informa

Annual Report & Financial Statements 2009

Global Business Information Specialist

informa

WHO WE ARE

Informa plc is a leading international provider of specialist information and services for the academic and scientific, professional and commercial business communities. Informa has some 150 offices in over 40 countries and employs approximately 8,000 staff around the world. Informa is the largest publicly-owned organiser of conferences and courses in the world with an output of around 8,000 events annually. Informa publishes over 2,100 subscription-based information services including academic journals, real-time news and structured databases of commercial intelligence. Informa's book business has more than 55,000 academic and business titles.

"It was an extremely demanding year, but one which brought to the fore some of the key characteristics of Informa."

Derek Mapp, Chairman
See page 14

"During a period of sustained economic decline across the world, our Publishing assets have performed exceptionally well."

Peter Rigby, Chief Executive
See page 16

"These financial results demonstrate the strength of a balanced portfolio and an ability to manage costs proactively when demand is reduced."

Adam Walker, Finance Director
See page 19

Business Profile
The Year in Review
Financial Statements
Company Information

HIGHLIGHTS, SUMMARY & OUTLOOK

£1,221.7m
Revenue
2008: £1,278.0m

£309.5m
Adjusted operating profit
2008: £305.8m

£261.3m
Adjusted profit before tax
2008: £233.4m

11.45p
Total dividend
2008: 8.41p

Financial Results
Adjusted operating profit growth of 1.2% despite revenue decline of 4.4%
Increase in adjusted operating margin to 25.3% (2008: 23.9%)
Organic revenue decline of 14%; organic adjusted operating profit decline of 12%
Statutory profit before tax of £96.5m (2008: £109.0m)
Adjusted diluted earnings per share up to 34.3p (2008: 33.9p restated)
Statutory diluted earnings per share up to 18.8p (2008: 16.8p restated)
Free cash flow of £223.8m up 6.6% - adjusted cash conversion of 105%
Second interim dividend of 7.85p, total 2009 dividend of 11.45p (2008: 8.41p)
Net debt/EBITDA ratio of 2.7 times

Operational Results
Publishing performed exceptionally well – now 72% of Group adjusted operating profits
72% of publishing revenues delivered in digital format and 64% from subscriptions
Top 200 events, generating around 55% of events and training profits, displayed greater resilience in unprecedented times
Annualised cost savings of £40m, with a restructuring cost of £27.7m

Outlook
Booked and deferred income represents approximately 32% of full year revenues (2008: 29%)
The majority of subscriptions are renewing in line with previous high rates
Forward bookings for exhibitions and large scale events slightly ahead of 2009
Cost base reduced – well placed for recovery

for futher information, see Financial Highlights, page 13, and FInancial Review, page 19

AGRA informa Lloyd's List BioTechniques EUROFORUM SCRIP Citeline Taylor & Francis Group informa Financial Information DATAMONITOR

OUR VALUES

INNOVATIVE
NON-BUREAUCRATIC
FOR PROFIT
OPEN
REWARDING
MARKET-FOCUSED
ABOUT QUALITY

+40
countries where we operate

+2,100
subscription-based information services

+55,000
book titles published

+8,000
events

+8,000
staff

BRITAIN'S TOP EMPLOYERS 2009 AWARDED BY crf.com

Informa has been recognised for the second year running as one of Britain's Top 100 Employers, according to research conducted by CRF in conjunction with Guardian Books. Organisations all over Britain were judged by a panel of experts for their performance in career development, training development, pay and benefits, working conditions and company culture – Informa received 5 out of 5 stars overall.

A selection of our key brands

AGRA Informa, Lloyd's List, BioTechniques, EUROFORUM, SCRIP, Citeline, Taylor & Francis Group, informa Financial Information, DATAMONITOR

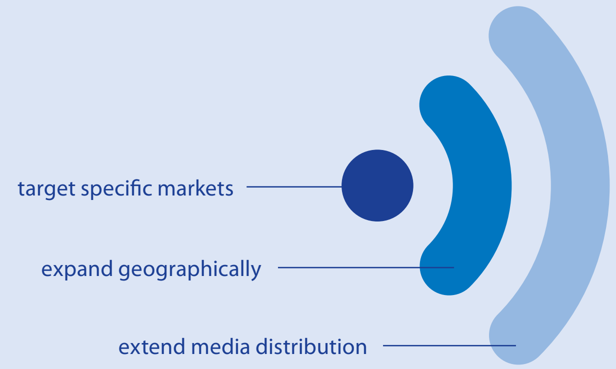
Lloyd's is the registered trademark of the Society incorporated by the Lloyd's Act 1871 by the name of Lloyd's.

HOW WE OPERATE

The nature of our business

We link leading titles and events in many sectors so that our content is the prime information source.

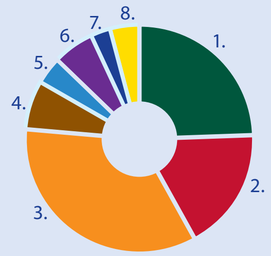
We have built the business as a 3-dimensional matrix with vertical (niche) markets on one axis, geographies on the second and media distribution formats on the third.



Our business operates in three segments:

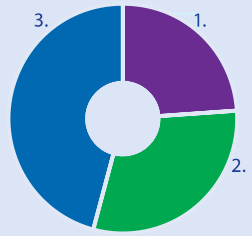
- Academic Information
- Professional & Commercial Information
- Events & Training

Revenue by type



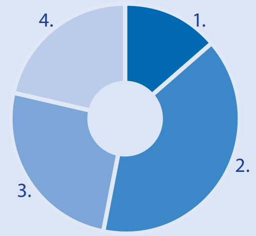
1. Delgates	25%
2. Copy sales	16%
3. Subscriptions	35%
4. Exhibition	7%
5. Sponsorship	4%
6. Consulting	6%
7. Advertising	3%
8. Other	4%

Revenue by business segment



1. Academic Information	£294.4m
2. Professional & Commercial Information	£368.3m
3. Events & Training	£559.0m

Revenue by geography



1. United Kingdom	£168.1m
2. North America	£480.8m
3. Continental Europe	£314.2m
4. Rest of World	£258.6m

AGRA Informa, Lloyd's List, BioTechniques, EUROFORUM, SCRIP, Citeline, Taylor & Francis Group, informa Financial Information, DATAMONITOR

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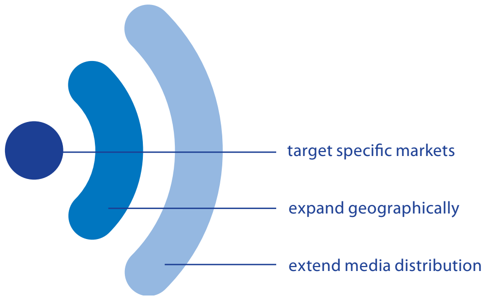
Business Profile

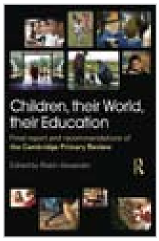
"Informa delivered a good performance against the backdrop of a very challenging trading environment. The balance sheet was strengthened, operating margins were enhanced through proactive cost management and earnings increased."

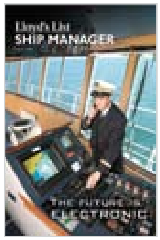
– Derek Mapp, Chairman

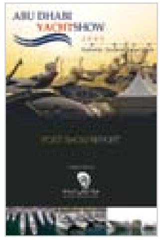
IN THIS SECTION:

OUR BUSINESS









MARKET LEADERS:

As many of our markets are niche and specialist and accordingly quite small, our leading titles are either the market leaders or number two in a particular sector.

Edward Lloyd's City of London coffee shop.

Informa has been built around the provision of high quality, proprietary business to business information which includes some of the longest-standing brands in the world of publishing, conferences, exhibition and training.

Informa was created from the merger of IBC Group plc and LLP (Lloyd's of London Press) Group plc in December 1998. Although Informa only came into being as recently as 1998, it has a bloodline running back to 1734 when the first issue of the maritime publication Lloyd's List was pinned to the wall of Edward Lloyd's City of London coffee shop.

Taylor & Francis and Informa merged in May 2004. Taylor & Francis has over two centuries of experience and its portfolio includes the leading physics and science journal, the Philosophical Magazine, which was launched in 1798. It has grown very rapidly over the last two decades to become a leading international academic publisher, especially in the areas of Humanities and Social Sciences.

Since the merger with Taylor & Francis, Informa has expanded through a combination of organic and acquisition (both strategic and bolt on) led growth.

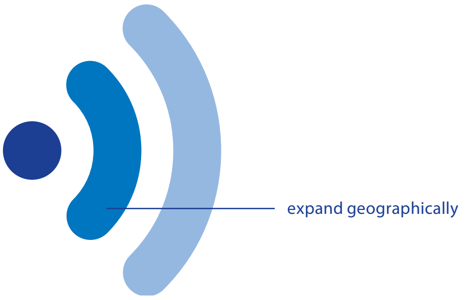
In July 2005, Informa acquired IIR Holdings, which was founded in 1973. Not only did this allow Informa to bring together the two largest events businesses in the world to create an undisputed powerhouse, it also meant that Informa acquired several market-leading Performance Improvement businesses.

In July 2007, Informa acquired Datamonitor, a world-leading provider of premium global business information. Datamonitor delivers independent data, analysis and opinion across the Automotive, Consumer Markets, Energy & Sustainability, Financial Services, Logistics & Express, Pharmaceuticals & Healthcare, Retail, Sourcing, Technology and Telecoms industries.

The Group's corporate structure was changed in June 2009 by putting in place a new parent company, registered in Jersey and with its domicile in Switzerland.

Informa's website www.informa.com provides more information on the history of the Group and each of its divisions.

INFORMA AT A GLANCE



Informa achieved many accomplishments during 2009, a few of which are shown on this map. Further information on Informa's achievements during 2009 follows on pages 6 to 18.

Our business operates in three segments:

- Academic Information: pages 6 and 7
- Professional & Commercial Information: pages 8 and 9
- Events & Training: pages 10 and 11

Informa has some 150 offices in over 40 countries and employs approximately 8,000 staff around the world.

UK

Informa Healthcare hosted the 2009 Scrip Awards which were attended by a high number of senior executives in the pharmaceutical industry. The 2009 awards were the most successful in the Awards' history.

CHINA

IIR Singapore staged the largest ever PALM EXPO Event in 2009, in Beijing, despite the economic slowdown. Held annually, it is the world's 2nd largest industry exhibition of its kind covering professional audio, light, audio visual, music and technology.

SAUDI ARABIA

Cityscape Jeddah was launched in 2009. This is the first large scale event Informa has organised in Saudi Arabia.

AUSTRALIA

Informa Australia ran the most profitable AusRAIL ever in 2009. This exhibition and multi-stream conference is the largest rail gathering in the region and is run on behalf of the peak body, the Australasian Railway Association, and other industry organisations.

ASIA PACIFIC

Datamonitor's Asia Pacific offices grew sales which were facilitated by being part of the Informa Group. This allows Datamonitor to leverage Informa's office facilities and expertise, saving costs. These offices are located in Sydney, Melbourne, Canberra, Seoul, Taiwan, Tokyo, Beijing, Hong Kong and Hyderabad.

DATAMONITOR

for a list of our principal group offices, see page 136

ACADEMIC INFORMATION

22,000

titles available digitally

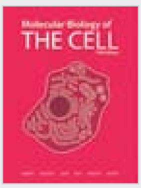
Building on two centuries' experience, Taylor & Francis has grown rapidly over the last two decades to become a leading international academic publisher. The Taylor & Francis Group operates from a network of global offices, including New York, Philadelphia, Florida, Oxford, Melbourne, Stockholm, Beijing, New Delhi, Johannesburg, Singapore and Tokyo, plus a larger network of sales offices and distributors.

In 2009 Taylor & Francis secured a large number of new society contracts for 2010. The titles range in subject from Journal of the Musical Arts in Africa to the Journal of Systematic Palaeontology. Of particular note is a co-publishing partnership with the Royal Society of New Zealand for its journals including an archive of over three hundred years of important science content covering New Zealand research specialities such as the geosciences, botany, agriculture, marine science and zoology and the publication of the journal Housing Policy Debate which is one of the world's most respected and highly ranked housing journals.

2009 has been an excellent year with continued growth in revenues, profits and product volumes. Electronic delivery is going from strength to strength with growth in electronic book revenues of 33%. There are now 22,000 titles available digitally either as e-books or on databases. This is allowing the business to deliver products to the customer rapidly, in their choice of format and with great cost efficiency.

Sold over a million copies in its first four editions

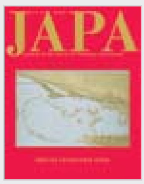
Taylor & Francis Group



For nearly a quarter of a century Molecular Biology of the Cell has been the leading cell biology textbook, and has sold over a million copies in its first four editions. The fifth edition is now on sale. Dr. Bruce Alberts, one of the authors of the Molecular Biology of the Cell and Essential Cell Biology, was recently named one of the first three Science and Technology Envoys for the US.

Number 1 journal in the Urban Studies category

Routledge
Taylor & Francis Group



Journal of the American Planning Association (JAPA) has been one of Routledge's most successful recent acquisitions. Ranked the Number 1 journal in the Urban Studies category in the Thomson Reuters Journal Citation Reports® for the past two years, the journal's impact factor has increased by approximately 46%, in that time to 2.250. Journal Citation Reports® (JCR®) offer a systematic, objective means to critically evaluate the world's leading journals, with quantifiable, statistical information based on citation data. To celebrate the Association's hundredth birthday in 2009 Routledge digitized JAPA's entire archive and published a well-received, widely read and cited special centennial issue.

PROFESSIONAL & COMMERCIAL INFORMATION

83%

of Lloyd's List customers now use its online offering

The Professional & Commercial Information (PCI) division incorporates a number of products oriented towards the corporate market, including the vertical sectors of telecoms & media, life sciences & pharmaceutical, financial markets, maritime & insurance and commodities.

The product format within PCI varies from the Lloyd's List daily newspaper and Scrip News to deep knowledge databases such as Datamonitor with its ten Knowledge Centers, Citeline for the clinical trials customer and EMC for telecoms trends and forecasting. Informa Global Markets provides real time news, data and analysis electronically across a number of markets 24 hours a day.

Digital delivery remains at the forefront of the PCI division's strategy in 2009. The year saw a number of key new launches and many upgrades and relaunches of our online news and data services.

Initiatives such as the new Lloyd's List Intelligence and the newly amalgamated InformaHealthcare.com have resulted in significantly improved customer usage, higher customer value and increased subscription yields.

The PCI division's revenues include group advertising sales which remain low in relation to the overall group position. The excellent quality of need to have information which the division provides has enabled the business to maintain high subscription renewal rates core to the division's strategy.

New online database

Lloyd's List Intelligence

Based on the world's definitive online database of shipping movements and company financial performance data, Lloyd's List Intelligence has been under construction throughout 2009. Its predecessor, Lloyd's MIU, performed strongly last year as executives turned to trusted data on which to base difficult business decisions.

Celebrating 25 years

DATAMONITOR

25

TWENTY FIVE YEARS OF RETAIL RESEARCH

The Datamonitor Group's retail arm, Verdict Research, celebrated its 25th anniversary in 2009. The UK's leading authority on the retail industry, Verdict continues to publish unrivalled independent analysis and has come a long way since publishing its first report in 1984 on grocers and supermarkets.

EVENTS & TRAINING

MAIN EVENTS:

The largest events in 2009 include Arab Health, Monaco Yacht Show, The SuperReturn Series, the Com Series (Telecoms) and German Energy.

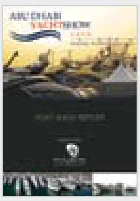
Events and training remains the most cyclical division of the Informa portfolio. The top 200 events contributed 28% of the overall events and training revenues in 2009. Our largest events including Arab Health, the Monaco Yacht Show, The SuperReturn series, the Com series (Telecoms) and German Energy, all performed well and are expected to do so again in 2010.

Exhibitions and large conferences remain one of the best ways of marketing products, garnering intelligence, debating industry issues and networking. The geo-cloning of events continues with the successful launch of Cityscape Saudi Arabia and a number of other events in the pipeline.

The smaller events businesses, based around regional hubs are found throughout Europe, US, the BRIC countries, South Africa and Australia and are well placed to take advantage of their high operational gearing when the economy recovers in their various locations.

High profile event

ABU DHABI YACHTSHOW



The Abu Dhabi Yacht Show was probably the most high profile event that IIR Middle East has launched with Royal families and VIPs in attendance. For 2010 the event was moved to the Yas Island, the same location as the Abu Dhabi Grand Prix.

SuperReturn brand growth

In 2009, we added SuperReturn Emerging Markets to our highly successful private equity series under the SuperReturn brand.

The Year in Review

"During a period of sustained economic decline across the world, our Publishing assets have performed exceptionally well. Our focus on digitally delivered, subscription-led, must have proprietary content has enabled us to avoid significant reductions in demand albeit with some vertical markets performing better than others."

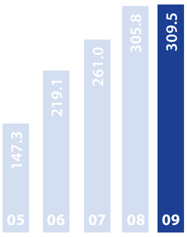
– Peter Rigby, Chief Executive

IN THIS SECTION:

FINANCIAL HIGHLIGHTS

Revenue £m

Adjusted operating profit £m



	2009 £m	2008 £m	Actual %	Organic %
Revenue	1,221.7	1,278.0	(4)	(14)
Operating profit	145.7	164.6	(11)	
Adjusted operating profit[1]	309.5	305.8	1	(12)
Operating cash flow[2]	323.8	336.2	(4)	
Adjusted cash conversion (%)[3]	105	110		
Profit before tax	96.5	109.0	(11)	
Adjusted profit before tax[4]	261.3	233.4	12	
Profit for year	106.5	86.0	24	
Adjusted profit for year[5]	193.1	172.5	12	
Basic earnings per share (p)	18.84	16.80[6]	12	
Diluted earnings per share (p)	18.83	16.79[6]	12	
Adjusted diluted earnings per share (p)	34.27	33.92[6]	1	
Dividend per share (p)	11.45	8.41[6]	36	
Free cash flow[7]	223.8	210.0	7	
Net debt[8]	872.6	1,341.8	(35)	

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 Excludes restructuring and reorganisation costs of £34.1m (2008: £17.3m) and intangible asset amortisation of £129.7m (2008: £123.9m).
2 Operating cash flow as calculated in the Financial Review.
3 Operating cash flow divided by adjusted operating profit.
4 Excludes restructuring and reorganisation costs of £34.1m (2008: £17.3m), intangible asset amortisation of £129.7m (2008: £123.9m) and loss on disposal of businesses £1.0m (2008: profit £16.8m).
5 Excludes restructuring and reorganisation costs of £34.1m (2008: £17.3m), intangible asset amortisation of £129.7m (2008: £123.9m), loss on disposal of businesses £1.0m (2008: profit £16.8m) and related tax credit of £78.2m (2008: £37.9m).
6 Restated to reflect the bonus element of the May 2009 rights issue.
7 Free cash flow is operating cash flow before restructuring and reorganisation cash flow, net interest and taxation.
8 Net debt as calculated in Note 33.

CHAIRMAN'S STATEMENT

STRENGTH:

Informa is in a stronger position than it was this time last year to deal with challenges and also benefit from the multiple opportunities available to the Group.

– Derek Mapp, Chairman

Despite 2009 being an extremely tough year for the world economy, I am pleased to report a good performance from Informa over the last 12 months.

It was an extremely demanding year, but one which brought to the fore some of the key characteristics of Informa. Three features stand out:

- the resilience of our portfolio of assets diversified across vertical markets and geographies;
- the operational flexibility of our business, which allowed us to continue to protect margins through prompt cutting of costs; and
- the entrepreneurial spirit of our people who pursued new opportunities even as market conditions remained uncertain.

Revenue for the year ended 31 December 2009 was £1.22bn down only 4% on 2008. Adjusted operating profits were £309.5m, up 1% on 2008. The adjusted operating margin improved accordingly from 23.9% to 25.3% and adjusted cash conversion was 105%. Our free cash flow during 2009 was £223.8m – up 6.6% on 2008.

On an organic basis, revenues declined by 14% with publishing up 2% and events and training down 27%, partly driven by our pro-active reduction of the number of events we run. Organic adjusted operating profits declined by 12%, with an increase in publishing of 8% offset by a 41% decline across events and training.

Profit before taxation decreased to £96.5m (2008: £109.0m) as a result of the cost of restructuring during the year whilst basic earnings per share increased by 12% to 18.8p (2008: 16.8p restated). Adjusted diluted earnings per share increased to 34.3p (2008: 33.9p restated).

In order to strengthen our balance sheet and remove any market concerns about our ability to finance our business within current banking covenants we launched a rights issue in May, raising a net £242m. We ended the year with net debt of £872.6m (2008: £1,341.8m) and a net debt to EBITDA multiple of 2.7 times against a covenant of 3.5 times. It is our intention to trade between 2.0 and 2.5 times going forward, a level which is in line with investment grade parameters for credit managers.

By the start of 2009 it was apparent that economic conditions were challenging and would continue to negatively impact trading. As such we managed the business to protect profitability, optimise cash generation and take swift action on head count and other variable costs. During the year we reduced staff numbers by a further 8%, which drove an annualised cost saving of £40m. We reacted quickly to falling demand in the events business and reduced events output by a quarter which in itself was responsible for half of the drop in events revenue. Where appropriate, we have also restructured our publishing businesses, consolidating operations and reducing the cost base.

We looked at all cost lines but were careful to leave the core of our business intact and we have continued to invest both vertically and geographically where trading conditions warranted it. We were able to react very quickly to the downturn given our variable cost base and we are in a strong position to take advantage of an upturn when it comes.

We continue to look closely at our business portfolio to find opportunities to bolster certain areas through investment. Informa has a strong track record of generating value through the effective integration of acquisitions of all sizes. Looking forward into 2010 and beyond we will continue to make small bolt on acquisitions which fulfil our strict investment criteria. We also seek to divest of businesses that do not fit our long-term strategy.

We have continued to respond to client demands for information delivered digitally. Of our publishing revenues in 2009, 72% came from digital sources across all of our major verticals. 64% of publishing revenues are subscription led and we have largely moved from a legacy single subscriber business to corporate site licences, which now form the majority of our subscription business. In 2009, publishing contributed 72% of total profits, while less than 3% of our total revenues come from advertising.

Our strategy is to continue to develop a strong, high margin information business which is resilient in the downturn but will have appropriate operational gearing in the up cycle. We have high internal standards for cash control, strong corporate governance, strict management controls, allied with the necessity to be innovative and entrepreneurial.

During 2009 we launched the Abu Dhabi Yacht Show, established a new business venture in Saudi Arabia, opened an exhibition business alongside our conference operations in Brazil, invested in our Academic content platform, grew our telecommunications Com series of events worldwide (especially in emerging markets) and continued to develop our various Clinical Research publishing and events businesses. Similar initiatives and new activity continue into 2010.

We are recommending a second interim dividend of 7.85p per share. This will be paid on 19 May 2010 to shareholders on the register on 16 April 2010. It will make a total dividend for 2009 of 11.45p per share as against 8.41p per share (restated) in 2008, an increase of 36%.

For almost all businesses, 2009 has been one of the toughest years they have ever experienced. Informa is no exception, but we have performed well due to the actions taken within the business and the nature of our activities with their variety of vertical markets, multi-geographies, media formats, allied with strong cash generation, good cost control and high margins. However, our resilience and strength could not have been achieved without the support of our people in every part of the business. Despite cost cuts and, in certain instances, lower incomes, every person in Informa has given their all. I would like to thank and congratulate every one of them on behalf of the Board and the shareholders.

Future Prospects

The economic background remains uncertain and markets are unpredictable. We remain cautious and are running our businesses accordingly. However, Informa is in a stronger position than it was this time last year to deal with challenges and also benefit from the multiple opportunities available to the Group.

Academic journal and other subscription renewals are in line with our expectations. Our UAE-based exhibitions in the first few months of 2010 have grown over last year and on the conference side, our larger events such as the major German Energy Event and SuperReturn International have performed well. The short-term outlook for our more cyclical smaller conferences remains flat but the business is well positioned for the economic upswing.

With considerable cost removed from the business we are well placed to maximise the opportunities to grow as and when they arise. Our portfolio of assets is well balanced across vertical markets and geographies. We are pushing ahead with innovative ways to enhance our customer offering and further develop an already strong digital capability.

Derek Mapp
Chairman

CHIEF EXECUTIVE'S REVIEW

EXCEPTIONAL PREFORMANCE:

72% of publishing revenues are delivered in digital format which represents 39% of Group revenues.

– Peter Rigby, Chief Executive

Publishing

During a period of sustained economic decline across the world, our Publishing assets have performed exceptionally well. Our focus on digitally delivered, subscription-led, must have proprietary content has enabled us to avoid significant reductions in demand albeit with some vertical markets performing better than others.

Revenues grew by 8.6% (1.7% on an organic basis) and overall publishing now accounts for 54% of Group revenues and 72% of Group adjusted operating profits.

Academic Information (AI)

Our AI division delivered organic revenue growth of 6.5% and organic adjusted operating profit growth of 7.8%, testament to the resilience of its products. We are particularly pleased with the performance of our books business. Our portfolio of products – textbooks, monographs and reference works – delivered its best ever performance as we saw our global sales and marketing network sell over 5.6m books in 2009. We saw excellent growth especially in the faster developing Asia regions. During the year we established a print on demand (POD) partner in our own Kentucky distribution facility to improve our control over the print supply chain. Over 25,000 titles are now available as POD with overall stock levels being reduced as a consequence of our continuing emphasis on printing shorter run quantities. We have significantly grown our electronic book business revenues by 33% with 22,000 titles available digitally either as e-books or on databases. We watch with interest the introduction of new electronic readers and are well placed to take further advantage of this new format if it develops in the academic sector.

We launched 26 new journals and continue to have a real strength in the growing areas of research which include humanities, social sciences, environment and agriculture. "Must have" content in academic journals is tracked by citations and we continue to see more and more of our titles gaining recognition, testament to our partnership with editors, societies and academics.

We have worked hard to enhance the value of our offering to our customers and have tempered our pricing policy to reflect what is happening in academic budgets worldwide. We started the journal renewal process for 2010 earlier in the final quarter of 2009 than last year, which along with considerable systems development and working closely with our customers has resulted in our processed orders being higher this year than they were a year ago. Despite the challenging academic market conditions we anticipate that renewal rates will not be materially affected in 2010.

Professional & Commercial Information (PCI)

PCI which comprises publishing across healthcare, maritime, pharmaceutical, commodities, professional and financial sectors, as well as Datamonitor, delivered revenues which were down 2% on an organic basis but by working extremely hard on costs delivered organic adjusted operating profit growth of 8.6%.

This part of our business generates 72% of its revenue from subscriptions, 84% of its revenue digitally and has some of the highest margins in the Group. Being diversified not just geographically but across sectors, we witnessed a strong performance across pharma and life sciences, whilst financial services was a much tougher area as banks consolidated, disappeared or simply reduced their headcount.

Renewal rates were robust across PCI including Datamonitor, where the number of high value subscribers was maintained.

It was difficult to grow revenues during 2009 but by anticipating this and taking cost out of the business, we increased adjusted operating margins by 4.2 percentage points to 32.2%. Our portfolio of products covers many niche areas across numerous different vertical markets. We focus on key accounts and delivering content with deep intelligence direct to the customers' workplace.

Informa Business Information, part of PCI, will push ahead in 2010 developing essential, high-value online information and intelligence services in its markets. In maritime, the Lloyd's List Group, comprising not only the newspaper but the online offering (used by 83% of its customers), databases, maritime law reports, finance and insurance services, has been transformed over the past two years by focusing on customer needs and utilising technology to improve delivery.

Within our financial data businesses (IFI) we have inevitably lost customers over the past eighteen months as the financial markets collapsed. Yet all four businesses increased adjusted operating profits and we secured some important customers wins. We anticipate another tough year but IFI is protected because it comprises electronically delivered data, is subscription led and enjoys very high margins.

Datamonitor has continued to expand its presence around the world. New customers and renewals have taken longer to secure but we have been able to supplement revenue with one off reports as well as one or two large consulting projects. The investment in our Knowledge Centers has improved the offering and we have restructured our suite of IT products which was the most challenging sector in 2009. We have targeted those sectors where we believe there are significant growth opportunities such as energy and healthcare.

A lot of cost has been taken out of the business but we have also reinvested in global sales teams as we look to expand our reach. Datamonitor's integration into Informa and our office network and databases has enhanced its access to new geographical territories. Whilst markets remain difficult, we are encouraged by how well Datamonitor has performed this year.

Our portfolio of market leading brands, including Scrip, Lloyd's List, TrialTrove, Insurance Day, IGM, Food News, SeaSearcher and Datamonitor gives us confidence that we can continue to deliver deep, content led intelligence, increasingly in an online format focusing on end-users in high value markets.

Events & Training

When we reflect on the past eighteen months and the nature of our Events and Training business which accounts for 46% of Group revenues and 28% of Group adjusted operating profits, it has delivered an extraordinary result. We have lost revenues of £108.8m, around half due to us pro-actively taking product out of the market, and yet protected the bottom line to the extent that adjusted operating profits only fell by £40.4m. We still achieved an adjusted operating profit margin of 15.5%.

CHIEF EXECUTIVE'S REVIEW continued

Our exhibitions and large conferences were resilient. Our largest events including Arab Health, the Monaco Yacht Show, SuperReturn, the Com series (Telecoms), all performed well and we expect them to do so again in 2010.

The most challenging areas were local language conferences and training courses, as corporate budgets were cut. We reacted quickly to reduce volume and costs. The cost base is very flexible and we are confident we can accommodate increased demand before we need to put cost back into the business.

Geographically, the picture was similar everywhere for conferences. Europe, and in particular our large German operations, were hit hard but it was a similar trend in the US, Middle East and Australia. We would expect each region to bounce back in line with the recovery in their respective economies. In anticipation of this, we are working hard on new products and topic development and making our training materials easier to access and more flexible for the corporate landscape.

Our corporate training portfolio had a stronger end to the year but has suffered significantly over the past eighteen months. It was one of the first businesses to be impacted by the recession and may take a while to recover. However, with significant cost taken out of the business, any pick-up in demand, particularly in the US, will result in a materially improved performance.

There were still some notable successes despite the difficult environment which indicates the quality of our businesses:

- Dubai exhibitions excluding Cityscape increased revenues by 18%;
- Telecoms, where the revenues from our Com World Series of events were up 12%;
- Vitafoods increased revenues by 32%;
- Monaco Yacht Show increased revenues by 3%;
- AusRail, where revenues were up by 14%; and
- Our Life Sciences events business delivered profits in line with 2008.

The top 200 events contribute 28% of overall Events and Training revenues and around 55% of adjusted operating profit.

Participating in a market leading exhibition or large conference remains one of the best ways for a company to market their product, garner intelligence, debate industry issues and network. This is evidenced by Arab Health which ran in January 2010 with revenue 20% up year on year or SuperReturn International which ran last month with over 1,000 delegates. Our forward bookings for the rest of our shows in 2010 are slightly ahead of last year.

The final quarter of 2009 showed a degree of stability amongst our Event and Training operations. This has continued in 2010 and we are working hard to ensure our portfolio meets the needs of our customers and markets. We are looking to build on our existing exhibition portfolio through supersizing and geo-cloning existing events, new launches and small bolt-on acquisitions.

Peter Rigby
Chief Executive

FINANCIAL REVIEW

CONTINUED PROFIT:

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 £223.8m up 7%.

– Adam Walker, Finance Director

2009 will be remembered as one of the most difficult years from a global trading perspective. All of our businesses were impacted to a lesser or greater extent, so we are pleased with these financial results which demonstrate the strength of a balanced portfolio and an ability to manage costs proactively when demand is reduced.

Adjusted operating profit increased to £309.5m (2008: £305.8m) driven by an increase in the adjusted operating margin from 23.9% to 25.3%. The increase in adjusted operating profit and margin demonstrates the benefits of our early actions to adapt our cost base to the very challenging trading conditions. These actions offset a 4% reduction in 2009 revenues to £1,222m (2008: £1,278m).

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 £223.8m up 7%.

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.

Translation Impact

The Group generates the majority of its revenue overseas, and with most currencies strengthening against sterling over the year, there was a benefit to the 2009 revenue and adjusted operating profits over 2008 of approximately £120m and £40m respectively.

The largest exposure is to US dollars with approximately 45% of Group revenue generated in USD and currencies pegged to the USD. Each 1 cent movement in the USD to GBP exchange rate has a circa £3.5m impact on revenue and a circa £1.1m 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

Business Segments

Revenue and adjusted operating profit by division are set out below together with the respective actual and organic growth rates. As highlighted last year we have simplified the financial reporting of divisions in 2009 to represent better the way the Group is managed, namely around its publishing and events and training revenue streams.

Academic Information

	2009 £m	2008 £m	Actual %	Organic %
Revenue	294.4	243.5	21	6
Adjusted Operating Profit	104.3	76.4	37	8
Adjusted Operating Margin	35%	31%		

Professional & Commercial Information`

	2009 £m	2008 £m	Actual %	Organic %
Revenue	368.3	366.7	–	(2)
Adjusted Operating Profit	118.7	102.5	16	9
Adjusted Operating Margin	32%	28%		

Events & Training

	2009 £m	2008 £m	Actual %	Organic %
Revenue				
Europe	242.4	314.0	(23)	(30)
US	201.1	232.8	(14)	(27)
Rest of World	115.5	121.0	(5)	(20)
	559.0	667.8	(16)	(27)
Adjusted Operating Profit				
Europe	40.1	56.0	(28)	(35)
US	27.6	44.9	(39)	(47)
Rest of World	18.8	26.0	(28)	(44)
	86.5	126.9	(32)	(41)
Adjusted Operating Margin	15%	19%		

Revenue

Revenue declined by 4%, despite the translation benefit of both US dollar and Euro to sterling currency movements increasing revenue by approximately £120m over 2008. There were no material acquisitions made during 2009. Organic revenue declined by 14% reflecting a strong performance in our publishing businesses, up 2%, but emphasising the tough trading environment for Events and Training businesses, where revenues declined by 27%. We proactively removed around a quarter of events, principally training courses and similar local language conferences, from our portfolio due to reduced levels of demand. Large scale events held up well.

Operating Profit

Adjusted operating profit increased marginally to £309.5m (2008: £305.8m).

Organic adjusted operating profit declined by 12%, with an increase of 8% by the publishing businesses offset by a 41% fall at events and training. The events and training businesses have a significant element of variable cost, including profit share, which for some people is the largest part of their remuneration. This has ensured that business unit heads are focused on cost containment at all times, ensuring a swift response to the dramatic fall in business demand. Consequently, although their revenue declined by £108.8m, by reducing the cost base the fall in profits was restricted to £40.4m. This shows the operational gearing within events and training where we anticipate an opposite effect when economic conditions improve.

Statutory operating profit declined by 11% to £145.7m (2008: £164.6m), resulting principally from the decline in revenue and the £16.8m increase in restructuring and reorganisation costs.

Restructuring and Reorganisation Costs

Restructuring and reorganisation costs for the year of £34.1m (2008: £17.3m) largely reflect the cost to the businesses of responding to changing market conditions and of the corporate redomicile. These include redundancy costs of £18.0m (2008: £9.9m), vacant property provisions of £4.7m (2008: £3.6m), reorganisation costs of £5.0m (2008: £1.4m), and aborted acquisition costs of £2.1m (2008: £0.6m). In addition, we incurred £4.3m (2008: £nil) of professional fees in connection with the redomicile of the ultimate parent company.

The £27.7m of restructuring costs are expected to deliver annualised savings of approximately £40m.

Net Finance Costs

Finance costs net of interest receivable, decreased by £24.2m to £48.2m mainly as a result of the decline in market interest rates and the reduction in debt resulting from the net proceeds of the rights issue (£242m) received in May 2009.

Around 75% of our borrowings are hedged through fixed interest rate swaps. At 31 December 2009 the weighted average life of the swaps was 1.5 years with a weighted average interest rate of 4.93%.

Profit Before Tax

Adjusted profit before tax increased by 12% to £261.3m (2008: £233.4m) and adjusted profit for the year also increased by 12% to £193.1m (2008: £172.5m).

Taxation

Across the Group, tax has been provided on adjusted profits at an adjusted tax rate of 26.1% (2008: 26.1%). This adjusted tax rate benefits from profits generated in low tax jurisdictions.

The Group tax credit on statutory profit before tax was 10.4% (2008: charge 21.1%). The restructuring of the group has resulted in the release of a £34.3m deferred tax liability for the difference between the accounting and tax value of certain group assets.

Earnings and Dividend

Statutory diluted EPS of 18.83p (2008: 16.79p restated) is 12% ahead of 2008 and adjusted diluted EPS of 34.27p (2008: 33.92p restated) is 1% ahead of 2008.

The Board has proposed a second interim dividend of 7.85p per share (2008: 3.28p per share restated), in line with the Group's existing dividend policy. This dividend will be paid on 19 May 2010 to ordinary shareholders registered as of the close of business on 16 April 2010. This will result in a total dividend for the year of 11.45p per share (2008: 8.41p per share restated). Dividend cover will be 3 times on an adjusted earnings basis.

The 2008 comparative per share earnings and dividend numbers have been restated to reflect the bonus element of the rights issue.

FINANCIAL REVIEW continued

Return on Capital Employed

The Group has undertaken three significant transactions in recent years – the merger with Taylor and Francis and the acquisitions of IIR and Datamonitor. In addition, a number of smaller bolt on acquisitions have also been completed.

Adjusted operating profits, on a proforma basis, have grown on a compound basis by 14% per annum over the past ten years of which around half is organic growth with the balance driven by acquisitions.

The return on capital employed over this period is 8.9%, ahead of the Group's current weighted average cost of capital.

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 105% (2008: 110%).

	2009 £m	2008 £m
Adjusted operating profit	309.5	305.8
Depreciation of PP&E	9.2	10.8
Software amortisation	13.5	5.2
Impairment of available-for-sale investments	–	0.2
Share-based payments	0.6	0.5
EBITDA	332.8	322.5
Net capital expenditure	(22.0)	(34.9)
Working capital movement (net of restructuring and reorganisation accruals)	13.0	48.6
Operating cash flow	323.8	336.2
Restructuring and reorganisation cash flow	(26.3)	(19.2)
Net interest	(46.4)	(67.8)
Taxation	(27.3)	(39.2)
Free cash flow	223.8	210.0
Acquisitions less disposals	(38.5)	13.6
Dividends	(38.2)	(73.9)
Net issue of shares	252.3	(0.7)
Net funds flow	399.4	149.0
Opening net debt	(1,341.8)	(1,244.9)
Non-cash items	(2.0)	(1.5)
Foreign exchange	71.8	(244.4)
Closing net debt	(872.6)	(1,341.8)

In the year ended 31 December 2009, before taking into account financing activities, spend on acquisitions or proceeds from the sale of assets, the Group generated free cash flow of £223.8m (2008: £210.0m). This demonstrates the ability of the Group to deleverage quickly.

The change to net debt arising from acquisitions (net of disposals) was a £38.5m outflow (2008: £13.6m inflow) which comprises current year acquisitions of £13.2m (2008: £5.7m) and consideration in respect of acquisitions completed in prior years of £25.3m (2008: £10.6m). There were no material disposals during the year (2008: £29.9m). In the prior year the Group disposed of its interest in Map of Medicine for net cash consideration of £33.6m generating a gain on disposal of £17.8m profit on disposal. 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 £469.2m from £1,341.8m to £872.6m reflecting cash flow of £399.4m, including the rights issue net proceeds of £242m, and favourable exchange movements of £71.8m. During the year the Group paid £38.2m in relation to the 2008 final and the 2009 first interim dividends.

Financing and Bank Covenants

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 £500m 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 2009 of £828m drawn in US dollar 630m, Euro 135m, and Sterling 316m. 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 2009 both financial covenants were comfortably achieved, with the ratio of net debt (using average exchange rates) to EBITDA reduced from 3.8 times at 31 December 2008 to 2.7 times at 31 December 2009.

During May 2009 the Group successfully undertook a 2 for 5 rights issue offering 170m new ordinary shares at 150p per share. The rights issue raised £242m, net of expenses of £13m.

Balance Sheet

Deferred income, which represents income received in advance, was down 2% on a constant currency basis at 31 December 2009 compared to the same date in 2008. 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 2009 of £11.3m (2008: £10.3m).

Following the completion of the triennial valuation of the main defined benefit scheme, the Informa Final Salary Scheme, a revised deficit funding plan has been agreed with the trustees to eliminate the deficit. The revised funding schedule extends over the next nine years, requiring the Group to pay into the pension fund an additional £1m in 2010, rising annually by £1m to an additional £4m per annum in 2013 through to 2018.

Revised deficit funding plans have also been agreed for the two smaller defined benefit schemes. The Group will pay additional pension contributions of £0.4m in 2010 rising to £0.9m per annum in 2013 through to 2018.

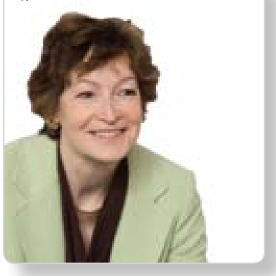
Adam Walker
Finance Director

BOARD OF DIRECTORS

1.


2.


3.


4.


1.
Derek Mapp
Non-Executive Chairman[1] (59)

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[1] (54)

After qualifying as an accountant, Peter Rigby joined Metal Box. In 1981 he moved into the media industry joining Book Club Associates, a joint venture between WH Smith and Doubleday. In 1983 he joined Stonehart Publications which was acquired by International Business Communications (later renamed IBC) in 1986. After two years as Finance Director of IBC, Peter Rigby was appointed Deputy Chief Executive and in 1989 became its Chief Executive, leading IBC's substantial geographic expansion. Since the 1998 merger between IBC and LLP, by which Informa was created, he has been Executive Chairman or Chief Executive. He is a member of the Nomination Committee. He is also Non-Executive Chairman of Electric Word plc.

3.
Adam Walker
Finance Director (42)

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
Non-Executive Director[2,3] (56)

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 Novo Nordisk A/S. She was previously the Non-Executive Chairman of Oxford ImmuNotec Limited 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. She has a PhD in Clinical Pharmacology from the University of London. 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 Audit Committee. She was also appointed as Senior Independent Non-Executive Director on 17 March 2008.

5.

6.

7.

5.
John Davis
Non-Executive Director[1 2 3] (48)

John Davis has been Chief Financial Officer of Yell Group plc since 2000. He qualified as a Chartered Accountant with Price Waterhouse and has a Masters in Management from the Stanford Graduate School of Business. John Davis has previously held positions with Pearson plc, where he was latterly Finance Director of the FT Group, and Emap plc, which he joined in 1989, where he was Director of Corporate Finance and Treasury between 1995 and 1997. John Davis was appointed as a Non-Executive Director with effect from 1 October 2005. He is a member of the Nomination, Remuneration and Audit Committees.

6.
Dr Brendan O'Neill
Non-Executive Director[2 3] (61)

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.
John Burton
Company Secretary (45)

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.

[1] Member of Nomination Committee
[2] Member of Remuneration Committee
[3] Member of Audit Committee

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DIRECTORS' REPORT

The Directors present their Annual Report on the affairs of Informa plc (the Company) and its subsidiaries (the Group), together with the financial statements and auditors' report, for the year ended 31 December 2009. The details of the business, the development of the Group and its subsidiaries and likely future developments are set out in pages 2 to 18 of this document. The notice concerning forward looking statements is set out on page 133.

New Holding Company

On 30 June 2009, pursuant to a Scheme of Arrangement (the Scheme) under Part 26 of the Companies Act 2006, Informa plc (Informa), a public company limited by shares, incorporated in Jersey with number 102786 and domiciled in Switzerland, became the new parent holding company of the Informa group. The Scheme was approved by the High Court of Justice of England and Wales and by shareholders at a general meeting of the Company held on 2 June 2009.

Informa was incorporated as Informa Limited under the Companies (Jersey) Law 1991 on 11 March 2009 and changed its name to Informa plc on 29 April 2009.

Pursuant to the Scheme, ordinary shares in Informa were admitted to the UK Listing Authority's Official List on 30 June 2009 and trading on the London Stock Exchange's market for listed securities commenced on 30 June 2009. The listing of the English registered Informa plc's (Old Informa) ordinary shares on the UK Listing Authority's Official List was cancelled on 30 June 2009. Under the terms of the Scheme, shareholders in Old Informa received one share in Informa for every share held in Old Informa.

Upon the Scheme becoming effective, Old Informa changed its name to Informa Group plc and became a wholly-owned subsidiary of Informa.

Further information on the terms of the Scheme is set out in the Prospectus relating to the Scheme published by the Company on 1 May 2009, which can be viewed on the Company's website at www.informa.com. Information on the Company's share capital and the rights issue of Old Informa which was completed on 27 May 2009 can be found on page 28 and in Note 25 to the Consolidated Financial Statements.

In order to give a view across the year, references in this section and in the Corporate Governance and Remuneration reports on pages 38 to 54, to Directors and the Board refer to those of Old Informa up to 29 June 2009 and to those of Informa from 30 June 2009.

Principal Activities

Informa is a leading international provider of specialist information and services for the academic and scientific, professional and commercial business communities. The subsidiary and associated undertakings principally 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 is a review of the development and the operational and financial performance of the business during the year ended 31 December 2009 and contains a description of the principal risks and uncertainties facing the business. Information that forms part of the Business Review is found in the following sections of the Annual Report:

- information about the 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 14 to 18;
- principal risks and uncertainties are described on pages 31 to 36;
- 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 pages 43 to 44;
- 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 60 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.

DIRECTORS' REPORT continued

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 7.85p per ordinary share to be paid on 19 May 2010 to ordinary shareholders registered as at the close of business on 16 April 2010. Together with the first interim dividend of 3.6p per ordinary share paid on 18 September 2009, this makes a total for the year of 11.45p per ordinary share (2008: 10p). (The Group is paying a second interim dividend rather than a final dividend due to the operation of the Dividend Access Plan described below.)

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 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 134. 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. Shareholders may elect to receive shares instead of cash from their dividend allocation through the Dividend Reinvestment Plan (DRIP).

Directors and Directors' Interests

The names of Directors of the Company are set out on pages 24 to 25, which includes brief biographical details.

The Non-Executive Directors of Old Informa, being Derek Mapp, Dr Pamela Kirby, John Davis and Dr Brendan O'Neill, ceased to be Directors on 30 June 2009 when the Scheme became effective. Sean Watson resigned at the Annual General Meeting (AGM) of Old Informa on 8 May 2009. There were no other changes to the Board of Old Informa prior to 30 June 2009.

Derek Mapp became a Director of Informa on 12 March 2009 following the incorporation of the Company. Peter Rigby, Adam Walker, Dr Pamela Kirby, John Davis and Dr Brendan O'Neill became Directors of the Company on 27 April 2009.

The remuneration and interests in the share capital of the Company of the Directors who held office as at 31 December 2009 are set out in the Directors' Remuneration Report on pages 45 to 54. All the Directors offer themselves for re-election by the shareholders at the next AGM. Details of the contracts of the Executive and Non-Executive Directors with the Company can be found on page 50. 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.

Rights Issue and Changes in Share Capital

Old Informa raised £242m (net of expenses) by way of a 2 for 5 fully underwritten rights issue at 150 pence per share on 27 May 2009. Immediately prior to the Scheme becoming effective on 30 June 2009, Old Informa had 599,339,255 ordinary shares of 0.1 pence in issue. On the Scheme becoming effective, the issued share capital of Informa was 599,339,255 ordinary shares of 27 pence.

Informa also carried out a reduction of its share capital by reducing the nominal value of each issued and authorised but unissued ordinary share in the capital of the Company from 27 pence to 0.1 pence, and the cancellation of the Company's share premium account. The reductions in share capital and share premium account were approved by shareholders at a general meeting of the Company held on 2 June 2009. Both the reduction of share capital and cancellation of share premium account were confirmed by the Royal Court of Jersey on 20 July 2009 and registered with the Jersey Registrar of Companies on 22 July 2009.

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 principal office at Gubelstrasse 11, CH-6300, Zug.

Annual General Meeting

The AGM will be held on 27 April 2010. The notice is being despatched as a separate document.

Charitable and Political Contributions

The Group made charitable donations during the year of £0.2m (2008: £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 2009 were equivalent to 52 days' purchases (2008: 46 days), based on the average daily amount invoiced by suppliers during the year.

Substantial Shareholdings

As at 2 March 2010, the Company had been notified in accordance with Chapter 5 of the Disclosure and Transparency Rules (DTRs) of the FSA of the following substantial interests in the issued ordinary share capital of the Company:

	Number of shares	% held
FMR LLC (Fidelity)	55,380,804	9.24
Prudential plc	50,975,689	8.50
Legal & General Group plc	35,939,012	5.99
Standard Life Investments Limited	20,561,397	3.43

As at 2 March 2010, the Company's issued share capital comprised 599,250,457 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 25 of the Consolidated 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.

DIRECTORS' REPORT continued

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 transferor 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 52.

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 banking facilities described in Note 24 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 2009 conditionally upon the Scheme becoming effective, to purchase through the market up to 10% of the Company's issued ordinary shares as at 30 June 2009. This authority expires at the conclusion of the AGM of the Company to be held in 2010.

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, which 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.

In 2009 the Group decided to develop a more thorough and focused staff survey, moving away from the 2008 survey which had a broader focus on the brand. A pilot staff survey was carried out by Taylor and Francis, globally. It aimed to identify the major drivers of employee engagement, and improve understanding of the reasons behind voluntary turnover of staff.

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.

At a general meeting of the Company held on 2 June 2009, a new Share Incentive Plan (SIP) was approved by shareholders for its adoption pursuant to the Scheme becoming effective on 30 June 2009. It is substantially in the same form as the one in place for Old Informa. All UK employees are eligible to participate in the SIP, an Inland Revenue Approved All Employee 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 Employee Stock Purchase Plan which 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.

A review of the existing equal opportunities policy is being carried out during 2010 to produce a comprehensive diversity policy.

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.

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 in the industries and geographic regions in which they operate. Traditionally, spending on parts of the Group's goods and services (products) has been cyclical due to companies spending significantly less in times of economic slowdown (such as those prevailing at present), downward pressure on budgets and corporate consolidation in certain sectors (e.g. financial services). The current 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, particularly events and training.

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

DIRECTORS' REPORT continued

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, although there is now a small 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 websites. 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.

4. The Group's Academic division's publications and events are likely to 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 the current global economic conditions. Accordingly, any such decreases are likely to affect adversely the Group's results within its Academic division.

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

   The financial statements of the Group are expressed 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.

6. The Group has exposure to various risks from its use of financial instruments

   These risks include capital risk, market risk, credit risk and liquidity risk. These risks are described in detail in Note 24 to the Consolidated Financial Statements.

7. The Group may be adversely affected by its borrowings and debt service obligations in the longer-term

   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 £500m multicurrency revolving credit facility. The 2009 rights issue proceeds were used to prepay the scheduled 2009 and 2010 term loan repayments, leaving term loan balances at 31 December 2009 of £828m drawn in US dollar 630m, Euro 135m and Sterling 316m.

   The Group's debt service obligations under its credit facilities could have negative consequences for the Group, including the following: restricting the Group's ability to pay dividends; limiting the Group's ability to obtain additional financing in the longer-term; increasing the Group's vulnerability to increases in interest rates; requiring a substantial portion of the Group's cash flow for the payment of interest on its debt and reducing the Group's ability to use its cash flow to fund working capital, capital expenditures and general corporate requirements; hindering the Group's ability to adjust rapidly, and increasing the Group's vulnerability to general adverse economic and industry conditions; limiting the Group's flexibility in planning for, or responding to, changes in its business; and placing the Group at a competitive disadvantage to other, less leveraged competitors.

   There can be no assurance that in the event of unforeseen changes over the longer-term, the Group's cash flow will be sufficient for repayment of the Group's indebtedness nor that the current difficult conditions in the credit markets will not exist if the Group seeks to refinance its credit facilities in the longer-term, either prior to or at maturity in May 2012.

8. If the financial performance of the Group declines it may in the longer-term not be able to maintain compliance with the covenants in its credit facilities

   The Group's credit facilities contain covenants and undertakings with which the Group must comply, including 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. If the Group were to fail to comply with any of the financial covenants in its credit facilities (e.g. due to a reduction in its revenue arising from continued deterioration of economic conditions or other factors outside the Group's control), 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 anticipates such a breach or otherwise believes it had insufficient headroom for its operations, the Group may be required to sell assets at depressed prices.

9. The Group's continued growth depends, in part, on its successful ability to identify and complete acquisitions and the Group may have difficulty in the longer-term in procuring additional debt financing for such acquisitions

Although the Group has historically been able to obtain debt financing for its acquisitions on terms it considers acceptable, it is highly unlikely, particularly in the near-term, that future debt financing will be available on such terms due to significant market deterioration in the credit markets and a tightening of lender standards and terms. Additionally, covenants in the Group's existing and future financing facilities may restrict the Group's ability to undertake acquisitions. Furthermore, attractive acquisitions are difficult to identify and complete for a number of reasons, including competition among prospective buyers.

In addition, any acquisition the Group may complete may be made at a substantial premium, and there can be no assurances that the Group will achieve the expected return on its investment, particularly as the success of any acquisition also depends in part on the Group's ability to integrate the acquired business or assets. This process may involve unforeseen difficulties and integration could take longer than anticipated as well as requiring a disproportionate amount of management's attention and financial resources. Further, the Group may not be able to maintain or improve the historical financial performance of acquired businesses or otherwise derive all of the anticipated benefits from its acquisitions, such as reduced operating costs due to centralised services.

10. 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 intense competition from other companies. Additionally, many of the Group's key employees are employed by the Group under profit-sharing 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).

11 The Group may be subject to impairment losses that would reduce its reported assets and profit

Goodwill and intangible assets comprise a substantial portion of the total assets of the Group and economic, legal, regulatory, competitive, contractual and other factors may impair the value of these assets. In such a situation, accounting rules would require that the Group reduce their carrying value and recognise an impairment charge, which would reduce the Group's reported assets and earnings in the year as the impairment charge is recognised. The assumptions used in the estimation of value in use are, by their very nature, highly judgmental and the Group could be required to recognise significant impairment charges in the future.

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

The Group operates in a large number of countries and thus 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.

DIRECTORS' REPORT continued

Given that the Company has moved its domicile to Switzerland, the risk may be more pronounced.

13. Risks associated with doing business internationally and the expansion into new geographic regions presents 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 regions 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.

14 The Group's businesses and strategy are dependent on the strength of the Group's brands

The Group's businesses are dependent on the success of their brands. The Group's success and ability to compete is dependent, in part, upon the Group's ability to maintain and protect the proprietary nature of these brands and thus to prevent the Group's competitors and others from producing branded publications, events and training courses based on the Group's brands.

15. 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.

16. 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, primarily the internet, for delivery of their products. Any significant failure or interruption of these systems, including sabotage, break-ins, terrorist activities, natural disaster, service outages and computer viruses could cause the Group's systems to operate slowly and thus offset the Group's ability to provide services to customers.

17. 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. 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 or litigation 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.

18. 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 relating to the alleged misuse of personal data. In some cases, the Group may rely on third party contractors and employees to maintain its databases and seeks to ensure that procedures are in place to comply with the relevant data protection regulations. 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 the goodwill.

19. The Group's training business derives revenue from government spending

A large proportion of the revenue from the Group's training businesses is derived from US federal and state government agencies. Government spending, both in the United States and elsewhere, may be influenced by, among other things, the state of the economy, competing priorities for appropriation, political factors, changes in administration or control of local governments and the timing and amount of tax receipts and the overall level of government expenditures. There can be no assurances that United States federal and state departments will continue to purchase the products of the Group's training business to the extent they have done so historically or at all or the implementation of contracts with government agencies may be delayed or cancelled.

20. 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.

21. The Group may operate in an increasingly litigious environment, which may adversely affect its financial results

The Group may become involved in legal actions and claims arising in the ordinary course of business. Due to the inherent uncertainty in the litigation process, the resolution of any particular legal proceeding could have a material adverse effect on the financial position and results of operations of the Group. The Group is significantly dependent on technology and the rights related to it, including rights in respect of business methods. This, combined with the recent proliferation of "business-method patents" issued by the United States Patent Office, and the increasingly litigious environment that surrounds patents in general, increases the possibility that the Group could be sued for patent infringement. If such an infringement suit were successful, it is possible that the infringing product would be enjoined by court order and removed from the market and the Group could be required to compensate the party bringing the suit either by a damages claim or through ongoing licence fees or other fees, and such compensation could be significant, in addition to the legal fees that would be incurred defending such a claim.

22. The Group's UK defined benefit pension schemes are currently in deficit and the cost of providing pension benefits to existing and former employees is subject to changes in pension fund values and changing mortality

The Group operates a number of defined benefit and defined contribution pension schemes in the UK and overseas. Although it currently is the Group's policy to offer defined contribution pension schemes to its new employees, the Group has historically maintained defined benefit schemes in the UK pursuant to which the Group may be required to increase its contributions to cover an increase in the cost of funding future pension benefits or to cover funding shortfalls under the Group's pension schemes. The funding position of the Group's defined benefit schemes has fluctuated and is likely to fluctuate as a result of changes in economic conditions, demographic experience, movements in interest rates, the investment performance of the schemes' assets and the longevity of the schemes' members.

DIRECTORS' REPORT continued

23. The structure of the Group following the implementation of its Scheme of arrangement in 2009 may not yield the anticipated benefits

    The Scheme was implemented to establish a corporate structure which the Board considers would best support the long-term growth of the Group; however there can be no guarantee that the implementation of the Scheme will yield all or any of the anticipated benefits. In particular, the selection of Jersey as the jurisdiction of incorporation, and Switzerland as the jurisdiction of tax residence, of the company may not ultimately facilitate the centralisation of certain Group activities or the optimisation of the Group's legal and taxation structure, as these jurisdictions may not offer the stable political and economic environment or the less complex taxation system which are currently anticipated. Additionally, Swiss or Jersey tax authorities may amend, interpret or apply tax laws in a manner that is adverse to the Group.

    The Group effected an intra-group reorganisation in connection with the scheme. There can be no guarantee that a tax authority would not form a different opinion or judgement on the tax treatment of the reorganisation that differs from the position of the Group. In the event that a differing view of a tax authority is subsequently determined to be correct, this could have a detrimental impact on the Group's tax position and such detrimental impact could be material.

24. Dividends paid under the Dividend Access Plan may become subject to Swiss withholding tax at 35 per cent

    Under current Swiss law withholding tax is payable upon the Company's payment of dividends (including dividends paid under the Dividend Access Plan) in the event that, and to the extent that, the total value of dividends and other distributions paid by New Informa exceeds the value of the Company immediately prior to the scheme becoming effective. A potential charge to withholding tax at 35 per cent. on dividends and other distributions may arise upon such payments.

Further details in relation to certain of these risk factors, and other risks relating to (1) the scheme of arrangement, (2) the holding of Company's ordinary shares and (3) relating to US shareholders are set out on pages 11 to 22 of the prospectus issued by the Company on 1 May 2009. Subject to stated restrictions, the document is available for viewing at:
http://www.informa.com/investors/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

2 March 2010

CORPORATE GOVERNANCE STATEMENT

The Company is 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 for which the Board is accountable to shareholders. Throughout the year ended 31 December 2009 the Company was in compliance with all the Code provisions set out in Section 1 of the Code.

Together this report and the Directors' Remuneration Report explain how the Company has applied the principles and supporting principles of Good Governance set out in Section 1 of the Code.

On 30 June 2009, Informa plc (Informa), a public company limited by shares, incorporated in Jersey with number 102786 and domiciled in Switzerland became the new parent company for the Informa Group of companies, pursuant to a scheme of arrangement under Part 26 of the Companies Act 2006. As a company listed on the London Stock Exchange, Informa is subject to the Listing Rules of the Financial Services Authority and voluntarily complies with the provisions of the Combined Code and relevant institutional shareholder guidelines.

Although Informa is not subject to the UK Companies Act, 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 members of Informa are noted in the Directors' Report on page 28.

The Board

The Informa Group of companies (the Group) is controlled through its Board of Directors. The Board's main roles are to create value for shareholders, to provide leadership of the Group, to approve the Group's strategic objectives and to ensure that the necessary financial and other resources are made available to enable those objectives to be met.

An updated schedule which sets out the matters reserved for the Board's approval, which is reviewed and updated annually, was adopted by the Board on 24 June 2009 prior to the Scheme becoming effective on 30 June 2009. 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.

Derek Mapp was appointed as Non-Executive Chairman on 17 March 2008. 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 facilitates 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 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.

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.

Directors and Directors' Independence

As at 31 December 2009 the Board comprised four independent Non-Executive Directors, one of whom is the Chairman, and two Executive Directors all of whom have served throughout the 2009 financial year. In addition, from 1 January to 8 May 2009 it included Sean Watson as a fifth Non-Executive Director.

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.

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 during normal business hours and will be available for inspection at the AGM.

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 visits to key locations and 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 continually 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.

Performance Evaluation

The Board utilises a formal and rigorous process, led by the Chairman, for the annual 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.

For 2009 the evaluation was performed by the Chairman who conducted a series of focused interviews with each member of the Board in his or her capacity as a Director and, where applicable, as a member or Chairman of a principal committee. The findings and recommendations of the review were presented to the Board as a whole, with a view to implementing any recommendations made to improve the overall effectiveness of the Board during 2010. The Non-Executive Directors, led by the Senior Independent Director, also met without the Chairman present to conduct an evaluation of the Chairman's performance.

CORPORATE GOVERNANCE STATEMENT continued

Re-Election

All of the Company's Directors are subject to annual re-election at the 2010 AGM. The Board is satisfied, following formal evaluation, that each Director continues to be effective and to demonstrate commitment to his/her role.

The Company Secretary

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

Information

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.

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 affecting the Group's performance. These include meetings with the Group's largest institutional shareholders on an individual basis following the announcement of the Group's interim and annual results. 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 contains a wide range of information of interest to both institutional and private investors, including any announcements made by the Company to the FSA as well as video recordings of the interim and annual presentations made to analysts.

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 14 to 18.

As set out on pages 31 to 36 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 19 to 23 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 (£292m at 31 December 2009). These forecasts and projections for the period up to 30 June 2011, show that the Group is expected to be able to operate within the level of its current facility and meet its covenant requirements.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. 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.

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 Board regularly reviews the effectiveness of the Group's system of financial and non-financial internal controls, including operational and compliance controls, risk management and the Group's high-level internal control arrangements.

The Board's monitoring is based principally on reviewing reports from management to consider whether significant risks have been identified, evaluated, managed and controlled and whether any significant weaknesses are promptly remedied and indicate a need for more extensive monitoring.

In addition, the Board performs a formal risk assessment, which is embedded through the annual planning cycle into the operations of the Group. Each operating unit prepares a business plan, which sets out detailed objectives, which are submitted to Executive management and the Board for approval. As an integral part of the plan, each operating unit considers the significant risks to its business and to the achievement of the proposed plan. In doing so, each unit measures its progress and completion against a series of mitigating control actions designed to address these risks.

In consolidating unique risk events group-wide, this risk model not only assists in the allocation of Internal Audit resource to provide assurance on significant risks in its annual plan, but also enables both Executive Directors and the Audit Committee, which assists the Board in discharging its review responsibilities, to monitor operating units' progress in implementing programmes aimed at mitigating risk. These review responsibilities are assisted by the operation of a risk committee. 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 operation of the risk committee is subject to the oversight of the Audit Committee.

Board Meetings and Committees

As a result of the high level of corporate activity during the year, 13 Board meetings, both scheduled and unscheduled were held. Not all Directors could be present at all unscheduled Board meetings. The number of scheduled Board meetings and Committee meetings attended as a member by each Director during the year are below.

	Scheduled Board meetings (of 7)	Remuneration Committee meetings (of 5)	Audit Committee meetings (of 4)
D Mapp	7	–	–
P Rigby	7	–	–
A Walker	7	–	–
S Watson[1]	1	2	1
P Kirby[2]	7	5	3
J Davis[3]	6	2	3
B O'Neill	7	5	4

[1] Sean Watson ceased to be a director of Old Informa on 8 May 2009.
[2] Pamela Kirby joined the Audit Committee on 27 April 2009.
[3] John Davis joined the Remuneration Committee on 27 April 2009.

CORPORATE GOVERNANCE STATEMENT continued

Nomination Committee

The Company has established a Nomination Committee whose terms of reference were updated and adopted on 24 June 2009, and are available on the Company's website. The Nomination Committee is chaired by the Chairman, Derek Mapp, and also comprises John Davis and the Chief Executive, Peter Rigby. 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 did not meet during 2009. The constitution of the Board's committees for the Company to be effective following the Scheme becoming effective was determined by the Board as a whole.

Remuneration Committee

The membership of the Remuneration Committee is set out on page 45 in the Directors' Remuneration Report. The Committee's terms of reference were updated and adopted on 24 June 2009, 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

The membership of the Audit Committee comprises Dr Brendan O'Neill, as Chairman of the Committee, and John Davis, and from 27 April 2009, Dr Pamela Kirby. Sean Watson was a member until he ceased to be a Director on 8 May 2009. The Committee's terms of reference were updated and adopted on 24 June 2009, and are available on the Company's website. The terms of reference are considered annually by the Audit Committee and are then referred to the Board for approval. It met four times during 2009.

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 the Chief Financial Officer of Yell Group plc, a listed company.

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 reviews annually the Group's system of internal controls and the process for monitoring and evaluating the 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.

The Committee meets as appropriate with the Executive Directors and management, as well as privately with both the external and internal auditors.

In 2009 the Committee 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;
- reviewing the Group's interim management statements and pre-close period updates prior to their release;
- 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;
- reviewing the Group's systems to identify and manage risks (including regular consultation with the Head of Internal Audit);
- reviewing the ongoing reports from Business Risk Management; 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 Group 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.

Corporate Responsibility (CR)

Keith Brownlie is the senior executive with day-to-day responsibility for Corporate Responsibility direction and development. He served in this capacity throughout 2009. The Group's CR priorities and strategy are formulated and led by a CR committee which is chaired by the Chief Executive, Peter Rigby. Meetings are minuted and communicated to other senior level committees when appropriate.

CORPORATE GOVERNANCE STATEMENT continued

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 55 to 57.

Approved by the Board and signed on its behalf by

John Burton
Company Secretary

2 March 2010

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 that 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 Committee is responsible to the Board for formulating and recommending to the Board remuneration policy and strategy for the Executive Directors. The Committee also reviews 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 Remuneration Committee during 2009 was as follows:

	Period of membership 2009
P Kirby (Chairman of Committee)	1 Jan – 31 Dec
S Watson	1 Jan – 8 May
B O'Neill	1 Jan – 31 Dec
J Davis	27 Apr – 31 Dec

The 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 2009 and individual attendance by its members are shown on page 41. 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), 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 2009 were:

- determination of Non-Executive Chairman's and Executive Directors' remuneration;
- determination of the Executive Directors' bonuses and bonus targets for 2009 and 2010;
- LTIP awards: determination of performance conditions, vesting of the 2006 grant to Executive Directors and new awards for both Executive Directors and senior management;
- consideration and approval of the Remuneration Report for the 2008 Annual Report;
- monitoring of senior management remuneration;
- approving Rights Issue adjustments for share awards;
- consideration of the Group Defined Benefit Pension Scheme; and
- consideration of the effect of the scheme of arrangement (the Scheme) on employee share plans and approval of successor plans in the Company from those operating within Old Informa.

DIRECTORS' REMUNERATION REPORT continued

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. The Committee also engaged independent remuneration consultants Hewitt New Bridge Street (Hewitt) to provide advice on the structure and operation of Directors' remuneration packages and the Company's share incentive arrangements. Hewitt were appointed by the Committee and do not 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. It rewards above-average performance and is designed to attract, motivate and retain high-calibre executives. The performance measurement 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 as follows:

- basic annual salary;
- benefits;
- annual bonus;
- share incentives; and
- 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 2009, 80% of the maximum bonus payable to the Executive Directors was based on EPS performance and for 2010 is entirely based on EPS performance. 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 noted below.

The Remuneration 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.

Executive Directors are entitled to accept appointments outside of the Company provided that the Chairman determines that it is appropriate. During 2009 Peter Rigby served as Non-Executive Chairman of Electric Word plc, for which he received and retained fees of £12,000.

Basic Salary

The basic salaries of the Executive Directors are reviewed by the Remuneration 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 research which gives current information on appropriate comparator groups of companies.

A review of the salaries of the Executive Directors was undertaken at the end of 2009 with the assistance of Hewitt. It included a comparison of benchmark data from two comparator groups of companies, one drawn from the FTSE All Share Media Index, of which the Company is a constituent member, and the other drawn from the FTSE All Share Index which comprised companies of a broadly similar size to Informa in terms of market capitalisation, turnover and overseas operations. Following its review, the Remuneration Committee concluded that it was appropriate reflecting widespread salary freezes across the Group to maintain the annual basic salaries of the Executive Directors for the 2010 financial year at the same rates that were set in the Spring of 2008:

P Rigby	£700,000
A Walker	£425,000

Benefits
Each of the Executive Directors receives a benefit allowance of £25,000 per annum together with private medical insurance cover and permanent health insurance cover.

Annual Bonus
The Remuneration Committee (the Committee) continues to consider adjusted diluted EPS to be the most suitable financial measurement to determine performance and align the interests of the Executive Directors with those of the Company's shareholders for the purpose of determination of bonuses 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. The Committee retains a discretion to look at other appropriate benchmarks. Accordingly, for 2009 it set an award of up to 20% of basic salary for the achievement of personal goals relating to the effective management of the Group's financial position which were set with the aim of protecting and enhancing shareholder value. In addition, a bonus of up to 80% of basic salary was 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.

For 2009, the Committee determined that the personal goals had been met in full and accordingly an award of 20% of basic salary is payable to the Executive Directors. Applying the sliding scale formula, a bonus of 83.6% of basic salary was awarded to each of Mr Rigby and Mr Walker for the 2009 financial year, reflecting a year of resilient financial performance.

For 2010, the Committee has resolved to revert to a structure of the bonus opportunity being solely based on EPS targets. In addition, for 2010 it has extended the maximum award available from 100% of basic salary in 2009 to 125% of basic salary in 2010. However, in relation to this additional potential 25% bonus:

1. more stretching targets have been applied for its achievement; and
2. this additional award may only take the form of a conditional award of shares in the Company which will vest only if the Director remains in employment throughout the deferral period, 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.

Long-Term Incentive Plan
From 2006 Executive Directors have been invited to participate in the Company's LTIP, which had been introduced and approved by shareholders in 2005.

The first grant of awards to Executive Directors under the LTIP was made in March 2006 and they were given the alternative of:

- a maximum award of 100% of basic salary in the Company's shares, provided they are prepared to sacrifice 5% of that year's basic salary; or
- a maximum award of 50% of basic salary in the Company's shares, with no salary sacrifice required.

Mr Rigby, being the only Executive Director at that time who remains in office, opted for the maximum award with a 5% sacrifice in basic salary. Two further grants of awards were made in April 2007 and April 2008 on the same basis and Mr Rigby again opted for the maximum award with a 5% sacrifice in basic salary (as did Mr Walker in April 2008, his first year in office).

DIRECTORS' REMUNERATION REPORT continued

The 2006 award made to Mr Rigby vested in full on 1 May 2009; further details can be found on page 53. The awards made to Mr Rigby in 2007 and to the Executive Directors in 2008 under the LTIP vest subject to continued employment over a three year performance period, including the year of award, and the satisfaction of performance conditions which require both that:

- the Company's TSR is at least at the median compared to the companies constituting, at grant, the FTSE All Share Media Index; and
- the Company's average adjusted diluted EPS grows by at least RPI plus 5% per annum (for 20% of the award to vest) increasing to RPI plus 12% per annum (for 100% of the award to vest), thereby encouraging Executive Directors to deliver above market returns to shareholders while also delivering strong financial performance.

The following revised arrangements for the LTIP were approved by shareholders at the AGM on 8 May 2009:

1. the above performance conditions will no longer apply and instead the following TSR performance conditions will be used:
   - 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; and
   - 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;

2 the maximum award has been increased to 200% of basic salary; and

3 no salary sacrifice element will apply.

Awards were made to the Executive Directors in 2009 of 150% of basic salary and it is intended that the same size of award be made to the Executive Directors in 2010.

The shares awarded to participants of the LTIP grants are satisfied through the Informa Group Employee Share Trust (the EST), currently administered by Nautilus Trust Company Limited in Jersey. The current intention is to use existing issued shares held in the EST for the vesting of the 2007 LTIP grant to Mr Rigby.

All-Employee Share Plans

From January 2006 the Executive Directors, along with all other UK employees, were eligible to participate in the Company's Share Incentive Plan (SIP), introduced and approved by shareholders in 2005. The SIP is an Inland Revenue Approved All-Employee Share Incentive Plan which offers UK employees the opportunity to purchase up to £1,500 of shares in the Company per year out of pre-tax salary.

All members of the SIP were invited to participate in the Rights Issue on 27 May 2009 and documentation was sent to participants on 8 May 2009. SIP participants who participated in the Rights Issue received shares separate to their holding in the SIP, equal to the value of their rights at the price of 150 pence per share. The rights of those participants who chose not to take part in the Rights Issue were sold and sale proceeds were distributed amongst the participants.

At a meeting of the Company held on 2 June 2009, a new Share Incentive Plan (new SIP) was approved by shareholders for its adoption pursuant to the Scheme becoming effective on 30 June 2009. The terms of the new SIP are the same in all material respects as the pre-existing SIP in Old Informa. The new SIP was approved by the Inland Revenue on 6 July 2009. Eligible employees were invited to join the new SIP and can also join on an ongoing basis provided they have completed six months' service with the Company.

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.

As US shareholders were not entitled to participate in the Rights Issue, the trustee of the SPP arranged for the automatic sale of the rights of participants in the SPP at the end of the Rights Issue period in the same way as US shareholders, and, accordingly the proceeds of the sale were paid to participants. Shares in Old Informa held in the SPP at the time of the Scheme becoming effective were exchanged for shares in the Company; accordingly no new SPP was introduced at this date.

Share Options

Prior to their merger in May 2004, both Informa and Taylor & Francis operated discretionary share option schemes for the benefit of the Executive Directors. In the light of changes to the accounting treatment for share options and changing market practice, the Remuneration Committee decided in 2005 no longer to grant options to Executive Directors. Details of subsisting options granted to the Executive Directors in 2004 and earlier are shown on page 52. Existing grants were amended for the Rights Issue on 27 May 2009 and rolled over from Old Informa to the Company pursuant to the Scheme becoming effective.

Share Ownership Guidelines

During early 2006 the Remuneration Committee introduced formal share ownership guidelines requiring the Executive Directors to build up, over a three year period and with pre-existing shareholdings taken into account, a holding in the Company's shares equal to at least one and a half times annual basic salary.

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.

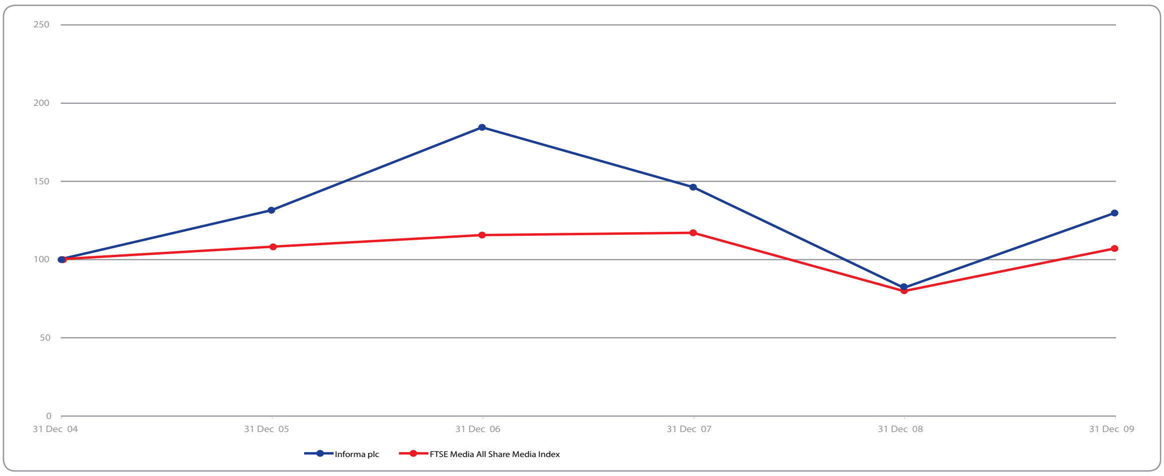
Since Peter Rigby is neither an active member of any Group pension scheme nor is eligible to make further tax efficient pension contributions, instead the Company pays to him a monthly payment in lieu of pension contributions equal to 25% of basic salary (after deducting the incremental National Insurance costs to the Company).

Further details of these entitlements are shown on page 53 to 54.

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 2009. 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 2005-2009



DIRECTORS' REMUNERATION REPORT continued

Directors' Contracts

At 31 December 2009 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. On 24 June 2009 the Executive Directors entered into new agreements with Informa, the new holding company, in respect of their duties and responsibilities as Directors of that company. The existing service contracts of the Executive Directors were amended on 24 June 2009 to reflect this additional appointment but otherwise the terms of their original agreements were unaffected. In the event of early termination, 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.

Pursuant to the terms on which he joined the Group, Adam Walker was awarded a restricted award of 93,269 shares on 7 April 2008. This award was increased to 117,422 shares following the taking up in full by Mr Walker of his rights in the Rights Issue on 27 May 2009 and will vest in full on 7 April 2010.

Other than in respect of Mr Walker's share award described above, 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.

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 to reflect changes to, for example, salary or fee levels. The contracts of the Non-Executive Directors were novated on 24 June 2009 so as to be with Informa 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 will be available for inspection at the AGM.

	Date of original contract
Executive Directors	
P Rigby	25 September 1996
A Walker	12 March 2008
Non-Executive Directors	
D Mapp	10 May 2004
P Kirby	3 August 2004
J Davis	19 September 2005
B O'Neill	26 November 2007

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.

During the whole of 2009, the following annual fees were paid to the Non-Executive Directors (which fee levels have been in place since 1 April 2008):

- Non-Executive Chairman – £165,000
- Chairman of Audit Committee – £60,000
- Senior Independent Director and Chair of Remuneration Committee – £58,000
- Other Non-Executive Directors – £50,000

Having consulted Hewitt and reflecting the additional time commitment required as a result of the Company being domiciled in Switzerland, the Board resolved that the following fees be payable from 1 January 2010:

- Non-Executive Chairman – £210,000
- Chairman of Audit Committee – £68,000
- Senior Independent Director and Chair of Remuneration Committee – £65,000
- Other Non-Executive Directors – £56,000

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

Aggregate Directors' Remuneration

The total amounts for Directors' remuneration were as follows:

	2009 £'000	2008 £'000
Emoluments	1,886	2,582
Share incentive gains and payments	163	591
Retirement contributions (or cash payments in lieu)	846	262
	2,895	3,435

Directors' Emoluments

	Basic salary/ fees £'000	Bonus Accrued £'000	Benefits in kind/ allowance £'000	Total 2009 £'000	Total 2008 £'000	Compensation for loss of office £'000
Executive Directors						
P Rigby[1]	700	–	27	727	1,349	–
D Gilbertson[2]	–	–	–	–	143	–
A Walker[3]	425	355	28	808	730	–
	1,125	355	55	1,535	2,222	–
Non-Executive Directors						
D Mapp	165	–	–	165	151	–
S Watson[4]	18	–	–	18	50	–
P Kirby	58	–	–	58	55	–
J Davis	50	–	–	50	49	–
B O'Neill	60	–	–	60	55	–
	351	–	–	351	360	–
Aggregate emoluments	1,476	355	55	1,886	2,582	–

[1] In addition for 2009 the Group is making a contribution of £585,200 to a retirement plan in respect of Mr Rigby as noted below under Directors' Pension Entitlements.
[2] David Gilbertson left the Group on 20 March 2008. No compensation for loss of office was paid to him except for the retention of Share Matching Awards under the terms of his severance agreement.
[3] Adam Walker joined the Group on 28 March 2008.
[4] Sean Watson ceased to be a Director on 8 May 2009. The fees shown above for the services of Sean Watson were paid to CMS Cameron McKenna.

DIRECTORS' REMUNERATION REPORT continued

Aggregate emoluments disclosed above do not include any amounts concerning (1) payments in respect of pension arrangements (which are disclosed elsewhere in this report) or (2) the value of share options granted to or held by Directors, of matching awards made under the Company's Share Matching Plan or of awards under the Company's LTIP. Details of these share-based incentives are given below.

Directors' Share Interests

The Directors who held office at 31 December 2009 had the following beneficial interests in the issued share capital of the Company:

	Ordinary Shares	
	At 31 December 2009	At 31 December 2008
D Mapp	90,495	60,496
P Rigby	908,064	709,679
A Walker	149,879[1]	116,019[1]
P Kirby	14,000	10,000
J Davis	14,000	10,000
B O'Neill	4,200	3,000

[1] This includes shares conditionally awarded to Mr Walker described under Directors' Contracts on page 50.

In relation to the Rights Issue, each of the Directors took up their rights in full or otherwise as a minimum sold sufficient rights in order to take up the balance of their rights. 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 2009 Peter Rigby and Adam Walker were, for the purposes of the 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 71,628 shares at 31 December 2009. Employees of the Group (including Peter Rigby and Adam Walker) are potential beneficiaries under this trust.

Other than the purchase of 154 Share Incentive Plan shares by Peter Rigby and Adam Walker, there have been no changes in Directors' share interests from 31 December 2009 to the date of this Report.

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 2009. All outstanding share options were amended to take into account the Rights Issue.

	At 31 December 2008	Exercised	Lapsed	Rights Issue Adjustment	Exercise price (p)	Post Rights Issue Exercise price (p)	Market price At date of exercise (p)	At 31 December 2008	Exercise period
P Rigby	58,544	–	–	11,046	736.6071	619.6853	–	69,590	20.03.03 to 19.03.10
	91,445	–	–	17,254	518.7500	436.4807	–	108,699	07.03.04 to 06.03.11
	149,989			28,300				178,289	

The market price of the Company's ordinary shares at 31 December 2009 was 320.00p and the range during the year was between 335.10p to 169.13p. The daily average market price during the year was 255.05p.

Directors' Participation in Long-Term Incentive Scheme

The Executive Directors have been granted conditional awards over shares in the Company under the LTIP since 2006. All LTIP awards, with the exception of the 2009 award granted on 4 August 2009, were amended for the Rights Issue. All LTIP awards are as follows:

	At 31 December 2008	Vested	Lapsed	Granted[1]	Rights Issue Adjustment	At 31 December 2009	Award date	End of performance period
P Rigby	117,082	117,082	–	–	–	–	29.03.06	31.12.08
	102,301	–	–	–	19,302	121,603	25.04.07	31.12.09
	183,273	–	–	–	34,580	217,853	09.04.08	31.12.10
	–	–	–	411,764	–	411,764	04.08.09	31.12.11
	402,656	117,082	–	411,764	53,882	751,220		
A Walker	123,637	–	–	–	23,328	146,965	09.04.08	31.12.10
	–	–	–	250,000	–	250,000	04.08.09	31.12.11
	123,637	–	–	250,000	23,328	396,965		

[1] The market price of the Company's shares on the grant date were 255.00 pence.

The grants were made on the terms described on page 47 to 48. Subject to achievement of the relevant performance conditions and continued employment, these awards will vest proportionately, over a three year performance period, commencing on 1 January of the year of grant. The Remuneration Committee was satisfied that the performance conditions covering Mr Rigby's award made in 2006 had been met in full and accordingly all his award vested on 1 May 2009. The share price and value of the share award on the date of vesting was 339.75p and £397,786 respectively. Of the 117,082 shares vesting under the award, Mr Rigby received 69,082 and sold 48,000. The Remuneration Committee was satisfied under the performance conditions covering Mr Rigby's award made in 2007 that 40.2% of his award should vest in March 2010.

Directors' Pension Entitlements

The following information is given to comply with the requirements of the Listing Rules of the FSA, which differ in some respects from the equivalent statutory requirements:

There were no increases during the year of accrued pension (excluding inflation). Any transfer values disclosed under the Listing Rules requirements do not represent a sum paid or payable to the individual Director; instead they represent a potential liability of the pension scheme.

DIRECTORS' REMUNERATION REPORT continued

Contributions paid by the Group directly to Directors or their nominated retirement investment vehicles in respect of their retirement benefit entitlements were as follows:

	2009 £'000	2008 £'000
D Gilbertson[1]	–	30
P Rigby[2]	740	151
A Walker	106	81

[1] David Gilbertson left the Group on 20 March 2008.

[2] The Committee has resolved not to make a bonus payment to Mr Rigby for 2009. Instead, the Committee has decided to make a contribution of £585,200 (the Contribution Amount) to the Informa Group 2010 Employer-Financed Retirement Benefits Scheme (EFRBS), where it will be invested to provide retirement and/or death benefits to Mr Rigby. As this contribution will not be immediately and fully deductible for corporation tax purposes, the Committee has 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 (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 Mr Rigby draws down his benefits under the EFRBS. This remuneration report records both payments being made to Mr 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
Chairman of the Remuneration Committee

2 March 2010

CORPORATE RESPONSIBILITY

Corporate Responsibility (CR) is key to the Informa business and its people. Its importance within Informa increases year on year even in a difficult business environment. Informa's CR activities are carried out globally across the business and incorporate many different areas such as employees, communities, customers and the environment.

As mentioned in the Corporate Governance report on page 43 to 44, Informa's CR strategy is formulated and led by a CR Committee which is chaired by the Chief Executive, Peter Rigby. The CR strategy has five key pillars:

Providing a Rewarding, Fair and Inspiring Workplace for Staff

The quality of Informa's people is the Company's single biggest advantage. The Group is rich in intellectual capital. It has a responsibility to provide a transparent and unbiased meritocracy as well as invest in the HR tools to support this.

In 2009, internal staff training (known as the Informa Academy) was further developed. It is delivered by the Informa Group and is free to attend for employees from all of the Group's businesses. Attendance at these courses rose from 853 to 1,253 staff in 2009. Individual businesses are being encouraged to establish their own training academies; in 2009 Informa Business Information did so, delivering specialist training directly to its staff.

Informa continues to offer a flexible and attractive benefits package to staff on top of the competitive salary and bonus structures in place within each business unit. The Group's UK benefits package was given the highest rating in the Britain's Top Employer awards for 2009.

In 2009, Informa launched an innovative new facility for previous members of staff throughout the world. Over time, INFORMA-IN-TOUCH.ORG, will help the Group build a strong, global alumnus of talented former-employees, with whom the Group will remain in contact.

INFORMA-IN-TOUCH.ORG offers a supportive peer group for former staff enabling them to hear about new opportunities, business and social events as well as gain tips and advice in finding a new job, managing their career, and, if they choose it, self-employment. A Network Coach, with many years experience in executive coaching and personal development, is also on hand. His job is to welcome new members and support their career development and networking. It is one of few, such proactive, corporate alumni networks in the world. In time offline networking amongst this group will be developed.

To offer users privacy, it is not open to current employees, but it does give Informa the opportunity to get back in touch with people who have moved when new opportunities arise within the Group.

Ensuring Product Integrity and Quality

Informa provides specialist information and services for the academic, scientific, professional, and commercial business communities. Our readers and the people attending our conferences expect expertly researched, balanced, truthful and reliable content.

Managing Editorial Integrity at Taylor & Francis

Taylor & Francis (T&F) maintains the editorial integrity of their academic publications in three ways that are all closely related to each other.

Firstly, there is a rigorous peer review process made up of subject experts, mainly academic professors, to validate the content of T&F's books and journals. On the journal side, each title has an editorial panel, whilst books are reviewed by three or more experts. Sometimes this can lead to content changes and, on the rare occasion, to an article or book being abandoned altogether.

Secondly, T&F recognises that, as a humanities and social sciences publisher, it needs to be at the forefront of stimulating debate. The peer review process plays an important part in this by ensuring that all content is challenged and debated before publication.

Finally, as a global publisher, T&F prides itself on its commitment to reflecting regional perspectives. This also contributes to the desire to lead the debate in core subject areas through thought-provoking content.

T&F have commissioning staff located in the UK, USA, India and Singapore. Sales outside of the UK and USA account for approximately 40% of T&F's total sales and this figure is growing each year. T&F believes that in every respect the developing regions of the world are going to be increasingly important to its business.

CORPORATE RESPONSIBILITY continued

In 2009, a review of the Editorial and Content Code for publishing was conducted, and development of specific training sessions commenced to raise awareness of the code among Informa Business Information' publications. Although the publishing code is relevant for the Group's academic books and journals, the integrity of those publications is ensured through the Group's peer review process before publication.

An Editorial and Content code was drafted specifically for the conference businesses in 2009, and will be finalised and launched during 2010.

T&F have commissioning staff located in the UK, USA, India and Singapore. Sales outside of the UK and USA account for approximately 40% of T&F's total sales and this figure is growing each year. T&F believes that in every respect the developing regions of the world are going to be increasingly important to its business.

Managing Environmental Impacts

Informa continues to measure and manage the environmental impacts of its direct operations. Previously the Group has focused on UK operations but this year it will report on a broader geographical scope of its operations including North America, East Asia, Australasia, and South Asia. The Group continues to report to investors via the Carbon Disclosure Project, and saw its score in the index increase slightly this year.

The Group's reporting in 2009 has been focused on energy usage within its offices, and in 2010 reporting will include the impacts associated with business travel.

Maintaining and Improving Customer Service Levels

It is the Group's responsibility to anticipate, meet and exceed its institutional and individual customer expectations. The Group continues to develop its Shared Service Centres offering back office customer service functions to group companies. The Shared Service Centres are expected to lead to cost savings as well as improvements to customer service levels.

For example, the UK Shared Services' main role is to support Informa's businesses, so that they can focus on improving products and services, ensure customer retention and grow their businesses. The Shared Services centre does this by not only providing accounting and customer operations support services to these businesses, but also by processing first line external customer queries.

Giving Back to the Communities in which it Operates

Informa has long encouraged its staff to be involved in local community initiatives, as well as taking part in Group community activities such as fund raising for the World Cancer Research Fund (WCRF). A survey carried out in 2009 showed how important these activities are to Informa's staff, as well as having a positive effect on the

Green Week

Informa launched its first Green week in 2009 to build on 2008's Green day. The aim of the week was to set aside time in the corporate calendar to bring green issues to the fore and inspire employees across the globe to make positive green changes in their day-to-day working lives as well as to share ideas on how Informa could reduce its corporate carbon footprint.

The Group received a high amount of input from employees to central competitions, for example sending in ideas for "Greening Informa's Products" and photos on "Going Green at Informa". There was also support from Peter Rigby, Chief Executive, and his direct reports who competed in their own "Green Games", a set of daily challenges on the five themes of mind, travel, waste, water, and energy.

Competition between the competitive senior team was fierce with the ups and downs all captured in a daily blog. Employees also organised activities in their local offices from carpooling to volunteering with environmental charities as well as getting rid of personal bins in offices and creating one-sided notebooks from scrap printer paper.

Finally, Facilities' Managers were put to the test challenging them to see who could reduce office energy use the most over the week. Eighteen offices across eight countries took up the gauntlet with Taylor & Francis in Singapore eventually winning with a 42% saving achieved through simple measures such as reducing the air-conditioning by a few degrees, turning off all lighting and electronic devices when not in use, and keeping window blinds down to avoid heat gain from direct sunlight. Informa Australia also deserve a mention for making the greatest absolute saving before normalisation.

communities with whom the Group works.

Informa also recognises that these community activities are another way to help staff develop new skills. In 2009, the Group developed a new community strategy which includes offering all staff one day off per year to volunteer for a local charity. Informa hopes to see a significant portion of staff taking up this new opportunity.

Looking Forward to 2010

The CR Committee has several key aims for 2010. These include the following:

Staff Engagement

Engaging with staff remains an important part of the CR strategy. The decentralisation of CR to the businesses globally and setting each business one key CR target are underway.

Community

Staff are encouraged to spend one day for community activities. This has been branded 'Be Involved' with the aim of encouraging team activities globally.

Haiti Appeal

Since the Haiti earthquake struck, Informa staff around the world have engaged minds and hearts and dug deep into their pockets to raise over £26,000 for the disaster relief in Haiti. Peter Rigby has announced that Informa will be contributing an additional £20,000 from corporate funds in honour of the response from staff, taking the total up to over £46,000.

Banana Run – Run for the Children

Staff across Informa continue to promote the Run for the Children and continue to raise funds for Cancer Relief. Peter Rigby puts his own stamp on this community event by dressing up as a banana and having staff chase him around Regents Park in London.

Informa Academy

The CR Committee is working to improve the Profile of the Informa Academy, to offer more internal programmes for staff by using distance learning and Video Conferencing Technology to deliver these programmes. Virtual conferencing, developed in the ESI business in 2009, will be developed further in 2010 thereby reducing the Group's Carbon Footprint by minimising on business travel wherever possible.

CR Database/KPIs

Mindful of the need to provide the market with accurate data, particularly energy consumption, the CR Committee is looking to improve both the Group's CR database and KPIs in line with the Carbon Disclosure project.

The full CR report for 2009 is available on www.informa.com.

Community Strategy Survey

A Community Strategy survey was undertaken in 2009 which gave the following results:

- 99% of those that replied to the survey knew about Informa's annual, and global, Go Banana event to raise money for WCRF;
- 86% of respondents said they would be interested in getting involved with a local charity to their own office; and,
- 58% said they'd give time to both volunteering and fundraising activities.

After analysing the results of the survey, and talking to MDs across the business, the CR Committee decided to:

- retain its global relationship with WCRF through the Go Banana event;
- encourage all offices to develop long-term relationships with organisations that are either local to the office, or have a strategic link to the business;
- introduce a global Informa Volunteering Policy; and,
- launch a new Community Month during which local charity partnerships will be highlighted across the business, and offer support and advice to staff interested in setting up partnerships in their region, or getting involved in volunteering.

Financial Statements

"2009 will be remembered as one of the most difficult years from a global trading perspective. All of our businesses were impacted to a lesser or greater extent, so we are pleased with these financial results which demonstrate the strength of a balanced portfolio and an ability to manage costs proactively when demand is reduced."

– Adam Walker, Finance Director

IN THIS SECTION:

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 2009 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 and the Consolidated Cash Flow Statement and the related Notes 1 to 38. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

We have reported separately on the parent company financial statements of Informa plc for the period from 11 March 2009 to 31 December 2009.

This report is made solely to the Company's members, as a body, in accordance with Article 110 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

The Directors' responsibilities for preparing the Annual Report and the Group financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and for preparing the Directors' Remuneration Report are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Jersey) Law 1991. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

Although not required to do so, the directors have voluntarily chosen to make a Corporate Governance Statement detailing the extent of their compliance with the 2008 Combined Code. We review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the 2008 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report as described in the contents section and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors Remuneration report to be audited. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' Remuneration Report to be audited.

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 31 December 2009 and of the Group's profit for the year then ended; and
- the Group financial statements have been properly prepared in accordance with the Companies (Jersey) Law 1991.

Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

2 March 2010

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2009

	Notes	Adjusted results 2009 £m	Adjusting items 2009 £m	Statutory results 2009 £m	Adjusted results 2008 £m	Adjusting items 2008 £m	Statutory results 2008 £m
Revenue from continuing operations	5	1,221.7	–	1,221.7	1,278.0	–	1,278.0
Net operating expenses	7	(912.2)	(163.8)	(1,076.0)	(972.2)	(141.2)	(1,113.4)
Operating profit		309.5	(163.8)	145.7	305.8	(141.2)	164.6
(Loss)/profit on disposal of businesses	31	–	(1.0)	(1.0)	–	16.8	16.8
Finance costs	10	(51.7)	–	(51.7)	(77.4)	–	(77.4)
Investment income	11	3.5	–	3.5	5.0	–	5.0
Profit before tax		261.3	(164.8)	96.5	233.4	(124.4)	109.0
Tax (charge)/credit	12	(68.2)	78.2	10.0	(60.9)	37.9	(23.0)
Profit for the year		193.1	(86.6)	106.5	172.5	(86.5)	86.0
Attributable to:							
– Equity holders of the parent				105.6			84.9
– Minority interest	27			0.9			1.1
Earnings per share from continuing operations							
– Basic (p)	14			18.84			16.80[1]
– Diluted (p)	14			18.83			16.79[1]
Adjusted earnings per share from continuing operations							
– Basic (p)	14	34.27			33.94[1]		
– Diluted (p)	14	34.27			33.92[1]		

[1] Restated to reflect the bonus element of the rights issue. Details of the rights issue are provided in Note 25.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2009

	Notes	2009 £m	2008 £m
Profit for the year		106.5	86.0
Gain/(loss) on cash flow hedges		13.6	(34.1)
(Loss)/gain on translation of foreign operations		(72.0)	161.9
Actuarial loss on defined benefit pension schemes	36	(1.5)	(3.6)
Tax on income and expenses taken directly to equity	21	(3.5)	10.5
Transferred to profit or loss on cash flow hedges		0.3	0.7
Other comprehensive (expense)/income for the year		(63.1)	135.4
Total comprehensive income for the year		43.4	221.4
Attributable to:			
– Equity holders of the parent		42.5	220.3
– Minority interest	27	0.9	1.1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2009

	Share capital (Note 25) £m	Share premium account (Note 26) £m	Reserve for shares to be issued (Note 26) £m	Merger reserve (Note 26) £m
At 1 January 2008	0.4	–	5.4	496.4
Inversion accounting[1]	114.2	–	–	–
Restated at 1 January 2008[1]	114.6	–	5.4	496.4
Profit for the year	–	–	–	–
Loss on cash flow hedges	–	–	–	–
Gain on translation of foreign operations	–	–	–	–
Actuarial loss on defined benefit pension schemes (Note 36)	–	–	–	–
Tax on income and expenses taken directly to equity (Note 21)	–	–	–	–
Transferred to profit or loss on cash flow hedges	–	–	–	–
Total comprehensive income for the year	–	–	–	–
Dividends to shareholders (Note 13)	–	–	–	–
Share award expense	–	–	0.5	–
Purchase of own shares	–	–	–	–
Share options exercised	–	–	–	–
Shares issued on options exercised (restated at 27p per share)	0.2	1.1	–	–
Awards vesting under Long–Term Incentive Plans	–	–	(2.3)	–
Capital reduction	–	–	–	–
Restated at 1 January 2009[1]	114.8	1.1	3.6	496.4
Profit for the year	–	–	–	–
Gain on cash flow hedges	–	–	–	–
Loss on translation of foreign operations	–	–	–	–
Actuarial loss on defined benefit pension schemes (Note 36)	–	–	–	–
Tax on income and expenses taken directly to equity (Note 21)	–	–	–	–
Transferred to profit or loss on cash flow hedges	–	–	–	–
Total comprehensive income for the year	–	–	–	–
Dividends to shareholders (Note 13)	–	–	–	–
Share award expense	–	–	0.6	–
Own shares sold	–	–	–	–
Share options exercised	–	0.2	–	–
Rights issue	45.9	196.6	–	–
Inversion accounting	–	1,641.8	–	–
Capital reduction	(160.1)	(1,839.3)	–	–
Amount recycled on disposal of subsidiary	–	–	–	–
Loss on disposal of foreign currency loans	–	–	–	–
At 31 December 2009	0.6	0.4	4.2	496.4

[1] Restated to reflect the inversion accounting adopted in the year – refer to Note 25.

Other reserve (Note 26) £m	ESOP Trust shares (Note 26) £m	Hedging and translation reserve (Note 26) £m	Capital reserve (Note 26) £m	Retained earnings £m	Total £m	Minority interest (Note 27) £m	Total equity £m
37.4	(2.0)	(83.6)	547.1	(73.3)	927.8	0.6	928.4
(114.2)	–	–	–	–	–	–	–
(76.8)	(2.0)	(83.6)	547.1	(73.3)	927.8	0.6	928.4
–	–	–	–	84.9	84.9	1.1	86.0
–	–	(34.1)	–	–	(34.1)	–	(34.1)
–	–	161.9	–	–	161.9	–	161.9
–	–	–	–	(3.6)	(3.6)	–	(3.6)
–	–	9.6	–	0.9	10.5	–	10.5
–	–	0.7	–	–	0.7	–	0.7
–	–	138.1	–	82.2	220.3	1.1	221.4
–	–	–	–	(73.9)	(73.9)	(0.5)	(74.4)
–	–	–	–	–	0.5	–	0.5
–	(3.0)	–	–	–	(3.0)	–	(3.0)
–	4.6	–	–	(4.6)	–	–	–
–	–	–	–	–	1.3	–	1.3
–	–	–	–	1.1	(1.2)	–	(1.2)
–	–	–	(547.1)	547.1	–	–	–
(76.8)	(0.4)	54.5	–	478.6	1,071.8	1.2	1,073.0
–	–	–	–	105.6	105.6	0.9	106.5
–	–	13.6	–	–	13.6	–	13.6
–	–	(72.0)	–	–	(72.0)	–	(72.0)
–	–	–	–	(1.5)	(1.5)	–	(1.5)
–	–	(3.9)	–	0.4	(3.5)	–	(3.5)
–	–	0.3	–	–	0.3	–	0.3
–	–	(62.0)	–	104.5	42.5	0.9	43.4
–	–	–	–	(38.2)	(38.2)	(1.2)	(39.4)
–	–	–	–	–	0.6	–	0.6
–	–	–	–	9.6	9.6	–	9.6
–	–	–	–	–	0.2	–	0.2
–	–	–	–	–	242.5	–	242.5
(1,641.8)	–	–	–	–	–	–	–
–	–	–	–	1,999.4	–	–	–
–	–	(0.4)	–	–	(0.4)	–	(0.4)
–	–	1.3	–	(1.3)	–	–	–
(1,718.6)	(0.4)	(6.6)	–	2,552.6	1,328.6	0.9	1,329.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2009

	Notes	2009 £m	2008 £m
ASSETS			
Non-current assets			
Goodwill	15	1,727.3	1,810.5
Other intangible assets	16	1,077.6	1,246.5
Property and equipment	17	21.4	27.1
Deferred tax assets	21	32.8	39.4
		2,859.1	3,123.5
Current assets			
Inventory	22	39.1	39.9
Trade and other receivables	19	220.3	287.5
Current tax asset		3.7	–
Cash and cash equivalents	20	16.5	10.3
		279.6	337.7
Total assets		3,138.7	3,461.2
EQUITY AND LIABILITIES			
Capital and reserves			
Called up share capital	25	0.6	114.8[1]
Share premium account		0.4	1.1[1]
Reserve for shares to be issued		4.2	3.6
Merger reserve		496.4	496.4
Other reserve		(1,718.6)	(76.8)[1]
ESOP Trust shares		(0.4)	(0.4)
Hedging and translation reserve		(6.6)	54.5
Retained earnings		2,552.6	478.6
Equity attributable to equity holders of the parent		1,328.6	1,071.8
Minority interest	27	0.9	1.2
Total equity		1,329.5	1,073.0
Non-current liabilities			
Long-term borrowings	23	889.1	1,234.6
Deferred tax liabilities	21	228.0	306.5
Retirement benefit obligation	36	11.3	10.3
Provisions	28	7.8	12.9
Trade and other payables	29	3.2	3.4
Derivative financial instruments	24 (b), 24 (d)	13.2	25.2
		1,152.6	1,592.9
Current liabilities			
Short-term borrowings	23	–	117.5
Current tax liabilities		122.3	99.5
Provisions	28	14.4	10.0
Trade and other payables	29	201.5	238.1
Deferred income	30	292.0	309.3
Derivative financial instruments	24 (b), 24 (d)	26.4	20.9
		656.6	795.3
Total liabilities		1,809.2	2,388.2
Total equity and liabilities		3,138.7	3,461.2

[1] Restated to reflect the new capital structure of the new parent company of the Group – refer to Note 1.

These financial statements were approved by the Board of Directors on 2 March 2010 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 2009

	Notes	2009 £m	2008 £m
Operating activities			
Cash generated by operations	33	319.5	351.8
Income taxes paid		(27.3)	(39.2)
Interest paid		(47.4)	(73.3)
Net cash inflow from operating activities		244.8	239.3
Investing activities			
Investment income		1.0	5.5
Proceeds on disposal of property, equipment and non-current assets classified as held for sale		4.1	6.2
Purchases of intangible software assets	16	(11.3)	(25.3)
Purchases of property and equipment	17	(8.8)	(13.9)
Acquisition of subsidiaries and businesses	32	(38.5)	(16.3)
Product development costs	16	(6.0)	(1.9)
Disposal of businesses		–	29.9
Net cash outflow from investing activities		(59.5)	(15.8)
Financing activities			
Dividends paid	13	(38.2)	(73.9)
Repayments of borrowings	33	(617.7)	(409.8)
Loans drawn down/new bank loans raised	33	224.1	254.3
Proceeds from the issue of share capital		252.3	1.2
Investment in own shares		–	(1.9)
Net cash outflow from financing activities		(179.5)	(230.1)
Net increase/(decrease) in cash and cash equivalents		5.8	(6.6)
Effect of foreign exchange rate changes		0.4	–
Cash and cash equivalents at beginning of the year		10.3	16.9
Cash and cash equivalents at end of the year	20	16.5	10.3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2009

1 General information

On 30 June 2009, pursuant to a Scheme of Arrangement under Part 26 of the UK Companies Act 2006, a new parent company was introduced which is now called Informa plc (the Company). The previous parent company has been renamed as Informa Group plc (Old Informa).

The introduction of a new parent company constitutes a Group reconstruction and has been accounted for as a reverse acquisition in accordance with IFRS 3 *Business Combinations (2004)*. The comparative equity structure has been restated to reflect the new equity structure of the Company. Therefore, although the Group reconstruction did not become effective until 30 June 2009, the consolidated financial statements of the Company are presented as if the Company had always been part of the Group. Accordingly, the results of the Group for the year ended 31 December 2009 are shown in the Consolidated Income Statement and the comparative figures for the year ended 31 December 2008 are also presented on this basis. Earnings per share are unaffected by the reorganisation. 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 29. The consolidated financial statements as at 31 December 2009 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 27.

The consolidated financial statements have been prepared on a going concern basis, for further analysis refer to Corporate Governance Statement on page 38.

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.

These financial statements have been presented to the nearest £million, instead of £'000 as previously reported. The comparative figures have been adjusted accordingly.

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:
IAS 1 (revised 2007) *Presentation of Financial Statements*
IAS 23 (revised 2007) *Borrowing Costs*
IAS 32 (amended) / IAS 1 (amended) *Puttable Financial Instruments and Obligations Arising on Liquidation*
IAS 39 (amended) / IFRIC 9 (amended) *Embedded derivatives*
IFRS 1 (amended) / IAS 27 (amended) *Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
IFRS 2 (amended) *Share-based Payment – Vesting Conditions and Cancellations*
IFRS 7 (amended) *Financial Instruments: disclosures*
IFRS 8 *Operating Segments*
IFRIC 12 *Service Concession Arrangements*
IFRIC 13 *Customer Loyalty Programmes*
IFRIC 15 *Agreements for the Construction of Real Estate*
IFRIC 16 *Hedges of a Net Investment in a Foreign Operation*
Improvements to IFRSs (2008)

The adoption of these Standards and Interpretations has not led to any changes in the Group's accounting policies except for adopting IFRS 7, IFRS 8 and IAS 1, which have only effected the presentation and disclosure in these financial statements.

IFRS 7 (amended) expands the disclosures required in respect of fair value measurements and liquidity risk. The Group has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in this amendment.

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors to allocate resources and to assess performance. In contrast, the predecessor Standard (IAS 14 *Segment Reporting*) required the Group to identify two sets of segments (business and geographical), using a risks and rewards approach, with the Group's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. As a result, following the adoption of IFRS 8, the identification of the Group's reportable segments has changed.

IAS 1 (revised 2007) requires the presentation of a statement of changes in equity as a primary statement, separate from the income statement and statement of comprehensive income. As a result, a Consolidated Statement of Changes in Equity has been included in the primary statements, showing changes in each component of equity for each period presented. Further, IAS 1 requires a third comparative to be included within the Statement of Financial Position (along with supplementary notes) in the instance that any previously reported financial information is restated or represented. In the current year, the Group restructuring and adoption of IFRS 8 triggers this requirement. However, the Board of Directors have concluded that the addition of the 2007 comparative information would not provide the user of the consolidated financial statements with any additional helpful information or enhance the overall clarity of the consolidated financial statements, given a full explanation of the impact of both IFRS 8 and the Group restructuring are provided in the Notes 6 and 25 respectively.

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 24 (revised 2009) *Related Party Disclosures*	– not endorsed by the EU
IAS 27 (amended 2008) *Consolidated and Separate Financial Statements*	– endorsed by the EU
IAS 28 (revised 2008) *Investments in Associates*	– endorsed by the EU
IAS 32 (amended 2009) *Classification of Rights Issues*	– endorsed by the EU
IAS 39 (amended 2009) *Recognition and Measurement: Eligible Hedged Items*	– endorsed by the EU
IFRS 2 (amended 2009) *Group Cash-settled Share-based Payment Transactions*	– not endorsed by the EU
IFRS 3 (revised 2008) *Business Combinations*	– endorsed by the EU
IFRS 9 *Financial Instruments*	– not endorsed by the EU
IFRIC 14 (amended 2009) *Prepayments of a Minimum Funding Requirement*	– not endorsed by the EU
IFRIC 17 *Distributions of Non-cash Assets to Owners*	– endorsed by the EU
IFRIC 18 *Transfers of Assets from Customers*	– endorsed by the EU
IFRIC 19 *Extinguishing financial liabilities with equity instruments*	– not endorsed by the EU
Improvements to IFRSs (2009)	– 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:

- Treatment of acquisition of subsidiaries when IFRS 3 (revised 2008) comes into effect for business combinations for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 July 2009.

- 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 2009 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 believe 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 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, closure or disposal of businesses and costs associated with Board level changes; and
- 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.

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	
	2009	2008	2009	2008
USD	1.5566	1.8637	1.6114	1.4602
EUR	1.1196	1.2627	1.1180	1.0465

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.

Minority 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.

Exhibition income is deferred and recognised when the exhibition 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
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2009 continued

3 Accounting policies continued

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.

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2009 continued

3 Accounting policies continued

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.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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 2009 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 value 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 39 days (2008: 38 days), as well as observable changes in national or local economic conditions that correlate with default 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.

Financial guarantee contract liabilities

Financial guarantee contract liabilities are measured at the amount of the obligation under the contract, as determined in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets.*

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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2009 continued

3 Accounting policies continued

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 hedges that do not result in the recognition of an asset or a 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.

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 the acquisition of 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 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2009 continued

5 Revenue

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

	2009 £m	2008 £m
Subscriptions	425.7	363.6
Delegates	304.7	408.9
Copy sales	202.4	188.9
Exhibition	89.3	88.2
Sponsorship	50.5	52.6
Consulting	79.0	79.1
Advertising	31.6	38.6
Other	38.5	58.1
Total revenue	1,221.7	1,278.0

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.

In prior years, externally reported segment information was based on the markets being served rather than the services being provided.

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

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

Academic Information (AI)

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

Professional and Commercial Information (PCI)

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

Events and Training – 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. Amounts reported for the prior year have been restated in accordance with the requirements of IFRS 8.

Segment revenue and results

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	81.9	60.3	7.3	(3.5)	6.1	(6.4)	145.7
Loss on disposal of businesses (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.

31 December 2008

	AI £m	PCI £m	Events Europe £m	Events US £m	Events ROW £m	Unallocated £m	Total £m
Revenue (Note 5)	243.5	366.7	314.0	232.8	121.0	–	1,278.0
Adjusted operating profit	76.4	102.5	56.0	44.9	26.0	–	305.8
Restructuring and reorganisation costs (Note 8)	(1.2)	(4.3)	(4.8)	(5.9)	(0.5)	(0.6)	(17.3)
Intangible asset amortisation[1] (Note 16)	(19.6)	(42.4)	(26.6)	(24.8)	(10.5)	–	(123.9)
Operating profit	55.6	55.8	24.6	14.2	15.0	(0.6)	164.6
Profit on disposal of businesses (Note 31)							16.8
Finance costs (Note 10)							(77.4)
Investment income (Note 11)							5.0
Profit before tax							109.0

[1] Excludes software amortisation.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Adjusted operating result by segment is the measure reported to the Group's Chief Executive for the purpose of resource allocation and assessment of segment performance. Unallocated costs of £6.4m (2008: £0.6m) relate to the aborted transaction costs and change of domicile – refer to 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2009 continued

6 Business segments continued

Segment assets

	2009 £m	2008 £m
AI	930.1	935.0
PCI	1,070.6	1,136.5
Events Europe	500.3	557.7
Events US	408.0	458.2
Events ROW	155.5	216.8
Total segment assets	3,064.5	3,304.2
Unallocated assets	74.2	157.0
Total assets	3,138.7	3,461.2

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:

	2009 £m	2008 £m
AI		
Subscriptions	161.4	124.1
Copy sales	131.9	118.5
Other	1.1	0.9
Total AI	294.4	243.5
PCI		
Subscriptions	264.3	239.5
Copy sales	70.5	70.4
Advertising	22.4	26.6
Other	11.1	30.2
Total PCI	368.3	366.7
Events		
Delegates	304.7	408.9
Exhibition	89.3	88.2
Sponsorship	50.5	52.6
Consulting	79.0	79.1
Advertising	9.2	12.0
Other	26.3	27.0
Total events	559.0	667.8
Total revenue	1,221.7	1,278.0

Information about major customers

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

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

	Revenue		Segment assets	
Geographical information	**2009 £m**	**2008 £m**	**2009 £m**	**2008 £m**
United Kingdom	168.1	164.0	1,412.0	1,475.5
North America	480.8	467.9	1,108.6	1,432.9
Continental Europe	314.2	380.1	377.7	289.3
Rest of World	258.6	266.0	240.4	263.5
	1,221.7	1,278.0	3,138.7	3,461.2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2009 continued

7 Net operating expenses

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

	Notes	Adjusted results 2009 £m	Adjusting items 2009 £m	Statutory results 2009 £m	Adjusted results 2008 £m	Adjusting items 2008 £m	Statutory results 2008 £m
Cost of sales		445.0	–	445.0	490.3	–	490.3
Staff costs (excluding redundancy costs)	9	330.3	–	330.3	344.5	–	344.5
Amortisation of other intangible assets	16	13.5	129.7	143.2	5.2	123.9	129.1
Depreciation	17	9.2	–	9.2	10.8	–	10.8
Impairment of available-for-sale investments		–	–	–	0.2	–	0.2
Net foreign exchange gains/(losses)		1.4	–	1.4	(0.2)	–	(0.2)
Auditors' remuneration for audit services (see below)		1.1	–	1.1	1.2	–	1.2
Operating lease expenses							
– Land and buildings	34	26.5	–	26.5	21.8	–	21.8
– Other	34	0.9	–	0.9	1.2	–	1.2
Restructuring and reorganisation costs	8	–	34.1	34.1	–	17.3	17.3
Other expenses		84.3	–	84.3	97.2	–	97.2
Total net operating expenses		912.2	163.8	1,076.0	972.2	141.2	1,113.4

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

	2009 £m	2008 £m
Fee payable to the Company's auditors for the audit of the Company's annual financial statements	0.7	0.9
Fee payable to the Company's auditors and their associates for other services to the Group:		
Audit of the Company's subsidiaries pursuant to legislation	0.4	0.3
Total audit fees	1.1	1.2
Fee payable to the Company's auditors for non-audit services comprises:		
Corporate finance services	1.0	0.2
Other services pursuant to legislation	0.1	0.1
Other services	0.1	0.1
Total non-audit fees	1.2	0.4

A description of the work of the Audit Committee is set out in the Corporate Governance Statement on page 38 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

	2009 £m	2008 £m
Business restructuring	27.7	14.9
Integration costs	–	1.8
Aborted transaction costs	2.1	0.6
Change of domicile	4.3	–
	34.1	17.3

In the year ended 31 December 2009, business restructuring costs comprise reorganisation costs of £5.0m (2008: £1.4m), redundancy costs of £18.0m (2008: £9.9m) and vacant property provisions of £4.7m (2008: £3.6m).

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	
	2009	2008
AI	1,457	1,477
PCI	3,149	3,218
Events	3,985	4,643
	8,591	9,338

Since the adoption of IFRS 8 *Operating segments* there has been a change to our reportable segments (Note 6), which has determined the split of our staff numbers. The comparative information has been restated to reflect this change.

Their aggregate remuneration comprised:

	2009 £m	2008 £m
Wages and salaries	293.5	306.5
Social security costs	27.3	29.0
Pension costs charged to operating profit (Note 36)	8.9	8.5
Share-based payment (Note 37)	0.6	0.5
Staff costs (excluding redundancy costs)	330.3	344.5
Redundancy costs (Note 8)	18.0	9.9
	348.3	354.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2009 continued

9 Staff numbers and costs continued

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 45 to 54.

	2009 £m	2008 £m
Short-term employee benefits	1.9	2.6
Post-employment benefits	0.8	0.3
Share-based payments	0.1	0.1
	2.8	3.0

10 Finance costs

	Note	2009 £m	2008 £m
Interest expense on financial liabilities measured at amortised cost		47.7	73.4
Interest cost on pension scheme liabilities	36	3.7	3.9
Total interest expense		51.4	77.3
Hedge ineffectiveness on cash flow hedges		0.3	0.1
		51.7	77.4

11 Investment income

	Note	2009 £m	2008 £m
Loans and receivables:			
Interest income on bank deposits		1.0	0.8
Expected return on pension scheme assets	36	2.5	4.2
		3.5	5.0

12 Taxation

The tax (credit)/charge comprises:

	Note	2009 £m	2008 £m
Current tax:			
UK corporation tax		14.7	24.8
Foreign tax		38.4	22.8
		53.1	47.6
Deferred tax:			
Current year	21	(28.8)	(24.6)
Deferred tax arising on Group restructuring	21	(34.3)	–
Total tax (credit)/charge on profit on ordinary activities		(10.0)	23.0

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

	Gross 2009 £m	Tax 2009 £m	Gross 2008 £m	Tax 2008 £m
Amortisation of other intangible assets (Note 16)	(129.7)	37.3	(123.9)	37.2
Restructuring and reorganisation costs (Note 8)	(34.1)	6.4	(17.3)	5.4
(Loss)/profit on disposal of businesses (Note 31)	(1.0)	0.2	16.8	(4.7)
Deferred tax arising on Group restructuring	–	34.3	–	–
	(164.8)	78.2	(124.4)	37.9

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

	2009		2008	
	£m	%	£m	%
Profit before tax	96.5		109.0	
Tax charge at weighted average rate	22.2	23.0	21.8	20.0
Permanent differences	1.3	1.3	1.2	1.1
Losses in certain jurisdictions that have not been recognised	0.8	0.9	–	–
Deferred tax arising on Group restructuring	(34.3)	(35.6)	–	–
Tax (credit)/charge and effective rate for the year	(10.0)	(10.4)	23.0	21.1

In addition to the income tax (credit)/charge to the Consolidated Income Statement, a tax charge of £3.5m (2008: credit of £10.5m) all of which relates to deferred tax (Note 21) has been recognised directly in equity during the year.

The tax charge arising on the disposal of the relevant subsidiary was £0.2m (2008: £4.6m).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2009 continued

13 Dividends

	2009 £m	2008 £m
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 December 2007 of 9.51p per share[1]	–	48.0
Interim dividend for the year ended 31 December 2008 of 5.13p per share[1]	–	25.9
Final dividend for the year ended 31 December 2008 of 3.28p per share[1]	**16.6**	–
First interim dividend for the year ended 31 December 2009 of 3.60p per share	**21.6**	–
	38.2	73.9
Proposed second interim dividend for the year ended 31 December 2009 of 7.85p per share (2008: 3.28p per share)	**47.0**	16.6

[1] Dividend per share has been restated to reflect the bonus element of the rights issue. Details of the rights issue are provided in Note 25.

The final dividend for the year ended 31 December 2007 of 11.30 pence per ordinary share, the interim dividend for the year ended 31 December 2008 of 6.10 pence per ordinary share and the final dividend for the year ended 31 December 2008 of 3.90 pence per ordinary share have been adjusted to reflect the bonus element of the rights issue.

Holders of 71,628 (2008: Nil) 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 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.

14 Earnings per share

Basic

The basic earnings per share calculation is based on a profit attributable to equity shareholders of the parent of £105.6m (2008: £84.9m). This profit on ordinary activities after taxation is divided by the weighted average number of shares in issue (less those non-vested shares held by employee share ownership trusts) which is 560,764,541 (2008: 505,049,586 restated).

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 560,843,788 (2008: 505,358,233 restated).

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

	2009	2008[1]
Weighted average number of shares used in basic earnings per share calculation	560,764,541	505,049,586
Effect of dilutive share options	79,247	308,647
Weighted average number of shares used in diluted earnings per share calculation	560,843,788	505,358,233

[1] Restated to reflect the bonus element of the rights issue. Details of the rights issue are provided in Note 25.

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:

	2009 £m	2008 £m
Profit for the year	106.5	86.0
Minority interest	(0.9)	(1.1)
Adjusting operating profit items net of attributable taxation	86.6	86.5
Adjusted profit for the year attributable to equity shareholders	192.2	171.4
Earnings per share:		
– Adjusted basic (p)	34.27	33.94[1]
– Adjusted diluted (p)	34.27	33.92[1]

[1] Restated to reflect the bonus element of the rights issue. Details of the rights issue are provided in Note 25.

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For the year ended 31 December 2009 continued

15 Goodwill

	£m
Cost	
At 1 January 2008	1,569.8
Additions in the year (Note 32)	2.1
Derecognised on disposals of subsidiaries in the year (Note 31)	(0.1)
Exchange differences	258.3
At 1 January 2009	1,830.1
Additions in the year (Note 32)	0.4
Derecognised on disposals of subsidiaries in the year (Note 31)	(1.4)
Exchange differences	(83.3)
At 31 December 2009	1,745.8
Accumulated impairment losses	
At 1 January 2008	(15.5)
Exchange differences	(4.1)
At 1 January 2009	(19.6)
Exchange differences	1.1
At 31 December 2009	(18.5)
Carrying amount	
At 31 December 2009	1,727.3
At 31 December 2008	1,810.5

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:

	2009 £m	2008 £m
AI	406.9	425.9
PCI	692.5	717.0
Events Europe	344.8	363.1
Events US	225.4	248.0
Events ROW	57.7	56.5
	1,727.3	1,810.5

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 has changed its method of calculating the value in use from estimating cash flows over 25 years to a terminal value calculation.

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 an estimated growth rates. 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.

The pre-tax discount rates applied are 9.5% for AI and PCI and 10.5% for the Events businesses. These rates have increased this year reflecting the risk premium associated with each CGU. A growth rate of 3% has been applied for years 2-5 in AI and PCI and a range between 2% and 15% for the Events businesses. The rates do not exceed the average long-term growth rate for the relevant markets.

The terminal growth rate of 2% has been used for AI and PCI, and 3% for the Events businesses. The only change from last year is the increase by 1% point for the Events businesses. This is consistent with appropriate external sources for the relevant markets.

The most recent financial budgets approved by the Board of Directors have been prepared after considering the most recent economic environment which has resulted in more conservative estimates about the future.

At 31 December 2009 and 31 December 2008, the carrying amounts of goodwill for CGUs were tested for impairment and deemed not to be impaired. The carrying amounts were calculated based on future projected cash flows discounted at rates as disclosed above, which represented the Group's weighted average cost of capital plus a premium for risk.

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 5.5% (depending on the CGU) on forecast operating profits over the next 5 years, and a decrease in the terminal growth rate by 1% for all CGUs in the Events businesses.

The sensitivity analysis shows that no impairment would result from an increase in the pre-tax discount rate. An impairment of between £0.5 million and £7.3 million would result from sensitivities applied to the growth rates.

Those CGUs which had the lowest level of headroom or potential impairment in this analysis related to the Events businesses, which predominantly concentrate on the Financial Services sector. If the economic environment surrounding this sector continues to decline throughout 2010, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2009 continued

16 Other intangible assets

	Book lists and journal titles £m	Database content and intellectual property £m	Large scale events and exhibitions £m	Sub total £m	Intangible software assets £m	Total £m
Cost						
At 1 January 2008	550.3	631.5	144.2	1,326.0	68.2	1,394.2
Arising on acquisitions in the year	5.9	–	2.9	8.8	–	8.8
Additions[1,2]	–	1.9	–	1.9	27.4	29.3
Disposals	(1.5)	(10.5)	–	(12.0)	(8.0)	(20.0)
Exchange differences	83.1	148.8	33.8	265.7	1.9	267.6
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]	–	–	–	–	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 31 December 2009	620.1	728.3	174.5	1,522.9	111.7	1,634.6
Amortisation						
At 1 January 2008	(63.3)	(125.3)	(36.4)	(225.0)	(14.7)	(239.7)
Charge for the year	(23.4)	(83.8)	(16.7)	(123.9)	(5.2)	(129.1)
Disposals	1.5	2.9	–	4.4	2.4	6.8
Exchange differences	(11.6)	(49.1)	(10.2)	(70.9)	(0.5)	(71.4)
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]	–	–	–	–	(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 31 December 2009	(116.1)	(318.3)	(78.0)	(512.4)	(44.6)	(557.0)
Carrying amount						
At 31 December 2009	504.0	410.0	96.5	1,010.5	67.1	1,077.6
At 31 December 2008	541.0	516.4	117.6	1,175.0	71.5	1,246.5

[1] Of the £6.0m (2008: £1.9m) additions to Database content and intellectual property, £6.0m (2008: £1.9m) is represented by cash paid.
[2] Of the £11.3m (2008: £27.4m) additions to intangible software assets, £11.3m (2008: £25.3m) is represented by cash paid.
[3] The reclassification of £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 £59.0m (2008: £55.6m) and accumulated amortisation of £7.2m (2008: £1.2m) 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.

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 2008	0.6	9.0	92.1	101.7
Additions[1]	–	1.7	12.2	13.9
Acquisition of subsidiaries	–	–	1.1	1.1
Disposals	–	(0.5)	(12.8)	(13.3)
Exchange differences	–	0.3	5.3	5.6
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 31 December 2009	1.7	11.9	70.7	84.3
Depreciation				
At 1 January 2008	(0.3)	(5.8)	(71.0)	(77.1)
Disposals	–	0.4	9.2	9.6
Charge for the year	–	(1.2)	(9.6)	(10.8)
Exchange differences	–	(0.3)	(3.3)	(3.6)
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 31 December 2009	(0.4)	(6.0)	(56.5)	(62.9)
Carrying amount				
At 31 December 2009	1.3	5.9	14.2	21.4
At 31 December 2008	0.3	3.6	23.2	27.1

[1] All the £8.8m (2008: £13.9m) additions to tangible fixed assets was paid in cash during the year.
[2] The reclassification of £21.4m 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2009 continued

18 Subsidiaries

The listing below shows the principal subsidiary undertakings as at 31 December 2009 which principally affected the profits or net assets of the Group. To avoid a statement of excessive length, details of investments which are not significant have been omitted.

Company	Country of registration and incorporation	Principal activity	Ordinary shares held
Taylor & Francis Group LLC	USA	Publishing	100%
Taylor and Francis Group Limited	England and Wales	Holding company	100%
Informa Healthcare AS	Norway	Publishing	100%
Informa Healthcare AB	Sweden	Publishing	100%
Agra Informa Limited	England and Wales	Conference organisation and publishing	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	Conference organisation and publishing	100%
Informa Holdings Limited	England and Wales	Holding company	100%
MMS Group Holdings Limited	England and Wales	Holding company	100%
PJB Publications Limited	England and Wales	Holding company	100%
I.I.R. Holdings Limited	Bermuda	Holding company	100%
Robbins-Gioia LLC[1]	USA	Performance improvement	100%
AchieveGlobal Inc	USA	Performance improvement	100%
ESI International Inc	USA	Performance improvement	100%
I.I.R. Limited	England and Wales	Conference organisation	100%
Institute for International Research Inc	USA	Conference organisation	100%
The Forum Corporation of North America	USA	Performance improvement	100%
Huthwaite Inc	USA	Performance improvement	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	Royalties and licences	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	Holding company	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.

19 Trade and other receivables

	2009 £m	2008 £m
Current		
Trade receivables	195.3	236.9
Less: provision	(25.2)	(22.1)
Trade receivable net	170.1	214.8
Other receivables	11.9	20.1
Prepayments and accrued income	31.8	42.1
Conference costs in advance	6.5	10.5
	220.3	287.5

The average credit period taken on sales of goods is 39 days (2008: 38 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

	2009 £m	2008 £m
Cash and cash equivalents	17.5	13.7
Bank overdrafts	(1.0)	(3.4)
Cash and cash equivalents in the Consolidated Cash Flow Statement	16.5	10.3

Bank overdrafts are included in cash and cash equivalents as they form an integral part of the Group's cash management.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2009 continued

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 2008	2.0	291.1	(2.4)	(21.6)	(3.2)	(4.6)	261.3
Credit to equity for the year	–	–	(0.9)	–	–	(9.6)	(10.5)
Acquisition of subsidiaries	–	2.6	–	–	–	–	2.6
Charge/(credit) to profit or loss for the year	0.6	(28.2)	0.5	2.5	–	–	(24.6)
Foreign exchange movements	–	38.3	–	–	–	–	38.3
At 1 January 2009	2.6	303.8	(2.8)	(19.1)	(3.2)	(14.2)	267.1
(Credit)/debit to equity 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 31 December 2009	4.2	223.8	(3.1)	(16.2)	(3.2)	(10.3)	195.2

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:

	2009 £m	2008 £m
Deferred tax liability	228.0	306.5
Deferred tax asset	(32.8)	(39.4)
	195.2	267.1

At 31 December 2009, the Group has unused tax losses of £11.5m (2008: £11.5m) available for offset against future profits. A deferred tax asset of £3.2m (2008: £3.2m), has been recognised in respect of these losses.

At the reporting date, the aggregate amount of post acquisition undistributed earnings for which deferred tax liabilities have not been recognised was £3.1m (2008: £512.2m). The deferred tax liability has significantly reduced, principally because of changes to the legislation concerning the tax treatment of overseas dividends in the United Kingdom. The majority of the deferred tax liability represents withholding tax payable on dividends. 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.

22 Inventory

	2009 £m	2008 £m
Raw materials	0.8	1.0
Work in progress	3.6	2.8
Finished goods and goods for resale	34.7	36.1
	39.1	39.9

Write down of inventory during the year amounted to £1.6m (2008: £2.8m).

23 Borrowings

	2009 £m	2008 £m
Non-current		
Bank borrowings[1]	889.1	1,234.6
Total non-current borrowings	889.1	1,234.6
Current		
Bank borrowings[1]	–	116.3
Loan notes due in less than one year	–	1.2
Total current borrowings	–	117.5
Total borrowings	889.1	1,352.1

[1] The current weighted average effective interest rate (taking into account all bank loans and interest derivatives) is 4.7% (2008: 5.5%).

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:

- Syndicated bank loan facilities comprised of an amortising term loan facility that has been fully drawn in three currency tranches of GBP 316.2m (2008: GBP 400.5m), USD 630.0m (2008: USD 798.0m) and EUR 135.0m (2008: EUR 171.0m) and a £500.0m (2008: £500.0m) revolving credit facility. Interest is payable at the rate of LIBOR plus 0.6% (2008: LIBOR plus 1%).

- £52.2m (2008: £62.0m) comprised of a number of bilateral bank facilities that can be drawn down to meet short-term financing needs. These facilities consist of GBP 21.0m (2008: GBP 21.0m), USD 15.0m (2008: USD 16.0m), EUR 22.0m (2008: EUR 22.0m), AUD 3.0m (2008: AUD 3.0m) and CAD 1.0m (2008: CAD 1.0m). Interest is payable at the local base rate plus margins that vary between 0% and 6%.

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

Expiry date	2009 £m	2008 £m
In more than two years	433.7	252.5

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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 risk management policies. The committee meets and reports regularly to the Board of Directors and the Risk Committee (a sub-Committee of the Audit Committee) on its activities.

The Group treasury function provides services to the Group's businesses, co-ordinates access to domestic and international financial markets and monitors and manages the financial risks relating to the operations of the Group 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 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 2008.

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

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

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as the net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents. Total capital is calculated as equity (including capital, reserves and retained earnings).

(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	2009 £m	2008 £m
Financial assets			
Loans and receivables			
Trade receivables	19	170.1	214.8
Other receivables	19	11.9	20.1
Cash and cash equivalents	20	16.5	10.3
Total financial assets		198.5	245.2
Financial liabilities			
Amortised cost			
Bank borrowings	23	889.1	1,350.9
Loan notes	23	–	1.2
Trade payables	29	28.5	30.8
Accruals	29	134.4	167.5
Other payables	29	39.5	27.7
Deferred consideration	29	2.3	15.5
Derivative financial instruments in designated hedge accounting relationships[1]		39.6	46.1
Total financial liabilities		1,133.4	1,639.7

[1] Derivative financial instruments in designated hedge accounting relationships are presented £26.4m (2008: £20.9m) within current liabilities and £13.2m (2008: £25.2m) within non-current liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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24 Financial instruments continued

(c) Market risk

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

The Group's activities expose it mainly to the financial risks of changes in foreign currency exchange rates and changes in interest rates. The Group enters into interest rate swaps to mitigate the risk of rising interest rates and by managing the risk of currencies of its borrowings, the Group is able to achieve a level of natural hedge of both the Statement of Financial Position net currency assets and also the currency earnings due to the currency interest payable. Refer to both interest rate risk and foreign currency risk in Note 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 (previously known as Group Internal Control) 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 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 borrowing facilities at floating rates of interest. A portion of those are then swapped to fixed rates in line with the Group treasury policy in order to manage its cash flow interest rate risk. Such contracts enable the Group to convert borrowings from floating rates and swap them into fixed rates. Under interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (primarily quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts.

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

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

Cash flow hedges

	Average contracted fixed interest rate		Notional principal amount		Fair value	
Outstanding receive floating, pay fixed contracts	**2009 %**	**2008 %**	**2009 £m**	**2008 %**	**2009 £m**	**2008 %**
Within one year	4.45	4.97	144.4	313.2	(26.4)	(20.9)
Within one to two years	4.59	4.73	397.2	202.4	(10.4)	(14.3)
Within two to five years	5.66	4.64	112.0	495.8	(2.8)	(10.9)
			653.6	1,011.4	(39.6)	(46.1)

At 31 December 2009, the fixed interest rates vary from 3.13% to 6.15% (2008: 4.01% to 6.23%), and the main floating rates are EURIBOR and LIBOR. Gains and losses recognised in the hedging reserve in equity on interest rate swap contracts as of 31 December 2009 will be released to the Consolidated Income Statement when the related bank borrowings are repaid (Note 23).

The following table details financial liabilities by interest category:

	Fixed rate £m	Floating rate £m	Non-interest bearing £m	Total 2009 £m	Fixed rate £m	Floating rate £m	Non-interest bearing £m	Total 2008 £m
Bank borrowings	653.6	235.5	–	889.1	1,011.5	339.4	–	1,350.9
Loan notes	–	–	–	–	–	1.2	–	1.2
Trade payables	–	–	28.5	28.5	–	–	30.8	30.8
Accruals	–	–	134.4	134.4	–	–	167.5	167.5
Other payables	–	–	39.5	39.5	–	–	27.7	27.7
Deferred consideration	–	–	2.3	2.3	–	–	15.5	15.5
Derivative financial instruments in designated hedge accounting relationships[1]	39.6	–	–	39.6	46.1	–	–	46.1
	693.2	235.5	204.7	1,133.4	1,057.6	340.6	241.5	1,639.7

[1] Derivative financial instruments in designated hedge accounting relationships are presented £26.4m (2008: £20.9m) within current liabilities and £13.2m (2008: £25.2m) within non-current liabilities.

Interest rate sensitivity analysis

A high percentage of loans are designated in hedging relationships, and hence the Group's interest rate sensitivity would only be effected 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 decrease or increase by £2.4m (2008: £3.4m).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2009 continued

24 Financial instruments continued

(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. Without action in conversion of USD and other trading currencies, such as the EUR, cash positions in these currencies 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 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.

After taking into account foreign currency borrowings of £526.0m (2008: £730.4m) 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.

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

	Average rate		Closing rate	
	2009	**2008**	**2009**	**2008**
USD	1.5566	1.8637	1.6114	1.4602
EUR	1.1196	1.2627	1.1180	1.0465

Foreign currency sensitivity analysis

The Group receives approximately 45% of its revenues and incurs approximately 41% 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 £3.5m impact on revenue and a circa £1.1m impact on operating profits. Offsetting this will be reductions to USD interest and US tax liabilities. This analysis assumes all other variables, including interest rates, remain constant.

The Group receives approximately 9% 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 £1.0m impact on revenue and a circa £0.2m 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, cash and cash equivalents and trade and other receivables, 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 because the counterparties are 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 then 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 at least annually.

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

Trade receivables

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

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar 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 very 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2009 continued

24 Financial instruments continued

(f) Credit risk continued

Ageing of trade receivables:

	Gross 2009 £m	Provision 2009 £m	Gross 2008 £m	Provision 2008 £m
Not past due	98.5	(0.9)	141.6	(0.2)
Past due 0 – 30 days	50.8	(0.7)	43.5	(0.1)
Past due 31 – 60 days	16.7	(0.4)	17.0	(0.1)
Past due 61 – 90 days	6.8	(0.4)	13.0	(0.1)
Past due 91 – 120 days	4.9	(0.4)	8.2	(0.5)
Past due greater than 120 days	17.6	(22.4)	13.6	(21.1)
	195.3	(25.2)	236.9	(22.1)

Trade receivables that are less than three months past due for payment are generally not considered impaired. Included in the past due greater than 120 days, is a provision relating to returns on books of £9.3m (2008: £9.5m). This provision is based on Management's best estimate of previous seasonal sales and returns trends, and is included as part of the overall impairment balance. Included in the Group's trade receivables, are debtors with a carrying amount of £9.0m (2008: £9.7m), 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.

Movement in the provision:

	2009 £m	2008 £m
Balance at beginning of the year	22.1	13.8
Provision recognised	5.3	10.9
Receivables written off as uncollectible	(1.3)	(1.9)
Amounts recovered during the year	(0.9)	(0.7)
	25.2	22.1

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

There are no customers who represent more than 10% of the total balance of trade receivables in both 2009 and 2008.

(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. They 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 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 fulfil 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.

31 December 2009	Carrying amount £m	Contractual cash flows[1] £m	Less than 1 year £m	1-2 years £m	2-5 years £m
Non-derivative financial assets					
Non-interest bearing	198.5	198.5	198.5	–	–
	198.5	198.5	198.5	–	–
31 December 2008					
Non-derivative financial assets					
Non-interest bearing	245.2	245.2	245.2	–	–
	245.2	245.2	245.2	–	–

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

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

31 December 2009	Carrying amount £m	Contractual cash flows[1] £m	Less than 1 year £m	1-2 years £m	2-5 years £m
Non-derivative financial liabilities					
Variable interest rate instruments	889.1	896.1	–	–	896.1
Trade and other payables	202.4	202.4	202.4	–	–
Deferred consideration	2.3	2.3	2.3	–	–
	1,093.8	1,100.8	204.7	–	896.1
Derivative financial liability					
Derivative financial instruments in designated hedge accounting relationships	39.6	40.4	29.3	9.1	2.0
	1,133.4	1,141.2	234.0	9.1	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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2009 continued

24 Financial instruments continued

(g) Liquidity risk continued

31 December 2008	Carrying amount £m	Contractual cash flows[1] £m	Less than 1 year £m	1-2 years £m	2-5 years £m
Non-derivative financial liabilities					
Variable interest rate instruments	1,350.9	1,369.1	128.0	116.9	1,124.2
Loan borrowings	1.2	1.2	1.2	–	–
Trade and other payables	226.0	226.0	222.6	–	3.4
Deferred consideration	15.5	15.5	15.5	–	–
	1,593.6	1,611.8	367.3	116.9	1,127.6
Derivative financial liability					
Derivative financial instruments in designated hedge accounting relationships	46.1	51.5	20.0	18.9	12.6
	1,639.7	1,663.3	387.3	135.8	1,140.2

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

The Group draws down on its 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 is £144.4m (2008: £313.2m), the second portion that matures in a period greater than one year but less than two years is £397.2m (2008: £202.4m) and the final portion that matures between two and five years is £112.0m (2008: £495.8m).

(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;
- 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; and
- the fair value of financial guarantee contracts is determined using option pricing models where the main assumptions are the probability of default by the specified counterparty extrapolated from market-based credit information and the amount of loss, given the default.

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.

	Notes	Carrying amount 2009 £m	Estimated fair value 2009 £m	Carrying amount 2008 £m	Estimated fair value 2008 £m
Financial assets					
Loans and receivables					
Trade receivables	19	170.1	170.1	214.8	214.8
Other receivables	19	11.9	11.9	20.1	20.1
Cash and cash equivalents	20	16.5	16.5	10.3	10.3
Financial liabilities					
Amortised Cost					
Bank borrowings	23	889.1	889.1	1,350.9	1,350.9
Loan notes	23	–	–	1.2	1.2
Trade payables	29	28.5	28.5	30.8	30.8
Accruals	29	134.4	134.4	167.5	167.5
Other payables	29	39.5	39.5	27.7	27.7
Deferred consideration	29	2.3	2.3	15.5	15.5

(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 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2009 continued

25 Share capital

The Company was incorporated under the Companies (Jersey) Law 1991 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 Company became the parent company of the Informa Group and the existing parent company, then also named Informa plc, was renamed Informa Group plc.

The Company was incorporated on 11 March 2009 with an authorised share capital of £1,000,000 divided into 1,000,000,000 ordinary shares of 0.1 pence each. Of such shares, twenty ordinary shares were taken by the subscribers to the memorandum of association and were paid up in full in cash.

On 21 April 2009 the authorised share capital was increased to 150,000,012,000 unissued ordinary shares of 0.1 pence each and consolidated into 555,555,600 ordinary shares of 27 pence each.

On 27 April 2009 the total authorised share capital was then increased to £202,500,000 divided into 750,000,000 shares of 27 pence each.

On 27 May 2009 the Group undertook a 2 for 5 rights issue, offering 170,096,930 new ordinary shares at 150 pence per share, representing a bonus to existing shareholders of 0.1887 ordinary shares per ordinary share held. The rights issue raised £242.5m, net of expenses of £12.5m. The issue price of 150 pence per new ordinary share represented a 48.9 per cent discount to the closing middle market price of 297.25 pence per ordinary share on 30 April 2009 (being the last business day before the announcement of the rights issue), adjusted for the final dividend for 2008 which was not paid on the new ordinary shares, and a 40.6 per cent discount to the theoretical ex-rights price based on that closing price, also adjusted for that dividend.

On 30 June 2009 under a Scheme of Arrangement between Old Informa, the former holding company of the Group, and its shareholders under Part 26 of the UK Companies Act 2006, and as sanctioned by the High Court, all the issued shares in that Company were cancelled and the same number of new shares were issued to the Company in consideration for the allotment to shareholders of one ordinary share in the Old Informa for each ordinary share in the Company held on the record date, 30 June 2009.

On 20 July 2009, the Jersey Court approved the reduction of capital of Informa plc, whereby the nominal value of each ordinary share was reduced from 27 pence to 0.1 pence and the balance of the share premium account was transferred to retained earnings. The effect of the reduction of capital was to reduce share capital by £160.1m, reduce share premium by £1,839.3m and increase retained earnings by £1,999.4m. This also resulted in an authorised share capital of £202,500,000 divided into 202,500,000,000 shares of 0.1 pence.

Share capital as at 31 December 2009 amounted to £0.6m. During the period, Informa plc issued, in addition to the rights issue, 223,568 ordinary shares of 0.1 pence for consideration of £0.2m as a result of the exercise of options and the vesting of LTIPs (2008: 494,738 ordinary shares of 0.1 pence for a consideration of £1.2m were issued as a result of the exercise of share options).

	2009 £m	2008 £m
Authorised		
202,500,000,000 ordinary shares of 0.1p each (2008: 600,000,000 of 0.1p each)	202.5	0.6

	2009 £m	2008[1] £m
Issued and fully paid		
599,239,331 ordinary shares of 0.1p each (2008: 425,118,833 of 27p each)	0.6	114.8

[1] Restated to reflect the new capital structure of the new parent company of the Group – refer to Note 1.

	2009 £m	2008 £m
At 1 January	114.8	114.6
Rights issue	45.9	–
Shares issued on options exercised	–	0.2
Capital reduction	(160.1)	–
At 31 December	0.6	114.8

[1] Restated to reflect the new capital structure of the new parent company of the Group – refer to Note 1.

Share options

As at 31 December 2009, outstanding options to subscribe for ordinary shares of 0.1p were as follows:

Number	Exercise price per share (pence)	Exercise period
69,590	619.68	20.03.03 to 19.03.10
907,152	475.09	25.04.03 to 24.04.10
73,858	565.82	02.11.03 to 01.11.10
124,674	436.40	07.03.04 to 06.03.11
169,766	212.32	15.03.05 to 14.03.12
103,600	252.38	15.03.05 to 14.03.12
77,047	191.09	30.04.06 to 29.04.10
1,000	227.15	30.04.06 to 29.04.10
162,942	304.61	22.03.07 to 21.03.11
245,802	256.26	22.03.07 to 21.03.11
1,935,431		

It is intended that the above options will be satisfied by the issue of new shares in the Company except for the 71,628 shares already in issue. Share options held by Directors as at 31 December 2009 are disclosed in the Directors' Remuneration Report on page 52.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2009 continued

26 Capital and reserves

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

Share capital and share premium

The share capital and share premium reflect the new equity structure of the Company – refer to Note 1.

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 redemption reserve, which is the reserve fund into which profits are allocated for the purpose of redeeming or buying back shares in the Company.

Since the creation of the new equity structure the inversion accounting has been recorded in this reserve – refer to Note 1.

ESOP Trust shares

As at 31 December 2009 the Informa Employee Share Trust held 189,050 (2008: 93,269) ordinary shares in the Company at a cost of £0.4m (2008: £0.4m) and a market value of £0.6m (2008: £0.2m). 71,628 shares (2008: Nil) held by the Employee Share Trust have not been allocated to individuals and accordingly, dividends on these shares are waived. The remaining 117,422 shares (2008: 93,269) held by the Employee Share Trust have been allocated to an individual and accordingly, dividends on these shares are payable.

At 31 December 2009 the Group held 0.0% (2008: 0.0%) of its own called up share capital.

Hedging and translation reserve

This reserve has two elements (i) the hedging reserve which 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; and (ii) the translation reserve which 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.

Capital reserve

The capital reserve was created on 19 December 2007 as a result of the reduction of the Company's issued share capital and cancellation of the Company's share premium account. On 31 March 2008, the entire capital reserve was released to retained earnings in accordance with the terms of an undertaking given to the court in connection with the reduction and cancellation.

27 Minority interest

The Group's non-controlling interest in 2009 was composed entirely of equity interests and represents the minority shares of Nicholas Publishing International (25.0%), S.C.S. Laidlaw et Cie (trading as IIR Monaco) (20.0%), and Agra CEAS (18.2%) (in 2008: Nicholas Publishing International (25.0%), S.C.S. Laidlaw et Cie (trading as IIR Monaco) (20.0%), Euroforum Handelszeitung Konferenz AG (40%) and Agra CEAS (18.2%)).

28 Provisions

	Contingent consideration £m	Property leases £m	Restructuring provision £m	Total 2009 £m	Contingent consideration £m	Property leases £m	Total 2008 £m
1 January	15.4	7.5	–	22.9	31.9	4.7	36.6
Increase in year	3.0	4.7	29.5	37.2	1.0	3.0	4.0
Reclassification to deferred consideration	–	–	–	–	(10.0)	–	(10.0)
Utilisation	(9.7)	(2.9)	(21.9)	(34.5)	(7.5)	(0.2)	(7.7)
Release	(1.7)	(1.7)	–	(3.4)	–	–	–
At 31 December	7.0	7.6	7.6	22.2	15.4	7.5	22.9
Included in current liabilities	4.3	2.5	7.6	14.4	7.2	2.8	10.0
Included in non-current liabilities	2.7	5.1	–	7.8	8.2	4.7	12.9

The contingent consideration relates primarily to the Datamonitor Limited and Black Book acquisitions. The contingent consideration for Datamonitor is expected to be paid by 31 December 2010 and for Black Book by 31 December 2011.

As discussed in Note 8, during 2009 the Group implemented a number of restructuring and reorganisation projects. With the exception of amounts relating to vacant properties (see below), the provision is expected to be substantially utilised by 31 December 2010.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2009 continued

29 Trade and other payables

	2009 £m	2008 £m
Current		
Deferred consideration	2.3	15.5
Trade payables	28.5	30.8
Accruals	134.4	167.5
Other payables	36.3	24.3
Total current	201.5	238.1
Non-current		
Other payables	3.2	3.4
Total non-current	3.2	3.4
	204.7	241.5

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 52 days (2008: 46 days).

There are no suppliers who represent more than 10% of the total balance of trade payables in either 2009 or 2008.

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

	2009 £m	2008 £m
Subscriptions and event fees received in advance	292.0	309.3

31 Disposal of subsidiary

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 as follows:

	£m
Trade and other receivables	0.2
Trade and other payables	(0.1)
Deferred income	(0.1)
Attributable goodwill	1.4
Amount recycled from the translation reserve	(0.4)
Net assets	1.0
Loss on disposal	(1.0)
Total consideration	–

Disposals made in 2008

On 1 April 2008 the Group disposed of its interest in Map of Medicine with a profit of £17.8m arising and other smaller interests during the year with a net loss of £1.0m. The net assets of Map of Medicine at the date of disposal were as follows:

	£m
Property and equipment	8.1
Trade and other receivables	1.7
Trade and other payables	(0.8)
Other intangible assets	7.6
Attributable goodwill	0.1
Net assets	16.7
Profit on disposal	17.8
Total consideration	34.5
Satisfied by:	
Cash	35.0
Deferred consideration	0.9
Directly attributable costs	(1.4)
	34.5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2009 continued

32 Business combinations

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 is not expected to exceed £9.2m.

Net assets acquired	Book value £m	Fair value adjustments £m	Fair value £m
Other intangible assets	–	11.2	11.2
Trade and other payables	–	(0.5)	(0.5)
Deferred income	(1.5)	–	(1.5)
Net assets	(1.5)	10.7	9.2
Total consideration			9.2
Satisfied by:			
Cash			8.5
Deferred consideration			0.7
			9.2
Net cash outflow arising on acquisition:			
Cash consideration			8.5
			8.5

If the acquisitions had taken place on the first day of the financial year (1 January 2009), they would have contributed £0.6m to profit after tax attributable to equity shareholders and £3.7m to the revenue of the Group.

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 is not expected to exceed £9.2m.

Net assets acquired	Book value £m	Fair value adjustments £m	Fair value £m
Other intangible assets	–	9.3	9.3
Deferred income	(0.1)	–	(0.1)
Deferred tax liabilities	–	(0.4)	(0.4)
Net assets	(0.1)	8.9	8.8
Goodwill			0.4
Total consideration			9.2
Satisfied by:			
Cash			4.7
Deferred consideration			1.4
Contingent consideration			3.0
Directly attributable costs			0.1
			9.2
Net cash outflow arising on acquisition:			
Cash consideration			4.7
			4.7

Goodwill of £0.4m 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 values are a best estimate of fair value but these will be reviewed and adjusted in the next year should this be necessary.

If the acquisitions had taken place on the first day of the financial year (1 January 2009), they would have contributed £0.7m to profit after tax attributable to equity shareholders and £3.2m to the revenue of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2009 continued

32 Business combinations continued

Cash paid on acquisition net of cash acquired

	2009 £m	2008 £m
Current year acquisitions[1]	13.2	–
Prior year acquisitions		
2008 acquisitions	0.8	5.7
2007 acquisitions		
Infoline Conferences Limited	–	0.6
Forum Pacific Rim Franchises	–	(0.2)
HQ Link Pte Limited	–	0.4
Datamonitor plc	9.6	7.9
Productivity Press	–	0.3
The Superyacht Cup SA	0.5	0.2
Informanews Iberia, SA	0.7	0.7
Other	0.1	0.4
2006 acquisitions:		
Citeline, Inc	13.7	–
Junction Limited	(0.1)	0.2
2005 acquisitions:		
Mark Two Communications B.V.	–	0.1
	38.5	16.3

[1] These acquisitions are covered by the 'Current year's business combinations' table on page 112. 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 £0.6m on revenues of £2.0m (2008: £3.3m on revenues of £1.3m). The total net assets of newly acquired businesses amounted to £19.9m as at 31 December 2009 (2008: £9.6m).

All acquisitions were paid for in cash (including deferred and contingent consideration) and in all acquisitions full control over the business has been acquired, either by acquiring 100% of the ordinary issued share capital or by means of an asset purchase transaction. All transactions have been accounted for by the purchase method of accounting.

Business combinations made in 2008

In 2008, the Group acquired the trading assets or 100% of the issued share capital of Multilingual Matters Limited, Keegan Paul Limited, INMEX, Binet Exhibitions Pte Limited and various other publishing titles. Total cash consideration of £6.4m was paid. Including deferred consideration, total consideration will not exceed £9.6m.

Net assets acquired	Book value £m	Fair value adjustments £m	Fair value £m
Other intangible assets	–	8.8	8.8
Property and equipment	1.1	–	1.1
Cash and cash equivalents	0.7	–	0.7
Deferred income	(0.5)	–	(0.5)
Deferred tax liabilities	–	(2.6)	(2.6)
Net assets	1.3	6.2	7.5
Goodwill			2.1
Total consideration			9.6
Satisfied by:			
Cash			6.4
Deferred consideration			3.2
			9.6
Net cash outflow arising on acquisition:			
Cash consideration			6.4
Cash and cash equivalents acquired			(0.7)
			5.7

The majority of the deferred consideration was paid during 2009. £0.2m is payable in 2010.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2009 continued

33 Notes to the cash flow statement

	Notes	2009 £m	2008 £m
Profit before tax		96.5	109.0
Adjustments for:			
Depreciation of property and equipment	17	9.2	10.8
Amortisation of other intangible assets	16	143.2	129.1
Share-based payment	37	0.6	0.5
Loss/(profit) on disposal of businesses	31	1.0	(16.8)
Finance costs	10	51.7	77.4
Investment income	11	(3.5)	(5.0)
Impairment of available-for-sale investments		–	0.2
Profit on disposal of property and equipment		–	(0.1)
Decrease/(increase) in inventories		0.9	(8.4)
Decrease/(increase) in receivables		55.8	(36.0)
(Decrease)/increase in payables		(35.9)	91.1
Cash generated by operations		319.5	351.8

Analysis of net debt

	At 1 January 2009 £m	Non-cash items £m	Cash flow £m	Exchange movement £m	At 31 December 2009 £m
Cash and cash equivalents	10.3	–	5.8	0.4	16.5
Bank loans due in less than one year	(116.3)	109.8	–	6.5	–
Loan notes due in less than one year	(1.2)	–	1.2	–	–
Bank loans due in more than one year	(1,234.6)	(111.8)	392.4	64.9	(889.1)
	(1,341.8)	(2.0)	399.4	71.8	(872.6)

Included within the cash flow movement of £399.4m is £617.7m (2008: £409.8m) of repayment of borrowings and £224.1m (2008: £254.3m) of loans drawn down.

The net movement caused by non-cash items arises from arrangement fee amortisation of £2.0m (2008: £1.5m).

34 Operating lease arrangements

	2009 £m	2008 £m
Minimum lease payments under operating leases recognised in Consolidated Income Statement for the year	27.4	23.0

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

	2009		2008	
	Land and buildings £m	Other £m	Land and buildings £m	Other £m
Operating leases which expire:				
Within one year	27.3	0.8	25.9	1.2
Within two to five years	69.8	1.0	68.1	1.5
After five years	25.4	–	28.0	–
	122.5	1.8	122.0	2.7

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

	2009 £m	2008 £m
Commitments for the acquisition of other intangible assets	–	0.4

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 Plan (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 £8.9m (2008: £8.5m). The net pension charge for the defined benefit schemes in the Consolidated Income Statement for the year was £2.2m (2008: £1.0m), of which £1.0m (2008: £1.3m) was charged to operating profit. The Group also operates defined contribution schemes, and contributions charged to the Consolidated Income Statement during the year were £7.9m (2008: £7.2m).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2009 continued

36 Retirement benefit schemes continued

Defined benefit schemes

The latest full actuarial valuation of the Informa Final Salary Scheme was carried out at 31 March 2008. A full actuarial valuation was carried out for IAS 19 purposes as at 31 December 2009 by a qualified independent actuary. Employees who are members contribute 10% of pensionable pay; the Group's contribution was 16.5% of pensionable pay for the first nine months of the year, and 27.3% of pensionable pay for the rest of the year, plus an additional annual contribution of £0.6m. The market value of the scheme's assets as at 31 December 2009 was £44.2m which represented 83% 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.

The assumptions which have the most significant effect on the results of the 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:

	2009	2008
Discount rate	5.8% p.a.	6.0% p.a.
Rate of return on investments	5.5% p.a.	4.1% p.a.
Rate of price inflation pre-retirement	3.4% p.a.	3.1% p.a.
Rate of increase in pensions in payment – non pensioners	3.7% p.a.	3.0% p.a.
Rate of increase in pensions in payment – pensioners	3.4% p.a.	3.0% p.a.
Rate of increase in salaries	4.9% p.a.	4.6% p.a.

The latest full actuarial valuation of the Taylor & Francis Group Pension and Life Assurance Scheme was carried out at 30 September 2008. A full actuarial valuation was carried out for IAS 19 purposes as at 31 December 2009 by a qualified independent actuary. Employees who are members contribute 3% of pensionable pay; the Group's contribution over the year was 21.3% of pensionable pay plus an additional annual contribution of £1.0m. The market value of the scheme's assets as at 31 December 2009 was £14.2m which represented 88% 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.

The assumptions which have the most significant effect on the results of the 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:

	2009	2008
Discount rate	5.8% p.a.	6.0% p.a.
Rate of return on investments	6.1% p.a.	5.8% p.a.
Rate of price inflation pre-retirement	3.4% p.a.	3.1% p.a.
Rate of increase in pensions in payment – non pensioners	3.7% p.a.	3.0% p.a.
Rate of increase in pensions in payment – pensioners	3.4% p.a.	3.0% p.a.
Rate of increase in salaries	4.9% p.a.	4.6% p.a.

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 2009 by a qualified independent actuary. The scheme was closed to future accrual of pensions at the time of the acquisition of IIR Holdings Limited in 2005. The Group's contribution over the year was £60,000. The market value of the scheme's assets as at 31 December 2009 was £5.0m which represented 91% 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 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:

	2009	2008
Discount rate	5.8% p.a.	6.0% p.a.
Rate of return on investments	6.7% p.a.	6.4% p.a.
Rate of price inflation pre-retirement	3.4% p.a.	3.1% p.a.
Rate of increase in pensions in payment – non pensioners	3.7% p.a.	3.0% p.a.
Rate of increase in pensions in payment – pensioners	3.4% p.a.	3.0% p.a.
Rate of increase in salaries	n/a	n/a

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

	2009 £m	2008 £m
Analysis of the amount charged to operating profit		
Current service cost	(1.0)	(1.3)
Total operating charge	(1.0)	(1.3)
Analysis of finance (cost)/income		
Expected return on pension scheme assets	2.5	4.2
Interest cost on pension scheme liabilities	(3.7)	(3.9)
Net finance (cost)/income	(1.2)	0.3

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

	2009 £m	2008 £m
Analysis of amount recognised in the Consolidated Statement of Comprehensive Income		
Actual return less expected return on scheme assets	6.8	(11.2)
Experience gain/(loss)	0.5	(0.1)
Change in actuarial assumptions	(8.8)	7.6
Limit on recognition of assets in accordance with IAS 19	–	0.1
Actuarial loss	(1.5)	(3.6)
Movement in deficit during the year		
Deficit in Scheme at beginning of the year	(10.3)	(8.4)
Current service cost	(1.0)	(1.3)
Contributions	2.7	2.7
Other net finance income	(1.2)	0.3
Actuarial loss	(1.5)	(3.6)
Deficit in Scheme at end of the year	(11.3)	(10.3)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2009 continued

36 Retirement benefit schemes continued

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

	2009 £m	2008 £m
Present value of defined benefit obligations	(74.7)	(63.0)
Fair value of Scheme assets	63.4	52.7
Deficit in Scheme and liability recognised in the Consolidated Statement of Financial Position	(11.3)	(10.3)

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

	2009 £m	2008 £m
Opening defined benefit obligation	(63.0)	(66.1)
Service cost	(1.0)	(1.3)
Interest cost	(3.7)	(3.9)
Contributions from Scheme members net of benefits paid	1.3	0.8
Actuarial gains and losses	(8.3)	7.5
Closing defined benefit obligation	(74.7)	(63.0)

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

	2009 £m	2008 £m
Opening fair value of Scheme assets	52.7	57.7
Expected return on Scheme assets	2.5	4.2
Actuarial gains and losses	6.8	(11.2)
Contributions from the sponsoring companies	2.7	2.8
Contributions from Scheme members net of benefits paid	(1.3)	(0.8)
Closing fair value of Scheme assets	63.4	52.7

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 Plan 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 2009 %	Fair value at 31 December 2009 £m	Expected rate of return year commencing 31 December 2008 %	Fair value at 31 December 2008 £m
Equities				
Achieve Learning	7.75	3.7	7.0	3.1
Taylor & Francis	7.75	7.4	7.0	5.6
Informa	7.75	26.6	7.0	15.4
Bonds				
Achieve Learning	5.7	0.7	5.4	0.8
Taylor & Francis	5.3	4.1	5.6	3.6
Informa	4.8	5.2	3.8	1.2
Cash				
Achieve Learning	0.5	0.6	2.0	0.3
Taylor & Francis	0.5	1.8	2.0	1.6
Informa	0.5	11.7	2.0	20.3
Property				
Achieve Learning	7.75	–	7.0	–
Taylor & Francis	7.75	0.9	7.0	0.8
Informa	7.75	0.7	7.0	–
		63.4		52.7

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2009 continued

36 Retirement benefit schemes continued

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

	2009 £m	2008 £m	2007 £m	2006 £m	2005 £m
Present value of defined benefit obligations	(74.7)	(63.0)	(66.1)	(65.6)	(66.7)
Fair value of Scheme assets	63.4	52.7	57.7	54.4	49.0
Deficit in the Scheme and liability recognised in Consolidated Statement of Financial Position	(11.3)	(10.3)	(8.4)	(11.2)	(17.7)
Related deferred tax assets	3.1	2.8	2.4	3.4	5.3
Deficit net of deferred tax assets	(8.2)	(7.5)	(6.0)	(7.8)	(12.4)
Experience adjustments on Scheme liabilities:					
Amount (£m)	0.5	(0.1)	0.5	0.6	0.3
Percentage of Scheme liabilities (%)	0.7	(0.2)	0.7	1.0	0.4
Experience adjustments on Scheme assets:					
Amount (£m)	6.8	(11.2)	(1.9)	1.7	6.5
Percentage of Scheme assets (%)	10.7	(21.2)	(3.0)	3.0	13.3

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 increase from £1.0m in 2009 to £1.4m in 2010. In addition, the contributions paid towards reducing the scheme deficits will increase from £1.7m in 2009 to £2.4m in 2010 and £3.5m in 2011 when the next triennial valuation will be available.

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 Groups 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. The options are equity-settled.

The Group recognised total expenses of £0.6m (2008: £0.5m) related to equity-settled share-based payment transactions in the year ended 31 December 2009.

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

	2009		2008	
	Options	Weighted average exercise price (p)	Options	Weighted average exercise price (p)
Outstanding at the beginning of the year	2,245,150	452.81	3,377,811	390.61
Adjustment for rights issue	251,555	311.31	–	–
Forfeited/lapsed during the year	(454,788)	422.36	(361,699)	512.17
Exercised during the year	(106,486)	209.75	(770,962)	155.86
Outstanding at the end of the year	1,935,431	392.71	2,245,150	452.81
Exercisable at the end of the year	1,935,431		2,245,150	

The weighted average share price at the date of exercise for share options exercised during the year was 209.75p (2008: 155.86p). The options outstanding at 31 December 2009 had a weighted average remaining contractual life of 0.88 years (2008: 1.74 years) and exercise prices ranging from 191.09p to 619.68p (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	32.33%	5.00	4.76%	2.00%
22 March 2004/10 May 2004 (Executive)[1]	£1.08	£3.49	£3.41 (adjusted)*	32.77%	4.87	4.62%	2.00%
22 March 2004/10 May 2004 (Employee)[1]	£0.93	£3.49	£3.41 (adjusted)*	32.77%	3.50	4.21%	2.00%
15 September 2004[1]	£1.16	£3.71	£3.70	30.59%	5.00	4.95%	2.00%

[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:

	2009 Shares	2008 Shares
Opening balance	2,280,038	2,047,774
LTIPs vested in the year	(117,082)	(923,144)
LTIPs lapsed in the year	(110,848)	(315,523)
LTIPs granted in the year	1,965,434	1,470,931
Adjustment for rights issue	387,192	–
Closing balance	4,404,734	2,280,038

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	25.00%	3.00	n/a	1.85%
25 April 2007[1]	£3.41	£5.85	n/a	21.20%	3.00	n/a	2.09%
25 April 2007[1]	£3.37	£5.85	£0.10	21.20%	3.00	5.47%	2.09%
9 April 2008[1]	£1.56	£3.42	n/a	28.20%	3.00	4.03%	4.94%
4 September 2008[1]	£3.09	£4.15	n/a	33.50%	3.00	4.38%	4.20%
4 August 2009[1]	£1.71[3] £1.79[3]	£2.60	n/a	54.10%	3.00	2.48%	2.81%

[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 Plans, the share capital would be increased by up to 4,215,684 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 4 August 2009 the number of shares granted for the Long-Term Incentive Plan scheme was 1,965,440 with no exercise cost. During the year, the 2006 LTIPs vested.

A complete listing of all options outstanding as at 31 December 2009 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 parent company financial statements (the financial statements) of Informa plc for the period from 11 March 2009 to 31 December 2009 which comprise the company balance sheet and the related Notes 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the Group financial statements of Informa plc for the year ended 31 December 2009.

This report is made solely to the Company's members, as a body, in accordance with Article 110 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

The Directors' responsibilities for preparing the parent company financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Jersey) Law 1991. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Annual Report as described in the contents section and consider whether it is consistent with the audited parent company financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the parent company financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the parent company financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the parent company financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the parent company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2009; and
- the parent company financial statements have been properly prepared in accordance with the Companies (Jersey) Law 1991.

Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

2 March 2010

COMPANY BALANCE SHEET

As at 31 December 2009

	Notes	2009 £m
Fixed assets		
Investment in subsidiary undertakings	3	2,000.5
Current assets		
Debtors due within one year	4	9.2
Cash at bank and in hand		0.4
		9.6
Creditors: amounts falling due within one year	5	(9.6)
Net current liabilities		–
Net assets		2,000.5
Capital and reserves		
Called up share capital	6	0.6
Share premium account	7	0.2
Reserve for shares to be issued	7	0.5
ESOP Trust shares	7	(0.4)
Profit and loss account	7	1,999.6
Equity shareholders' funds	7	2,000.5

These financial statements were approved by the Board of Directors on 2 March 2010 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 2009

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.

On 30 June 2009 under a Scheme of Arrangement between the former holding company of the Group (Old Informa), and its shareholders under Part 26 of the Companies Act 2006, and as sanctioned by the High Court, Informa plc became the holding company of Old Informa. All the issued shares in Old Informa were cancelled and the same number of new shares of 595,339,255, each with a nominal value of 27p, were issued by Informa plc. On 21 July 2009, the Jersey Court approved the reduction of capital – refer to Note 6.

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 38) 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 cover the period from incorporation on 11 March 2009 to 31 December 2009 and hence, no comparative information is presented. They 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 period is £6.6m and loss after tax and retained loss for the period is £6.6m.

Cash flow statement

The Company's results for the period ended 31 December 2009 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.

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 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 after the Company became the ultimate holding company of the Group of £0.5m 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 2009 continued

3 Investment in subsidiary undertakings

	2009 £m
On incorporation	–
Scheme of Arrangement	2,000.0
Additions	2,000.4
Disposals	(1,999.9)
At 31 December 2009	2,000.5

Following the Scheme of Arrangement on 30 June 2009, Informa plc became the holding company of Old Informa (now named Informa Group plc). Informa plc recorded the cost of the investment in Old Informa at its fair value at this date of £2,000.0m.

Other transactions since the date of incorporation include:

On 3 July 2009, Informa plc acquired 55.2% of IIH Limited at a market value of £438.1m, and re-assigned Old Informa to Informa Group Holdings Limited for an issue of share capital of £50,000 and a loan receivable of £1,999,950,000.

On 30 July 2009, Informa plc subscribed for £15.3m members interests in Informa IP LLC; subscribed for 12,250 shares in IIR Hungary Limited for a total consideration of £117.5m; and acquired Informa Finance GmbH for £827.6m.

On 31 July 2009, Informa plc subscribed for a further £81.8m members interests in Informa IP LLC and £519.6m of the loan receivable was capitalised with a further issue of share capital by Informa Group Holdings Limited.

The remaining addition of £0.5m comprises the fair value of the share incentives issued to employees of subsidiary undertakings during the period, in accordance with UITF 44 FRS 20 *(IFRS 2) – Group and Treasury Transactions*.

The listing below shows the subsidiary undertakings as at 31 December 2009 which affected the profits 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	Royalty and licences	100%
Informa Finance GmbH	Switzerland	Finance	100%
Informa IP GmbH	Switzerland	Royalty and licences	100%

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

4 Debtors due within one year

	2009 £m
Amounts owed from group undertakings	9.0
Other debtors	0.2
	9.2

5 Creditors: amounts falling due within one year

	2009 £m
Amounts owed to group undertakings	9.6

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

6 Share capital

	2009 £m
Authorised	
202,500,000,000 ordinary shares of 0.1p each	202.5

	2009 £m
Issued and fully paid	
599,239,331 ordinary shares of 0.1p each	0.6

	Number of shares	2009 £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	599,239,331	0.6

Significant movements in called up share capital

Scheme of Arrangement

On 30 June 2009 under a Scheme of Arrangement between Old Informa, the former holding company of the Group, and its shareholders under Part 26 of the Companies Act 2006, and as sanctioned by the High Court, Informa plc became the holding company of Old Informa. All the issued shares in Old Informa were cancelled and the same number of new shares of 595,339,255, each with a nominal value of 27p, were issued by Informa plc.

Capital reduction

On 21 July 2009, the Jersey Court approved the reduction of capital of Informa plc, whereby the nominal value of each ordinary share was reduced from 27p to 0.1p and the balance of the share premium account was transferred to the profit and loss account. The effect of the reduction of capital was to reduce share capital by £160.1m, reduce share premium by £1,839.3m and increase the profit and loss account by £1,999.4m.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
For the year ended 31 December 2009 continued

7 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

[1] On 30 June 2009 the ESOP Trust was acquired from Old Informa.

As at 31 December 2009 the Informa Employee Share Trust held 189,050 (2008: 93,269) ordinary shares in the Company at a cost of £0.4m (2008: £0.4m) and a market value of £0.6m (2008: £0.2m). 71,628 shares (2008: Nil) held by the Employee Share Trust have not been allocated to individuals and accordingly, dividends on these shares are waived. The remaining 117,422 shares (2008: 93,269) held by the Employee Share Trust have been allocated to an individual and accordingly, dividends on these shares are payable.

During the period from incorporation, 11 March 2009 to 31 December 2009, equity dividends of £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 £21.6m were paid in the period of which £18.8m were paid by Informa DAP Limited under the DAP arrangements. Further details of the DAP arrangements are given in Note 13 to the Group financial statements.

8 Share-based payments

Details of the share-based payments are disclosed in the Group financial statements (Note 37).

9 Post balance sheet events

There have been no significant events since the reporting date.

FIVE YEAR SUMMARY

Five Year Summary

	2009 £m	2008 £m	2007 £m	2006 £m	2005 £m
Results					
Revenue	1,221.7	1,278.0	1,129.1	1,039.1	729.3
Adjusted operating profit	309.5	305.8	261.0	219.1	147.3
Statutory operating profit	145.7	164.6	154.0	128.3	91.4
Statutory profit before tax	96.5	109.0	124.4	86.5	61.0
Profit attributable to equity holders of Informa plc	105.6	84.9	99.2	67.4	8.8
Assets employed					
Non-current assets	2,859.1	3,123.5	2,767.6	2,096.2	2,105.4
Current assets	279.6	337.7	303.9	286.4	239.5
Non-current assets classified as held for sale	–	–	2.2	2.2	4.6
Current liabilities	(656.6)	(795.3)	(591.3)	(527.3)	(466.1)
Non-current liabilities	(1,152.6)	(1,592.9)	(1,553.9)	(925.5)	(957.4)
Net assets	1,329.5	1,073.0	928.5	932.0	926.0
Financed by					
Equity	1,328.6	1,071.8	927.9	931.4	925.9
Minority interest	0.9	1.2	0.6	0.6	0.1
	1,329.5	1,073.0	928.5	932.0	926.0
Key statistics (in pence)					
Earnings per share	18.84	16.80[1]	19.69[1]	13.44[1]	1.91[1]
Diluted earnings per share	18.83	16.79[1]	19.62[1]	13.38[1]	1.91[1]
Adjusted earnings per share	34.27	33.94[1]	29.96[1]	26.27[1]	18.74[1]
Adjusted diluted earnings per share	34.27	33.92[1]	29.85[1]	26.16[1]	18.64[1]

[1] Restated to reflect the bonus element of the rights issue. Details of the rights issue are provided in Note 1 of the Group financial statements.

Company Information

IN THIS SECTION:

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 31 to 36 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

Informa's Registrar is Equiniti. The Shareholder Helpline run by Equiniti is available between Monday and Friday, 8.30 am to 5.00 pm. The UK number to call is 0870 384 2381, if you are calling from outside the UK please call: +44 121 415 7047. 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.shareview.co.uk/myportfolio for further information. You will need your shareholder reference number as shown on your share certificate.

If you currently hold a Shareview Portfolio account which was registered prior to the Register moving to Jersey in June 2009 you will need to re-register under the new web-address. You can register quickly and easily by going to www.shareview.co.uk/myportfolio and clicking on the 'Open a FREE portfolio' button in the middle of the home page. You'll be asked for the following information:

- the company in which you hold shares or loan notes managed by Equiniti;
- your last name as it appears on a recent share certificate or tax voucher;
- shareholder reference;
- your postcode;
- your current email address; and
- you will also be asked for your preferred method of communication (i.e. electronic or hard copy) – please choose the hard copy option.

You will then be asked to create a password. This needs to be a mixture of 4-8 alphanumeric characters that you alone will be able to remember (e.g. pa55w0rd).

Once you have read the terms and conditions click the 'Go' button to send the Access Number to your registered address.

Your new Access Number will arrive by post a few days later. You will then have all you need to log into your new Portfolio.

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.shareview.co.uk/myportfolio.

Dividend

Informa pays a dividend to all shareholders twice each year. Informa 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 a UK Informa company. However those shareholders holding over 100,000 shares need to elect to join the Dividend Access Plan by completing an Election Form. This form is available from Informa's Registrars by calling 0871 384 2381. If you are calling from outside the UK please call: +44 121 415 7047. If you hold over 100,000 shares and do not elect to join the Dividend Access Plan, you will receive your dividends from Informa's Swiss holding company.

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

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

Share Dealing

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

CREST Electronic Proxy Voting

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

ShareGift

ShareGift (Registered Charity no. 1052686) is an independent charity which specialises in accepting donations of small numbers of shares which are uneconomic to sell on their own. ShareGift is particularly designed to accept unwanted shares and uses the ultimate proceeds to support a wide range of UK charities. Over £11m has been given by ShareGift so far to over 1,400 different UK charities. Further information about ShareGift can be found on their website, www.ShareGift.org or by contacting 020 7930 3737.

Electronic Shareholder Communication

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

Protecting your Investment from Share Register Fraud

Informa plc is legally obliged to make its share register available to the general public. Consequently some shareholders may receive unsolicited mail, including correspondence from unauthorised investment companies.

Over the last year a number of companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based brokers who target UK 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; and
- inform our Registrar's on 0871 384 2381

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

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