

Annual Report & Financial Statements 2010

bringing knowledge to life

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informa

bringing knowledge to life

Businesses, professionals and academics worldwide turn to Informa for unparalleled knowledge, up-to-the minute information and highly specialist skills and services.



Our ability to deliver high quality knowledge and services through multiple channels in dynamic and rapidly changing environments, makes our offer unique and extremely valuable to individuals and organisations.

Highlights

£1,226.5m

Revenue
2009: £1,221.7m

£313.2m

Adjusted operating profit
2009: £309.5m

£276.4m

Adjusted profit before tax
2009: £261.3m

14.0p

Total dividend
2009: 11.45p

Financial Results

- Revenue of £1.23bn (2009: £1.22bn) with organic revenue growth of 0.4%, despite action to remove subscale activities
- Profit increased – adjusted operating profit up 1.2% to £313.2m (2009: £309.5m); organic growth of 1.8%
- Statutory profit before tax of £125.0m up 29.5% (2009: £96.5m)
- Earnings increased – adjusted diluted earnings per share up 1.5% to 34.8p (2009: 34.3p)
- Margin increased – adjusted operating margin of 25.5% (2009: 25.3%)
- Strong cash generation – free cash flow of £231.4m up 2.8% – adjusted cash conversion 102% (2009: 105%)
- Strengthened balance sheet – net debt/EBITDA ratio of 2.3 times
- Dividend increased – second interim dividend of 9.50p giving a total 2010 dividend of 14.0p, up 22% (2009: 11.45p)

Operational Results

- 65% of publishing revenues from subscriptions
- 74% of publishing revenues fully digitised
- 76 events contributing more than £0.5m of revenue each, up 10%
- New product launches within PCI and expansion through geo-cloning
- Record year for our largest event Arab Health



Informa at a glance

Who we are

Informa was formed in December 1998 by the merger of IBC Group plc and LLP (Lloyd’s of London Press). Since then, the continual growth and vision of the Company has been built around the supply of high quality, proprietary business-to-business knowledge through some of the longest-standing brands in the world of publishing, conferences, exhibitions and training.

Although we are a relatively young Company, our bloodline dates back to 1734 when the first issue of the maritime publication Lloyd’s List was first pinned to the wall of Edward Lloyd’s City of London coffee shop. Today Lloyd’s List is still published daily and, along with other products and services, provides information, analysis and knowledge for business decision makers in the global shipping community.

Since then, mergers with the Taylor & Francis Group, a world-leading academic publisher in 2004, plus the acquisition of IIR Holdings and Datamonitor in 2005 and 2007 respectively, have built on our strategy to expand our business through both acquisition and organic growth.

Today, Informa is a progressive and successful international business headquartered in Switzerland with many industry leading products and services in niche markets around the world.

8,000+ employees

150+ offices

40+ countries

What we do

Informa provides academics, businesses and individuals with unparalleled knowledge, up-to-the minute information and highly specialist skills and services. With around 8,000 employees working in some 150 offices in over 40 countries, our global reach and breadth of offer is unique.

Our academic information division publishes books and journals with over 72,000 titles available that provide individuals and organisations with the knowledge they need to carry out their work.

Our professional and commercial information businesses offer structured databases, subscription-based services, real-time news, research and business-critical information creating business advantage.

We are the largest publicly-owned organiser of exhibitions, conferences and training courses in the world providing inspiring marketplaces and the opportunity for knowledge to be shared.

Respected and well-known brands

In all businesses we have the technology to deliver dynamic, multi-platform solutions tailored to our customers’ needs. We have many leading product brands in the various markets and regions we work in and due to our focus on operational efficiency and excellent management we are highly respected by shareholders and the financial markets.



Strong portfolio

The strong portfolio of products within the Informa stable provides the Group with highly favourable valuation characteristics including:

- Excellent free cash generation
- High return on capital employed
- Excellent quality of earnings - significant subscription revenues with high renewal rates
- High margins especially on data and subscription products
- High operational gearing and cost flexibility
- Products which do and will continue to benefit from technological advances and changing consumer trends

Successful history of growth and looking forward to 2011

Informa has a strong track record of creating value from organic growth and acquisitions since its creation in 1998, including its expansion through a combination of organic and acquisition, both strategic and bolt on, led growth. These have included the merger with Taylor & Francis and the acquisitions of PJB Publications, IIR Holdings and Datamonitor.

In the Academic Information division, digital delivery is increasingly important for both books and journals and Informa is working hard to remain delivery platform neutral. Informa is also working to build on subject areas such as environment and urban planing and regional studies where it has a significant strength, during 2011.

In the Professional and Commercial Information division, Informa is investing in platforms and distributions systems, restructuring or adding to our existing sales teams and expanding geographically, and will continue to do so in 2011.

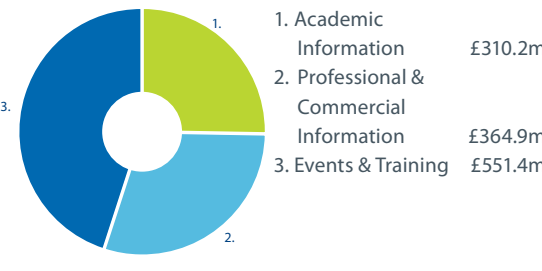
In the Events and Training division, Informa is intending to launch new trade shows and conferences in 2011, build on its market-leading positions in Middle East and within the Healthcare sector, as well as expand into key geographies within the Far East and Latin America.

Revenue

Revenue by type



Revenue by business segment



A selection of Informa Group websites



www.informa.com

Academic Information

crcpress.com
Europaworld.com
garlandscience.com
informaworld.com
psypress.com
routledge.co.uk
taylorandfrancis.com
taylorandfrancisgroup.com

Professional & Commercial Information

agra-net.com
business-insights.com
ceasc.com
clinica.co.uk
datamonitor.com
ebenchmarkers.com
i-law.com
infoline-uk.com
informacargo.com
informaecon.com
informahealthcare.com
informais.com
informamaritime.com
informars.com
insuranceday.com
intellectualpropertymagazine.com
ipworld.com
lloydslist.com
lloydsll.com
lloydsmaritimeacademy.com

lloydslistintelligence.com
medtrack.com
orbys.com
ovumkc.com
pharmaprojects.com
public-ledger.com
raj.co.uk
scrip100.com
scripmag.com
theblackbookofoutsourcing.com
verdict.co.uk

Events & Training

3dtvworldforum.com
3gconference.com
3gworldcongress.com
4gcongress.com
4gevolution.com
abudhabiyachtshow.com
achieveglobal.com
adamsmithconferences.com
arabhealthonline.com
broadbandworldforum.com
biotechniques.com
cityscapeglobal.com
comworldseries.com
cpdcast.com
digitaltvEurope.net
digitaltvsummit.com
esi-intl.com
esi-se.com
Euroforum.de
forum.com
fundforuminternational.com

futd.nl
gaimasia.com
huthwaite.com
ibcbrazil.com.br
ibcenergy.com
ibcEuroforum.dk
ibclifesciences.com
iff-training.com
iir.at
iir.com.au
iir.com.br
iir.es
iir.nl
iir.pl/iir
iir-hungary.hu
iir-italy.it
iirmd.com
iirme.com
iirusa.com
informa.com.au
informaglobalevents.com
informagroup.com.br
informatm.com
informayachtgroup.com
iptv-forum.com
iptvworldseries.com
konference.cz
legalitshow.com
mobilecomms.com
monacoyachtshow.com
omega-performance.com
robbinsgioia.com
telecoms.com
telecomsacademy.com
thesuperyachtcup.com

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» Business Profile



“In all businesses we have the technology to deliver dynamic, multi-platform solutions tailored to our customers’ needs. We have many leading product brands in the various markets and regions...”

1. High Quality Subscription Income	03
2. Digital Excellence	04
3. Resilient Events	05
4. Geographic Expansion	06

» The Year in Review



“We learned much during the downturn, including how efficient our business is, how resilient our market leading products are, how important are our top brands and how flexible are our people and our cost base. This helps us to grow the operating margin every year and yet still invest for the future...”

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» Financial Statements



“We enter 2011 with a strong balance sheet, comfortable headroom within our banking facilities, plans for growth and a business with a high quality of earnings – visible recurring revenue streams and strong cash generation.”

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Business Profile

1. High Quality Subscription Income	03
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3. Resilient Events	05
4. Geographic Expansion	06

“Although we are quite a large global Company, we are made-up of several different businesses of various sizes each with their own management, products and brands. This gives us a huge amount of flexibility to operate in a lot of niche, business-to-business markets...”

1. High Quality Subscription Income

In 2010, Informa continued to build its high value subscription base. This past year, over a third of Group revenues came from data subscription services which have shown strong renewal rates in both the academic and the professional and commercial sectors.

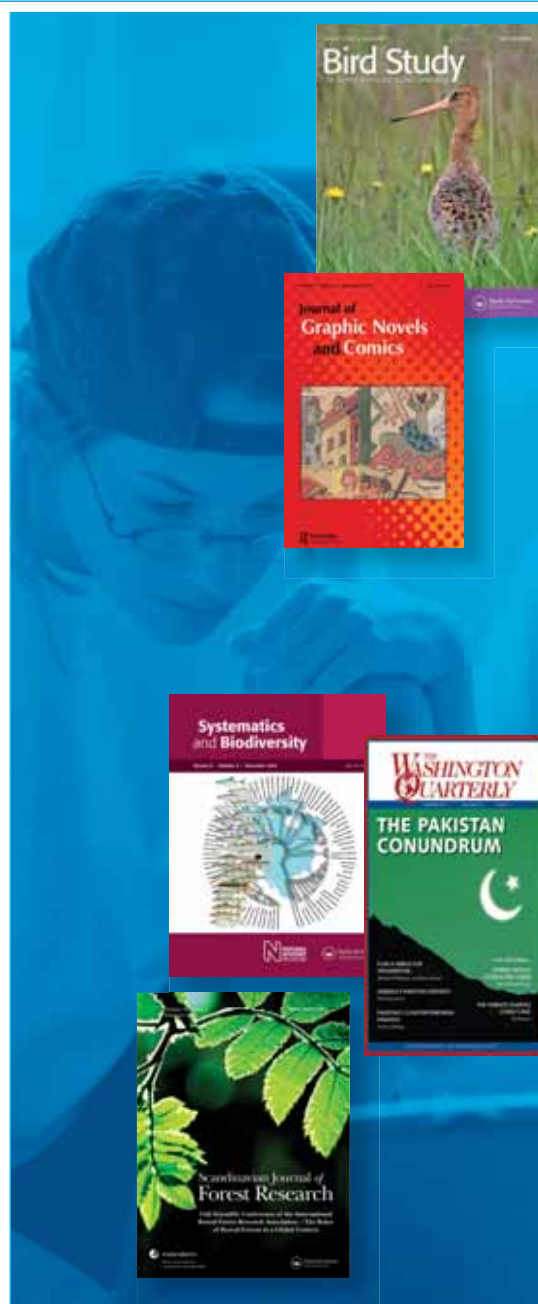
We added a further 71 academic journals, developed increased digitised functionality to the Lloyd's List Group and launched a number of new products. The healthcare sector within the Citeline suite of products has performed well with new product launches and more planned for 2011. Informa Healthcare's online portal, informahealthcare.com was enhanced in 2010 helping drive a substantial revenue growth for digital books.

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



Did you know?

155,000 Taylor & Francis articles are downloaded every day – that's almost 2 a second



36%
revenue from
subscriptions

2. Digital Excellence

As the world moves ever more towards digital and multi-platform delivery, our companies continue to develop more of our products and services to be available electronically.

Digital marketing, social media and online services bring us closer to our key audiences and present opportunities to produce more targeted, richer and relevant information. Our engagement and delivery in these platforms increases customer loyalty, retention and price leverage.

In 2010 we continued to develop and expand our high quality content with nearly three quarters of our publishing revenues coming from digital activity. A good example of this is the new Lloyd's List Intelligence tracking service which uses satellite and land based receivers to monitor movement, a far cry from the days when Edward Lloyd pinned his list on the wall of his coffee shop back in 1734.

Print-on-demand and online partnerships not only greatly enhance the efficiency of the fulfilment and distribution but also reduce our carbon footprint and move us towards a more sustainable business.



Informa website now available on Apple iPad
www.informa.com



100%
journals available
digitally

32,000
books available
to download

3. Resilient Events

In 2010, Informa produced almost 100 exhibitions around the world, from the recently acquired Anti-Ageing show to Arab Health in the Middle East.

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

The recent acquisitions of Expo Farmacia and Australian Exhibitions and Conferences (AEC) has strengthened our position in this area and will boost our exhibitions to around 127 in 2011.

We continue to identify emerging themes and produce timely relevant events. Amongst the many successful conferences we ran in 2010 are the "Com" series with a highly successful new launch in Nigeria, Market Research in the US, the German Energy event, pharma events such as Clinica Trials and Partnering with CROs and the SuperReturn series.



Did you know?

Contributors on CPDcast have nearly 8,000 years combined legal experience, despite the service only being in its second full year of trading!

45%
revenue from our
events sector

4. Geographic Expansion

Informa is always looking to expand into new regions and territories and the emerging growth markets represent a clear opportunity to take our knowledge and expertise to new people and communities.

Customers from outside the US and Europe now account for over 20% of Informa's revenue with India alone the fourth most important territory for academic books.

The BRIC countries revenue contribution increased by 30% over 2010. We added to our events portfolio in Brazil and Australia and going forward, we will look to expand on these plus other opportunities in India, China, the Middle East and Vietnam.

Did you know?

Taylor & Francis content from over 200 years ago is still being read and cited in 2010

20%
our customers are outside
US and Europe

30%
increase in revenue from BRIC
countries through 2010

US

FUSE, the Brand Identity and Package Design event increased revenue by 98% in 2010.

Brazil

Revenue for the Terminal Operations Conference & Exhibition Americas held in Rio de Janeiro increased by 36% in 2010.

UK

Book sales in the UK have surpassed £30m for the first time in over 200 years.

Russia

Revenue from the Adam Smith CFO conference increased by 69% in 2010.

India

Informahealthcare.com attracted more than 1 million visits from India in 2010; making India the 3rd most important market in terms of site visits after UK and US.

China

Chinese visitors to Scrip Intelligence increased close to three-fold in the space of 12 months.

Africa

The inaugural Mozambique Coal event held in Maputo generated revenue of just under AUD\$0.6m in 2010.

Hong Kong

SuperReturn Asia event held in 2010 increased revenue by 28% on the previous year.

Middle East

The Arab Health Conference first ran in 1975 and has gone on to be a global must-attend event attracting 66,000 professionals from over 140 countries.

Taylor & Francis

Taylor & Francis Journals was awarded International Publisher of the Year 2010 by the International Printers' Network.

Australia

Ovum saw an almost five times increase in spend among IT vendors in 2010.

» Year in Review

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"We learned much during the downturn, including how efficient our business is, how resilient our market leading products are, how important are our top brands and how flexible are our people and our cost base. This helps us to grow the operating margin every year and yet still invest for the future..."

Derek Mapp, Chairman

Financial Highlights

Revenue £m



Adjusted operating profit £m



	2010 £m	2009 £m	Actual %	Organic %
Revenue	1,226.5	1,221.7	0.4	0.4
Operating profit	164.0	145.7		
Adjusted operating profit ¹	313.2	309.5	1.2	1.8
Operating cash flow ²	319.8	325.0		
Adjusted cash conversion (%) ³	102	105		
Profit before tax	125.0	96.5		
Adjusted profit before tax ¹	276.4	261.3		
Profit for year	98.9	106.5		
Adjusted profit for year ¹	209.0	193.1		
Basic earnings per share (p)	16.5	18.8		
Diluted earnings per share (p)	16.5	18.8		
Adjusted diluted earnings per share (p) ¹	34.8	34.3		
Dividend per share (p)	14.0	11.5		
Free cash flow ²	231.4	225.0		
Net debt ⁴	779.1	872.6		

Notes:

In this document 'organic' refers to numbers adjusted for material acquisitions and disposals and the effects of changes in foreign currency exchange rates.

¹ Adjusted results exclude adjusting items as set out in the Consolidated Income Statement and detailed in Note 2.

² Operating cash flow and free cash flow are as calculated in the Financial Review.

³ Operating cash flow divided by adjusted operating profit.

⁴ Net debt as calculated in Note 33.

Chairman's Statement

I am pleased to announce a strong set of results for 2010, which again demonstrate the underlying strength of the business, especially renewable revenue streams, high margins and strong cash generation.

Derek Mapp, Chairman

Over the past three years, the world has experienced some of the worst economic conditions ever and I am delighted at how well the Informa business model has performed. This is in part due to the changes that we have consciously made to the information we provide as well as the way we provide it and in part to the diversification into new product areas and geographies.

Informa was a different Company ten years ago to what it is today. It was mainly a business to business events business, with advertising based publishing and like many businesses then, we had minimal digital content.

In 2010, some 70% of adjusted operating profits came from information publishing, 41% of our revenue is electronic and 36% of our revenue comes from subscriptions. In fact in 2010 only 2% of revenue came from advertising.

Importantly, the 2004 merger between Informa and Taylor & Francis (T&F) created a business with a balance between cyclical growth and predictable subscription revenues. The T&F academic business, which in 2010 accounted for 35% of adjusted operating profit, is a market leading business of the highest quality with particular strength in the areas of humanities and social sciences. T&F which was a nil premium, non cash transaction, with its subsequent improvement in profit levels, has added considerable value to the Group.



Although the T&F merger was fundamental, our objective of creating a high value knowledge and information business has been achieved thus far through a combination of both organic and acquisition led growth. The three major acquisitions of PJB Publishing (Scrip) in



Informa will remain high quality, high margin, highly cash generative, highly digital and increasingly resilient.

2003, IIR Holdings (IIR) in 2005 and Datamonitor in 2007 have grown substantially and have all improved the quality and organic growth potential of the enlarged Group.

In 2011, the Company continues to invest in organic growth, both in existing and emerging markets. We will also look to make fill-in acquisitions which both generate value and add to the quality of the business. These will be in sectors where we already have core strength and where we can achieve revenue and cost synergies. Quite separately, we will consider assets for disposal and in so doing we can use the funds generated to add overall to shareholder value, either through improving the balance sheet, or through re-investment.



Looking forward, our emphasis will remain on growing sustainable shareholder value, investing for growth and improving the resilience and visibility and as such the overall quality of our business. From an organic and acquisition perspective, we will look at assets which are digital, content rich, have proprietorial information, with high levels of repeat business and events with geo-cloning opportunities.

Emerging markets will be increasingly important and during 2010 we added to our events portfolio in Brazil and established new events in Saudi Arabia and Vietnam. An acquisition at the end of 2010 brought us 12 new large exhibitions in Australia, which, together with our existing business there, makes us one of the leading Australian events companies. Looking forward to 2011, we have more opportunities in the UAE and the Far East where we already have a base but also in new emerging markets such as Turkey.

From a trading perspective, our businesses benefited in 2010 from improving economies, especially in Asia, Latin America, Australia, Germany and Scandinavia. Southern Europe especially Italy and Spain remain weak, whereas the US business was sluggish, with perhaps a more sustained recovery towards the end of the year. From a sector perspective, most of our areas grew in 2010, especially financial events, which did of course decline during the financial crisis. More difficult areas were real estate and property and some of our financial data businesses, which relied heavily on bank subscriptions.

We learned much during the downturn, including how efficient our business is, how resilient our market leading products are, how important our top brands are and how flexible our people and our cost base are. This helps us to grow the operating margin every year and yet still invest for the future.

We also recognise that where our products were not market leading they would suffer in a downturn and as such we have reduced the scale considerably of our smaller events and also consolidated some publications. This process will continue and already in 2010 some 50% of our events gross profits were delivered by our top 200 leading events.

Informa will remain high quality, high margin, highly cash generative, highly digital and increasingly resilient. Our investment organically and through acquisition will push us into emerging markets where we anticipate a wider range of growth opportunities. With an efficient balance sheet and a highly committed team, we certainly have an exciting few years ahead. I would like to thank everyone inside Informa for their hard work and commitment both now and over the past 12 months and wish them continued success for 2011.

Derek Mapp
Chairman

Chief Executive's Review

Our book businesses had a strong year with a number of deals in new, emerging market libraries ensuring we kept pace with a record breaking 2009 performance.

Peter Rigby, Chief Executive

Academic Information (AI)

Our academic division, which provides books and journals to university libraries and the wider academic market, accounts for 25% of Group revenue and 35% of the adjusted operating profit. The division continues to perform well, demonstrating the resilient nature of its high quality earnings streams. This division has delivered organic revenue and adjusted operating profit growth of 4.7% and 4.5% respectively during 2010.

Our book businesses had a strong year with a number of deals in new, emerging market libraries ensuring we kept pace with a record breaking 2009 performance. Ongoing technical developments in both print-on-demand and marketing activity supports the ever growing portfolio of books with nearly 5.5 million books sold in 2010 of which around 70% of the revenue generated was from the back catalogue.

The on-going strength of our journals business has been supported by an increase in online usage of over 25%, showing the strength of our product range and the success of the marketing teams. This acceleration in usage emphasises the ever improving quality of our publications and will further increase the resilience of the business and strengthen its position in its niche market.

Digital delivery is increasingly important for both the books and journals and we work hard to remain delivery platform neutral. 100% of our journals are available digitally along with 32,000 of our books (2009: 22,000).

Geographically, emerging markets are an important growth area with India now the fourth largest books market for our academic information and there are promising growth prospects in China. Emerging markets now represent 13% of the AI revenues compared to 11% last year.

We remain sensitive to the demands of an academic environment with significant budgetary pressure and we have worked closely with our customers to secure 2011 revenue. The journal renewal process has delivered in line with our expectations. We believe this reflects the weighting of our portfolio towards HSS and libraries'



We have taken the opportunity over the past two years to remove marginal product, consolidate titles and invest in our market leading brands and products, which will be the core of this division's growth in 2011 and beyond.



need for quality content. We will endeavour to build on those subject areas such as environment and urban planning and regional studies where we have significant strength during the course of 2011.

Professional and Commercial Information (PCI)

The PCI division which provides books, journals, database products, intelligence centres and other similar products to the healthcare, pharmaceutical, financial services, maritime, commodities, telecoms and legal sectors, accounts for 30% of Group revenue and 35% of the adjusted operating profit. PCI consists of Informa Business Information (IBI) and Informa Financial Information (IFI).

As expected, during the year we saw the lag impact on subscription income especially in the financial services sector, however, during the second half of 2010, revenues grew and we expect them to continue to grow in 2011. We have taken the opportunity over the past two years to remove marginal product, consolidate titles and invest in our market leading brands and products, which will be the core of this division's growth in 2011 and beyond.

The PCI division delivers 88% of its products digitally, driving further growth from high value corporate sales and digital upselling. Subscriptions account for 74% of the overall division's revenue with a high renewal rate of 87% which is a testament to the strength of the product offering.

We have continued to reduce our reliance on advertising which is only 6% of PCI revenue. We will move forward with a stronger, higher quality set of assets in this portfolio. The migration from print to digital and from single subscriber to corporate access continues to boost the performance of this division and will be continued.

The Citeline suite of products for the pharmaceutical market has performed very well with new product launches in 2010 and more planned for 2011. Informa Healthcare's online portal, informahealthcare.com, was also enhanced in 2010 helping to drive a substantial revenue growth for digital books. Lloyd's List has seen a 21% increase in subscription revenue with the new launch of its online product. Many other product successes contributed to the ever improving portfolio within the IBI division.

Towards the end of 2010, we took the decision to fully integrate Datamonitor into IBI. During the year Datamonitor continued to grow its subscriber base and sales and has ended the year in a stronger position than it started. Previously it had interacted closely with the rest of the Group but maintained a more expanded infrastructure than most other acquired businesses. We believe that now is the right time to combine all of the divisions' market leading products within the Healthcare, Financial and Telecoms sectors. This portfolio will present our customers with an even more compelling sales proposition. We have also taken the opportunity to remove some of the marginal product in certain sectors and focus on the niche areas of information which can command high margins.



Chief Executive's Review

continued

The larger events portfolio has performed well in 2010 with the revenue from the top 200 events increasing by 16% (5% excluding IPEX).

IFI, which delivers high value subscription products to the financial sector, represents 22% of PCI revenues. We have continued to see a lag on subscription income in this area but have diversified the portfolio somewhat through the acquisition of an emerging funds database which has strong growth potential.

Across this division we are investing in platforms and distributions systems, restructuring or adding to our existing sales teams, expanding geographically and we believe that the prospects remain encouraging for 2011.

Events and Training

Our Events and Training business, consisting of trade shows and exhibitions, large and small conferences and training courses, accounts for 45% of Group revenue and 30% of adjusted operating profit. This division has benefited from improving economic conditions around the world with organic revenue from core operations increasing by 2.7%. With the benefit of operational gearing, adjusted operating profits have grown by 8.1% to £93.5m and the margin has improved by 150 basis points to 17%.

2010 witnessed improved economic conditions in Asia, Latin America, Australia, Germany and Scandinavia. The US remained tougher but there were definitely signs of an improved recovery towards the end of the year. On a sector basis, our financial events recovered well, telecoms remained strong and we expanded our stable of market-leading healthcare events. Trade shows and exhibitions remained our most resilient products, whilst average delegate numbers increased across our entire conference portfolio giving us confidence for the future.

In May we ran IPEX, our one quadrennial event. This was a great success and contributed strongly to this year's results. Other notable successes include Arab Health, which celebrated its 35th year in 2010, the World Anti-Aging Congress held in March, the Broadband World Forum held in October and the SuperReturn Series which was held seven times in different locations during the course of the year.

The larger events portfolio has performed well in 2010 with the revenue from the top 200 events increasing

by 16% (5% excluding IPEX). The number of events generating more than £0.5m has increased from 69 to 76 in the last 12 months. This will be an area of focus for the Group as we look to increase the number of exhibitions that we run, either through new launches or acquisition, or by seeking to increase the scale of our market leading conferences.

Our local language conference and training companies in Germany and the Netherlands recovered well after a challenging 2009. We removed a significant number of events year-on-year but were able to grow profits by 28% between them. We achieved a strong recovery in Sweden and Denmark, in Australia where we added an exhibition business late in the year to our market leading conference and training company and in the US where our conference business, led by its marketing division, grew its adjusted operating profits by 21%.

Our corporate training portfolio showed a much improved performance in the second half of the year with strong growth in the Far East and Australia and an improvement in its larger US operations. Revenue in the key final three months of the year, excluding Robbins Gioia, grew by 11% which gives us cautious optimism for 2011. Robbins Gioia, the US Government contractor, stabilised over the final months of the year.

We have started 2011 well with Arab Health, held in January, achieving its highest ever revenue and rebooking a record amount onsite for 2012. We also held our market-leading Energy event in Germany and Middle East Electricity, both of which have grown.

Forward bookings across our exhibition business and the outlook for the conference businesses remains positive. We are intending to launch new trade shows and conferences in 2011, build on our market-leading positions in the Middle East and within the Healthcare sector, as well as expand into key geographies within the Far East and Latin America.

Peter Rigby
Chief Executive

Financial Review

2010 was a challenging year from a global trading perspective so I am pleased with these financial results which demonstrate the strength of a balanced portfolio and an ability to manage costs effectively.

Adam Walker, Finance Director

Adjusted and Statutory Results

In this Financial Review we refer to adjusted and statutory results. Adjusted results are prepared to provide a more comparable indication of the Group's underlying business performance.

Adjusted operating profit increased to £313.2m (2009: £309.5m) driven by the slight increase in the adjusted operating margin from 25.3% to 25.5%. The increase in adjusted operating profit and margin demonstrates the benefits of our early actions to adapt our cost base to the challenging trading conditions.

As well as the increase in adjusted operating profit, we are pleased by the way the Group has continued to convert profit into cash. Free cash flow generated by the Group was £231.4m, up 3%.



Translation Impact

The Group generates the majority of its revenue overseas. The largest exposure is to US Dollars with approximately 49% of Group revenue generated in USD and currencies pegged to the USD. Each one cent movement in the USD to GBP exchange rate has a circa £3.9m impact on revenue and a circa £1.4m impact on operating profits. Offsetting any negative impact on operating profits are decreases to interest payable and tax payable.

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



Financial Review

continued

Organic revenue increased by 0.4% reflecting a consistent performance in our publishing businesses, up 2%.

Business Segments

Revenue and adjusted operating profit by division are set out below together with the respective actual and organic growth rates.

Academic Information

	2010 £m	2009 £m	Actual %	Organic %
Revenue	310.2	294.4	5	5
Adjusted Operating Profit	109.3	104.3	5	5
Adjusted Operating Margin	35%	35%		

Professional & Commercial Information

	2010 £m	2009 £m	Actual %	Organic %
Revenue	364.9	368.3	(1)	(1)
Adjusted Operating Profit	110.4	118.7	(7)	(7)
Adjusted Operating Margin	30%	32%		

Events

	2010 £m	2009 £m	Actual %	Organic %
Revenue				
Europe	248.5	242.4	3	4
US	181.3	201.1	(10)	(10)
Rest of World	121.6	115.5	5	5
Total	551.4	559.0	(1)	(1)
Adjusted Operating Profit				
Europe	45.1	40.1	13	16
US	23.5	27.6	(15)	(16)
Rest of World	24.9	18.8	32	38
Total	93.5	86.5	8	10
Adjusted Operating Margin	17%	15%		

Revenue

Organic revenue increased by 0.4% reflecting a consistent performance in our publishing businesses, up 2%. Events revenues declined by 1% but excluding the impact of Robbins-Gioia, the US Government contractor, grew by 2.4%. We also decided not to run marginal events and consolidated certain print titles.

Operating Profit

Adjusted operating profit increased to £313.2m (2009: £309.5m). Organic adjusted operating profit increased by 2%, with an increase of 10% by the events businesses recognising the impact of operational leverage offset by a 1% fall at the publishing business.

Statutory operating profit increased by 13% to £164.0m (2009: £145.7m), resulting principally from the £25.8m decrease in restructuring and reorganisation costs.

Restructuring and Reorganisation Costs

Restructuring and reorganisation costs for the year of £8.3m (2009: £34.1m) largely reflect the cost to the businesses of responding to changing market conditions. These include redundancy costs of £4.6m (2009: £18.0m), reorganisation costs of £2.8m (2009: £5.0m), and vacant property provisions of £0.9m (2009: £4.7m). In addition, during 2009 aborted transaction costs of £2.1m and professional fees of £4.3m were incurred in connection with the redomicile of the ultimate parent company.

Other Adjusting Items

As a consequence of applying IFRS 3 (2008) Business Combinations from 1 January 2010, acquisition related costs of £1.3m and subsequent re-measurement of contingent consideration of £0.8m have been expensed.

Net Finance Costs

Finance costs net of interest receivable, decreased by £9.2m to £39.0m. This is primarily due to the full year impact in 2010 of reduced debt, following the rights issue proceeds of £242.5m received in May 2009, and further debt reductions from cash flows at the end of 2009 and end of 2010. Furthermore, there were exceptional interest charges in 2010 of £2.2m relating to borrowing costs being written off and the de-designation of interest rate swaps, as proceeds from the Private Placement loan notes were used to pay down the term loans.

We maintain a balance of fixed and floating rate debt through utilising derivative financial instruments. The majority of the fixed interest swaps were entered into at the time of the Datamonitor acquisition in 2007 and will expire in 2011.

Profit Before Tax

Adjusted profit before tax increased by 6% to £276.4m (2009: £261.3m) and adjusted profit for the year also increased by 8% to £209.0m (2009: £193.1m).

Taxation

Across the Group, tax has been provided on adjusted profits at an adjusted tax rate of 24.4% (2009: 26.1%). This adjusted tax rate benefits from profits generated in low tax jurisdictions, including Switzerland.

The Group tax charge on statutory profit before tax was 20.9% (2009: credit 10.4%).

Earnings and Dividend

Statutory diluted EPS of 16.5p (2009: 18.8p) is 12% below 2009 and adjusted diluted EPS of 34.8p (2009: 34.3p) is 1% ahead of 2009. If we included a full year's effect of the rights issue in 2009, the statutory diluted EPS of 16.5p (2009: 17.7p) is 7% below 2009 and adjusted diluted EPS of 34.8p (2009: 32.2p) is 8% ahead of 2009.

The Board has proposed a second interim dividend of 9.50p per share (2009: 7.85p per share), in line with the Group's existing dividend policy. This dividend will be paid on 18 May 2011 to ordinary shareholders registered as of the close of business on 26 April 2011. This will result in a total dividend for the year of 14.0p per share (2009: 11.45p per share). Dividend cover has been reduced from 3 times to 2.5 times on an adjusted earnings basis.

Return on Capital Employed

The Group has undertaken three significant transactions in recent years – the merger with Taylor & Francis and the acquisitions of IIR and Datamonitor. In addition, a number of smaller bolt on acquisitions have also been completed. Acquisitions have to meet our acquisition criteria which include delivering returns in excess of the Group's WACC in the first full year, being earnings enhancing in the first full year and achieving a cash payback within seven years.

The return on investment from acquisitions completed in 2009 is 18.9%, considerably ahead of the Group's current weighted average cost of capital.

Financial Review

continued

Cash Flow

The Group continues to generate strong cash flows and this is reflected in a cash conversion rate, expressed as a ratio of operating cash flow (as calculated below) to adjusted operating profit, of 102% (2009: 105%).

	2010 £m	2009 £m
Adjusted operating profit	313.2	309.5
Depreciation of PP&E	7.7	9.2
Software amortisation	16.3	13.5
Share-based payments	2.1	0.6
EBITDA	339.3	332.8
Net capital expenditure	(27.2)	(22.0)
Working capital movement (net of restructuring and reorganisation accruals)	7.7	14.2
Operating cash flow	319.8	325.0
Restructuring and reorganisation cash flow	(14.1)	(26.3)
Net interest	(36.8)	(46.4)
Taxation	(37.5)	(27.3)
Free cash flow	231.4	225.0
Acquisitions less disposals	(53.3)	(38.5)
Dividends	(75.0)	(39.4)
Net issue of shares	4.6	252.3
Net funds flow	107.7	399.4
Opening net debt	(872.6)	(1,341.8)
Non-cash items	(3.1)	(2.0)
Foreign exchange	(11.1)	71.8
Closing net debt	(779.1)	(872.6)

In the year ended 31 December 2010, before taking into account financing activities, spend on acquisitions or proceeds from the sale of assets, the Group generated free cash flow of £231.4m (2009: £225.0m). This demonstrates the ability of the Group to deleverage quickly.

The change to net debt arising from acquisitions (net of disposals) was a £53.3m outflow (2009: £38.5m outflow) which comprises current year acquisitions of £48.0m (2009: £13.2m) and consideration in respect of acquisitions completed in prior years of £5.3m (2009: £25.3m). There were no material disposals during the current or prior year. We have robust criteria for assessing acquisitions and we target acquisitions and alliances that accelerate our strategic development and meet our financial criteria.

Net debt decreased by £93.5m from £872.6m to £779.1m reflecting cash flow of £107.7m, and adverse exchange movements of £11.1m. During the year the Group paid £75.0m in relation to the 2009 second interim and the 2010 first interim dividends.

Financing and Bank Covenants

Private placement loan notes of US\$730.0m equivalent were issued in December 2010 and January 2011. The notes are denominated in US Dollars (\$597.5m), Euros (€50.0m) and Sterling (£40.0m). Amounts issued in December 2010 are US Dollars (\$552.5m), Euros (€50.0m) and Sterling (£40.0m). The remaining US Dollars amount (\$45.0m) was issued in January 2011. As per note 23, the private placement loan note as at 31 December 2010 totalled £440.0m. Proceeds of the issue have been used to repay existing bank debt facilities. The note maturities will range between five and

At the same time as digital technological advancements, product launches and other innovations have enhanced the information we provide to our customers, we have worked hard to ensure that the back office environment has continued to improve.

ten years, with an average duration of 8.3 years, at a weighted average interest rate of 4.3%.

The Group has in place a single credit agreement which comprises an amortising term loan facility, fully drawn in three currency tranches, and a non-amortising £500.0m multicurrency revolving credit facility. The rights issue proceeds were used to prepay the scheduled 2009 and 2010 term loan repayments, leaving term loan balances at 31 December 2010 of £366.9m drawn in \$200.0m, €100.0m, and £125.0m. The term loan and revolving credit facilities mature in May 2012 and we expect there to be comfortable headroom on our facilities through to that date.

The principal financial covenant ratios under these facilities are maximum net debt to EBITDA of 3.5 times and minimum EBITDA interest cover of 4.0 times, tested semi-annually. At 31 December 2010 both financial covenants were comfortably achieved, with the ratio of net debt (using average exchange rates) to EBITDA reduced from 2.7 times at 31 December 2009 to 2.3 times at 31 December 2010.

Balance Sheet

Deferred income, which represents income received in advance, was up 4% (9% excluding the impact of IPEX, a quadrennial event) on a constant currency basis at 31 December 2010 compared to the same date in 2009. Deferred income arises primarily from advance subscriptions or forward bookings for trade shows, exhibitions or conferences. Subscriptions generated by our academic journal business renew annually a year in advance and many trade shows and exhibitions, because of their market leading status, receive commitments up to a year in advance.

Pensions

The Group's financial obligations to its pension schemes remain relatively small compared to the size of the Group, with net pension liabilities at 31 December 2010 of £10.5m (2009: £11.3m).

Following the completion of the triennial valuations of the main defined benefit schemes, a revised deficit funding plan has been agreed with the trustees

to eliminate the deficits in the three schemes. The contributions for the ongoing service cost are estimated to decrease from £1.2m in 2010 to £0.3m in 2011. In addition, the contributions paid towards reducing the scheme deficits will increase from £2.3m in 2010 to £3.4m in 2011 and £3.7m in 2012 when the next triennial valuation will be available.

Conclusion

Whilst it has been a tough trading environment for the Group over the past two years, the ability to generate over £300m of adjusting operating profit at a 25% margin each year demonstrates the resilience and quality of our product offering. At the same time as digital technological advancements, product launches and other innovations have enhanced the information we provide to our customers, we have worked hard to ensure that the back office environment has continued to improve.

The Group operates predominantly around seven principal shared service centres spread geographically in alignment with the Group's main profit centres. I am pleased with the progress that has been made in this area with the recruitment of some new management, the introduction of improved systems and overall delivering greater efficiency and improved customer service. The shared service centres work closely with the IT function which is managed on a regional basis and where again we have made significant progress towards standardisation of systems on a global basis.

Alongside this, we have strengthened the small but core finance team based at the centre who provide strong and effective leadership across all financial disciplines including the control framework, corporate finance, treasury and taxation. I would like to thank all the finance teams around the world for all their hard work in 2010.

We enter 2011 with a strong balance sheet, comfortable headroom within our banking facilities, plans for growth and a business with a high quality of earnings – visible recurring revenue streams and strong cash generation.

Adam Walker
Finance Director

Board of Directors



1. Derek Mapp Non-Executive Chairman* (60)

Derek Mapp joined the Board of Taylor & Francis Group plc as a Non-Executive Director in 1998. He is currently Non-Executive Chairman of Salmon Developments plc and Executive Chairman of Imagesound plc. He is also Chairman of the British Amateur Boxing Association. Following the merger of Informa and Taylor & Francis in May 2004, he was appointed as Non-Executive Director and was designated the Senior Independent Director on 10 March 2005. On 17 March 2008 he was appointed as Non-Executive Chairman. He is also Chairman of the Nomination Committee.

2. Peter Rigby Chief Executive (55)

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

3. Adam Walker Finance Director (43)

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

4. Dr Pamela Kirby Senior Independent Non-Executive Director*† (57)

Dr Kirby is currently Chairman of Scynexis Inc., a privately held chemistry-focused drug discovery and development Company based in the US. She is also a Non-Executive Director of Smith & Nephew plc and Victrex plc. She was previously Non-Executive Chairman of Oxford Immunotec Limited, Non-Executive Director of Novo Nordisk A/S and was the CEO of US-based Quintiles Transnational Corporation. Prior to joining Quintiles, Dr Kirby held various senior positions in the pharmaceutical industry at Astra AB (now AstraZenca plc), British Biotech plc (now Vernalis plc) and F. Hoffman-La Roche Limited. Dr Kirby was appointed as a Non-Executive Director of Informa in September 2004. She chairs the Remuneration Committee and is a member of the Nomination Committee. She was also appointed as Senior Independent Non-Executive Director on 17 March 2008.



* Audit Committee

† Nomination Committee

† Remuneration Committee



5. John Davis Non-Executive Director*† (49)

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

6. Dr Brendan O'Neill Non-Executive Director*† (62)

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

7. Stephen A. Carter Non-Executive Director* (47)

Stephen A. Carter is the Chief Marketing, Strategy and Communications Officer of Alcatel-Lucent, and is a member of the Executive Management Committee. He has held a variety of Senior Executive roles in the Media and Telecommunications industry including the founding Chief Executive of Ofcom (the UK Communications Regulator); Managing Director of NTL UK & Ireland; and he has also been the Chief Executive of two marketing service businesses. Most recently he served in the UK Government as minister for the Communications, Technology & Broadcasting Sector. He is a law graduate from Aberdeen University, and has also completed the Harvard Business School Advanced Management Program. He is a past Chairman of the Marketing Group of Great Britain, and has served on the Board of a number of companies. He is currently Chairman of the Board of Governors at the Ashridge Business School and Non-Executive Director of 2Wire Inc. He is

a Trustee of The Royal Shakespeare Company, and a Vice President of UNICEF UK. He is also a Life Peer. He was appointed to the Board on 11 May 2010 and as a member of the Audit Committee on the same date.

8. John Burton Company Secretary (46)

John Burton is a solicitor and was formerly a partner at CMS Cameron McKenna for eight years. In that role, he advised the Group in relation to the LLP and IBC merger in 1998, the acquisition of PJB Publications in 2003, the Taylor & Francis merger in 2004 and the IIR acquisition and rights issue in 2005. John Burton was appointed as Group General Counsel and Company Secretary in June 2006.

Advisers

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www.deloitte.com

Stockbrokers

Merrill Lynch International

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London EC1A 1HQ
www.ml.com

RBS Hoare Govett Limited

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Ashurst LLP

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Registrars

Computershare Investor Services (Jersey) Limited

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Hilgrove Street
St Helier
Jersey JE1 1ES
www.computershare.com

Governance

Directors' Report

The Directors present their Annual Report on the affairs of Informa plc (the Company) and its subsidiaries (the Group or Informa), together with the financial statements and auditors' report, for the year ended 31 December 2010. The Directors' Report including details of the business, the development of the Group and likely future developments as set out in pages 3 to 49 of this document, forms the management report for the purposes of the UK Financial Services Authority's Disclosure and Transparency Rule (DTR) 4.1.8R. The notice concerning forward looking statements is set out on page 125. References to the Company may also include references to the Group.

Corporate Structure

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

Principal Activities

Informa provides academics, businesses and individuals with unparalleled knowledge, up-to-the minute information and highly specialist skills and services. Our academic information division publishes books and journals with in excess of 72,000 titles available that provide individuals and organisations with the knowledge they need to carry out their work. Our professional and commercial information businesses offer structured databases, subscription-based services, real-time news, research and business-critical information creating business advantage. We are the largest publicly-owned organiser of exhibitions, events and training in the world providing inspiring marketplaces and the opportunity for knowledge to be shared. The principal subsidiary undertakings affecting the profits or net assets of the Group in the year are listed in Note 18 to the Consolidated Financial Statements.

Business Review

The Business Review, forming part of the management report, provides a review of the development and the operational and financial performance of the business during the year ended 31 December 2010. Information that forms part of the Business Review is found in the following sections of this Annual Report:

- information about the strategy, development and performance of the business, and key performance indicators, of the Company during the financial year and future prospects are set out in the Chairman's Statement and the Chief Executive's Review on pages 10 to 14;
- principal risks and uncertainties are described on pages 26 to 30;
- financial risk management objectives and policies (including a description of when hedge accounting has been applied) and the Company's exposure to price risk, credit risk, liquidity risk and cash flow risk are explained in Note 24;

- information about the Company's Corporate Responsibility policies, including environmental, employee, and social and community issues are set out in the Corporate Governance Statement on page 37;
- details of the principal subsidiaries are set out in Note 18; and
- the results for the year are explained in detail in the Financial Review and are summarised in the Consolidated Income Statement on page 52 and the related Notes.

In relation to the use of financial instruments by the Group, a review is included within Note 24 to the Consolidated Financial Statements. There are no significant differences between the market value of any interests in land of the Group and the amount at which those interests are included in the Consolidated Statement of Financial Position.

As a whole the Annual Report provides information about the Group's businesses, its financial performance during the year and likely future developments.

Other than as described in this report, there have not been any significant changes to the Group's principal activities during the year under review and the Directors are not aware, at the date of this report, of any likely major changes in the Group's activities in the new financial year. There have been no significant events since the reporting date.

Dividends

The Directors have declared that a second interim dividend for the year of 9.50p per ordinary share to be paid on 18 May 2011 to ordinary shareholders registered as at the close of business on 26 April 2011. Together with the first interim dividend of 4.50p per ordinary share paid on 17 September 2010, this makes a total for the year of 14.00p per ordinary share (2009: 11.45p). (The Group pays a second interim dividend rather than a final dividend due to the operation of the Dividend Access Plan.)

The Company operates a Dividend Access Plan for all its shareholders. Those shareholders who hold fewer than 100,000 shares are deemed to consent to receive their dividends from Informa DAP Limited, a UK incorporated Informa Company. Those shareholders holding over 100,000 shares may elect to join the Dividend Access Plan by completing an Election Form. This form is available from the Company's Registrars whose contact details can be found on page 126. If shareholders holding over 100,000 shares do not elect to join the Dividend Access Plan, dividends will be received from the Company which is domiciled in Switzerland and may be subject to Swiss tax regulations. Shareholders may elect to receive shares instead of cash from their dividend allocation through the Dividend Reinvestment Plan (DRIP).

Governance

Directors' Report continued

Directors and Directors' Interests

The names of Directors of the Company are set out on pages 20 to 21, which includes brief biographical details.

The Non-Executive Directors of Informa, being Derek Mapp, Dr Pamela Kirby, John Davis and Dr Brendan O'Neill were all re-elected as Directors at the AGM held on 27 April 2010. Stephen Carter was appointed as Non-Executive Director on 11 May 2010, and will offer himself for election at the 2011 AGM. There were no other changes to the Board during the year.

The remuneration and interests in the share capital of the Company of the Directors who held office as at 31 December 2010 are set out in the Directors' Remuneration Report on pages 38 to 47. All the Directors offer themselves for re-election, and in the case of Stephen Carter, election, by the shareholders at the next AGM. Details of the contracts of the Executive and Non-Executive Directors with the Company can be found on page 43. There are no agreements in place between the Company and its Directors and employees providing for compensation for loss of office of employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid. No Director was materially interested in any contract of significance.

Directors' Indemnities

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

Registration and Domicile

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

Annual General Meeting

The AGM will be held on 10 May 2011. The notice is being dispatched as a separate document.

Charitable and Political Contributions

The Group made charitable donations during the year of £0.3m (2009: £0.2m), principally to local charities serving some of the communities in which the Group operates. No political donations were made.

Supplier Payment Policy

The Company's policy, which is also applied by the Group, is to settle terms of payment with suppliers when agreeing the terms of each transaction, to ensure that suppliers are aware of the terms of payment and to abide by the agreed terms, provided that the supplier has provided the goods or services in accordance with the relevant terms and conditions. Trade payables of the Group at 31 December 2010 were equivalent to 45 days' purchases (2009: 52 days), based on the average daily amount invoiced by suppliers during the year.

Substantial Shareholdings

As at 31 December 2010, the Company had been notified in accordance with Chapter 5 of the DTRs the following substantial interests in the issued ordinary share capital of the Company. No change has been notified to the Company from any of the following during the period from 31 December 2010 to the date of this report.

	Number of shares	% held
Prudential plc	50,975,689	8.50
Legal & General Group plc	29,818,639	4.96
FMR LLC (Fidelity)	29,446,919	4.90
Standard Life Investments Limited	27,391,613	4.56
AEGON UK Group of Companies	18,043,708	3.00
Norges Bank	20,499,996	3.41

As at 18 March 2011, the Company's issued share capital comprised 601,035,125 ordinary shares with a nominal value of 0.1p each. Details of the authorised and issued share capital, together with movements in the issued share capital during the year, are shown in Note 7 of the Company's Financial Statements.

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

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

The Directors may refuse to register a transfer of a certificated share which is not fully paid, provided that the refusal does not prevent dealings in shares in the Company from taking place on an open and proper basis or where the Company has a lien over that share. The Directors may also refuse to register a transfer of a certificated share unless the instrument of transfer is: (i) lodged, duly stamped (if necessary), at the registered office of the Company or any other place as the Board may decide accompanied by the certificate for the share(s) to be transferred and/or such other evidence as the Directors may reasonably require to show the right of the transfer or to make the transfer; or (ii) in respect of only one class of shares.

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.

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 other restrictions on the transfer of ordinary shares in the Company except: (1) certain restrictions may from time to time be imposed by laws and regulations (for example insider trading laws); (2) pursuant to the Company's share dealing code whereby the Directors and certain employees of the Company require approval to deal in the Company's shares; and (3) 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. 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 are from time to time held by a trustee in order to satisfy entitlements of employees to shares under the Group's share schemes. Usually the shares held on trust are no more than sufficient to satisfy the requirements of the Group's share schemes for one year. The shares held by these trusts do not have any special rights with regard to control of the Company. While these shares are held on trust their rights are not exercisable directly by the relevant employees. The current arrangements concerning these trusts and their shareholdings are set out on page 45.

There are no significant agreements to which the Company is a party that take effect, alter or terminate upon a change of control following a takeover bid (nor any agreements between the Company and its Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid) except for the Group's private placement loan notes and facilities described in Note 23 of the Consolidated Financial Statements.

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

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

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

Purchase of Own Shares

At the end of the year, the Directors had authority, under a shareholders' resolution passed on 27 April 2010, to purchase through the market up to 10% of the Company's issued ordinary shares as at 30 June 2010. This authority expires at the conclusion of the AGM of the Company to be held in 2011.

Governance

Directors' Report continued

Employee Consultation

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

The Group divisions regularly undertake staff surveys. As an example Taylor & Francis global survey was undertaken in 2010. The response rate year on year improved from 80 to 85% of all employees. This survey illustrated an improved year-on-year employee engagement rating and also demonstrates a reduction in employee turnover.

All employees worldwide are also invited periodically to attend webinars, take part in live on-line polls, and ask the Executive Directors questions about the business and its future. The webinars, including the results of the polls, are posted on the Company's intranet so that those employees who are unable to attend can view them.

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

Equal Opportunities

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

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

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

Risks and Uncertainties

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

1. The Group's businesses are affected by the conditions of the sectors and regions in which they and their customers operate

The performance of the Group depends on the financial health and strength of its customers, which in turn is dependent on the economic conditions of the industries and geographic regions in which they operate. Traditionally, spending on parts of the Group's products has been cyclical due to companies spending significantly less in times of economic uncertainty. Additional negative factors include downward pressure on budgets and corporate consolidation in certain sectors (e.g. financial services). Global economic conditions also mean that certain customers might become insolvent which may in turn lead them to default on payment for products already purchased. Unforeseen disruptions, whether caused by natural causes or otherwise, can also be detrimental to the Group's businesses.

Mitigation is achieved, where possible, through the Group's diversification of its operations across vertical markets and geographies, which provides a broad customer base. Furthermore, during the recent conditions of recession the Group has enhanced its credit control function with a view to maintaining tighter control over upfront payments for events and subscriptions and also continuous monitoring of trade receivables to mitigate further default risk.

2. The markets in which the Group operates are highly competitive and subject to rapid change

The markets for the Group's products are highly competitive and in a state of ongoing and uncertain change. Some of the Group's principal competitors have substantial financial resources, recognised brands, technological expertise and market experience that may better position them to anticipate and respond to these changes. If the Group is unable successfully

to enhance and/or develop its products in a timely fashion, the Group's revenue could be affected. There are also low barriers to entry in relation to certain parts of the Group's businesses.

The Group maintains a competitive advantage through ongoing investment in its products, reinforcing its market leading position in many markets. The Group also recognises that its competitiveness is maintained by the recruitment and retention of key employees – see point 7 below.

3. The Group's intellectual property (IP) rights may not be adequately protected and may be challenged by third parties

The Group relies on agreements with its customers and trademark, copyright and other IP laws to establish and protect the IP rights subsisting in its journals, books and training materials. However, these rights may be challenged, limited, invalidated or circumvented by third parties seeking to infringe or otherwise profit from the Group's proprietary rights without its authorisation. In addition, there is now a growing amount of copyright legislation relating to digital content. These laws remain under legal review and there remains significant uncertainty as to the form copyright law may ultimately take. Additionally, enforcement of IP rights is limited in certain jurisdictions, and the global nature of the internet makes it impossible to control the ultimate destination of content produced by the Group. The Group may also be the subject of claims of infringement of the rights of others or party to claims to determine the scope and validity of the IP rights of others. Litigation based on these claims is common amongst companies that utilise digital IP.

The Group protects its rights by consolidating its portfolio of trademark registrations, implementing its brand protection strategy, and increasing its digital rights protection. The Group supports these activities through membership of organisations that defend IP rights globally.

4. The Group's Academic division's revenue can be adversely affected by changes in the purchasing behaviour of academic institutions

Academic institutions fund purchases of Group products from limited budgets that may be sensitive to changes in private (including endowments) and governmental sources of funding particularly in times of economic uncertainty and austerity. Accordingly, any such decreases are likely to affect adversely the Group's results within its Academic division.

The Group is constantly developing its products to seek to ensure, as much as possible, that academic institutions consider that its products are essential content for purchase even in times of economic uncertainty and austerity. Additionally, the Group has expanded, and continues to expand, its sales

activities outside of its traditional western markets to new markets where economic conditions are perceived to be stronger, and uses advances in technology to develop new products that generate incremental revenue streams.

5. Currency fluctuations may have a significant impact on the reported revenue and profit of the Group

The financial results of the Group are reported in pounds Sterling but its business operations receive revenue and incur expense in other currencies in particular, US Dollars and Euros. The relative movements between the exchange rates in the currencies in which costs are incurred and the currencies in which revenue is earned can significantly affect the results of those businesses.

A significant portion of the Group's revenues are denominated in US Dollars and Euros. Since the entities generating these revenues have cost bases denominated in US Dollars and Euros, there is a degree of natural hedging which partially mitigates the risk of reported revenues being impacted by currency movements. This risk can not, however, be completely eliminated. Management therefore choose to present, in addition to statutory revenue and operating profit metrics, both revenue and operating profit on a constant currency basis thereby allowing the reader of the financial statements to assess the performance of the Group without the distorting effect of currency fluctuations.

At a profit before tax level, the Group aims to hedge this risk further by drawing a proportion of its borrowings in US Dollars and Euros, which means that currency fluctuations will increase / decrease the Group's interest charge in the opposite direction to any decrease / increase in the Group's operating profit.

6. The Group's debt finance arrangements contain financial and non-financial covenants with which the Group must comply

The Group's debt finance arrangements (principally comprising a private placement of loan notes and bank credit facilities) contain covenants and undertakings with which the Group must comply. If the Group were to fail to comply with any of the covenants in its credit facilities, it could result in acceleration of the Group's obligations to repay those borrowings or cancellation of those facilities. In the event that the Group anticipated such a breach or otherwise believed it had insufficient headroom for its operations, the Group may be required to sell assets at depressed prices.

The principal financial covenants include a maximum net debt to Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) covenant and minimum EBITDA interest cover covenant, each of which is tested semi-annually.

Governance

Directors' Report continued

6. The Group's debt finance arrangements contain financial and non-financial covenants with which the Group must comply continued

These ratios could be breached following a reduction in the Group's revenue arising from continued deterioration of economic conditions or other factors outside the Group's control. The Group's current level of borrowings are such that its net debt to EBITDA ratio, and other financial metrics, the subject of covenants in credit agreements, are comfortably achievable at the present time. Additionally, the Group has stated an intention to keep borrowings within a range of 2.0x to 2.5x of EBITDA over the medium-term (except for short-term increases following acquisitions), which is well within the covenant noted above. Notwithstanding this, the detailed cash flow and profit forecasting procedures which the Group undertakes would normally be expected to identify any potential issues with regards to covenant compliance on a timely basis thereby allowing mitigating actions to be taken if required.

Given the significance to the Group of profits derived from foreign currencies, management has also taken action to reduce the potential risk of technical breaches of the net debt to EBITDA ratio, which could be caused by sudden movements in exchange rates, by ensuring that both net debt and EBITDA are translated at the same exchange rate.

The Group's non-financial covenants are reasonably standard for the Group's type of borrowings and its legal and corporate finance teams monitor compliance with them regularly.

7. The Group relies on the experience and talent of its senior management and on its ability to recruit and retain key employees for the success of its business

The successful management and operations of the Group are reliant upon the contributions of its senior management and other key personnel. In addition, the Group's future success depends in part on its ability to continue to recruit, motivate and retain highly experienced and qualified employees in the face of often intense competition from other companies. Additionally, many of the Group's key employees are employed by the Group under profit-sharing or profit related bonus arrangements with respect to the businesses they operate, and in times of declining profit there can be no assurances that the Group will be able to retain such senior management or other key personnel (or indeed that the Group will be able to attract new personnel to support the growth of its business).

The Group offers compensation packages which are competitive based on current market information and thereby give it the best opportunity to recruit and retain people of sufficient calibre. The Group believes that its people are challenged in their day to day work and obtain appropriate and relevant experience to develop further and prepare for progression within the

organisation, which assists in their retention.

The effectiveness of the Group's HR policies has been externally acknowledged, e.g. for the third year running the Group was recognised as one of Britain's Top Employers by the CRF Institute.

8. Changes in tax laws or their application or interpretation may adversely impact the Group

The Group operates in a large number of countries. Accordingly, its earnings are subject to tax in many jurisdictions. Relevant authorities may amend the substance or interpretation of tax laws that apply to the Group's businesses, in a manner that is adverse to the Group. There can therefore be no assurance that the various levels of taxation to which the Group is subject will not be increased or changed. In addition, if any Group Company is found to be, or to have been, tax resident in any jurisdiction other than those in which the Group is currently deemed to be tax resident or to have a permanent establishment in any such jurisdiction, this may have a material adverse effect on the amount of tax payable by the Group. Given that the Company has its domicile in Zug Switzerland, the risk may be more pronounced.

The Group employs an experienced Head of Tax who keeps abreast of potential changes in tax legislation across a range of jurisdictions, engaging in pro-active tax planning strategies which enable the Group to react quickly to changes in the tax position of any of its companies or businesses.

9. Risks associated with doing business internationally and the expansion into new geographic regions present new risk factors specific to these regions

The Group's businesses could be adversely affected by a variety of other international factors, including changes in a specific country's or region's political and cultural climate or economic condition and changes to, or variances among, foreign laws (including laws relating to intellectual property rights and contract enforcement) and regulatory requirements. The Group's expansion into various geographic regions also presents logistical and management challenges related to business cultures, language compliance and restrictions on repatriation of earnings. The Group may face risks in penetrating new geographic markets due to established and entrenched competitors, difficulties in developing products that are tailored to the needs of local customers, lack of local acceptance or knowledge of the Group's products, lack of recognition of its brands, and the unavailability of local companies for acquisition.

In expanding its business geographically, both organically and by acquisition, the Group regularly reviews risks relevant to particular geographies and formulates appropriate mitigation strategies. The Group also believes that geographic expansion provides a counterbalance to these risks in providing opportunities in higher growth markets.

10. Increased accessibility to free or relatively inexpensive information sources may reduce demand for the Group's products

In recent years, more public sources of free or relatively inexpensive information have become available, particularly through the internet, and this trend is expected to continue. For example, some governmental and regulatory agencies have increased the amount of information they make publicly available at no cost. Such sources may reduce demand for the Group's products.

The Group regularly monitors changes in its market places and adjusts its product offerings where appropriate. It also seeks to take advantage of internet trends where appropriate to defend or grow its business, e.g. use of social networking.

11. The Group is dependent on the internet and its electronic delivery platforms, networks and distribution systems

The Group's businesses are increasingly dependent on electronic platforms and distribution systems, which primarily deliver the Group's products through the internet. Any significant failure or interruption of these systems, including sabotage, break-ins, terrorist activities, natural disaster, service outages and computer viruses could thereby restrict the Group's ability to provide services to customers. The Group may also be disadvantaged if it does not keep abreast of all relevant new technological procedures or if such changes are expensive to implement.

The Group regularly invests in its internet and electronic delivery platforms, networks and distribution systems, and provides user support and services to customers having problems accessing data.

12. Breaches of the Group's data security systems or other unauthorised access to its databases could adversely affect the Group's businesses and operations

The Group has valuable databases and as part of its businesses provides its customers with access to database information. There are persons who may try to breach the Group's data security systems or gain other unauthorised access to its databases in order to misappropriate such information for potentially fraudulent purposes or to approach its customers for commercial purposes. Because the techniques used by such persons change frequently, the Group may be unable to anticipate or protect against the threat of breaches of data security or other unauthorised access. This could damage the Group's reputation and expose it to a risk of loss litigation or regulatory action and possible liability, as well as increase the likelihood of more extensive Governmental regulation of these activities in a way that could adversely affect this aspect of the Group's business.

The Group regularly invests in improving data security, digital rights encryption and contracted obligations of distributors. These efforts are led by a designated data security officer.

13. The Group is subject to regulation regarding the use of personal customer data

The Group is increasingly required to comply with strict data protection and privacy legislation which restrict the Group's ability to collect and use personal information. The need to comply with data protection legislation can affect the Group in a number of material ways including e.g. making it more difficult to grow and maintain marketing data and also through potential litigation or regulatory action relating to the alleged misuse of personal data. In some cases, the Group may rely on third party contractors to maintain its databases. The Group is exposed to the risk that its data could be wrongfully appropriated, lost or disclosed, or processed in breach of data protection regulation, by or on behalf of the Group in which case, the Group could face liability under data protection laws and/or suffer reputational damage from the resulting loss of goodwill.

The Group seeks to monitor ongoing changes to data protection laws and best practices across its main trading areas in order to ensure that appropriate protections and procedures are in place in relation to the data held by or on behalf of the Group. This work is overseen by a Group Data Privacy Officer.

14. The Group may be adversely affected by enforcement of and changes in legislation and regulation affecting its businesses and that of its customers

Compliance with various laws and regulations may impose significant compliance costs and restrictions on the Group or alternatively fines for non-compliance. In addition, such regulations often provide broad discretion to the administering authorities and changes in existing laws or regulations, or in their interpretation or enforcement, could require the Group to incur additional costs in complying with those laws, or require changes to its strategy, operations or accounting and reporting systems. In particular, laws and regulations relating to communications, data protection, e-commerce, direct marketing and digital advertising have become more prevalent in recent years. Existing and proposed legislation and regulations may impose limits on the Group's collection and use of certain kinds of information and its ability to communicate such information effectively to its customers. Similarly, the Group's customers are required to comply with various laws, regulations, administrative actions and policies that are subject to change. For example, the Group relies on the pharmaceutical industry for a proportion of its publishing subscription revenue. Changes in government health policies and regulatory pressures may affect pharmaceutical companies' ability or desire to continue to provide the same levels of spending with the Group as they do currently. Anti-bribery legislation, which is becoming more comprehensive and wider-ranging, may also pose particular challenges, given the uncertainty concerning some of its provisions.

The Group monitors legislative and regulatory changes and alters its business practices where appropriate.

Governance

Directors' Report continued

Further details in relation to these risk factors, and other risks relating to the following are set out on pages 11 to 22 of the prospectus issued by the Company on 1 May 2009: the 2009 scheme of arrangement; use of financial instruments; borrowings; financing for future acquisitions; possibility of impairment losses; protection of brands; reliance on government spending; litigious environments; UK pension scheme deficits; Swiss withholding tax; the holding of the Company's ordinary shares; and relating to US shareholders. Subject to stated restrictions, the document is available for viewing at: www.informa.com/Investor-relations/Corporate-Transactions/Redomicile/.

Auditors

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

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

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Statement of Directors' Responsibilities

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

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

However, the Directors are also required to:

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

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

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

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

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

Approved by the Board and signed on its behalf by

John Burton
Company Secretary

22 February 2011

Governance

Corporate Governance Statement

The Board recognises that it is accountable to shareholders for its standards of governance and is therefore committed to the principles of corporate governance contained in the Combined Code on Corporate Governance (the Code) that was issued in 2008 by the Financial Reporting Council. It is in the Board's view that the Company has been fully compliant with all the Code provisions set out in Section 1 of the code throughout the year ended 31 December 2010. Together this report and the Directors' Remuneration Report on pages 38 to 47, explain how the Company has applied the principles and supporting principles of Good Governance set out in the Code.

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

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

The Board

Informa plc is the ultimate holding Company of the Informa Group of companies (the Group or Informa) and is controlled by its Board of Directors. The Board members are set out on pages 20 to 21. The Board's main roles are to create value for shareholders, to provide entrepreneurial leadership of the Group, to approve the Group's strategic objectives and to ensure that the necessary financial and human resources are made available to enable those objectives to be met.

A schedule which sets out the matters reserved for the Board's approval is reviewed and updated annually. The specific responsibilities reserved for the Board include:

- approving the Group's long-term objectives and commercial strategy;
- approving the Group's annual operating and capital expenditure budgets;
- reviewing operational and financial performance;
- approving major acquisitions, disposals and capital projects;
- reviewing the Group's systems of internal control and risk management;
- reviewing the environmental, health and safety policies of the Group;

- approving appointments to, and removals from, the Board and of the Company Secretary;
- approving policies relating to Directors' remuneration; and
- reviewing the dividend policy and determining the amounts of dividends.

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

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

The Roles of the Chairman, Chief Executive and Senior Independent Director

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

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

Governance

Corporate Governance Statement continued

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

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

Directors and Directors' Independence

As at 31 December 2010 the Board comprised five independent Non-Executive Directors, one of whom is the Chairman, and two Executive Directors all of whom, except Stephen Carter, have served throughout the 2010 financial year. Stephen Carter was appointed by the Board as a fifth Non-Executive Director on 11 May 2010.

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

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

Information and Professional Development

On appointment the Directors receive relevant information about the Group, the role of the Board and the matters reserved for its decision, the terms of reference and membership of the principal Board Committees and the powers delegated to those Committees, the Group's corporate governance policies and procedures and the latest financial information about the Group. This is supplemented by introductory meetings with key senior

executives. On appointment the Directors are also advised of their legal and other duties and obligations as a Director of a listed Company.

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

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

Performance Evaluation of the Board and its Committees

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

In respect of the 2010 financial year the Board commissioned Alvarez and Marsal and Hanson Green to carry out an external evaluation of the corporate governance of Informa plc, including an evaluation of its Chairman. A comprehensive process has been carried out which has included a review of Board and committee papers and agendas, and interviews with all Directors, the Company Secretary and a selection of senior managers, shareholders and the Company's stockbrokers. It has also included observations of Board and committee meetings and several planning and informational meetings with the Chairman and Company Secretary. The review resulted in a detailed analysis of the operation and effectiveness of both the Board and its committees and of compliance with the Combined Code and the new UK corporate governance code. The feedback was provided both orally and in a written report. The conclusions provided a very positive report on the Company's governance and provided some suggestions for improvement. These are being considered by the Board as part of its decision making for 2011.

Re-election

The Company's Articles of Association provide for all Directors to be subject to annual re-election at the AGM.

The Board is satisfied, following independent formal evaluation, that each Director continues to be effective and to demonstrate commitment to their role.

Company Secretary

The Company Secretary is responsible for advising the Board through the Chairman on all governance matters and all Directors have access to his advice and services.

Relations with Shareholders

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

The Executive Directors have frequent discussions with institutional shareholders on a range of issues, including governance and strategy, affecting the Group's performance. Meetings are also held with the Group's largest institutional shareholders on an individual basis following the announcement of the Group's interim and annual results and on other occasions. In addition, the Group responds to individual ad hoc requests for discussions from institutional shareholders. Following meetings held with shareholders after the interim and annual results announcements, the Board is provided with feedback from the Executive Directors, the Group's brokers and its public relations advisers on investor perceptions. The Company's brokers' reports on the Group are also circulated to all Directors, as are monthly reports of significant changes in the holdings of larger investors.

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

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

Going Concern Basis

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement and Chief Executive's Review on pages 10 to 14.

As set out on pages 26 to 30 a number of risk factors and uncertainties affect the Group's results and financial position. In particular the current economic climate creates uncertainties over the level of demand for the

Group's products and services. The Group adopts an extensive budgeting process in forecasting its trading results and cash flows and updates these forecasts to reflect current trading on a regular basis.

The Group's net debt and banking covenants are discussed in the Financial Review on pages 15 to 19 and the exposure to liquidity risk is discussed in Note 24 to the consolidated financial statements.

The Group sensitises its projections to reflect reasonably possible changes in trading performance and cash conversions, taking into account its substantial deferred revenues (£309.8m at 31 December 2010). These forecasts and projections for the period up to 30 June 2012, show that the Group is expected to be able to operate within the level of its current facility and meet its covenant requirements for a period of one year from the date of the signing of the Group's financial statements for the year ended 31 December 2010.

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

Procedures to Deal with Directors' Conflicts of Interest

The Company's Articles, which were adopted by shareholders on 2 June 2009, include provisions covering Directors' conflicts of interest.

The Articles allow the Board to authorise any matter that would otherwise involve a Director breaching his duty to avoid conflicts of interest. The Company has procedures in place to deal with a situation where a Director has a conflict of interest. As part of this process, the Board will endeavour to:

- consider each conflict situation separately on its particular facts;
- consider the conflict situation in conjunction with the Company's Articles;
- keep records and Board minutes as to authorisations granted by Directors and the scope of any approvals given; and
- regularly review conflict authorisations.

Internal Control and Risk Management

The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss. The concept of reasonable assurance recognises that the cost of control procedures should not exceed the expected benefits.

Governance

Corporate Governance Statement continued

The Board has an ongoing process for identifying, evaluating and managing the significant risks faced by the Group. This process was in place throughout the year under review and up to the date of approval of the Annual Report and Financial Statements, and is in accordance with the Turnbull Guidance "Internal Control: Revised Guidance for Directors on the Combined Code."

The key features of Informa's system of internal control and risk management systems in relation to the financial reporting process include:

- **Business planning** – all business units produce and agree an annual business plan against which the performance of the business is regularly monitored.
- **Financial analysis** – each business unit's operating profitability and capital expenditure are closely monitored. Management incentives are tied to financial results. These results include explanations of variances between forecast, actual and budgeted performance, and are reviewed in detail by Executive management on a monthly basis. Key financial information is reported to the Board on a monthly basis.
- **Group Authority Framework** – the framework provides clear guidelines for all business units of the approval limits for capital and operating expenditure, and other key business decisions.
- **Risk assessment** – a risk assessment is embedded into the operations of the Group as part of each business unit's annual plan submitted to Executive management and the Board for approval. Each business unit considers the significant risks to its business and to the achievement of the proposed plan. In doing so, each unit considers risk in terms of probability of occurrence and potential impact on performance, and mitigating actions, control effectiveness and management responsibility are identified to address these risks.

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. In performing its

review of effectiveness, the Audit Committee considered the following reporting:

- The Risk Committee reports on the effectiveness of risk management, governance and compliance activity within Informa. This Committee comprises the Chief Executive, a cross section of senior officers and managers of the Group and is chaired by the Finance Director. The Risk Committee supports the Board in its consideration of current and forward-looking material business risk exposures.
- The external auditors present their proposed annual audit plan for approval by the Audit Committee and report on any issues identified in the course of their work, including internal control reports on control weaknesses, which were provided to the Audit Committee as well as executive management.
- Internal Audit present their proposed annual audit plan for approval by the Audit Committee and reports on reviews and tests of key business processes and control activities, including following up the implementation of management action plans to address any identified control weaknesses and reporting any overdue actions to the Audit Committee.

In order to ensure the quality of the Internal Audit function and provide assurance that the Internal Audit function complies with the Standards of the Institute of Internal Auditors, during 2010 the Audit Committee appointed RSM Tenon to conduct an independent External Quality Assurance review of the Internal Audit function, which is further described below. The remit, approach and delivery of the Internal Audit function were found to be satisfactory, and the function was found to comply with the International Standards for the Professional Practice of Internal Auditing.

The Board confirms that no significant failings or weaknesses have been identified from the reviews performed by Internal Audit.

Board Meetings and Committees

No unscheduled meetings were held during the year. The number of scheduled Board meetings and Committee meetings attended as a member by each Director during the year are set out below.

	Scheduled Board meetings (of 7)	Remuneration Committee meetings (of 4)	Audit Committee meetings (of 4)	Nomination Committee meetings (of 1)
Derek Mapp	7	–	–	1
Peter Rigby	7	–	–	1
Adam Walker	7	–	–	–
Pamela Kirby ¹	7	4	1	–
John Davis	7	4	4	1
Brendan O'Neill	7	4	4	–
Stephen Carter ²	5	–	2	–

¹ Dr Pamela Kirby stood down from the Audit Committee on 11 May 2010.

² Stephen Carter was appointed a Director on 11 May 2010. He joined the Audit Committee on the same date.

Nomination Committee



Chairman
Derek Mapp

Other members
Dr Pamela Kirby
John Davis

Secretary
John Burton

Objective

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

Nomination Committee

The membership of the Nomination Committee during 2010 is set out above. The Chief Executive also usually attends meetings by invitation. The Committee's terms of reference were reviewed and amended in February 2011 and are available on the Company's website. The composition of the Committee is set out above. The Nomination Committee considers the mix of skills and experience that the Board requires and seeks the appointment of Directors who meet those requirements to ensure that the Board is effective in discharging its responsibilities.

The Nomination Committee met once during 2010 to discuss the appointment of Stephen Carter as Non-Executive Director. For the purpose of this appointment, the process (including use of an external search firm) and selection criteria were set by the Board as a whole.

Remuneration Committee



Chair
Dr Pamela Kirby

Other members
Dr Brendan O'Neill
John Davis

Secretary
John Burton

Objective

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

Remuneration Committee

The membership of the Remuneration Committee during 2010 is set out below left. The Chairman also usually attends meetings by invitation. The Committee's terms of reference were reviewed and amended in February 2011 and are available on the Company's website. The Committee's principal responsibilities are to:

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

Audit Committee



Chairman
Dr Brendan O'Neill

Other members
John Davis
Stephen Carter
(appointed 11 May 2010)
Dr Pamela Kirby
(stepped down from the Committee on 11 May 2010)

Secretary
John Burton

Objective

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

Audit Committee

The membership of the Audit Committee during 2010 is set out above.

The Committee's terms of reference were reviewed and amended in February 2011 and are available on the Company's website. The Committee's terms of reference allow it to obtain independent external advice at the Company's expense. No such advice was obtained during 2010. The Audit Committee has at least one member possessing recent and relevant experience, as described in the Smith Report appended to the Code. Its Chairman, Dr Brendan O'Neill, has extensive experience of audit committee procedures, and John Davis is a qualified chartered accountant and until November 2010 was the Chief Financial Officer of Yell Group plc. The meetings of the Committee operate so as to investigate the key

Governance

Corporate Governance Statement continued

accounting, audit and risk issues that are relevant to the Group. The mixture of experience of its members assist in providing a challenging environment in which these issues are debated. The Finance Director, Deputy Finance Director, Head of Internal Audit, Chief Operating Officer and Head of Tax attend all or part of its proceedings in order to provide information to, and be questioned by, the Committee. The composition of the Committee was reviewed during the year and the Board and Committee are satisfied that it has the expertise and resource to fulfill its responsibilities effectively including those relating to risk and control.

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

The Committee meets as appropriate with the Executive Directors and management, as well as privately with both the external and internal auditors. The Committee has during the year to 31 December 2010 received sufficient, reliable and timely information from the Senior Managers to enable it to fulfil its duties.

In 2010 the Committee has fulfilled its duties under its terms of reference during the year and discharged its responsibilities primarily by:

- reviewing the Group's draft preliminary and interim results statements prior to Board approval and reviewing the external auditors' detailed reports thereon. In particular reviewing the opinions of management and the auditors in relation to the carrying values of the Group's assets and any contingent liabilities;
- reviewing the appropriateness of the Group's accounting policies;
- reviewing regularly the impact on the Group's financial statements of matters such as the adoption of International Financial Reporting Standards;

- recommending to the full Board, which adopted the recommendation, the reappointment of Deloitte LLP as the Group's external auditors;
- reviewing and approving the audit fee and reviewing non-audit fees payable to the Group's external auditors;
- reviewing the external auditors' plan for the audit of the Group's financial statements, which included key areas of scope of work; key risks on the financial statements; confirmations of auditor independence and the proposed audit fee and approving the terms of engagement for the audit;
- reviewing the Group's system of controls and its effectiveness. In particular; it approves the annual internal audit plan and biannually it reviews the work done by Internal Audit and actions which follow from the work;
- reviewing the Group's systems to identify and manage risks (including regular consultation with the Head of Internal Audit and in particular the operation of the Group's risk committee); and
- reviewing post-acquisition reports on integration and performance of significant recent acquisitions compared to plans.

The Audit Committee also monitors the Group's whistleblowing procedures to ensure that appropriate arrangements are in place for employees to be able to raise matters of possible impropriety in confidence, with suitable subsequent follow-up action.

The Audit Committee also undertakes a thorough performance evaluation which is led by the Chairman of the Committee.

External Auditors

The Audit Committee is also responsible for the development, implementation and monitoring of the Group's policy on external audit. The policy assigns oversight responsibility for monitoring the independence, objectivity and compliance with ethical and regulatory requirements to the Audit Committee, and day to day responsibility to the Finance Director. It states that the external auditors are jointly responsible to the Board and the Audit Committee and that the Audit Committee is the primary contact. The policy also sets out the categories of non-audit services which the external auditors will and will not be allowed to provide to the Group, subject to de minimis levels.

To fulfil its responsibility regarding the independence of the external auditors, the Audit Committee reviewed:

- the external auditors' plan for the current year, noting the role of the senior statutory audit partner, who signs the audit report and who, in accordance with professional rules, has not held office for more than five years, and any changes in the key audit staff;

- the arrangements for day-to-day management of the audit relationship;
- a report from the external auditors describing their arrangements to identify, report and manage any conflicts of interest; and
- the overall extent of non-audit services provided by the external auditors, in addition to its case-by-case approval of the provision of non-audit services by the external auditors.

To assess the effectiveness of the external auditors, the Audit Committee reviewed:

- the arrangements for ensuring the external auditors' independence and objectivity;
- the external auditors' fulfilment of the agreed audit plan and any variations from the plan;
- the robustness and perceptiveness of the auditors in their handling of the key accounting and audit judgements; and
- the content of the external auditor's reporting on internal control.

Following the above, the Audit Committee has recommended to the Board that Deloitte LLP is re-appointed. Deloitte LLP has been the Group's external auditors since 2004. The Audit Committee considers that the relationship with the external auditors is working well and remains satisfied with their effectiveness. The external auditors are required to rotate the audit partner responsible for the Group and subsidiary audits every five years and the current lead audit partner has been in place since 2009. There are no contractual obligations restricting the Group's choice of external auditor.

The Company has in place a policy for the provision of non-audit services by the external auditors. This policy provides that the firm's services may only be provided where (1) auditor objectivity and independence may be securely safeguarded and (2) where the fees payable either in respect of the assigned work or overall in any year do not exceed the amount of fees payable in respect of its audit work.

During 2010 an External Quality Assurance review of the Group's Internal Audit function was carried out. The purpose of the review was to provide an independent perspective on the function's conformance with the Definition of Internal Auditing and the International Standards for the Professional Practice of Internal Auditing as well as an evaluation of the application of the applicable Code Ethics. The conclusion was that the remit, approach and delivery of the internal audit function are found to be satisfactory. While some areas of process improvement were identified, the related recommendations set out in the report are not deemed to be significant, and were designed further to enhance the current internal audit processes and procedures.

Corporate Responsibility

During 2010, Keith Brownlie was the senior executive with day-to-day responsibility for Corporate Responsibility (CR) direction and development. Keith is retiring in early 2011, with responsibility for CR being passed to Emma Blaney, Director of HR. The Group's CR priorities and strategy are formulated and led by a CR committee which reports into the Board. Meetings are minuted and communicated to other senior level committees when appropriate.

CR priorities have been decided upon using a diverse range of stakeholder insights including:

- in-house expertise from colleagues;
- regular presentations from external parties at Group CR Committee meetings;
- institutional investor feedback and insights;
- staff communications;
- feedback and questions from the Group's customers;
- dialogue with Trade Unions and Non-governmental Organisations (NGOs);
- the Group's membership of networks such as the MediaCSRForum; and
- advice from our retained CR advisers.

The Group CR Strategy has five key pillars:

1. providing a rewarding, fair and inspiring workplace for staff;
2. ensuring product integrity and quality;
3. managing environmental impacts;
4. maintaining and improving customer service levels; and
5. giving back to the communities in which it operates.

Further information can be found on each of the above in the Corporate Responsibility report on pages 48 to 49.

Approved by the Board and signed on its behalf by

John Burton
Company Secretary

22 February 2011

Governance

Directors' Remuneration Report

This report has been prepared in accordance with the relevant requirements of the Listing Rules of the Financial Services Authority. Although it is not a requirement of Jersey Company law to have the Directors' Remuneration Report approved by shareholders, the Board believes that as a Company whose shares are listed on the London Stock Exchange it is important in terms of its corporate governance for it to do so. Accordingly a resolution to approve this Report will be proposed at the forthcoming AGM.

This report has been divided into separate sections for:

- 1 information which is unaudited; and
- 2 information on which the Company's auditors have reported as having been properly prepared.

Unaudited Information Remuneration Committee

The Remuneration Committee (the Committee) is responsible to the Board for (1) formulating and recommending to the Board remuneration policy and strategy for the Executive Directors and (2) reviewing individual remuneration packages of the Executive Directors, including terms and conditions of employment and any changes.

The Committee also reviews the general remuneration framework for the senior management of the Group and approves the operation of any Group share-based incentive schemes, including any Long-Term Incentive Plans (LTIPs). The Committee's terms of reference are available on the Group website. The membership of the Committee during 2010 was as follows, each of whom served for the whole year:

Dr Pamela Kirby (Chair of Committee)

Dr Brendan O'Neill

John Davis

The Company Chairman, Derek Mapp, usually attends the meetings by invitation but is not present when matters relating to his own remuneration are discussed. The number of meetings of the Committee during 2010 and individual attendance by its members are shown on page 34. None of the members who served on the Committee during the year had any personal financial interest (other than as a shareholder of the Company) or conflicts of interests arising from cross-directorships or day-to-day involvement in running the business.

The Committee makes recommendations to the Board. The principal activities carried out by the Committee during 2010 were:

- determination of Non-Executive Chairman's and Executive Directors' remuneration;
- determination of the Executive Directors' bonuses for 2009 and bonus targets for 2011;
- determination of the terms on which the Executive Directors would relocate to Switzerland;
- LTIP awards: determination of performance conditions, vesting of the 2007 grant to Peter Rigby and new awards for both Executive Directors and senior management;
- consideration and approval of the Remuneration Report for the 2009 Annual Report;
- monitoring of senior management remuneration;
- review and appointment of new remuneration consultants; and
- consideration of the Group Defined Benefit Pension Schemes.

In determining the Executive Directors' remuneration, the Committee consulted the Chairman about its proposals; no Executive Director played a part in any decision about his or her own remuneration. Hewitt New Bridge Street (Hewitt) and Towers Watson provided advice to the Committee during the year. Following a review, Towers Watson was formally appointed as advisers to the Committee in November 2010. As Dr Brendan O'Neill is a member of the Board of Towers Watson Inc, the holding Company of Towers Watson, he did not take part in the process of selecting advisers. A statement regarding the Company's remuneration consultants can be found at www.informa.com. Neither Hewitt nor Towers Watson provide any other material services to the Group. The Company Secretary, John Burton, also provided assistance to the Committee during the year.

Remuneration Policy

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

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

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

The Company's policy is that a clear majority of the maximum potential remuneration of the Executive Directors should be performance-related. As described further below, Executive Directors may earn an annual bonus and benefit from participation in a performance-based LTIP. For 2010, all of the bonus payable to the Executive Directors was based on earnings per share (EPS) performance. Their 2011 bonus has been set on the same basis. Vesting of LTIP awards granted prior to 2009 have been conditional upon EPS growth and subject to a total shareholder return (TSR) underpin. LTIP awards granted after 2008 are subject solely to TSR performance as described below. The chart and table below show the ratios of performance-related remuneration to base salary and benefits of the Executive Directors paid or awarded in respect of the 2010 financial year (with the LTIP award valued on the basis of other vesting at 36.7% of face value). These arrangements for bonus and LTIP awards reflect the Committee's view that the best long-term interests of shareholders are achieved through incentivising the Executive Directors through a dual focus on EPS and TSR growth.

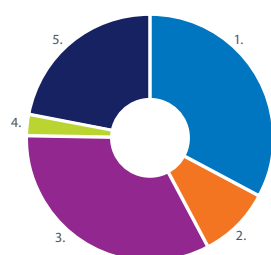
The Committee is able to consider corporate performance on environmental, social and governance issues when setting the remuneration of the Executive Directors. In its judgment the remuneration policies for both Executive Directors and senior management do not raise environmental, social or governance/operational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

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

During 2010 Peter Rigby served as Non-Executive Chairman of Electric World plc, for which he received and retained fees of £12,000.

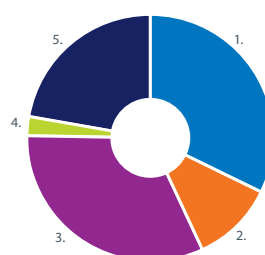
Executive Remuneration Breakdown¹

Peter Rigby



1. Salary	1,190,000
2. Benefits	270,000
3. Bonus	1,285,000
4. Deferred Bonus	94,538
5. LTIP ²	155,229
Total	2,994,767

Adam Walker



1. Salary	723,000
2. Benefits	244,000
3. Bonus	780,000
4. Deferred Bonus	57,398
5. LTIP ²	94,246
Total	1,898,644

¹ Total figures are quoted in CHF

² Total LTIP benefits held, multiplied by 36.7%, being the indicative vesting percentage used by the Committee when assessing LTIP awards.

Governance

Directors' Remuneration Report continued

Relocation Benefits

As a result of the Company's redomicile to Switzerland in 2009, the Executive Directors have been relocated so as to be based at the Company's principal offices in Zug, Switzerland. The Committee determined that the Company would meet the cost of relocation, and to provide an ongoing relocation benefits allowance on the basis that the ongoing arrangements would be broadly cost-neutral to the Company, taking into account estimated savings that the Company would be able to realise as the result of the relocation. The main benefit provided from the allowance relates to the provision of housing in Switzerland. The costs of the provision of these benefits is contained in the benefits in kind/allowances column of the table of Directors' Emoluments on page 44 of this Report.

Reporting Currency

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

Basic Salary

For the purpose of the relocation to Switzerland, the Committee converted the existing 2010 Sterling salaries into Swiss Francs at the rate of CHF1.7;£1, being the average exchange rate between the pound and the Swiss Franc during 2009, rounded to the nearest whole decimal point for administrative simplicity, as shown in the table below. The basic salaries of the Executive Directors are reviewed by the Committee prior to the beginning of each year and upon a change of position or responsibility. In deciding appropriate levels, the Committee considers pay practices in the Group as a whole and makes reference to objective external research which gives current information on remuneration practices in appropriate comparator companies.

A review of the salaries of the Executive Directors was undertaken at the end of 2010 with the assistance of Towers Watson. It included an analysis of benchmark data from a comparator Group of FTSE 51-150 companies excluding those in financial services. Following its review, the Committee concluded that it was appropriate to increase the annual basic salaries of the Executive Directors with effect from 1 January 2011 by 3%, as set out below.

	Initial 2010 UK salary	Swiss 2010 salary	2011 salary
Peter Rigby ¹	£700,000	CHF 1,190,000	CHF 1,225,700
Adam Walker ²	£425,000	CHF 722,500	CHF 744,175

¹ Paid in pounds from 1 January 2010 to 21 March 2010. Thereafter paid in Swiss Francs.

² Paid in pounds from 1 January 2010 to 25 March 2010. Thereafter paid in Swiss Francs.

Other Benefits

Each of the Executive Directors receives a general benefit allowance of CHF42,500 per annum (£25,000 up to the dates set out in the notes to the table above) together with private medical insurance cover and permanent health insurance cover.

Annual and Deferred Bonus

The Committee continues to consider adjusted diluted EPS to be the most suitable financial measurement on which to base annual incentives and align the interests of the Executive Directors with those of the Company's shareholders as this measurement of performance can be directly influenced by the performance of the Executive Directors and is a key driver in generating returns to shareholders. For 2010 the maximum annual bonus was 125% of basic salary dependent upon achievement of a sliding scale of challenging diluted adjusted EPS targets which were set at levels to encourage and reward the delivery of excellent levels of performance.

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

Applying the sliding scale formula, a bonus of 107.9% of basic salary was awarded to each of Peter Rigby and Adam Walker for the 2010 financial year, reflecting a year of good financial performance.

For 2011, the annual bonus will again be determined based on a sliding scale of diluted adjusted EPS performance, with the maximum opportunity increased to 150% of basic salary for appropriately stretching levels of performance. If achieved, any award in excess of 100% of base salary may only take the form of a conditional award of shares in the Company, which will vest only if the Executive Director remains in employment throughout the deferral period of three years, subject to good leaver provisions.

Long-Term Incentive Plan

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

Awards were made in April 2007 and April 2008 at the same level to Peter Rigby (and also to Adam Walker in April 2008, his first year in office). Awards were made to the Executive Directors in both 2009 and 2010 of 150% of basic salary and it is intended that the same size of award be made to the Executive Directors in 2011.

2007 Awards

40.2% of the 2007 award made to Peter Rigby vested on 17 March 2010 based on performance during the performance period. Adjusted diluted EPS grew by an average of 9.62% and the Company's TSR was 27.7% over the three-year performance period, which led to 40.2% of the award vesting. Further details on the 2007 vesting can be found on page 46.

2008 Awards

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

2009 Awards

For the LTIP awards made in 2009 and 2010, the following performance conditions apply. It is also intended that these performance conditions shall apply to awards to be made for 2011:

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

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

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

All-Employee Share Plans

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

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

Governance

Directors' Remuneration Report continued

All-Employee Share Plans continued

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

Share Options

The Committee decided in 2005 no longer to grant share options to Executive Directors. Details of subsisting share options granted to Peter Rigby in 2004 and earlier are shown on page 46. Existing grants were amended for the Rights Issue on 27 May 2009 and rolled over to the Company pursuant to the Scheme of Arrangement becoming effective in June 2009.

Share Ownership Guidelines

Formal share ownership guidelines require the Executive Directors to build up, over a three-year period, a holding in the Company's shares equal to at least one and a half times annual basic salary. Both Executive Directors met this requirement as at 31 December 2010.

Retirement and Life Assurance Benefits

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

Until 21 March 2010, as Peter Rigby was neither an active member of any Group pension scheme nor eligible to make further tax efficient pension contributions, instead the Company paid to him a monthly payment in lieu of pension contributions equal to 25% of basic salary (after deducting the incremental National Insurance costs to the Company). Since that date, as in Switzerland 25% of salary pension contributions which may be paid free of deductions are limited to a salary of CHF820,000, the excess is also payable in cash after deducting incremental Swiss employer social security costs.

Further details of these entitlements are shown on page 47.

Performance Graph

The graph below shows the Company's performance, measured by TSR, compared with the performance of the FTSE All Share Media Index, also measured by TSR, in the five-year period ended 31 December 2010. The FTSE All Share Media Index has been selected for this comparison because the Company is a constituent Company of that index.

Informa plc Total Shareholder Return vs FTSE All Share Media Index 2006-2010



Directors' Contracts

At 31 December 2010 and in accordance with the Company's policy, each of the Executive Directors had service contracts with an indefinite term under which 12 months' notice must be given by the Company or by the Director. In March 2010, as a result of the relocation arrangements described above, the Executive Directors entered into new service contracts with the Company. These contracts are under Swiss law but other than changes required to reflect local law and custom in Switzerland, the terms and conditions are essentially the same as those contained in their previous service contracts which had been entered into under English law.

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

Each of the Non-Executive Directors has specific terms of appointment, terminable by three months' notice. The dates of the Directors' original contracts are shown in the table below, although the contracts have been amended from time to time by letter agreement as required, including to reflect the Group's redomicile and the relocation to Switzerland of the Executive Directors and to reflect changes to salary or fee levels. The contracts of the Non-Executive Directors were novated on 24 June 2009 so as to be with Informa plc as the new holding Company of the Group. However, the terms of the contracts remain the same. The contracts, which include details of remuneration, are available for inspection at the registered office and principal office, and will be available for inspection at the AGM.

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

Governance

Directors' Remuneration Report continued

Non-Executive Directors

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

For 2010, annual fees were paid to the Non-Executive Directors as shown below and the Board has resolved that these fees be increased by 3% for 2011 so that the fees payable for that year will be as stated below.

		2011 £	2010 £
Derek Mapp	Non-Executive Chairman	216,300	210,000
Pamela Kirby	Senior Independent Director and Chair of Remuneration Committee	67,000	65,000
John Davis	Non-Executive Director	57,700	56,000
Brendan O'Neill	Chairman of Audit Committee	70,040	68,000
Stephen Carter ¹	Non-Executive Director	57,700	56,000

¹ Stephen Carter was appointed on 11 May 2010.

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

Audited Information

As referred to above, from March 2010 the Executive Directors' emoluments are payable in Swiss Francs. Accordingly, the information for the Executive Directors in the table of Directors' Emoluments below is set out in Swiss Francs. All monetary payments in 2009 were made in pounds. The amounts shown in 2009 are taken from the 2009 Annual Report and have been converted to Swiss Francs at the average pound / Swiss Franc exchange rate for 2009 of 1.6979. For 2010 the figures have been converted to Swiss Francs based on the average pound / Swiss Franc exchange rate for 2010 of 1.6105.

Aggregate Directors' Remuneration

The total amounts for Directors' remuneration were as follows:

	2010 £'000	2009 £'000
Emoluments	3,226	1,886
Share incentive gains and payments	110	163
Retirement contributions (or cash payments in lieu)	322	846
	3,658	2,895

Directors' Emoluments

	Basic salary/ fees CHF'000	Bonus Accrued CHF'000	Benefits in kind/ allowances CHF'000	Total 2010 CHF'000	Total 2009 CHF'000
Executive Directors					
Peter Rigby ¹	1,190	1,285	270	2,745	2,228
Adam Walker	723	780	244	1,747	1,372
	1,913	2,065	514	4,492	3,604

	Basic salary/ fees CHF'000	Bonus Accrued CHF'000	Benefits in kind/ allowances CHF'000	Total 2010 CHF'000	Total 2009 CHF'000
Non-Executive Directors					
Derek Mapp	338	–	–	338	280
Pamela Kirby	105	–	–	105	98
John Davis	90	–	–	90	85
Brendan O'Neill	110	–	–	110	102
Stephen Carter ²	60	–	–	60	–
Sean Watson ³	–	–	–	–	31
Total	703	–	–	703	596

¹ The total for 2009 includes a contribution of £585,200 (CHF 993,611) made by the Company to a retirement plan in respect of Peter Rigby as noted below under Directors' Pension Entitlements. For technical accuracy, in the above table of Aggregate Directors' Remuneration, this amount is included against Retirement Contributions.

² Stephen Carter was appointed on 11 May 2010.

³ Sean Watson ceased to be a Director on 8 May 2009.

Aggregate emoluments disclosed above do not include any amounts concerning (1) payments in respect of pension arrangements (which are disclosed below in this report but except as noted above) or (2) the value of share options granted to or held by Directors or of awards under the Company's LTIP. Details of these share-based incentives are given below and the value the share-based awards which vested during the year are also included in the table of Aggregate Directors' Remuneration set out on page 44.

Directors' Share Interests

The Directors who held office at 31 December 2010 had the following beneficial interests in the issued share capital of the Company:

	Ordinary Shares	
	At 31 December 2010	At 31 December 2009
Derek Mapp	90,531	90,495
Peter Rigby	937,048	908,064
Adam Walker	172,021 ¹	149,879
Pamela Kirby	14,000	14,000
John Davis	14,000	14,000
Brendan O'Neill	8,200	4,200
Stephen Carter ²	–	–

¹ This includes shares which were conditionally awarded to Adam Walker on his appointment and were subsequently transferred to Adam Walker on 7 April 2010 as described under Directors' Contracts on page 43.

² Stephen Carter was appointed on 11 May 2010.

None of the Directors had any beneficial interests in the shares of other Group companies. In addition to the beneficial interests in the shares of the Company shown above, during 2010 Peter Rigby and Adam Walker were, for the purposes of the UK Companies Act, regarded as interested in the ordinary shares held by Nautilus Trust Company Limited, as trustee of the Informa Group Employee Share Trust. This trust held 49,237 shares at 31 December 2010. Employees of the Group (including Peter Rigby and Adam Walker) are potential beneficiaries under this trust.

Adam Walker purchased 18,860 shares on 16 March 2011 at a price of £3.9770 per share. There have been no other changes in Directors' share interests from 31 December 2010 to the date of this Report.

Governance

Directors' Remuneration Report continued

Directors' Share Options

Set out below are the details of options to acquire shares in Informa plc held by the Directors who served during the year. All of the conditions to exercise these options have been satisfied. No share options were granted during 2010.

	At 31 December 2009	Exercised	Lapsed	Exercise price (p)	Market price at date of exercise (p)	At 31 December 2010	Exercise period
Peter Rigby	69,590	–	69,590	619.6853	–	–	20.03.03 to 19.03.10
	108,699	–	–	436.4087	–	108,699	07.03.04 to 06.03.11
	178,289	–	69,590			108,699	

The market price of the Company's ordinary shares at 31 December 2010 was 407.50p and the range during the year was between 304.40p to 448.10p. The daily average market price during the year was 385.13p.

Directors' Participation in Long-Term Incentive Plan

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

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

	At 31 December 2009	Vested	Lapsed	Granted ¹	At 31 December 2010	Award date	End of performance period
Peter Rigby	121,603	48,884	72,719	–	–	25.04.2007	31.12.2009
	217,853	–	–	–	217,853	09.04.2008	31.12.2010
	411,764	–	–	–	411,764	04.08.2009	31.12.2011
	–	–	–	262,631	262,631	08.04.2010	31.12.2012
	751,220	48,884	72,719	262,631	892,248		
Adam Walker	146,965	–	–	–	146,965	09.04.2008	31.12.2010
	250,000	–	–	–	250,000	04.08.2009	31.12.2011
	–	–	–	159,454	159,454	08.04.2010	31.12.2012
	396,965	–	–	159,454	556,419		

¹ The market price of the Company's shares on the grant date was 396.80 pence per share.

The grants were made on the terms described on page 41. Subject to achievement of the relevant performance conditions and continued employment, these awards will vest subject to a three-year performance period, commencing on 1 January of the year of grant. The Committee was satisfied that pursuant to the performance conditions covering Peter Rigby's award made in 2007, 40.2% of his award vested on 17 March 2010. The share price and value of the vesting proportion share award on the date of vesting was 381p and £186,248 respectively. Of the 121,603 shares originally awarded, 48,884 vested of which Peter Rigby retained 28,842 and sold 20,042, with the balance of the award of 72,719 shares lapsing on the date of vesting. The Committee noted that the EPS-related performance conditions covering the Executive Directors' awards made in 2008 had not been achieved and accordingly the 2008 awards will lapse in March 2011.

Directors' Pension Entitlements

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

Payments made by the Group directly to Directors or their nominated retirement investment vehicles in respect of their retirement benefit entitlements are as set out below. Consistent with the form of presentation of the financial information in the emoluments table above, the figures below are provided in Swiss Francs. The payments in respect of 2009 and the period of UK employment in 2010 were paid in pounds Sterling. For 2009 the figures below have been converted to Swiss Francs based on the average pound / Swiss Franc exchange rate for 2009 of 1.6979. For 2010 the figures have been converted to Swiss Francs based on the average pound / Swiss Franc exchange rate for 2010 of 1.6105.

	2010 CHF'000	2009 CHF'000
Peter Rigby ¹	323	1,256
Adam Walker	196	180

¹ The Committee resolved not to make a bonus payment to Peter Rigby in respect of the 2009 financial year. Instead, the Committee decided to make a contribution of £585,200 (CHF993,611) (the Contribution Amount) to the Informa Group 2010 Employer-Financed Retirement Benefits Scheme (EFRBS), for it to be invested to provide retirement and/or death benefits to Peter Rigby. As this contribution was not immediately and fully deductible for corporation tax purposes, the Committee decided to make the contribution in two stages in order to have a neutral effect on the Group's cashflow, when compared with the payment of a bonus. The first payment of £475,276 (CHF806,971) (representing 81.216% of the Contribution Amount) was paid to the EFRBS in March 2010 and the balance of the Contribution Amount will be paid to the EFRBS in the year in which Peter Rigby draws down his benefits under the EFRBS. This remuneration report records both payments being made to Peter Rigby in respect of the 2009 financial year, irrespective of the timing of these payments.

Approval

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

Dr Pamela Kirby

Chair of the Remuneration Committee

22 February 2011

Governance

Corporate Responsibility

Corporate Responsibility (CR) has always been a core part of the business strategy of the Informa Group, but our focus in 2010 has been to ensure that it is properly integrated into each of the business divisions.

In 2010, all managing directors and divisional Chief Executives across the business nominated a senior level representative to lead on CR within each division of the organisation. Informa's key businesses also set up divisional CR teams which have been tasked with identifying material CR issues for their businesses.

Our CR Representatives will now be supported at Group level by a full-time CR Co-ordinator, who will manage CR on a day-to-day basis. The programme will continue to be overseen at Group Level by our Director of CR and HR, Emma Blaney, who reports into Peter Rigby.

Providing a rewarding, fair and inspiring workplace for staff

For the third year running Informa was recognised as one of Britain's Top Employers by the CRF Institute. The annual survey used in respect of these awards looks at pay and benefits, training and development, career opportunities, working conditions, and company culture. Taylor & Francis (T&F) carried out their own staff survey for the second year running. Their overall response rate increased from 80% to 85%, with an employee engagement level of over 85%, several percentage points above the external benchmarks provided by the survey company. The survey is now a core component of the T&F strategy and the management teams use employee feedback to help drive business changes. During 2010 a whole range of initiatives relating to personal and professional development, training, staff communication and teamwork were introduced in their offices worldwide.

Informa's employee benefits continued to grow and expand with a new corporate ISA on offer to all staff in the UK from April 2011. A new computer purchase scheme was launched in 2010 and has been well received.

Training continues to be delivered to staff internally across the businesses through the Group Informa Academy, with the Company also offering internal training sessions. Informa supplemented this with external training providers when needed.

The Company launched an employee volunteering policy this year. In the past many of our staff had been volunteering their time to support local charities and community organisations. We formalised this giving all staff the opportunity to volunteer one day per year. Informa sees this as not only an opportunity to support local communities but also helps develop staff alongside traditional training and development routes.

Ensuring product integrity & quality

As a knowledge based Company Informa's clients need to know that events and publications are expertly researched providing balanced, truthful, and reliable content. For the academic publications the peer review process helps safeguard content. More widely for the Group's magazines and daily news papers an editorial and content code to guide journalists and editors has been developed. In 2011 Informa aims to roll out a programme of training and initiatives to raise awareness in order to support the code, ensuring that it covers both in house staff writers and also freelancers.

Maintaining and improving customer service

One of the key priorities for the Group in 2011 is to continue to develop digital content in innovative formats. Informa is supporting this process in two important ways:

1. By adapting more flexible business models in recognition of the fact that our customers now use information in different ways; and
2. By ensuring that our knowledge is accessible to all potential customer Groups, especially the most vulnerable to exclusion.

T&F has been at the forefront of the development of digital content. In January 2010, it contributed to an independent study into the accessibility of ebook platforms by the Shaw Trust and also received an honourable mention in the first JISC TechDis awards (www.techdis.ac.uk) which recognise publishers who have excelled in changing and adapting their business processes to meet their customers' accessibility needs.

Managing environmental impacts

Informa is an office based organisation and so the impact of direct operations largely relates to the office network. Whilst Informa has been able to increase the coverage of reporting for this network, it is recognised that more is required and this will be a focus for 2011. Informa will also up-date all facilities manager's environmental guidance documents which will be made available for all offices.

More importantly Informa wants to do more to understand the wider environmental impact through the Group's print supply chain for academic publications, the data centres used by the Group, and the air travel to and from the Group's events. This will be a focus for the environment programme in 2011.

Giving back to the communities in which it operates

Informa has long encouraged employees to get involved in local community initiatives, as well as take part in Group community activities such as fundraising for the World Cancer Research Fund (WCRF).

In 2009, the Group launched its new Community Strategy to drive community initiatives across all its businesses. It had two main elements:

1. Volunteering Policy: One day per year for all employees; and
2. Partnerships Policy: Encourage each of our businesses to build a long-term partnership with a local or strategic community partner.

In 2010, a total of £76,100 was raised for our global partner, WCRF, through both staff fundraising and matched funding from Informa.

Looking forward to 2011

Our key objectives for 2011 are:

Groupwide:

- Improve CR data reporting for the business.
- Develop CR best practice guidance documents for the business.
- Roll-out smart-meter electricity monitoring to at least two Group sites.

- Continue to promote and develop the three Group wide programmes:

- Charitable giving – Banana Run
- Environment Awareness – Green Week
- Community Volunteering Week

Academic Information:

- Undertake a research project to measure the environmental impact of the print supply chain logistics for T&F, and use the results to drive further improvements.
- Increase employee volunteering at main sites.

Professional and Commercial Information:

- Develop pilot training on the Editorial and Content Code at IBI head office.
- Roll out an overseas volunteering initiative as part of IBI's joint employee development and community involvement initiative. In 2011 40 staff will be sent for two weeks to work on community overseas community projects.

Events and Training:

- Develop best practice case study on management of waste from events. Use this to encourage best practice among our events operations partners.
- Develop community partnership between IIR UK and the Microloan Foundation.

Case Study: Taylor & Francis India and Udayan Care



Udayan Care is an organisation that works with homeless young people in Delhi by providing them with an education and opportunities to reintegrate into society.

T&F identified the organisation as a suitable partner for them in 2010 through a rigorous screening process designed to help them not only find a well-respected partner but also one who needed the skills their staff could offer. They were supported in this by one of their authors, Ms Pushpa Sunder, who has written a book on NGOs in India and therefore knows the landscape very well.

Throughout the year the number of employees involved increased, striving to meet the charity's needs and working together by offering a range of varied opportunities for staff to get involved.

Some of these are:

- Teams of volunteers have spent a day at one of the charity's care homes;
- The marketing department has sent out the charity's leaflets to its database of contacts & will solicit donations to the charity at conferences & book launches; and
- Sent gifts to each care home during Diwali.

45% of staff, an enviably high rate, have now contributed some time to the charity and this will hopefully rise even further over the long-term.

» Financial Statements

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“We enter 2011 with a strong balance sheet, comfortable headroom within our banking facilities, plans for growth and a business with a high quality of earnings – visible recurring revenue streams and strong cash generation.”

Adam Walker, Finance Director

Independent Auditors' Report to the Members of Informa plc

We have audited the Group financial statements (the "financial statements") of Informa plc for the year ended 31 December 2010 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position, the Consolidated Cash Flow Statement and the related notes 1 to 38. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2010 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly prepared in accordance with the Companies (Jersey) Law 1991.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

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

Under the Listing Rules we are required to review:

- the directors' statement, contained within the Corporate Governance Statement, in relation to going concern;
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review; and
- certain elements of the report to the shareholders by the Board on directors' remuneration.

Ian Waller

for and on behalf of Deloitte LLP

Chartered Accountants and Recognized Auditors

London, UK

22 February 2011

Consolidated Income Statement

For the year ended 31 December 2010

		Adjusted results 2010 £m	Adjusting items 2010 £m	Statutory results 2010 £m	Adjusted results 2009 £m	Adjusting items 2009 £m	Statutory results 2009 £m
Notes							
Revenue from continuing operations	5	1,226.5	–	1,226.5	1,221.7	–	1,221.7
Net operating expenses	7	(913.3)	(149.2)	(1,062.5)	(912.2)	(163.8)	(1,076.0)
Operating profit		313.2	(149.2)	164.0	309.5	(163.8)	145.7
Loss on disposal of business	31	–	–	–	–	(1.0)	(1.0)
Finance costs	10	(41.8)	(2.2)	(44.0)	(51.7)	–	(51.7)
Investment income	11	5.0	–	5.0	3.5	–	3.5
Profit before tax		276.4	(151.4)	125.0	261.3	(164.8)	96.5
Tax (charge)/credit	12	(67.4)	41.3	(26.1)	(68.2)	78.2	10.0
Profit for the year		209.0	(110.1)	98.9	193.1	(86.6)	106.5
Attributable to:							
– Equity holders of the parent				98.9			105.6
– Non-controlling interest	27			–			0.9
Earnings per share from continuing operations							
– Basic (p)	14			16.5			18.8
– Diluted (p)	14			16.5			18.8
Adjusted earnings per share from continuing operations							
– Basic (p)	14	34.8			34.3		
– Diluted (p)	14	34.8			34.3		

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2010

	Notes	2010 £m	2009 £m
Profit for the year		98.9	106.5
Decrease in fair value of cash flow hedges		15.2	13.6
Gain/(loss) on translation of foreign operations		34.6	(72.0)
Actuarial loss on defined benefit pension schemes	36	(1.0)	(1.5)
Tax on income and expenses taken directly to equity	21	(4.0)	(3.5)
Transfer (from)/ to profit or loss on cash flow hedges		(0.6)	0.3
De-designation of hedge accounting	10	1.1	–
Other comprehensive income/(expense) for the year		45.3	(63.1)
Total comprehensive income for the year		144.2	43.4
Attributable to:			
– Equity holders of the parent		144.2	42.5
– Non-controlling interest	27	–	0.9

Consolidated Statement of Changes In Equity

For the year ended 31 December 2010

	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total £m	Non- controlling interest £m	Total equity £m
At 1 January 2009	114.8	1.1	477.3	478.6	1,071.8	1.2	1,073.0
Profit for the year	–	–	–	105.6	105.6	0.9	106.5
Decrease in fair value of cash flow hedges	–	–	13.6	–	13.6	–	13.6
Loss on translation of foreign operations	–	–	(72.0)	–	(72.0)	–	(72.0)
Actuarial loss on defined benefit pension schemes (Note 36)	–	–	–	(1.5)	(1.5)	–	(1.5)
Tax on income and expenses taken directly to equity (Note 21)	–	–	(3.9)	0.4	(3.5)	–	(3.5)
Transfer to profit or loss on cash flow hedges	–	–	0.3	–	0.3	–	0.3
Total comprehensive income for the year	–	–	(62.0)	104.5	42.5	0.9	43.4
Dividends to shareholders (Note 13)	–	–	–	(38.2)	(38.2)	(1.2)	(39.4)
Share award expense (Note 37)	–	–	0.6	–	0.6	–	0.6
Own shares sold	–	–	–	9.6	9.6	–	9.6
Share options exercised	–	0.2	–	–	0.2	–	0.2
Rights Issue	45.9	196.6	–	–	242.5	–	242.5
Inversion accounting	–	1,641.8	(1,641.8)	–	–	–	–
Capital reduction	(160.1)	(1,839.3)	–	1,999.4	–	–	–
Amount recycled on disposal of subsidiary	–	–	(0.4)	–	–	–	–
Loss on disposal of foreign currency loans	–	–	1.3	(1.3)	–	–	–
At 1 January 2010	0.6	0.4	(1,225.0)	2,552.6	1,328.6	0.9	1,329.5
Profit for the year	–	–	–	98.9	98.9	–	98.9
Decrease in fair value of cash flow hedges	–	–	15.2	–	15.2	–	15.2
Gain on translation of foreign operations	–	–	34.6	–	34.6	–	34.6
Actuarial loss on defined benefit pension schemes (Note 36)	–	–	–	(1.0)	(1.0)	–	(1.0)
Tax on income and expenses taken directly to equity (Note 21)	–	–	(4.3)	0.3	(4.0)	–	(4.0)
Transfer from profit or loss on cash flow hedges	–	–	(0.6)	–	(0.6)	–	(0.6)
De-designation of hedge accounting	–	–	1.1	–	1.1	–	1.1
Total comprehensive income for the year	–	–	46.0	98.2	144.2	–	144.2
Dividends to shareholders (Note 13)	–	–	–	(74.1)	(74.1)	(0.9)	(75.0)
Share award expense (Note 37)	–	–	2.1	–	2.1	–	2.1
Own shares sold	–	–	–	3.7	3.7	–	3.7
Share options exercised	–	0.9	–	–	0.9	–	0.9
Purchase of non-controlling interest	–	–	–	(4.5)	(4.5)	–	(4.5)
Transfer of vested LTIPS	–	–	(1.5)	1.5	–	–	–
At 31 December 2010	0.6	1.3	(1,178.4)	2,577.4	1,400.9	–	1,400.9

Consolidated Statement of Financial Position

As at 31 December 2010

	Notes	2010 £m	2009 £m
ASSETS			
Non-current assets			
Goodwill	15	1,753.7	1,727.3
Other intangible assets	16	1,047.0	1,077.6
Property and equipment	17	19.0	21.4
Deferred tax assets	21	1.2	32.8
		2,820.9	2,859.1
Current assets			
Inventory	22	33.4	39.1
Trade and other receivables	19	235.0	220.3
Current tax asset		3.3	3.7
Cash and cash equivalents	20	27.8	16.5
		299.5	279.6
Total assets		3,120.4	3,138.7
EQUITY AND LIABILITIES			
Capital and reserves			
Called up share capital	25	0.6	0.6
Share premium account		1.3	0.4
Reserve for shares to be issued	26	4.8	4.2
Merger reserve	26	496.4	496.4
Other reserve	26	(1,718.6)	(1,718.6)
ESOP Trust shares	26	(0.4)	(0.4)
Hedging reserve	26	(9.9)	(21.3)
Translation reserve	26	49.3	14.7
Retained earnings		2,577.4	2,552.6
Equity attributable to equity holders of the parent		1,400.9	1,328.6
Non-controlling interest	27	–	0.9
Total equity		1,400.9	1,329.5
Non-current liabilities			
Long-term borrowings	23	639.8	889.1
Deferred tax liabilities	21	189.3	228.0
Retirement benefit obligation	36	10.5	11.3
Provisions	28	19.8	7.8
Trade and other payables	29	4.6	3.2
Derivative financial instruments	24 (b), 24 (d)	3.8	13.2
		867.8	1,152.6
Current liabilities			
Short-term borrowings	23	167.1	–
Current tax liabilities		142.1	122.3
Provisions	28	6.9	14.4
Trade and other payables	29	206.9	201.5
Deferred income	30	309.8	292.0
Derivative financial instruments	24 (b), 24 (d)	18.9	26.4
		851.7	656.6
Total liabilities		1,719.5	1,809.2
Total equity and liabilities		3,120.4	3,138.7

These financial statements were approved by the Board of Directors on 22 February 2011 and were signed on its behalf by:

Peter Rigby
Chief Executive

Adam Walker
Finance Director

Consolidated Cash Flow Statement

For the year ended 31 December 2010

	Notes	2010 £m	2009 £m
Operating activities			
Cash generated by operations	33	333.0	320.7
Income taxes paid		(37.5)	(27.3)
Interest paid		(37.5)	(47.4)
Net cash inflow from operating activities		258.0	246.0
Investing activities			
Investment income		0.7	1.0
Proceeds on disposal of property, equipment		0.8	4.1
Purchases of intangible software assets	16	(10.7)	(11.3)
Purchases of property and equipment	17	(7.7)	(8.8)
Purchase of other intangible assets		(8.1)	–
Acquisition of subsidiaries and businesses	32	(40.9)	(38.5)
Acquisition of non-controlling interest		(4.3)	–
Product development costs	16	(9.6)	(6.0)
Net cash outflow from investing activities		(79.8)	(59.5)
Financing activities			
Dividends paid to shareholders	13	(74.1)	(38.2)
Dividends paid to non-controlling interest		(0.9)	(1.2)
Repayments of borrowings	33	(783.6)	(617.7)
Loans drawn down/new bank loans raised	33	686.0	224.1
Proceeds from the issue of share capital		4.6	252.3
Net cash outflow from financing activities		(168.0)	(180.7)
Net increase in cash and cash equivalents		10.2	5.8
Effect of foreign exchange rate changes		1.1	0.4
Cash and cash equivalents at beginning of the year		16.5	10.3
Cash and cash equivalents at end of the year	20	27.8	16.5

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010

1 General information

The Company is incorporated in Jersey under the Companies (Jersey) Law 1991 and headquartered in Switzerland. The address of the registered office is given on page 24. The consolidated financial statements as at 31 December 2010 and for year then ended comprise those of the Company and its subsidiaries and its interests in associates and jointly controlled entities (together referred to as the Group).

The nature of the Group's operations and its principal activities are set out in the Principal Activities and Business Review sections of the Directors' Report on page 23.

The consolidated financial statements have been prepared on a going concern basis, for further analysis refer to the Corporate Governance Statement on page 33.

These financial statements are presented in Pounds Sterling (GBP) because that is the currency of the primary economic environment in which the Group operates. Foreign operations are included in accordance with the policies set out in Note 3.

Adoption of new and revised International Financial Reporting Standards (IFRSs)

Standards and interpretations adopted in the current period

The following new standards, amendments and interpretations have been adopted in the current year:

IFRS 2 (amended 2009) *Group Cash-settled Share-based Payment Transactions*

IFRS 3 (2008) *Business Combinations*

IAS 27 (2008) *Consolidated and Separate Financial Statements*

IFRIC 17 *Distributions of Non-cash Assets to Owners*

IFRIC 18 *Transfers of Assets from Customers*

Improvements to IFRSs (2009)

The adoption of these standards and interpretations has not led to any changes to the Group's accounting policies except for adopting IFRS 3 (2008) *Business Combinations* and IAS 27 (2008) *Consolidated and Separate Financial Statements*.

As a consequence of adopting these revised standards, the Group has applied the following policies on a prospective basis with regard to business combinations and purchases and disposals in a controlled entity transacted on or after 1 January 2010:

- Acquisition related transactions costs are now expensed; and
- Consideration to purchase a business is recorded at fair value at the acquisition date. If any contingent payments are subsequently re-measured, due to a reassessment of fair value, these changes are transacted through the Income Statement.

Standards and interpretations in issue, not yet adopted

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:

IAS 12 (amended 2010) <i>Deferred Tax: Recovery of Underlying Assets</i>	– not endorsed by the EU
IAS 24 (revised 2009) <i>Related Party Disclosures</i>	– endorsed by the EU
IAS 32 (amended 2009) <i>Classification of Rights Issues</i>	– endorsed by the EU
IAS 39 (amended 2009) <i>Recognition and Measurement: Eligible Hedged Items</i>	– endorsed by the EU
IFRS 7 (amended 2010) <i>Financial Instruments: Disclosures</i>	– not endorsed by the EU
IFRS 9 <i>Financial Instruments</i>	– not endorsed by the EU
IFRIC 14 (amended 2009) <i>Prepayments of a Minimum Funding Requirement</i>	– endorsed by the EU
IFRIC 19 <i>Extinguishing financial liabilities with equity instruments</i>	– endorsed by the EU
Improvements to IFRSs (2010)	– not endorsed by the EU

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group, except for:

- IFRS 9 is a new standard which enhances the ability of investors and other users of financial information to understand the accounting of financial assets and reduces complexity. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in IAS 39. This standard is effective for accounting periods commencing on or after 1 January 2013 and therefore the Group has not commenced its evaluation of the impact on the Group's reported profit or net assets.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

2 Basis of preparation

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

Adjusted results

Management believes that adjusted results and adjusted earnings per share (Note 14) provide additional useful information on underlying trends to shareholders. These measures are used for internal performance analysis and incentive compensation arrangements for employees. The term 'adjusted' is not a defined term under IFRS and may not therefore be comparable with similarly titled profit measurements reported by other companies. It is not intended to be a substitute for, or superior to, IFRS measurements of profit.

The following charges were presented as adjusting items:

	Notes	2010 £m	2009 £m
Amortisation of other intangible assets	16	133.8	129.7
Impairment	31	5.0	–
Restructuring and reorganisation costs	8	8.3	34.1
Acquisition related costs	7	1.3	–
Subsequent re-measurement of contingent consideration	7	0.8	–
Loss on disposal of business	31	–	1.0
De-designation of hedge accounting	10	1.1	–
Excess interest on early repayment of syndicated loans	10	1.1	–
		151.4	164.8
Tax related to adjusting items	12	(41.3)	(78.2)
		110.1	86.6

The principal adjustments made are in respect of:

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

The tax related to adjusting items is the tax effect of the items above and in 2010 it also includes the effect of the reduction in the UK deferred tax rate from 28% to 27%. In 2009 the tax related to adjusting items also included the deferred tax arising on Group restructuring.

The Group's operations are split into three broad market sectors of Academic Information, Professional & Commercial Information and Events & Training. These divisions are further analysed into more specific segments which bring together products in comparable market areas under common business heads. This is how the Group's operational management is structured and its results are reviewed and thus form the reporting segments (Note 6).

Significant exchange rates

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

	Average rate		Closing rate	
	2010	2009	2010	2009
USD	1.5447	1.5566	1.5472	1.6114
EUR	1.1676	1.1196	1.1586	1.1180

3 Accounting policies

Basis of accounting

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

Basis of consolidation

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

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

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

Revenue

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

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

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

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

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

Advertising revenue is recognised on issue of the publication.

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

Interest income

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

Dividend income

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

Business combinations

Business combinations from 1 January 2010:

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

3 Accounting policies

Business combinations continued

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

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

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

Business combination prior to 1 January 2010:

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

Goodwill

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

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

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

Intangible assets

Intangible assets are initially measured at cost. For business combinations, cost is calculated based on the Group's valuation methodologies (Note 4). These assets are amortised over their estimated useful lives on a straight line basis, which are as follows:

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

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

The expected useful lives of intangible assets are reviewed annually.

The Group does not have any intangible assets with indefinite lives.

Property and equipment

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

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

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

Impairment of tangible and intangible assets excluding goodwill

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

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

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

Non-current assets classified as held for sale

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

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

Inventory

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

Foreign currencies

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

3 Accounting policies

Foreign currencies continued

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

Leasing

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

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

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

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

Taxation

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

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

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

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

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

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

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

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

Pension costs

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

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

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

Share-based payments

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

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

Financial assets

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

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

Effective interest method

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

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

Loans and receivables

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

Cash and cash equivalents

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

3 Accounting policies continued

Available-for-sale investments

Listed and unlisted shares held by the Group that are traded in an active market are classified as being available-for-sale and are stated at fair value. Fair values of listed securities are based on quoted market prices and the unlisted securities are based on cost. Gains or losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the Income Statement for the period. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in profit or loss for the period.

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 available-for-sale, 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
- it is becoming probable that the borrower will enter bankruptcy or financial re-organisation.

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 43 days (2009: 39 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.

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 account are recognised in the Income Statement.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in the Income Statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Finance costs

Finance costs of debts are capitalised against the debt value on first drawdown of the debt and are recognised in the Income Statement using the effective interest rate method.

Trade payables

Trade 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 method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

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. 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 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 that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in the Income Statement. If the cash flow hedge of a firm commitment or forecast transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For cash flow hedges that result in the recognition of a financial asset or financial liability, amounts deferred in equity are recognised in the Income Statement in the same period in which the hedged item affects net profit or loss.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

3 Accounting policies

Derivative financial instruments and hedge accounting continued

Amounts payable or receivable in respect of interest rate swaps are recognised as adjustments to interest expense over the period of the contracts.

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 Income Statement for the period.

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

Further details of derivative financial instruments are disclosed in Note 24.

ESOP Trust shares

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

Provisions

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

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

4 Critical accounting judgments and key sources of estimation uncertainty

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

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

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

Valuation and asset lives of separately identifiable intangible assets

In order to determine the value of the separately identifiable intangible assets on a business combination, management are required to make estimates when utilising the Group's valuation methodologies. These methodologies include the use of discounted cash flows, revenue forecasts and gross profit multiples. Asset lives are estimated based on the nature of the intangible asset acquired and range between 3 and 40 years.

Valuation of share-based payments

In order to determine the value of share-based payments, management are required to make an estimation of the effects of non-transferability, exercise restrictions, and behavioural considerations. The expected volatility is determined by calculating the historical volatility of the Company's share price calculated over one, two and three years back from the date of grant. The list of inputs used in the Binomial and Monte Carlo Simulation models to calculate the fair values are provided in Note 37.

Valuation of financial instruments at fair value

Management have made a number of assumptions with regards to the models used to value financial instruments at their fair value at year end. Valuation techniques commonly used by market practitioners are applied. Note 24 details the methods used to value the primary financial instruments held or issued to finance the Group's borrowing requirements and the derivative financial instruments held to manage the interest rate profile.

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

Impairment of goodwill and other intangible assets

There are a number of assumptions management have considered in performing impairment reviews of goodwill and intangible assets, as determining whether goodwill or intangible assets are impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. Note 15 details the assumptions that have been applied.

Pension assumptions

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

Deferred tax

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

Provisions

Provisions have been made for onerous leases, dilapidations and restructuring. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made. Details of the Group's provisions are set out in Note 28.

Contingent consideration

Contingent consideration relating to acquisitions has been included based on management estimates of the most likely outcome (Note 28). However under IFRS 3 (2008) subsequent remeasure of contingent consideration is recognised in the Consolidated Income Statement.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

5 Revenue

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

	2010 £m	2009 £m
Subscriptions	441.3	434.7
Delegates	319.7	319.7
Copy sales	212.4	205.0
Exhibition	107.4	93.7
Sponsorship	51.3	53.0
Consulting	64.0	82.9
Advertising	30.4	32.7
Total revenue	1,226.5	1,221.7

6 Business segments

Business segments

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

Information currently reported to the Board for the purposes of managing performance is focused on the different services the Group offers, namely publishing, and training and events.

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

Academic Information (AI)

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

Professional and Commercial Information (PCI)

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

Events and Training – Europe, US and ROW

These three divisions provide events and training to Europe, US and Rest of the World (ROW).

Information regarding the Group's reportable segments is reported below and has been prepared consistently with the Group's accounting policies.

Segment revenue and results

31 December 2010

	AI £m	PCI £m	Events Europe £m	Events US £m	Events ROW £m	Unallocated £m	Total £m
Revenue (Note 5)	310.2	364.9	248.5	181.3	121.6	–	1,226.5
Adjusted operating profit	109.3	110.4	45.1	23.5	24.9	–	313.2
Restructuring and reorganisation costs (Note 8)	(1.2)	(1.0)	(3.3)	(2.3)	(0.5)	–	(8.3)
Acquisition related costs (Note 2)	–	(0.7)	–	–	(0.6)	–	(1.3)
Subsequent re-measurement of contingent consideration (Note 2)	–	–	–	–	(0.8)	–	(0.8)
Intangible asset amortisation ¹ (Note 16)	(22.3)	(56.0)	(18.6)	(25.8)	(11.1)	–	(133.8)
Impairment (Note 31)	–	–	–	(5.0)	–	–	(5.0)
Operating profit/(loss)	85.8	52.7	23.2	(9.6)	11.9	–	164.0
Finance costs (Note 10)							(44.0)
Investment income (Note 11)							5.0
Profit before tax							125.0

¹ Excludes software amortisation.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

6 Business segments continued

31 December 2009

	AI £m	PCI £m	Events Europe £m	Events US £m	Events ROW £m	Unallocated £m	Total £m
Revenue (Note 5)	294.4	368.3	242.4	201.1	115.5	–	1,221.7
Adjusted operating profit	104.3	118.7	40.1	27.6	18.8	–	309.5
Restructuring and reorganisation costs (Note 8)	(0.7)	(13.3)	(9.3)	(3.4)	(1.0)	(6.4)	(34.1)
Intangible asset amortisation ¹ (Note 16)	(21.7)	(45.1)	(23.5)	(27.7)	(11.7)	–	(129.7)
Operating profit/(loss)	81.9	60.3	7.3	(3.5)	6.1	(6.4)	145.7
Loss on disposal of business (Note 31)							(1.0)
Finance costs (Note 10)							(51.7)
Investment income (Note 11)							3.5
Profit before tax							96.5

¹ Excludes software amortisation.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Adjusted operating result by operating segment is the measure reported to the Group's Chief Executive for the purpose of resource allocation and assessment of segment performance. Unallocated costs were £Nil in 2010. The unallocated costs of £6.4m in 2009 related to aborted transaction costs and change of domicile referred to in Note 8. 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

	2010 £m	2009 £m
AI	931.3	930.1
PCI	1,057.5	1,070.6
Events Europe	483.0	500.3
Events US	394.9	408.0
Events ROW	193.1	155.5
Total segment assets	3,059.8	3,064.5
Unallocated assets	60.6	74.2
Total assets	3,120.4	3,138.7

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

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

	2010 £m	2009 £m
AI		
Subscriptions	169.6	162.0
Copy sales	140.6	132.4
Total AI	310.2	294.4
PCI		
Subscriptions	271.7	272.7
Copy sales	71.8	72.6
Advertising	21.4	23.0
Total PCI	364.9	368.3
Events		
Delegates	319.7	319.7
Exhibition	107.4	93.7
Sponsorship	51.3	53.0
Consulting	64.0	82.9
Advertising	9.0	9.7
Total events	551.4	559.0
Total revenue	1,226.5	1,221.7

Information about major customers

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

Geographical information	Revenue		Segment assets	
	2010 £m	2009 £m	2010 £m	2009 £m
United Kingdom	164.2	168.1	1,334.1	1,412.0
North America	472.6	480.8	1,133.0	1,108.6
Continental Europe	308.0	314.2	360.0	377.7
Rest of World	281.7	258.6	293.3	240.4
	1,226.5	1,221.7	3,120.4	3,138.7

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

7 Net operating expenses

Operating profit has been arrived at after charging:

		Adjusting results 2010 £m	Adjusted items 2010 £m	Statutory results 2010 £m	Adjusting results 2009 £m	Adjusted items 2009 £m	Statutory results 2009 £m
Notes							
Cost of sales		430.4	–	430.4	445.0	–	445.0
Staff costs (excluding redundancy costs)	9	344.6	–	344.6	330.3	–	330.3
Amortisation of other intangible assets	16	16.3	133.8	150.1	13.5	129.7	143.2
Depreciation	17	7.7	–	7.7	9.2	–	9.2
Impairment	31	–	5.0	5.0	–	–	–
Net foreign exchange losses		3.2	–	3.2	1.4	–	1.4
Auditors' remuneration for audit services (see below)		1.2	–	1.2	1.1	–	1.1
Operating lease expenses							
– Land and buildings	34	24.8	–	24.8	26.5	–	26.5
– Other	34	1.3	–	1.3	0.9	–	0.9
Restructuring and reorganisation costs	8	–	8.3	8.3	–	34.1	34.1
Acquisition related costs	2	–	1.3	1.3	–	–	–
Subsequent re-measurement of contingent consideration	2	–	0.8	0.8	–	–	–
Other operating expenses		83.8	–	83.8	84.3	–	84.3
Total net operating expenses		913.3	149.2	1,062.5	912.2	163.8	1,076.0

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

	2010 £m	2009 £m
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	0.7	0.7
Fees payable to the Company's auditors and their associates for other services to the Group:		
Audit of the Company's subsidiaries pursuant to legislation	0.5	0.4
Total audit fees	1.2	1.1
Fees payable to the Company's auditors for non-audit services comprises:		
Corporate finance services	–	1.0
Other services pursuant to legislation	0.1	0.1
Other services	0.3	0.1
Total non-audit fees	0.4	1.2

A description of the work of the Audit Committee is set out in the Corporate Governance Statement on pages 35 to 36 and includes an explanation of how auditor objectivity and independence is safeguarded when non-audit services are provided by the auditors.

8 Restructuring and reorganisation costs

	2010 £m	2009 £m
Business restructuring	8.3	27.7
Aborted transaction costs	–	2.1
Change of domicile	–	4.3
	8.3	34.1

In the year ended 31 December 2010, business restructuring costs comprise reorganisation costs of £2.8m (2009: £5.0m), redundancy costs of £4.6m (2009: £18.0m) and vacant property provisions of £0.9m (2009: £4.7m).

9 Staff numbers and costs

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

	Number of employees	
	2010	2009
AI	1,497	1,457
PCI	3,130	3,149
Events	3,614	3,985
	8,241	8,591

Their aggregate remuneration comprised:

	2010 £m	2009 £m
Wages and salaries	304.1	291.4
Social security costs	29.6	29.4
Pension costs charged to operating profit (Note 36)	8.8	8.9
Share-based payment (Note 37)	2.1	0.6
Staff costs (excluding redundancy costs)	344.6	330.3
Redundancy costs (Note 8)	4.6	18.0
	349.2	348.3

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*. Further information about the remuneration of individual Directors is provided in the audited part of the Directors' Remuneration Report on pages 44 to 45.

	2010 £m	2009 £m
Short-term employee benefits	3.2	1.9
Post-employment benefits	0.3	0.8
Share-based payments	0.1	0.1
	3.6	2.8

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

10 Finance costs

	Notes	2010 £m	2009 £m
Interest expense on financial liabilities measured at amortised cost		37.5	47.7
Interest cost on pension scheme liabilities	36	4.3	3.7
Total interest expense		41.8	51.4
Cash flow hedge ineffectiveness loss		–	0.3
		41.8	51.7
De-designation of hedge accounting	2	1.1	–
Excess interest on early repayment of syndicated loans	2	1.1	–
		44.0	51.7

11 Investment income

	Note	2010 £m	2009 £m
Loans and receivables:			
Interest income on bank deposits		0.7	1.0
Cash flow hedge ineffectiveness gain		0.6	–
Expected return on pension scheme assets	36	3.7	2.5
		5.0	3.5

12 Taxation

The tax charge/(credit) comprises:

	Notes	2010 £m	2009 £m
Current tax		58.6	53.1
Deferred tax:			
Current year	21	(28.5)	(28.8)
Charge arising from UK corporation rate change		(4.0)	–
Deferred tax arising on Group restructuring	21	–	(34.3)
Total tax charge/(credit) on profit on ordinary activities		26.1	(10.0)

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

	Gross 2010 £m	Tax 2010 £m	Gross 2009 £m	Tax 2009 £m
Amortisation of other intangible assets (Note 16)	(133.8)	34.7	(129.7)	37.3
Impairment (Note 31)	(5.0)	–	–	–
Restructuring and reorganisation costs (Note 8)	(8.3)	2.0	(34.1)	6.4
Acquisition related costs (Note 2)	(1.3)	–	–	–
Subsequent re-measurement of contingent consideration (Note 2)	(0.8)	–	–	–
Loss on disposal of business (Note 31)	–	–	(1.0)	0.2
De-designation of hedge accounting (Note 2)	(1.1)	0.3	–	–
Excess interest on early repayment of syndicated loans (Note 2)	(1.1)	0.3	–	–
Deferred tax credit arising from UK corporation rate change (Note 21)	–	4.0	–	–
Deferred tax arising on Group restructuring	–	–	–	34.3
	(151.4)	41.3	(164.8)	78.2

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

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

	2010		2009	
	£m	%	£m	%
Profit before tax	125.0		96.5	
Tax charge at weighted average rate	28.0	22.4	22.2	23.0
Permanent differences	0.4	0.3	1.3	1.3
Losses in certain jurisdictions that have not been recognised	1.7	1.4	0.8	0.9
Deferred tax credit from corporation tax rate change	(4.0)	(3.2)	–	–
Deferred tax arising on Group restructuring	–	–	(34.3)	(35.6)
Tax charge/(credit) and effective rate for the year	26.1	20.9	(10.0)	(10.4)

In addition to the income tax charge/(credit) to the Consolidated Income Statement, a tax charge of £4.0m (2009: debit of £3.5m) all of which relates to deferred tax (Note 21) has been recognised directly in Other Comprehensive Income during the year.

The tax charge arising on the disposal of the relevant subsidiary was £nil (2009: £0.2m).

13 Dividends

	2010 £m	2009 £m
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 December 2008 of 3.28p per share	–	16.6
First interim dividend for the year ended 31 December 2009 of 3.60p per share	–	21.6
Second interim dividend for the year ended 31 December 2009 of 7.85p per share	47.0	–
First interim dividend for the year ended 31 December 2010 of 4.50p per share	27.1	–
	74.1	38.2
Proposed second interim dividend for the year ended 31 December 2010 of 9.50p per share (2009: 7.85p per share)	57.1	47.0

Holders of 49,237 (2009: 71,628) ordinary shares of 0.1 pence each have waived their rights to receive dividends.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

14 Earnings per share

Basic

The basic earnings per share calculation is based on a profit attributable to equity shareholders of the parent of £98.9m (2009: £105.6m). This profit on ordinary activities after taxation is divided by the weighted average number of shares in issue (less those non-vested shares held by employee share ownership trusts) which is 600,421,797 (2009: 560,764,541).

Diluted

The diluted earnings per share calculation is based on the basic earnings per share calculation above except that the weighted average number of shares includes all potentially dilutive options granted by the reporting date as if those options had been exercised on the first day of the accounting period or the date of the grant, if later, giving a weighted average of 600,627,044 (2009: 560,843,788).

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

	2010	2009
Weighted average number of shares used in basic earnings per share calculation	600,421,797	560,764,541
Effect of dilutive share options	205,247	79,247
Weighted average number of shares used in diluted earnings per share calculation	600,627,044	560,843,788

Adjusted earnings per share

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

	2010	2009
Profit for the year	98.9	106.5
Non-controlling interest	–	(0.9)
Adjusting items net of attributable taxation (Note 2)	110.1	86.6
Adjusted profit for the year attributable to equity shareholders	209.0	192.2
Earnings per share:		
– Adjusted basic (p)	34.8	34.3
– Adjusted diluted (p)	34.8	34.3

15 Goodwill

	£m
Cost	
At 1 January 2009	1,830.1
Additions in the year	0.4
Derecognised on disposals of subsidiaries in the year (Note 31)	(1.4)
Exchange differences	(83.3)
At 1 January 2010	1,745.8
Additions in the year	14.0
Reclassification (Note 16)	(9.5)
Exchange differences	24.3
At 31 December 2010	1,774.6
Accumulated impairment losses	
At 1 January 2009	(19.6)
Exchange differences	1.1
At 1 January 2010	(18.5)
Impairment losses for the year (Note 31)	(3.1)
Exchange differences	0.7
At 31 December 2010	(20.9)
Carrying amount	
At 31 December 2010	1,753.7
At 31 December 2009	1,727.3

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

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

	2010 £m	2009 £m
AI	416.3	406.9
PCI	692.3	692.5
Events Europe	339.8	344.8
Events US	233.5	225.4
Events ROW	71.8	57.7
	1,753.7	1,727.3

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates and growth rates for the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts and long-term growth in gross domestic product.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the Board of Directors for the next year and extrapolates cash flows for the following four years based on estimated growth rates. The most recent financial budgets approved by the Board of Directors have been prepared after considering the current economic environment in each of our markets. The estimates of future cash flows are consistent with past experience adjusted for management's estimates of future performance. The cash flows thereafter are based upon the long-term historic growth rates of the underlying territories in which the CGU operates. A growth rate of 3% has been applied for years 2-5 in AI, a range between 4% and 9% for PCI and a range between 3% and 17% for the Events businesses.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

15 Goodwill continued

The pre-tax discount rates applied are 9.5% for AI and PCI and 10.5% for the Events businesses. There has been no change to the discount rate since the prior year, which is consistent with the fact that there has been no significant change in the markets in which the Group operates. A terminal growth rate of 2% has been used for AI and PCI, and 3% for the Events businesses. The rates do not exceed the average long-term growth rate for the relevant markets.

At 31 December 2010 and 31 December 2009, the carrying amounts of goodwill for CGUs were tested for impairment and deemed not to be impaired.

Those CGUs which had the lowest level of headroom or potential impairment in this analysis related to the Events businesses. If the economic environment surrounding this sector declines in 2011, the effect of which would erode the customer base further, there may be the possibility of a future impairment. Management will conduct regular reviews to monitor this.

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

- An increase in the pre-tax discount rate by 1%.
- A decrease of between 1% and 2% (depending on the CGU) on forecast operating profits over years 2-5, and a decrease in the terminal growth rate by 1% for all CGUs.

The sensitivity analysis shows that no impairment would result from an increase in the pre-tax discount rate. However, an impairment of £23.7 million would result from sensitivities applied to the growth rates for the European Conferences business (included in CGU for Events Europe).

16 Other intangible assets

	Book lists and journal titles £m	Database content and intellectual property £m	Exhibitions and Conferences £m	Sub total £m	Intangible software assets £m	Total £m
Cost						
At 1 January 2009	637.8	771.7	180.9	1,590.4	89.5	1,679.9
Arising on acquisitions in the year	12.1	3.8	4.6	20.5	–	20.5
Additions ^{1,2}	–	6.0	–	6.0	11.3	17.3
Reclassification ^{3,4}	–	–	–	–	21.4	21.4
Disposals	(1.5)	(3.3)	–	(4.8)	(7.9)	(12.7)
Exchange differences	(28.3)	(49.9)	(11.0)	(89.2)	(2.6)	(91.8)
At 1 January 2010	620.1	728.3	174.5	1,522.9	111.7	1,634.6
Arising on acquisitions in the year	3.4	28.2	23.8	55.4	–	55.4
Additions ^{1,2}	2.5	9.6	7.6	19.7	10.7	30.4
Reclassification ^{3,4}	–	9.5	–	9.5	2.1	11.6
Disposals	–	–	–	–	(4.0)	(4.0)
Exchange differences	11.9	19.8	3.7	35.4	1.1	36.5
At 31 December 2010	637.9	795.4	209.6	1,642.9	121.6	1,764.5
Amortisation						
At 1 January 2009	(96.8)	(255.3)	(63.3)	(415.4)	(18.0)	(433.4)
Charge for the year	(25.5)	(85.5)	(18.7)	(129.7)	(13.5)	(143.2)
Reclassification ^{3,4}	–	–	–	–	(21.4)	(21.4)
Disposals	1.5	3.3	–	4.8	7.5	12.3
Exchange differences	4.7	19.2	4.0	27.9	0.8	28.7
At 1 January 2010	(116.1)	(318.3)	(78.0)	(512.4)	(44.6)	(557.0)
Charge for the year	(25.8)	(88.3)	(19.7)	(133.8)	(16.3)	(150.1)
Impairment losses for the year (Note 31)	–	(1.6)	–	(1.6)	–	(1.6)
Disposals	–	–	–	–	4.0	4.0
Exchange differences	(2.1)	(8.8)	(1.5)	(12.4)	(0.4)	(12.8)
At 31 December 2010	(144.0)	(417.0)	(99.2)	(660.2)	(57.3)	(717.5)
Carrying amount						
At 31 December 2010	493.9	378.4	110.4	982.7	64.3	1,047.0
At 31 December 2009	504.0	410.0	96.5	1,010.5	67.1	1,077.6

¹ Of the £19.7m (2009: £6.0m) additions to Book lists and journal titles, Database content and intellectual property and Exhibitions and conferences, £17.7m (2009: £6.0m) represents cash paid.

² £10.7m (2009: £11.3m) additions to Intangible software assets represents cash paid.

³ The reclassification of £9.5m (2009: £nil) relates to Other intangible assets within Goodwill (Note 15) which have now been correctly presented within Other intangible assets.

⁴ The reclassification of £2.1m (2009: £21.4m) relates to Intangible software assets within Property and equipment (Note 17) which have now been correctly presented within Intangible software assets.

Intangible software assets include a gross carrying amount of £58.4m (2009: £56.1m) and accumulated amortisation of £13.0m (2009: £5.1m) which relates to software that has been internally generated. The Group does not have any of its other intangible assets pledged as security over bank loans.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

17 Property and equipment

	Freehold land and buildings £m	Leasehold land and buildings £m	Equipment fixtures and fittings £m	Total £m
Cost				
At 1 January 2009	0.6	10.5	97.9	109.0
Additions ¹	1.1	3.8	3.9	8.8
Reclassification ²	–	–	(21.4)	(21.4)
Disposals	–	(1.9)	(5.2)	(7.1)
Exchange differences	–	(0.5)	(4.5)	(5.0)
At 1 January 2010	1.7	11.9	70.7	84.3
Additions ¹	0.8	0.5	6.4	7.7
Reclassification ²	–	–	(2.1)	(2.1)
Disposals	–	(0.9)	(13.5)	(14.4)
Exchange differences	(0.1)	0.2	1.6	1.7
At 31 December 2010	2.4	11.7	63.1	77.2
Depreciation				
At 1 January 2009	(0.3)	(6.9)	(74.7)	(81.9)
Disposals	–	1.7	1.3	3.0
Charge for the year	(0.1)	(1.1)	(8.0)	(9.2)
Reclassification ²	–	–	21.4	21.4
Exchange differences	–	0.3	3.5	3.8
At 1 January 2010	(0.4)	(6.0)	(56.5)	(62.9)
Disposals	–	0.6	13.2	13.8
Charge for the year	–	(1.1)	(6.6)	(7.7)
Exchange differences	–	(0.1)	(1.3)	(1.4)
At 31 December 2010	(0.4)	(6.6)	(51.2)	(58.2)
Carrying amount				
At 31 December 2010	2.0	5.1	11.9	19.0
At 31 December 2009	1.3	5.9	14.2	21.4

¹ All the £7.7m (2009: £8.8m) additions to tangible fixed assets was paid in cash during the year.

² The reclassification of £2.1m relates to Intangible software assets within Property and equipment which have now been correctly presented within Intangible software assets (Note 16).

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

18 Subsidiaries

The listing below shows the principal subsidiary undertakings as at 31 December 2010 which principally affected the profits or net assets of the Group. To avoid a statement of excessive length, details of investments which are not significant have been omitted.

Company	Country of registration and incorporation	Principal activity	Ordinary shares held
Taylor & Francis Group LLC	USA	Publishing	100%
Taylor & Francis Group Limited	England and Wales	Holding company	100%
IIR Holdings Limited Dubai Branch	Middle East	Conferences, exhibitions and training	100%
Informa Healthcare AB	Sweden	Publishing	100%
Informa Global Markets (Europe) Limited	England and Wales	Financial information	100%
Euroforum BV	Netherlands	Conference organisation and publishing	100%
Euroforum Deutschland (Holding) GmbH	Germany	Conference organisation and publishing	100%
IBC Asia (S) Pts Limited	Singapore	Conference organisation and publishing	100%
Informa USA Inc	USA	Conference organisation and publishing	100%
Informa UK Limited	England and Wales	Events, conference organisation and publishing	100%
Informa Holdings Limited	England and Wales	Holding company	100%
Datamonitor Inc	USA	Business information	100%
IIR Exhibitions Limited	England and Wales	Event organisation	100%
I.I.R. Holdings Limited	Bermuda	Holding company	100%
Robbins-Gioia LLC ¹	USA	US Government contractor	100%
AchieveGlobal Inc	USA	Training company	100%
ESI International Inc	USA	Training company	100%
I.I.R. Limited	England and Wales	Conference organisation and training	100%
Institute for International Research Inc	USA	Conference organisation	100%
SAM Monaco Yacht Show	Monaco	Event organisation	100%
Informa Investment Solutions Inc	USA	Financial information	100%
IIR Deutschland GmbH	Germany	Conference organisation	100%
Institute for International Research (IIR) BV	Netherlands	Conference organisation	100%
Datamonitor Limited	England and Wales	Business information	100%
Informa IP GmbH	Switzerland	Business information	100%
Informa Finance GmbH	Switzerland	Finance	100%
Informa Group Holdings Limited	England and Wales	Holding company	100%
Informa Group plc	England and Wales	Holding company	100%
Informa IP LLC	USA	Business information	100%

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

19 Trade and other receivables

	2010 £m	2009 £m
Current		
Trade receivables	204.1	195.3
Less: provision	(22.1)	(25.2)
Trade receivable net	182.0	170.1
Other receivables	11.6	11.9
Prepayments and accrued income	31.4	31.8
Conference costs in advance	10.0	6.5
	235.0	220.3

The average credit period taken on sales of goods is 43 days (2009: 39 days). The Group has provision policies for its various divisions which have been determined by references to past default experience.

The Group's exposures to credit risk and impairment losses related to trade and other receivables are disclosed in Note 24 (f).

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

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

20 Cash and cash equivalents

	2010 £m	2009 £m
Cash and cash equivalents	28.4	17.5
Bank overdrafts	(0.6)	(1.0)
Cash and cash equivalents in the Consolidated Cash Flow Statement	27.8	16.5

The above has been presented on a net basis as the Group has legal right to set-off.

The Group's exposure to interest rate risks and a sensitivity analysis for financial assets and liabilities is disclosed in Note 24 (d).

21 Deferred tax

	Accelerated tax depreciation £m	Intangibles £m	Pensions (Note 36) £m	Other £m	Losses £m	Cash flow hedges £m	Total £m
At 1 January 2009	2.6	303.8	(2.8)	(19.1)	(3.2)	(14.2)	267.1
(Credit)/debit to Other Comprehensive Income for the year	–	–	(0.4)	–	–	3.9	3.5
Acquisition of subsidiaries	–	0.4	–	–	–	–	0.4
Charge/(credit) to profit or loss for the year	1.6	(31.7)	0.1	1.2	–	–	(28.8)
Adjustment due to Group restructuring	–	(34.3)	–	–	–	–	(34.3)
Foreign exchange movements	–	(14.4)	–	1.7	–	–	(12.7)
At 1 January 2010	4.2	223.8	(3.1)	(16.2)	(3.2)	(10.3)	195.2
(Credit)/debit to Other Comprehensive Income for the year	–	–	(0.3)	–	–	4.3	4.0
Acquisition of subsidiaries	–	14.4	–	–	–	–	14.4
Charge/(credit) to profit or loss for the year excluding UK corporation tax rate change	(3.0)	(27.1)	0.5	(2.1)	3.2	–	(28.5)
Charge/(credit) to profit or loss for the year arising from UK corporation tax rate change	(0.1)	(4.2)	0.1	0.2	–	–	(4.0)
Disposal of qualifying assets	0.4	–	–	–	–	–	0.4
Foreign exchange movements	–	6.0	–	0.6	–	–	6.6
At 31 December 2010	1.5	212.9	(2.8)	(17.5)	–	(6.0)	188.1

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

	2010 £m	2009 £m
Deferred tax liability	189.3	228.0
Deferred tax asset	(1.2)	(32.8)
	188.1	195.2

The June 2010 United Kingdom Budget Statement included proposals to reduce the rate of UK corporation tax by 1% per annum from 28% to 24% by 1 April 2014. The change from 28% to 27% was enacted at 31 December 2010. The effect of the reduction to 27% has reduced the deferred tax liability at 31 December 2010 by approximately £3.8m, increased profit for the year by £4.0m and decreased other comprehensive income by £0.2m.

The proposed further reductions to 24% by 1 April 2014 are expected to be enacted separately each year. The overall effect of a further reduction to 24%, if applied to the deferred tax balance at 31 December, would reduce the deferred tax liability by approximately £11.6m.

At 31 December 2010, the Group has unused tax losses of £nil (2009: £11.5m) available for offset against future profits. A deferred tax asset of £nil (2009: £3.2m), has been recognised in respect of these losses.

At the reporting date, the aggregate amount of withholding tax on post acquisition undistributed earnings for which deferred tax liabilities have not been recognised was £7.4m (2009: £3.1m). 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

22 Inventory

	2010 £m	2009 £m
Raw materials	0.9	0.8
Work in progress	2.8	3.6
Finished goods and goods for resale	29.7	34.7
	33.4	39.1

Write down of inventory during the year amounted to £2.5m (2009: £1.6m).

23 Borrowings

	2010 £m	2009 £m
Non-current		
Bank borrowings	199.8	889.1
Private placement loan notes	440.0	–
Total non-current borrowings	639.8	889.1
Current		
Bank borrowings	167.1	–
	806.9	889.1

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

The Group maintains the following significant lines of credit:

- Private placement loan notes drawn in three currency tranches of USD 552.5m, GBP 40.0m and EUR 50.0m. The note maturities range between five and ten years, with an average duration of 8.3 years, at a weighted average interest rate of 4.3%.
- Syndicated bank loan facilities comprising an amortising term loan facility that has been fully drawn in three currency tranches of GBP 125.0m (2009: GBP 316.2m), USD 200.0m (2009: USD 630.0m) and EUR 100.0m (2009: EUR 135.0m) and a £500.0m (2009: £500.0m) revolving credit facility. £167.1m of the term loan is repayable in December 2011 with the remaining balance in May 2012. Interest is payable at the rate of LIBOR plus 0.5% (2009: LIBOR plus 0.6%).
- £43.9m (2009: £52.2m) comprising a number of bilateral bank facilities that can be drawn down to meet short-term financing needs. These facilities consist of GBP 16.0m (2009: GBP 21.0m), USD 15.0m (2009: USD 15.0m), EUR 18.0m (2009: EUR 22.0m), AUD 3.0m (2009: AUD 3.0m) and CAD 1.0m (2009: CAD 1.0m). Interest is payable at the local base rate plus margins that vary between 0% and 6%.

The effective interest rate as at 31 December 2010 is 5.1% (2009: 4.5%).

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

Expiry date	2010 £m	2009 £m
Within one to two years	471.7	–
In more than two years	29.1	433.7
	500.8	433.7

The Group's exposure to liquidity risk is disclosed in Note 24 (g).

24 Financial instruments

(a) Financial risk management

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

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

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

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

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

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

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders as well as sustaining the future development of the business. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group's overall strategy remains unchanged from 2009.

The capital structure of the Group consists of net debt, which includes borrowings (Note 23) and cash and cash equivalents (Note 20), and equity attributable to equity holders of the parent, comprising issued capital (Note 25), reserves and retained earnings.

US private placement

Private placement loan notes of US\$730.0m equivalent were issued in December 2010 and January 2011. The notes are denominated in US Dollars (\$597.5m), Euros (€50.0m) and Sterling (£40.0m). Amounts issued in December 2010 are US Dollars (\$552.5m), Euros (€50.0m) and Sterling (£40.0m). The remaining US Dollars amount (\$45.0m) was issued in January 2011. As per note 23, the private placement loan note as at 31 December 2010 totalled £440.0m. Proceeds of the issue have been used to repay existing bank debt facilities. The note maturities will range between five and ten years, with an average duration of 8.3 years, at a weighted average interest rate of 4.3%.

Cost of capital

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

Gearing ratio

The principal financial covenant ratios under these facilities are maximum net debt to EBITDA of 3.5 times and minimum EBITDA interest cover of 4.0 times, tested semi-annually. At 31 December 2010 both financial covenants were comfortably achieved, with the ratio of net debt (using average exchange rates) to EBITDA reduced from 2.7 times at 31 December 2009 to 2.3 times at 31 December 2010.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

24 Financial instruments continued

(b) Categories of Financial instruments

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

	Notes	2010 £m	2009 £m
Financial assets			
Loans and receivables			
Trade receivables	19	182.0	170.1
Other receivables	19	11.6	11.9
Cash and cash equivalents	20	27.8	16.5
Total financial assets		221.4	198.5
Financial liabilities			
Amortised cost			
Bank borrowings	23	366.9	889.1
Private placement loan notes	23	440.0	–
Trade payables	29	30.4	28.5
Accruals	29	140.8	134.4
Other payables	29	34.7	39.5
Deferred consideration	29	5.6	2.3
Contingent consideration	28	16.0	7.0
Derivative financial instruments in designated hedge accounting relationships ¹		22.7	39.6
Total financial liabilities		1,057.1	1,140.4

¹ Derivative financial instruments in designated hedge accounting relationships are presented £18.9m (2009: £26.4m) within current liabilities and £3.8m (2009: £13.2m) within non-current liabilities.

(c) Market risk

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

The Group's activities expose it mainly to the financial risks of changes in foreign currency exchange rates and changes in interest rates. The Group enters into interest rate swaps to mitigate the risk of rising interest rates and by managing the risk of currencies of its borrowings, the Group is able to achieve a level of natural hedge of both the Statement of Financial Position net currency assets and also the currency earnings due to the currency interest payable. Refer to both interest rate risk and foreign currency risk in Note 24 (d) and (e) respectively.

The Group does not use derivative contracts for speculative purposes.

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

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

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

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

(d) Interest rate risk

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

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

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

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

Interest rate swap contracts

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

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

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

Cash flow hedges

	Average contracted fixed interest rate		Notional principal amount		Fair value	
	2010 %	2009 %	2010 £m	2009 £m	2010 £m	2009 £m
Outstanding receive floating, pay fixed contracts						
Within one year	4.59	4.45	403.7	144.4	(18.9)	(26.4)
Within one to two years	5.66	4.59	114.6	397.2	(3.8)	(10.4)
Within two to five years	–	5.66	–	112.0	–	(2.8)
			518.3	653.6	(22.7)	(39.6)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

24 Financial instruments

(d) Interest rate risk continued

At 31 December 2010, the fixed interest rates vary from 3.13% to 6.15% (2009: 3.13% to 6.15%), and the main floating rates are EURIBOR and LIBOR. Gains or losses deferred in equity on interest rate swap contracts as of 31 December 2010 will be recognised in the Consolidated Income Statement in the same period in which the hedged item affects net profit or loss.

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

The following table details financial liabilities by interest category:

	Fixed rate £m	Floating rate £m	Non- interest bearing £m	Total 2010 £m	Fixed rate £m	Floating rate £m	Non- interest bearing £m	Total 2009 £m
Bank borrowings	338.6	28.3	–	366.9	653.6	235.5	–	889.1
Private placement loan notes	440.0	–	–	440.0	–	–	–	–
Trade payables	–	–	30.4	30.4	–	–	28.5	28.5
Accruals	–	–	140.8	140.8	–	–	134.4	134.4
Other payables	–	–	34.7	34.7	–	–	39.5	39.5
Deferred consideration	–	–	5.6	5.6	–	–	2.3	2.3
Contingent consideration	–	–	16.0	16.0	–	–	7.0	7.0
Derivative financial instruments in designated hedge accounting relationships ¹	22.7	–	–	22.7	39.6	–	–	39.6
	801.3	28.3	227.5	1,057.1	693.2	235.5	211.7	1,140.4

¹ Derivative financial instruments in designated hedge accounting relationships are presented £18.9m (2009: £26.4m) within current liabilities and £3.8m (2009: £13.2m) within non-current liabilities.

Interest rate sensitivity analysis

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

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's profit for the year would have decreased or increased by £0.3m (2009: £2.4m).

(e) Foreign currency risk

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

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

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

	Assets		Liabilities	
	2010 £m	2009 £m	2010 £m	2009 £m
USD	116.9	105.6	(99.3)	(90.4)
EUR	43.9	35.1	(27.4)	(23.2)
Other	24.1	24.0	(7.5)	(9.8)
	184.9	164.7	(134.2)	(123.4)

After taking into account foreign currency borrowings of £620.1m (2009: £526.0m) used to hedge against net investments in foreign subsidiaries, the remaining monetary assets and liabilities are in the same currency as the functional currency of the operations involved.

	Average rate		Closing rate	
	2010	2009	2010	2009
USD	1.5447	1.5566	1.5472	1.6114
EUR	1.1676	1.1196	1.1586	1.1180

Foreign currency sensitivity analysis

The Group receives approximately 49% of its revenues and incurs approximately 43% of its costs in USD or currencies pegged to USD. The Group is therefore sensitive to movements in the USD against the GBP. Each 1 cent movement in the USD to GBP exchange rate has a circa £3.9m impact on revenue and a circa £1.4m impact on operating profits. Offsetting this will be reductions to USD interest and USD tax liabilities. This analysis assumes all other variables, including interest rates, remain constant.

The Group receives approximately 11% of its revenues and incurs approximately 10% of its costs in Euros. The Group is therefore sensitive to movements in the Euro against the GBP. Each 1 cent movement in the Euro to GBP exchange rate has a circa £1.2m impact on revenue and a circa £0.4m impact on operating profits. Offsetting this will be reductions to Euro interest and Euro tax liabilities. This analysis assumes all other variables, including interest rates, remain constant.

(f) Credit risk

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

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

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

The credit risk on liquid funds and derivative financial instruments is limited by dealing only with counterparty banks with high credit-ratings assigned by international credit-rating agencies such as Standard and Poor's, Moody's and Fitch. No new credit exposure on derivative financial instruments is permitted to a financial institution with a rating lower than A+ or equivalent. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved financial institutions. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Treasury Committee regularly.

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

Trade receivables

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

24 Financial instruments

(f) Credit risk continued

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

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

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

Ageing of trade receivables:

	Gross 2010 £m	Provision 2010 £m	Gross 2009 £m	Provision 2009 £m
Not past due	121.0	–	98.5	(0.9)
Past due 0 – 30 days	51.2	(0.9)	50.8	(0.7)
Past due over 31 days	31.9	(11.8)	46.0	(14.3)
Books provision (see below)	–	(9.4)	–	(9.3)
	204.1	(22.1)	195.3	(25.2)

Trade receivables that are less than three months past due for payment are generally not considered impaired; included in these trade receivables are debtors with a carrying amount of £0.5m (2009: £9.0m), which are past due at the reporting date for which the Group has not provided, 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 £9.4m (2009: £9.3m) has been disclosed separately in the table above. This provision is based on Management's best estimate of previous seasonal sales and returns trends, and is included as part of the overall provision balance.

Movement in the provision:

	2010 £m	2009 £m
Balance at beginning of the year	25.2	22.1
Provision recognised	2.9	5.3
Receivables written off as uncollectible	(3.3)	(1.3)
Amounts recovered during the year	(2.7)	(0.9)
	22.1	25.2

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

There are no customers who represent more than 10% of the total gross balance of trade receivables in both 2010 and 2009.

(g) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board of Directors, though operationally it is managed by Group Treasury. Group Treasury have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking and other debt facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in Note 23 is a summary of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

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

Liquidity and interest risk tables

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

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

	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 2010						
Non-derivative financial assets						
Non-interest bearing	221.4	221.4	221.4	–	–	–
	221.4	221.4	221.4	–	–	–
31 December 2009						
Non-derivative financial assets						
Non-interest bearing	198.5	198.5	198.5	–	–	–
	198.5	198.5	198.5	–	–	–

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

24 Financial instruments

(g) Liquidity risk continued

31 December 2010	Carrying amount £m	Contractual cash flows ¹ £m	Less than 1 year £m	1-2 years £m	2-5 years £m	Greater than 5 years £m
Non-derivative financial liabilities						
Variable interest rate instruments	28.3	28.3	–	28.3	–	–
Fixed interest rate instruments	778.6	936.8	186.6	191.2	127.0	432.0
Trade and other payables	205.9	205.9	202.0	3.9	–	–
Deferred consideration	5.6	5.6	4.9	0.1	0.6	–
Contingent consideration	16.0	16.0	4.4	3.5	8.1	–
	1,034.4	1,192.6	397.9	227.0	135.7	432.0
Derivative financial liability						
Derivative financial instruments in designated hedge accounting relationships	22.7	26.2	19.8	6.4	–	–
	1,057.1	1,218.8	417.7	233.4	135.7	432.0

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

31 December 2009	Carrying amount £m	Contractual cash flows ¹ £m	Less than 1 year £m	1-2 years £m	2-5 years £m	Greater than 5 years £m
Non-derivative financial liabilities						
Variable interest rate instruments	235.5	242.5	–	–	242.5	–
Fixed interest rate Instruments	653.6	653.6	–	–	653.6	–
Trade and other payables	202.4	202.4	199.2	3.2	–	–
Deferred consideration	2.3	2.3	2.3	–	–	–
Contingent consideration	7.0	7.0	4.3	2.7	–	–
	1,100.8	1,107.8	205.8	5.9	896.1	–
Derivative financial liability						
Derivative financial instruments in designated hedge accounting relationships	39.6	40.4	29.3	9.1	2.0	–
	1,140.4	1,148.2	235.1	15.0	898.1	–

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

The Group draws down on its bank borrowing facilities at floating rates of interest. A portion of those are then swapped to fixed rates in line with the Group treasury policy. The first portion of these swaps that matures within twelve months has a principal amount of £403.7m (2009: £144.4m), the second portion that matures in a period greater than one year but less than two years of £114.6m (2009: £397.2m) and the final portion that matures between two and five years of £nil (2009: £112.0m).

Interest payments on these borrowing facilities are included in the contractual cash flows of the designated financial instruments. The portion that is due for payment in less than one year is £19.8m (2009: £29.3m), the portion that is due in more than one year but less than two years is £6.4m (2009: £9.1m) and the amount that is due between two and five years is £nil (2009: £2.0m). There is no amount payable after five years in 2010 (2009: £nil).

(h) Fair value of financial instruments

The fair value is defined as the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties and is calculated by reference to market rates discounted to current value.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices;
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments; and
- the fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate to their fair values due to the short maturity of the instruments or because they bear interest at rates approximate to the market.

		Carrying amount 2010 £m	Estimated fair value 2010 £m	Carrying amount 2009 £m	Estimated fair value 2009 £m
Notes					
Financial assets					
Loans and receivables					
Trade receivables	19	182.0	182.0	170.1	170.1
Other receivables	19	11.6	11.6	11.9	11.9
Cash and cash equivalents	20	27.8	27.8	16.5	16.5
Financial liabilities					
Amortised Cost					
Bank borrowings	23	366.9	366.9	889.1	889.1
Private placement loan notes	23	440.0	440.0	–	–
Trade payables	29	30.4	30.4	28.5	28.5
Accruals	29	140.8	140.8	134.4	134.4
Other payables	29	34.7	34.7	39.5	39.5
Deferred consideration	29	5.6	5.6	2.3	2.3
Contingent consideration	28	16.0	16.0	7.0	7.0

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

24 Financial instruments continued

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

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

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

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

	Level 1 2009 £m	Level 2 2009 £m	Level 3 2009 £m	Total 2009 £m
Financial liabilities				
Derivative financial instruments in designated hedge accounting relationships	–	39.6	–	39.6

25 Share Capital

	2010 £m	2009 £m
Authorised		
202,500,000,000 ordinary shares of 0.1p each (2009: 202,500,000,000 of 0.1p each)	202.5	202.5
	2010 £m	2009 £m
Issued and fully paid		
600,927,884 ordinary shares of 0.1p each (2009: 599,239,331 of 0.1p each)	0.6	0.6
	2010 £m	2009 £m
At 1 January	0.6	114.8
Rights issue	–	45.9
Capital reduction	–	(160.1)
At 31 December	0.6	0.6

Share options

As at 31 December 2010, outstanding options to subscribe for ordinary shares of 0.1p were as follows:

Number	Exercise price per share (pence)	Exercise period
124,674	436.40	07.03.04 to 06.03.11
167,721	212.32	15.03.05 to 14.03.12
92,400	252.38	15.03.05 to 14.03.12
11,215	304.61	22.03.07 to 21.03.11
100,988	256.26	22.03.07 to 21.03.11
496,998		

It is intended that the above options will be satisfied by the issue of new shares in the Company except for the 49,237 shares already in issue. Share options held by Directors as at 31 December 2010 are disclosed in the Directors' Remuneration Report on page 46.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

26 Capital and reserves

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

	Reserve for shares to be issued £m	Merger reserve £m	Other reserve £m	ESOP Trust shares £m	Hedging reserve £m	Translation reserve £m	Total £m
At 1 January 2009	3.6	496.4	(76.8)	(0.4)	(32.6)	87.1	477.3
Decrease in fair value of cash flow hedges	–	–	–	–	13.6	–	13.6
Loss on translation of foreign operations	–	–	–	–	–	(72.0)	(72.0)
Tax on income and expenses taken directly to equity (Note 21)	–	–	–	–	(3.9)	–	(3.9)
Transfer to profit or loss on cash flow hedges	–	–	–	–	0.3	–	0.3
Total comprehensive income/ (expense) for the year	–	–	–	–	10.0	(72.0)	(62.0)
Share award expense	0.6	–	–	–	–	–	0.6
Inversion accounting	–	–	(1,641.8)	–	–	–	(1,641.8)
Amount recycled on disposal of subsidiary	–	–	–	–	–	(0.4)	(0.4)
Loss on disposal of foreign currency loans	–	–	–	–	1.3	–	1.3
At 1 January 2010	4.2	496.4	(1,718.6)	(0.4)	(21.3)	14.7	(1,225.0)
Decrease in fair value of cash flow hedges	–	–	–	–	15.2	–	15.2
Gain on translation of foreign operations	–	–	–	–	–	34.6	34.6
Tax on income and expenses taken directly to equity (Note 21)	–	–	–	–	(4.3)	–	(4.3)
Transfer from profit or loss on cash flow hedges	–	–	–	–	(0.6)	–	(0.6)
De-designation of hedge accounting	–	–	–	–	1.1	–	1.1
Total comprehensive income for the year	–	–	–	–	11.4	34.6	46.0
Share award expense	2.1	–	–	–	–	–	2.1
Transfer of vested LTIPS	(1.5)	–	–	–	–	–	(1.5)
At 31 December 2010	4.8	496.4	(1,718.6)	(0.4)	(9.9)	49.3	(1,178.4)

Reserve for shares to be issued

This reserve relates to share options granted to employees under the employee share option plan. Further information about share-based payments to employees is set out in Note 37.

Merger reserve

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

Other reserve

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

ESOP Trust shares

As at 31 December 2010 the Informa Employee Share Trust held 49,237 (2009: 189,050) ordinary shares in the Company at a cost of £0.1m (2009: £0.4m) and a market value of £0.2m (2009: £0.6m). 49,237 shares (2009: 71,628) held by the Employee Share Trust have not been allocated to individuals and accordingly, dividends on these shares are waived.

At 31 December 2010 the Group held 0.0% (2009: 0.0%) of its own called up share capital.

Hedging reserve

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

Translation reserve

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

27 Non-controlling interest

The Group's non-controlling interest at 31 December 2010 was composed entirely of equity interests and represents the minority shares of Nicholas Publishing International (25.0%), Agra CEAS (18.2%) and Australian Exhibitions and Conferences (Australasia) Proprietary Limited (30.0%) (at 31 December 2009: Nicholas Publishing International (25.0%), Monaco Yacht Show S.A.M. (20.0%), and Agra CEAS (18.2%)).

28 Provisions

	Contingent consideration £m	Property leases £m	Restructuring provision £m	Total 2010 £m	Contingent consideration £m	Property leases £m	Restructuring Provision £m	Total 2009 £m
1 January	7.0	7.6	7.6	22.2	15.4	7.5	–	22.9
Increase in year	14.0	2.0	8.5	24.5	3.0	4.7	29.5	37.2
Utilisation	(4.2)	(1.9)	(11.8)	(17.9)	(9.7)	(2.9)	(21.9)	(34.5)
Release	(0.8)	(0.5)	(0.8)	(2.1)	(1.7)	(1.7)	–	(3.4)
At 31 December	16.0	7.2	3.5	26.7	7.0	7.6	7.6	22.2
Included in current liabilities	1.0	2.9	3.0	6.9	4.3	2.5	7.6	14.4
Included in non-current liabilities	15.0	4.3	0.5	19.8	2.7	5.1	–	7.8

The contingent consideration relates primarily to the acquisitions made in the year (EuroMediCom SAS, CPDcast.com Limited and Emerging Portfolio Fund Research Inc). The contingent consideration will be paid between one and four years.

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

As discussed in Note 8, during 2009 the Group implemented a number of restructuring and reorganisation projects. The restructuring provision is expected to be substantially utilised by 31 December 2011.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

29 Trade and other payables

	2010 £m	2009 £m
Current		
Deferred consideration	4.9	2.3
Trade payables	30.4	28.5
Accruals	140.8	134.4
Other payables	30.8	36.3
Total current	206.9	201.5
Non-current		
Deferred consideration	0.7	–
Other payables	3.9	3.2
Total non-current	4.6	3.2
	211.5	204.7

An analysis of the maturity of debt is given in Note 24 (g).

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

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 45 days (2009: 52 days).

There are no suppliers who represent more than 10% of the total balance of trade payables in either 2010 or 2009.

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.

30 Deferred income

	2010 £m	2009 £m
Subscriptions and event fees received in advance	309.8	292.0

31 Disposal of subsidiary

Disposals made in 2010

On 23 July 2010, the Group disposed of Counsel on Education in Management ('CEM'), an Events business specialising in conferences for HR professionals. An impairment charge of £5.0m was recognised in the Interim accounts for the six months ended 30 June 2010. Upon completion, proceeds of £0.1m were received, which was offset by related costs of £0.1m. Therefore there was no impact to the final impairment charge recognised of £5.0m.

Disposals made in 2009

On 6 July 2009, the Group disposed of its interest in Mark Two Communications B.V. with a loss of £1.0m. The net assets of Mark Two Communications B.V. at the date of disposal were £1.0m.

32 Business combinations

Cash paid on acquisition net of cash acquired

	2010 £m	2009 £m
Current year acquisitions¹		
CPDcast.com Limited	4.9	–
EuroMediCom SAS	1.3	–
Emerging Portfolio Fund Research Inc.	9.6	–
Australian Exhibitions and Conferences Group	14.4	–
Other	5.4	–
Prior year acquisitions		
2009 acquisitions:		
Heldref Journals	0.7	8.5
Other	0.6	4.7
2008 acquisitions	0.3	0.8
2007 acquisitions:		
Datamonitor plc	3.7	9.6
Other	–	1.3
2006 acquisitions:		
Citeline, Inc	–	13.7
Junction Limited	–	(0.1)
	40.9	38.5

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

The combined benefit to the Group's profit after tax from the newly acquired businesses amounted to £1.8m on revenues of £6.3m (2009: £0.6m on revenues of £2.0m). The total net assets of newly acquired businesses amounted to £56.0m as at 31 December 2010 (2009: £19.9m).

All acquisitions were paid for in cash (including deferred and contingent consideration) and in all acquisitions full control over the business has been acquired by acquiring 100% of the ordinary issued share capital, with the exception of Australian Exhibitions and Conferences (Australasia) Proprietary Limited on page 103. All transactions have been accounted for by the purchase method of accounting.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

32 Business combinations continued

Business combinations made in 2010

The Group has adopted IFRS 3 (2008) *Business Combinations* and IAS 27 (2008) *Consolidated and Separate Financial Statements* with effect from 1 January 2010.

CPDcast.com Limited

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

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

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

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

Goodwill of £2.3m represents the excess of the purchase price over the fair value of the intangible assets acquired. The goodwill arising on the acquisition is largely attributable to the anticipated incremental sales synergies associated with being part of the Group. The fair value of the acquired identifiable assets and liabilities assumed are provisional pending receipt of final valuations.

Acquisition related costs (included in adjusting items in the consolidated income statement for the year ended 31 December 2010) amounted to £0.1m.

CPDcast.com Limited contributed £0.3m to revenue and a loss of less than £0.1m to the Group's profit for the period between the date of acquisition and 31 December 2010.

If the acquisition had been completed on the first day of the financial year, it would have reduced the profit after tax attributable to equity shareholders by £0.2m; and contributed £0.4m to the revenue of the Group.

EuroMediCom SAS

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

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

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

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

Goodwill of £2.0m represents the excess of the purchase price over the fair value of the intangible assets acquired. The goodwill arising on the acquisition is largely attributable to the anticipated incremental sales synergies associated with being part of the Group. The fair value of the acquired identifiable assets and liabilities assumed are provisional pending receipt of the final valuations.

Acquisition related costs (included in adjusting items in the consolidated income statement for the year ended 31 December 2010) amounted to £0.2m.

The combined business contributed £3.3m revenue and £1.2m to the Group's profit for the period between the date of acquisition and 31 December 2010.

If the acquisition had been completed on the first day of the financial year, it would have contributed £1.2m to profit after tax attributable to equity shareholders and £3.8m to the revenue of the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

32 Business combinations continued

Emerging Portfolio Fund Research Inc.

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

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

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

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

Goodwill of £0.5m represents the excess of the purchase price over the fair value of the intangible assets acquired. The goodwill arising on the acquisition is largely attributable to the anticipated incremental sales synergies associated with being part of the Group. The fair value of the acquired identifiable assets and liabilities assumed are provisional pending receipt of final valuations.

No acquisition related costs were incurred for this acquisition.

Emerging Portfolio Fund Research Inc. contributed £0.6m to revenue and £0.2m to the Group's profit for the period between the date of acquisition and 31 December 2010.

If the acquisition had been completed on the first day of the financial year, it would have increased the profit after tax attributable to equity shareholders by £0.5m; and contributed £2.2m to the revenue of the Group.

Australian Exhibitions and Conferences Group

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

The net cash outflow was £14.4m, which includes a cash consideration totaling £15.0m, less cash acquired of £0.6m.

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

	Book value £m	Fair value adjustments £m	Fair value £m
Net assets acquired			
Intangible assets	–	16.3	16.3
Deferred tax asset	0.1	–	0.1
Trade and other receivables	4.2	–	4.2
Cash and cash equivalents	0.6	–	0.6
Trade and other payables	(1.5)	–	(1.5)
Deferred income	(4.3)	–	(4.3)
Deferred tax liabilities	–	(4.7)	(4.7)
Net (liabilities)/assets	(0.9)	11.6	10.7
Provisional goodwill			4.7
Total consideration			15.4
Less: deferred consideration			(0.4)
Less: net cash acquired			(0.6)
Net cash outflow			14.4

Goodwill of £4.7m represents the excess of the purchase price over the fair value of the intangible assets acquired. The goodwill arising on the acquisition is largely attributable to the anticipated incremental sales synergies associated with being part of the Group. The fair value of the acquired identifiable assets and liabilities assumed are provisional pending receipt of final valuations.

Acquisition related costs (included in adjusting items in the consolidated income statement for the year ended 31 December 2010) amounted to £0.3m.

Australian Exhibitions and Conferences Group contributed £nil revenue and a loss of £0.1m to the Group's profit for the period between the date of acquisition and 31 December 2010.

If the acquisition had been completed on the first day of the financial year, it would have increased the profit after tax attributable to equity shareholders by £1.1m; and contributed £11.2m to the revenue of the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

32 Business combinations continued

Other business combinations made in 2010

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

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

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

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

Goodwill of £2.5m represents the excess of the purchase price over the fair value of the intangible assets acquired. The goodwill arising on the acquisition is largely attributable to the anticipated incremental sales synergies associated with being part of the Group. The fair value of the acquired identifiable assets and liabilities assumed are provisional pending receipt of final valuations.

Acquisition related costs (included in adjusting items in the consolidated income statement for the year ended 31 December 2010) amounted to £0.1m.

The above acquisitions contributed £2.1m revenue and £0.6m to the Group's profit for the period between the date of acquisition and 31 December 2010.

If the above acquisitions had been completed on the first day of the financial year, they would have contributed £1.0m to profit after tax attributable to equity shareholders and £4.0m to the revenue of the Group.

Business combinations made in 2009

Heldref Journals

On 8 July 2009, the Group acquired the trade and specific assets of The Helen Dwight Reid Educational Foundation, a publisher of journals and magazines devoted to a variety of fields, for cash consideration of £8.5m. Including deferred consideration, total consideration will not exceed £9.2m.

	Book value £m	Fair value adjustments £m	Fair value £m
Net assets acquired			
Intangible assets	–	10.6	10.6
Deferred tax asset	–	0.6	0.6
Trade and other payables	–	(0.5)	(0.5)
Deferred income	(1.5)	–	(1.5)
Net (liabilities)/assets	(1.5)	10.7	9.2
Total consideration			9.2
Less: deferred consideration			(0.7)
Net cash outflow			8.5

The Group made a fair value adjustment in 2010 to recognise a deferred tax asset of £0.6m on the deferred income acquired. The adjustment has been booked against the Intangible asset as it occurred within the measurement period.

The deferred consideration has been paid in 2010.

Other business combinations made in 2009

During 2009, the Group acquired the intellectual property of The Black Book of Outsourcing (Black Book), Cards Event, Broadband Worldwide Forum Event and various other publishing titles. Total cash consideration of £4.7m was paid. Including deferred and contingent consideration, total consideration will not exceed £7.5m.

	Book value £m	Fair value adjustments £m	Fair value £m
Net assets acquired			
Intangible assets	–	7.6	7.6
Deferred income	(0.1)	–	(0.1)
Deferred tax liabilities	–	(0.4)	(0.4)
Net (liabilities)/assets	(0.1)	7.2	7.1
Provisional goodwill			0.4
Total consideration			7.5
Less: deferred consideration			(0.3)
Less: contingent consideration			(2.3)
Less: directly attributable costs			(0.1)
Net cash outflow			4.8

The Group made a fair value adjustment for Blackbook by reducing the deferred and contingent consideration by £1.7m. This adjustment has been booked against the Intangible asset acquired as it occurred with the measurement period.

£2.0m of the deferred and contingent consideration is payable during the next three years. £0.6m of deferred and contingent consideration was paid in 2010.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

33 Notes to the cash flow statement

	Notes	2010 £m	2009 £m
Profit before tax		125.0	96.5
Adjustments for:			
Depreciation of property and equipment	17	7.7	9.2
Amortisation of other intangible assets	16	150.1	143.2
Share-based payment	37	2.1	0.6
Loss on disposal of business	31	–	1.0
Gain on disposal of property and equipment		(0.2)	–
Finance costs	10	44.0	51.7
Investment income	11	(5.0)	(3.5)
Impairment	31	5.0	–
Decrease in inventories		6.9	0.9
(Increase)/decrease in receivables		(1.4)	55.8
Decrease in payables		(1.2)	(34.7)
Cash generated by operations		333.0	320.7

Analysis of net debt

	At 1 January 2010 £m	Non-cash items £m	Cash flow £m	Exchange movement £m	At 31 December 2010 £m
Cash and cash equivalents	16.5	–	10.2	1.1	27.8
Bank loans due in less than one year	–	0.9	(168.0)	–	(167.1)
Bank loans due in more than one year	(889.1)	(4.2)	702.8	(9.3)	(199.8)
Private placement loan notes due in more than one year	–	0.2	(437.3)	(2.9)	(440.0)
	(872.6)	(3.1)	107.7	(11.1)	(779.1)

Included within the cash flow movement of £107.7m is £783.6m (2009: £617.7m) of repayment of borrowings and £686.0m (2009: £224.1m) of loans drawn down.

The net movement caused by non-cash items arises from arrangement fee amortisation of £3.1m (2009: £2.0m).

34 Operating lease arrangements

	2010 £m	2009 £m
Minimum lease payments under operating leases recognised in Consolidated Income Statement for the year	26.1	27.4

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

	2010		2009	
	Land and buildings £m	Other £m	Land and buildings £m	Other £m
Operating leases which expire:				
Within one year	25.0	0.9	27.3	0.8
Within two to five years	55.9	1.0	69.8	1.0
After five years	28.2	–	25.4	–
	109.1	1.9	122.5	1.8

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

35 Commitments

	2010 £m	2009 £m
Commitments for the acquisition of other intangible assets	–	–

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

36 Retirement benefit schemes

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

Charge to operating profit

The charge to operating profit for the year in respect of pensions was £8.8m (2009: £8.9m). The net pension charge for the defined benefit schemes in the Consolidated Income Statement for the year was £1.8m (2009: £2.2m), of which £1.2m (2009: £1.0m) was charged to operating profit. The Group also operates defined contribution schemes, and contributions charged to the Consolidated Income Statement during the year were £7.6m (2009: £7.9m).

Defined benefit schemes

Informa Final Salary Scheme

The latest full actuarial valuation of the Informa Final Salary Scheme was carried out at 31 March 2008. An actuarial valuation was carried out for IAS 19 purposes as at 31 December 2010 by a qualified independent actuary. The Group agreed to pay annual contributions of 27.3% of members' pensionable salaries each year, plus payments to pay off the deficit. The Employer expects to pay £2.0m to the Scheme during the accounting year beginning 1 January 2011 in respect of the deficit payments, plus £0.2m in respect of benefit accrual to 1 April 2011. The market value of the scheme's assets as at 31 December 2010 was £50.2m which represented 84% of the benefits (valued on an IAS 19 basis) that had accrued to members, after allowing for expected future increases in earnings. The Scheme was closed to new entrants on 1 April 2000 and will close to future accrual on 1 April 2011.

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

	2010	2009
Discount rate	5.2% p.a.	5.8% p.a.
Rate of return on investments	5.8% p.a.	5.5% p.a.
Rate of price inflation pre-retirement	2.6% p.a.	3.4% p.a.
Rate of increase in pensions in payment – non pensioners	3.7% p.a.	3.7% p.a.
Rate of increase in pensions in payment – pensioners	3.2% p.a.	3.4% p.a.
Rate of increase in salaries	4.8% p.a.	4.9% p.a.

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

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.1%	Decrease/increase by £1.3m
Rate of price inflation pre-retirement	Increase/decrease by 0.25%	Increase/decrease by £2.9m
Rate of increase in salaries	Increase/decrease by 0.25%	Increase/decrease by £0.6m
Rate of mortality	Increase/decrease by 1 year	Increase/decrease by £1.5m

Taylor & Francis Group Pension and Life Assurance Scheme

The latest full actuarial valuation of the Taylor & Francis Group Pension and Life Assurance Scheme was carried out at 30 September 2008. An actuarial valuation was carried out for IAS 19 purposes as at 31 December 2010 by a qualified independent actuary. The Group agreed to pay annual contributions of 27.8% of members' pensionable salaries each year, plus payments to pay the deficit. The Employer expects to pay £1.3m to the scheme during the accounting year beginning 1 January 2011 in respect of the deficit, plus £0.1m in respect of benefit accrual to 1 April 2011. The market value of the scheme's assets as at 31 December 2010 was £17.0m which represented 94% of the benefits (valued on an IAS 19 basis) that had accrued to members, after allowing for expected future increases in earnings. The Scheme closed to new entrants on 8 March 2002 and will close to future accrual on 1 April 2011.

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

	2010	2009
Discount rate	5.2% p.a.	5.8% p.a.
Rate of return on investments	6.0% p.a.	6.1% p.a.
Rate of price inflation pre-retirement	2.6% p.a.	3.4% p.a.
Rate of increase in pensions in payment – non pensioners	3.7% p.a.	3.7% p.a.
Rate of increase in pensions in payment – pensioners	3.2% p.a.	3.4% p.a.
Rate of increase in salaries	4.8% p.a.	4.9% p.a.

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

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.1%	Decrease/increase by £0.4m
Rate of price inflation pre-retirement	Increase/decrease by 0.25%	Increase/decrease by £0.7m
Rate of increase in salaries	Increase/decrease by 0.25%	Increase/decrease by £0.2m
Rate of mortality	Increase/decrease by 1 year	Increase/decrease by £0.5m

Achieve Learning (UK) Pension & Benefits Scheme

The latest full actuarial valuation of the Achieve Learning (UK) Pension & Benefits Scheme was carried out at 31 December 2006.

A further valuation was carried out at 31 December 2008 for IAS 19 purposes and was updated to 31 December 2010 by a qualified independent actuary. A new actuarial valuation is currently in process as at 31 December 2009 and it is expected that the Trustees will put in place a new recovery plan. The scheme was closed to future accrual of pensions at the time of the acquisition of IIR Holdings Limited in 2005. The Group's contribution over the year was £60,000. The market value of the scheme's assets as at 31 December 2010 was £5.9m which represented 98% of the benefits (valued on an IAS 19 basis) that had accrued to members, after allowing for expected future increases in inflation.

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

	2010	2009
Discount rate	5.2% p.a.	5.8% p.a.
Rate of return on investments	6.8% p.a.	6.7% p.a.
Rate of price inflation pre-retirement	2.6% p.a.	3.4% p.a.
Rate of increase in pensions in payment – non pensioners	3.7% p.a.	3.7% p.a.
Rate of increase in pensions in payment – pensioners	3.2% p.a.	3.4% p.a.
Rate of increase in salaries	n/a	n/a

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

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.1%	Decrease/increase by £0.1m
Rate of price inflation pre-retirement	Increase/decrease by 0.25%	Increase/decrease by £0.3m
Rate of mortality	Increase/decrease by 1 year	Increase/decrease by £0.1m

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

36 Retirement benefit schemes continued

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

	2010 £m	2009 £m
Analysis of the amount charged to operating profit		
Current service cost	(1.2)	(1.0)
Total operating charge	(1.2)	(1.0)
Analysis of finance (cost)/income		
Expected return on pension scheme assets	3.7	2.5
Interest cost on pension scheme liabilities	(4.3)	(3.7)
Net finance cost	(0.6)	(1.2)

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

	2010 £m	2009 £m
Analysis of amount recognised in the Consolidated Statement of Comprehensive Income		
Actual return less expected return on scheme assets	3.6	6.8
Experience gain	2.2	0.5
Change in actuarial assumptions	(6.8)	(8.8)
Actuarial loss	(1.0)	(1.5)
Movement in deficit during the year		
Deficit in Scheme at beginning of the year	(11.3)	(10.3)
Current service cost	(1.2)	(1.0)
Contributions	3.6	2.7
Other net finance income	(0.6)	(1.2)
Actuarial loss	(1.0)	(1.5)
Deficit in Scheme at end of the year	(10.5)	(11.3)

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

	2010 £m	2009 £m
Present value of defined benefit obligations	(83.6)	(74.7)
Fair value of Scheme assets	73.1	63.4
Deficit in Scheme and liability recognised in the Consolidated Statement of Financial Position	(10.5)	(11.3)

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

	2010 £m	2009 £m
Opening defined benefit obligation	(74.7)	(63.0)
Service cost	(1.2)	(1.0)
Interest cost	(4.3)	(3.7)
Contributions from Scheme members net of benefits paid	1.1	1.3
Actuarial gains and losses	(4.5)	(8.3)
Closing defined benefit obligation	(83.6)	(74.7)

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

	2010 £m	2009 £m
Opening fair value of Scheme assets	63.4	52.7
Expected return on Scheme assets	3.7	2.5
Actuarial gains and losses	3.5	6.8
Contributions from the sponsoring companies	3.6	2.7
Contributions from Scheme members net of benefits paid	(1.1)	(1.3)
Closing fair value of Scheme assets	73.1	63.4

Notes to the Consolidated Financial Statements

For the year ended 31 December 2010 continued

36 Retirement benefit schemes continued

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

	Expected rate of return year commencing 31 December 2010 %	Fair value at 31 December 2010 £m	Expected rate of return year commencing 31 December 2009 %	Fair value at 31 December 2009 £m
Equities				
Achieve Learning	7.5	4.8	7.75	3.7
Taylor & Francis	7.5	9.0	7.75	7.4
Informa	7.5	32.2	7.75	26.6
Bonds				
Achieve Learning	5.0	0.9	5.7	0.7
Taylor & Francis	4.9	5.0	5.3	4.1
Informa	4.3	6.2	4.8	5.2
Cash				
Achieve Learning	0.5	0.3	0.5	0.6
Taylor & Francis	0.5	1.8	0.5	1.8
Informa	0.5	9.8	0.5	11.7
Property				
Achieve Learning	7.5	–	7.75	–
Taylor & Francis	7.5	1.1	7.75	0.9
Informa	7.5	2.0	7.75	0.7
		73.1		63.4

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

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

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

	2010 £m	2009 £m	2008 £m	2007 £m	2006 £m
Present value of defined benefit obligations	(83.6)	(74.7)	(63.0)	(66.1)	(65.6)
Fair value of Scheme assets	73.1	63.4	52.7	57.7	54.4
Deficit in the Scheme and liability recognised in Consolidated Statement of Financial Position	(10.5)	(11.3)	(10.3)	(8.4)	(11.2)
Related deferred tax assets	2.8	3.1	2.8	2.4	3.4
Deficit net of deferred tax assets	(7.7)	(8.2)	(7.5)	(6.0)	(7.8)
Experience adjustments on Scheme liabilities:					
Amount (£m)	2.2	0.5	(0.1)	0.5	0.6
Percentage of Scheme liabilities (%)	2.6	0.7	(0.2)	0.7	1.0
Experience adjustments on Scheme assets:					
Amount (£m)	3.6	6.8	(11.2)	(1.9)	1.7
Percentage of Scheme assets (%)	4.9	10.7	(21.2)	(3.0)	3.0

Following the completion of the triennial valuations of the main defined benefit schemes, a revised deficit funding plan has been agreed with the trustees to eliminate the deficits in the three schemes. The contributions for the ongoing service cost is estimated to decrease from £1.2m in 2010 to £0.3m in 2011. In addition, the contributions paid towards reducing the scheme deficits will increase from £2.3m in 2010 to £3.4m in 2011 and £3.7m in 2012 when the next triennial valuation will be available.

Notes to the Company Financial Statements

For the year ended 31 December 2010 continued

37 Share-based payments

The Group share options and Long-Term Incentive Plans (LTIPs) provide for a grant price equal to the average quoted market price of the Group's shares on the date of grant. The vesting period is generally 3 years. The options expire if they remain unexercised after the exercise period has lapsed. Furthermore, options are forfeited if the employee leaves the Group before the options vest, unless they meet certain eligibility criteria. The options are equity-settled.

The Group recognised total expenses of £2.1m (2009: £0.6m) related to equity-settled share-based payment transactions in the year ended 31 December 2010.

Share options

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

	2010		2009	
	Options	Weighted average exercise price (p)	Options	Weighted average exercise price (p)
Outstanding at the beginning of the year	1,935,431	392.71	2,245,150	452.81
Adjustment for rights issue	–	–	251,555	311.31
Forfeited/lapsed during the year	(1,035,337)	489.99	(454,788)	422.36
Exercised during the year	(403,096)	259.93	(106,486)	209.75
Outstanding at the end of the year	496,998	286.99	1,935,431	392.71
Exercisable at the end of the year	496,998		1,935,431	

The weighted average share price at the date of exercise for share options exercised during the year was 259.93p (2009: 209.75p).

The options outstanding at 31 December 2010 had a weighted average remaining contractual life of 0.77 years (2009: 0.88 years) and exercise prices ranging from 212.32p to 436.40p (Note 25).

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

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

¹ Valued using the Binomial model of valuation.

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

Long-Term Incentive Plan

The movement during the year is as follows:

	2010 Shares	2009 Shares
Opening balance	4,404,734	2,280,038
LTIPs vested in the year	(323,556)	(117,082)
LTIPs lapsed in the year	(598,442)	(110,848)
LTIPs granted in the year	1,304,737	1,965,434
Adjustment for rights issue	–	387,192
Closing balance	4,787,473	4,404,734

Long-Term Incentive Plan

Date of grant	Estimated fair value	Share price	Exercise price	Expected volatility	Expected life ² (years)	Risk free rate	Dividend yield
29 March 2006 ¹	£3.32	£4.70	n/a	25.0%	3.0	n/a	1.9%
25 April 2007 ¹	£3.41	£5.85	n/a	21.2%	3.0	n/a	2.1%
25 April 2007 ¹	£3.37	£5.85	£0.10	21.2%	3.0	5.5%	2.1%
9 April 2008 ¹	£1.56	£3.42	n/a	28.2%	3.0	4.0%	4.9%
4 September 2008 ¹	£3.09	£4.15	n/a	33.5%	3.0	4.4%	4.2%
4 August 2009 ¹	£1.71 ³	£2.60	n/a	54.1%	3.0	2.5%	2.8%
	£1.79 ³						
8 April 2010	£2.67	£3.97	n/a	53.3%	3.0	1.8%	2.9%
	£2.71 ³						

¹ Valued using the Monte Carlo Simulation method of valuation.

² From 1 January of year in which grant made.

³ 50% split of total awards granted.

In order to satisfy the share awards granted under Long-Term Incentive Plan, the share capital would be increased by up to 4,738,236 shares. The Company is planning to issue additional share capital to satisfy the awards although if circumstances change it may instead buy the shares as needed on the open market.

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 management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

On 8 April 2010 the number of shares granted for the Long-Term Incentive Plan was 1,304,737 with no exercise cost.

A complete listing of all options outstanding as at 31 December 2010 is included in Note 25.

38 Events after the reporting date

There have been no significant events since the reporting date.

Independent Auditors' Report

to the Members of Informa plc

We have audited the financial statements of Informa plc for the year ended 31 December 2010 which comprise the Company Balance Sheet and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2010 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Companies (Jersey) Law 1991.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

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

Under the Listing Rules we are required to review:

- the Directors' Statement, the Corporate Governance Statement, in relation to going concern;
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review; and
- certain elements of the report to the shareholders by the Board on directors' remuneration.

Ian Waller

for and on behalf of Deloitte LLP

Chartered Accountants and Recognized Auditors

London, UK

22 February 2011

Company Balance Sheet

As at 31 December 2010

	Notes	2010 £m	2009 £m
Fixed assets			
Investment in subsidiary undertakings	3	2,001.8	2,000.5
Property and equipment	4	0.1	–
		2,001.9	2,000.5
Current assets			
Debtors due within one year	5	342.0	9.2
Cash at bank and in hand		0.4	0.4
		342.4	9.6
Creditors: amounts falling due within one year	6	(356.1)	(9.6)
Net current liabilities		(13.7)	–
Net assets		1,988.2	2000.5
Capital and reserves			
Called up share capital	7	0.6	0.6
Share premium account	8	1.3	0.2
Reserve for shares to be issued	8	2.6	0.5
ESOP Trust shares	8	(0.4)	(0.4)
Profit and loss account	8	1,984.1	1,999.6
Equity shareholders' funds	8	1,988.2	2,000.5

These financial statements were approved by the Board of Directors on 22 February 2011 and were signed on its behalf by:

Peter Rigby
Chief Executive

Adam Walker
Finance Director

Notes to the Company Financial Statements

For the year ended 31 December 2010

1 Corporate information

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

Principal activity and business review

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

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

2 Accounting policies

Basis of accounting

The Company's financial statements have been prepared on a going concern basis (for further analysis – refer to Corporate Governance Statement on page 33) and under the historical cost convention and in accordance with the Companies (Jersey) Law 1991 and United Kingdom Generally Accepted Accounting Practice (UK GAAP).

The Company's financial statements are presented in Pounds Sterling being the Company's functional currency.

The Directors' Report, Corporate Governance Statement and Directors' Remuneration Report disclosures have been made in the Group Annual Report of Informa plc.

Profit and loss account

Pursuant to Article 104 of the Companies (Jersey) Law 1991, the Company's revenue for the period is £nil, loss before tax for the year is £6.8m (11 March 2009 to 31 December 2009: £6.6m) and loss after tax and retained loss for the year is £6.8m (11 March 2009 to 31 December 2009: £6.6m).

Cash flow statement

The Company's results for the year ended 31 December 2010 are included in the consolidated financial statements of Informa plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (*Revised 1996*) *Cash Flow Statements*.

Related party transactions

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

Financial instruments

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

Investments in subsidiaries

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

ESOP Trust shares

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

Cash and cash equivalents

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

Property and equipment

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

Equipment, fixtures and fittings 3-5 years

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

Share-based payments

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

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

Foreign currencies

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

Interest income

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

Interest expense

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

Notes to the Company Financial Statements

For the year ended 31 December 2010 continued

3 Investment in subsidiary undertakings

	£m
At 1 January 2010	2,000.5
Additions	1.3
At 31 December 2010	2,001.8

The addition of £1.3m relates to the fair value of the share incentives issued to employees of subsidiary undertakings during the year, in accordance with UITF 44 FRS 20 (IFRS 3) – *Group Treasury Transactions*.

The listing below shows the subsidiary undertakings as at 31 December 2010 which affected the profit or net assets of the Company:

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

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

4 Property and equipment

	Equipment fixtures and fittings £m
Cost	
At 1 January 2010	–
Additions	0.1
At 31 December 2010	0.1
Depreciation	
At 1 January 2010	–
Charge for the year	–
At 31 December 2010	–
Carrying amount	
At 31 December 2010	0.1
At 31 December 2009	–

5 Debtors due within one year

	2010 £m	2009 £m
Amounts owed from group undertakings	341.2	9.0
Other debtors and prepayments	0.8	0.2
	342.0	9.2

6 Creditors: amounts falling due within one year

	2010 £m	2009 £m
Amounts owed to group undertakings	355.0	9.6
Other creditors and accruals	1.1	–
	356.1	9.6

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

7 Share capital

	2010 £m	2009 £m
Authorised		
202,500,000,000 ordinary shares of 0.1p each (2009: 202,500,000,000 ordinary shares of 0.1p each)	202.5	202.5

	2010 £m	2009 £m
Issued and fully paid		
600,927,884 ordinary shares of 0.1p each (2009: 599,239,331 ordinary shares of 0.1p each)	0.6	0.6

	Number of shares	£m
Initial issue at 21 April 2009 – 2 shares at 27p each	2	–
Scheme of Arrangement	595,339,255	160.7
Repurchase of initial subscriber shares	(2)	–
Issued in respect of share option schemes and other entitlements	3,800,000	–
Capital reduction from 27p to 0.1p	–	(160.1)
Options exercised	100,076	–
At 31 December 2009	599,239,331	0.6
Issued in respect of share option schemes and other entitlements	1,688,553	–
At 31 December 2010	600,927,884	0.6

Notes to the Company Financial Statements

For the year ended 31 December 2010 continued

8 Capital and reserves

	Share capital £m	Share premium account £m	Reserve for shares to be issued £m	ESOP Trust shares £m	Profit and loss account £m	Total £m
Issue of shares under Scheme of Arrangement	160.7	1,839.3	–	–	–	2,000.0
Capital reduction (Note 6)	(160.1)	(1,839.3)	–	–	1,999.4	–
Options exercised	–	0.2	–	–	–	0.2
Acquisition of ESOP Trust ¹	–	–	–	(0.4)	–	(0.4)
Share-based payment charge	–	–	0.5	–	–	0.5
Own shares sold	–	–	–	–	9.6	9.6
Loss for the period	–	–	–	–	(6.6)	(6.6)
Dividend paid	–	–	–	–	(2.8)	(2.8)
At 31 December 2009	0.6	0.2	0.5	(0.4)	1,999.6	2,000.5
Options exercised	–	1.1	–	–	–	1.1
Share-based payment charge	–	–	2.1	–	–	2.1
Loss for the period	–	–	–	–	(6.8)	(6.8)
Dividend paid	–	–	–	–	(8.7)	(8.7)
At 31 December 2010	0.6	1.3	2.6	(0.4)	1,984.1	1,988.2

¹ On 30 June 2009 the ESOP Trust was acquired from Old Informa.

As at 31 December 2010 the Informa Employee Share Trust held 49,237 (2009: 189,050) ordinary shares in the Company at a cost of £0.1m (2009: £0.4m) and a market value of £0.2m (2009: £0.6m). 49,237 shares (2009: 71,628) held by the Employee Share Trust have not been allocated to individuals and accordingly, dividends on these shares are waived.

During the year equity dividends of £8.7m (11 March 2009 to 31 December 2009: £2.8m) were paid by the Company to those shareholders who did not elect to receive dividends under the Dividend Access Plan (DAP) arrangements. In total, dividends of £74.1m (11 March 2009 to 31 December 2009: £21.6m) were paid in the period of which £65.4m (11 March 2009 to 31 December 2009: £18.8m) were paid by Informa DAP Limited under the DAP arrangements. Further details of the proposed dividend and DAP arrangements are given in Note 13 to the Group financial statements.

9 Share-based payments

Details of the share-based payments are disclosed in the Group financial statements (Note 37).

10 Post balance sheet events

There have been no significant events since the reporting date.

Five Year Summary

	2010 £m	2009 £m	2008 £m	2007 £m	2006 £m
Results					
Revenue	1,226.5	1,221.7	1,278.0	1,129.1	1,039.1
Adjusted operating profit	313.2	309.5	305.8	261.0	219.1
Statutory operating profit	164.0	145.7	164.6	154.0	128.3
Statutory profit before tax	125.0	96.5	109.0	124.4	86.5
Profit attributable to equity holders of Informa plc	98.9	105.6	84.9	99.2	67.4
Assets employed					
Non-current assets	2,820.9	2,859.1	3,123.5	2,767.6	2,096.2
Current assets	299.5	279.6	337.7	303.9	286.4
Non-current assets classified as held for sale	–	–	–	2.2	2.2
Current liabilities	(851.7)	(656.6)	(795.3)	(591.3)	(527.3)
Non-current liabilities	(867.8)	(1,152.6)	(1,592.9)	(1,553.9)	(925.5)
Net assets	1,400.9	1,329.5	1,073.0	928.5	932.0
Financed by					
Equity	1,400.9	1,328.6	1,071.8	927.9	931.4
Non-controlling interest	–	0.9	1.2	0.6	0.6
	1,400.9	1,329.5	1,073.0	928.5	932.0
Key statistics (in pence)					
Earnings per share	16.5	18.8	16.8	19.7	13.4
Diluted earnings per share	16.5	18.8	16.8	19.6	13.4
Adjusted earnings per share	34.8	34.3	33.9	30.0	26.3
Adjusted diluted earnings per share	34.8	34.3	33.9	29.9	26.2

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Legal Notices

Notice concerning forward-looking statements

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

The Group warns investors that a number of important factors, including those in this Annual Report, could cause actual results to differ materially from those contained in any forward-looking statements. Such factors include, but are not limited to, those discussed under 'Risk and Uncertainties' on pages 26 to 30 of this Annual Report.

Website

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

Shareholder Information

Registrars

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

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

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

Visit www.investorcentre.co.uk/je for further information. You will need your shareholder reference number as shown on your letter from Informa dated 25 January 2011 which outlines the move to Computershare.

If you currently hold a Shareview Portfolio account (as managed by Equiniti) you will need to re-register under the new Computershare web-address. You can register quickly and easily by going to www.investorcentre.co.uk/je and clicking on the 'Register' button. You will be asked for various information including the following:

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

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

Global payments service

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

Dividend

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

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

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

Share Dealing

If shareholders wish to buy or sell any Informa shares, they can do so by calling NatWest Stockbrokers, on 0808 208 4433 (+44 808 208 4433). Instructions on how to deal will be provided over the phone. The helpline is open 8.00 am to 4.30 pm UK time, Monday to Friday, except Bank Holidays.

CREST Electronic Proxy Voting

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

ShareGift

ShareGift (Registered Charity no. 1052686) is an independent UK charity which specialises in accepting donations of small numbers of shares which are uneconomic to sell on their own. ShareGift is particularly designed to accept unwanted shares and uses the ultimate proceeds to support a wide range of UK charities. Over £13m has been given by ShareGift so far to over 1,700 different UK charities. Further information about ShareGift can be found on their website, www.ShareGift.org or by calling 020 7930 3737 (+44 20 7930 3737).

Electronic shareholder communication

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

Protecting your investment from share register fraud

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

If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation
- Check that they are properly authorised by the FSA before getting involved. You can check at www.fsa.gov.uk/register
- Report the matter to the FSA either by calling 0845 606 1234 (+44 845 606 1234)
- Inform our Registrar on 0870 707 4040 (+44 870 707 4040)

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 correspondence from the Registrars in a safe place, or destroy correspondence by shredding it.
- If you change address inform the Registrars. If you receive a letter from the Registrars regarding a change of address and you have not recently moved, contact them immediately.
- Know when the dividends are paid and consider having your dividend paid directly into your bank (contact the Registrars). If you change your bank account, inform the Registrars of the details of your new account. Respond to any letters the Registrars send to you about this.
- If you are buying or selling shares, only deal with brokers registered in the UK or in your country of residence.

Principal Group Offices

Africa

Nigeria
South Africa

Americas

Brazil
Canada
Chile
Mexico
USA

Asia

China
Hong Kong
India
Japan
Malaysia
Philippines
Russia
Singapore
Taiwan
Thailand
Vietnam

Australasia

Australia
New Zealand

Middle East

Bahrain
Saudi Arabia
UAE

Europe

Austria
Belgium
Czech Republic
Denmark
Finland
France
Germany
Greece
Hungary
Italy
Monaco
Netherlands
Norway
Poland
Portugal
Romania
Spain
Sweden
Switzerland
UK