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Moderator: Richard Menzies-Gow
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Operator: Good day, ladies and gentlemen, and welcome to the First Quarter Trading Update conference call. For your information today's conference is being recorded. At this time I would like to turn the conference over to Mr Richard Menzies-Gow. Please go ahead, sir.

Richard Menzies-Gow: Thanks very much. Good morning, everyone. It's Richard Menzies-Gow, Director of Investor Relations at Informa. Hopefully you have all had a chance to read the First Quarter Trading Update Statement we put out this morning. I'm here with Gareth Wright, the Group Finance Director. We're going to follow the normal format, he is going to say a few opening remarks and then we will jump straight to Q&A. Over to you, Gareth.

Gareth Wright: Thanks, Richard. Good morning, everyone and thank you for joining the call. We are reporting today that Informa has delivered a solid first quarter trading performance and that the investment programme to deliver the growth acceleration plan is underway and on schedule.

There's a long way to go in the year and the first quarter is a smaller quarter than the average but this performance means that we're on track to deliver our trading objectives for 2015. Expectations for the full year remain unchanged. The balance sheet remains healthy and we are confident in our ability to deliver free cash flow 2015 despite the extra investment going in to the growth acceleration plan.

Turning to the divisional trading performance Academic Publishing performed broadly as expected in the first quarter. Growth of 0.3% was below our long term average for the business but doesn't change our expectations for full year. We saw some lumpiness in the books trading and we saw a slightly higher than average level of books returns, both things that we've seen in quarters before and which tend to even out over the course of the year. Overall, this is a reliable

and resilient business and we remain confident of delivering another year of growth in line with or ahead of the wider academic market.

In Business Intelligence we continue to make steady progress. The new management team is focusing on customer management and the renewals process as well as managing our sales teams more effectively and this appears to have had an impact in the quarter. As a result, the run rate of decline has improved compared to 2014 with a 6.8% year-on-year decline over three months. We're also focused on launching the various BI investment programmes as part of the growth acceleration plan with around a third of the total project spend earmarked for Business Intelligence. Some of these initiatives were kicked off in the first quarter with more to follow in 2015 which is consistent with our longer term plan to return the division to a positive growth run rate by the end of 2016.

The revenue performance of the two Events divisions has been heavily influenced by timing changes in events year-on-year but on an underlying basis both divisions are in line with our expectations for 2015.

In Knowledge & Networking, our conference and learning business, we continue to see good potential for improvement over the period of the growth acceleration plan. The trading results of the first quarter were impacted by the scheduling of certain larger events in to the second quarter. Without that phasing the organic revenue result for Q1 would be in line with the revenue performance from the second half of 2014. In Knowledge & Networking, we expect these phasing variances to reverse through 2015 and we continue to target a positive organic growth run rate by yearend.

In Global Exhibitions we're reporting another strong result with organic growth at 15.6% across the first three months. In this division phasing is a net benefit in Q1. Excluding all the scheduling changes, the 15.6% organic growth would have been a low double digit number. Above all, we're pleased with the performance of our flagship events in the first quarter in Global Exhibitions. Our top 20 events represent around 60% of divisional revenues and the three top 20 events included in the Q1 organic revenue growth grew by around 15% year-on-year. For Global Exhibitions we expect the quarterly phasing variances to reverse within the year.

But the 2014 additions of the Quadronial IPEX and the bi-annual ForMóbile will impact year-on-year growth in 2015.

So in summary, the Group's underlying trading performance was as we anticipated over the first three months and our expectations for the full year remain unchanged. This represents a balanced performance delivering a period of continuing operational transition for Informa which has also seen the launch of the growth acceleration plan investment programme.

Richard and I would now be happy to have any questions that you may have.

Operator: Thank you. If you would like to ask a question at this time, please press the star or asterisk key followed by the digit 1 on your telephone. Please ensure the mute function on your telephone is switched off to allow your signal to reach our equipment. If you find your question has already been answered, you may remove yourself from the queue by pressing *2. Again, that's *1 to ask a question. And we have an opening question from Nick Dempsey of Barclays. Please go ahead, your line is open.

Nick Dempsey: Yes, good morning guys. I've got three questions, actually. The first one – is it fair to say the stripping out the quarterly timing effects and also the bi-annual and Quadronial effects from last year and this year that Global Exhibitions growth has slowed a little bit compared to last year? And the second question – when you're talking about the wider Academic market growth, I think going back to your Investor Day you talked about 2 to 3% as a fairly typical growth rate so can we assume that's the benchmark that you're using? And then the third question – in Knowledge & Networking your like-for-like trend is pretty similar to what we've seen through 2013 and '14, so what gives you confidence that growth in that division can gradually start to improve from here?

Gareth Wright: Okay, hi, Nick. In terms of Exhibitions, I think that Q1 in isolation probably is a touch slower. I mean, I think overall we're comfortable with the full year expectations, as I said, in the lower double digit growth rate which is still well ahead of the market average for that division. Last year, yes, there was some strong performance as in some of the businesses like health, etc.

It's pretty good this year, as I said, in the piece on the organic growth in the large events – a 15% growth – which we're pretty happy with. But overall, yes, it is a touch probably lower in Q1 in isolation.

On the 2 3% growth rate, yes, that is what we talked about previously.

And on K&N, I think what's happening is that the management team is in place now. It's got the business set up the way they want to have it set up going forward, which is something that they've done during the course of Q1. And really now it's a matter of focusing on the scale of benefits they can get from the structure they've put in place, the focus it gives them in terms of the focus on the key markets. And they're also be having a look at the portfolio and the portfolio of events and making sure they play to their strengths and running the good events as well as they can do. So there's no sort of single thing that they're doing there in 2015 but I think it's a bit about running the business slightly more effectively and slightly better than it has been run in the past. The growth acceleration plan benefits for that division will really start from 2016 onwards so we're looking at making operational improvements in '15 and then the investment starts to come through going forward.

Nick Dempsey: Okay. Sorry, Gareth, can I just come back to what you said about Exhibitions and you said growth in the lower double digits. So can I just confirm on what basis you mean that. Do you mean for the full year including the drags from bi-annuals and Quadronials?

Gareth Wright: That's in Q1 that we're talking about there.

Nick Dempsey: Oh, you're talking about Q1? Okay, sorry, I misunderstood. I thought you said amount for the full year. Okay, perfect, thank you.

Operator: We will take our next question from Matthew Walker of Nomura. Please go ahead, your line is open.

Matthew Walker: Oh, hi. Good morning, everyone. I was just wondering, could you be a little bit more granular on some of the things that have been done in the Business Information division so far

and what projects you're launching in 2015? And the other one – could you, on the books business, Academic Publishing, you've mentioned the growth rate for the market of 2.3% so you think you'll be at or ahead of that market. Has anything happened in the quarter or will it happen for the first half with the leftovers from Swets? And you mentioned that there's been a higher level of returns. Is that a concern for later in the year or not?

Gareth Wright: Hi, Matthew. No, in terms of the returns, that is not something I think that we're overly concerned about on a full year basis. I mean you do get these patterns from time to time and it can be a bit lumpy, just that we're dealing with a 13-week period here and therefore it's come through in the overall growth rate. But I think on a full year basis we don't have any particular concerns at this stage about the ramifications for our ability to deliver revenue growth in line with what you've seen in the past and come to expect in this division.

In terms of Swets, that money is slowly coming through. There's no particular change in expectations there. By the end of the first quarter I think we'd received around three-quarters of back cash. Again, no particular concerns there on our behalf. It's just working through the system and the team are managing on a customer-by-customer basis to make sure it comes in but no particular dynamics that we're concerned about there on Swets.

In terms of the projects in BI, the first thing the team has really done is looked at how the sales teams are working. So Patrick and his new Head of Sales are looking to manage the sales teams more effectively, giving them targets, managing them more closely, managing them on the five divisional verticals that we've set up for Business Intelligence and running those teams with a bit more resource as well and looking to get a bit more out of them going forward. So that was kind of a first part of the growth acceleration plan for BI – was just recruit a bit of extra resource in to the sales teams and reorganise the sales teams to be a bit more effective. And I think that has had a bit of a benefit in terms of sales and renewal rates through the first quarter. It is early days. We're not getting carried away with it but there has been a bit of a short term benefit in terms of that one.

And another area where we've kicked off a project, is in one of the five verticals – which I won't mention for commercial confidentiality reasons – but basically in that vertical we've identified

that the analyst capability has been reduced a bit as part of the cost cutting over the last couple of years to maintain the margin and we've put a bit of capability back in to that vertical and that's enabling us to better service the customer requirements there and increase the breadth of coverage of topics in this where we've perhaps become a bit narrow compared to the competition as a result of lower resources. And the increased headcount is enabling us to open out our breadth of coverage which is what our customer feedback tells us that our subscribers are looking for from us.

So those are the kind of early projects that we started off. There are a number of other projects for BI coming through the pipeline in Q2. But the programme is up and running with the PMO in place for BI that they need to support them, and we're confident that will deliver the growth acceleration plan that we have for that division over the next couple of years.

Matthew Walker: And just on, I remember at the full year you mentioned something to do with levels of deferred revenue in this division which gave you some hope for it. Could you maybe say how that's moved or have there been any changes in that that are relevant?

Gareth Wright: No, no particular changes in that profile since yearend. As we said at the yearend, it's not a negative position to be in but it's not something that we're reading too much in to, either.

Matthew Walker: Okay, thanks very much, thank you.

Gareth Wright: Cheers.

Operator: We will take our next question from Jonathan Helliwell of Panmure Gordon. Please go ahead, your line is open.

Jonathan Helliwell: Thanks very much. Good morning, three little things from me, actually. The first is on the World of Concrete being up 20%, that actually sounds rather stronger than expected. Is that ahead of what you were expecting for that business at this stage? Second, if you could just give a bit more colour on trading conditions in Russia which you mentioned specifically for Knowledge & Networking. I'm sure it's bad but I'd love to get a bit more colour on it and just the

scale of it, obviously, in Group context or in additional context. And then the third thing is just in Business Intelligence are you getting any assistance yet from the two market areas which were holding you back – so Pharma and Financials. Or would you say that it's all what you've been doing internally that's driven the slight improvement so far?

Gareth Wright: Yes, I think on Business Intelligence we're not seeing any specific change in the market, really, at the moment. I mean, the market is as it was in 2014 and there's no particular pickup in the market that's driving the improvement in our decline. I think, as we said in the piece, it's more around one or two of the operational improvements I think that we've made so far around the sales teams I think that are giving us a bit of a better performance but no particular or material change in the market conditions in that space.

In terms of World of Concrete, we are very pleased about the performance. Our due diligence always told us that was a particularly strong brand and a show that the exhibitors thought very highly of and valued very highly. So that was a key part of the brand and a key part of the acquisition. The performance of the business – our performance of that show in 2015 – was a bit ahead of the model which is pleasing and a testament to the teams' efforts out in the US.

In terms of Russia, I think really on Russia there's not a big change from the second half of '15 there is a bit of a change against Q1 '14 when you come to look at the numbers. But against the second half probably there'll be less change. Really it's the ongoing dynamic around sanctions and the restrictions that puts on trading. There's a bit of a weakness in the oil and gas sector in Russia over the lower oil price and that is also having an impact on their confidence and disposable income. So it's not a material factor for the Group overall but in Knowledge & Networking as a division in isolation, it's worth a couple of percentage points to their revenue and so therefore becomes a more important factor.

Jonathan Helliwell: Lovely, thanks so much.

Operator: We will take our next question from Vighnesh Padiachy of Goldman Sachs. Please go ahead, your line is open.

Vighnesh Padiachy: Good morning, guys, a couple of questions. Firstly on BI, can you update us? I think you were planning to sell some of the consumer businesses there. Where are you with that? And secondly, in Knowledge & Networking, are you seeing any signs of an improved European economy? I think you've got some businesses in Germany, in particular. Are there any signs of improvement there?

Gareth Wright: Hello, Paddy. No. On Europe I think basically the performance there is pretty flat – Q1 '15 versus Q1 '14, no deterioration but no particular improvement, really, in that business' performance in 2015.

And on the sale process there is no specific update on that process at this stage. We're still working through our options but at this stage no specific update.

Vighnesh Padiachy: Great, thank you.

Operator: We will take our next question from Ruchi Malaiya of Bank of America. Please go ahead, your line is open.

Ruchi Malaiya: Hi, good morning, Gareth. So on Business Intelligence can you maybe talk about how confident you are that the division can continue to improve from here and maybe what the risks are around it getting worse before it continues to get better – or from this point onwards as your base case that we should see ongoing improvements in the rate of decline. And then, secondly, just on the shape of the Exhibitions business. Is the savings just between first quarter, second quarter or is there anything in particular we should keep in mind about the weighting between the first half and the second half and the phasing of the Events business? Thanks.

Gareth Wright: Hello, Ruchi. In terms of Business Intelligence, I think certainly we're making progress in that division but I think it's early days to be saying that we think it's going to be a smooth, upward trend from here. There's definitely a timing effect around the short term improvements that the management team are able to make in the business versus the longer term growth acceleration plan investments coming on-stream, because that's what ultimately will underpin growth in that division. So if the timing works in our favour and the sales improvements are still

running and having an effect when the growth acceleration plan investments begin to come out on-stream and have an effect then it may be a smooth trend, but that's quite difficult to choreograph exactly right. And therefore I think overall we're comfortable with the direction of travel but there may be some bumps along the way as we go through the next two years.

In terms of a risk to the smooth transition, one thing that we would point out is that whereas subscriptions are round about 85% of revenue in that division, one-off sales are about 15%. So again, they could cause one or two ups or downs along the way as we close deals in areas like consulting, etc. So that could also produce a little bit of volatility. But overall we're comfortable with the progress being made and we're comfortable with our ability to return the division to a growth run rate by the end of '16.

In terms of the phasing in Exhibitions, the phasing will certainly reverse across the year but I don't think it will reverse entirely in Q2. There's a bit of a dynamic whereby some of the Q2 events have gone in to Q3. So as I say, we're comfortable with this just across the whole of the year but the phasing will continue to move around a bit between quarters.

Ruchi Malaiya: Great, thank you.

Operator: As a reminder, if you would like to ask a question, please press *1 on your telephone keypad. We will take our next question from Andrea Beneventi of Kepler Cheuvreux. Please go ahead, your line is open.

Andrea Beneventi: Hi, good morning, gentlemen. A couple of questions from me, please, on Academic Publishing. Firstly, could you give us a little bit of detail by type of product, are book revenues still growing – and print versus digital, please? And secondly, do you include the effect of the contracts with Bloomsbury in the organic and how much did it contribute to the quarter, please?

Gareth Wright: In terms of Academic overall, I think at this stage we're really saying that we're not changing our full year view of any of the individual dynamics around Academic. So at this stage I think none of the dynamics are material enough for a change in how we will position us. eBooks are still making progress but again, no particular change in the overall portion of the revenue of

our books business. And in terms of journals and revenues, the journals market is preceding us. We thought it would in 2015 so renewal rates and pricing are no different to expectations there. And in terms of the books, generally, we've had a bit of a lumpy start to the year in terms of books revenues and returns – but again, nothing that would change our view of the full year basis in Academic.

In terms of the Bloomsbury deal that you mentioned, no, there's nothing in our organic for that deal.

Andrea Beneventi: Then maybe a follow up question on the returns – are they coming from one specific region or sales channel?

Gareth Wright: No, no particular regions. And it's also a fairly global business these days. You approach the one place and return somewhere else which is something I've seen that's got to get – has to be close to and maintain control over. But there's no particular region you'd say that's implementing it. Possibly slightly higher in the US but I don't think there's any particular dynamic there.

Andrea Beneventi: Okay, thank you.

Operator: We will take our next question from Roddy Davidson of Westhouse Securities. Please go ahead, your line is open.

Roddy Davidson: Good morning, chaps. Just a couple of high level questions, if I may. Firstly, on Acquisitions, just any comments on the pipeline – the aspirations, particularly in the context of deals that have been completed, just sort of get a sense of your appetite on that front. And also any comments on currency as an impact year-to-date and also on how you might think that dynamic will play through as the year continues.

Gareth Wright: Yes, hello, Roddy. In terms of M&A we continue to review lots of opportunities. There are certainly lots of things coming across the table that we're putting in to our process. But we're being rigorous in terms of our M&A assessments and we're sticking to targets and

everything quite carefully and looking at it in relation to the growth acceleration plan and therefore in the first quarter of 2015 we've not completed anything significant. We've made a few bolt-ons. In Exhibitions the Orlando Show – we've talked about it previously, I think – and also in Academic we made one or two bolt-ons there, but nothing outside of Academic and Exhibitions and as I say, nothing significant at this stage. With our balance sheet strength we are positioned to move quickly should anything arise and should anything come up that we want to go for which is the position that we wanted to be in coming out of 2014 but at this stage nothing material in early 2015.

In terms of currency, I think it's difficult to tell exactly where consensus is on the US dollar at the moment because it's spread around a bit. But I think it's on or maybe just a touch above where the market FX rates are at the moment but it's certainly very close to 1.50 in terms of the consensus rate which is pretty much on the market. So USD is probably a touch better than it has been, euro's a touch worse. So overall, I would expect that when the consensus settles down after this we would pretty much be on the market in terms of FX.

Roddy Davidson: Okay, thanks, and just a quick supplementary on the acquisition question. Any significant changes to availability or vendor aspirations in terms of prices over the last few months and also other sort of deals that you could be doing or are looking at? Are they, they tend to be subject to a long gestation period or are they things which are popping up that you haven't seen before?

Gareth Wright: On the gestation period, a number of things that we've had success with over recent years are things or assets that we've gotten close to over a longer period of time, built a relationship with and therefore been well-positioned to move when they've become available. So I don't know whether you call that a long gestation period or good business development, good industrial relations in the business. But we're certainly trying to build a relationship with these businesses over time so that we're in position with them when they come to market.

But in terms of things that are going on at the moment, there's nothing significant that we've looked at in Q1 that is currently ongoing at this stage. In terms of the aspirations in that market are possibly, if anything, a touch higher than they have been in recent times. I think it gives us

comfort that the deals we did in 2014 are at Virgo and around the Hanley Wood exhibition businesses were well-priced deals compared to some of the multiples we're seeing in the market in Q1 '15. But overall I think we're not seeing a long term change in vendor aspirations in that space.

Roddy Davidson: Okay, thanks for that.

Operator: We will take our next question from Patrick Wellington of Morgan Stanley. Please go ahead, your line is open.

Patrick Wellington: Yes, good morning, everybody, a couple of questions. The first one, Hanley Wood, we've had three of the big four shows so far this year and you've told us about World of Concrete. Do you want to tell us about the other two shows that have occurred? Secondly, on Knowledge & Networking, I thought at the full year it was notable that you were pretty bullish on the margin for this year. Any update on whether you think that margin will still be ahead of the 2014 level? And thirdly, just on the returns in Academic, isn't that becoming somewhat habit-forming? I seem to remember the previous year as well we had an unexpectedly strong Q4 followed by a bit of a duff Q1. Are we simply overstating Q4 and getting the kickback in Q1? Is that what's occurring in that business?

Gareth Wright: No. It's absolutely what's not occurring in that business. The trading and the run up to yearend is based on shipments from suppliers, from customers. I think what you're seeing, perhaps, is customers looking to order before they get to the yearend changes in the pricing – so that is making the Q4 performance stronger and possibly, therefore, providing a bit of a headwind in Q1. So I think in the sense that the Q4 '14 and Q4 '13 were both very strong revenue performances therefore both the last two Q1s have perhaps been a touch weaker. But that's not a dynamic that changes our view on the full year trading performance at this stage.

In terms of the Hanley Wood shows, yes, you're right, there are three of the main ones in the first quarter. We talked about World of Concrete. The International Surface Show out in Vegas and the International Roofing Expo have also taken place which are three of the top four in total. All of them have performed well. And we're comfortable with all their performance

against plan. They've all been at or above of the acquisition model and therefore we think that leaves us well-positioned to build with that business – if you excuse the pun – going forward on the performance.

Patrick Wellington: Presumably World of Concrete is the best growth at 20%, that's why you've highlighted it. So the other ones would be less than that but are they double digit?

Gareth Wright: Well, it's more that World of Concrete is the largest of the shows and we're particularly pleased with that. But the others have grown. They're actually ahead of the acquisition model so that's a good result. But those numbers are not in the organic growth rate that we've reported. The organic growth strips out all three of those Hanley Wood shows.

Patrick Wellington: Sure. And margins for Knowledge & Networking – sorry?

Gareth Wright: Yes. In terms of Knowledge & Networking, I think that we remain confident in the medium term, the margin is definitely improvable in that business. It may or may not be in 2015 but definitely over the medium term with the growth acceleration plan improvements and with the effort to manage the portfolio more closely and rationalise the portfolio that over the medium term we can definitely improve the margins in that business. But the key thing for us in '15, I think, is targeting an organic growth run rate by the end of the year and again, the business position for growth in the future.

Patrick Wellington: Okay. So it's not necessarily...but you seemed quite certain at the full year stage that margins would improve in '15, but maybe not?

Gareth Wright: I think there's opportunity, perhaps, to improve in '15 but it may be in '16. I think what we're saying is that margin improvement is not our number one priority in that business. Getting the business on a firm footing of revenue growth is the priority.

Patrick Wellington: Okay, that's great. Thank you.

Operator: As a final reminder, if you would like to ask a question, please press *1 on your telephone keypad. We will take another question from Andrea Beneventi of Kepler Cheuvreux. Please go ahead, your line is open.

Andrea Beneventi: Thank you, one follow up from me please on Knowledge & Networking. Are you still taking out capacity? And how many conferences are you planning to run in 2015 in total please?

Gareth Wright: We are looking to, as in all parts of the business, we are looking to manage the portfolio more proactively going forward. But I think taking out capacity is not something we're going to do a lot of at the moment, just looking to replace the strengths more and push the stronger shows in that space rather than large-scale reduction of capacity. Certainly in the past a lot of the capacity reductions would be delivered in areas like mainland Europe and that is a more stable environment in '15 rather than an area where we're looking to take out a lot of the capacity.

In terms of the overall number of shows, I think at this stage it wouldn't be massively dissimilar to 2014. I think in Knowledge & Networking, unlike in Global Exhibitions, in Knowledge & Networking has quite a long tail of small events and so the headline number of events operated by in Knowledge & Networking is perhaps less of a KPI for us, if you like, or operating metric for us, as a business than it is in something like Global Exhibitions. So that's not something we're specifically tracking in detail at this stage.

Andrea Beneventi: Thank you.

Operator: We will take our next question from Steve Liechti of Investec. Please go ahead, your line is open.

Steve Liechti: Hi, guys, just a couple of quickies. One is, I know you stopped funding the China Pharmaceutical thing for Business Intelligence. Does that have any material effect as we go through the year or effect in 1Q in terms of your like-for-like?

Gareth Wright: Hi, no, Steve, no. There's no impact on the Q1 like-for-likes for that in 2015. There was no real revenue generation from that investment which was a large part of the problem that led to our impairment at the 2014 yearend, to be honest.

Steve Liechti: So basically it wasn't doing the revenue so no effect but obviously there was a cost there – yes.

Gareth Wright: Correct – no revenue, no effect, yes. There was no revenue from it, it was really just stopping funding, exactly.

Steve Liechti: Okay, fine. Also you referenced in the full year about closing and consolidation of events activities. Just to be absolutely clear, was that conferences stuff? And just to remind me, when you do close down these things, does that get included in the like-for-like?

Gareth Wright: Yes. The ongoing management of the portfolio in both the Events businesses is a key dynamic in the market in terms of looking at what events are going well, what's growing, what, perhaps, should we consolidate in to another event, etc. We treat all that as part of the ongoing organic operation of the business. So none of that is stripped out of the revenue growth.

Steve Liechti: Okay, fine. So we've got that in there – that's fine. And then, look, I don't want to go on about it but Patrick's question about the margin on conferences. It did feel to me as though you were flagging – or certainly I've modelled margin going up in fiscals '15 rather than waiting until '16. Is that you just being cautious now or has something changed? I just need to understand whether that is a change.

Gareth Wright: Nothing's changed particularly in our view. I think we're trying to be clear on what our priorities are in that division. If we have the option to drive the revenue better in 2015 and that will cost us a touch on the margin, our strategic direction at the moment is to take revenue opportunities and to drive the revenue opportunities in the division and put the division on a long term footing going forward in terms of revenue growth. The margin improvement is something that we think is achievable but it's not a specific strategic target for us in 2015.

Steve Liechti: Yes. So if you are sort of prepping how to get to your fourth quarter growth target in that division, are you really saying, well, we've just got to sacrifice that margin to get that target?

Gareth Wright: I'm not saying we're specifically looking to sacrifice it. I think there is definitely an opportunity to improve the margin in that division. It's something we will try and do. But just in terms of our priorities we're trying to be clear that our priority is putting that business on a revenue growth footing in '15 rather than a priority of improving the margin in '15.

Steve Liechti: Yes, got it, okay, perfect, thanks.

Operator: We will take our next question from Johnathan Barrett of N+1 Singer. Please go ahead, your line is open.

Johnathan Barrett: Hi, guys. Most of my questions have been answered, right. I just want to pick up on that conference margin. It's just to make sure I'm clear. You have essentially raised investments above plan in that area, haven't you, for this year now effectively to support this sector growth opportunity which you seem to have identified. I just want to make sure I've got that right.

Gareth Wright: Yes. And we are putting growth acceleration plan investment in to Knowledge & Networking in 2015. Some of those projects have kicked off around how they work with communities and how they have a community-based and focused offer in their business. So those areas are specifically underway and in train in 2015.

Johnathan Barrett: Should we think about margin improvements may be coming through post-investment phase – so more like in 2017, just so that you've got all the investment in there and you're then starting to see the revenue growth and bookings start to come through in late '16? Is that the sort of profile we should think about margins?

Gareth Wright: I think you hit the theme of what we're saying is that I think this was a 17% margin business last year. Through the medium term given the investments we're making we think we can get it better than that – not least because if you look in the portfolio there's quite a mix of

margins in there. We've got events in that business that deliver exhibition-type margins but then we've got a pile of smaller stuff that delivers pretty low margins. So you know, if part of the plan is to focus the business and really get the best out of some of our best franchise and brands, naturally you would think that that could have a benefit to margin over time. So I think your timescale's right. I mean, we'll see where we get to this year. We definitely want to try and get back on to that growth trend but then through the next few years we would expect if we deliver on that and we get the business in the shape we want, that we can start to move that margin upwards.

Johnathan Barrett: Okay, thank you very much.

Operator: We will take our next question from Nick Dempsey of Barclays. Please go ahead, your line is open.

Nick Dempsey: Yes, hi, just a couple of follow-ups. Just in terms of Steve's commentary and question on Knowledge & Networking. I think Steve said that you guys had a target for growth in Q4 whereas my understanding was that you would hope to see growth looking out in to '16 when you get to the end of Q4. I just wonder if you could clarify that.

And then just on this Knowledge & Networking margin point, am I right in thinking that when you said that margins should improve in '15 you meant excluding any effects from the restructuring plan – the growth acceleration plan when you made that comment back in February?

Gareth Wright: Yes, Nick, you're right that on the growth point we're looking at growth on a run rate basis at the end of 2015, that's what we're targeting, so that we are looking at growth in to 2016 as the key target for revenue growth.

In terms of the margin, the impact of the growth acceleration plan costs on 2015 is not enormous because the projects are kicking off in '15, but certainly any depreciation will be more of a '16 effect. So I think it's really an overall potential point that we think there is the potential to improve the margins over the medium term. The growth acceleration plan will be a little bit

of a headwind on the division particularly in '16. But at the moment we think the '15 margin is something that we will continue to work in the division and that overall we say is probably going to be a net-net basis, not dissimilar as where it was in '14 as the growth acceleration plan costs will be offset by any underlying improvement in the division.

Johnathan Barrett: Great, thank you.

Operator: We will take our next question from Matthew Walker of Nomura. Please go ahead, your line is open.

Matthew Walker: Yes, thanks. It was just, again, the question on the K&N margin. Certainly in my model, my understanding was that it would be possibly slightly down in '15 because of the growth acceleration plan not up so I just wanted to check that. But it sounds like you've clarified it could be around the same level as '14 – so around the 16.9 – even including the costs of the growth acceleration plan?

Gareth Wright: Yes. So it depends on the phasing and the costs and how you model them but I think net-net, the '15 position is that you'd expect to be broadly on or around the '14 margin in that business in the absence of any change in the portfolio.

Matthew Walker: Okay, thanks very much.

Operator: As we have no further questions in the queue, I would like to turn the call back to the speakers for any additional or closing remarks.

Gareth Wright: Great, thanks very much. Thanks, everyone, for tuning in. If you've got any follow-ups we're around all day if you want to get in contact with us and we'll look forward to speaking to everyone again soon. Thanks very much.

Operator: Thank you. That will conclude today's conference call. Thank you for your participation, ladies and gentlemen. You may now disconnect.