ANNUAL REPORT AND FINANCIAL STATEMENTS 2016

BALANCE AND BREADTH

informa

INFORMA PLC
OUR FOCUS

Informa is a leading Business Intelligence, Academic Publishing, Knowledge and Events business, operating in the Knowledge and Information Economy.

The Group serves commercial, professional and academic communities by helping them connect and learn, and by creating and providing access to content and intelligence that helps people and businesses work smarter and make better decisions faster.

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HIGHLIGHTS

FINANCIAL HIGHLIGHTS

REVENUE (£M)

£1,345.7m

2014	1,137.0
2015	1,212.2
2016	**1,345.7**

ADJUSTED DILUTED EARNINGS PER SHARE (P)

42.1p

2014	37.8*
2015	39.5*
2016	**42.1**

ADJUSTED OPERATING PROFIT (£M)

£416.1m

2014	334.0
2015	365.6
2016	**416.1**

DILUTED EARNINGS PER SHARE (P)

23.6p

2014	(7.9)*
2015	24.3*
2016	**23.6**

OPERATING PROFIT (£M)

£198.8m

2014	(2.8)
2015	236.5
2016	**198.8**

DIVIDEND PER SHARE (P)

19.3p

2014	17.8
2015	18.5*
2016	**19.3**

*Restated to reflect adjustments associated with the Group's 2016 Rights Issue.

GROWTH ACCELERATION PLAN HIGHLIGHTS

ADDITION OF PENTON INFORMATION SERVICES
Increases US scale and breadth in vertical markets

£50m+

Total capital expenditure in peak year of GAP investment, with circa 30 projects moving to implementation

2.6x

Robust balance sheet, with net debt to EBITDA ratio of 2.6 times

UPGRADED ENTERPRISE RESOURCE PLATFORM
Foundation work on 2017 SAP rollout

£305.7m

Strong free cash flow

FTSE 100

Group entered the FTSE 100 in March 2016 as a result of improving growth, scale and share price performance

BROAD AND BALANCED INTELLIGENCE, KNOWLEDGE & EVENTS GROUP

ORGANISED INTO FOUR OPERATING DIVISIONS, WITH A FIFTH SUPPORT DIVISION

ACADEMIC PUBLISHING

Publishes high quality specialist content and knowledge for upper level academic communities

Read more on pages 36–39

BUSINESS INTELLIGENCE

Provides specialist data-driven intelligence and insight, with 100+ digital subscription products

Read more on pages 40–43

GLOBAL EXHIBITIONS

Organises transaction oriented events and creates digital platforms that connect groups for business and trade

Read more on pages 44–47

KNOWLEDGE & NETWORKING

Creates and connects communities based on sharing insights and learning, at events and online

Read more on pages 48–51

GLOBAL SUPPORT

Supports Operating Divisions with business services and provides leadership and governance to the Group

Read more on pages 52–55

SERVING COMMUNITIES IN HUNDREDS OF VERTICAL MARKETS

Life Sciences... Health and Nutrition... Real Estate and Construction... Agriculture... Aviation... TMT... Finance... Fintech... Infrastructure... Engineering... Pop Culture... Archaeology... Biotech... Business and Management... Industry... Sustainability... Medicine... Philosophy... Internet of Things... Maritime... Waste Management... Education... Commodities...

Operating scale in the US

10+
key locations in the US

43%
revenues from the US

With 7,500 colleagues

around 3,000 colleagues in the US

46% colleagues under the age of 35

54/46 female/male colleague % base

PROVIDING CONNECTIONS AND INSIGHT

> 150m
No. of times academic content accessed online in 2016

25,000+
Subscribers to our 200+ intelligence products

> 1.4m sq. m
Of exhibition space provided for buyers and sellers at around 200 exhibitions

140,000+
New articles published for academics in 2016

6,100
New books published for academics in 2016

1.3m+
Visitors welcomed to our events

UK listing and Group headquarters

GIVING ADVANTAGE TO BUSINESSES, PROFESSIONALS AND ACADEMICS

Actionable insight... Business leads... Expanded professional networks... Critical data... Sales opportunities... Latest industry news... Platforms for marketing and promotion... Peer-reviewed research... Competitor and market intelligence... Accredited training... Branded outlets for research publication... Tailored industry reports...

CONTINUED PURSUIT OF GROWTH AND PERFORMANCE

Derek Mapp, Chairman

I would like to thank Informa colleagues and the Group's management team for their dedication and hard work during a busy and productive year for the Group. Their support, combined with that of Shareholders, allowed the Group to make further good progress with the implementation of the 2014-2017 *Growth Acceleration Plan (GAP)* while delivering another year of positive financial performance.

MOMENTUM AND DELIVERY

Over the last three years, we have focused on progressively improving operational fitness at the Group and strengthening capabilities in all areas. 2016 was the penultimate year of the GAP strategy and the peak year of investment, as the Group seeks to return all areas of the business to growth and create a platform for future scale.

The execution of the plan has been measured and effective. Your management team has created a new operating model and structure, added new experienced senior management, made selective disposals and significant investments in the business, including a number of targeted acquisitions.

The Board was encouraged to see the benefits of this change and investment continue from 2015 into 2016, both in operational progress and financial performance. While there is further to go, the Board believes the Group is well positioned for continued delivery in 2017.

INTERNATIONAL GROWTH AND SCALE

It is partly our confidence in what has already been achieved under *GAP* and the capabilities now embedded in the Group that enabled the Board to support the addition of Penton Information Services (Penton), in November 2016.

The addition of Penton creates a more international Group, with greater strength in key market verticals and a portfolio with better balance and resilience. It also specifically continues the Group's international expansion strategy in **Global Exhibitions** and adds scale and breadth to **Business Intelligence** at an opportune time, as it returns to growth.

Throughout the process, your Board took an active role in assessing the strategic and cultural fit as well as the financial rationale of the combination. We unanimously concluded it was a logical next step in the *GAP* strategy, building on the strong foundations established over recent years. The Board will remain equally vigilant through the integration process to ensure we maximise the growth and returns derived from the combination. The Group intends to change the way it measures growth in 2017, from organic to underlying revenue growth, in part to assist in providing ongoing assurance that the combination delivers from the outset.

It was encouraging to receive strong support from Shareholders for the addition of Penton through the approval given at the October 2016 General Meeting and participation in the Rights Issue that part-funded the deal. This was a strong endorsement for the Group's strategy and its management team. It enables Informa to continue to pursue its growth ambitions in a way we believe will maximise value for all Informa's stakeholders in the coming years.

2016 DIVIDEND GROWTH

The Group's positive financial performance in 2016, combined with the increased balance and breadth across Informa's portfolio, led the Board to approve a final Dividend per Share of 13.04p for the year. This takes the total Dividend for 2016 to 19.3p, up 4.3% year-on-year.

We believe this achieves a balance between sufficiently rewarding Shareholders during this period of measured change and expansion while retaining the financial strength and flexibility for management to continue investing and pursuing growth. It also reflects our commitment to increase the dividend by at least 4% per annum throughout the GAP programme, a commitment we are happy to reconfirm for 2017.

BOARD RESPONSIBILITIES TO SHAREHOLDERS

Talking with colleagues around the company during the year, as in previous years, I have been struck by how they have seized the opportunities created by the Group's renewed focus, ambition and investment since 2013. There was an understandable sense of change and maturity when Informa joined the FTSE 100 in March 2016. This was undoubtedly a milestone and testament to the progress made by the Group in the pursuit of greater scale, breadth and international reach.

Colleagues, management and the Board are aware of the new opportunities and responsibilities our increased balance and breadth and status confers. As Chairman, I have a specific responsibility to ensure the Board has the skills and experience to support the Group as it develops and expands, and to govern the Group in an effective manner.

In 2016, the Board welcomed John Rishton as a Non-Executive Director. John brings extensive experience as a senior executive in major international organisations. He will succeed Dr Brendan O'Neill as Chairman of the Audit Committee, when Brendan steps down from the Board in 2017 after nine years of service. These are no small boots to fill and we thank Brendan for his valuable and incisive contributions to the Group over the last decade. You can read more about the Board's activities and developments in the Governance Report starting on page 68.

According to the requirements of the Companies Act 2006, I can confirm that the Strategic Report, which makes up pages 1 to 67 of the Group's Annual Report has been reviewed and approved by the Board of Directors.

My thanks again go to the management team and all Informa colleagues, as well as our customers, business partners and Shareholders for their support in 2016. I look forward to continuing to engage with many of you in 2017 as the Group focuses on combining Penton with Informa and continues to invest for future growth and scale.

DEREK MAPP, Chairman
5 March 2017

Q&A with Derek Mapp on the importance of culture at Informa

What makes Informa unique?

We believe Informa's culture and identity is distinct. When we changed the leadership of the Group in 2013, the Chief Executive's ability to connect with the company and colleagues was essential. We are a people business and give individuals freedom to grow, experiment and learn. We think big and act small. We encourage openness and inclusiveness. We minimise barriers and red tape. Everyone has the opportunity to challenge and contribute.

How does the Board engage?

Feelings and facts. Facts really matter and we respect the data collected and analysed across the Group, such as from Inside Informa in 2016. But feelings matter more. All fellow Board members regularly met colleagues from across the Group to take the pulse of the business and understand its day to day challenges and opportunities.

What is in place to encourage a positive and inclusive culture?

At all levels, we encourage consistent and open communication and this starts at the top. Management is visible and clear about the Group's strategy and ambitions, and encourages colleagues to invest in this future through initiatives like ShareMatch, our share incentive plan, or through long-term incentives. We promote diversity in the workplace under the direction of the AllInforma group, to ensure there is balance, fairness and equal opportunity in everything we do.

How important is cultural fit when adding businesses to the Group?

It's high up the agenda. In a people business it has to be. Financials might give you an attractive acquisition multiple, but people are what will generate attractive long-term returns. With Penton, the similarities in culture, operational focus and the journey they were on were striking. This was a key factor in giving us the confidence to pursue a combination of the businesses.

What is on the agenda for 2017?

Making sure the themes and learnings from Inside Informa translate into actions. The Group's Code of Conduct and its key policies have been refreshed to make them more engaging and contemporary. Work is also underway to better understand how the Group relates to all stakeholders, and to connect what Informa does more closely to its impact on society, which I'm particularly excited about.

A YEAR OF INVESTMENT, DELIVERY AND PERFORMANCE

Stephen A. Carter, Group Chief Executive

As a growing company, Informa is seeking to build strength and scale in international markets in the Knowledge and Information Economy.

Through the 2014-2017 *Growth Acceleration Plan (GAP)*, we continue to pursue our ambition of returning every part of the business to growth and building the capability and platforms for future scale and consistent performance.

The first three years of *GAP* brought new focus and dedicated investment in people, products and platforms across the business. It has also seen us make deliberate choices about where to expand the Group:

- Extend our US presence.
- Build and buy a leading position in Exhibitions.
- Create balance and breadth across the Group.
- Minimise dependence on retail markets and one-off conferences.

At the same time, there was a conscious focus on retaining and building on the many strong characteristics that make Informa unique: our passion for specialist markets and information; our ability to connect people with knowledge; our commitment to helping customers solve problems, make better decisions and transact; the strength of our brands; and our dynamic and agile approach to seizing new opportunities.

INVESTMENT AND DELIVERY IN 2016

In 2016, this combination of focus, change, discipline and differentiation, combined with an acceleration of our GAP plans through the acquisition of Penton Information Services, has delivered another year of improved operational progress and financial performance.

Despite continued volatility at a macro level, stemming from political uncertainty in the US and Europe, currency movements and shifts in commodity prices, and specific weakness in individual markets like Brazilian events and US books, our focus on operational fitness and delivery enabled each of our four Operating Divisions to move forward, with:

- Clear and strong growth in **Global Exhibitions**; further international expansion and continued investment in digital and data capabilities;
- A return to positive revenue growth in **Business Intelligence**, with increased focus on subscriptions and customer management, refreshment and investment in products and platforms;
- Consistent performance in **Academic Publishing** reflecting its upper level focus and specialist content, combined with continued investment in content, data and digital discovery;
- Further operational performance and repositioning in **Knowledge & Networking** to increase concentration on Branded events in our three core Verticals and community content.

Investment has been a consistent theme throughout the year. Total capital expenditure was over £50m, including in more than 30 *GAP* initiatives spanning all four Operating Divisions. We started to see the early benefits of some of these projects and the pace of delivery will pick up through 2017 and into 2018.

Continued investment externally has seen us build further international scale in key Vertical markets, including Sustainability and Waste (The Water & Wastewater Equipment, Treatment & Transport Show, *WWETT*), TMT (*Light Reading*), Life Sciences (*Boston Biotech*), Finance (*ETF.com*), and towards the end of the year in verticals including Agriculture and Health & Nutrition through the addition of Penton. This gives the Group greater balance and breadth, in terms of geographies, markets, customers and capabilities, and creates a more resilient and diverse business overall, better placed to manage individual market challenges and achieve sustainable long-term growth.

CONSISTENT AND IMPROVING GROUP PERFORMANCE

The Group recorded a third consecutive year of growth in revenue, profit, earnings, cashflow and dividends in 2016. Group revenues were £1,345m, an increase of 11% over the previous year and adjusted operating profit grew at a similar rate. Adjusted diluted earnings per share also continued to improve, up nearly 7% to 42.1p.

At a Divisional level, **Global Exhibitions** had another excellent year, delivering organic revenue growth of 8.7% and reported growth of 16.9%. Under Charlie McCurdy's first full year of leadership, we remained proactive in building further scale and expanding the business internationally. The size and fragmented nature of the US exhibitions market, and the resilience of its underlying economy, make it particularly attractive and so this remains a key focus. We now own 16 of the TSNN Top 200 Exhibitions in the US, with around half of pro-forma divisional

£1,345.7m

Group revenues in 2016

Year 3

Of four year
Growth Acceleration Plan

55%+

Group revenue is recurring and predictable

revenue here. More broadly, our growth and expansion means we are now the third-largest organiser of Trade Shows in the world and a true, dynamic challenger in this attractive market.

Business Intelligence returned to positive revenue growth for the year, a milestone moment for the Division and testament to its efforts to refocus and renovate the business over the last three years. A simplified operating model, focused on its verticals and customers, combined with focus on subscription renewals and sales management has led to a measured turnaround, with organic growth improving from -8.5% in 2014 to 1.1% in 2016. We look to build on this in 2017 as we start to reap the benefits of *GAP* investments in our products and platforms, and combine our strengths with those of the recently acquired Penton business.

In **Academic Publishing**, we reported another year of organic revenue growth at 0.3%, reflecting deep strength in journals and returns from acquisitions. The books market remained subdued, particularly in lower level segments, and this impacted the revenue performance of our books business. The move to consolidate operations into a single global books business has, however, improved operational efficiency, underpinning profits.

Divisional CEO Roger Horton will retire in 2017 after more than a decade leading the business. Roger has overseen **Academic Publishing**'s development into one of the world's top academic publishers and the Group owes him much thanks and appreciation for his dedication, contribution and success.

We continued to implement our restructuring and rationalisation programme at **Knowledge & Networking** in 2016 and announced its next stage with a strategic review of our five remaining domestic conference businesses in Germany, Switzerland, Australia, Singapore and Brazil. Domestic spot conferences were a key drag on performance in 2016, and the Division posted an organic revenue decline (of -4.1%) during the year. Many of our large branded events in our key three Verticals – TMT, Life Sciences and Finance performed well, particularly in our major hubs in the US, UK and Middle East. Increased focus, operational excellence and continued investment in developing digital communities and specialist content remain the blueprint for returning the business to growth.

INCREASED BREADTH AND BALANCE

Our consistent operating performance in 2016 was complemented by continued international expansion, including the addition of Penton Information Services in November. This was our largest acquisition to date and we are grateful for the strong support of our Shareholders in pursuing and funding it.

This strategy has allowed us to build scale in the key US market and ensures Informa goes into 2017 with a portfolio that is broader and more balanced, providing increased stability, predictability and potential for growth.

DIVISIONAL BREADTH AND BALANCE

We now have three Operating Divisions of similar size, with less reliance on **Academic Publishing**, a stronger position in our highest growth business **Global Exhibitions**, increased scale at **Business Intelligence** and an appropriate level of focus at **Knowledge & Networking**, which now generates less than 10% of Group profit.

Bringing Penton Information Services into the Informa Group

Our programme of scale and expansion over the last three years has particularly focused on the US. Alongside Virgo Publishing, Hanley Wood Exhibitions, FIME, Orlando MegaCon, Maney, WWETT, Light Reading and others, we identified Penton as having an attractive and complementary profile to Informa.

Its combination of portfolio mix, with strength in exhibitions and business intelligence, and vertical mix in Agriculture, Natural Products and TMT led us to initiate a series of exclusive discussions and, in September 2016, Informa announced its intention to acquire Penton for £1.2bn, funded through debt and equity including a £715m rights issue

Rationale and benefits
The combination has compelling operational, commercial and financial attractions. It strengthens Informa's position in key verticals such as **Health & Nutrition**, **Agriculture** and **TMT**, and our US presence. It significantly enhances **Global Exhibitions**, adding 30 leading brands, and strengthens **Business Intelligence**, adding 20+ subscription data and intelligence Brands and over 100 digital and print insight products. It brings new capabilities in digital marketing services, events services and specialist community content.

The transaction met our financial benchmarks for acquisitions with strong operating and financial synergies. It is immediately earnings enhancing and is expected to deliver a post-tax return on investment ahead of our cost of capital within the first full year of ownership on a cash basis and within two years on a non-cash basis.

Discover – Deliver – Combine
The integration programme is led by the now US-based **Business Intelligence** CEO Patrick Martell, and will be a phased and measured programme over two years to effect a smooth and effective transition. The **Discovery** phase commenced at the end of November, post completion of full ownership, with Informa teams taking time to better understand Penton's operations and ensure maximum value from the combination.

The **Delivery** phase also launched soon after completion to ensure continued focus through the end of 2016 and in the first quarter of 2017, key trading periods for both groups. The final phase, where the Groups more formally **Combine**, bringing teams, verticals, divisions, operating systems and ways of working fully together, will complete over the course of 2017 and 2018 growth years.

Vertical breadth and balance
The addition of Penton enhances our position in key verticals including **Agriculture, Health & Nutrition** and **TMT** and niche sub-sectors, while giving us positions in adjacent and new markets, including **Transportation** and **Infrastructure**. This focused scale across a wider number of verticals reduces dependency on more cyclical industries, most notably **Real Estate & Construction**.

Geographic breadth and balance
Our international expansion strategy has also reduced our dependence on the Middle East as a region and seen us build valuable scale in the United States. This remains the largest and most important region in all of the markets where we operate. The relatively stable and resilient US economy provides us with attractive opportunities for growth. The Group's journey to a more international portfolio with strength in the US is outlined on pages 16 and 17.

Revenue breadth and balance
The Group's increased breadth and balance also extends to revenue mix, with our targeted investments increasing the level of recurring and predictable revenue from subscriptions to journals, intelligence and data products and the pre-booking of stands and event space. In aggregate, our subscriptions and exhibitions revenue will account for more than 55% of Group revenue, providing a high level of forward visibility and cash generation.

The addition of Penton broadens the Group's capabilities, bringing significant expertise in complementary areas such as Marketing Solutions and Exhibitions Services that access and allow us to tap into new areas of customer budgets.

THE FINAL YEAR OF *GAP* AND BEYOND
2017 is shaping up to be another busy year, with two clear priorities:

- To successfully deliver the final year of GAP, further improving the overall level of operational fitness, and demonstrating the benefits of our investments, to put the Group in a strong position to deliver on our growth ambitions going into 2018 and beyond;

//The combination of change, discipline and differentiation delivered improved operational progress and financial performance//

//Informa goes into 2017 with a portfolio that is broader and more balanced, providing increased stability, predictability and potential for growth//

- To ensure a smooth and effective combination of Penton Information Services with Informa, delivering our synergy targets and starting to operate as one broader and more balanced Group.

It will therefore be a year of accelerated change, as we look to create further value and opportunities for our customers and reap the benefits of our increased scale.

GAP has been a valuable framework and an effective delivery mechanism for moving us towards the sustainable Group-wide growth we believed was both possible and vital. Many elements of the GAP programme will remain part of how Informa operates in 2018 and beyond. Financial and operating discipline, effective portfolio management and targeted acquisitions will all remain hallmarks of Informa.

This is also true of investment. The last three years have seen us invest up to £90m in a range of organic initiatives across the Group. Some of this was to catch-up after a period of underinvestment that left many of our products and platforms lacking the digital qualities and flexibility expected by customers. Consistent investment is essential to retain competitive advantage and differentiate ourselves in the knowledge and information markets.

Each of our Divisions will transition to a business-as-usual approach to investment through 2017, retaining the principles of governance and reporting established under GAP. A good example is the project to upgrade our group-wide enterprise resource platform in **Global Support**, which is outlined in more detail on page 55.

Beyond *GAP*, the focus will remain firmly on growth, with each business measured against the underlying growth they deliver as well as the returns achieved from any acquisitions. Following the addition of Penton, the like-for-like growth delivered by acquired businesses will also be included in this assessment from the day we own them, ensuring management is immediately focused on driving the underlying business forward. We intend to report underlying growth on this basis externally from 2017.

COLLEAGUE COMMITMENT AND CONTRIBUTION

The combination of investment and growth should put Informa in a strong position to continue creating value for shareholders well beyond the end of GAP. The Knowledge and Information Economy remains vibrant and growing, and our many unique brands in niches and communities position us well within it.

In 2017 and beyond, it will be key for the Group to stay relevant and valuable to how our customers work, adapting our technology and talent to remain responsive, dynamic and creative and bring our best ideas and full capabilities to market.

None of the results and achievements detailed in this report, including the continued delivery of the *Growth Acceleration Plan*, would be possible without the full commitment and contribution of the 7,500 colleagues working at Informa.

As I travel around the Group, I am continuously impressed by the knowledge and expertise amongst colleagues, the levels of interest and passion for the vertical markets we specialise in, and the common drive to be creative, to innovate, and for many, the willingness to develop and take on additional responsibilities within the Group.

The success of Informa comes directly from the ideas, energy and participation of every colleague, and the role they play in developing and delivering our content, and creating connections for customers and the specialist communities in which we operate.

We will seek to retain this spirit and approach as we grow and internationalise, and provide the freedom and opportunities to our colleagues that makes the experience of working at Informa enjoyable and rewarding.

Thanks to them, to our Shareholders, our customers and those in the communities we serve, and we look forward to continuing this work in 2017.

STEPHEN A. CARTER
Group Chief Executive

THE 2014-2017 *GROWTH ACCELERATION PLAN*

Strategy: *to progressively return every part of Informa to growth, and simultaneously build the capabilities and platforms needed for future scale and consistent performance*

Delivery & implementation: *the 2014-2017* Growth Acceleration Plan *is a four-year roadmap for delivering this strategy, covering six disciplines*

Operating Structure
Simplify and align with customers and end markets

Management Model
Refresh and enhance, establishing clear lines of authority and accountability

Portfolio Management
Adopt a more proactive approach, continuously scrutinising the potential for returns

Acquisition Strategy
Develop a more targeted and disciplined approach; focus investment in priority markets

Investment
Invest £70m–£90m in a range of organic growth initiatives

Funding
Improve financial discipline, maximise cash generation, create a robust and flexible framework

THE PATH AHEAD

//There are several consistent themes that influence demand and shape the Group's focus//

Informa continues to grow and build scale in a broad range of international markets and industry verticals within the Knowledge and Information Economy, each with their own characteristics and dynamics. There are several consistent themes across these markets, at both a macro and micro level, which influence demand trends for our products and services and help shape the Group's future strategy and focus.

To provide a sense of these dynamics, subject matter experts from within Informa have contributed insights on three such themes: the growth of big data, the health of the US economy, and the continued rise of specialism.

Further information on how our businesses are adapting to meet the challenges and opportunities presented by these trends can be found in the Divisional Reviews starting on page 36.

THE PROMISE OF BIG DATA

The proliferation of connected devices – personal, professional and industrial – is driving a data revolution. Fifty billion objects are predicted to be online by 2020, six times more than there are people. Soon the majority of human and machine transactions, communication, peer to peer connections and operational processes will be captured, codified and analysed in the search for value-creating predictive insights. Used wisely, Big Data will help drive better customer experience, improve operational efficiency, deliver faster innovation and solve big societal challenges.

The promise of Big Data relies on continued advances in processing speed, storage capacity and increasingly powerful analytics (human and machine), as well as evolution in global data protection, security, and ethical and governance frameworks to keep it all in check.

The creation of connections between seemingly disparate data sets, generated in siloed environments, is also vital and will for now, rely on human innovation, and the capacity to imagine how a new combination of assets can produce a better product or outcome.

To deliver on this, companies providing intelligence, content and data, as well as software and technology players, and academic and government institutions, will increasingly work together to develop 360-degree views of the customer, business or societal challenge they seek to solve.

It will no longer be sufficient to own the richest content sets, faster machines, better algorithms, bigger audiences. The best solutions will come from organisations and disruptors that draw lines through those assets looking for information synergies. They will come from players that recognise customers and organisations want a real value exchange for sharing their data and intellectual property. They will come from innovators who live the challenges of their industry's specialist community.

This will drive new business models. Publishers, information providers and business media players have learnt to monetise content directly through paid-for products, or indirectly through advertising and marketing services. They will now be able to add to their revenue mix the monetisation of content via new partner channels for co-created offerings, and the monetisation of audiences though permission-based use of their data for new products.

These opportunities bode well for business media. Unique, proprietary, enriched data will continue to attract a premium as it is difficult to substitute with cheaper or free sources of data generated as 'digital fumes' or by-products of other data collection processes. Brands continue to be essential, flying the flag for ethical and trustworthy value exchanges between businesses, customers and audiences in specialist communities. Leaders in leveraging Big Data will partner beyond their sectors to deliver disruptive innovation, morphing business media beyond its current borders into the neighbouring realms of technology, digital services and beyond.

➔ Read about how Business Intelligence worked with MIT's Laboratory for Financial Engineering to apply Big Data models to find predictive signals in clinical trial data in our Sustainability Report.

OPTIMISM AND UNCERTAINTY IN THE US ECONOMY

View more online: informa.com/investors/ourmarkets

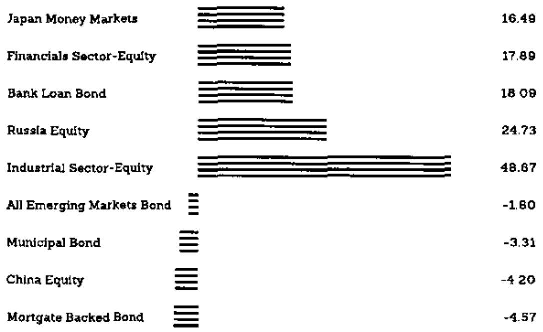
Since the elections the mood has been euphoric here in the US. Consumer confidence stands at its highest level since 2001 and the National Federation of Independent Business Optimism Index surged to its highest level in 12 years. Rallies in stocks, the dollar and rises in bond yields also manifested in the post-election excitement.

Whether this optimism will be rewarded rests on how the Trump administration performs, and because this is difficult to confidently predict, the United States faces a considerable level of economic uncertainty in 2017.

The assumptions many are working on include that lower payroll taxes will boost incomes whilst lower corporate taxes will increase earnings. Spending on infrastructure will raise GDP as well as the federal deficit and long-term Treasury issuance. Lower taxes make municipal bonds less attractive. Better growth will boost the dollar and inflation, leading the Federal Reserve to increase interest rates a few more times in 2017 and encouraging a steeper yield curve that will benefit banks, but not homebuyers or emerging markets.

Markets have discounted these factors to a degree, illustrated by the post-election mutual fund flows (see table, right) tracked by Informa's EPFR Global, which show industrial and financial sector funds attracting fresh money while emerging markets and real estate-related funds have suffered.

NET FLOWS FOR SELECT MUTUAL FUND GROUPS, 9 NOV – 18 JAN (% OF ASSETS UNDER MANAGEMENT)



Source: EPFR Global

The unknowns that remain include the magnitude of increased spending or tax cuts, or how a Republican Congress will respond to expanding the federal deficit. Republican lawmakers tend to be more interested in cutting taxes and – at least rhetorically – keeping public spending under control. Where they converge with Trump and his reflationary, infrastructure-driven economic plans for the US is the need to cut the regulatory burden on business. But you can't cherry pick one thing, like tax cuts, without considering the potentially detrimental effect of tariffs and trade barriers.

And as fiscal policy shifts, it implies a reduced role for the Federal Reserve, which will increasingly become more dependent on the impact of fiscal measures than it has been for several years, making its own forecasts subject to even greater uncertainties.

Another unknown is how US corporations will deal with lower taxes. Historically, they have focused on buybacks (and dividends) using cash raised via bond issuance, but not generally used that money for investment.

President Trump pledges to "Make America great again" but one thing he cannot promise is to make America young again. In 2016, the US population grew by 0.7%, the slowest rate since the Great Depression. The population is rapidly aging, which can impact economic growth because older people tend to spend less than young people.

Any way you look at it, 2017 is destined to be as intriguing and interesting a period for the US economy and political landscape as we have seen for many years.

BREADTH AND DEPTH IN SPECIALISMS

View more online: informa.com/investors/ourmarkets

The business of **Academic Publishing** is often discussed in broad brush categories – humanities and the social sciences, or science, technology and medicine. These categories serve an important function in discovery but they also hide a growing trend in the sector; that of increasing levels of specialism – this is a key driver of growth.

In a world of increasing volumes of information, data and free material, the demand for highly specialised and detailed content is increasing. Upper level students and academics plough deeper and deeper into niche areas of study, and academic publishing businesses like ours have responded in kind.

For example, Informa is the world leader in the academic study of Witchcraft, just one of thousands of specialised topics and communities we cater for. We produce thousand-page text books that undergraduate criminology students regard as indispensable, as well as highly technical hardbacks written for senior engineering professionals.

In some cases, authors and individual works can be the basis of an entire discipline. The Informa archives count Freud, Einstein, Russell and Sartre amongst those who have become synonymous with their subject. New areas emerge every year in response to increased interest, new sources of funding, and a more granular approach to what might have previously fallen under broader topic matter. Good examples would be gender studies and sustainability.

Behind each discipline, and every artefact published, is a relatively small network of highly knowledgeable specialists. These networks typically comprise authors, peer reviewers, institutions, funding bodies, those cited and those who will go on to cite the work in future works.

To meet the needs of such specialists as well as the evolving tastes and requirements of consumers, publishers need to combine depth of content with breadth of subject areas and categories if they are to succeed.

We partner with world-class authors at the top of their fields, promoting discovery across a diverse range of sectors, through the publication of more than 2,400 journals and over 6,000 books every year for all levels of academic study and professional development.

But a vastly diverse portfolio can leave researchers seeking a digital needle in a content haystack. The solution to this is discoverability – making sure the right content is found by the right person at the right time.

Discoverability is crucial to our continued success. If academics can find our content when they are researching a subject, this drives usage and usage can be monetised. This is why all of our front-list titles are available digitally, as well as over 70% (and growing) of our backlist.

This industry is not immune to the headwinds caused by political and economic uncertainty around the world, but increasing both breadth and depth in the portfolio gives us greater resilience in a challenging market, and a route to further growth.

★★★★★

BUILDING BALANCE AND BREADTH IN THE US

★★★★★

In all of the markets in which Informa operates – Business information, Exhibitions and events, and Academic Publishing – the US typically leads the industry in innovation and has robust and consistent levels of growth.

After a portfolio review in 2013, we identified opportunities in the US and recognised the Group's relative lack of scale in the region. At that time, we had some US presence in Academic Publishing and a small position in Business Intelligence, but no US Global Exhibitions operations.

As a result, one of GAP's key objectives has been to grow internationally and specifically in the US, leading to a targeted and disciplined US acquisition strategy to add capability and capacity for future scale, with particular emphasis on Exhibitions.

The approach has been measured and methodical, focusing on building strength in verticals where we already have knowledge and connections and gradually establishing a solid infrastructure. The Group has moved from a standing start to having a sustainable and successful operating and management structure across the region, with further opportunities to expand and grow.

Informa's first entry into US Exhibitions was in the Health & Nutrition Vertical with the acquisition of Virgo Publishing, owner of SupplySide West, the US equivalent of Informa's Vitafoods in Europe.

COUNTRY HEADQUARTERS
New York

The Group's US headquarters are in New York, with sizeable Academic Publishing and Business Intelligence teams. Toronto is the Group's Canadian headquarters.

approximately
3,000
US Colleagues

43%
Revenues from US in 2016

circa 55%

US share of global spend on business intelligence and information services

$13bn

total size of US tradeshow market

The Group next expanded in construction and real estate through the addition of Hanley Wood Exhibitions, adding 17 major exhibitions brands and bringing an experienced and knowledgeable management team with the ambition and capacity to deliver more events. This laid the foundation for other additions in verticals including Pop Culture (Orlando Megacon), Sustainability & Waste (WWETT) and Life Sciences (FIME).

Our US presence in academic publishing has also continued to grow, most recently through the addition of Maney Publishing in 2015, a leading academic journals publisher with strength in materials science and engineering, the humanities, and health science.

These investments and the capabilities built up over the last four years gave Informa's management team and Board the confidence to pursue a US-based acquisition of greater scale in late 2016, with Penton Information Services.

CONTENT HUBS
Boca Raton, Florida

Our US content hubs include an Academic Publishing presence in Florida, as well as in Philadelphia, Pennsylvania

VERTICAL HUBS
Dallas, Texas

Key vertical hubs in the US include Dallas, Texas, home to 17 trade shows including World of Concrete, Greenbuild and The International Surfaces Event in Real Estate & Construction. Vancouver is our Canadian vertical hub.

SHARED SERVICE CENTRES
Sarasota, Florida

The Group's US-based Shared Service Centres each support different elements of our North America Divisional operations

HOW THE GROUP CREATES SHAREHOLDER VALUE

RESOURCES WE RELY ON

TALENT
The ideas, energy and contribution of circa 7,500 colleagues

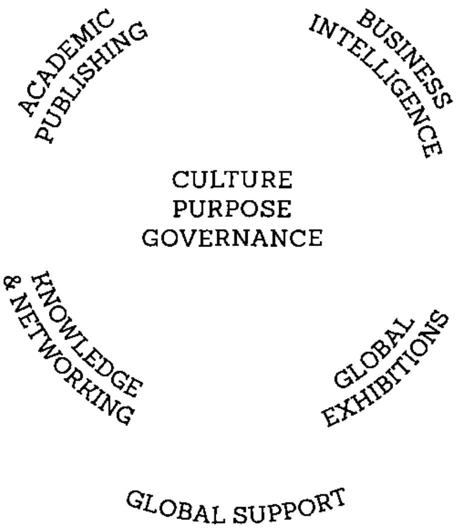
BRANDS
The strength of our market brands in each Division

RELATIONSHIPS
Close and long-term relationships with customers and other business partners in the specialist communities we serve

INFRASTRUCTURE
Sales, marketing and content platforms, and other technology that allows us to reach customers, deliver products and operate the business

FINANCIAL CAPITAL
A strong and flexible balance sheet, plus access to external sources of equity and debt capital to fund operations, acquisitions and investments

THE GROUP'S STRUCTURE: FOUR FOCUSED COMMERCIAL OPERATING DIVISIONS



Read more on pages 36 to 55

Underpinned by:

BEHAVIOURS AND PRINCIPLES
- Act commercially: understand customers and respond to their needs, delivering value to them and the Group
- Freedom to succeed: be creative and innovative, and accountable for outcomes
- Work responsibly: be honest and fair in all we do, and treat others and each other with respect
- Strive for excellence: put quality first and deliver the best possible results

WHAT WE DO

- We source, create and develop content, data, insight and intelligence
- Our colleagues, using the latest technology, sell and market our brands, products and services to customers and target communities
- We continuously develop and protect our brands
- We work with customers to understand their needs and respond
- We invest to enhance our platforms and technology, improving the way content is assembled, delivered, discovered and how customers are engaged
- We partner with external stakeholders such as venues to hold shows, societies to deliver joint industry event agendas, and researchers to co-ordinate the peer-review of academic work

HOW WE GENERATE VALUE

- Selling subscriptions to academic journals and data and intelligence products, which creates recurring, predictable cash flows
- Selling exhibition space, which is often prebooked well in advance, generating visible revenue streams
- Selling units of academic books and, less often, intelligence and research products, as well as delegate conference passes
- Providing sponsorship and advertising opportunities around exhibitions, events and publications, which adds incremental revenue to core products
- Reinvesting in the business to enhance and launch products, retain and attract customers, build capabilities and capture new revenue streams
- Delivering a minimum level of dividend growth to Shareholders during *GAP*
- Paying our taxes in full and on time within the countries in which we operate

WHY CUSTOMERS CHOOSE US

- Our content is unique, independent, trusted and often cutting edge
- Our high quality data sets power customers' in-house analysis tools and databases
- Many of our events are must-attend, attracting a critical mass of buyers and sellers at one time in one place, creating opportunities for sales, product and brand promotion, and networking and education that is difficult to access otherwise
- Our specialist insight and training keeps customers up to date and informed, giving them professional advantage
- We support academic authors from their early career, facilitating publication in respected titles promoting research that helps career advancement

DIFFERENTIATORS

- Breadth: international breadth of the Group and many of our verticals and brands
- Balance: increasingly well-balanced Group portfolio, across Divisions
- Unique brands: strong recognisable brands in specialist markets
- Culture: a culture where colleagues have the freedom to innovate and contribute

MEASURING THE GROUP'S PERFORMANCE

Informa's Directors use key performance indicators to measure progress in delivering the Group's Growth Acceleration Plan and the creation of sustainable Shareholder returns.

The six financial key performance indicators are unchanged from previous years.

For 2016, we have introduced one long-standing non-financial indicator from our Sustainability Report, and added a new measure of colleague engagement, reflecting data that became available consistently across the Group for the first time in 2016.

Delivery against key performance indicators is taken into account when determining the remuneration of Executive Directors. The Group's Long Term Incentive Plans are also tied to levels of adjusted diluted EPS. Read more in the Remuneration Report on page 91.

NON-FINANCIAL KPIs

GREENHOUSE GAS EMISSIONS (TONNES CO_2e)

	Emissions from heating fuels (Scope 1)	Emissions from electricity and steam (Scope 2)	**Total**
2016	1,264	6,620	**7,884**
2015*	1,287	7,373	**8,660**
2014*	1,497	7,190	**8,687**
Change in CO_2e (2016-2014)	(16%)	(8%)	**(9%)**
2016 intensity factor (tCO_2e/employee)	0.19	1.00	**1.19**
Intensity achievement to date (2014 to 2016)	(0.03)	(0.08)	**(0.12)**

*Our methodology was updated in 2016 to be more comprehensive in coverage, particularly around heating in buildings, and prior year data has been updated for comparability.

We recognise the importance of understanding and controlling our environmental impacts, and in this area, stakeholders most frequently request carbon footprint data. The Group follows reporting guidelines from the GHG Protocol and Defra. Data includes emissions from all heating and electricity consumption at Informa facilities where colleagues are based, and including Penton's real estate from the two months we owned the business in 2016. More on the calculation approach and targets can be found on the Informa website.

Target: Understand and over time control greenhouse gas emissions from Informa's office estate, focusing on our 22 largest offices

Commentary: Overall footprint from Greenhouse Gas emissions has fallen, following investment in new lighting, boilers and solar panels at several sites. Changes to our office estate and occupancy rates have also helped reduce our footprint.

COLLEAGUE ENGAGEMENT SCORE

71%

Our colleagues and their skills, ambition and contribution are Informa's most important resource. The aggregate engagement level of colleagues provides a view of satisfaction and participation in work life within Informa.

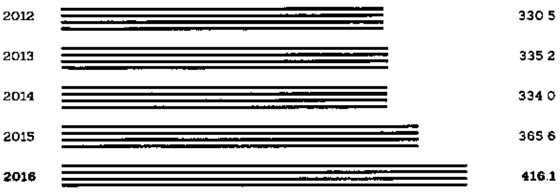
Target: Establish and enhance engagement score

Commentary: Established for the first time at a Group-wide level as part of the Inside Informa initiative. The next full Group survey will be conducted in 2018. Read more in Our Talented People section on page 34.

FINANCIAL KPIs

ADJUSTED OPERATING PROFIT (£M)

£416.1m +13.8%



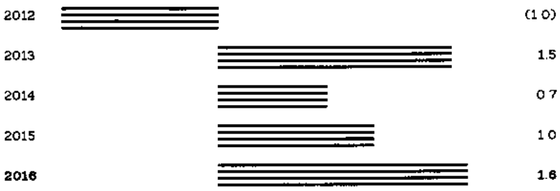
Consistent profits enable investment in the Group and the delivery of sustainable Shareholder returns

Target: Consistent profit growth

Commentary: Strong growth of 13.8%

ORGANIC REVENUE GROWTH (%)

1.6% +0.6%



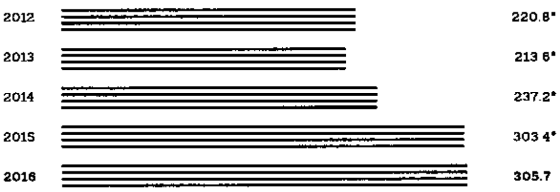
A critical indicator of our overall objective under *GAP*, to return every part of the Group to growth

Target: Improve organic revenue growth year on year during the *GAP* period

Commentary: Further year of improvement reflecting good underlying progress

FREE CASH FLOW (£M)

£305.7m +0.8%



Measures improvements to the Group's financial discipline and cash generation, core elements of the *GAP* funding pillar, in turn supporting investment and Shareholder return

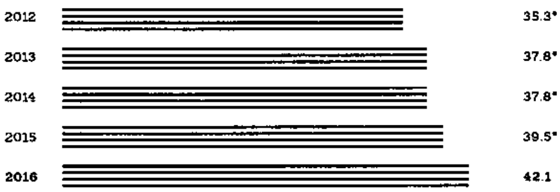
Target: Maximise cash generation and increase free cash flow year on year

Commentary: Further year of growth in free cash flow

*Restated for change in presentation of acquisition and integration costs

ADJUSTED DILUTED EARNINGS PER SHARE (P)

42.1p +6.6%



Maintaining performance during investment period of *Growth Acceleration Plan* and creating value for Shareholders

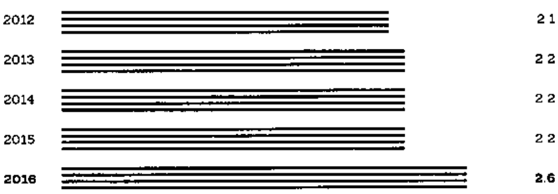
Target: Gradual and continued growth in earnings

Commentary: Continued growth of 6.6%

*Restated for bonus impact of 2016 rights issue

GEARING RATIO (NET DEBT TO EBITDA)

2.6x



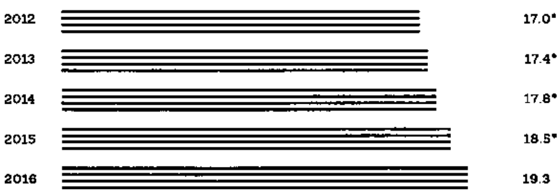
A robust financing framework balances the Group's financial stability with the flexibility required to make targeted acquisitions

Target: Remain within 2.0 – 2.5 range in ordinary conditions, and up to 3.0 on a spot basis for major corporate developments

Commentary: Ended the year just outside target range following the acquisition of Penton. Majority of acquisition facility was refinanced in January 2017.

DIVIDEND PER SHARE (P)

19.3p +4.3%



Provide consistent and predictable returns to Shareholders during investment period of *Growth Acceleration Plan*

Target: Minimum of 4% annual dividend growth for 2016 and 2017

Commentary: Commitment maintained with growth of 4.3%

*Restated for bonus impact of 2016 rights issue

SUPPORTING GROWTH THROUGH EFFECTIVE RISK MANAGEMENT

Risk-taking is inherent in pursuing opportunities for growth, whether those opportunities are found in new markets, through deploying new technology, by changing organisational structures or hiring new colleagues. As Informa seeks to achieve long-term sustainable growth under the Growth Acceleration Plan, effective risk management is essential to achieving the Group's strategic objectives.

Throughout the Group, risk management is based on the principle that we should only take risks that are relevant to our strategic goals, and that risks should be balanced with proportionate reward. We actively and transparently manage,monitor and report on risks that arise from internal and external sources, and continuously make improvements with the goal of moving towards a mature risk culture where risk management is used to optimise growth and performance.

Informa's Risk Committee plays a key role in the Group's risk management framework. The Committee reviews Divisional risk registers created by each Division for emerging or developing risks, adding the most significant risks, based on impact, likelihood and frequency to the Group Risk Register, from which principal risks are identified. Principal risks are the most significant risks the Board is willing to take in pursuit of its objectives, and are listed on pages 25 to 31.

How Risk is controlled

The Board monitors and reviews the effectiveness of the Group's risk management and internal control systems. This oversight is conducted through the Risk Committee, Audit Committee, executive management team and in some cases, directly.

Operational, financial and compliance controls are identified on our risk registers and are monitored through our operations, executive and governance bodies. Development continues to strengthen monitoring and reporting of material controls for principal risks. In particular, it was recognised that the monitoring process can be improved and reported on more regularly. The material control governance process has been mapped and quarterly monitoring and reporting will be initiated by the Risk Committee in 2017.

Financial controls are consistent with the Group authority framework and are implemented by the Group finance team, the Divisional Finance teams, Group tax and treasury and the Shared Service Centres. The financial reporting processes and controls are the subject of internal and external audit.

Compliance reports are made to the Group Risk Committee and the Board.

DEVELOPMENTS IN 2016

There were several developments around how the Group manages and mitigates risk during the year. The Board formally considered and articulated its risk appetite – the amount of risk it is willing to take in pursuit of the Group's objectives – and its risk tolerance – the degree of variation from desired risk levels the Board is prepared to bear. This guidance was announced across the Group and published internally. The tolerances used to rate risks have been aligned to the Board's risk tolerance.

A new and consistent reporting format for Divisional risk registers was introduced, which has increased transparency and made it easier for the Risk Committee to challenge risk ratings and assess the efficiency of controls.

After analysis of risk registers in this new format, three new principal risks were recognised by the Board: market risk, ineffective change management and the inability to attract and retain key talent. These are detailed in the principal risks section starting on page 25, along with information on the initiatives to mitigate specific items.

The behaviour of colleagues plays an important role in managing and mitigating risk and, in 2016, additional risk management training was introduced for Divisional risk managers. Compliance controls were strengthened using a best practice approach. A refreshed code of conduct, global policies and an updated breach management and investigation framework will be launched to colleagues in early 2017.

RISK MANAGEMENT GOVERNANCE FRAMEWORK

GOVERNANCE AND MANDATE FOR RISK MANAGEMENT

REPORTING & ESCALATION AS APPROPRIATE

FIRST LINE OF DEFENCE

Informa Divisions
Each Division identifies, assesses and monitors risks specific to its business. They maintain risk registers which capture controls and actions for specific risks. The Divisional risk registers are reported to the Risk Committee quarterly.

SECOND LINE OF DEFENCE

Risk & Compliance functions
Provides reports and specialist knowledge to the Risk Committee. Supports the Divisions to implement the Goup's risk management framework and compliance programmes.

Risk Committee
Reports to the Audit Committee and comprises the CFO of each Division, the Group CIO, General Counsel and Director of Talent & Transformation. It is chaired by the Group FD and meets quarterly. It oversees the effectiveness of risk management and compliance.

THIRD LINE OF DEFENCE

Internal Audit
Provides assurance to the Audit Committee and Board that controls are adequate to manage risks or highlights if they require improvement.

Audit Committee
Oversees the Risk Committee and provides assurance on risk management activities and controls to the Board.

OVERSIGHT

The Board
Determines risk appetite and reviews the nature and extent of the most significant risks – principal risks – it is willing for the Group to take. It monitors the Group's risk management and internal control systems through the activities of the Risk and Audit Committees. The Board tables discussions on specific risks and receives risk papers.

Over the year, the Risk Committee and Board also specifically considered the impact of the UK's decision to leave the European Union (Brexit), on the Group. Informa is an international company with its listing in the UK and operations around the world. The Board identified two key impacts from Brexit: currency fluctuation, specifically in the relative value of Sterling and the US Dollar, and dampened demand from business in certain regions, for instance lower attendance at conferences.

Looking at the broad nature of the Group's business and the limited nature of these impacts to date, the Board determined that Brexit should be considered as part of the principal risk of economic instability and not as a separate risk. The effects of the UK leaving the European Union on the Group will be monitored as policy unfolds and analysed alongside other ongoing macro-economic risks.

New leadership in the US has the potential to add to the uncertain macro-economic environment, as described in Our Markets on pages 12 to 15. Informa has an increasing presence in the US, and the US administration's strong emphasis on supporting US economic growth could provide new opportunities. Any new governmental initiatives or directives will be monitored as they are set out and introduced; it is too early to predict all the factors that might impact the Group's US operations at this stage.

2017 FOCUS

Work will continue in 2017 to move the Group towards a mature risk culture where good risk management practice is viewed as a business enabler.

There will be focus on strengthening how the Group's material controls – the controls that manage our principal risks – are monitored and reported to ensure the Board receives a holistic view of those controls, wherever responsibility for executing them resides.

The Risk Committee, and Group and Divisional risk management will be deployed in the way Penton is combined into Informa over the year. This will involve a risk management framework for the integration, including monitoring and reporting of integration risks, analysing how any risks inherent to Penton are identified and incorporated into the Group's current Divisional risk registers, and looking at any training or engagement campaigns required for new colleagues joining from Penton.

With change management now recognised as a principal risk, there will be new focus on using risk management methodologies to identify and mitigate change management and acquisition integration risks. The Group risk team also intends to extend its work with specific functions, operations and projects, to build resilient risk management practice across the Group

Read more in the Audit Committee Report on page 85.

VIABILITY STATEMENT

Taking into account Informa's current position, following the acquisition of Penton and the Group's principal risks described on pages 25 to 31, the Directors have assessed the Group's prospects and viability. The Directors have specifically assessed Informa's viability over the next three years, to December 2019, which they believe is an appropriate timeframe since it is consistent with our three-year business planning horizon and its associated three-year financial forecast.

Basis of evaluation

We evaluate the potential effects of our principal risks materialising over a three-year period to understand how this could impact the Group's long term viability. The evaluation is based on reasonable worst case scenarios. These scenarios encompass what could reasonably go wrong, also described as a foreseeable "perfect storm".

To make the evaluation, each principal risk and the mitigations in place are evaluated for the estimated financial impact that could occur. Wider consideration is given to other risks which are not recognised as principal risks but may contribute to a reasonable worst case scenario. Multi-scenario stress testing, where three principal risks materialise together, is also applied. When the financial impacts of these scenarios are considered to pose a material impact over the next three years, they are modelled to assess their financial impacts. The results of the modelling form the foundation for making the Viability Statement.

To make this assessment, the Group's growth drivers, forecast revenue, operating profits, EBITDA and cash flows over the assessment period were subject to robust downside testing.

Modelled outcome

Other than the immediate consequence of a major incident, the risks modelled were strategic ones. The scenarios were modelled against a base case that reflects the business's current financial and operating position, and assumes the business undertakes further acquisitions funded by existing facilities.

The breadth and diversity of the markets, sectors and geographies the Group operates in builds a level of resilience in the business, better positioning Informa to manage the impact of an adverse scenario arising in any one location or vertical than if the portfolio was more focused.

Statement

Based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue to operate and meet its liabilities as they fall due over the period to December 2019. In making this assessment, the Directors have also made the key assumption that funding will be available in the form of the capital markets or bank debt in all plausible market conditions.

PRINCIPAL RISKS, UNCERTAINTIES AND THEIR FINANCIAL IMPLICATIONS

Principal risks are risks the Group considers would have the most impact on Informa's strategic objectives. They have been robustly assessed in the context of the external and internal risk and control landscape. The Board of Directors has reviewed and approved the Principal Risks, and considered them in the formulation of the Viability Statement.

The Group has 12 principal risks – eight strategic, three operational and one relating to governance – that represent the risks which would most impact Informa's strategic objectives, performance, future prospects and reputation. They arise from the external market as well as internal business operations.

STRATEGIC RISKS

Failure to deliver anticipated growth under the *Growth Acceleration Plan*

DESCRIPTION	Growth under the *Growth Acceleration Plan* may not be delivered within the expected timeline or at a rate that will not deliver targeted returns on investment.
LINK TO STRATEGY	Relates to the Group's overall growth strategy and the *GAP* investment programme.
IMPACT	Negative impact on the Group's ability to deliver its corporate growth objectives, and potential for reputational damage within the equity investor community, impairing ability to obtain future funding.
IMPACT TO GROUP VIABILITY	The reasonable worst case scenario of a delayed go-live for multiple projects was assessed for its estimated financial impact, and was not material enough over a three-year period to be included as a sensitivity in the viability modelling.
CHANGE OVER 2016	Many projects are now being executed or have been implemented. Each Division reports monthly to the central *GAP* project management office and presents its portfolio of projects to the central design authority quarterly, focusing on operating metrics and benefits.
MITIGATING ACTIVITIES	The investment programme under *GAP* has a defined governance structure to monitor projects closely. A steering committee directs the overall programme to ensure its focus on achieving accelerated growth is underpinned by operational fitness, strengthened capabilities and better customer experience. Benefits and costs are tracked and reported at each steering committee, executive management team and Board meeting. A central design authority controls project financing, releasing funds only as projects pass through stage gates, and also scrutinises project quality. There are Group and Divisional architecture review boards who meet bi-weekly and escalate significant risks, issues and dependencies, especially those around changes to expected costs, timelines and benefits.

Sub-optimal acquisitions

DESCRIPTION	Acquisitions which do not deliver the expected business case.
LINK TO STRATEGY	Related to *GAP* acquisition strategy.
IMPACT	Value destructive acquisitions would weaken Informa's brand and reputation and provide poor return on investment. The failure to identify and/or integrate key acquisitions successfully could lead to lower than expected profits, inefficient business processes and inconsistent corporate culture. Sub-optimal acquisitions may lead to impairment charges and the inability to obtain future funding.
IMPACT TO GROUP VIABILITY	We modelled the financial impact of a reasonable worst case scenario using sponsoring banks' downside case for Penton's future growth as an estimate. The impacts were material over a three-year period and are therefore included as a sensitivity in the Group's viability model.
CHANGE OVER 2016	As a result of the scale of the 2016 Penton acquisition, exposure to the risk of poor acquisition integration has increased. A Group-wide toolkit was rolled out in March 2016 to improve acquisition integration and has been used extensively during the Penton combination. The Penton integration has also comprised additional governance, including a steering committee of Divisional, Group and Penton senior managers.
MITIGATING ACTIVITIES	From the start of *GAP*, Informa has sought to take a disciplined approach to identifying and testing acquisitions to ensure they are appropriate, a strategic and culture fit, and earnings enhancing. This process is led by the Director of strategy and business planning. The Group strategy defines capital allocation for acquisitions on a division-by-division basis. Targets are analysed by the Group corporate development, finance and legal teams, with detailed due diligence carried out at a Divisional and Group level. Each Division develops an integration plan that is reviewed and challenged by the Group teams. This is supported by detailed technology and shared service centre integration plans. The post-acquisition review process includes analysis of actual benefits against valuation criteria.

Ineffective change management

DESCRIPTION	Informa's growth strategy involves measured change across many parts of the Group and requires the assimilation of new ways of working and different corporate cultures.
LINK TO STRATEGY	Relates to the Group's overall growth strategy.
IMPACT	The failure to manage change effectively could lead to increased colleague turnover, disengagement, poor project delivery and, ultimately, failure to deliver growth and the Group's strategic objectives.
IMPACT TO GROUP VIABILITY	We considered the scenario that ineffective change management delayed a major project by one year. The estimated financial impact was not material enough to be included as a dynamic in viability modelling.
CHANGE OVER 2016	This risk was re-rated as a principal risk in 2016 to recognise the complexity involved in executing change well and its relevance to all Divisions.
MITIGATING ACTIVITIES	There are well defined governance, management and reporting structures in place for acquisitions and projects that create change. For significant change and major projects in the Group, project management teams oversee and coordinate change delivery and ensure implementation plans are in place, with operational teams responsible for implementation. A change delivery office within Global Support is being established in 2017 to share expertise across the Group. The wider cultural impacts of change are also recognised. As of 2016, each Division has an internal communications' function to support and promote information sharing and engagement, and monitor colleague sentiment to help enable cultural change. The focus for 2017 is to better understand this risk, how it is currently managed and share knowledge and best practice.

Inability to attract and retain key talent

DESCRIPTION	The inability to attract, recruit and retain key colleagues, and inadequate succession planning at senior management levels.
LINK TO STRATEGY	Related to the *GAP* management model.
IMPACT	Increased costs due to high levels of colleague turnover. If the Group has insufficiently skilled or motivated colleagues, or too few, it may not be able to deliver its stated corporate strategy.
IMPACT TO GROUP VIABILITY	We cannot foresee a reasonable worst case scenario that would lead to a material increase in the financial impact from this risk, and it has not been included as a sensitivity in the viability modelling.
CHANGE OVER 2016	This risk emerged as a principal risk in 2016 and is recorded here for the first time.
MITIGATING ACTIVITIES	The Group invests in creating a culture in which colleagues have opportunities to participate and contribute, and continuously reviews the financial and non-financial benefits and recognition on offer. More information can be found in the Our Talented People section starting on page 34. Talent mapping and succession planning is in place for Group and Divisional senior managers, overseen by the Director of talent and transformation and Divisional HR Directors. For 2017, an improved appraisal process has been introduced to better recognise individual performance, discuss future plans and align objectives to strategic goals. Over the coming year, action plans based on findings from the Inside Informa Group-wide discussion will be implemented to deliver on colleague feedback.

Economic instability

DESCRIPTION	The arrival, or impending arrival, of an economic downturn or period of uncertainty affecting customer appetite for discretionary expenditure.
LINK TO STRATEGY	Relates to the Group's overall growth strategy.
IMPACT	A period of economic instability could lead to reduced discretionary spending that would directly impact the profitability of one or more of the Group's products and services. Exchange rate fluctuations could adversely affect the strength the Group's reported earnings.
IMPACT TO GROUP VIABILITY	We have used previous impacts from economic downturns as a basis for a reasonable worst case scenario but assumed slower recovery rates. The estimated financial impacts over a three-year period have been included as a sensitivity in our viability model.
CHANGE OVER 2016	The Board considered the impacts of major macro-economic events, including potential impacts arising from the UK's decision to leave the European Union.
MITIGATING ACTIVITIES	The increased balance and breadth of the Group portfolio, and its diversification across markets, geographies and products reduces the corporate impact of a downturn in any single sector or region. It would not be possible to mitigate the impact of such a period entirely but Divisions consider the wider economic impact on their strategies as part of the budgeting process. The economic environment is constantly monitored as part of the Group's business planning cycle and budgeting, enabling a degree of forward planning in the event of a period of economic instability. Financial planning and modelling is overseen by the Group Finance Director in close co-ordination with each Division to pinpoint trends likely to impact business activities. The Group's monthly financial reporting process highlights any leading indicators of economic risk. The Group has a high level of recurring and more predictable revenue streams from subscription and subscription-like products. This, plus credit control functions that ensure advance payment is received for many services, and close monitoring of trade receivables by shared service centres and exchange rate risk by Group treasury, are mitigating activities. Currency fluctuations are hedged so that our net debt profile is proportionate to our exposure to currency fluctuations in EBITDA.

Market risk

DESCRIPTION	Customer demands can change quickly and the Group may not keep pace with demand or customer behaviours. Competitors may offer preferable products and services. Market disruptors may enter and suddenly change markets in which we operate.
LINK TO STRATEGY	Related to the *GAP* operating model and the overall growth strategy.
IMPACT	Revenues and margins could be negatively impacted if products and services lose must-have status, with brands weakened.
IMPACT TO GROUP VIABILITY	We considered potential vulnerability of specific areas of our business to market pressure to form a reasonable worst case scenario. The estimated financial impacts over a three year period have been included in the Group's viability modelling.
CHANGE OVER 2016	This risk has been separated from economic instability as a principal risk for the first time, to acknowledge the rapidity with which customer demand can change.

Market risk continued

MITIGATING ACTIVITIES	Market risk is considered Divisionally and at a Group level. Commercial strategies and product development are reviewed within business planning and the annual strategy and budget setting process, and discussed within quarterly product, people and products meetings. Our brands and intellectual property rights are actively managed and protected. The *GAP* investment programme was introduced to deliver enhancements to our products, services and their delivery, particularly in a digital format, to keep pace with customer needs. Several *GAP* investment projects are focused on achieving better customer insight data as well as improving customer experience. Each Division actively researches and analyses customer behaviour and preference as well as conducting market research and competitor analysis, with post event reviews carried out with exhibitors and delegates by **Global Exhibitions** and **Knowledge & Networking**.

Reliance on key counterparties

DESCRIPTION	The overreliance on, or loss of, key counterparties.
LINK TO STRATEGY	Related to the overall growth strategy and to the overall funding discipline under *GAP*.
IMPACT	This could impact the Group's ability to enter or remain in certain markets and disrupt trading, revenues and customer service levels.
IMPACT TO GROUP VIABILITY	Key counterparties have been identified and reasonable worst case scenarios that involve the failure or disruption to these counterparties were considered. The estimated financial impacts over the three-year period were not material enough to be included as a sensitivity in our viability modelling.
CHANGE OVER 2016	The identification of financial vulnerabilities to key counterparties has been included in the Group's annual risk review.
MITIGATING ACTIVITIES	Processes are in place to manage and monitor exposure to significant counterparties centrally and within Divisions. This includes regular engagement with key suppliers to understand their strategies. The Group diversifies its reliance on key counterparties where possible, and our treasury policy ensures we are not over reliant on a particular financing partner. For the Group's most significant counterparties, specific mitigations are in place, including accelerated payments where exposure is particularly high at specific times of the year.

Cyber breach

DESCRIPTION	Major information security breach or cyber-attack resulting in loss or theft of data, content or intellectual property.
LINK TO STRATEGY	Related to overall growth strategy.
IMPACT	In the event of such a breach, Informa could suffer reputational damage, fines, business interruption and litigation. Any breach requires time and resource to rectify.
IMPACT TO GROUP VIABILITY	The financial impacts from a cyber-attack have been analysed and estimated in a reasonable worst case scenario. Those impacts are not material enough to be included in the Group's viability modelling.
CHANGE OVER 2016	This risk continues to be the subject of a high degree of monitoring through the Risk Committee. The Group's breach management escalation process was reviewed and refreshed.

Cyber breach continued

MITIGATING ACTIVITIES	The risk of cyber-attack is continuous, and we actively monitor, assess and look to maintain the Group's resilience against ever more sophisticated threats. There is a formal structure in place to govern information security as well as policies and standards. There is a Group chief security architect, and each Division has information security representatives as well as a chief technology officer, with collaboration and co-ordination created through the Group-wide information protection management forum and technology leadership forum. Financial technology systems are tested annually by internal and external parties. The Group's standard controls include upholding a secure IT estate perimeter, application access control, filters for email malware, device security controls, vendor assurance and vulnerability testing. There is a defined process for reporting, responding to, and escalating incidents. The behaviour of colleagues also has a key role to play in maintaining resilience and protecting information and data. Colleagues are made aware of their responsibilities on joining, and there are regular communications and training programmes to support this.

OPERATIONAL RISKS

Technology failure

DESCRIPTION	A major technology infrastructure failure or the prolonged loss of critical systems, networks and similar services.
LINK TO STRATEGY	Related to the *GAP* operating structure.
IMPACT	Disruption to the delivery of products and services. A prolonged interruption could inhibit the hosting of events and transaction of business, reducing revenues and damaging reputation.
IMPACT TO GROUP VIABILITY	After analysis of the financial impacts and the business continuity plans in place to mitigate disruption, it has been judged that the financial impact is not material to the Group's viability, and has not therefore formed part of viability modelling.
CHANGE OVER 2016	The Group continued to embed its Cloud First strategy that favours cloud based solutions, which can enhance resilience against technology failure and minimise business interruption.
MITIGATING ACTIVITIES	The Group is strengthening its technology capabilities at a management, infrastructure and process level. There is continuous investment in internet and electronic delivery platforms, networks and distribution systems centrally and Divisionally, with proactive prevention measures including monitoring, software patching and security testing and a defined set of minimum standards for technology-related controls across the Group. A technology leadership forum is responsible for setting and implementing technology strategy, with chief technology officers and information security professionals in each division.

Health and Safety incident

DESCRIPTION	A significant accident or incident at an exhibition, event or business premises, or an incident that affects colleagues when travelling on company business.
LINK TO STRATEGY	Related to the *GAP* operating structure and the principle of working responsibly.
IMPACT	Potential physical harm to colleagues, customers and others. A safety-related incident could lead to significant reputational damage to the Group, enforcement action, fines and multiple claims for damages.
IMPACT TO GROUP VIABILITY	The Group takes the potential impact of health and safety incidents on individuals very seriously, including the possible and grave implications of personal injury. At a Group level, the impacts of a reasonable worst case scenario were not financially material to the company's viability and are not therefore part of viability modelling.
CHANGE OVER 2016	Our health and safety procedures were reviewed, including processes for reporting issues, with enhancements being implemented in 2017. A Group-wide travel management system was implemented to improve oversight and support to colleagues travelling on business.
MITIGATING ACTIVITIES	The Risk Committee oversees health and safety within the Group, which includes near misses as well as any incidents, and is part of a framework that includes mandatory policies and procedures. **Global Exhibitions** and **Knowledge & Networking** have dedicated health and safety resources because their primary activities include events, and training was delivered to relevant event-focused colleagues in 2016. There is a dedicated health and safety manager to oversee procedures within the Group's offices. The Group maintains insurance coverage in respect of health and safety matters.

Major incident

DESCRIPTION	A significant event with the potential to cause harm to colleagues and customers.
LINK TO STRATEGY	Related to the *GAP* operating structure and the principle of working responsibly.
IMPACT	The inability to respond appropriately or in a timely manner could exacerbate a major incident, leading to significant business disruption, diversion of management time and reputational damage.
IMPACT TO GROUP VIABILITY	The potential financial impacts of a major incident are material and are included as a sensitivity in the Group's viability modelling. We based our reasonable worst case scenario on losing revenue from our highest grossing geography for a particular month, with costs still incurred.
CHANGE OVER 2016	Business continuity plans were refreshed and a Group-wide travel management system implemented to provide vital information in the event of a major incident.
MITIGATING ACTIVITIES	By their nature major incidents are unpredictable and it is impossible to have a detailed crisis management plan for all potential situations. The ultimate mitigation is management judgement, speed of reaction and quality of communication in a crisis. Divisional business continuity plans are in place and regularly reviewed and strengthened. Local crisis management sits with the local management who can best gather, escalate and disseminate information. A Group crisis communications manual and associated materials are in place to enable timely response to major incidents, with specific roles and an escalation procedure assigned.

GOVERNANCE RISKS

Changes to regulation and inadequate regulatory compliance

DESCRIPTION	There are regulations with which the Group must comply. We could be adversely affected by changes in legislation and regulation impacting the Group or customers and by enforcement activities.
LINK TO STRATEGY	Related to overall growth strategy and the principle of working responsibly.
IMPACT	Compliance failures could lead to criminal and civil prosecution, including fines, censure, reputational damage and the inability to trade in certain jurisdictions. A regulatory breach could also result in the Group defaulting on financial undertakings, such as its revolving credit facility.
IMPACT TO GROUP VIABILITY	After analysis of the financial impacts of non-compliance with regulations and the controls in place, it has been judged unlikely that a material financial impact would arise. This risk has therefore not formed part of our viability modelling.
CHANGE OVER 2016	The compliance programme was strengthened during the year, and plans put in place to meet new compliance regulations being introduced in 2017.
MITIGATING ACTIVITIES	The Group's legal and compliance team continuously monitors changes in regulations and emerging best practice in the sector and key policy areas, with support from external specialists where necessary. This team is responsible for enacting an appropriate compliance framework, with effective policies, processes and reporting, with each Division having individuals responsible for embedding regulatory compliance. Divisional teams are also aware of developments in their particular sector and area of expertise. The Group has systems to detect and report non-compliance, with an improved whistleblowing facility put in place for 2017 that is available to colleagues and third parties. Training is provided to colleagues on an ongoing basis, and completion rates are tracked.

SUSTAINABILITY AT INFORMA

A COMMERCIAL OPPORTUNITY

2016 marked the tenth anniversary of Informa's Group-wide sustainability programme. It was a year in which we took the opportunity to re-evaluate our approach and bring new thinking and enhanced governance to support the programme in its second decade.

A DECADE OF ACHIEVEMENTS AND LEARNING

When the Informa UK Corporate Responsibility Committee was established in 2006, its priorities included overseeing major central fundraising activities, encouraging the use of sustainable materials throughout the Group, conserving energy, minimising wastage in our operations and, more broadly, ensuring Informa was a responsible member of society.

Over time, we understood that the most significant impact Informa has on society today is through how the content, connections and insight we deliver through academic publishing, niche business information products and sector-focused industry events are used by hundreds of specialist groups to solve individual business, market and societal challenges that impact many more people than our immediate audiences. This type of impact has commercial value for the Group and value for customers and the communities we serve.

In 2013, this led us to work with the Responsible Media Forum, a partnership between 25 international media companies, to identify and assess what stakeholders believe the most material matters are in the media sector. This identified four distinct areas – content, communities, colleagues and the environment – which has formed the basis of our sustainability activities and reporting since.

RECOGNISING THE BREADTH OF SUSTAINABILITY

In 2016, the Group took the opportunity to review the breadth of activities taking place under its sustainability programme. The role of head of sustainability was created, reporting to the Director of investor relations, corporate communications and brand, and an experienced executive hired in May 2016.

The priority since has been to analyse where sustainability can better align to the Company's strategy under the *Growth Acceleration Plan*, and add value to the business's roadmap rather than divert resources, as well as considering whether we can create more competitive advantage from our investment in sustainability.

Over the year, nearly 300 colleagues across the Group were involved in testing whether the four pillar approach to sustainability was still relevant. They agreed it was, and as a result of their answers, we have updated the pillars to reflect a broader view of how our activities impact others.

CONTENT

Informa's products are the Group's most significant impact and differentiator. Specifically, the work colleagues do to create and share knowledge and insight with those who need it so they can reach better and more informed decisions; and Informa's role in creating the platforms and networks that bring communities together and foster greater collaboration. By providing the content that stakeholders need to solve their challenges, Informa retains business and customers, and makes itself relevant and valuable to specialist markets. It also enables change that contributes to solving many of society's economic, social and environmental challenges.

//The priority has been to analyse where sustainability can better align to the Company's GAP strategy and add value//

Read more in Informa's 2016 Sustainability Report at informa.com/sustainability

Walk the World, Informa's 2016 charity initiative, raised over £112,000 and brought colleagues together.

COMMUNITIES

Historically, many companies, including Informa, have defined communities as the neighbours around their offices. Now and in the future, we intend to consider the Group's broader role within the specialist communities served by our activities, and investigate the opportunity to play a larger part in those communities. Opportunities include connecting different partners in life sciences to solve rare disease, and helping recruit talent into an industry that we work closely with. This builds customer relationships and actively contributes to those communities.

The Group is equally committed to working closely, and in a sustainable manner, with suppliers and other business partners. Our support for the principles laid out in the Universal Declaration of Human Rights continues. Within the Group, our major human rights impacts relate to colleagues and contractors, the product supply chain and products themselves.

The practices that underlie how each Division and team engages with the supply chain are described on the Informa website, as part our statement on the Modern Slavery Act. As part of the Group's compliance with the Modern Slavery Act, the Board has approved this statement.

COLLEAGUES

Informa's commitment to colleagues remains paramount, and some of the investments being made in talent within the Group are detailed in the next section. The motivation, creativity and engagement of colleagues is central to the Group's success, and through providing opportunity and a welcoming and supporting environment, we hope to attract and retain the right talent needed for the future.

ENVIRONMENT

The Group's direct consumption of natural resources is relatively limited, but we recognise the importance of understanding and controlling impacts where possible and managing greenhouse gas emissions is one of our key non-financial performance indicators. In 2017 the Group intends to look more closely at indirect environmental impacts including our digital carbon footprint, emissions from flights to events, and the materials used during events.

BOLDER STEPS IN 2017

The approach many companies are taking to sustainability has evolved over the last decade and, whilst Informa's approach has also developed, we believe that 2017 will be a year to significantly update our activities.

The Group will focus efforts in a more concentrated way on the most business-relevant areas of the four updated sustainability pillars, and particularly on activities that have the potential to make the most difference to Informa's customer communities and content.

The objectives will be to support the delivery of growth for Informa under *GAP*, the creation of benefits for Shareholders and broader value for other stakeholders. This will come through increased colleague engagement and providing support for Informa's niche communities as they address their most important challenges.

We are bringing new governance to how the sustainability programme is directed within the Group by establishing a sustainability advisory panel, comprising a diverse set of colleagues from around the business. The panel will work closely with the Group's Executive Management Team to oversee the programme's long-term focus, linking with external parties where appropriate and taking on board feedback and suggestions from colleagues and other stakeholders alike.

//INVESTING IN TALENT FOR SUSTAINABLE SUCCESS//

Informa colleagues are the Group's most important resource. Every day, they individually and collectively provide the creativity, insight, content, connections and support that positively impacts our diverse customer base and markets. Informa aims to support and encourage them to be the best they can be.

Our aim is to maintain and promote a supportive, diverse and inclusive environment in which colleagues can use their energy and ambition to make a difference at work and within the community. In 2016, we invested in a number of areas to enhance the experience colleagues have when they join Informa and work anywhere across the Group.

INVESTING TO ATTRACT THE BEST TALENT

There are two formal schemes that attract young talent to the Group, at school leaver and university graduate level, and many other entry level positions.

Informa's Graduate Fellowship Scheme targets high-achieving individuals to bring fresh ideas and unique skills to the Group. Over a two-year period, Fellows undertake five placements across Divisions and in different roles, spending a period in one of our businesses outside the UK.

Two 2015 Fellows secured permanent roles in the Group during 2016, and the remainder complete the programme in summer 2017. Eight Fellows joined in 2016, and there are ambitions to extend the scheme into the US.

For UK school leavers, during 2016, the Apprenticeship Scheme successfully piloted by the European Shared Services Centre, was expanded to Global Support's technology team, with the intention to widen apprenticeship opportunities into other Divisions from 2017.

During 2016, we also developed recommended recruitment practices to promote a consistent and high-quality approach to how we engage with prospective colleagues at all levels, and ensure a broad and diverse range of candidates is considered.

ENGAGING AND DEVELOPING TOGETHER

Informa strongly believes in the value of diversity. Our ability to provide specialist knowledge in hundreds of markets and connect with different people across the world comes from recruiting and retaining a broad mix of talented people from diverse backgrounds. We aim to maintain a working environment that is welcoming and stimulating, enjoyable and rewarding, and combines personal freedom with opportunities to participate and exchange views and ideas.

> //77% of colleagues said they would recommend Informa as a good place to work.//

Building on 2015 activities, the diversity and inclusion working group soft-launched the AllInforma initiative in 2016, taking an international and cross-generational approach to considering how we develop talent and offer new opportunities and forums to colleagues. This will be rolled out formally across the Group in 2017, with the launch of two colleague networks – a women's forum and a youth forum – alongside initiatives including new mentoring opportunities. Full information on the Group's composition by gender can be found in the Nomination Committee Report on page 83.

Inside Informa

In 2016, the first Group-wide conversation, Inside Informa, gave everyone the opportunity to have their say on many aspects of work life within the Company. Over 70% of colleagues participated, producing an encouraging overall engagement score of 71%, with valuable feedback gathered and a benchmark set to inform future talent management.

77% of colleagues said they would recommend Informa as a good place to work, and 85% understood how their role contributed to team and Divisional objectives. Feedback also indicated a desire for more outlets to engage with and challenge, and some colleagues said more could be done to celebrate success using rewards other than financial.

Following this feedback, in 2017 Informa is investing in a new digital workspace for colleagues called Portal. With in-built social collaboration and engagement tools, direct access to technology and personalised information feeds, it provides a single platform to help colleagues connect, engage and work smarter.

ENGAGEMENT AND DEVELOPMENT

Much importance is placed on the quality and frequency of colleague communications, and we use various channels to keep colleagues informed about performance, strategy and key business activity. Communication begins at the top, with monthly blogs and quarterly 'Town Hall Calls' by the Group CEO that enable colleagues to ask questions and learn about developments. Divisional CEOs also use newsletters,

Rachel Motekaitis,
Senior Show Manager, Dallas, US

I was part of Walk the World 2016 and helped organise the Dallas hike through our local area. Raising money for charity alongside thousands of other colleagues helped us feel we were contributing to something bigger than our team, and bigger than the company.

Nitasha Devasar, Managing Director, Delhi, India

My team was shortlisted for two categories in the 2016 Informa Awards. Everyone was delighted and excited – being recognised by colleagues and peers internationally has given Team India a massive boost! These Awards are a powerful celebration of individual and collaborative works within the Group.

FTSE 100 PEOPLE INDEX

No. 9

COLLEAGUES PARTICIPATING IN SHAREMATCH

970+

RAISED BY WALK THE WORLD INITIATIVE

£112,000

presentations and site visits to keep colleagues informed, engaged and enthused.

Informa's training and development activities focus on formal accreditation specific to job roles that helps career progression. Outside of this, colleagues are encouraged to contribute to Divisional and Group-wide projects beyond their regular roles, to develop skills, build networks and explore new challenges. There is a network of 50 Sustainability Champions who contribute to Company initiatives on a local level, and over 100 people volunteered to run office-based engagement activities to support the launch of Portal.

Walk the World, Informa's global charity initiative, is another forum for colleagues to engage with one another as well as the wider community. Launched in 2016, over 2,000 colleagues from across the world took part in more than 25 charity walks, raising more than £112,000 in the process.

REWARDING AND SHARING SUCCESS

Informa provides the opportunity for colleagues to have a greater sense of ownership in the Group's strategy and performance with ShareMatch, a share incentive plan available to colleagues in the UK, US, UAE, Australia, Germany, the Netherlands, Singapore and Sweden.

From 2017, the Group is investing to improve ShareMatch's terms, so colleagues receive one free share for every share purchased, subject to a three-year holding period. The previous offer was one free share for every two purchased. The 1,000 colleagues joining the Group from Penton will be invited to join ShareMatch for the 2017 plan year.

Each year, the Group holds the Informa Awards, to celebrate success, exceptional contributions and outstanding performance. Shortlisted nominees attend a reception in central London that is streamed live to offices across the world, with winners showcased internally. There were record entries for the 2016 Awards.

Liam Bojas, Customer Operations Specialist, Colchester, UK

As an apprentice, I supported the **Academic Publishing** and **Business Intelligence** Divisions. I learnt lots about operations and customer management, from queries to billing, systems and processes, and about Informa's markets too. It's been great to work while training; I now have a permanent role and can see how my career can progress further

360+ EXHIBITION PRODUCERS

300+ MANAGING EDITORS

500+ INDUSTRY ANALYSTS

HIGH-QUALITY SPECIALIST CONTENT AND KNOWLEDGE

ROGER HORTON
CEO of Academic Publishing

FINANCIAL PERFORMANCE

£490.4m
Revenue (2015: £447.4m)

£187.2m
Adjusted operating profit (2015: £164.8m)

0.3%
Organic revenue growth (2015: 1.6%)

9.6%
Reported revenue growth (2015: 9.4%)

36%
Contribution to Informa Group revenue (2015: 37%)

The Academic Publishing Division publishes over 132,500 specialist books and 2,500 journals in print and digital across a range of specialist subjects. Operating as the Taylor & Francis Group, it is recognised as one of the world's leading upper level academic publishers through its five main imprints: Taylor & Francis, Routledge, CRC Press, Garland Science and Cogent OA.

PERFORMANCE AND DEVELOPMENTS IN 2016

The Division delivered a consistent operating performance in 2016, with good growth in Journals balanced by continued softness in Books, particularly in the US. A combination of market factors dampened demand for books, notably in first year undergraduate textbooks, where the Division has limited exposure.

Focus remained on improving operational fitness whilst investing in depth of content, product innovation and new technology capabilities. This saw us consolidate books operations into a single global business, improving efficiency and increasing flexibility to meet evolving customer needs.

Both our Books and Journal businesses are largely focused on upper level academic publishing, which provides a degree of protection from structural headwinds affecting the wider educational market. As described on page 15, upper level students – final year undergraduates, post-graduates and researchers – have generally made a long-term commitment to a subject area, and have a different relationship with the subject and its materials than those covering topics for a single semester. They often specialise in a particular niche, and in turn need highly specialist research and content, accessed either through libraries, university departments, their institution or individual purchases and subscriptions.

The Division continued to pursue new initiatives in 2016, making good progress with its GAP investments, which are largely focused on increasing content discoverability, improving customer analytics and developing our range of author services. This resulted in the launch of a new digital portal, described overleaf, and improvements to the Taylor & Francis Online site, increasing content retrieval and making it fully responsive.

Journals continued to build its position in open access publishing, the alternative funding and content access model in which publications are funded by the author, institution or research body and articles are made free at the point of use. Revenue comes through fees rather than subscriptions.

In 2016, we published 108 dedicated open access journals, including 20 science, technology, engineering and medical journals that converted from a subscription to an open access model during the year. The Division made some targeted investments in new titles, including the purchase of 35 journals from CoAction Publishing.

The Division is also pursuing innovation in its approach to sales, to maximise the use of content and capture new funding. In 2016, this included the launch of digital archive products including *Secret Files from World Wars to Cold War* and a *South Asia Archives file*, representing new revenue streams.

Open access publishing remains a growing feature of the academic publishing market. Simba Information reports that the number of open access articles published annually is growing at twice the rate of the overall market for articles – a strong rationale for the investment in building and accelerating our open access business.

The transition from print to digital continues. Journals have rapidly migrated online, and digital journals allow readers to cite other research and hyperlink to related articles, making research more efficient. All our journals are available digitally and the vast proportion of usage of our journal content is online.

The digital transition in books is more measured as customers continue to prefer physical books at an upper level. We take an agnostic approach, with fully digital production, and delivery in the format the customer chooses. During 2016, around 25% of our book sales were ebooks.

//Focus remained on improving operational fitness whilst investing in depth of content, product innovation and new technology capabilities.//

MARKET TRENDS

The market for upper level academic publishing reflects macro factors, including growth in students and researchers and trends in research and development funding. It is a global and predominantly English-language market, with research developments and specialist content travelling across borders within subject category communities.

Projected growth rates for students entering tertiary education are higher in developing markets. The OECD predicts that China and India will account for almost half of the expected 300 million 25-34 year olds with tertiary education in 2030, whilst European Union countries and the US will account for less than 25%. In developed markets such as the US, higher education enrolment is more subdued, reflecting the relatively strong economy and high employment rates.

In turn, we continue to invest in building our presence in developing markets, particularly China. The proportion of article submissions from the region is rising, with 70,000 China-based researchers published in our journals in 2015, 16% of our author base that year, and nearly five times the amount of 2010. To cater for this growth and expand our offering, in 2016 we launched a dedicated online hub for China's academic community, with information and resources on how to become published provided in Mandarin, plus a single gateway to all our content.

PRIORITIES AND PROSPECTS FOR 2017

The outlook remains positive, underpinned by the strength of the Journals business, which continues to grow consistently and has high renewal rates and strong cash generation. The US book market is expected to remain soft in the near-term, which will continue to impact growth in the Books business, albeit our differentiated focus on the upper level segment provides some protection.

The business will undergo a change of leadership in 2017, when Divisional CEO Roger Horton retires. Roger has led the Division for over 10 years and has been part of the business for over 25 years, and Roger's successor is expected to take up their position by the end of the first half of 2017.

With operational strength, ongoing investment in content and platforms and a continued focus on efficiency, there is confidence the Division can deliver another positive performance in 2017 and deliver organic growth at least similar to 2016, with strong margins.

DIVISIONAL REVENUE BY TYPE

1. Subscription	50%
2. Unit sales	50%

DIVISIONAL REVENUE BY GEOGRAPHY

1. UK	13%
2. North America	51%
3. Continental Europe	12%
4. Rest of the World	24%

HELPING CUSTOMERS DISCOVER, ACCESS AND USE CONTENT BETTER

BALAJI DEVARAJAN
Director, Digital Products Group
Academic Publishing

STRATEGIC REPORT

Taylor & Francis, which forms our **Academic Publishing Division**, is known for the depth of its specialist content. Indeed, its content from over 200 years ago is still being read today, alongside the latest research.

As information and research is increasingly consumed online, eroding the distinction between book chapters and journal articles, there is an opportunity to create more connections between content types, making content more discoverable and searchable, and to fully embrace the power of digitisation to maximise customer value.

One of the Division's investment projects, funded by GAP, is creating a single unified destination for all books, journals, archive and other digital content, and global journals content. The initiative will bring content together on a central, scalable, more robust and cloud-based platform, with optimised search and full e-commerce capabilities.

This will give customers a single, easy-to-use access point to Taylor & Francis content, generating usage data and trends to inform editorial and marketing teams as well as institutions, which increasingly base purchasing decisions on analytics.

Balaji Devarajan, a Director in the Division's Digital Products Group and involved in the project from the start commented: "It's been part of a much larger end-to-end effort to increase discoverability and improve customer engagement. In one area, we've been enriching our content with meta-data, tagging, granular categorisation, so when it goes onto this or any other digital platform, it's in the right format and shape and ready to be found. At the same time, we've had teams focused on improving the author experience to attract submissions from new and existing researchers."

The new platform is being rolled out sequentially across the portfolio. Cogent OA and a re-imagined author submission portal were rolled out in 2016. Building on positive customer feedback and an uptick in author submissions, the global Books business will migrate onto the platform in 2017.

SPECIALIST INSIGHT AND INTELLIGENCE

PATRICK MARTELL
CEO of Business Intelligence

FINANCIAL PERFORMANCE

£290.0m

Revenue (2015: £276.8m)

£65.7m

Adjusted operating profit (2015: £63.2m)

1.1%

Organic revenue growth (2015: -1.9%)

4.8%

Reported revenue growth (2015: -1.7%)

22%

Contribution to Informa Group revenue (2015: 23%)

The **Business Intelligence** Division provides specialist data, intelligence and insight to businesses, helping them make better decisions, gain competitive advantage and enhance return on investment. It has a portfolio of more than 100 digital subscription products, providing critical intelligence to niche communities within five core industry verticals: Pharma, Finance, Maritime, TMT, and Agribusiness.

PERFORMANCE AND DEVELOPMENTS IN 2016

The **Business Intelligence** Division returned to positive growth in 2016 after six years of declining performance, meeting its headline objective for the year and reflecting the benefits of a programme of operational fitness and simplification through the *Growth Acceleration Plan*.

Year-on-year progress in organic growth, from -1.9% in 2015 to +1.1% in 2016, was driven by a steady recovery in subscription renewal rates, which now approach 90%, and progressive improvement in annualised contract values, as a result of the Division's renewed focus on subscriptions, better customer engagement and enhanced account management.

All five of the Division's verticals delivered improvements although performance varied. Pharma Intelligence had the strongest momentum after a good response to early sales and product initiatives, and a continued recovery in levels of investment in data and information within the industry. The market for Finance Intelligence remained more challenging, with high levels of industry regulation and structural pressure from technology innovation impacting spending patterns in banking.

In 2016, the team stepped up the pace of its GAP investment into product and platform initiatives, from expanded content sets to improved data collection, brand development, marketing automation tools and enhanced delivery platforms, one example of which is on page 43.

Several initiatives went live with customers towards the end of the year, and the continuation of this product and platform development is key to maintaining growth momentum in 2017.

The Division also continued to invest in talent through the year, enhancing the breadth and depth of the insight and intelligence powering our products. This included a new team on the US West Coast for TMT Intelligence business Ovum, expanding its coverage and deepening links to major local TMT players.

//Over the past three years, the Division has restructured and refocused to become more customer and market oriented, and starts 2017 with positive momentum//

Pharma Intelligence also added to its team of global analysts to strengthen the Datamonitor Healthcare brand.

The addition of Penton, completed in November 2016, is the first significant acquisition investment in **Business Intelligence** since the launch of *GAP*. It adds more than 20 attractive digital subscription data brands in verticals including Infrastructure (Equipment Watch), Transportation (Aviation Week Intelligence Network) and Design & Manufacturing (SourceESB), as well as a portfolio of over 100 print and digital B2B insight products that complement and extend our digital subscription portfolio.

Penton also adds significant and proven capability in business to business content marketing and marketing solutions, opening new opportunities for growth.

NOTABLE MARKET TRENDS

The market for specialist professional, business-to-business, data and information that helps individuals and companies make more informed decisions, faster and more efficiently, is attractive and growing. Consultants Outsell Inc. value the market at $38bn at its broadest, growing at a rate of 5.1% per annum, with the US the single largest region.

Business Intelligence operates within this space, focusing on highly specialist intelligence, insight and data sets, with a narrow and deep approach. It works within niche areas in sectors where individual market opportunities are more targeted, but there are typically fewer competitors.

At a time when the volume of data and information available online is expanding, the value of relevant and timely insights and conclusions is increasing. The more action-oriented the insights the better, with greater value coming from analysis and intelligence around what will happen and what businesses should do than from news reporting what has happened. For more detail on this market trend, see Big Data on page 13.

It is a sophisticated and fast-moving market, with technology an enabler and a disrupter. Intelligence providers have to invest continuously to keep pace with changing customer needs and demands, and to stay ahead of competitors.

PRIORITIES AND PROSPECTS FOR 2017

Over the past three years, the Division has restructured and refocused to become more customer and market oriented. Combined with a more commercial approach, this has already delivered steady improvement in subscription renewals, and the business starts 2017 with positive momentum.

The delivery of new products and upgraded platforms should help expand our audience and maintain subscription improvements. The addition of Penton assets complements this momentum, strengthening and expanding the Division's vertical positions, enhancing our Marketing Solutions capabilities significantly, and positioning the business well for further growth.

Patrick Martell, Divisional Chief Executive has taken on the role of CEO of Penton to oversee its integration. He has relocated to the US to better explore the opportunities from combining, and the response of Penton colleagues now joining Informa has been very positive to date.

To facilitate a smooth integration, the Division's organisational structure has been updated, expanding the Maritime vertical to include Transportation (including Aviation Week) and adding a sixth vertical, Industry and Infrastructure.

This change puts greater operational focus, autonomy and accountability into the Vertical teams, similar to the structure adopted by Penton. It will support the Division's market oriented, customer-centric approach and its focus on delivering growth as we look to reap the full benefits of GAP and acquisition investment.

The Division will also target opportunities to generate greater value from specialist consultancy services under new leadership and a fresh approach. This is a natural extension of subscription activities, leveraging the same deep knowledge of specialist markets and improving customer relationships to upsell and cross sell more services.

DIVISIONAL REVENUE BY TYPE

1. Subscriptions	89%
2. Unit sales	8%
3. Advertising	3%

DIVISIONAL REVENUE BY GEOGRAPHY

1. UK	13%
2. North America	54%
3. Continental Europe	16%
4. Rest of the World	17%

IMPROVING THE DEPTH, FLEXIBILITY AND RESILIENCE OF OUR SPECIALIST DATA

LIZ MCCARTHY
Publisher of Lloyds List Intelligence (LLI)
Business Intelligence

STRATEGIC REPORT GOVERNANCE FINANCIAL STATEMENTS

"People are often surprised to hear we own a global network of physical data receivers," explains Liz McCarthy.

There are over 120,000 merchant vessels in the world, and as they move across oceans and through ports, they transmit data that LLI records. This data, combined with analysis and our exclusive relationship with the Lloyd's Agency Network and hundreds of other industry data sources, creates the high quality proprietary content at the heart of LLI.

But in a competitive market and with big data creating new commercial opportunities, the business needed investment in technology and platforms to meet evolving customer needs and to expand into new markets.

LLI received *GAP* funding to renovate its data capture and processing system and significantly upgrade its customer-facing platform.

Investment was made in additional and more sensitive ship tracking equipment to create a more granular data set. This enables a greater range of vessel data to be captured more frequently, with visualisations on vessels as they move through ports and waterways. The environment in which data is stored was upgraded to a more resilient, cloud-based platform, able to hold and process the hundreds of millions of information items LLI receives every day.

"We worked extensively with customers to enhance the user interface," said Liz. The result is a highly personalised portal with increased mapping functionality that provides a better user experience and allows customers to export data directly to their own models. The new-look interface was launched in February 2017.

"Adding more granular data to a more robust, user-friendly platform allows us to really demonstrate our value to current customers, but it's opening up opportunities in new markets too. Banks and trade finance organisations, commodities traders, government agencies and risk and compliance experts are increasingly interested in shipping intelligence, and a more flexible and tailored interface means we can meet their needs and create new products quicker and faster in the future," concludes Liz.

INTERNATIONAL PLATFORMS FOR TRADE AND COMMERCE

CHARLIE MCCURDY
CEO of Global Exhibitions

FINANCIAL PERFORMANCE

£306.9m
Revenue (2015: £262.5m)

£119.0m
Adjusted operating profit (2015: £98.0m)

8.7%
Organic growth (2015: 10.5%)

16.9%
Reported revenue growth (2015: 31.1%)

23%
Contribution to Informa Group revenue (2015: 22%)

Global Exhibitions organises transaction-oriented exhibitions and trade shows, providing buyers and sellers across different industries and communities with a powerful platform to meet face to face, build relationships and conduct business. Informa has a portfolio of around 200 exhibitions, serving a number of industry verticals, including Health & Nutrition, Beauty, Property & Construction and Pop Culture.

PERFORMANCE AND DEVELOPMENTS IN 2016
The strategy to internationalise and scale the **Global Exhibitions** Division continued to deliver benefits in 2016, with another strong year of growth during the Division's first full year under the leadership of Charlie McCurdy. The portfolio's top 20 events continued to perform well, with vertical growth in Life Sciences (*Arab Health*), Construction & Real Estate (*World of Concrete*) Beauty & Aesthetics (*China Beauty, Anti-Aging World Congress*), Health & Nutrition (*Vitafoods, SupplySide West*) and Pop Culture (*FanExpo*).

The acquisition of Penton in November added around 30 leading exhibitions brands to the portfolio, strengthening our position in key verticals including Agriculture and Health & Nutrition. It also adds further scale in the key US market and confirms our position as the challenger operator – we are now the third largest organiser of trade shows and exhibitions globally, according to consultants AMR International.

Other targeted in-division investments were made to further strengthen our position in key verticals, including the Waste & Wastewater Equipment, Treatment & Transport show in Indianapolis, widening our coverage of the sector.

The Division's ambition continues to be to move from being an exhibitions organiser to a true market maker in our chosen Verticals. Through GAP, investments are being made in digital marketing and content capabilities to extend the experience sellers and buyers have at our exhibitions, and create a year-round showcase for products and innovation, attracting new business and further monetising customer relationships, with one example illustrated (see page 47).

Exhibitions provide a platform for face to face customer discussions at scale, and the value of real time, face to face customer engagement rises as interactions increasingly take place digitally.

When a branded exhibition becomes significant enough in a given specialist sector, it can create a network effect. If the right community is brought together, vendors attend because they meet more current and new customers in one place than anywhere else, generating leads and securing sales, and buyers attend because of the critical mass of products and sellers they can access easily and efficiently. The biggest shows in a particular vertical and region therefore tend to get bigger, and smaller shows without a unique offering can become less significant.

In recognition of this value, corporates are committing a growing proportion of marketing budgets to the category. According to Outsell, around 10% of corporate marketing budgets are now spent on in-person events, and budgets for attending exhibitions are growing at 6.3% per annum.

This creates a rich backdrop for growth, reflected in AMR International's forecast of 4.6% compound annual growth to 2020. The US exhibitions market continues to be the largest single market by far, estimated at $13bn in 2015 and over half of the global industry, with the second largest market being China at $2bn. This has driven our focus on building presence and capabilities in the US. It remains a highly fragmented market, providing opportunities for growth and scale through targeted acquisitions.

A limitation on the growth of exhibitions is the availability of high quality venues in key locations and at attractive times of year. More modern venue capacity is coming on stream, most notably in China, but there is a long lead time. Some venues lack adequate capacity, leaving certain exhibitions space-constrained and exhibitors unable to secure a slot. There are sometimes ways to mitigate this at individual shows. In 2017, the MEDLAB component of our largest individual exhibition, Arab Health, was split into a separate event held directly afterwards, enabling more companies to exhibit at both events than would otherwise be possible.

Exhibitions organisers generate the majority of their revenue through the sale of floor space, along with sponsorship and advertising income and at certain exhibitions, attendee revenue. Increasingly, organisers are looking to monetise strong corporate relationships in new ways, particularly online.

900+
colleagues

c.200
exhibitions

PRIORITIES AND PROSPECTS FOR 2017

In an attractive and growing exhibitions market, the international expansion of our portfolio and increased scale in the US is helping the Division to grow consistently at or ahead of the market's pace.

With the integration of Penton during 2017, **Global Exhibitions** will gain 30 branded sector-specialist exhibitions, taking its total to around 200. The vast majority of these take place in the US and nine appear in TSNN's prestigious Top 250 US Trade Shows list. Penton also brings new talent to the division, and additional sophisticated capabilities in exhibition services.

Penton increases our focused scale and international breadth in core verticals, most notably in Health & Nutrition and Agriculture, and complements our strength in areas like Construction & Real Estate and Life Sciences. Increased scale creates opportunities for cross marketing and geo-cloning, and general contracting and ancillary revenue, and should ensure another year of strong organic growth in 2017.

We continue to invest, through GAP, to develop data and technology capabilities as part of our market maker strategy. From year-round digital customer and content platforms to internal systems that improve sales efficiency, show floor management and procurement, there remain numerous opportunities to improve efficiencies, unlock new growth opportunities and broaden and strengthen the Division's revenue mix.

TRANSFORMING CUSTOMER MARKETING TO BETTER ENGAGE KEY EXHIBITION AUDIENCES

RICHARD BROOK
Marketing Director, Global Exhibitions

One of Global Exhibitions' key *GAP* projects started from the simple commercial premise: what will increase attendance at our trade shows and help deliver more leads to convert into revenue? For its marketing team, the answer was to upgrade how each show and brand targets and engages with customers.

Marketing Director Richard Brook explains, "Whether you're an individual consumer or a business, you expect to be engaged in a way that is tailored and personalised to you – one size fits all is no longer effective in any industry. And while we had the people and ideas to introduce a more intelligent and focused marketing strategy, we didn't previously have the tools to implement it."

Under *GAP*, **Global Exhibitions** has invested in a new Division-wide marketing platform that enables highly targeted customer communications, introduces advanced tracking through merging digital and offline behaviours to better understand the customer journey, holds customer data in a central, privacy-compliant way and reduces the level of manual work required of marketers.

Richard continued, "This is the first time we've consolidated marketing systems across the Division. We'll be moving to a single powerful suite of best-in-class tools that will continuously develop over time. It's involved an extensive programme of workshops, testing and training with our 200 marketers all over the world, to make sure the new tools can deliver results for all Verticals."

Along with efficiencies, the platform also gives the Division new capabilities. Michelle Swayze, a Dallas-based senior marketer for The International Surface Event and Dwell on Design said: "While our particular market has had great resources and tools, we'll be able to create even more targeted and advanced campaigns with these new systems. The improved analytics will really help measure and adapt our programmes. It's exciting as a marketer and has the potential to bring real commercial benefits."

The platform is being rolled out business-by-business, a process that started at the end of 2016.

DIVISIONAL REVENUE BY TYPE

1. Exhibitor	77%
2. Attendee	12%
3. Sponsorship	9%
4. Advertising	2%

DIVISIONAL REVENUE BY GEOGRAPHY

1. UK	1%
2. North America	40%
3. Continental Europe	11%
4. Rest of the World	48%

COMMUNITY ENGAGEMENT IN MARKET VERTICALS

ANDREW MULLINS
CEO of Knowledge & Networking

FINANCIAL PERFORMANCE

£224.4m
Revenue (2015: £225.5m)

£37.4m
Adjusted operating profit (2015: £39.6m)

-4.1%
Organic revenue growth (2015: -4.2%)

-0.5%
Reported revenue growth (2015: -8.4%)

17%
Contribution to Informa Group revenue (2015: 18%)

The Knowledge & Networking Division is the Group's community content, connectivity and data business, incorporating its training, learning, conference, advisory and congress businesses. Trading as KNect365, it organises content-driven events and programmes that provide a platform for communities to meet, network and share knowledge. It runs conferences and training events each year globally, covering a range of subject areas, but with a particular focus on Life Sciences, TMT and Finance.

PERFORMANCE AND DEVELOPMENTS IN 2016

The simplification and rationalisation of Knowledge & Networking continued through 2016. Around 1,600 events were run during the year, down from around 3,000 three years ago and over 12,000 in 2007, as the Division increased its focus on larger branded annual events and continued its shift from small, one-off spot conferences. The next stage of this transition is underway with a strategic review of our five remaining domestic conference businesses in 2017.

As the transition to a more focused portfolio continues, there has been some inevitable short-term impact on financial performance, although this varies across the portfolio. In 2016, our top 20 events in aggregate grew 8%. These are established, branded events with strong positions in our three core verticals of Life Sciences, Global Finance and TMT. The performance of smaller, domestically-focused conferences was more volatile, resulting in an overall organic revenue decline of -4.1%.

Knowledge & Networking tends to be more sensitive to the macro cycle than other Divisions, as the majority of income is generated through delegate fees or sponsorship that are more discretionary in nature than subscriptions. In 2016, the business saw some continued impact from the depressed oil price in the Middle East, the weak economy in Brazil and uncertainty in Europe following the UK's decision to exit the EU.

Trading highlights during 2016 included the successful launch of Biotech Week Boston, a new festival that brings together scientists and innovators to partner and share data, research and ideas. We also expanded our successful Internet of Things World portfolio, with its second European edition experiencing audience growth of 255% and sponsorship and exhibition growth of 190%. In Life Sciences, BIO-Europe 2016 attracted a record number of delegates and on-site partnership meetings.

And at AfricaCom and Fund Forum, new content streams and innovative at-event technology were introduced.

To support the focus on branded events in core verticals, GAP investments have strengthened the Division's digital presence and expanded its specialist content. This is enhancing our digital marketing capability, helping to improve audience reach and deepening relationships with the sub-communities we are targeting. A new customer-facing brand also came into effect early in the year – KNect365, making connecting people everywhere and all the time its clear purpose.

MARKET TRENDS

The global market for knowledge-based events and conferences is large with many different participants. In the same way that digitisation has increased the value of face-to-face customer interaction at exhibitions, so it has at other forms of events. Personal interaction within specialist communities is at a premium.

Conferences tend to be less transaction-oriented than exhibitions and focused more on learning and networking. While face to face networking remains scarce and valuable in the digital world, the value attached to conference content has to an extent been undermined. Twenty years ago, the main way to find out about a new industry development, learn about the implications of new legislation or hear experts speak, was at a conference. Today, the internet provides rich content and real-time reporting, and social media facilitates interaction with experts and personalities.

This structural shift means conferences have to offer more to delegates. Brands have become more important, with attendees more selective about which events they attend, targeting those that attract the right audience, facilitate introductions and networking, showcase the latest technology and have cutting edge speakers and content.

These shifts are driving **Knowledge & Networking**'s strategy and its transition from a traditional spot conference model to a year-round, content-rich community-engagement model. Digitisation and technology have created new opportunities to form online communities, create multi-media content and gather data-driven customer insights. The Division's transition may be uneven, but the end destination should be a more focused, predictable, rounded and digitally-minded business with multiple sources of revenue.

PRIORITIES AND PROSPECTS FOR 2017

The long-term programme of simplification and operational improvement within **Knowledge & Networking** will continue in 2017 through a strategic review of our five remaining domestic conference businesses in Australia, Singapore, Germany, Switzerland and Brazil.

The Division's commitment to increase its focus on repeatable, branded events within our three core markets of Life Sciences, Global Finance and TMT should create a streamlined portfolio that is more predictable and less volatile. When combined with ongoing investment in digital platforms and specialist content, this shift will better position the Division as a leading knowledge provider to specialist communities in these verticals and help the Division meet its target of returning to growth by the end of the GAP programme.

In 2017, the Division will also focus on leveraging the 2016 acquisition of Light Reading, using its specialist content, industry connections and monetisation strategies to strengthen the TMT portfolio. Similarly, focus will be on building on recent investments in ETF.com and Finovate to further extend and strengthen the Global Finance vertical. As part of the Penton acquisition, **Knowledge & Networking** takes on several franchises, most notably the automotive technology brand TU Automotive that will combine with the TMT vertical.

2017 will also see the launch of our partnership with London Tech Week, a major festival in June that brings together hundreds of different events and activities to showcase the UK's technology expertise and talent on the global stage.

CREATING DIGITAL CUSTOMER COMMUNITIES

ISOBEL PECK
Chief Audience Officer

The market for face to face events is fast-changing, and **Knowledge & Networking** is making investments under *GAP* to support its shift from once-a-year spot conferences to year-round engagement with specialist communities.

Chief Audience Officer Isobel Peck explains, "Our conferences had success in the past by taking an outbound marketing approach to attracting customers to a one-off event. But in a more digital world, with increased competition for attention and budgets, and new ways to get information and network, the Division adopted a new approach when we formed in 2014. We're focused on creating lasting and more valuable relationships with our customers, using content and leveraging social, search the recommendation channels to reach audiences and capture new revenue streams."

The heart of the Division's investment under *GAP* has been the launch of CORE, a digital platform that upgrades and standardises its online marketing and e-commerce estate and is optimised for SEO. It has been built around the customer; it is content rich, with events and forums organised around specialist industry sectors, and has a consistent look and feel that better conveys key information while giving each brand flexibility to convey its personality.

The project was one of the earliest under *GAP* to enter implementation. Isobel explained, "We tested our concept and approach with customers extensively, but took an agile approach when it came to go-live. Our first event launched on CORE in April 2016 so that we could test, learn and improve in real time, and continuously improve the platform whilst events migrated over one by one."

To accompany the platform, **Knowledge & Networking** is investing in the creation and expansion of content-based communities that engage customers year-round. To support this move, the marketing team has been reorganised to create dedicated content marketing roles alongside campaign and data focused roles.

Early results from investment in CORE are encouraging. Customer conversion rates for events on CORE have tripled, and people are spending more time on our sites, with increasing traffic from content on social media and third-party platforms.

DIVISIONAL REVENUE BY TYPE

1. Attendee	51%
2. Sponsorship	28%
3. Exhibitor	18%
4. Advertising	3%

DIVISIONAL REVENUE BY GEOGRAPHY

1. UK	19%
2. North America	28%
3. Europe	32%
4. Rest of the World	21%

THE TEAM BEHIND THE TEAMS

Global Support is Informa's fifth Division, a central group of experts in specialist functions that forms the team behind the teams.

Since the restructure of Informa's operating model in 2014 and the introduction of the *Growth Acceleration Plan*, Global Support's role has been to provide efficient and effective advice, direction and support to all areas of the Group as it grows and becomes more international. This is achieved by attracting and retaining a skilled and agile team of colleagues, and implementing technology, systems and processes that are robust and scalable.

GLOBAL BUSINESS SERVICES AND GROUP FUNCTIONS

Global Support is comprised of Global Business Services and Group. Global Business Services incorporates finance, technology and HR. It provides essential business services to the four Operating Divisions such as payroll and benefits, accounts payable and credit management, as well as technology services, enabling the businesses to focus on operational targets and delivering growth.

Global Business Services executes activities that its teams can deliver better, faster or cheaper through a scaled shared services model rather than an external third party or individual Operating Division could. Most of its services are mandatory for the Operating Divisions, with a small proportion available on an elective basis.

Group functions incorporates corporate development, Group finance, tax and treasury, company secretary, legal, risk and compliance, investor relations, communications and brand, and talent, amongst others.

These functions provide leadership and governance for the Group as a whole, taking planning and investment decisions, directing and implementing risk management procedures and ensuring Informa meets its legal and regulatory obligations.

GLOBAL BUSINESS SERVICES IN 2016

In 2016, Global Support continued the work started in 2015 to strengthen and improve its capabilities and infrastructure.

In Global Business Services, the focus was on bringing greater consistency, simplicity and a global mind set to the delivery of key services.

A Global Business Services executive team was formed to enhance collaboration and innovation between the interrelated Finance, Technology and HR service functions. The executive team assesses how processes can be simplified across teams and works to ensure services are continually improved and delivered in a way that provides value to the internal customer and end external customer, anticipating the support needs of each Division as it implements its business plans.

Within the three Global Business Services teams, a number of key initiatives were delivered through 2016.

The HR team completed a project initiated in 2015 to better manage the collection and use of colleague data using simpler processes and a third-party technology platform.

This has started to provide deeper and more consistent insights of colleague data and information across the Group, enabling the central talent team to embark on a comprehensive talent mapping exercise to help ensure we have the right skills, capability and leadership experience in place as the Group expands and responds to market trends.

In Finance, we consolidated our shared service centres into three regional hubs in 2015: Europe based in Colchester, UK; Americas based in Sarasota, US; and Asia based in Singapore.

In 2016, work started to put in place more consistent global processes across each shared service centre, improving efficiencies and ensuring each has the capacity and capability to take on additional work as the Group expands through acquisitions such as Penton.

Within Technology, work continued in the cross-Division leadership forum created in 2015 to bring about a more co-ordinated approach to our systems and security priorities.

Ongoing initiatives include moving Informa's computing environment from physical data centres fully into the cloud to create a more resilient and scalable service, and continued investment in information security detection, prevention measures and better use of end user computing technology to improve detection.

GROUP FUNCTIONS IN 2016

A number of the Group functions, notably legal, finance, tax, corporate development, investor relations and communications, were closely involved in delivering the addition of Penton Information Services during 2016.

This also drew on the capabilities of the new Group treasury team formed at the end of 2015. The team focuses on optimising the use of Informa's balance sheet and improving the management of the Group's foreign exchange and cash positions. As part of the acquisition, Group treasury engaged with international investors to successfully finance the debt portion of the Penton consideration.

The Group functions within **Global Support** are also responsible for internal initiatives that engage all colleagues across the company. During 2016, this included the Inside Informa initiative detailed in the Our Talented People section on page 34. The central travel and venues team implemented a Group-wide travel management system designed to track and reduce the cost of business travel and improve the support available to colleagues when travelling for Informa, a mitigating action for one of the Group's principal risks.

2017 PRIORITIES

Global Support's role and objectives remain unchanged for 2017: to provide effective and agile support to the Group as it pursues its growth ambitions.

Specific projects underway for 2017 include the delivery of an upgraded enterprise resource platform, designed to provide efficient and effective shared finance services at scale as we continue to grow and seek further operational fitness (see page 55 for more details).

The Group risk and compliance team is introducing an updated code of conduct and set of core global policies early in the year, accompanied by new training and Group-wide communications. These documents reflect our compliance with new regulations, covering our obligations and expectations as an increasingly international Group working with many different stakeholders.

The project management office that has been focused on overseeing the *GAP* investment programme is being re-purposed as this programme moves into the final phase of its delivery. Its expertise is being combined with the project management specialists sitting throughout **Global Support** into a single change delivery office, which will centralise the management and support of major initiatives and act as a centre of excellence, innovation and best practice. The formation of this office is also designed to help mitigate the principal risk of ineffective change management, identified by the Board in 2016.

//**Global Support**'s objectives remain to provide effective and agile support to the Group as it pursues its growth ambitions//

INVESTING IN A MODERN FINANCE CAPABILITY TO SUPPORT FUTURE GROWTH

LOUISE GULLIFORD
Global Process Owner, Global Support

In **Global Support**, there is a constant drive to ensure that the com mon systems and processes provided across the Group – from finance to HR and technology – are efficient, scalable and optimised to support Informa as it grows.

One of the Division's recent initiatives, and an example of ongoing investment in our capabilities, is the launch of an upgraded Group-wide enterprise resource platform (ERP) to consolidate, standardise and upgrade our financial operations globally.

Louise Gulliford, a member of the project and a global process owner for the purchase-to-pay process explained: "A lot of our financial processing tools and processes were established when the Group was more distributed, and worked well. But as Informa grows, especially as new businesses come into the Group, we have an opportunity to be more efficient, consistent and global in the way our financial operations work."

Global Support is introducing a new ERP to underpin finance activities carried out in the three regional shared service centres, including credit control, accounts payable and accounting, and the activities handled in each Division and within Group Finance, including consolidation and management reporting.

It will standardise and modernise the way financial operations are run in each location and Division, creating efficiencies and allowing us to take on new businesses and activities quicker and more effectively in the future. The system will also provide more consistent and timely financial insight and data to management teams.

Louise continued, 'It was exciting to join the project team for this initiative. I've worked in Informa's European shared service centre for nearly 15 years and progressed through many roles, which gives you an ideal view on how the Group's finance processes work, where a new system and process could upgrade how things currently run, and where we will need to target training and support."

CONTINUED FINANCIAL DISCIPLINE IN 2016

Gareth Wright, Group Finance Director

We regard the knowledge and information markets as an attractive destination for growth and expansion opportunities, revenue mix, geographic reach, operating margins and cash conversion.

Over the last three years, as part of the *Growth Acceleration Plan*, we have been focused on making the most of these opportunities. A particular focus has been on financial discipline and maximising our cash generation to give the Group stability and the flexibility to fund ongoing operations, pay a growing dividend and consistently reinvest for growth.

In 2016, Informa reported another consistent financial performance, producing a third consecutive year of growth in revenue, adjusted profit, earnings, free cash flow and dividends. This was combined with further progress in implementing the 2014-2017 *Growth Acceleration Plan*. As part of this, we continued to expand and scale internationally, most notably through the addition of Penton Information Services in November, for £1.2bn.

Reported and organic revenue growth improved to 11.0% and 1.6% respectively, reflecting good underlying operational progress, combined with favourable currency movements and strong returns from acquisitions.

This translated into 13.8% growth in adjusted operating profit and 6.6% adjusted EPS growth. Reported operating profit and EPS were £198.8m and 23.6p, principally reflecting adjusted operating profit, acquisition related items, amortisation and impairment.

In 2016, our operating cash conversion remained strong at 95%, ensuring further growth in free cash flow to £305.7m.

We added a number of businesses to the Group in 2016, culminating in the addition of Penton. In line with our balanced approach to financing through *GAP*, we used a mixture of debt and equity to fund this acquisition, raising £715m through a fully subscribed rights issue.

//Reported and organic revenue growth improved, reflecting operational progress, favourable currency movements and returns from acquisitions//

The combination of our strong cash generation and balanced approach to funding allowed us to end the year with a strong balance sheet, with net debt to EBITDA at 2.6 times, just outside our target range of 2.0–2.5 times. In December, we took the opportunity to arrange the refinancing of the majority of the short-term $675m acquisition facility agreed on the Penton acquisition in the US private placement market, raising $500m at attractive rates and an average term of over nine years. This provides long-term visibility and certainty and locks in an attractive rate before the yield curve starts to steepen.

Following the combination of Penton and Informa and the increasing size of our **Global Exhibitions** Division, with more biennial and triennial events, we have decided to update the way we measure growth from 2017 onwards.

Going forward, we plan to include year-on-year growth from acquisitions in the calculation of growth from the first day of ownership, as if we had owned them in the corresponding period in the previous year. This underlying measure of growth, which will also strip out the impact of any events phasing during the relevant period, will ensure that all our teams are focused on the underlying performance of acquired businesses immediately.

The Group's approach to tax remains unchanged. We recognise that taxes help provide vital services and infrastructure that companies in turn rely on, and so commit to pay our taxes in full and on time, in compliance with the letter and intent of the laws of countries in which we operate. We actively engage and co-operate with tax authorities and use available legal tax incentives to optimise Shareholder returns.

Informa's financial obligations to its pension schemes remain limited relative to the size of the Group and low compared to many listed peers. We have two UK defined benefit pension schemes, which are closed to future accruals and require no cash contributions during 2017 to reduce scheme deficits. Penton's defined benefit schemes are of a similar scale to Informa's, are also closed to future accrual and have no contributions expected for 2017.

The Group enters 2017, the final year of the *Growth Acceleration Plan*, as a larger Group with increased balance and breadth following the addition of Penton, giving us more stability and resilience and greater visibility and predictability of revenue.

This puts us in a good position to deliver on our GAP ambition to deliver growth in all four Operating Divisions as we enter 2018 and, combined with our strong balance sheet, to continue to create value for Shareholders.

INCOME STATEMENT

Our strategy of growth and scale led to a strong increase in Group revenue in 2016, up 11.0% to £1,345.7m, including a 1.6% increase on an organic basis. This converted to adjusted operating profit of £416.1m, some 13.8% higher than the prior year and unchanged on an organic basis. This reflects that it was the peak year of investment for *GAP*, with both higher operating expenditure and increased depreciation from capital expenditure impacting the cost base.

	Adjusted results 2016 £m	**Adjusting items 2016 £m**	**Statutory results 2016 £m**	Adjusted results 2015 £m	Adjusting items 2015 £m	Statutory results 2015 £m
Revenue	**1,345.7**	**–**	**1,345.7**	1,212.2	–	1,212.2
Operating profit/(loss)	**416.1**	**(217.3)**	**198.8**	365.6	(129.1)	236.5
(Loss)/profit on disposal of subsidiaries and other operations	**–**	**(39.8)**	**(39.8)**	–	9.1	9.1
Net finance costs	**(39.6)**	**58.9**	**19.3**	(25.9)	–	(25.9)
Profit/(loss) before tax	**376.5**	**(198.2)**	**178.3**	339.7	(120.0)	219.7
Tax (charge)/credit	**(68.0)**	**63.2**	**(4.8)**	(60.2)	13.2	(47.0)
Profit/(loss) for the year	**308.5**	**(135.0)**	**173.5**	279.5	(106.8)	172.7
Operating profit margin	**30.9%**			30.2%		

REVENUE AND ADJUSTED OPERATING PROFIT

Our programme of investment and growth is steadily delivering improved performance, with reported revenue growth of 11.0% and organic revenue growth at 1.6% in 2016, the latter up from 1.0% in 2015. Our performance was strongest in the **Global Exhibitions (GE)** Division, with reported growth of 16.9% and organic growth of 8.7%, reflecting continued strong growth across our top 20 exhibitions as we reaped the benefits of increased scale and strong vertical market positions. **Business Intelligence (BI)** delivered reported growth of 4.8% and organic growth of 1.1%, reversing six years of organic decline, as the benefits of actions taken to increase the focus on subscriptions and customer management started to pay off. Reported growth of 9.6% and organic growth of 0.3% in **Academic Publishing (AP)** reflected a combination of robust trading in the journals business, strong returns from acquisitions, currency benefits and some continued softness in the books business, particularly in the US market. In **Knowledge & Networking (K&N)**, trading was mixed with good progress in our branded events portfolio offset by continued weakness in our regional conference businesses, leading to a -0.5% decline on a reported basis and -4.1% decline on an organic basis.

31 December 2016	**AP £m**	**BI £m**	**GE £m**	**K&N £m**	**Penton £m**	**Total £m**
Revenue	**490.4**	**290.0**	**306.9**	**224.4**	**34.0**	**1,345.7**
Reported growth	**9.6%**	**4.8%**	**16.9%**	**(0.5)%**	**–**	**11.0%**
Organic growth	**0.3%**	**1.1%**	**8.7%**	**(4.1)%**	**–**	**1.6%**
Adjusted operating profit	**187.2**	**65.7**	**119.0**	**37.4**	**6.8**	**416.1**
Reported growth	**13.6%**	**4.0%**	**21.4%**	**(5.6)%**	**–**	**13.8%**
Organic growth	**(2.1)%**	**(3.2)%**	**13.5%**	**(19.4)%**	**–**	**0.0%**
Statutory operating profit	**135.0**	**45.8**	**53.3**	**(6.7)**	**(28.6)**	**198.8**

31 December 2015						
Revenue	447.4	276.8	262.5	225.5	–	1,212.2
Reported growth	9.4%	(1.7)%	31.1%	(8.4)%	–	6.6%
Organic growth	1.6%	(1.9)%	10.5%	(4.2)%	–	1.0%
Adjusted operating profit	164.8	63.2	98.0	39.6	–	365.6
Reported growth	9.9%	(16.0)%	45.6%	(4.6)%	–	9.5%
Organic growth	2.2%	(15.6)%	11.1%	3.7%	–	0.1%
Statutory operating profit	116.3	42.1	67.0	11.1	–	236.5

Group operating profit was 13.8% higher year-on-year on a reported basis, benefiting from currency and acquisitions, and marginally positive on an organic basis, reflecting the impact of *GAP* investment. Within the Divisions, **Global Exhibitions** delivered strong operating profit growth, consistent with its revenue performance, whilst **Academic Publishing**, **Business Intelligence** and **Knowledge & Networking** reported an organic decline in operating profit.

The adjusted operating profit margin grew by 70 basis points from 30.2% to 30.9%, largely reflecting the higher level of growth of the higher margin **Global Exhibition** Division.

Further commentary on Divisional performance is provided on pages 36 to 56.

MEASUREMENTS AND ADJUSTMENTS

In addition to the statutory results, adjusted results are prepared for adjusted operating profit and adjusted diluted earnings per share as the Board consider these to be the most appropriate way to measure the Group's underlying performance in a way that is comparable to the prior year. This is in line with similar adjusted measures used by our peer companies and therefore facilitates comparisons. Adjusted results exclude the adjusting items outlined in the next section.

Organic measures of revenue and adjusted operating profit refer to measures of growth where reported amounts are adjusted to remove material acquisitions and disposals and to eliminate the effect of changes in foreign currency exchange rates. However, organic measures are not currently adjusted to exclude the effect of events phasing, such as for biennial or triennial events.

Growth in 2016 can be analysed as follows:

	2015 £m	Organic growth	Acquisitions and disposals	Currency growth	Reported growth	2016 £m
Revenue	1,212.2	**1.6%**	**1.2%**	**8.2%**	**11.0%**	**1,345.7**
Adjusted operating profit	365.6	**0.0%**	**3.4%**	**10.4%**	**13.8%**	**416.1**

ADJUSTING ITEMS

The adjusting items below have been excluded from adjusted results. The total charge against operating profit for adjusting items was £217.3m in 2016 (2015: £129.1m) with the major element comprising amortisation of acquired intangible assets and impairment of goodwill and intangibles.

	2016 £m	2015 £m
Intangible asset amortisation[1]	**116.7**	99.5
Impairment of goodwill and intangibles	**67.7**	13.9
Acquisition and integration costs	**33.1**	2.3
Restructuring and reorganisation costs	**7.2**	13.7
Re-measurement of contingent consideration	**(7.4)**	(0.3)
Adjusting items in operating profit	**217.3**	129.1
Loss/(profit) on disposal of subsidiaries and other operations	**39.8**	(9.1)
Gain on acquisition-related foreign exchange hedge	**(58.9)**	–
Adjusting items in profit before tax	**198.2**	120.0
Tax related to adjusting items	**(63.2)**	(13.2)
Adjusting items in profit for the year	**135.0**	106.8

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

The Group's proactive and targeted acquisition programme led to an increase in intangible asset amortisation arising from acquired intangibles to £116.7m. This comprised £49.5m for amortisation of book lists and journal titles, £17.9m for database content and £49.3m related to exhibitions and conferences. Intangible asset amortisation arising from software assets and product development is not treated as an adjusting item and so is included within the calculation of adjusted operating profit.

Our strategy to increase operational focus and manage our portfolio more proactively, combined with some trading weakness in individual markets, led to an impairment of goodwill and intangibles of £67.7m. This mainly relates to the domestic conference businesses in the **Knowledge & Networking** Division, some of which have since been put under review, including Germany and Australia, as well as a small impairment in some historically acquired businesses in Brazil in the **Global Exhibitions** Division.

Acquisition and integration costs are the one-off costs associated with acquiring and integrating individual acquisitions. In 2016, this included £28.6m related to the Penton acquisition.

The implementation of *GAP* led to further restructuring and reorganisation costs through 2016, totalling £7.2m. This mainly relates to the consolidation of our books operations into a single global business within **Academic Publishing** and the ongoing rationalisation programme in the **Knowledge & Networking** Division.

At the half year stage, we wrote down the loan note related to the sale of our Corporate Training businesses in 2013, reflecting the underperformance of the business post-sale and, hence, low likelihood of repayment. This has been reflected in the full year results too, with a full impairment recognised of £39.9m. This is balanced by a £4.0m gain due to the part-recovery of a different loan note relating to Robbins Gioia, which was sold separately to the other training businesses. Following these results, both Performance Improvement and Robbins Gioia present positions where there is no further exposure to the Group. There were also £3.9m of losses in aggregate from a number of other small business disposals.

In line with our *GAP* approach to funding, on announcement of the Penton acquisition, we entered into a forward foreign exchange contract to hedge our exposure to US Dollar and Sterling fluctuations on the £701.5m proceeds of the Rights Issue, which would part-fund the US Dollar denominated consideration. Over the course of the period between announcement and completion of the deal, Sterling weakened significantly and this led to a gain on the hedge of £58.9m.

The following table provides a breakdown of the Adjusted Items by Division:

	AP £m	BI £m	GE £m	K&N £m	Penton £m	Total £m
Statutory operating profit	**135.0**	**45.8**	**53.3**	**(6.7)**	**(28.6)**	**198.8**
Add back:						
Intangible asset amortisation[1]	**48.2**	**18.0**	**33.9**	**9.8**	**6.8**	**116.7**
Impairment of goodwill and intangibles	**–**	**–**	**31.1**	**36.6**	**–**	**67.7**
Acquisition and integration costs	**0.4**	**0.1**	**3.0**	**1.0**	**28.6**	**33.1**
Restructuring and reorganisation costs	**3.6**	**1.8**	**0.1**	**1.7**	**–**	**7.2**
Re-measurement of contingent consideration	**–**	**–**	**(2.4)**	**(5.0)**	**–**	**(7.4)**
Adjusted operating profit	**187.2**	**65.7**	**119.0**	**37.4**	**6.8**	**416.1**

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

ADJUSTED NET FINANCE COSTS

Adjusted net finance costs, which consist principally of interest costs on our US private placement loan notes and bank borrowings, net of interest receivable, increased by £13.7m to £39.6m in 2016. The increase reflects three factors, in broadly equal measures:

- a higher average cost of financing, following the full-year impact from new US private placement loan notes issued in the prior year. These provide long-term financial visibility, but at a more expensive rate than bank borrowings;
- the strengthening of the US Dollar, which increases the cost of Group borrowings, as the vast majority is US Dollar denominated, providing a natural hedge to our US Dollar earnings; and
- lower interest receivable, reflecting the write-down of loan notes related to the sale of the performance improvement businesses in 2013, and the consequent loss of accrued interest receivable.

TAXATION

Informa's effective tax rate is sensitive to the blend of tax rates and profits in the Group's various jurisdictions, some with lower corporate tax rates than the UK. In 2016, our adjusted effective rate of tax was 18.1% (2015: 17.7%).

Approach to tax

We view the taxes we pay as part of the economic benefit we create for the societies in which we operate, and believe that a fair and effective tax system is in the interests of taxpayers and society at large. We support the adoption of international best practices and governance standards, and aim to comply with tax laws and regulations everywhere we do business. As such, we have open and constructive working relationships with tax authorities worldwide. Our approach balances the interests of our stakeholders including Shareholders, governments, employees and the communities in which we operate.

Tax contribution

The Group's total tax contribution ("TTC"), which is made up of all material taxes paid out of profits and other material taxes generated by our businesses, was £183.2m in 2016 (2015: £154.7m). The UK element of our TTC was £77.2m (2015: £79.9m). The increase in worldwide TTC was due to an increase in corporation tax payments, particularly in the US, and higher employment taxes, both paid out of profits and by employees. The small decrease in UK TTC reflects higher VAT refunds arising from increased investments in *Growth Acceleration Plan* systems in the UK, partly offset by higher employment taxes.

Tax expense

The Group tax charge on statutory profit before tax ("PBT") was 2.7% (2015: 21.4%). The statutory rate for 2016 was affected by tax deductions arising from the write-off of loan notes relating to the historical sale of the Performance Improvement business, and crystallisation of tax deductions on prior year write-offs of loan notes relating to the historical sale of Robbins Gioia. The rate has also been affected by a non-cash credit arising from the recognition of a deferred tax asset in respect of certain non-UK intangibles. In 2015, the statutory effective tax rate reported was affected by impairment charges that were not deductible for tax purposes.

The acquisition of Penton towards the end of 2016 has not had a significant impact on either the statutory or adjusted effective tax rate, as the adjusted operating profit generated since acquisition has been largely offset by interest deductions and amortisation of goodwill available for tax purposes.

The Group benefits from tax efficient internal financing structures. Certain structures, with a tax benefit of approximately £8m in 2016, are affected by changes to UK tax legislation, introduced from 1 January 2017, with no further benefit available from that date.

Tax payments

During 2016, the Group paid £43.3m (2015: £30.7m) of Corporation and similar taxes on profits, including approximately £24.2m (2015: £23.4.m) of UK Corporation Tax. In 2015, Corporation Tax payments benefited from a one-off reduction in US tax payments arising from the treatment of the Hanley Wood Exhibitions acquisition for US tax purposes.

In 2017, tax payments will be affected by a number of one-off items:

- US tax payments will be substantially reduced by tax deductions available from the write-off of loans in 2016 and prior years, including deductions on elements of these write-offs previously provided for in earlier years. These deductions will also reduce cash tax outflows in the US in 2018.
- UK tax payments will increase to include tax of approximately £11.8m due on the foreign exchange gain realised on the deal contingent forward. The net impact of these items is an offset against increasing tax payments on underlying profits.

These one-off items are treated as adjusting items in the financial statements and have no impact on the tax rate on adjusted profits. UK tax payments will also increase due to the change in treatment of certain internal financing structures as previously noted, with the £8m increase in payments phased-in equally over 2017 and 2018.

US cash taxes due for 2017 will also be reduced through US tax losses acquired with Penton. At the end of 2016, the deferred tax asset for US tax losses stood at £90.6m, which is expected to be utilised within five years. The recognition of a deferred tax asset on acquisition means that the cash savings arising from the losses do not reduce the adjusted tax rate.

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

	2016 £m	2015 £m
Tax charge on adjusted PBT per consolidated income statement	**68.0**	60.2
Deferred taxes	**(8.0)**	(13.2)
Current tax deductions in respect of adjusting items	**(35.7)**	(14.6)
Taxes paid in relation to earlier years less 2016 (2015) taxes payable in later periods	**18.6**	(2.0)
Withholding and other tax payments	**0.4**	0.3
Income taxes paid per consolidated cash flow statement	**43.3**	30.7

The tax charge on adjusted profits is stated after the benefit of goodwill amortisation for tax purposes in the US and similar amounts elsewhere. There are £19.5m (2015: £11.5m) of current tax deductions which are taken on the amortisation of intangible assets. These continue to be treated as adjusting items and are included in the current tax deductions in respect of adjusting items noted above.

EARNINGS PER SHARE

Following the acquisition of Penton Information Services and corresponding £715m Rights Issue, the 2015 basic and diluted EPS figures have been restated to reflect the bonus factor (from 26.4p to 24.3p). In 2016, statutory earnings attributable to equity holders were £171.6m, translating into basic and diluted EPS of 23.6p.

Similarly, the 2015 adjusted diluted EPS of 39.5p has been restated to reflect the bonus element of the 2016 rights issue (from 42.9p to 39.5p).

In 2016, adjusted diluted EPS was 42.1p, 6.6% ahead of 2015 (2015: 39.5p), reflecting the 13.8% increase in adjusted profit, partly offset by the increased charges for interest and tax and the increase in the average number of shares. The increased average number of shares reflects a combination of the Penton Rights Issue, comprising 162.2m additional shares, and the equity issued to the Penton vendors, comprising 12.8m additional shares. These additional shares are included for the period post completion of the acquisition on 2 November, resulting in an average diluted share count of 727.8m. In the absence of any further equity issues, the full year impact of these additional shares will push the average diluted share count to around 825m in 2017.

	2016 £m	2015 £m
Adjusted profit for the year	**308.5**	279.5
Non-controlling interests	**(1.9)**	(1.3)
Adjusted earnings	**306.6**	278.2
Weighted average number of shares used in diluted EPS (m)[1]	**727.8**	704.6
Adjusted diluted EPS (pence)	**42.1p**	39.5p

[1] 2015 number of shares restated for bonus element of 2016 rights issue.

TRANSLATION IMPACT

Given our stated strategy of international expansion and purposeful shift to add businesses in North America, there has been a conscious increase in exposure to US Dollar revenues and costs. In 2016, the Group received approximately 59% (2015: 55%) of its revenues and incurred approximately 48% (2015: 43%) of its costs in US Dollars or currencies pegged to the US Dollar. Each one cent movement in the USD to GBP exchange rate had a circa £6.5m (2015: £4.4m) impact on revenue and a circa £2.9m (2015: £2.0m) impact on adjusted operating profit and a circa 0.27p (2015: 0.23p) impact on adjusted diluted EPS.

The average exchange rate of the US Dollar to Sterling reduced 11.1% in the year.

	Average rate		Closing rate	
	2016	2015	**2016**	2015
USD	**1.36**	1.53	**1.23**	1.48

For the purpose of measuring Informa's leverage and assessing debt covenants, both profit and net debt are translated using the average rate of exchange throughout the relevant period.

CASH FLOW

Cash flow generation remains a priority for the Group, providing the funds and flexibility for future investment. The following table shows the adjusted operating profit and free cash flow reconciled to movements in net debt. Free cash flow is a key financial measure of how much cash the business generates from operations and is stated before cash flows relating to acquisitions and disposals, dividends and any new equity issuance.

Our focus on cash generation across the Group led to another year of strong cash conversion in 2016, with operating cash flow of £393.9m equating to 95% of adjusted operating profit (2015: 103%). This was slightly lower than the previous year's conversion rate, reflecting higher capital expenditure in the peak year for *GAP* investment and reduced working capital inflow.

Net capital expenditure was £52.0m. The working capital inflow of £5.5m compares to an inflow of £23.9m in 2015, with the reduction principally due to the prior year benefit of the receipt of a delayed payment of £15m from a subscription agent to the **Academic Publishing** Division.

Lower restructuring and reorganisation costs in the year helped offset higher interest and tax payments to produce free cash flow of £305.7m, slightly higher than the level recorded in 2015.

Net Interest increased in line with the income statement finance costs and cash spend on debt arrangement fees. Tax payments increased by £12.6m as the prior year benefited from the one-off reduction arising from the treatment of the Hanley Wood Exhibitions acquisition for US tax purposes.

	2016 £m	2015 £m
Adjusted operating profit	**416.1**	365.6
Depreciation of property and equipment	**6.5**	6.1
Software and product development amortisation	**14.6**	12.8
Share-based payments	**3.9**	2.6
Loss on disposal of other assets	**0.1**	0.1
Share of adjusted results of joint ventures and associate	**(0.8)**	0.1
Adjusted EBITDA	**440.4**	387.3
Net capital expenditure	**(52.0)**	(33.5)
Working capital movement	**5.5**	23.9
Operating cash flow	**393.9**	377.7
Restructuring and reorganisation	**(9.9)**	(16.9)
Net interest	**(35.0)**	(26.7)
Taxation	**(43.3)**	(30.7)
Free cash flow	**305.7**	303.4
Acquisitions and disposals	**(1,313.1)**	(151.4)
Equity Rights Issue net proceeds	**701.5**	–
Dividends paid to shareholders	**(134.5)**	(126.5)
Other shares acquired	**(1.0)**	(0.4)
Net funds flow	**(441.4)**	25.1
Non-cash movements	**(2.7)**	(1.2)
Foreign exchange	**(146.0)**	(43.0)
Net debt at 1 January	**(895.3)**	(876.2)
Net debt at 31 December	**(1,485.4)**	(895.3)

The following table reconciles net cash inflow from operating activities with free cash flow, as shown in the consolidated cash flow statement:

	2016 £m	2015 £m
Net cash inflow from operating activities	**336.3**	333.9
Purchase of property and equipment	**(4.6)**	(7.2)
Proceeds on disposal of property and equipment	**0.6**	0.4
Purchase of intangible software assets	**(36.5)**	(23.2)
Product development costs additions	**(11.5)**	(3.5)
Net capital expenditure	**(52.0)**	(33.5)
Interest received	**0.6**	0.7
Acquisition and integration costs paid	**20.8**	2.3
Free cash flow[1]	**305.7**	303.4

1 Free cash flow ("FCF") excludes amounts paid in respect of acquisitions and integration costs. 2015 FCF as reported includes £2.3m of amounts paid which have been reclassified to acquisition and integration costs paid.

CORPORATE DEVELOPMENT

The Group continued to pursue its disciplined and targeted acquisition strategy during 2016, adding several businesses to the portfolio, including Penton Information Services. Total net spend on additions and disposals was £1,313.1m (2015: £151.4m), which included acquisition expenditure of £1,348.7m (2015: £162.0m), acquisition and integration costs of £20.8m, disposal outflow of £2.5m (2015: inflow of £12.9m) and a £58.9m interest gain relating to the Penton consideration hedge. Acquisitions included £54.5m (2015: £93.2m) of expenditure on other intangible assets and £1,294.2m (2015: £68.8m) on the addition of subsidiaries net of cash acquired.

As part of our disciplined approach, potential acquisition opportunities are assessed on a case-by-case basis against a broad set of financial and strategic criteria. This includes delivering returns in excess of the Group's weighted average cost of capital and being accretive to earnings in the first full year of ownership. For some selective acquisitions, the Group will take a longer-term view on these metrics, to allow time for full integration of the acquired business, coupled with additional investment to maximise long-term returns.

The principal acquisitions made during 2016 are detailed below:

Acquired businesses/other intangible asset acquisitions	Division	2016 net cash paid £m	2015 net cash paid £m
Acquisition of subsidiaries net of cash acquired:			
Penton Information Services	Penton	**1,218.8**	–
Light Reading LLC	Knowledge & Networking	**44.3**	–
WS Maney & Son Limited	Academic Publishing	**–**	21.3
Ashgate Publishing Ltd and Inc.	Academic Publishing	**–**	19.1
Other		**31.1**	28.4
		1,294.2	68.8
Other intangible asset acquisitions:		**54.5**	93.2
Total net cash paid on acquisition of subsidiaries and other intangible asset acquisitions		**1,348.7**	162.0

Addition of Penton Information Services
The net cash consideration for Penton Information Services at closing, using an exchange rate of 1.22, was £1,218.8m ($1,482.5m), comprising £1,240.2m ($1,508.6m) of cash consideration paid to the vendors at closing date, less cash acquired of £21.4m ($26.1m). Total consideration at closing, using an exchange rate of 1.22, was £1,334.0m ($1,622.7m), consisting of £1,240.2m ($1,508.6m) of consideration settled in cash, a deferred closing price refund of £6.6m ($8.0m), £82.2m ($100.0m) of share consideration and deferred consideration with a fair value of £18.2m ($22.1m), payable in October 2018 for anticipated future tax benefits.

The provisional value of identifiable net assets of £500.2m included cash of £21.4m, intangible assets of £648.2m and deferred tax liabilities of £114.7m, with a goodwill balance of £833.8m. Acquisition costs charged to operating profit (included in adjusting items in the consolidated income statement) for the year ended 31 December 2016 amounted to £26.2m for adviser and related external fees.

EQUITY RIGHTS ISSUE AND CONSIDERATION SHARES

In order to retain a stable and flexible balance sheet, we funded the addition of Penton Information Services through a mixture of debt and equity. The 1-for-4 Rights Issue raised net cash of £701.5m, and led to the issue of 162,234,656 ordinary shares of 0.1p each on 11 October 2016. The shares were issued at £4.41 each and raised gross proceeds of £715.5m (£701.5m net proceeds after expenses of £14.0m). Trading in the new shares commenced on 26 October 2016.

As part of the Penton consideration, the Group also issued 12,829,146 ordinary shares ("Consideration Shares") to the vendors on 2 November 2016, comprising MidOcean Partners, Wasserstein & Co and certain Penton senior management.

DIVIDENDS

In 2016, Dividends paid were £134.5m (2015: £126.5m) consisting of dividends paid to external Shareholders of £131.9m and dividends paid to non-controlling interests of £2.6m.

The Group's dividend policy aims to achieve a balance between sufficiently rewarding shareholders and retaining the financial strength and flexibility to allow the Group to consistently invest and pursue growth. The Group have made a specific commitment through the period of *GAP* to increase the dividend consistently each year, initially at a minimum of 2% per annum and this was raised in February 2016 to a minimum of 4% per annum.

As outlined in the Chairman's introduction, the Board has proposed a 4.3% increase in the dividend per share for 2016. The proposed final dividend is 13.04p per share (2015: 12.47p per share restated for the bonus factor) representing a 4.6% increase. Subject to shareholder approval at the AGM, the final dividend will be paid on 2 June 2017 to ordinary shareholders registered as at the close of business on 28 April 2017. This will result in total dividends for the year of 19.3p per share (2015: 18.5p per share restated for the bonus factor). The growth in earnings in 2016 means dividend cover against adjusted earnings was 2.0 times (2015: 2.1 times).

NET DEBT

A key element of *GAP* is the focus on maintaining a strong balance sheet and flexible funding mix, providing long-term visibility and liquidity. During 2016 we took a number of steps to further strengthen our cash management and financing structure.

The Group used a mixture of debt and equity to fund the Penton acquisition in November. An equity Rights Issue raised net funds of £701.5m, while the Group also entered into a new acquisition facility providing £548.6m (USD 675.0m) for up to 30 months' duration and a £150.0m two-year term facility agreement, with availability to December 2017.

Shortly after completion of the acquisition, we decided to take advantage of liquidity and attractive rates in the market to pay down the majority of this acquisition facility by issuing USD 500m of new US private placement loan notes on 25 January 2017, with a maturity of six years (USD 55m), eight years (USD 80m) and ten years (USD 365m).

Net Debt	31 December 2016 Pro-forma[1] £m	31 December 2016 £m	31 December 2015 £m
Cash at bank and on hand	(49.6)	**(49.6)**	(34.3)
Bank overdraft	9.4	**9.4**	2.0
Loans receivable	(0.2)	**(0.2)**	(0.3)
Private placement loan notes	1,088.6	**682.2**	574.6
Private placement fees	(1.5)	**(1.5)**	(1.6)
Bank borrowings – revolving credit facility	300.2	**300.2**	359.1
Bank borrowings – acquisition facility	142.2	**548.6**	–
Bank loan fees	(3.7)	**(3.7)**	(4.2)
Net debt	1,485.4	**1,485.4**	895.3

[1] Pro-forma 2016 represents the net debt adjustment of £406.4m for the private placement loan notes issued on 25 January 2017 applied to part repay the acquisition facility.

Net debt increased by £590.1m in 2016, driven primarily by the additional debt to fund the Penton acquisition, together with a £146.0m (2015: £43.0m) foreign exchange impact from US Dollar strengthening.

Committed funding	31 December 2016 Pro-forma[1] £m	31 December 2016 £m	31 December 2015 £m
Private Placement loan notes	1,088.6	**682.2**	574.6
Bank borrowings – revolving credit facility	900.0	**900.0**	900.0
Bank borrowings – acquisition facility	142.2	**548.6**	–
Banks borrowings – term facilities agreement	150.0	**150.0**	–
Committed funding	2,280.8	**2,280.8**	1,474.6

[1] Pro-forma 2016 represents the net debt adjustment of £406.4m for the private placement loan notes issued on 25 January 2017 applied to part repay the acquisition facility.

As at 31 December 2016, our US private placement loan notes were valued at £682.2m (31 December 2015: £574.6m) and range in maturity from December 2017 to October 2025. The average maturity length is 4.2 years (2015: 5.5 years).

As at 31 December 2016 the revolving credit facility was £300.2m drawn down, the acquisition facility was fully drawn down (£548.6m) and the term facilities agreement was not drawn at all.

The principal financial covenant ratios under the US private placement and revolving credit facility are for a maximum net debt to EBITDA ratio of 3.5 times and a minimum EBITDA interest cover ratio of 4.0 times, tested semi-annually. At 31 December 2016, both financial covenants were achieved. The ratio of net debt to EBITDA was 2.6 times (at 31 December 2015: 2.2 times) calculated as per our facility agreements (using average exchange rates and adjusted for a full year's trading for 2016 acquisitions). The ratio of EBITDA to net interest payable was 11.0 times (at 31 December 2015: 14.9 times).

PORTFOLIO MANAGEMENT

As part of *GAP*, we continually reassess the mix and focus of the Group. This ensures we allocate capital efficiently to areas where potential returns are greatest. In 2016, this led to the disposal of certain small non-core businesses in **Knowledge & Networking** and **Academic Publishing.** It has also led to the strategic review of our five remaining domestic conference businesses.

The combination of this proactive portfolio management strategy and the overall drive to improve operational fitness through *GAP*, enabled us to maintain a consistent return on capital employed ("ROCE") in 2016 at 9.2% (2015: 9.2%), despite this being the peak year of *GAP* investment.

PENSIONS

When considering the Group's cash flows and financial position, it should be noted that the Group's financial obligations to its pension schemes remain relatively small compared with the size of the Group. Net pension liabilities at 31 December 2016 were £38.0m (2015: £4.0m), with the increase reflecting two factors:

- lower corporate bond yields reduced the discount rate on our UK schemes from 3.8% in 2015 to 2.6% in 2016, increasing the pension deficit by £30.7m; and
- the addition of Penton's defined benefit pension liabilities post acquisition, which totalled £16.0m as at 31 December 2016.

There were no cash contributions required towards reducing scheme deficits in 2016. All schemes are closed to future accrual and there are no contributions expected for 2017 although the UK schemes are subject to triennial actuarial valuations this year. The Penton schemes are actuarially re-valued each year and the most recent valuation at December 2016 did not show any contribution requirements.

NEW ACCOUNTING STANDARDS AND AUDIT TENDER

A description of the critical accounting judgements made in preparing the financial statements is set out in Note 3 to the financial statements. These relate to judgements over the impairment of assets, identification of intangible assets acquired in business combinations, recoverability of long term receivables, taxation provisions and the presentation of adjusted results.

A description of the impact of new accounting standards is provided in Note 2 to the financial statements which considers the expected impact of the two key new standards; IFRS 15 *Revenue from Contracts with Customers* and IFRS 16 *Leases*.

IFRS 15 is effective for the 2018 financial year and our initial assessment is that the Group does not expect there to be any material change to the income statement or balance sheet of the Group. Full disclosure of the final assessment of the impact will be provided in the Annual Report for the year ending 31 December 2017.

IFRS 16 is effective for the 2019 financial year and the Group is in the process of assessing the impact of this new standard.

In the first half of 2016, the Audit Committee undertook a competitive tender process for the role of external auditor. Following recommendation by the Audit Committee, the Board approved the appointment of Deloitte LLP on 10 June 2016. The reappointment of Deloitte LLP for the 2017 financial year will be subject to Shareholder approval at the AGM in May 2017. An audit tender for the external audit will next be required for the year ended 31 December 2024.

GARETH WRIGHT
Group Finance Director

THE RIGHT BLEND OF EXPERIENCE

1. DEREK MAPP
Non-Executive Chairman (66)

Appointed: March 2008
Independent: Yes
Chairman of Nomination Committee

Career
- Considerable track record as an entrepreneur and non-executive, and significant public and private sector experience.
- Founder of Tom Cobleigh PLC, Leapfrog Day Nurseries and Imagesound Plc.
- Joined Taylor & Francis Group in 1998 as a Non-Executive Director.
- Formerly Chairman of the British Amateur Boxing Association and Sport England.

Skills and qualifications
Experienced entrepreneur with expertise in various sectors and knowledge of commercial and governance issues.

Other directorships
Non-Executive Director and Chairman at Huntsworth plc. Non-Executive Chairman at Salmon Developments Limited, Aspire, Achieve, Advance Limited and Embrace Limited. Founder and Executive Chairman at Imagesound Limited.

2. STEPHEN A. CARTER CBE (LORD CARTER)
Group Chief Executive (53)

Appointed: Group CEO September 2013; previously Non-Executive from 2010
Independent: No
Member of Nomination Committee

Career
- Significant senior executive leadership experience in media and technology businesses and track record as an Executive and Non-Executive.
- President and Managing Director EMEA at Alcatel Lucent Inc, Managing Director and COO of ntl (now part of Virgin Media), and CEO and Managing Director of JWT UK & Ireland.
- Founding CEO of Ofcom, Chief of Strategy to Prime Minister The Right Hon Gordon Brown and Minister for the Media and Telecommunications industry.
- Previous Non-Executive roles at Royal Mail Group PLC, 2-Wire Inc and Travis Perkins plc.

Skills and qualifications
Holds LLB (Hons) from University of Aberdeen and completed Advanced Management Program at Harvard Business School.

Other directorships
Non-Executive Director at United Utilities plc and Department of Business Energy & Industrial Strategy. Pro-bono: Chairman of The Henley Music Festival Charitable Trust.

3. GARETH WRIGHT

Group Finance Director (44)

Appointed: July 2014
Independent: No
Chairman of Risk Committee

Career
- Significant senior executive experience in finance roles.
- Joined Informa in 2009 as Deputy Finance Director; served as Acting Group Finance Director before appointment as Group Finance Director in 2014.
- Previously Head of Group Finance at National Express plc.
- Qualified and worked in audit for seven years at Coopers & Lybrand, now part of PwC.

Skills and qualifications
Holds BSc in psychology and has extensive audit and risk management experience.

Other directorships
No other directorships.

4. GARETH BULLOCK

Senior Independent Non-Executive Director (63)

Appointed: January 2014
Independent: Yes
Member of Audit, Nomination and Remuneration Committees

Career
- Experience in global finance and banking.
- Head of Corporate Banking in NE Asia, Director and Group Executive Director for Standard Chartered PLC. Appointed to its Board in 2007.
- Previously Non-Executive Director of Spirax-Sarco Engineering plc, Tesco plc, Tesco Bank and Global Market Group Ltd.
- Formerly member of the Advisory Council of the Good Governance Group.

Skills and qualifications
MA in modern languages from St Catharine's College, Cambridge and extensive Board experience.

Other directorships
Chairman of Finance Wales PLC and Trustee of the British Council.

5. HELEN OWERS

Non-Executive Director (53)

Appointed: January 2014
Independent: Yes
Member of Remuneration Committee

Career
- Track record in TMT industry.
- President and Chief Operating Officer for Thomson Reuters, where she oversaw international expansion.
- Previously media and telecoms strategy consultant at Gemini Consulting Group.
- Held roles in publishing at Prentice Hall.

Skills and qualifications
MBA from IMD Business School, BA in geography from the University of Liverpool.

Other directorships
Non-Executive Director at PZ Cussons plc, Gowling WLG (UK) LLP and The Eden Project.

6. DAVID FLASCHEN

Non-Executive Director (61)

Appointed: September 2015
Independent: Yes
Member of Audit Committee

Career
- Strong Executive and Non-Executive experience, particularly in US.
- Previously partner of private equity firm Castanea Partners, Inc and held roles at Thomson Financial and Dun & Bradstreet.
- Held Non-Executive roles at companies including TripAdvisor Inc., BuyerZone.com and Maptuit.
- Founding member of the Executive Committee of the North American Soccer League Players Association.

Skills and qualifications
MBA in entrepreneurial Management from the Wharton School, University of Pennsylvania and a BA in psychology from Brown University.

Other directorships
Director and Chairman of the Audit Committee at Paychex, Inc, and various private company Board and advisory roles.

7. STEPHEN DAVIDSON

Non-Executive Director (61)

Appointed: September 2015
Independent: Yes
Chairman of Remuneration Committee

Career
- TMT expertise and significant listed and private company Board experience.
- Chief Financial Officer and Chief Executive Officer at Telewest Communications.
- Vice-Chairman of Investment Banking at WestLB.
- Executive Chairman and then Chief Executive of newspaper publishing group Mecom.

Skills and qualifications
MA in mathematics and statistics from the University of Aberdeen.

Other directorships
Chairman of Datatec Limited, Actual Experience Plc and PRS for Music. Non-Executive Director at Jaywing Group plc and Restore plc.

8. CINDY ROSE

Non-Executive Director (51)

Appointed: March 2013
Independent: Yes
Member of Audit and Nomination Committees

Career
- Track record in TMT industry and current operational experience.
- Currently Chief Executive Officer of Microsoft UK.
- Previously Managing Director of Vodafone's UK Consumer Division and Executive Director of Digital Entertainment at Virgin Media.
- Held international and senior executive roles at The Walt Disney Company.

Skills and qualifications
BA in political science from Columbia University and trained at the New York Law School, with experience in practice in US and UK.

Other directorships
Microsoft UK, Chief Executive Officer.

9. JOHN RISHTON

Non-Executive Director (59)

Appointed: September 2016
Independent: Yes
Chairman Elect of Audit Committee

Career
- Fellow of the Chartered Institute of Management Accountants with international and senior executive experience.
- Chief Executive of Rolls Royce Group plc between 2011 and 2015.
- Chief Financial Officer, and Chief Executive and President at Dutch international retailer, Royal Ahold NV.
- Chief Financial Officer of British Airways plc and Head of Finance for its U.S. division.

Skills and qualifications
Qualified Chartered accountant with several Chief Executive roles.

Other directorships
Non-Executive Director at Unilever plc and Serco Group PLC. Director at Associated British Ports Holdings and Associated British Ports (Jersey) Limited.

10. DR BRENDAN O'NEILL

Non-Executive Director (68)

Appointed: 1 January 2008
Independent: Yes
Chairman of Audit, and Member of Nomination and Remuneration Committees

Career
- Multi-sector expertise and senior executive experience.
- Previously Chief Executive of ICI plc and Guinness Brewing.
- Formerly Non-Executive Director at Tyco International Inc, EMAP plc, Aegis Group plc, the Rank Group Plc and Endurance Speciality Holdings.
- Honorary Treasurer and Trustee of the Institute of Cancer Research.

Skills and qualifications
PhD in chemistry from the University of East Anglia, MA in natural sciences from Cambridge University. Fellow of the Chartered Institute of Management Accountants.

Other directorships
Non-Executive Director at Willis Towers Watson Inc.

ADVISERS

AUDITOR
Deloitte LLP
2 New Street Square
London EC4A 3BZ
www.deloitte.com

STOCKBROKERS
Bank of America Merrill Lynch International
Bank of America Merrill Lynch Financial Centre
2 King Edward Street
London EC1A 1HQ
www.baml.com

Barclays Capital
5 The North Colonnade
Canary Wharf
London E14 4BB
www.barcap.com

COMMUNICATIONS ADVISER
Teneo Blue Rubicon
6 More Place
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www.teneobluerubicon.com

DEPOSITORY BANK
BNY Mellon
101 Barclay Street, 22nd Floor
New York, NY 10286
www.bnymellon.com

PRINCIPAL SOLICITOR
Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ
www.cliffordchance.com

REGISTRAR
Computershare Investor Services PLC
The Pavilions, Bridgwater Road
Bristol BS99 6ZZ
www.computershare.com

CHAIRMAN'S INTRODUCTION TO GOVERNANCE

DEREK MAPP
Chairman

DEAR SHAREHOLDER

It is my pleasure as Chairman of Informa PLC to report on our continued growth and progress in building scale in the Knowledge and Information Economy in which we operate.

As Informa grows and expands internationally, our governance responsibility for the Group's many activities also increases, and your Board is constantly seeking to adapt and respond to meet our responsibilities to Shareholders and other stakeholders.

The Informa Board comprises 10 Directors, eight of whom are independent, and three Committees that oversee specific remits: Audit, Nomination and Remuneration. The Board continues to be compliant with the principles of the 2014 UK Corporate Governance Code ("the Code"). As Chairman, I can confirm on behalf of all the Directors that we take our responsibilities under the Code seriously, discharging our duties with care and attention and keeping up to date with the latest governance developments through briefings from the Company Secretary and other sources.

Additional information on compliance with the Code and the Listing Rules of the Financial Conduct Authority ("FCA") can be found on page 72.

FOCUS AND APPROACH

The primary focus of the Board is to ensure the long-term success of the Informa Group in a way that creates value for Shareholders. We also fully consider the interests of colleagues, how the Group maintains positive, long term and sustainable relationships with suppliers and customers and upholds high standards of business conduct, and the impacts of what Informa does, and how, on our communities and environment. We discuss our relationships with communities and suppliers in the sustainability section, and with colleagues in the talent section, on pages 32 and 34.

To this end, the Directors collectively set the strategy for the Group, currently reflected in the 2014–2017 *Growth Acceleration Plan*, monitor its effectiveness and implementation, ensure the Group has the resources to deliver on this strategy and encourage, support and challenge Informa's executive management in the day-to-day running of the business. A full list of the Board's activities can be found on page 78.

The Board adopts a collaborative, challenging and purposeful approach to governance. Each Director actively engages at formal Board meetings and during other informal exchanges. My aim as Chairman is to ensure that everyone has the opportunity to contribute to discussions, and that these conversations are open and direct. Board decisions are made collectively, with input from each Director.

There is also a high level of interaction and an ongoing flow of information between the Board and the Executive team, ensuring oversight and providing the opportunity to advise and support.

By way of formal engagement, there were seven scheduled face to face Board meetings in 2016. In addition, there were four ad hoc Board and four sub-Committee meetings to discuss strategic opportunities and specifically to approve the acquisition of Penton. As with previous years, the scheduled meetings rotated around some of the Group's UK offices to give Directors an inside perspective on some of our operations, and in 2017 the intention is to hold the strategy and Board meeting in Boulder, Colorado to reflect the Group's growing presence in the US market. At strategy meetings, the executive management and Divisional senior management teams present detailed three-year plans and the Group's long-term objectives and ambitions are reviewed.

Before each Board meeting, there is typically a dinner with members of the Executive team and other senior leadership to encourage further interaction and allow for discussion on a broad range of issues. Each regular Board meeting tends to include a segment for one of the Informa teams to present on a topical area. Over the course of a typical year, we estimate the Board has regular contact with more than one-third of the senior leadership group of 150 colleagues within Informa.

Outside of these formal gatherings, as Chairman, I work closely with the Group Chief Executive, who has now been an Executive and Non-Executive colleague for nearly seven years. We have meetings to plan agendas and board meetings, supplemented by weekly discussions and exchanges to keep abreast of the latest market and Group developments.

Informa's values and culture are an ongoing focus for the Board, and this is discussed further in my introduction to the Strategic Report, as well as in the talent section. As the Group grows and broadens its geographic footprint, bringing in new colleagues, capabilities and infrastructure, it is important that the essence of what makes Informa unique and different remains. Colleagues must retain the opportunity and freedom to be creative and contribute to life within the Group, while the Group must continue to provide the support that enables talent to develop and maximise its potential.

BOARD HIGHLIGHTS OF 2016

As can be seen in the Strategic Report, 2016 was a busy and productive year during which the Group continued with its programme of simplification, investment and measured change under *GAP*. This included further international expansion, most notably through the addition of Penton Information Services in the US.

CHAIRMAN'S INTRODUCTION TO GOVERNANCE CONTINUED

In keeping with our commitments and responsibilities, one of the Board's main activities was to thoroughly assess the case for adding Penton to the Informa Group, including the plan to integrate its operations and culture with Informa.

Other important Board activities during the year included a review and update of Informa's guidance on risk appetite and tolerance, overseeing a re-tender for the Group's audit and remuneration advisers through the relevant Committees, and regular reviews of the Group's technology and information security strategy. The Board also reviewed and monitored plans and progress to upgrade Informa's enterprise resource platform capabilities, given the increasing international scale and breadth of the Group. More information on these areas can be found in the Reports that follow.

BOARD MEMBERS

The Informa Board continued to evolve in 2016, with the retirement of a long-standing colleague and the appointment of a new Non-Executive Director with extensive and relevant knowledge and expertise.

As confirmed last year, John Davis stepped down in May 2016 after 10 years as a Non-Executive Director, and Dr Brendan O'Neill will retire from the Board and as Chairman of the Audit Committee before the 2017 AGM. I would like to thank Brendan for his outstanding commitment and support, and say that his contributions to Informa over the last nine years have been significant.

In September 2016, John Rishton joined the Board as a Non-Executive Director and Chairman-Elect of the Audit Committee, to ensure an orderly handover before Brendan's retirement. The Board continuously reviews its composition to ensure there is the independence, diversity, governance expertise and range of capabilities necessary to support the Group effectively. John brings significant international experience and financial acumen to the Board, and we welcome him warmly.

As we enter 2017, I am confident that the Board has a strong balance of skills, experience and expertise that will ensure governance of the Group on behalf of Shareholders continues to be robust. Along with the other Directors, I look forward to engaging with Shareholders at the AGM and throughout the year ahead.

DEREK MAPP
Chairman

COMPLIANCE STATEMENT

COMPLIANCE STATEMENT

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

The Board is pleased to report that Informa complied with the provisions of the Corporate Governance Code published in September 2014 ("the Code") which can be viewed online at https://www.frc.org.uk/Our-Work/Publications/Corporate-Governance/UK-Corporate-Governance-Code-2014.pdf.

The Board monitored the Company's risk management systems and also carried out a review of the effectiveness of the Company's risk management and internal control systems. The Board monitored material controls by exception through the Risk Committee and it was recognised that active control monitoring as envisaged by provision C.2.3. could be tightened and will be carried out by the Risk Committee on a quarterly basis.

This report, along with reports from the Audit Committee, the Nomination Committee and the Remuneration Report explain how Informa applied the principles of good governance set out in the Code.

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

RELATIONS WITH SHAREHOLDERS

RELATIONS WITH SHAREHOLDERS

Informa is committed to open and proactive engagement with Shareholders and the Board receives regular feedback and reports on this activity. The Directors recognise that particularly during the period of change, investment and growth under the *Growth Acceleration Plan*, regular two-way conversations are valuable for both Shareholders and the Group.

Our programme

Informa aims to communicate with Shareholders in a clear, open and informative way whilst meeting all necessary standards for public company disclosure.

The programme is led by the Director of Investor Relations, Corporate Communications & Brand, who is also a member of the executive management team. The CEO and CFO are heavily involved in activities, and Informa's Divisional CEOs take part where practical and where Shareholders have a particular interest in meeting them.

Formal 2016 engagement

Formal Shareholder engagement takes place to coincide with Informa's financial reporting calendar. In 2016, there was an in-person face to face presentation to Shareholders and analysts on 11 February when the Group's 2015 full year results were released, and on 28 July when 2016 half-year results were published. Both were webcast live through the corporate website.

Informa held its AGM for Shareholders on 19 May and published a trading update on that day. To accompany the nine-month trading update on 7 November, a conference call was held for investors and analysts.

The Group aims to make all its formal investor presentations and materials as accessible as possible to all Shareholders, no matter their location or size of holding. The Informa website at www.informa.com was relaunched in 2015 to provide additional content and improved functionality for Shareholders. In 2016, Informa was shortlisted for Best Use of Digital Communications at the Investor Relations Society Awards, and won the Corporate & Financial Award for Best Corporate FTSE 100 Website.

All results presentation webcasts are available on the website, with video and slides archived for on demand access, and the audio and transcript of conference calls also available. The Group regularly encourages Shareholders to use the website to receive and access corporate materials, as a way of reducing the cost and resources involved with printed materials, and to ensure information is received in a timely way. Colleagues who are Shareholders in the Group through ShareMatch or other personal plans are also encouraged to use these facilities, as well as internal communications messages, to stay up-to-date on developments and Group performance.

Typically, Informa holds an annual Investor Day to provide more in-depth information on a Division, topic or theme of interest to Shareholders. In 2015 this was held in Washington DC to coincide with one of the Group's major US Exhibitions, Greenbuild. In 2016, the Investor Day planned for 6 October was postponed because the Group was in the process of seeking Shareholder approval to acquire Penton, and a General Meeting for this purpose was held on 10 October. The Group intends to hold an Investor Day in 2017, during June.

Stephen Carter speaking at the 2016 Full Year Results presentation in March 2017.

Informal 2016 engagement

Informa regularly holds one-to-one meetings and conference calls with existing and potential Shareholders and analysts around the world, both through planned proactive roadshows and in response to ad hoc requests. We attend a number of investor conferences through the year as an efficient way to explain the Informa equity story to large numbers of institutional investors.

In 2016, meetings took place in London, Edinburgh, New York, Boston, Paris, Barcelona and Frankfurt, amongst others. A comprehensive meeting programme took place after the announcement of the proposed Penton acquisition, to provide information on the deal, gather the views of Shareholders and explain the details of the associated Rights Issue. As the Group grows in size and its share liquidity grows, interest from investors in the UK and internationally continues to grow. We operate a Level 1 sponsored ADR programme through BNY Mellon to facilitate investment from US-based Shareholders, with more than eight million receipts in circulation at the end of December 2016.

RELATIONS WITH DEBT HOLDERS

We run an active programme of engagement with our debt holders. While the Group currently has no public bonds, we have more than £680m of US private placement loan notes held by more than 15 institutions. The recently recruited new Group treasury team, following the relocation of the role to London, regularly hold conference calls and face to face meetings with these debt investors to keep them updated with developments and the latest financial results. There is close liaison between the treasury and investor relations teams and a common commitment to clear and open engagement.

Board oversight and governance

Relations with Shareholders is a topic of reference and interest at every Board meeting. The Board is provided with an investor relations report ahead of each meeting and the Director of Investor Relations, Corporate Communications & Brand attends every meeting to discuss developments. Topics include latest sector newsflow, Shareholder changes, share price movements, market sentiment, media coverage and investor activity, including detailed feedback from analysts and institutional investors meetings, and the latest analyst reports on the Group. Derek Mapp, as Chairman, and Gareth Bullock, as Senior Independent Director, provide the Board with feedback on any issues raised with them by Shareholders. Stephen Davidson, as Chairman of the Remuneration Committee, is available to discuss Remuneration matters and Dr Brendan O'Neill, as Chairman of the Audit Committee, and John Rishton, as Chairman-Elect of the Audit Committee, are also available to discuss Audit matters with shareholders.

Topics frequently raised by Shareholders

The Growth Acceleration Plan
Examples of investment projects, benefits and returns

Acquisition strategy
Deal assessment, hurdle metrics and financing options

Digital strategy
Mix of print and digital within the Group and risk of disintermediation

Academic Publishing
Market trends, technology and impact of open access

Global Exhibitions
Competitive position, growth outlook and barriers to entry

LEADERSHIP AND EFFECTIVENESS

INTRODUCTION

Informa PLC is the ultimate holding company of the Group and is controlled by its Board of Directors. The Company's statement of compliance with the Code can be found on page 72.

HOW THE GROUP IS LED

Informa's Board is chaired by Derek Mapp and consists of two Executive Directors and eight Non-Executive Directors. Their biographies, including qualifications, skills and experience, are set out on pages 68 and 69. During 2016 the Board appointed one new independent Non-Executive Director, John Rishton.

The Board's priorities are to create value for Shareholders, to provide entrepreneurial leadership for the Group, to approve the Group's strategic objectives and to ensure that the necessary financial and human resources are made available so that those objectives can be met. The Board also reviews risk management and internal control systems on an ongoing basis.

BOARD COMPOSITION

Executive Directors
2

Independent Non-Executive Directors
8

CORPORATE GOVERNANCE FRAMEWORK AND REPORTING STRUCTURE

BOARD
Creates value for Shareholders, approves the Group's strategic objectives and reviews risk management and internal control systems.

Read more on pages 75 to 81

NOMINATION COMMITTEE

Read more on pages 82 to 84

REMUNERATION COMMITTEE

Read more on pages 91 to 106

AUDIT COMMITTEE

Read more on pages 85 to 90

Read more on pages 22 and 87

EXECUTIVE MANAGEMENT TEAM
Responsible for managing all operational aspects of the Group, with representation from all four Operating Divisions and key central Group functions.

ACADEMIC PUBLISHING

BUSINESS INTELLIGENCE

GLOBAL EXHIBITIONS

KNOWLEDGE & NETWORKING

GLOBAL SUPPORT

***TREASURY COMMITTEE**
Responsible for putting in place policies to identify and analyse the financial risks faced by the Group, set appropriate limits and control and review compliance. The policies provide written principles on funding investments, credit risk, foreign exchange and interest rate risk.

2016 BOARD MEETINGS AND COMMITTEES

At each meeting, the Board receives information on current trading, Divisional performance, financing, potential acquisitions and an investor-relations analysis. At specific times of the year, the Board reviews and discusses budgets, capital expenditure, risks, financial statements and strategy. The Board is also provided with updates on changes in legislation and to the business environment when appropriate, as well as with regular investor feedback.

Each Committee reports to, and has its terms of reference approved by, the Board. All Board and Committee minutes are circulated as soon as possible after each meeting. Attendance at Board and Committee meetings is noted below. The Chairman, Chief Executive and Group Finance Director also attended each Audit Committee meeting by invitation.

	Board meetings (of 11)[3,4]	Audit Committee meetings (of 4)	Remuneration Committee meetings (of 5)	Nomination Committee meetings (of 4)
Derek Mapp	11	–	–	4
Stephen A. Carter	11	–	–	4
Gareth Wright	11	–	–	–
Gareth Bullock	11	4	5	4
John Davis[1]	3	1	2	–
Dr Brendan O'Neill[5]	10	4	5	0
Cindy Rose	11	4	–	4
Helen Owers	10	–	5	–
Stephen Davidson	11	–	5	–
David Flaschen	10	4	–	–
John Rishton[2]	3	2	–	–

[1] John Davis stepped down from the Board and the Audit and Remuneration Committees on 19 May 2016.

[2] John Rishton was appointed to the Board and as Chairman-Elect of the Audit Committee on 1 September 2016 and attended all meetings held following his appointment.

[3] In addition to the 11 Board meetings, four sub-Committee meetings were held to discuss and effect the acquisition of Penton Information Services.

[4] Dr Brendan O'Neill, Helen Owers and David Flaschen were unable to attend certain meetings at short notice, but provided their input to the meetings in advance.

[5] Dr Brendan O'Neill did not attend Nomination Committee meetings when his replacement was discussed.

ROLES OF THE BOARD

The Group has a clear division of responsibilities between the Chairman of the Board, the Group Chief Executive, the Senior Independent Director and the Non-Executive Directors, which complies with guidance from the UK Institute of Chartered Secretaries and Administrators. The respective reponsibilities are set out in brief below, and in full on the Company's website, and were last reviewed and approved by the Board in December 2016.

CHAIRMAN	• Leads the Board and sets the tone and agenda, promoting a culture of openness and debate • Ensures the effectiveness of the Board and that Directors receive accurate, timely and clear information • Ensures effective communication with Shareholders • Acts on the results of the Board performance evaluation and leads on the implementation of any required changes • Proposes new Directors and accepts resignation of Directors • Holds periodic meetings with Non-Executive Directors without the Executives present
GROUP CHIEF EXECUTIVE	• Runs the Company and is in direct charge of the Group day-to-day • Accountable to the Board for its operational and financial performance • Responsible for implementing the Company's strategy, including ensuring the achievement of the Group's budget and optimising the Group's resources • Primary responsibility for managing the Group's risk profile, identifying and executing new business opportunities, and for management development and remuneration
GROUP FINANCE DIRECTOR	• Responsible for raising the finance required to fund the Group's strategy, servicing the Group's financing and maintaining compliance with its covenants • Maintains a financial control environment capable of delivering robust financial reporting information to indicate the Group's financial position • Leads the finance functions and has day-to-day responsibility for finance, tax, treasury, shared services and internal audit • Chairs key internal committees: the Risk Committee, the Treasury Committee and the *GAP* Design Authority
SENIOR INDEPENDENT DIRECTOR	• Available to meet Shareholders on request • Ensures that the Board is aware of any Shareholder concerns not resolved through existing mechanisms for investor communications • Acts as a sounding board for the Chairman and, if and when appropriate, serves as an intermediary for the other Directors
NON-EXECUTIVE DIRECTORS	• Constructively challenge and help develop proposals on strategy • Scrutinising the performance of management in meeting agreed goals and objectives • Monitoring the reporting of performance • Satisfying themselves on the integrity of financial information • Ensuring that financial controls and systems of risk management are robust and defensible • Determining appropriate levels of remuneration of Executive Directors • Playing a primary role in succession planning, appointing and, where necessary, removing Executive Directors • Meet without the Executive Directors present • Attend meetings with major Shareholders to discuss governance and strategy
COMPANY SECRETARY	• Responsible for advising the Board, through the Chairman, on all governance matters • All Directors have access to the Company Secretary's advice and services

KEY RESPONSIBILITIES OF THE BOARD

A schedule of matters reserved for the Board's approval can be found on the Company's website. It is reviewed annually and was last reviewed in March 2017.

BOARD ACTIVITY IN 2016 AND PRIORITIES FOR 2017

Board activity in 2016

The Board held 11 meetings and a further four sub-Committee meetings in 2016, during which a range of strategic, financial, operational and governance matters were discussed and debated.

STRATEGY
PERFORMANCE
CULTURE, VALUES AND COLLEAGUES
FINANCIAL
THE BOARD
INFORMATION TECHNOLOGY
SHAREHOLDER RELATIONS
GOVERNANCE

The Board reviewed and approved:

PERFORMANCE
- The performance at both Group and Divisional levels with Divisional heads delivering presentations on their business areas

FINANCIAL
- The Group's full year and half-year results and associated announcements
- Divisional trading results
- Annual Report and Financial Statements 2015
- Dividend policy
- The audit tender process, facilitated by the Audit Committee
- Ongoing Group financing

SHAREHOLDER RELATIONS
- Ongoing feedback from investors with regards to the Company's strategy and performance
- Analysis of the Company's share price and factors affecting the markets
- Feedback from 2015 Investor Day and from meetings with major Shareholders

GOVERNANCE
- Updates from the Audit, Remuneration and Nomination Committees
- The Group's risk profile and principal risks
- Monitored the Group's risk management and internal control systems and reviewed their effectiveness during the year
- Carried out and reviewed the results of the internal Board and Committee evaluation
- Discussed Board composition on the recommendations of the Nomination Committee
- The Committees' terms of reference, roles of Chairman, CEO, Senior Independent Director and Non-Executive Directors
- The implementation of the impact of the Market Abuse Regulation and the adoption of new policies to comply with the new regime
- The Group's compliance with changes in corporate governance affecting the Group

INFORMATION TECHNOLOGY
- The use of technology to facilitate growth in the Company
- Risks to security
- The need for a coordinated approach across the Divisions to ensure maximum efficiencies
- The progression of the GLOBE project

CULTURE, VALUES AND COLLEAGUES
- Succession planning, in particular relating to Dr Brendan O'Neill stepping down as a Non-Executive Director and Chairman of the Audit Committee
- The Group's culture and values, including specific initiatives such as Walk the World and Inside Informa

STRATEGY
- Group and Divisional strategy under the *Growth Acceleration Plan*
- Group acquisitions and disposals at all stages from pipeline to due diligence, final approval, integration and post-acquisition performance
- The acquisition of Penton and its successful integration into the Informa Group
- Macro environment factors and their impact on the business, including in 2016 Brexit, the US election, China's economy, currencies and oil prices

BOARD PRIORITIES FOR 2017

In 2017, the Board will continue to monitor progress on the integration of Penton, the delivery of the *Growth Acceleration Plan* in its final year, and the performance of Informa's Divisions and the Group as a whole, as well as reviewing, discussing and approving matters including:

- group acquisitions and disposals;
- the Group's full year and half-yearly results, divisional trading and Annual Report and Financial Statements;
- group culture and values;
- the Group's risk profile, principal risks, risk management and internal control systems; and
- succession planning of the Board, its Committees and Senior Managers.

//The Non-Executive Directors bring strong, independent judgement, knowledge and experience to the Board's deliberations//

DIRECTORS AND DIRECTORS' INDEPENDENCE

The Board includes independent Non-Executive Directors who constructively challenge and help develop proposals on strategy. They bring strong, independent judgement, knowledge and experience to the Board's deliberations and have been selected for their calibre and number to ensure 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 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.

INFORMATION AND PROFESSIONAL DEVELOPMENT

On appointment, the Directors receive a formal induction to the Group, designed to enable them to understand the Divisions and the markets they operate in so they can be effective Board members from the outset. This includes receiving 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, the Group's corporate governance policies and procedures and the latest financial information about the Group. This is supplemented by introductory meetings with key Divisional and Group level senior executives who provide detailed information about the Company, the relevant markets, the Divisions and their trading, and the opportunity to meet the external and internal auditors. On appointment and from time to time, Directors are reminded of their legal and other duties and obligations as a Director of a listed company. The Chairman reviews the Directors' training and development needs on an ongoing basis and on appointment to a Committee.

The Directors are regularly updated on the Group's business and the environment in which it operates by written briefings and by meetings with senior executives. Nearly every Board meeting includes a presentation from Group senior executives on a matter of topical interest. Directors are updated on any changes to the legal and governance requirements of the Group and those which affect their duties as Directors. They are able to obtain training, at the Group's expense, to ensure that they are kept up to date on relevant new legislation and changing commercial risks.

Regular reports and papers are circulated to the Directors ahead of time in preparation for Board and Committee meetings. These papers are supplemented by any information specifically requested by the Directors.

Non-Executive Directors receive management reports prior to each Board meeting from the Group Chief Executive and the Group Finance Director which enables them to scrutinise the Group's and management's performance.

PERFORMANCE EVALUATION OF THE BOARD AND ITS COMMITTEES

Informa's Directors are made aware that their performance is subject to evaluation.

The Board has a formal and rigorous process for evaluating the performance of its principal Committees and individual Directors on an annual basis. This process was last carried out in November 2016 and was led by the Chairman. The last fully independent external Board evaluation was carried out at the end of 2014 by Independent Board Review, a division of Independent Audit Limited, and in 2017 Independent Board Review will carry out another full external evaluation in compliance with the Code.

The 2016 evaluation concluded that, as a whole, the Board adds value to the Group with members contributing fully at Board meetings. The Board identified the following action points for 2017:

GENDER DIVERSITY	The proportion of females on the Board is currently 20%. Further discussions are required on the potential to increase female representation, particularly in the Executive team.
US KNOWLEDGE/EXPERIENCE	More US exposure can be achieved by planning visits and Board meetings in the US.
CUSTOMER FOCUS	Divisional management to increase attendance at Board meetings and general contact with the Board to allow Non-Executive Directors to gain further insight into the Group's customer base and customer behaviours.
AUDIT COMMITTEE	To continue to run efficiently under John Rishton as Chairman.
REMUNERATION COMMITTEE	Review and develop a clear long-term remuneration strategy.
NOMINATION COMMITTEE	The Board is constantly evolving and has a diverse spread of complementary talents. Nomination Committee to take responsibility for monitoring diversity as well as ongoing talent management and equality.

The Non-Executive Directors, led by the Senior Independent Director, meet at least annually to appraise the Chairman's performance. The Directors feel the Chairman operates highly effectively in setting the agenda and priorities, and managing appropriately focused decisions. Important decisions have been taken in a collegiate manner with appropriate analytical inputs, and the style mix of informal and formal discussions is welcome.

RE-ELECTION

The Company's Articles of Association ("the Articles") provide for all Directors to be subject to annual re-election at the AGM. The performance evaluation of the Board concluded that each Director remains effective, committed and is able to devote the required time to their role. In addition, as a result of the evaluation, the Board is satisfied that each Non-Executive Director remains independent. All Directors will stand for re-election at the 2017 AGM except for John Rishton who will stand for election and, Dr Brendan O'Neill, who will retire as Non-Executive Director and Chairman of the Audit Committee after serving nine years on the Board.

DIRECTORS' INDEMNITIES

The Company has agreed to indemnify the Directors, to the extent permitted by English law and the Articles, in respect of any liability arising out of, or in connection with, the execution of their powers, duties and responsibilities. This relates to their role as Directors of the Company or any of its subsidiaries or as a Trustee of an occupational pension scheme for colleagues of the Company. The indemnity would not provide coverage where the Director is proved to have acted fraudulently or dishonestly. Information on appointments to the Board in 2016 can be found in the Nomination Committee Report on pages 82 to 84. 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.

DIRECTORS' CONFLICTS OF INTEREST

The Articles include provisions covering Directors' conflicts of interest. They allow the Board to authorise any matter that would otherwise involve a Director breaching his or her 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 Articles;
- keep records and Board minutes on authorisations granted by Directors and the scope of any approvals given; and
- regularly review conflict authorisations.

In 2016, none of the Directors had any unauthorised conflicts of interests. The Board acknowledges that Dr Brendan O'Neill is a Non-Executive Director of Willis Towers Watson Inc. and Willis Towers Watson is an adviser to the Remuneration Committee. It also acknowledges that Cindy Rose is Chief Executive Officer of Microsoft UK, Gareth Bullock's son is a colleague and Stephen Davidson is Deputy Chairman of Jaywing. Jaywing is a consultancy firm involved in the Company's *Growth Acceleration Plan* projects taking place within the Company's **Business Intelligence** Division.

INTERNAL CONTROL AND RISK MANAGEMENT

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

Responsibility for the day-to-day management of the Group rests with the Group Chief Executive, supported by the Executive Management Team ("EMT"). The EMT includes the CEO of each of the four Divisions, the Group Finance Director, the Director of Strategy & Business Planning, the Director of Investor Relations, Brand & Communications, the Director of Talent & Transformation and the General Counsel & Company Secretary, who met bi-weekly by call and bi-monthly in person in 2016 to consider the implementation of Group strategies, plans and policies, to monitor operational and financial performance and to manage risks. Each Division is given operational autonomy, as far as possible, within an internal control framework. The Strategic Report on pages 37 to 55 details the activities of the Operating Divisions.

As illustrated in the Risk Management section on page 22, the Board has a risk management framework for identifying, evaluating and managing the significant risks faced by the Group. Oversight of risk management was strengthened and enhanced in 2016 and was in place throughout the year, up to the date of approval of the Annual Report and Financial Statements, and is in accordance with the UK Corporate Governance Code.

Informa's internal control and risk management systems and procedures around financial reporting include:

- **Business planning** – each Operating Division produces and agrees an annual business plan against which the performance of the business is regularly monitored. This function and process strengthened in 2016.
- **Financial analysis** – each Division's operating profitability and capital expenditure are closely monitored. Management incentives are tied to in-year and longer-term financial results. These results include explanations of variance between forecast and budgeted performance, and are reviewed in detail by Executive Management on a monthly basis. Key financial information is regularly reported to the Board.
- **Group authority framework** – the framework provides clear guidelines on approval limits for capital and operating expenditure and other key business decisions for all Divisions.
- **Risk assessment** – risk assessment is embedded into the operations of the Group and is reported upon to the EMT, Risk Committee, Audit Committee and the Board.
- **Compliance** – compliance controls have been strengthened in 2016 and are based on the US Federal Sentencing Guidelines.

The Board regularly reviews the effectiveness of the Group's system of internal controls, including financial, operational and compliance controls, risk management and the Group's high level internal control arrangements. The Audit Committee has been charged by the Board with oversight of the above controls and has considered the following factors in determining the overall effectiveness of the Group's risks and associated control environment:

- The Risk Committee, a sub-committee of the Audit Committee, reports on the effectiveness of risk management, governance and compliance activity within the Group.
- The Audit Committee has approved a schedule of work to be undertaken by the Group's Internal Audit team during the period. It receives reports on any issues identified around the Group's business processes and control activities over the Group's key risk areas, including following up on the implementation of management action plans to address any identified control weaknesses, and reporting any overdue actions to the Audit Committee.

KPMG LLP is engaged to provide the Group with Internal Audit services and acts as Head of Internal Audit.

Separate reports from the Nomination, Audit and Remuneration Committees can be found on pages 82 to 106.

Approved by the Board and signed on its behalf by

RUPERT HOPLEY
Company Secretary
5 March 2017

NOMINATION COMMITTEE REPORT

DEREK MAPP
Chairman of the Nomination Committee

MAIN OBJECTIVE

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

FULL RESPONSIBILITIES

The Committee's full terms of reference can be found on the Company's website and were reviewed and approved by the Board in December 2016.

MEMBERSHIP AND MEETING ATTENDANCE

Members	Committee member since	Attendance during 2016 (of 4 meetings)
Derek Mapp (Chairman of the Committee)	10 March 2008	4
Dr Brendan O'Neill[1]	1 January 2015	–
Stephen A. Carter	1 January 2015	4
Gareth Bullock	24 July 2014	4
Cindy Rose	24 July 2014	4

[1] Meetings were held to discuss Dr Brendan O'Neill's replacement as a Non-Executive Director and Chairman of the Audit Committee. Consequently, Dr Brendan O'Neill was not present at these meetings.

DEAR SHAREHOLDER

The Nomination Committee met four times in 2016 to discharge its duties around assessing the composition of the Board and reviewing the way in which the Group's colleagues are engaged and diversity maintained.

The composition of the Informa Board has gradually evolved over the last four years, as Directors have retired or stood down to align with the Code's guidance on length of tenure, and as the Informa Group's strategy under the *Growth Acceleration Plan* has called for members with specific new skills and a different range of experience.

In 2016, it was announced that Dr Brendan O'Neill would retire from the Board and as Audit Committee Chairman on 26 May 2017 after nine years of service.

As a result, one of the Committee's key activities over the year was to secure a successor with the skills, knowledge, independence, experience and diversity to be an effective member of the Board.

This search process resulted in the Committee recommending John Rishton's appointment to the Board and as Chairman-Elect of the Audit Committee. He joined on 1 September 2016 and will stand for formal election at the 2017 AGM.

In 2017, the Committee will keep under review the succession plans for Directors and key roles in the Group, and the composition of the Board as a whole. It will also continue to monitor the training and awareness programmes in place to support colleague diversity across the Group, and the practices that ensure the Group attracts colleagues with the range of skills, backgrounds and experiences necessary for the Group's future success.

HOW THE COMMITTEE WORKS

The key role we play is to keep under continual review how the Board is structured now and might be in the future, its size, its composition, the balance of skills, knowledge, independence, experience and diversity the Directors represent and contribute, all with a view to ensuring the Board can effectively oversee the Group and deliver Shareholder value. As part of this, we review and implement any feedback and results from the annual Board performance evaluation relating to Board composition.

Under the Group's current growth strategy, which involves broadening its reach internationally, investing in digital platforms and bringing new discipline to its financial model, the Committee particularly looks for skills including international operating experience, expertise in technology and media markets and financial qualifications.

When considering succession planning for the Executive and Non-Executive Directors and the skills and leadership needs of the future, we look at candidates from a wide range of backgrounds, believing that as with the Group's colleague base as a whole, diversity can bring competitive advantage and better outcomes.

We use specialist executive search consultants to identify candidates that meet the criteria the Committee sets, after which all candidates, internal and external, are interviewed by the Committee and proposed to the Board for approval. In 2016, Russell Reynolds Associates supported the search for a Non-Executive Director to replace Dr Brendan O'Neill, as they have done in previous years. They are entirely independent of the Company.

In line with its responsibilities, during the year the Committee also reviewed the time Non-Executive Directors are required to give to their roles at Informa. We were satisfied that each Director is able to contribute the time, as well as the focus, care and quality of attention, to fulfilling their duties to the Company and Shareholders. The Committee also reviews the results of the annual Board performance evaluation.

BOARD TENURE (AT 31 DECEMBER 2016)

0–1 year
John Rishton (<1)

1–2 years
Stephen Davidson (2)
David Flaschen (2)

2–5 years
Gareth Wright (2.5)
Gareth Bullock (3)
Helen Owers (3)
Stephen A. Carter (CEO) (3.5)
Cindy Rose (4)

5–9 years
Derek Mapp (Chairman) (8)
Dr Brendan O'Neill (8)

BOARD COMPOSITION %

Executive Directors
20%

Independent Non-Executive Directors
80%

BOARD AND COLLEAGUE DIVERSITY

Since the launch of *GAP*, the Group has set out to address diversity and inclusion throughout the Company, with a refreshed approach and new focus, and the Nomination Committee wholeheartedly supported this commitment.

The Group and the Board's belief that diversity brings competitive advantage remains unchanged, and Informa aims to recognise diversity in its broadest sense, including but not limited to gender, nationality, ethnicity, professional and personal experience and age.

More on the specific activities conducted within the Group can be found in the talent section on page 34. The Committee was kept updated on initiatives and the progress made by the Group's AllInforma working group over the year, as well as the views expressed by colleagues as part of the Inside Informa conversation.

The Nomination Committee sees its role as reviewing engagement activities and monitoring diversity within the Group and at Board level, and to ensure legal reporting requirements are met. As it stands, currently 56% of all colleagues, 33% of our leadership group of around 125 leaders and future leaders and 25% of Non-Executive Directors are female. 63% of the 730 colleagues promoted within the Group during 2016 were female.

GROUP:

	Average over 2016		Average over 2015	
Colleagues	**F 3,662** **M 2,879**	**F 56%** **M 44%**	F 3,856 M 2,714	F 59% M 41%
Leadership group	**F 47** **M 82**	**F 36%** **M 64%**	F 47 M 73	F 39% M 61%
Directors	**F 2** **M 7**	**F 25%** **M 75%**	F 2 M 7	F 25% M 75%

RELEVANT EXPERIENCE AND SKILLS

Media and technology sector	0000000
Business to business operations	0000000000
US market experience	00000
Digital and technology	000000
Financial management	00000
Governance and risk control	000000000
Marketing and customers	0000
M&A	0000000000

GROUP BOARD GENDER COMPOSITION %

Female
20%

Male
80%

The Committee received regular updates on the preparation being made to meet obligations to report on average pay levels according to gender, which will start from 2017, as well as the obligations and opportunities open to the Group under how the UK's Apprenticeship Levy and service will operate in 2017. The Committee is pleased to confirm that Informa has signed up to the UK's Living Wage Foundation, and UK colleagues are paid at least the independently-calculated Living Wage, above the government's National Minimum Wage.

Approved by the Board and signed on its behalf by

DEREK MAPP
Chairman of the Nomination Committee
5 March 2017

DR BRENDAN O'NEILL
Chairman of the Audit Committee

MAIN OBJECTIVE

Responsible for corporate reporting, risk management and internal control procedures, and the external audit process and relationship.

FULL RESPONSIBILITIES

The Committee's full terms of reference can be found on the Company's website, and were reviewed and approved in December 2016.

MEMBERSHIP AND MEETINGS

Members	Committee member since	Attendance during 2016 (of 4 meetings)
Dr Brendan O'Neill (Chairman of the Committee)	1 January 2008	4
John Rishton[1] (Chairman-Elect of the Committee)	1 September 2016	2
David Flaschen	1 October 2015	4
Gareth Bullock	1 January 2015	4
Cindy Rose	1 August 2013	4
John Davis[2]	1 October 2005	1

1 John Rishton was appointed to the Board and as Chairman-Elect of the Audit Committee on 1 September 2016.

2 John Davis retired from the Board and as a member of the Audit Committee on 19 May 2016.

DEAR SHAREHOLDER

I am pleased to present the Audit Committee's report for the financial year ended 31 December 2016. This will be my last report to Informa Shareholders as I retire from the Board prior to the 2017 AGM after nearly 10 years, having greatly enjoyed my work with the Group.

John Rishton takes over as Chairman of the Audit Committee then and the Board is confident he has the recent and relevant expertise and commitment to lead the Committee's activities.

As in previous years, the Audit Committee has given significant time and attention to ensuring this Annual Report and the incorporated financial statements provide a fair, balanced and understandable assessment of the Group's financial reporting. The Committee continued to oversee the work of the Risk Committee in 2016, in fulfilling its responsibility for the effectiveness of the Group's internal control policies and procedures for identifying, assessing, managing, and reporting risk.

During the year, as well as normal business, the Committee instigated and oversaw a tender for the Group's external audit, which led to the reappointment of Deloitte LLP ("Deloitte"). In addition, the Committee was closely involved in assessing the financial information around the acquisition of Penton Information Services, overseeing the work of Deloitte who acted as reporting accountants since the acquisition was a Class 1 transaction.

I can confirm that the Committee received sufficient, reliable and timely information from the Group's senior managers to enable it to fulfil its duties.

ABOUT THE COMMITTEE

The membership of the Audit Committee changed during 2016 and consists of independent Non-Executive Directors as noted opposite. Appointments to the Committee are made on the recommendation of the Nomination Committee to the Board. The Board and Committee alike are satisfied that its members have the broad commercial knowledge, competence in the sector in which the Group operates, mix of business and financial experience and resource to effectively discuss, challenge and oversee key financial matters within the Group and fulfil their full responsibilities. Members are independent in their judgement and mindset. The biographies of the members of the Committee can be found on pages 68 and 69. Performance evaluation of the Committee during the year is explained on page 80.

The Committee's Chairman during 2016, Dr Brendan O'Neill, is a qualified management accountant and has extensive experience of Audit Committee procedures. The Chairman-Elect, John Rishton, who will become Chairman in May 2017, is also a qualified accountant and is currently Audit Committee Chairman of Unilever plc and Serco Group plc. He has previously been Audit Committee Chairman of Allied Domecq plc and Rolls-Royce plc.

The Committee met four times during 2016, with John Rishton attending the two meetings held following his appointment to the Board in September. These meetings are structured to allow a full, open and robust investigation into key accounting, audit and risk issues relevant to the Group.

The whole Board is invited to and has attended the Committee meetings this year. In addition, the Head of Group Finance, Internal Audit and, when appropriate, the Head of Group Tax, the Director of Risk & Compliance and the Group Treasurer are also invited to attend, so that information can be shared effectively and the relevant managers can be questioned directly. Twice a year, Committee meetings conclude with private meetings with the external and internal auditors. Outside the meeting cycle, the Audit Committee Chairman is in regular contact with the Board Chairman, the Chief Executive, the Group Finance Director, the External Audit Partner and the Head of Internal Audit.

As noted in the Leadership and Effectiveness report on page 79, all new members of the Board and the Committee follow a formal induction programme on appointment when they are provided with detailed information on the Group. The Board as a whole is provided with updated information on legal and governance requirements on an ongoing and timely basis. Members of the Committee are able to obtain training, at the Company's expense, on any legal or accounting requirements required to fulfill their roles.

The Committee's terms of reference mean it can obtain independent external advice at the Company's expense. No such advice was obtained during 2016.

The external audit partner is William Touche from Deloitte LLP. He is a qualified accountant, a senior audit partner in the London audit practice and a Vice Chairman of the UK firm. He first acted as the Group's external audit partner for the year ended 31 December 2015 and has therefore served two of a maximum of five years.

COMMITTEE ACTIVITIES IN 2016

Over the year, the Committee undertook activities to meet its key responsibilities and objectives, including:

External reporting and accounting policies:

- review of the Group's draft 2015 full year and 2016 half year results statements before the Board's approval, as well as the external auditor's detailed reports. This included reviewing the opinions of management and the external auditor on the carrying values of the Group's assets;
- review of the Annual Report and Financial Statements including the annual risk review, viability statement, going concern and taxation risks and disclosures with a focus on ensuring the financial statements were fair, balanced, and understandable;
- review of the impact on the Group's financial statements of matters including the adoption of new or amended accounting standards; and
- review of the appropriateness of the Group's accounting policies.

External and internal audit:

- conduct of audit tender, and recommendation to the Board of the reappointment of Deloitte LLP as the Group's external auditor;
- review, negotiate and agree the audit fee and review and approval of non-audit services and related fees payable to the Group's external auditor;
- review of the external auditor's plan for auditing the Group's financial statements, including the scope of work and key risks on the financial statements, confirmation of auditor independence and approving the terms of engagement for the audit;
- review and approve the annual Internal Audit plan, reviewing the work done by Internal Audit and monitoring of the subsequent actions; and
- review and approval of the decision to maintain the outsourced Internal Audit function and the reappointment of KPMG LLP in this role.

Risk management and monitoring:

- oversight of the operations of the Group's Risk Committee including regular consultation with the Head of Internal Audit;
- review of the Group's system of controls and its effectiveness and approval of the compliance with the Code requirements; and
- review of the appropriateness of the Group's tax policies and management of tax risks.

Group-wide resource platform:

- review of the plans for and development of the Group-wide enterprise resource platform scheduled to go live in 2017. Further details can be found in the Global Support section starting page 53.

As noted in the Directors' Remuneration Report on page 100, the remuneration of the Chairman of the Audit Committee reflects the demands and time commitment of the role. The Committee also has access to the services of the Company Secretary on all Audit Committee matters and he provides necessary practical support.

OVERSEEING THE RISK COMMITTEE

One of the Audit Committee's responsibilities is to oversee the work of the Risk Committee. As detailed in the Leadership and Effectiveness report on page 75, the Risk Committee reports to the Audit Committee and the Group Finance Director, Gareth Wright, is the Chairman. The Committee comprises the CFO of each Division, the Group CIO, General Counsel and the Director of Talent & Transformation, meeting quarterly. Its principal duties include:

- Providing guidance to the Board and Audit Committee regarding the Group's overall risk appetite, tolerance and strategy;
- Overseeing and advising the Board and Audit Committee on the current risk exposures of the Group and recommend risk strategy;
- Reviewing the Group's overall risk assessment processes, the parameters of the qualitative and quantitative metrics used to review the Group's risks and confirm the actions taken to mitigate such risks;
- Oversee processes to ensure the Group's adherence to the approved risk policies;
- Reviewing reports on any material breaches of Group policies and the adequacy of proposed actions;
- Reviewing the effectiveness of the Group's internal financial controls and internal controls and risk management systems;
- Reviewing the adequacy and security of the Company's arrangements for its Colleagues and contractors to raise concerns in confidence about possible wrongdoing in financial reporting or other matters; and
- Reviewing the Group's insurance arrangements.

Further details of this governance structure and developments in the Group's risk framework can be found in Risk management and principal risks on pages 22–31.

FINANCIAL REPORTING AND SIGNIFICANT JUDGEMENT AREAS

In evaluating the appropriateness of the financial statements, the Committee assesses whether suitable accounting policies have been adopted and whether management has made appropriate estimates and judgements. The Committee reviews accounting papers prepared by management which provide details on the main financial reporting judgements. The Committee also reviews reports by the external auditor on the full year and half-yearly results which highlight any issues identified in their audit process. During the year end process, the Committee concentrated on the following significant judgement areas:

Impairment of assets (Note 16)

Identifying whether there are indicators of impairment of assets involves a high level of judgement and a good understanding of the drivers of value behind the asset. At each reporting period, an assessment is performed in order to determine whether there are any such indicators, which involves considering the performance of our businesses, any significant changes to the markets in which we operate and future forecasts. For impairment testing purposes, goodwill is allocated to the specific cash generating unit ("CGU") which is expected to benefit from the acquisition. When there are changes in the business structure, judgement is required in identifying any changes to the goodwill value of the CGUs taking account of the lowest level of independent cash inflows generated and the level at which the Chief Operating Decision Maker monitors the performance of the business.

There are a number of assumptions the Group has considered in performing impairment reviews of assets. Note 16 details the assumptions that have been applied. The determination of whether assets are impaired requires an estimation of the value-in-use of the CGUs to which assets have been allocated, except where fair value less costs to sell is applied. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from each CGU using projections for five years and determining a suitable discount rate in order to calculate present value, and the long-term growth rate. The sensitivities considered by the Directors are described in Note 16.

Valuation and asset lives of separately identifiable intangible assets (Note 17)

In order to determine the value of the separately identifiable intangible assets on a business combination, the Group is required to make estimates when utilising valuation methodologies. Associated with this is deferred tax on these intangibles. These methodologies include the use of discounted cash flows and revenue forecasts. For major acquisitions, defined as those with consideration at or above £50.0m, the Group considers the advice of third-party independent valuers in identifying and calculating the valuation of intangible assets arising on acquisition.

Identification and valuation of intangible assets acquired in business combinations (Note 18)

There are significant judgements involved in assessing the provisional amounts recognised in respect of the fair value of assets and liabilities acquired through business combinations, in particular the amounts attributed to separate intangible assets such as titles, brands, acquired customer lists and the associated customer relationships. These judgements impact the amount of goodwill recognised on acquisitions. The fair values of assets recognised are based on recognised valuation techniques built, in part, on assumptions around the future performance of the business. The Group has built considerable knowledge of these valuation techniques but notwithstanding this, for major acquisitions, defined as those with consideration at or above £50.0m, the Group considers the advice of third-party independent valuers in identifying and calculating the valuation of any intangible assets arising in business contributions. Details of business combinations in the year and the provisional values in relation to Penton are set out in Note 18.

Recoverability of loan note receivables (Note 23)
The Group had a number of external receivables which were repayable over the next two to five years, mostly vendor loan notes receivable in relation to disposed businesses. The recoverability of the capital and interest payments is dependent on the financial success of the counterparties over the coming years. In making its judgement in respect of recoverability, the Group assesses for each significant loan receivable whether a credit provision is required. During 2016 the counterparty which purchased the Performance Improvement businesses in 2013 entered into restructuring negotiations with its creditors and consequently the loan and accrued interest receivables were fully impaired (see Note 20). There was also a partial recovery for a previously fully provided loan note relating to Robbins Gioia (again, see Note 20). Following these results, the position relating to the Performance Improvement businesses and Robbins Gioia present no further exposure to the Group. Details of the remaining carrying value for long-term receivables are in Note 23.

Adjusted results (Note 8 and 15)
The Group presents adjusted results (Note 8) and adjusted diluted earnings per share (Note 15) to provide additional useful information on underlying performance and trends to shareholders. These measures are used for internal performance analysis and incentive compensation arrangements for colleagues. Adjusted results exclude items that are common across the media sector: amortisation and impairment of goodwill and intangible assets relating to businesses acquired and other intangible asset purchases of titles and exhibitions, acquisition and integration costs charged to the Consolidated Income Statement, profits or loss on disposal of businesses, restructuring costs and other non-recurring items that in the opinion of the Directors would distort underlying results. 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 Audit Committee reviews the composition of adjusted results for appropriateness and consistency of presentation. Refer to Note 8 for details of adjusting items recorded for the year and reconciled to statutory operating profit.

EXTERNAL AUDITOR

The Committee takes seriously its responsibility for the development, implementation and monitoring of the Group's policy on external audit. This policy assigns oversight responsibility for monitoring the independence, objectivity and compliance with ethical and regulatory requirements to the Committee, and day-to-day responsibility to the Group Finance Director. It states that the external auditor is jointly responsible to the Board and the Committee and that the Committee is the primary contact. The policy also sets out the categories of non-audit services which the external auditor 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 auditor, the Committee reviewed:

- the external auditor's plan for the 2016 year-end audit, noting the role of the senior statutory audit partner, who signs the audit report and who, in accordance with professional rules, has held office for two of a maximum permissible 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 auditor describing its arrangements to identify, report and manage any conflicts of interest; and
- the overall extent of non-audit services provided by the external auditor, in addition to its approval of the provision of non-audit services by the external auditor that exceed the pre-approval threshold.

To assess the effectiveness of the external auditor, the Committee reviewed:

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

Audit tender
Deloitte have been the Group's external auditor since 2004. As confirmed in the 2015 Annual Report, and in accordance with the Code and recent changes to the rules surrounding external audit for listed companies, the Board initiated a competitive tender for its external audit for the financial year starting 1 January 2017.

The tender process was undertaken in a disciplined way and completed over a two-month period in 2016, with key steps including:

1.
Initial assessment of which audit firms should be requested to submit a proposal;

2.
A Request for Proposal provided to three external audit firms;

3.
Management meetings were held with prospective external audit partners to answer preliminary questions;

4.
Each audit firm submitted a written proposal document that was marked consistently against the Group's criteria, which included team, media sector and international expertise, service approach and cultural fit;

5.
Proposals were reviewed and questioned during a face to face presentation by each audit firm;

6.
One-to-one meetings were held between senior partners at shortlisted audit firms and the Informa selection panel, comprising Dr Brendan O'Neill, Gareth Bullock and Gareth Wright.

The selection panel met to consider their recommendation to the Board, and supported the reappointment of Deloitte LLP as external auditor due to strength and expertise of their audit team. Shareholder approval will be sought at the AGM on 26 May 2017 to confirm the appointment of Deloitte LLP as the Company's external auditor for the financial year ending 31 December 2017. The Audit Committee confirms compliance with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, and the Committee will keep its external auditor under review on an annual basis. Deloitte's last eligible year to serve as the Group's auditor is the year ended 31 December 2023.

Audit review
As part of best practice, once a year management reviews the performance of the external auditor to assess the delivery of the external audit service and identify areas for improvement. In 2016, Deloitte's performance was therefore assessed according to whether it exceeded, met or was below expectations against a variety of factors, with a questionnaire completed by key Group and Divisional stakeholders in different geographies to gather a full set of opinions. The results of this assessment process are reviewed by the Committee.

NON-AUDIT SERVICES, FEES AND POLICY

The Committee considers that certain non-audit services should be provided by the external auditor, because its existing knowledge of the business makes it the most efficient and effective way for non-audit services to be carried out. In 2016 the non-audit fees paid to Deloitte totalled £5.1m (2015: £0.4m) and were 434% (2015: 37%) of the 2016 audit fee. The majority of non-audit fees in 2016 were incurred in respect of the work required on the class 1 acquisition of Penton. In awarding this non-audit work to Deloitte, the Committee took account of Deloitte's knowledge of the Group as auditor, the benefits of Deloitte reviewing the financial data in detail before announcement, and considered Deloitte able to provide an effective service. Excluding those fees, the non-audit fees were 13% of the 2016 audit fee and included work on the half-year audit review and tax compliance.

Policy for 2017

The Group has reviewed and revised its policy regarding the provision of non-audit related services by the external auditor, with the new policy reviewed and approved by the Board on 2 March 2017. The policy seeks to ensure that the ongoing independence of the external auditor is safeguarded, and that the Group is able to comply with new regulatory guidance in this area.

The updated policy defines and describes:

- those services which the auditor is not permitted to provide;
- those services which are acceptable for the auditor to provide and the provision of which has been pre-approved by the Audit Committee;
- those services for which the specific approval of the Audit Committee is required before the auditor is permitted to provide the service;
- the fee arrangements which are appropriate for external auditor engagements;
- the internal approval mechanisms, governance and Audit Committee oversight required to be completed with regards to engaging the external auditor; and
- the external reporting with regards to the non-audit fee policy required to be provided in the Audit Committee report of the Annual Report and Financial Statements.

The policy is designed to ensure that, as a PIE (public interest entity), the Group is able to comply with both the Financial Reporting Council Ethical Standard for Auditors and other EU audit regulations, which require that:

- from 2020 the Group will comply with the 70% cap on non-audit fees for services provided by the external auditor to EEA (European Economic Area) PIEs and their EEA subsidiaries. The cap will be based on the ratio of the average of three consecutive years of statutory audit fees to the non-audit fees for services paid to the external auditor in the fourth year; and
- certain non-audit services are permitted and prohibited as of 1 January 2017.

The policy is also designed to ensure that, prior to the regulatory 2020 cap coming into force, protocols are in place to ensure that the Audit Committee has adequate opportunity to consider whether or not it should pre-approve non-audit spend with the external auditors which would be in excess of the 70% cap, on the basis that it applied to 2017 with immediate effect.

The policy is supervised by the Audit Committee, which has delegated day-to-day management to the Head of Group Finance.

The following non-audit services are approved or prohibited under the policy, subject to certain pre-approvals governed by fee limits and nature of service by, inter alia, the Group Finance Director and the Audit Committee:

Permitted non-audit services, subject to certain governance and pre-approvals under the policy:

- Audit and audit-related services.
- Reporting accountant services.
- Assurance services in relation to financial statements within an M&A transaction e.g. providing comfort letters in connection with any prospectus that Informa may issue.
- Tax advisory and compliance work for non-EEA subsidiaries.
- Expatriate tax work.
- Other non-audit services not covered in the list of prohibited and permitted services where an assessment of the threat to the auditor's independence and objectivity and whether the safeguards applied reduce this to an acceptable level so that the residual threat may be considered trivial.

Prohibited non-audit services

- Bookkeeping and preparing accounting records or financial statements.
- Services that involve playing any part in management or decision-making.
- Payroll services.
- Design and implementation of internal control or risk management procedures related to the preparation and/or control of financial information, or the design and implementation of financial information technology systems.
- Certain valuation services including valuations performed in connection with actuarial services or litigation support services.
- Services linked to the financial, capital structure and allocation and investment strategy.
- Promoting, dealing in or underwriting shares.
- Internal audit services.
- Certain HR Services.
- Certain legal services.
- Services provided on a contingent fee basis.

INTERNAL AUDIT

The Internal Audit team provides independent assurance through planned audit activities that identify controls on a sample and rotational basis, and assess whether the controls are adequately designed and implemented, and makes recommendations for improving controls. Our Internal Audit function is outsourced to KPMG. As highlighted in Risk management and Principal risks on page 22 at the beginning of each year the Audit Committee approves a schedule of work to be undertaken by the Group's Internal Audit team, with an emphasis on work covering the Group's key risk areas and certain key financial controls. Internal Audit attend each Audit Committee and Risk Committee meeting, tabling reports on:

- any issues identified around the Group's business processes and control activities during the course of their work;
- the implementation of management action plans to address any identified control weaknesses; and
- any management action plans where resolution is overdue.

An internal audit effectiveness review is carried out each year to assess the delivery of the function and areas for improvement, where senior internal stakeholders are consulted and give their feedback. Any areas for improvement are discussed at a Committee meeting and Internal Audit put a plan in place to address any identified weaknesses.

Approved by the Board and signed on its behalf by

DR BRENDAN O'NEILL
Chairman of the Audit Committee
5 March 2017

STEPHEN DAVIDSON
Committee Chairman

MAIN OBJECTIVE

Responsible for the Executive Director remuneration policy, Chairman and Non-Executive fees and the design and implementation of all colleague share plans and pension arrangements.

FULL RESPONSIBILITIES

The Committee's full terms of reference can be found on the Company's website and were reviewed during 2016.

MEMBERSHIP AND MEETINGS

Members	Committee member since	Attendance during 2016 (of 5 meetings)
Stephen Davidson (Committee Chairman)	1 September 2015	5
Gareth Bullock[1]	30 March 2015	5
Dr Brendan O'Neill	1 January 2008	5
Helen Owers	1 January 2014	5
John Davis[2]	27 April 2009	2

[1] Gareth Bullock stepped down as a member of the Remuneration Committee on 10 November 2015 and was reappointed as a member on 11 February 2016.

[2] John Davis retired from the Board and the Remuneration Committee on 19 May 2016.

DEAR SHAREHOLDER

I am pleased to present the Remuneration Report for 2016 ("the Report").

The Committee's primary focus is to align Director remuneration to the Group's strategic priorities, the needs of the business and the creation of long-term value for Shareholders. We also take into account market practice as well as feedback from Shareholders and representative bodies at AGMs and throughout the year.

Informa's Remuneration Policy ("the Policy") is designed to help the Group attract, motivate and retain high calibre executives whilst focusing rewards on above-average performance. The Policy and its results are kept under continuous review by the Committee, and the majority of the potential remuneration is performance related. The full Policy can be found on the Company's website at www.informa.com/investors/corporate-governance/terms-of-reference/. Please note that it is unchanged from when Shareholders approved it at the 2015 AGM and we will put it to a Shareholder vote at the 2018 AGM, in accordance with the regulatory rules.

Targets and performance measures are designed to be suitably challenging and are based on a range of factors including internal budgets, strategic ambitions, analysts' views and investor expectations. The Committee also considers environmental, social and governance issues, and specifically that policies do not inadvertently create risks in these areas or promote irresponsible behaviours.

We have also set out our reward structure for all our colleagues on page 94. The Group operates in highly competitive markets for all its geographically dispersed talent. With the majority of colleagues employed outside of the United Kingdom, in each market the Group operates an approach to remuneration that is both market relevant and competitive. Our reward structure statement contains more details about the progressive terms used for most colleagues and how, through ShareMatch, the Committee is encouraging colleagues throughout Informa to own shares in the Company.

2016 PERFORMANCE AND INCENTIVE OUTCOMES

As described in the Strategic Report, 2016 was a year of investment and delivery for the Group.

The two measures underlying the 2016 Short-Term Incentive Plan ("STIP") for Executive Directors – adjusted EPS and organic revenue growth rate ("ORG") – ended the year marginally below target with adjusted EPS reaching 98.0% of the Group's target and 1.6% organic revenue growth. This outcome resulted in a total annual bonus of 60% of base salary being awarded to both Executives.

The 2014 Long-Term Incentive Plan ("LTIP") is based on measures including total shareholder return ("TSR") compared with two peer groups and certain Key Strategic Objectives detailed on page 95. The Group's performance against these measures resulted in 79.3% of Stephen A. Carter's award and 79.5% of Gareth Wright's award becoming exercisable.

	Performance measures	Maximum reward as a percentage of salary	Performance outcomes	Pay outcomes as percentage of maximum
STIP 2016	Adjusted earnings per share (EPS)	120%	98% of target	36%
	Organic revenue growth (ORG)	30%	60% of target	4%
Total STIP				40%
LTIP 2014 award	TSR relative to FTSE All-Share Media constituents	75%[1] 50%[2]	above median	30.2%[1] 26.9%[2]
	TSR relative to the FTSE 350 constituents, excluding investment trusts	75%[1] 50%[2]	above median	28.8%[1] 25.6%[2]
	Key strategic objectives[3] specific to the individual	50%[1] 50%[2]	achieved in full, except for one measure	20.3%[1] 27.0%[2]
Total LTIP				79.3%[1] 79.5%[2]

[1] The percentage applies to Stephen A. Carter.

[2] The percentage applies to Gareth Wright.

[3] Key strategic objectives are explained on page 95. For Stephen A. Carter, the maximum pay-out for achieving all the Key Strategic Objectives in full would be 25% of his 2014 LTIP award, and for Gareth Wright, the maximum pay-out would be 33% of his 2014 LTIP award. In both cases that equated to 50% of their then base salary.

	Stephen A. Carter		Gareth Wright	
Key strategic objectives	Maximum pay-out of total LTIP award	Actual outcome (% of total LTIP award)	Maximum pay-out of total LTIP award	Actual outcome (% of total LTIP award)
Portfolio evaluation and performance	7.5%	2.8%	10%	3.6%
Operational fitness	7.5%	7.5%	10%	10%
Strengthening management talent	5%	5%	6.7%	6.7%
Internationalisation and "geo-cloning"	5%	5%	6.7%	6.7%
Total	25.0%	20.3%	33.3%	27.0%

COMMITTEE ACTIVITIES IN 2016

The Committee met five times with full attendance at each meeting. Company Chairman Derek Mapp attends meetings by invitation only and is not present when matters relating to his own remuneration are discussed. None of the members who served on the Committee during the year had any personal financial interest, other than as a Shareholder of the Company, or conflicts of interests arising from cross-directorships or day-to-day involvement in running the business.

In April, the Committee approved the use of nil-cost options for the share awards to the Executive Directors to bring the Group into line with UK market practice. Nil cost options give participants greater flexibility over when they can exercise their options and receive Informa shares: in full or part between three and ten years from the date of grant. This change was made after receiving external advice and is in line with institutional investor proxy voting guidelines.

Allocations held under the 2014, 2015 and 2016 LTIP awards were converted to nil cost options for the Executive Directors, and allocations for Senior Management under the 2015 and 2016 LTIP awards will be converted in February 2017 for Senior Management in the UK and in other jurisdictions where local regulations allow and where there are no adverse consequences. The Committee has approved the use of nil cost options for all future LTIP awards to Executive Directors and Senior Management in the UK and other jurisdictions as appropriate, including awards made in 2017.

As part of the acquisition of Penton, the Committee considered and approved adjustments to the Group's awards under its LTIP, Deferred Share Bonus Plan and the matching shares within the Informa ShareMatch Plan ("ShareMatch"). These changes were in accordance with the rules of those plans, and were designed to compensate colleagues for the effects of the rights issue that partially funded the deal. Further details of the adjustments to Executive Directors' awards and shares held under the plans can be found on page 103.

A review of our remuneration advisers, Willis Towers Watson ("WTW") was initiated in 2016, following the review of our external auditors last year. That process is due to complete in the first quarter of 2017 and Dr Brendan O'Neill, a Non-Executive Director of WTW, is not involved in the decision making process.

2017 DEVELOPMENTS

The base pay of the Executive Directors will increase by 1%, as will the Chairman and the Non-Executive Directors' fees. This compares to an average increase of 2.1% for our colleagues.

Additional investment is being made into the Company's share incentive plan ShareMatch for colleagues. Starting from the 2017 plan year in April, the Group will now contribute one share for every one share purchased by a colleague, rather than one for every two shares. The aim is to encourage more colleagues to participate in the Group as Shareholders and to align their interests with external Shareholders. The Group has an ambition that 33% of eligible colleagues participate in the plan by 2020. The plan is being opened to Colleagues newly joined from Penton on an equal basis at the same time. Further details are contained in the Report on page 99.

The Report for 2015 was approved at the 2016 AGM with over 99% of the votes cast in favour and we will put 2016's Report to Shareholders for an advisory vote at the 2017 AGM.

	Votes for	Total votes cast
AGM 2016 Results		
Annual Remuneration Report	486,728,806	99.25%
AGM 2015 Results		
Directors' Remuneration Policy	480,481,003	98.62%
Annual Remuneration Report	479,800,353	99.37%

At the 2017 AGM, we will be seeking advisory support for this year's Annual Remuneration Report and will also ask Shareholders for their consent to introduce a US Employee Stock Purchase Plan. Additionally, to bring our plan in line with market practice, we will ask to amend our LTIP rules to incorporate a dividend equivalent provision and for the ability for awards to vest on a demerger. Further detail can be found on page 106 and in the Notice to the 2017 AGM on the Company's website.

As the Group's breadth and balance evolves, we will continue to review incentive plans to maintain a strong link between pay and performance, and will engage with Executives and Shareholders if any changes are proposed.

STEPHEN DAVIDSON
Committee Chairman
5 March 2017

OUR REWARD STRUCTURE

Talent, personal motivation and a deep sense of personal and professional commitment, are at the heart of Informa's culture. The Board and senior management are alive to the balance between financial and professional rewards and seeks to ensure that both colleagues' and Shareholders' interests are met.

The Group operates in the highly competitive International market for talent with just under 7,500 geographically dispersed colleagues operating in: the Americas (approximately 3,300 colleagues); UK (nearly 2,800); Middle East (approximately 320); China (approximately 140); Europe (approximately 330); and the Rest of the World (500). In each market, the Group operates an approach to remuneration that is both market relevant and market competitive. We seek to offer compelling and progressive employment conditions that include:

- flexible and home working;
- parental policies;
- holiday entitlements;
- flexible benefits;
- profit participation schemes, where appropriate;
- ShareMatch scheme;
- community and public service leave arrangements.

As explained on page 55, over the last few years the Group has invested materially in designing ShareMatch as a scheme that increases and encourages equity participation by our Colleagues. Their engagement has grown from 2% to 15%. At this year's AGM, we are seeking Shareholder consent to also establish a US-specific All Colleague Share Scheme.

The key annual remuneration averages in the Group and CEO multiples are:

- Senior leadership team – £310k (11x multiple)
- Group Wide – £54k (61x multiple)

All above figures include salary, bonus payments and benefits package, with the CEO's full LTIP earnings.

The following table shows the percentage change in salary, benefits and bonus from 2015 to 2016 for the Group Chief Executive and the average percentage change from 2015 to 2016 for all colleagues of the Group.

	Salary %	Benefits %	Bonus %
Group Chief Executive	1.0	(17.5)	(42.2)
All Colleagues	4.87[1]	12.0	(16.5)

[1] The above figure includes colleagues who have joined the Group from Penton.

Since 2013, the CEO's base salary has risen by an annual average of 1%.

The table below shows the aggregate employee remuneration, dividends paid in the year, revenue and operating profit as stated in the financial statements, for the years ended 31 December 2016 and 31 December 2015:

	2016	2015	Percentage change
Total number of colleagues	**7,434**	6,570	13.2
Aggregate colleague remuneration (£m)	**404.2**	293.6	37.6
Remuneration per colleague (£)	**54,372**	44,688	12.2
Dividends paid in the year[1] (£m)	**131.9**	126.1	4.6

[1] Figures taken from Note 14 to the Consolidated Financials Statements.

DIRECTOR REMUNERATION IN 2016 AND POLICY IMPLEMENTATION IN 2017

In determining the Executive Directors' remuneration, the Committee consulted the Chairman about its proposals and no Executive Director played a part in any decision about his own remuneration. The Chairman, CEO, Director of Talent & Transformation and WTW (the Company's remuneration consultants) attended meetings held during the year by invitation. The Director of Talent & Transformation and the Company Secretary also provided assistance to the Committee during the year.

WTW has been the Committee's remuneration adviser since 2010 and continued to provide advice during the year. The Committee has satisfied itself that WTW's advice is independent and objective. WTW is a member of the Remuneration Consultants Group, follows its voluntary code of conduct and does not provide any other material services or have any other connection to the Group. Dr Brendan O'Neill is a member of the WTW board and does not and has never taken part in any discussions on the selection of WTW or their contract. Fees paid to WTW in respect of services during the financial year ended 31 December 2016 amount to £71,232 and are primarily related to attendance at Committee meetings, incentive plan performance monitoring, incentive plan design and market practice. The Committee has not requested advice from any other external firms apart from WTW during the year ended 31 December 2016.

In keeping with good governance, we initiated a review of our remuneration advisers in late 2016, following the review of our external auditors earlier. The process is due to complete in the first quarter of 2017 and, whatever the outcome, WTW will continue to advise the Committee until that review has been completed.

2016 performance and incentive outcomes

The 2016 STIP incentive outcome for Executive Directors with respect to adjusted EPS was 98.0% of the targeted level, and the Group's ORG was 60% of the target. Further information on the STIP can be found on page 98. Performance measures for the 2014 LTIP awards were above the median and the performance against the Key Strategic Objectives was judged to have been achieved in full, except for one measure as noted below.

The Committee introduced individual strategic objectives for the 2014 LTIP awards to incentivise and reward the Executive Directors for achievements tied to the long-term success of the Company following the introduction of the *Growth Acceleration Plan*. Performance has been measured against the key strategic objectives below:

Strategic objective	Metric	Explanation	Target/determination	Outcome
Portfolio evaluation and performance	Underlying revenue growth in 2016 for Business Intelligence.	Returning the Business Intelligence division to growth was a major objective for Group management. In 2013 its organic decline was 8.5%.	Straight line basis from 0% to 3%. 0 does not pay out, 50% paid out at 1.5% growth and 3% growth results in a full pay out.	1.6% Growth
Operational Fitness	Consolidation of the T&F Boca, Dusseldorf and Sydney finance functions into a regional shared service centre network.	As a result of the portfolio evaluation and performance, consolidation of shared services, the roll out of a global HR platform and progressing the Divisional IT architecture were strategic goals.	Demonstrate the creation of value by the actions they have undertaken. Where investments have been made, then management must demonstrate a return in 2016 or be reasonably certain the cost benefits will flow through in 2017. Recent acquisitions were excluded for the global HR system deadline.	Completed
	% of our colleagues covered by a global HR system.			Completed
	Designing and progress towards "target" IT architecture for each division.			Completed

Strategic objective	Metric	Explanation	Target/determination	Outcome
Strengthening management talent	Number of director grades 'of concern'. Levels of internal successors.	In the transitional period with a new CEO, it was determined that focus on building a stable, professional management team was needed.	Committee to determine at the end of the period using internal performance measures and appraisal systems whether any managers in director grades are 'of concern' and required levels of internal successors are available.	Completed
Internationalisation and 'geo-cloning'	Number and revenue from new launches.	A key goal was to encourage new event launches in the events teams.	Five new launches and £2m revenue needed before any award vests. Seven new launches and £3m revenue means half the maximum award. 10 new launches and £4m revenue results in maximum award. M&A was excluded.	£4.6m revenue and eight new launches

Individual strategic objectives were only used in the 2014 LTIP awards. The following year the Committee changed performance conditions by revising the TSR Comparator Group to the FTSE 51-150 (excluding financial services and natural resources companies) and introduced EPS CAGR as a new measure.

For reference, the maximum opportunity levels, performance measures and weightings for the STIP and LTIP are as follows:

	2016		2017	
STIP	120%[1]	EPS	120%[1]	EPS
	30%[1]	Organic revenue growth	30%[1]	Underlying revenue growth[5]
LTIP	100%[2]/75%[3]	TSR vs FTSE 51–150 companies[4]	100%[2]/75%[3]	TSR vs FTSE 51–150 companies[4]
	100%[2]/75%[3]	EPS CAGR	100%[2]/75%[3]	EPS CAGR

1 Percentage of base salary for both Executive Directors.
2 Percentage of base salary for Stephen A. Carter.
3 Percentage of base salary for Gareth Wright.
4 FTSE 51-150 (excluding financial services and natural resources companies)
5 Refer to page 100 for an explanation of underlying revenue growth.

AGM RESULTS

The following tables summarise the details of votes cast in respect of the resolutions:

To approve the Directors' Annual Remuneration Report at the 2016 AGM:

Of issued share capital	Votes for	Votes against	Total votes cast	Votes withheld (abstentions)
Annual Remuneration Report	486,728,806	3,659,582	490,388,388	4,124,425
	99.25%	0.75%	75.57%	

To approve the Directors' Remuneration Policy at the 2015 AGM:

Of issued share capital	Votes for	Votes against	Total votes cast	Votes withheld (abstentions)
Directors' Remuneration Policy	480,481,003	6,733,339	487,214,342	7,176
	98.62%	1.38%	75.08%	

The following information has been subject to audit.

EXECUTIVE DIRECTOR SINGLE FIGURE TABLE FOR 2016

(£)		Base salary	Taxable benefits[1]	Pension	Total fixed pay	Annual bonus[2]	Long-term incentives[3]	Total variable pay	Other remuneration	Total fixed and variable pay
Stephen A. Carter	2016	817,100	32,243	204,275	1,053,618	490,260	1,747,598	2,237,858	–	3,291,476
	2015	808,962	39,093[4]	202,241	1,050,296	847,462	185,517	1,032,979	–	2,083,275
Gareth Wright	2016	465,900	11,374	116,475	593,749	279,540	745,550	1,025,090	–	1,618,839
	2015	459,000	10,501	114,750	584,251	480,850	63,588	544,438	–	1,128,689

1 Taxable benefits include company car allowance, professional advice, family private health insurance, family dental insurance, accident insurance and permanent health insurance cover.

2 For 2015 cash was paid and shares were allocated under the Deferred Share Bonus Plan. Further information can be found on page 98.

3 The 2014 LTIP award value reflects the average share price taken over a three-month period from 1 October 2016 to 31 December 2016 (adjusted for the rights issue) and the quantum of shares vesting (Stephen A. Carter, 79.3%, and Gareth Wright, 79.5%, of the original award). Performance period covered the financial years 2014, 2015 and 2016 and the performance outcomes for the 2014 LTIP award are explained on page 92. The 2015 LTIP award value has been restated using the share price achieved on vesting of the 2013 LTIP on 7 April 2016.

4 Taxable benefits for 2015 have been restated to include professional advice relating to the Group's redomicile.

COMPONENTS OF EXECUTIVE DIRECTOR REMUNERATION

Base salary

Executive Directors' salaries were reviewed at the beginning of 2016. The Committee determined that Stephen A. Carter's base salary would increase by 1.0% and Gareth Wright's by 1.5%.

	Previous salary	Effective date	2016 salary	Effective date
Stephen A. Carter	£808,962	1 January 2015	£817,100	1 January 2016
Gareth Wright	£459,000	1 January 2015	£465,900	1 January 2016

Pension

The Company makes a cash payment of 25% of basic salary to the Executive Directors in lieu of pension contributions. Neither Executive Director is a member of the defined benefit schemes provided by the Company or any of its subsidiaries and accordingly they have not accrued entitlements under these schemes.

Annual bonus – short term incentive plan

At the start of the financial year, targets linked to the achievement of budgeted diluted adjusted EPS and ORG were set. The Committee considered the reported adjusted diluted EPS figure of 42.10p, and made adjustments for the impact of the acquisition of Penton and exchange rates to enable constant currency comparison. The ORG achievement was 60% of target. Consequently, this resulted in a STIP award calculation of 60% of salary for each Executive Director, which the Committee approved, having determined that the general financial underpin had been satisfied.

Threshold adjusted diluted EPS	Target adjusted diluted EPS	Maximum adjusted diluted EPS	Achieved adjusted diluted EPS
43.79p	46.09p	50.70p	45.16p

	Performance-related bonus	Amount payable in cash	Amount payable in deferred shares
Stephen A. Carter	£441,234	£441,234	£0
Gareth Wright	£251,586	£251,586	£0

Threshold organic revenue growth	Target organic revenue growth	Maximum organic revenue growth	Achieved organic revenue growth
1.0%	2.0%	3.0%	1.6%

	Performance-related bonus	Amount payable in cash	Amount payable in deferred shares
Stephen A. Carter	£49,026	£49,026	£0
Gareth Wright	£27,954	£27,954	£0

Options granted in 2016 under the deferred share bonus plan

	Date of Grant	Total option price for each grant	Number of options granted	Adjustment for the rights issue	Number of options following the rights issue	Price at grant of the option	Value as at date of grant (£)
Stephen A. Carter	17 March 2016	£1.00	5,539	1,384	6,923	695.0p	38,500
Gareth Wright	17 March 2016	£1.00	3,143	785	3,928	695.0p	21,850

As a consequence of the 2015 trading results, under the terms of the STIP, the Executive Directors were granted deferred shares in the form of options under the DSBP in March 2016. Deferred share options are awarded following the achievement of the performance-related bonus under the STIP noted in the table above. Further detail on the value of these deferred shares can be found on page 84 of the 2015 Annual Report.

Nil-cost option awards granted under the long-term incentive plan in 2016

	Date of award	Number of shares awarded	Adjustment for Rights Issue	Number of shares following the Rights Issue	Price at date of award[1]	Value as a percentage of base salary	Value at date of award (£)
Stephen A. Carter	17 March 2016	235,136	20,264	255,400	695.0p	200%	1,634,195
Gareth Wright	17 March 2016	100,553	8,665	109,218	695.0p	150%	698,843

[1] All LTIP awards were granted as allocations and converted to nil-cost options in April 2016. The share price used to calculate the value of each award is the closing share price on the date immediately prior to the date of grant of the award.

Performance will be measured over a three-year period commencing 1 January 2016 and awards are subject to the following equally weighted performance conditions:

	Performance conditions and the associated weighting	
	TSR relative to FTSE Comparator Group in the FTSE 51–150	EPS CAGR
Stephen A. Carter	50%	50%
Gareth Wright	50%	50%

For the 2017 awards, TSR will be measured relative to the performance of the comparator group of companies (FTSE 51–150, excluding financial services and natural resources companies) at the end of the performance period. If Informa ranks at median, 20% of the award subject to this measure will vest. This increases on a straight line basis, where full vesting is achieved if the Group ranks at or above the 80th percentile. If the Group ranks below median, the relevant part of the award will lapse.

In addition to the TSR measure, the EPS compound annual growth rate ("CAGR") measure used for both the 2015 and 2016 LTIP awards will also be used for the 2017 awards.

In setting the 2017 EPS CAGR targets, the Committee took into account internal and external projections for the EPS CAGR at the time of grant. Threshold performance (2%) would result in the vesting of 20% of the EPS CAGR award; on target performance (4%) would result in 50% of the EPS award vesting; and at the maximum (6% or above), 100% of the EPS award would vest, with a linear progression between those points.

The Committee will disclose details of its assessment of performance following the conclusion of the performance period.

SHAREMATCH

The Company launched ShareMatch in 2014, a global share incentive plan (which qualifies for certain tax benefits in the UK), through which virtually all Informa colleagues are able to invest up to £1,800 per annum in the Company's shares either via monthly contributions or a one-off lump sum.

The plan includes a matching element, whereby for every two shares purchased, the Company gives colleagues one matching share, subject to a holding period of three years. Participation in 2016 reached more than 970 colleagues across the world. Building on this momentum, the Company intends to increase its commitment further in 2017 by improving the matching element to one-for-one, further rewarding colleagues who participate in the Group as equity Shareholders. Both Stephen A. Carter and Gareth Wright, as well as all of the Executive Management Team, are members of ShareMatch.

Matching shares are subject to forfeiture if the purchased shares are withdrawn from the plan within three years of purchase. Both the purchased and matching shares are eligible to receive dividends payable by the Company, which are automatically reinvested in more shares (known as Dividend Shares), further increasing the attractiveness of the plan to colleagues.

As explained on page 5, the addition of Penton Information Services was partially funded by a fully underwritten rights issue. The trustee of ShareMatch, in accordance with the terms of the plan, automatically participated in the rights issue on behalf of participants by selling the minimum amount of rights so that the proceeds could be used to take up the remaining rights (known as 'cashless take up' or 'tail swallowing'). Participants could, therefore, participate in the rights issue without having to make any extra financial contribution. For global ShareMatch where cashless take up is not possible for the matching shares, the relevant matching awards were adjusted so that participants did not lose out due to the fact they could not take part in the rights issue.

The take up of rights by both Stephen A. Carter and Gareth Wright is noted on page 103.

PAYMENTS FOR LOSS OF OFFICE

No payments for loss of office were made during the year ended 31 December 2016.

PAYMENTS TO PAST DIRECTORS

The only payments made to past Directors during the year ended 31 December 2016 were under the Company's pension schemes.

CHAIRMAN AND NON-EXECUTIVE DIRECTOR SINGLE FIGURE TABLE

	2016 Total fees (£)	2015 Total fees (£)
Derek Mapp	**266,590**	262,650
Gareth Bullock[1]	**73,589**	72,502
John Davis[2]	**24,538**	62,438
Dr Brendan O'Neill	**76,928**	75,791
Helen Owers	**63,375**	62,438
Cindy Rose	**63,375**	62,438
Stephen Davidson	**73,589**	24,167
David Flaschen	**63,375**	20,813
John Rishton[3]	**21,125**	–

[1] Gareth Bullock was appointed Senior Independent Non-Executive Director with effect from 23 May 2014.

[2] John Davis stepped down from the Board and the Remuneration Committee on 19 May 2016.

[3] John Rishton was appointed as Non-Executive Director and Chairman-Elect of the Audit Committee with effect from 1 September 2016.

CHAIRMAN AND NON-EXECUTIVE DIRECTORS' REMUNERATION IN 2016

The remuneration of the Chairman is determined by the Committee in consultation with the Group Chief Executive. The remuneration of the Non-Executive Directors is determined by the Chairman and the Executive Directors within the limits set by the Articles. With effect from 1 January 2016 the Chairman's fee and the Non-Executive Director fees were increased by 1.5%.

	2016 fee (£)	Effective date	2015 fee (£)	Effective date
Chairman	**266,590**	**1 January 2016**	262,650	1 January 2015
Non-Executive Directors	**63,375**	**1 January 2016**	62,438	1 January 2015
Audit Committee Chairman	**13,553**	**1 January 2016**	13,353	1 January 2015
Remuneration Committee Chairman	**10,214**	**1 January 2016**	10,063	1 January 2015
Senior Independent Director	**10,214**	**1 January 2016**	10,063	1 January 2015

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

The following information has not been subject to audit.

IMPLEMENTATION OF THE DIRECTORS' REMUNERATION POLICY IN 2017

In 2017 the base pay of the Group Chief Executive, Group Finance Director, Chairman and Non-Executive Directors was increased by 1.0% with effect from 1 January. In determining those pay rises, the pay rises for colleagues (averaging 2.1%) and other factors were taken into consideration.

As is highlighted on page 5 of the Chairman's Introduction, the Group will in 2017 change the way it measures growth from organic to underlying revenue growth, a more widely recognised measure. Consequently, the Committee will revise the ORG performance measure for the annual bonus to be Underlying Revenue Growth ("URG") for the 2017 bonus. As in 2016, both Executive Directors may earn a maximum bonus equivalent to 150% of base salary, with the maximum award for EPS performance being 120% of base salary and the maximum award for URG being 30%. Performance below 95% of the EPS target will result in no EPS-related bonus. On target performance will result in a bonus equivalent to 90% of salary. A below-threshold performance for URG will result in no URG-related bonus. An on-target performance will result in a 10% URG-related bonus.

The 2017 LTIP awards follow the same structure as the 2016 awards. The initial award is equivalent to 200% of the Group Chief Executive's base salary and 150% of the Group Finance Director's base salary. The same performance measures will apply, namely relative TSR relative to the FTSE 51 – 150 companies (excluding financial services and natural resources companies) and EPS CAGR, with equal weighting to both, together with the same performance ranges. The performance ranges were determined after the Committee took into account a variety of factors, including the internal and external projections for the Group's performance.

The use of the annual bonus measures and the EPS/CAGR measure provides a clear line of sight to the priorities set out in the *Growth Acceleration Plan* (see page 11) and aligns incentive awards with success in delivering against the Plan. These measures seek to balance sustainable and efficient revenue growth, while continuing to deliver against EPS expectations and driving long-term Shareholder value. The Committee will set appropriately stretching targets for each performance cycle, taking into account factors including the internal goals, analyst expectations, cost of capital and peer performance.

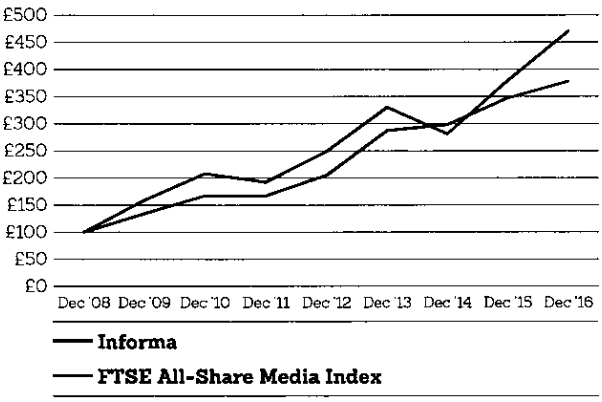
HISTORICAL TSR AND GROUP CHIEF EXECUTIVE PAY

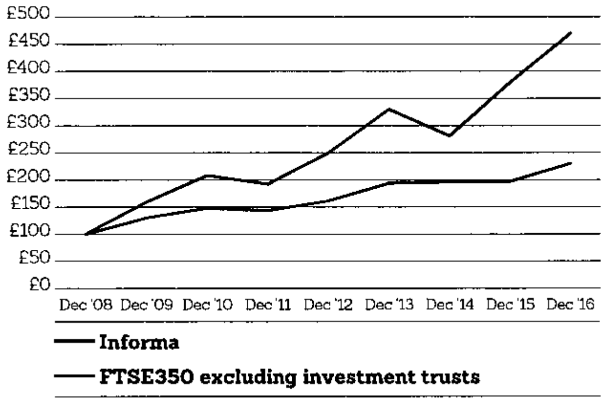
The graphs below illustrate the Group's TSR performance compared with the performance of the FTSE All-Share Media Index, the FTSE 350 Index excluding Investment Trusts and the FTSE 51-150 Peer Group (excluding financial services and natural resources), in the eight-year period ended 31 December 2016. These indices and peer group have been selected for this comparison because the Company is a constituent company of all three and performance relative to the FTSE All Share Media and FTSE 350 indices informs vesting or partial vesting under the 2014 LTIP award.

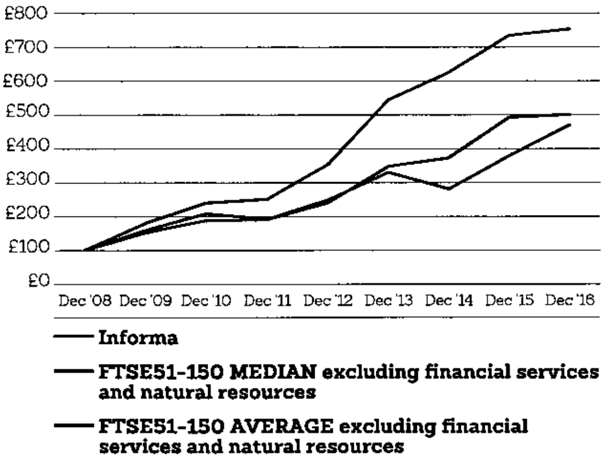
Historical TSR performance

Growth in the value of a hypothetical £100 holding invested in Informa over eight years.

Comparison of spot values







Over the same period, total remuneration of the individual holding the role of Group Chief Executive has been as follows:

Year	Group Chief Executive	Currency[2]	Base salary	Annual bonus	Group Chief Executive single figure of total fixed and variable remuneration[3]	Annual STIP pay-out against maximum opportunity (%)	Long-term incentive vesting rates against maximum opportunity (%)[4]
2016	Stephen A. Carter	GBP	817,100	490,260	3,291,476	40.0	79.3
2015	Stephen A. Carter	GBP	808,962	847,462	2,083,275[5]	69.8	34.6[1]
2014	Stephen A. Carter	GBP	793,100	793,100	1,794,152	66.7	n/a
2013	Stephen A. Carter[1]	GBP	256,667	227,200	588,365	59.0	n/a
Historical							
	Peter Rigby	CHF	1,262,471	1,262,471	3,718,566	n/a	0
2012	Peter Rigby	CHF	1,225,700	1,210,537	3,987,897	65.9	42.5
2011	Peter Rigby	CHF	1,225,700	1,225,700	5,231,269	75.7	74
2010	Peter Rigby	CHF	1,190,000	1,285,000	3,067,504	86.3	0
2009	Peter Rigby	GBP	700,000	585,200	1,651,200	83.6	40.2

1 Group Chief Executive remuneration for Stephen A. Carter for 2013 covers the period from 1 September 2013 to 31 December 2013. The LTIP award was made in 2013 and is pro-rated to reflect his time as CEO-designate during that year.

2 The exchange rate used for each year can be found on the referenced page – Annual Report 2013 (page 64); Annual Report 2012 (page 59); Annual Report 2011 (page 57); and Annual Report 2010 (page 44).

3 Total remuneration includes base salary, taxable benefits, pension, annual bonus and LTIP as outlined on page 97.

4 The LTIP vests, if at all, in the Q1 following the end of the performance period and is reported, like the annual bonus, as part of that final performance year's remuneration.

5 Single figure of total fixed and variable remuneration restated to include professional advice relating to the Group's redomicile in 2015.

SHARE OWNERSHIP GUIDELINES

Both Stephen A. Carter and Gareth Wright meet and exceed our share ownership guidelines as noted on page 103. Our guidelines require Executive Directors to build up, over a five-year period from their date of appointment to the Board, a holding in the Company's shares equal to at least 1.5 times annual basic salary.

DIRECTORS' SHARE INTERESTS (AUDITED)

The beneficial interest of each Executive Director in the Company's shares (including those held by connected persons) and their share plan interests as at 31 December 2016 are set out in the table below:

		LTIP[2,3]									
	Beneficial holding[1]	Total 2014 award	Total 2015 award	Total 2016 award	DSBP[2] Unexer-cisable options	Share-match and Informa Invest[2,4]	Total interests as at 31 December 2016[5]	Current share interest (% of salary) as at 31 December 2016[6]	Exercisable options from 2014 LTIP Award as of 11 September 2017	Antici-pated total shares as at 11 September 2017	Antici-pated total shares (% of salary) as at 11 September 2017[6]
Stephen Carter	97,870	332,605	332,832	255,400	6,923	1,633	1,027,263	833%	263,755	363,258	295%
Gareth Wright	14,493	141,537	141,634	109,218	3,928	3,094	413,904	589%	112,521	130,108	185%

[1] Stephen A. Carter's beneficial shareholding receives shares through the Dividend Reinvestment Plan ("DRIP"). Gareth Wright's beneficial shareholding does not receive shares through the DRIP.

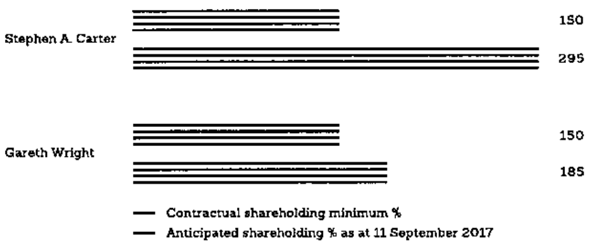
[2] LTIP shares have been adjusted for the rights issue using the TERP formula. Rights were taken up in full on the DSBP and 'cashless take-up was carried out on the shares held in ShareMatch. All awards made under the LTIP are subject to performance conditions.

[3] Shares to be held following vesting of 2014 LTIP grant. 79.3% of Stephen A. Carter's 2014 LTIP will vest: 263,755 shares from an original grant of 332,605 shares, and 79.5% of Gareth Wright's 2014 LTIP will vest: 112,521 shares from an original grant of 141,537 shares. Both original awards were adjusted for the rights issue as noted on page 105.

[4] Shares held under ShareMatch are made up of shares purchased by the Executive Director, shares "matched" by the Company and dividend shares.

[5] Total interests are shares held as beneficial, non-beneficial and those held by connected persons, and also shares held in the LTIP, Informa Invest and ShareMatch.

[6] The average share price for the three months from 1 October 2016 to 31 December 2016 has been taken for the purpose of calculating the current shareholding as a percentage of salary. The 2014 LTIP share options are exercisable from the third anniversary of the initial award.



There have been no changes in the Executive Directors' shareholdings between 31 December 2016 and the date of this report.

Non-Executive Directors are not subject to a shareholding requirement. Details of their interests in shares (including those held by connected persons) as at 31 December 2016 are set out below:

Non-Executive Director	Shareholdings as at 31 December 2016
Derek Mapp	125,000
Gareth Bullock	12,500
Dr Brendan O'Neill	10,250
Cindy Rose	4,375
Helen Owers	3,663
Stephen Davidson	3,350
David Flaschen[1]	7,000
John Rishton	8,681

[1] David Flaschen holds 3,500 American Depository Receipts (ADR). One ADR is equivalent to two Ordinary shares.

None of the Directors had any beneficial interests in the shares of other Group companies. All Directors took up their rights in full on 26 October 2016 as part of the rights issue, with the exception of David Flaschen due to the restrictions placed on shareholders in certain jurisdictions, such as the US. Rights received by Stephen A. Carter and Gareth Wright in ShareMatch were automatically sold so that the proceeds could be used to take up the remaining rights to the fullest extent possible as part of the 'cashless take up' explained on page 99.

OUTSIDE APPOINTMENTS

Executive Directors are entitled to accept appointments outside of the Company provided that the Chairman determines that it is appropriate. Stephen A. Carter is a Non-Executive Director of United Utilities Group PLC and retained fees of £66,399 with respect to this role in the financial year 2016. Stephen A. Carter is a Governor of the Royal Shakespeare Company and a member of the House of Lords. He does not receive remuneration for either role.

DIRECTORS' CONTRACTS

Each of the Non-Executive Directors has specific terms of appointment.

The dates of the Directors' original contracts are shown in the table below. The current contracts, which include details of remuneration, are available for inspection at the Company's registered office and will be available for inspection at the AGM. The Executive Directors' contracts have a 12-month notice period by either party and the Non-Executive Directors' letters of appointment are terminable by either party on three months' notice.

	Date of original contract
Executive Directors	
Stephen A. Carter[1]	9 July 2013
Gareth Wright	9 July 2014
Non-Executive Directors	
Derek Mapp[2]	10 May 2004
Dr Brendan O'Neill	26 November 2007
Cindy Rose	1 March 2013
Gareth Bullock	1 January 2014
Helen Owers	1 January 2014
Stephen Davidson	1 September 2015
David Flaschen	1 September 2015
John Rishton	1 September 2016

1 Stephen A. Carter was appointed as CEO-Designate on 1 September 2013 and became Group Chief Executive on 1 January 2014.

2 Derek Mapp became Non-Executive Chairman on 17 March 2008.

The following information has been subject to audit.

DIRECTORS' PARTICIPATION IN THE LONG-TERM INCENTIVE PLAN

The Executive Directors have been granted awards over shares in the Company under the LTIP as detailed in the Policy, the 2015 and 2016 awards were granted as allocations and converted to nil cost options in April 2016.

The subsisting LTIP awards for the Executive Directors as at 31 December 2016 were as follows:

	Award date	At 31 December 2015	Vested	Lapsed	Granted[1]	Adjustment for the rights issue	At 31 December 2016	End of performance period
Stephen A. Carter	01.09.2013	75,712	26,196	49,516	–	–	–	31.12.2015
	08.09.2014	306,216	–	–	–	26,389	**332,605**	31.12.2016
	12.02.2015	306,425	–	–	–	26,407	**332,832**	31.12.2017
	17.03.2016	–	–	–	235,136	20,264	**255,400**	31.12.2018
		688,353	26,196	49,516	235,136	73,060	**920,837**	
Gareth Wright	07.03.2013	25,951	8,979	16,972	–	–	–	31.12.2015
	08.09.2014	130,308	–	–	–	11,229	**141,537**	31.12.2016
	12.02.2015	130,397	–	–	–	11,237	**141,634**	31.12.2017
	17.03.2016	–	–	–	100,553	8,665	**109,218**	31.12.2018
		286,656	8,979	16,972	100,553	31,131	**392,389**	

[1] The market price of the Company's shares on the grant date was 695.0p per share.

Subject to achievement of the relevant performance conditions and continued employment, these awards will vest or become exercisable following a three-year performance period, commencing on 1 January of the year of grant.

DIRECTORS' PARTICIPATION IN THE DEFERRED SHARE BONUS PLAN

The Executive Directors were granted options over shares under the DSBP as detailed in the Policy.

	Date of grant	At 31 December 2015	Exercised	Lapsed	Granted	Adjustment for the rights issue	At 31 December 2016	Date option exercisable	End of exercise period
Stephen A. Carter	17.03.2016	–	–	–	5,539	1,384	**6,923**	17.03.2019	16.03.2026
Gareth Wright	17.03.2016	–	–	–	3,143	785	**3,928**	17.03.2019	16.03.2026

[1] The market price of the Company's shares on the grant date was 695.0p per share.

Options under the DSBP have a total option price of £1 payable on exercise of each grant, are subject to continued employment and can be exercised between three and ten years from the date of grant.

The market price of the Company's shares at 31 December 2016 (adjusted for the rights issue) was 680.00p and the range during the year was between 522.60p and 688.93p. The daily average market price during the year was 628.64p.

2017 AGM PROPOSALS

Following on from the Annual Remuneration Report and the Policy, at this year's AGM on 26 May 2017 we will seek shareholder consent to:

- amend our LTIP rules to bring the plan in line with current market practice and include:
  - a dividend equivalent provision to provide participants with the benefit of the value of dividends they would have received on the shares subject to LTIP awards if they had been the shareholder of those shares between grant of the awards and vesting/exercise. This provision will apply to existing awards and nil cost options as well as future awards.
  - a power to allow awards to vest in a demerger situation for the Company. Currently the Board only has the power to adjust awards on these circumstances.
- adopt an Employee Stock Purchase Plan (an "ESPP"):
  - An ESPP is a commonly used US tax favourable share scheme.
  - It would allow US Colleagues to contribute on a monthly basis to the scheme and then purchase shares at a discount of up to 15% of the relevant market price.
  - The shares must then be held for a specified period (of one to two years) to receive the beneficial tax treatment.
  - The Group previously had an ESPP which was closed when we re-domiciled to the UK.

Further information can be found in the Notice to the 2017 AGM on the Company's website.

APPROVAL

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

STEPHEN DAVIDSON
Chairman of the Remuneration Committee
5 March 2017

DIRECTORS' REPORT

Informa PLC is a public company limited by shares and incorporated in England and Wales. It has a premium listing on the London Stock Exchange and is the holding company of the Informa Group of companies. The Directors present their Annual Report and Financial Statements on the affairs of Informa PLC and its subsidiaries (together, "the Group"), and the Consolidated Financial Statements and Auditor's Report, for the year ended 31 December 2016.

This Directors' Report forms part of the Strategic Report of the Company as required by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, contained on pages 1 to 67. The Strategic Report also forms the management report for the purposes of the UK Financial Conduct Authority's Disclosure and Transparency Rules ("DTRs").

The Strategic Report describes the strategy, business model, the Company's performance during the year, principal risk factors and sustainability activities. As a whole the Annual Report and Financial Statements provides information about the Group's businesses, its financial performance during the year and likely future developments.

CORPORATE GOVERNANCE

A report on the Company's compliance with the provisions of the UK Corporate Governance Code as published in September 2014 is set out on page 72, and forms part of this report by reference.

The notice concerning forward-looking statements is set out on page 195. References to the Company may also include references to the Group.

ANNUAL GENERAL MEETING

The AGM will be held on Friday 26 May 2017, in the Heritage Room, Number Twenty, Grosvenor Street, Mayfair, London, W1K 4QJ, at 11.00 am. The notice is being dispatched as a separate document to all Shareholders and is also available on the Company's website. The notice sets out the resolutions to be proposed at the AGM and an explanation of each resolution.

DIVIDENDS

The Directors recommend the payment of a final dividend of 13.04 pence per Ordinary Share. Subject to Shareholders' approval at the 2017 AGM, the final dividend is expected to be paid on 2 June 2017 to Ordinary Shareholders registered as at the close of business on 28 April 2017. Together with the interim dividend of 6.80 pence per Ordinary Share paid on 9 September 2016, this makes a total for the year of 19.30 pence per Ordinary Share (2015: 18.50 pence, restated for the rights issue). Shareholders may elect to receive shares instead of cash from their dividend allocation through the Dividend Reinvestment Plan ("DRIP"). More information on joining the DRIP can be found in Shareholder Information on page 196.

DIRECTORS AND DIRECTORS' INTERESTS

The names, roles, skills and experience of Directors of the Company at the date of this report are set out on pages 68 and 69. John Davis served as a Non-Executive Director until he stepped down from the Board on 19 May 2016. On 1 September 2016 the Board appointed John Rishton as a Non-Executive Director and Chairman-elect of the Audit Committee. John will be seeking formal election by the shareholders at the AGM on 26 May 2017. All other Directors who served on the Board during the financial year will seek re-election except for Brendan O'Neill, who having served on the Board for nine years, will retire as a director before the 2017 AGM. The Board thanks Brendan for his valuable contribution to the Company.

The remuneration and share interests of the Directors who held office as at 31 December 2016 are set out in the Remuneration Report on pages 91 to 106. Details of the contracts of the Executive and Non-Executive Directors with the Company can be found on page 104. There are no agreements in place between the Company and its Directors and colleagues providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid. Further information on payments to Directors can be found in the Remuneration Report on pages 91 to 106. No Director was materially interested in any contract of significance.

DIRECTORS' INDEMNITIES

Indemnities are in force with each Director and more information on these can be found on page 80.

APPOINTMENT AND REPLACEMENT OF DIRECTORS

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

POWERS OF THE DIRECTORS

The powers of the Directors are set out in the Articles and provide that the Board may exercise all the powers of the Company, including to borrow money up to an aggregate of three times the 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 English law.

CHANGES TO THE COMPANY'S ARTICLES
The Company may only amend its Articles by special resolution passed at a general meeting ("GM").

GREENHOUSE GAS EMISSIONS
The Company is required to disclose the Group's greenhouse gas ("GHG") emissions by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. Details of the Group's GHG emissions are contained in the Strategic Report on page 20 and forms part of the Directors' Report disclosures.

POLITICAL DONATIONS
The Group made no political donations during the year.

FINANCIAL INSTRUMENTS
In relation to the use of financial instruments by the Group, a review is included within Note 30 to the Consolidated Financial Statements. Financial risk management objectives and policies and the Group's exposure to capital risk management, market risk, credit risk and liquidity risk are explained in Note 30 to the Consolidated Financial Statements.

OVERSEAS BRANCHES
The Company operates branches in Australia, Singapore, Switzerland, Hong Kong, China, South Korea, Malaysia, Netherlands, South Africa, Taiwan, Vietnam, the UAE and the USA.

SHARE INFORMATION
Substantial shareholdings
At 31 December 2016, the Company had received notice in accordance with the FCA's Disclosure and Transparency Rules (DTR 5), of the following notifiable interests in the Company's issued share capital. The information provided below was correct at the date of notification to the Company and it should be noted that the holdings are likely to have changed since the Company received the notification.

	At 31 December 2016		At 24 March 2017	
	Number of shares	Percentage held	Number of shares	Percentage held
Lazard Asset Management	**44,709,789**	**6.89**	44,709,789	6.89
FMR LLC	**37,786,343**	**5.82**	37,786,343	5.82
Henderson Group plc	**14,157,524**	**<5.00**	14,157,524	<5.00
BlackRock	**Not disclosed**	**<5.00**	Not disclosed	<5.00
Royal London Asset Mgmt Ltd	**19,460,533**	**2.99**	19,460,533	2.99
Kames Capital	**19,401,707**	**2.98**	19,401,707	2.98
Norges UK	**16,288,129**	**2.51**	16,288,129	2.51

Share capital
At 31 December 2015, the Company's issued share capital comprised 648,941,249 Ordinary Shares with a nominal value of 0.1p each.

On 2 November 2016 the Company acquired Penton Information Services, a US based exhibitions and professional services group. The acquisition was partly funded by way of a rights issue and 162,234,656 ordinary shares were admitted to trading pursuant to the rights issue together with a further 12,829,146 ordinary shares which were issued to the sellers as part of the consideration price. Further details of the Penton acquisition are contained in Note 18 to the Consolidated Financial Statements.

As at 31 December 2016, the Company's issued share capital comprised 824,005,051 Ordinary Shares with a nominal value of 0.1p each.

Rights and obligations attaching to shares
The rights attaching to the Company's Ordinary Shares, being the only share class of the Company, are set out in the Articles, which can be found on the Company's website. Subject to relevant legislation, any share may be issued with or have attached to it such preferred, deferred or other special rights and restrictions as the Company may by ordinary resolution decide or, if no such resolution is in effect, or so far as the resolution does not make specific provision, as the Board may decide. No such resolution is currently in effect.

The Company may pass an ordinary resolution to declare a dividend to be paid to holders of Ordinary Shares subject to the recommendation of the Board as to the amount. On liquidation, holders of Ordinary Shares may share in the assets of the Company. Holders of Ordinary Shares are also entitled to receive the Company's Annual Report and Financial Statements and, subject to certain thresholds being met, may requisition the Board to convene a general meeting (GM) or the proposal of resolutions at AGMs. None of the Ordinary Shares carry any special rights with regard to control of the Company.

Voting rights
Holders of Ordinary Shares are entitled to attend and speak at GMs of the Company and to appoint one or more proxies or, if the holder of shares is a corporation, a corporate representative. On a show of hands, each holder of Ordinary Shares who (being an individual) is present in person or (being a corporation) is present by a duly appointed corporate representative, not being himself/herself 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/she 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 set out above and as permitted under applicable statutes, there are no limitations on voting rights of holders of a given percentage, number of votes or deadlines for exercising voting rights.

Restrictions on transfer of securities in the Company

There are no restrictions on the transfer of securities in the Company except that:

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

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

Shares held on trust

Shares are from time to time held by a Trustee in order to satisfy entitlements of colleagues 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 colleagues. The current arrangements concerning these trusts and their shareholdings are set out on page 173.

Purchase of own shares

At the end of the year, the Directors had authority, under a Shareholders' resolution passed on 19 May 2016, to purchase through the market up to 10% of the Company's issued Ordinary Shares. This authority expires at the conclusion of the AGM of the Company to be held on 26 May 2017.

CHANGE OF CONTROL

There are no significant agreements to which the Company is a party that take effect, alter or terminate upon a change of control following a takeover bid (nor any agreements between the Company and its Directors or Colleagues providing for compensation for loss of office or employment that occurs because of a takeover bid) except for the Group's private placement loan notes and facilities described in Note 6 to the Consolidated Financial Statements.

COLLEAGUE ENGAGEMENT

Informa has a continuous and proactive programme of internal communications and colleague engagement activities, designed to encourage and foster a creative and discursive working environment throughout the Group.

Further details can be found in Our Talented People on page 34. Colleagues are kept informed on Group and Divisional developments by various digital, physical and in-person channels, including emails, newsletters and brochures, Intranet videos, articles and documentation, conference calls and webinars, and meetings and "Town Halls".

Colleagues are provided with regular updates on the Company's performance and the Group Chief Executive holds an online "Town Hall" to coincide with half year and full year results, as well as at other times, where colleagues can ask questions directly.

The Group actively seeks feedback from colleagues on their experience of working within the Company, which in 2016 included the first Group-wide discussion since the start of the *Growth Acceleration Plan*, Inside Informa. Action plans to address areas of improvement are being developed in 2017.

The Group was accredited a UK Top Employer for 2016 by the Top Employers Institute.

EQUAL OPPORTUNITIES

Informa aims to attract and retain a diverse range of talent. Having a breadth of skills and experiences is both an essential business need and, the Group believes, the only way to operate.

We recognise the value that differences bring, including but not limited to difference of gender, age, race, nationality, social background, professional and personal experiences and preferences. We comply fully with all national equal opportunities legislation, and make recruitment and promotion decisions based solely on the ability to perform each role. No individual colleague or potential colleague will receive less favourable treatment on the grounds of age, gender, sexual orientation, disability, colour, race, religion, nationality or ethnicity. The Nomination Committee's role on diversity can be found in the Nomination Committee Report on pages 82 to 84, and Our Talented People on pages 34 to 35 contains more information on the Group's approach to developing and supporting colleagues.

Where a colleague's circumstances change, it is the Company's policy to do everything reasonably possible to ensure that a successful return to work is facilitated, be it in the same job or a different role.

AUDITOR

Each person who is a Director at the date of approval of this Annual Report and Financial Statements confirms that:

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

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

During 2016, the Company conducted an audit tender in accordance with the Corporate Governance Code. The Audit Committee recommended Deloitte LLP as the best candidate and the Board adopted the resolution in June to appoint Deloitte LLP as the Company's auditor.

GOING CONCERN BASIS

Each of the persons who is a Director (noted on pages 68 and 69) at the date of approval of this Annual Report and Financial Statements confirms that the Group's business activities, together with the principal risk factors likely to affect its future development, performance and position are set out in the Chairman's Statement and Strategic Report on pages 1 to 67.

As set out on pages 22 to 31 a number of principal risk factors could potentially affect the Group's results and financial position. In particular, the current economic climate creates uncertainties over the level of demand for the Group's products and services. The Group adopts extensive business planning and forecasting processes for 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 56 to 67 and the exposure to liquidity risk is discussed in Note 30 to the Consolidated Financial Statements.

The Group sensitises its projections to reflect possible changes in trading performance and cash conversions, taking into account its substantial deferred revenues (£561.5 at 31 December 2016). In making its statement on viability on page 24 the Directors describe the process they have undertaken to sensitise its forward projections to reflect reasonable worse case scenarios which could arise as a consequence of the most financially material of the Group's principal risks crystallising. The projections support the view that for the period up to 30 June 2018 the Group is expected to be able to operate within the level of its current financing and meet its covenant requirements for a period of one year from the date of the signing of the Group's financial statements for the year ended 31 December 2016.

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

Approved by the Board and signed on its behalf by

RUPERT HOPLEY
Company Secretary
5 March 2017

DIRECTORS' RESPONSIBILITIES

The Directors, whose names are set out on pages 68 and 69, are responsible for preparing the Annual Report and 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 and issued by the International Accounting Standards Board.

International Accounting Standard ("IAS") 1 requires that financial statements present fairly the Company's financial position, financial performance and cash flows for each financial year. 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 Consolidated Financial Statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation;
- safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities; and
- the maintenance and integrity of the corporate and financial information included on the Company's website.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with DTR 4.1.12R, the Directors whose names and roles appear on pages 68 and 69, confirm that, to the best of their knowledge:

- the Consolidated Financial Statements have been prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the management report, which is incorporated into the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risk factors.

In addition, each of the Directors at the date of this report considers the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information neccesary for Shareholders to assess the Company's position, performance, business model and strategy.

Approved by the Board and signed on its behalf by

DEREK MAPP
Chairman
5 March 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INFORMA PLC

OPINION ON FINANCIAL STATEMENTS OF INFORMA PLC

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2016 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The financial statements that we have audited comprise:

- the Consolidated Income Statement;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated and Parent Company Balance Sheets;
- the Consolidated Cash Flow Statement;
- the Consolidated Statement of Changes in Equity;
- the related notes 1 to 39 to the Consolidated Financial Statements; and
- the related notes 1 to 11 to the Parent Company Financial Statements.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and IFRSs as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

SUMMARY OF OUR AUDIT APPROACH

KEY RISKS (SEE SECTION 1: OUR ASSESSMENT OF RISKS OF MATERIAL MISSTATEMENT)

The key risks that we identified in the current year were:

- The timing of revenue recognition;
- The recoverability of the carrying value of goodwill and intangible assets; and
- The accounting for business combinations and acquired intangible assets.

These risks are consistent with the key risks identified in the prior year and no new key risks have been identified in the current year.

MATERIALITY (SEE SECTION 2: OUR APPLICATION OF MATERIALITY)

The materiality that we used in the current year was £16.5 million, the same as the prior period.

SCOPING (SEE SECTION 3: AN OVERVIEW OF THE SCOPE OF OUR AUDIT)

The 2016 audit scoping has remained broadly consistent with that from the prior year, with the exception of the inclusion of audit procedures on specified balances and transactions related to Penton Information Services ("Penton"), which was acquired by the Group on 2 November 2016.

Penton contributed £34.0 million to revenue and an operating loss of £28.6 million during the period from acquisition. The main assets acquired included £833.8 million of Goodwill, £648.2 million of Intangible assets and £114.7 million of deferred tax liabilities net of a deferred tax asset of £46.8 million for brought forward tax losses, all of which are stated on a provisional basis.

SIGNIFICANT CHANGES IN OUR APPROACH

Our preliminary audit scope was discussed with the Audit Committee in July 2016. Our audit approach is continually reassessed taking into consideration any changes to the Group or the environment in which it operates. Aside from the scope change relating to Penton, there were no significant changes to our planned audit approach, which was reviewed again and finalised with the Audit Committee in November 2016.

GOING CONCERN AND THE DIRECTORS' ASSESSMENT OF THE PRINCIPAL RISKS THAT WOULD THREATEN THE SOLVENCY OR LIQUIDITY OF THE GROUP

As required by the Listing Rules we have reviewed the Directors' statement regarding the appropriateness of the going concern basis of accounting contained within Note 2 to the financial statements and the Directors' statement on the longer-term viability of the Group contained within the Strategic Report on page 24.

We are required to state whether we have anything material to add or draw attention to in relation to:

- the Directors' confirmation on page 24 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures on pages 25 to 31 that describe those risks and explain how they are being managed or mitigated;
- the Directors' statement in Note 2 to the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the Group's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- the Directors' explanation on page 24 as to how they have assessed the prospects of the Group over the three-year period to 31 December 2019, why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We confirm that we have nothing material to add or draw attention to in respect of these matters.

We agreed with the Directors' adoption of the going concern basis of accounting and we did not identify any material uncertainties in relation to this conclusion. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

INDEPENDENCE

We are required to comply with the Financial Reporting Council's Ethical Standards for Auditors and confirm that we are independent of the Group and we have fulfilled our other ethical responsibilities in accordance with those standards.

We confirm that we are independent of the Group and we have fulfilled our other ethical responsibilities in accordance with those standards. We also confirm we have not provided any of the prohibited non-audit services referred to in those standards.

1. OUR ASSESSMENT OF RISKS OF MATERIAL MISSTATEMENT

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

THE TIMING OF REVENUE RECOGNITION

Risk description

The specific nature of the risk of material misstatement in revenue recognition varies across the Group's operating divisions. The Group's revenue recognition accounting policies are disclosed in Note 2 to the Consolidated Financial Statements with an analysis by revenue stream and by segment in Notes 5 and 6 respectively.

In respect of the **Global Exhibitions** and **Knowledge & Networking** Divisions, customers are generally billed in advance and the key risk in revenue recognition is that revenue from events and conferences might be recognised in the wrong period, particularly for events held close to year end.

In respect of both the **Academic Publishing** and **Business Intelligence** Divisions, we identified the risk that the deferral and release of subscription revenues did not appropriately match the subscription period in customer contracts.

In **Academic Publishing**, we also identified a key risk relating to sales cut-off, being the sale and recording of revenue from physical book and e-book sales in the period around the year end.

In respect of **Penton**, we also identified the risk that revenue relating to events and conferences spanning the acquisition date may have included revenue which was earned prior to the acquisition date, and that revenue relating to 2017 may have inadvertently been recognised in 2016.

In addition, auditing standards identify revenue recognition as a presumed area of potentially fraudulent management manipulation.

How the scope of our audit responded to the risk

We confirmed our understanding of each of the Divisions' business models to ensure that we understood the customer contracts and the sales process.

We then confirmed our understanding of the design and implementation of controls and where applicable, such as in the European shared services centre, tested the operating effectiveness of these controls by performing sample transaction walkthroughs of the revenue recording process, from order processing to invoice production through to cash collection.

This enabled us to design and perform substantive audit procedures to respond to each of the specific risks of material misstatement we identified.

The substantive audit procedures we performed across the entities within our audit scope included:

- for a sample of transactions, obtaining invoices, payments, exhibitor contracts and evidence of event occurrence to determine whether revenue was recognised at the appropriate time, including, for Penton, substantively testing revenue recognised between the acquisition date and year end;
- performing a trend analysis of revenue over the course of the year, plotting revenue against the calendar of events and verifying whether these events had occurred to third party sources;
- for a sample of transactions relating to print or e-book sales and exhibitions or conferences occurring close to the year end, examining supporting documentation to determine whether revenue recognition criteria had been met and whether the revenue had been appropriately recognised in the period or deferred at the period end; and
- for a sample of subscription transactions, obtaining and reviewing the relevant order confirmations and contracts to validate whether revenue was properly allocated across the term of the contract in the correct accounting period.

Key observations

We reported to the Audit Committee that the audit response procedures were performed satisfactorily and we did not identify any material exceptions as a result of performing our audit procedures.

THE RECOVERABILITY OF THE CARRYING VALUE OF GOODWILL AND INTANGIBLE ASSETS

Risk description
As the Group has expanded through acquisition it has recognised goodwill and intangible assets. At 31 December 2016, total goodwill and intangible assets were stated at £2,724 million and £1,755 million, respectively

Where goodwill exists, the accounting standards require that management perform an annual impairment test, to compare the recoverable amount (normally based on a "value in use" approach, an accounting term for the estimated net present value to the current owner) against the balance sheet carrying value of each cash generating unit ("CGU"). This same impairment test is required for intangible assets where indicators of potential impairment have been identified.

To perform its impairment review, management prepares forecasts for five years, using the budget for year one, the strategic plan for years two and three, and forecast growth rates for years four and five and then applying a terminal value beyond year five, using growth factors and discount rates in respect of each cash generating unit. The selection of the growth rates and the discount rate assumptions applied requires judgement and is fundamental to this audit risk.

Management discusses the policies and processes in Notes 2, and 16 to the Consolidated Financial Statements, and Impairment of assets is identified as a critical accounting judgement in Note 3. Management engages independent valuers to assist in deriving appropriate discount rates to be used.

In 2016, based on this methodology, impairment charges of £67.7 million have been recognised (2015: £13.9 million) (see Note 8 to the Consolidated Financial Statements), £31.1 million relating to **Global Exhibitions** and £36.6 million relating to **Knowledge & Networking**.

How the scope of our audit responded to the risk
We audited the assumptions used in management's impairment testing of goodwill and other intangible assets. This included:

- considering the process by which management had prepared its forecasts and identified each CGU;
- testing the design and implementation of controls relating to the impairment review process undertaken by management;
- assessing recent forecasting accuracy against actual performance, including, for Penton, assessing actual performance since acquisition to confirm management's view that no impairment indicators were identifiable;
- determining whether the 2017 budgets for each CGU were consistent with the budgets as adopted by management and approved by the Board of Directors;
- determining whether the projections for 2018 and 2019 (as included in management's three year plan), and for 2020 and 2021 were in line with our understanding of trends in the business and how they compared to external sources of information;
- determining whether the growth rates selected by management to compute the terminal values of each CGU were in line with the requirements of the accounting standards, which require consideration of long-term economic growth rates for relevant territories;
- reviewing the models used in the impairment tests for mechanical accuracy (i.e. with respect to the use of formulae) and checking that the impairment loss recorded was mechanically accurate based on the assumptions used;
- involving our internal valuation specialists to assess the appropriateness of the key components of the discount rate calculation; and
- considering the reasonableness of sensitivities applied by management and performing further sensitivity analyses on the impairment models.

Key observations
We reported to the Audit Committee that the audit response procedures were performed satisfactorily and we did not identify any material exceptions as a result of performing our audit procedures.

THE ACCOUNTING FOR BUSINESS COMBINATIONS AND ACQUIRED INTANGIBLE ASSETS

Risk description
The most significant business combination during the year related to Penton, which was acquired on 2 November 2016 for consideration of approximately £1.3 billion. During 2016, the Group also completed eight additional business combinations for a consideration of approximately £93 million (see Note 18) and 22 asset acquisitions for consideration of approximately £55 million.

Accounting for business combinations and asset acquisitions can be complex and often requires judgements to be applied and assumptions to be used when assessing the consideration paid, the fair value of assets and liabilities acquired, the identification and valuation of acquired intangible assets and any associated goodwill that arises (see above risk).

Management commissions independent valuation experts to assist with the identification and valuation of separate intangible assets for acquisitions involving consideration at or above £50 million.

In Note 3 the Identification of intangible assets acquired in business combinations is identified as a critical judgement with the valuation and asset lives of separately identifiable intangible assets noted as a key source of estimation uncertainty.

How the scope of our audit responded to the risk
We reconfirmed our understanding of the design and implementation of controls relating to business combinations, and then for each material business combination and asset acquisition, we reviewed and challenged the acquisition accounting applied by management. This included:

- review of the underlying sale and purchase agreement;
- testing the validity and completeness of consideration to the underlying agreements and consideration paid;
- reviewing the terms of the acquisition to assess whether components of compensation and remuneration, if any, had been correctly identified and whether acquisition costs had been expensed as required by accounting standards;
- auditing the acquisition date balance sheet and resultant fair value movements;
- engaging Deloitte internal valuations specialists to review and challenge the independent valuation expert's report utilised by management. This included assessing the intangible assets identified, the basis for their valuation, and benchmarking the reasonableness of the key valuation assumptions, such as discount rates, useful economic lives and growth rates; and
- evaluating management's resultant assumptions and methodology supporting the fair values of acquired intangible assets.

Key observations
We reported to the Audit Committee that the audit response procedures were performed satisfactorily and we did not identify any material exceptions as a result of performing our audit procedures. We note that the fair value amounts disclosed within Note 18 are provisional and are subject to finalisation within the relevant 12 month measurement period from the acquisition as permitted by IFRS 3 *Business Combinations*.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our conclusions and observations thereon, we do not provide a separate opinion on these matters.

2. OUR APPLICATION OF MATERIALITY

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

GROUP MATERIALITY

£16.5 million (2015: £16.5 million)

BASIS FOR DETERMINING MATERIALITY

The basis for determining materiality is consistent with the prior year and has been set as not greater than 5% of statutory pre-tax profit adjusted for impairment charges of £67.7 million (2015: £13.9 million) and amortisation of intangible assets acquired in business combinations of £116.7 million (2015: £99.5 million).

RATIONALE FOR THE BENCHMARK APPLIED

The adjustments made in determining materiality derive a more appropriate and stable measure of performance in the context of the Group's adjusted profits, a measure used and focused on by analysts and other users of the financial statements. £16.5 million represents 9.3% of statutory profit before tax (2015: 7.5%).

We agreed with the Audit Committee that we would report all individual audit differences in excess of £750,000 (2015: £300,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. The change in the reporting threshold was made to be a more appropriate level in the context of the overall financial statements. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

3. AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. Based on that assessment, we performed full scope and directed scoped audit procedures across the principal shared services centres in the UK, USA and Singapore. We also performed full scope audit procedures on the businesses in Brazil and Germany, and additionally for the 2016 audit we performed audit procedures on certain specified account balances and transactions in the USA relating to the acquisition of Penton.

The in scope locations represent the principal business units within the Group's five reportable operating divisions and account for 74% (2015: 74%) of the Group's revenue and 78% (2015: 85%) of the Group's adjusted operating profit. The Group audit also obtains coverage of 100% (2015: 100%) of both the Group's goodwill and acquired intangible assets. Our audit work at all the locations in the group audit scope was executed at levels of materiality applicable to each individual entity which was lower than Group materiality and ranged from £8 million to £10 million.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INFORMA PLC CONTINUED

REVENUE 2016

Full audit	**65%**
Audit of specified balances and transactions	**9%**

ADJUSTED OPERATING PROFIT 2016

Full audit	**66%**
Audit of specified balances and transactions	**12%**

At the Group level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement in the aggregated financial information of the remaining components not subject to audit or audit of specified account balances.

The Group audit team continued to follow a programme of planned visits that has been designed so that the Senior Statutory Auditor or a designate visits each of the locations in the Group audit scope at least once every two years and the most significant of them at least once a year. In the course of the 2016 audit, visits were undertaken to the principal shared service centres in the UK, USA and Singapore as well as visits to the Brazilian and US component (Penton) teams. In years when we do not visit a significant component, we include the component audit team in our team briefing, discuss their risk assessment, and review documentation of the findings from their work.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

ADEQUACY OF EXPLANATIONS RECEIVED AND ACCOUNTING RECORDS

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in respect of these matters.

DIRECTORS' REMUNERATION

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns.

We have nothing to report arising from these matters.

CORPORATE GOVERNANCE STATEMENT

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

We have nothing to report arising from our review.

OUR DUTY TO READ OTHER INFORMATION IN THE ANNUAL REPORT

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed.

We confirm that we have not identified any material inconsistencies or misleading statements.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team and independent partner reviews.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

WILLIAM TOUCHE (SENIOR STATUTORY AUDITOR)

For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, UK
5 March 2017

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Adjusted results 2016 £m	Adjusting items 2016 £m	Statutory results 2016 £m	Adjusted results 2015 £m	Adjusting items 2015 £m	Statutory results 2015 £m
Continuing operations							
Revenue	5	**1,345.7**	**–**	**1,345.7**	1,212.2	–	1,212.2
Net operating expenses	7	**(930.4)**	**(217.3)**	**(1,147.7)**	(846.5)	(129.1)	(975.6)
Operating profit/(loss) before joint ventures and associate		**415.3**	**(217.3)**	**198.0**	365.7	(129.1)	236.6
Share of results of joint ventures and associate	19	**0.8**	**–**	**0.8**	(0.1)	–	(0.1)
Operating profit/(loss)		**416.1**	**(217.3)**	**198.8**	365.6	(129.1)	236.5
(Loss)/profit on disposal of subsidiaries and operations	20	**–**	**(39.8)**	**(39.8)**	–	9.1	9.1
Investment income	11	**0.6**	**58.9**	**59.5**	4.7	–	4.7
Finance costs	12	**(40.2)**	**–**	**(40.2)**	(30.6)	–	(30.6)
Profit/(loss) before tax		**376.5**	**(198.2)**	**178.3**	339.7	(120.0)	219.7
Tax (charge)/credit	13	**(68.0)**	**63.2**	**(4.8)**	(60.2)	13.2	(47.0)
Profit/(loss) for the year		**308.5**	**(135.0)**	**173.5**	279.5	(106.8)	172.7
Attributable to:							
– Equity holders of the Company		**306.6**	**(135.0)**	**171.6**	278.2	(106.8)	171.4
– Non-controlling interests	33	**1.9**	**–**	**1.9**	1.3	–	1.3
Earnings per share							
– Basic (p)[1]	15	**42.2**		**23.6**	39.5		24.3
– Diluted (p)[1]	15	**42.1**		**23.6**	39.5		24.3

[1] 2015 earnings per share amounts restated to reflect adjustments associated with the rights issue (see Note 15).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £m	2015 £m
Profit for the year		**173.5**	172.7
Items that will not be reclassified subsequently to profit or loss:			
Actuarial (loss)/gain on defined benefit pension schemes	36	**(14.3)**	6.0
Tax relating to items that will not be reclassified to profit or loss	27	**2.0**	(1.2)
Total items that will not be reclassified subsequently to profit or loss		**(12.3)**	4.8
Items that may be reclassified subsequently to profit or loss:			
Exchange gain on translation of foreign operations		**270.3**	30.1
Exchange loss on net investment hedge debt		**(162.2)**	(44.7)
Total items that may be reclassified subsequently to profit or loss		**108.1**	(14.6)
Other comprehensive income/(expense) for the year		**95.8**	(9.8)
Total comprehensive income for the year		**269.3**	162.9
Total comprehensive income attributable to:			
– Equity holders of the Company		**267.6**	161.6
– Non-controlling interests	33	**1.7**	1.3

STRATEGIC REPORT GOVERNANCE FINANCIAL STATEMENTS

FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital £m	Share premium account £m	Translation reserve £m	Other reserves £m	Retained earnings £m	Total[1] £m	Non-controlling interests £m	Total equity £m
At 1 January 2015	0.6	204.0	(19.6)	(1,653.5)	2,698.7	1,230.2	1.5	1,231.7
Profit for the year	–	–	–	–	171.4	171.4	1.3	172.7
Exchange loss on net investment hedge debt	–	–	(44.7)	–	–	(44.7)	–	(44.7)
Exchange gain on translation of foreign operations	–	–	30.1	–	–	30.1	–	30.1
Actuarial gain on defined benefit pension schemes (Note 36)	–	–	–	–	6.0	6.0	–	6.0
Tax relating to components of other comprehensive income (Note 27)	–	–	–	–	(1.2)	(1.2)	–	(1.2)
Total comprehensive income/ (expense) for the year	–	–	(14.6)	–	176.2	161.6	1.3	162.9
Dividends to shareholders (Note 14)	–	–	–	–	(126.1)	(126.1)	–	(126.1)
Dividends to non-controlling interests	–	–	–	–	–	–	(0.5)	(0.5)
Share award expense (Note 10)	–	–	–	2.6	–	2.6	–	2.6
Purchase of subsidiary from non-controlling interests	–	–	–	–	(1.9)	(1.9)	(0.2)	(2.1)
Own shares purchased				(0.4)	–	(0.4)	–	(0.4)
Transfer of vested LTIPs	–	–	–	(1.5)	1.5	–	–	–
At 1 January 2016	0.6	204.0	(34.2)	(1,652.8)	2,748.4	1,266.0	2.1	1,268.1
Profit for the year	–	–	–	–	**171.6**	**171.6**	**1.9**	**173.5**
Exchange gain on translation of foreign operations	–	–	**270.5**	–	–	**270.5**	**(0.2)**	**270.3**
Exchange loss on net investment hedge debt	–	–	**(162.2)**	–	–	**(162.2)**	–	**(162.2)**
Actuarial loss on defined benefit pension schemes (Note 36)	–	–	–	–	**(14.3)**	**(14.3)**	–	**(14.3)**
Tax relating to components of other comprehensive income (Note 27)	–	–	–	–	**2.0**	**2.0**	–	**2.0**
Total comprehensive income for the year	–	–	**108.3**	–	**159.3**	**267.6**	**1.7**	**269.3**
Dividends to shareholders (Note 14)	–	–	–	–	**(131.9)**	**(131.9)**	–	**(131.9)**
Dividends to non-controlling interests	–	–	–	–	–	–	**(2.6)**	**(2.6)**
Shares issued	**0.2**	**701.3**	–	**82.2**	–	**783.7**	–	**783.7**
Share award expense (Note 10)	–	–	–	**3.9**	–	**3.9**	–	**3.9**
Own shares purchased	–	–	–	**(1.0)**	–	**(1.0)**	–	**(1.0)**
Transfer of vested LTIPs	–	–	–	**(1.6)**	**1.6**	–	–	–
Put option on acquisition of non-controlling interests	–	–	–	**(1.5)**	–	**(1.5)**	–	**(1.5)**
At 31 December 2016	**0.8**	**905.3**	**74.1**	**(1,570.8)**	**2,777.4**	**2,186.8**	**1.2**	**2,188.0**

[1] Total attributable to equity holders of the parent.

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2016

	Notes	2016 £m	2015[1] £m
Non-current assets			
Goodwill	16	**2,724.4**	1,708.1
Other intangible assets	17	**1,755.0**	968.2
Property and equipment	21	**24.1**	17.3
Investments in joint ventures and associate	19	**1.5**	0.1
Investments		**1.8**	1.4
Deferred tax assets	27	**13.0**	0.6
Other receivables	23	**0.5**	36.2
		4,520.3	2,731.9
Current assets			
Inventory	22	**52.4**	46.0
Trade and other receivables	23	**358.1**	243.4
Current tax asset		**31.1**	4.2
Cash at bank and on hand	24	**49.6**	34.3
		491.2	327.9
Total assets		**5,011.5**	3,059.8
Current liabilities			
Borrowings	29	**(174.9)**	(2.0)
Current tax liabilities		**(30.3)**	(30.4)
Provisions	26	**(34.4)**	(24.0)
Trade and other payables	25	**(246.5)**	(207.9)
Deferred income		**(561.5)**	(385.7)
		(1,047.6)	(650.0)
Non-current liabilities			
Borrowings	29	**(1,360.3)**	(927.9)
Deferred tax liabilities	27	**(329.9)**	(183.3)
Retirement benefit obligation	36	**(38.0)**	(4.0)
Provisions	26	**(11.8)**	(21.0)
Non-current tax liabilities	28	**(8.3)**	–
Trade and other payables	25	**(27.6)**	(5.5)
		(1,775.9)	(1,141.7)
Total liabilities		**(2,823.5)**	(1,791.7)
Net assets		**2,188.0**	1,268.1
Equity			
Share capital	31	**0.8**	0.6
Share premium account		**905.3**	204.0
Translation reserve		**74.1**	(34.2)
Other reserves	32	**(1,570.8)**	(1,652.8)
Retained earnings		**2,777.4**	2,748.4
Equity attributable to equity holders of the parent		**2,186.8**	1,266.0
Non-controlling interest	33	**1.2**	2.1
Total equity		**2,188.0**	1,268.1

[1] Restated for remeasurement of prior year valuation (see note 4).

These financial statements were approved by the Board of Directors on 5 March 2017 and were signed on its behalf by

STEPHEN A. CARTER ~~CBE~~
Group Chief Executive

GARETH WRIGHT
Group Finance Director

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £m	2015 £m
Operating activities			
Cash generated by operations	35	**415.2**	392.0
Income taxes paid		**(43.3)**	(30.7)
Interest paid		**(35.6)**	(27.4)
Net cash inflow from operating activities		**336.3**	333.9
Investing activities			
Interest received		**0.6**	0.7
Purchase of property and equipment	21	**(4.6)**	(7.2)
Proceeds on disposal of property and equipment		**0.6**	0.4
Purchase of intangible software assets	17	**(36.5)**	(23.2)
Product development costs additions	17	**(11.5)**	(3.5)
Purchase of intangibles related to titles, brands and customer relationships		**(54.5)**	(92.5)
Proceeds on disposal of other intangible assets		**–**	0.1
Acquisition of subsidiaries and operations, net of cash acquired	18	**(1,294.2)**	(68.8)
Cash (outflow)/inflow on disposal of subsidiaries and operations	20	**(4.1)**	12.8
Disposal of other intangible assets		**1.6**	–
Purchase of investment		**–**	(0.7)
Net cash outflow from investing activities		**(1,402.6)**	(181.9)
Financing activities			
Dividends paid to shareholders	14	**(131.9)**	(126.0)
Dividends paid to non-controlling interests		**(2.6)**	(0.5)
Proceeds from settlement of acquisition-related derivative forward contract		**58.9**	–
Repayment of loans		**(1,455.9)**	(928.9)
New loan advances		**1,888.9**	812.0
Repayment of private placement borrowings		**–**	(73.3)
New private placement borrowings		**–**	166.5
Borrowing fees paid	35	**(2.1)**	(1.1)
Cash inflow/(outflow) on issue of other loans	35	**0.2**	(0.3)
Rights Issue net proceeds		**701.5**	–
Cash outflow from the purchase of share capital		**(1.0)**	(0.4)
Net cash inflow/(outflow) from financing activities		**1,056.0**	(152.0)
Net decrease in cash and cash equivalents		**(10.3)**	–
Effect of foreign exchange rate changes		**18.2**	(3.0)
Cash and cash equivalents at beginning of the year	24	**32.3**	35.3
Cash and cash equivalents at end of the year	24	**40.2**	32.3

RECONCILIATION OF MOVEMENT IN NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	**2016 £m**	2015 £m
Decrease in cash and cash equivalents in the year	35	**(10.3)**	–
Cash flows from (draw-down)/repayment of borrowings	35	**(431.1)**	25.1
Change in net debt resulting from cash flows		**(441.4)**	25.1
Other non-cash movements including foreign exchange	35	**(148.7)**	(44.2)
Movement in net debt in the year		**(590.1)**	(19.1)
Net debt at beginning of the year	35	**(895.3)**	(876.2)
Net debt at end of the year	35	**(1,485.4)**	(895.3)

FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 GENERAL INFORMATION

Informa PLC (the "Company") is a company incorporated in the United Kingdom under the Companies Act 2006 and is listed on the London Stock Exchange. The Company is a public company limited by shares and is registered in England and Wales with registration number 08860726. The address of the registered office is 5 Howick Place, London, SW1P 1WG. The nature of the Group's operations and its principal activities are set out in the Strategic Report.

The Consolidated Financial Statements as at 31 December 2016 and for the year then ended comprise those of the Company and its subsidiaries and its interests in joint ventures and associate (together referred to as "the Group").

These financial statements are presented in pounds sterling ("GBP"), the functional currency of the Parent Company, Informa PLC. Foreign operations are included in accordance with the policies set out in Note 2.

2 SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Financial Statements have been prepared in accordance with IFRSs adopted by the European Union and therefore comply with Article 4 of the EU IAS Regulations.

The Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements. Further detail is contained in the Strategic Review.

The consolidated financial statements have been prepared on the historical cost basis, except for derivative financial instruments and hedged items which are measured at fair value. The principal accounting policies adopted are set out below, all of which have been consistently applied to all periods presented in the consolidated financial statements.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the accounts of the Company and all of its subsidiaries. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity, has the rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The results of subsidiaries acquired or sold are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the results of acquired subsidiaries to bring their accounting policies into line with those used by other members of the Group.

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

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

Joint ventures are joint arrangements in which the Group has the rights to the net assets through joint control with a third party. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. An associate is an undertaking over which the Group exercises significant influence, usually from 20%–50% of the equity voting rights, in respect of the financial and operating policy.

The Group accounts for its interests in joint ventures and associate using the equity method. Under the equity method, the investment in the joint venture or associate is initially measured at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint ventures or associate since the acquisition date. The income statement reflects the Group's share of the results of operations of the entity. The statement of comprehensive income includes the Group's share of any other comprehensive income recognised by the joint venture or associate. Dividend income is recognised when the right to receive the payment is established. Where an associate or joint venture has net liabilities, full provision is made for the Group's share of liabilities where there is a constructive or legal obligation to provide additional funding to the associate or joint venture.

Joint operations arise where there is a joint arrangement in which the Group is one of the parties that has joint control of the arrangement and has rights to the assets, and obligation for the liabilities, relating to the arrangement. This typically arises when the joint arrangement is not structured through a separate legal entity. For the Group's interest in a joint operation, it accounts for its share of the joint operation's assets, liabilities, revenues and expenses.

FOREIGN CURRENCIES

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

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

The balance sheet of foreign subsidiaries is translated into pounds sterling at the closing rates of exchange. The income statement results are translated at an average exchange rate, recalculated for each month between that month's closing rate and the equivalent for the preceding month.

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

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

BUSINESS COMBINATIONS

The acquisition of subsidiaries and other asset purchases that are assessed as meeting the definition of a business under the rules of IFRS 3 Business Combinations are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of fair values of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. If the accounting for business combinations involves provisional amounts, which are then finalised in a subsequent reporting period during the 12-month measurement period as permitted under IFRS 3, restatement of these provisional amounts may be required in the subsequent reporting period. Acquisition and integration costs incurred are expensed and included in adjusting items in the Consolidated Income Statement.

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

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

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

REVENUE

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

Subscription income for online services, information and journals is deferred and recognised evenly over the term of the subscription. Revenue from exhibitions, tradeshows, conferences and learning events, together with attendee fees and event sponsorship, is recognised when the event is held, with advance receipts recognised as deferred income in the balance sheet.

Unit sales revenue is recognised on the sale of books and related publications when title passes, depending on the terms of the sales agreement. Advertising and marketing services revenue is recognised on issue of the related publication or over the period of the advertising subscription or marketing service period.

Revenue relating to barter transactions is recorded at fair value and recognised in accordance with the Group's revenue recognition policies. Expenses from barter transactions are recorded at fair value and recognised as incurred. Barter transactions typically involve the trading of advertisements and trade show space in exchange for services provided at events.

2 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

PENSION COSTS AND PENSION SCHEME ARRANGEMENTS

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 incurred.

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 regular intervals. There is no service cost due to the fact that these schemes are closed to future accrual. Net interest is calculated by applying a discount rate to the opening net defined benefit liability or asset and shown in finance costs, and the administration costs are shown as a component of operating expenses. Actuarial gains and losses are recognised in full in the period in which they occur, outside of the Consolidated Income Statement and in the Consolidated Statement of Comprehensive Income.

The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

SHARE-BASED PAYMENTS

The Group issues equity-settled share-based payments to certain employees. These are measured at fair value at date of grant. An expense is recognised to spread the fair value of each award over the vesting period on a straight line basis, after allowing for an estimate of the share awards that will actually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate.

For awards under the Long-Term Incentive Plan ("LTIP"), where the proportion of the award is dependent on the level of total shareholder return, the fair value is measured using a Monte Carlo model of valuation, which is considered to be the most appropriate valuation technique. The valuation takes into account factors such as non-transferability, exercise restrictions and behavioural considerations. For awards issued under ShareMatch, the fair value is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. For cash-settled share-based payments, a liability is recognised over the period of service, with the fair value re-measured at each reporting date, with any changes recognised in the Consolidated Income Statement.

Own shares are deducted in arriving at total equity and represent the cost of the Company's ordinary shares acquired by the Employee Share Trust ("EST") and ShareMatch in connection with certain of the Group's employee share schemes.

INTEREST INCOME

Interest income is recognised on an accrual basis, by reference to the principal outstanding and at the effective interest rate applicable.

TAXATION

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

A current tax provision is recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

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

Deferred tax is calculated for all business combinations in respect of intangible assets and properties. A deferred tax liability is recognised to the extent that the fair value of the assets for accounting purposes exceeds the value of those assets for tax purposes and will form part of the associated goodwill on acquisition. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associate except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Consolidated Income Statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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

GOODWILL

Goodwill arising on the acquisition of subsidiary companies and businesses is calculated as the excess of the fair value of purchase consideration over the fair value of identifiable assets and liabilities acquired at the date of acquisition. It is recognised as an asset at cost, assessed for impairment at least annually and subsequently measured at cost less accumulated impairment losses. Any impairment is recognised immediately in the Consolidated Income Statement and is not subsequently reversed. Fair value measurements are based on provisional estimates and may be subject to amendment within one year of the acquisition, resulting in an adjustment to goodwill.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units ("CGUs"), as determined by the Executive Directors 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 CGU, including goodwill. The Group estimate the discount rates as the risk-adjusted 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.

On disposal of a business which includes all or part of a CGU, any attributable goodwill is included in the calculation of the profit or loss on disposal.

INTANGIBLE ASSETS

Intangible assets are initially measured at cost. For intangible assets acquired in business combinations, cost is calculated based on the Group's valuation methodologies (Note 17). These assets are amortised over their estimated useful lives on a straight line basis, as follows:

Book lists	20 years[1]
Journal titles	20 years[1]
Brands and trade marks	10 – 20 years
Customer relationship database and intellectual property	10 – 20 years
Non-compete agreements	1 – 3 years
Software	3 – 10 years
Product development	3 – 5 years

[1] Or licence period if shorter.

Software which is not integral to a related item of hardware is included in intangible assets. Capitalised internal-use software costs include external direct costs of materials and services consumed in developing or obtaining the software, and payroll and other direct costs for employees who devote substantial time to the project. Capitalisation of these costs ceases when the project is substantially complete and available for use. These costs are amortised on a straight line basis over their expected useful lives.

2 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

INTANGIBLE ASSETS CONTINUED

Product development expenditure is capitalised as an intangible asset only if all of certain conditions are met, with all research costs and other development expenditure being expensed when incurred. The capitalisation criteria are as follows:

- an asset is created that can be separately identified, and which the Group intends to use or sell;
- it is technically feasible to complete the development of the asset for use or sale;
- it is probable that the asset will generate future economic benefit; and
- the development cost of the asset can be measured reliably.

The expected useful lives of intangible assets are reviewed annually. The Group does not have any intangible assets with indefinite lives (excluding goodwill).

PROPERTY AND EQUIPMENT

Property and equipment is recorded at cost less accumulated depreciation and provision for impairment. Depreciation is provided to write off the cost less the estimated residual value of property and equipment on a straight line basis over the estimated useful lives of the assets. Freehold land is not depreciated. The rates of depreciation on other assets are as follows:

Freehold buildings	50 years
Leasehold land and buildings	Over life of the lease
Equipment, fixtures and fittings	3 – 15 years

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

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

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

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

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

INVENTORY

Inventory is stated at the lower of cost and net realisable value. Cost comprises direct materials and expenses incurred in bringing the inventory to its present location and condition. Net realisable value represents the estimated selling price less marketing and distribution costs expected to be incurred. Pre-publication costs are included in inventory, representing costs incurred in the origination of content prior to publication. These are expensed systematically reflecting the expected sales profile over the estimated economic lives of the related products (typically over 1-5 years).

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 consolidated balance sheet as a finance lease obligation. Finance charges are allocated over the period of the lease in proportion to the capital amount outstanding and are charged to the consolidated income statement.

Operating lease rentals are charged to the consolidated income statement in equal annual amounts over the lease term. Lease incentives where received from the lessor are treated as a reduction in lease rentals and spread over the term of the lease.

Rental income from sub-leasing property space is recognised on a straight line basis over the term of the relevant lease.

FINANCIAL ASSETS
Financial assets are recognised in the Group's consolidated balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are classified into the following categories: trade and other receivables, and cash at bank and on hand.

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

CASH AT BANK AND ON HAND
Cash comprises 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 consolidated cash flow statement.

IMPAIRMENT OF FINANCIAL ASSETS
Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been negatively impacted.

For unlisted shares classified as 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 reorganisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with increased default risk on receivables. A specific provision will also be raised for trade receivables when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired.

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 Consolidated Income Statement.

FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS ISSUED BY THE GROUP
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

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

2 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

BORROWINGS

Interest-bearing 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 consolidated 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.

NET DEBT

Net debt consists of cash and cash equivalents and includes bank overdrafts, borrowings and other loan receivables where these are interest bearing and do not relate to deferred consideration arrangements.

FINANCE COSTS

Debt issue costs are capitalised and are recognised in the consolidated 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, as set out above, with interest expense recognised on an effective yield basis.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The derivative instruments utilised by the Group to hedge these exposures are primarily interest rate swaps and cross currency swaps. The Group does not use derivative contracts for speculative purposes.

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

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

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

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

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

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

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

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

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

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 or implementation has commenced.

ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")
Standards and interpretations adopted in the current year
The following new standards, amendments and interpretations have been adopted in the current year:

- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment entities – Applying the Consolidation Exemption
- Amendments to IAS 27: Equity Method in Separate Financial Statements
- Amendments to IAS 1: Disclosure Initiative
- Annual improvements to IFRSs: 2012-2014 cycle, issues included:
  - IFRS 5: Changes in methods of disposal
  - IFRS 7: Servicing Contracts
  - IFRS 7: Applicability of the amendments to IFRS 7 to condensed interim financial statements
  - IAS 19: Discount rate: regional market issue
  - IAS 34: Disclosure of information 'elsewhere in the interim financial report'
- IAS 16 and IAS 38 amendments: Clarification of acceptable methods of depreciation and amortisation
- Amendments to IFRS 11: Accounting for acquisition of interests in joint operations

The adoption of these standards and interpretations has not led to any changes to the Group's accounting policies or had any other material impact on the financial position or performance of the Group. Other amendments to IFRSs effective for the year ending 31 December 2016 have no impact on the Group.

Standards and interpretations in issue, not yet effected
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:

- IFRS 9 *Financial Instruments* – EU endorsed, effective from 1 January 2018;
- IFRS 15 *Revenue from Contracts with Customers* – EU endorsed, effective from 1 January 2018;
- IFRS 16 *Leases* – not yet EU endorsed, effective from 1 January 2019;
- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised losses – not yet EU endorsed, effective from 1 January 2017;
- Amendments to IAS 7: Disclosure Initiative – not yet EU endorsed, effective from 1 January 2017;
- Amendments to IFRS 2: Classification and measurement of share-based payment transactions – not yet EU endorsed, effective from 1 January 2018;
- Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – not yet EU endorsed, effective from 1 January 2018;
- Annual improvements to IFRSs: 2014-2016 cycle – not yet EU endorsed, certain items effective from 1 January 2017, other items effective 1 January 2018; and
- IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration – not yet EU endorsed, effective from 1 January 2018.

2 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") CONTINUED

Standards and interpretations in issue, not yet effected continued

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will not have a material impact on the financial statements of the Group, except as described in relation to leases:

- *IFRS 9 Financial Instruments* (effective for the 2018 financial year) is a new standard which enhances the ability of investors and other users of financial information to understand the accounting for financial assets and financial liabilities 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. The Group has conducted an assessment of the impact of this standard and concluded there is not expected to be any significant adjustment required on the measurement, presentation or disclosure of financial assets and liabilities in the consolidated financial statements when the standard is adopted.
- *IFRS 15 Revenue from Contracts with Customers* (effective for the 2018 financial year) is a new standard providing a single point of reference for revenue recognition, based on a five-step model framework, which replaces all existing revenue accounting standards, interpretations and guidance. The major change is the requirement to identify and assess the satisfaction of delivery of each performance obligation in contracts in order to recognise revenue. Following a preliminary assessment of the financial impact of the changes required from the forthcoming adoption of this new standard, the Group does not expect there to be any material change to the Income Statement or Balance Sheet of the Group. Full disclosure of the final assessment of the impact will be provided in the Annual Report for the year ending 31 December 2017.
- *IFRS 16 Leases* (effective for the 2019 financial year). This new leasing standard replaces the existing leasing standard (IAS 17 *Leases*). The new standard requires all leases to be treated in a consistent way, it eliminates the distinction between operating and finance leases and requires lessees to recognise all leases, with a remaining term of greater than 12 months, on the balance sheet. The most significant effect of the new requirements will be an increase in lease assets and financial liabilities. IFRS 16 changes the nature of expenses related to those leases, replacing the straight-line operating lease expense with a depreciation charge for the lease asset (included within operating costs) and an interest expense on the lease liability (included within finance costs). The Group is in the process of assessing the impact of this new standard. Note 34 provides further information on the Group's operating lease obligations.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

CRITICAL ACCOUNTING JUDGEMENTS

In addition to the judgement taken by the Group in selecting and applying the accounting policies set out above, the Directors have made the following judgements concerning the amounts recognised in the Consolidated Financial Statements.

Impairment of assets (Note 16)

Identifying whether there are indicators of impairment for assets involves a high level of judgement and a good understanding of the drivers of value behind the asset. At each reporting period an assessment is performed in order to determine whether there are any such indicators, which involves considering the performance of our businesses, any significant changes to the markets in which we operate and future forecasts. For impairment testing purposes, goodwill is allocated to the specific CGUs which are expected to benefit from the goodwill. When there are changes in the business structure, judgement is required in identifying any changes to the identification of CGUs taking account of the lowest level of independent cash inflows generated and the level at which the Chief Operating Decision Maker monitors the performance of the business.

There are a number of assumptions the Group has considered in performing impairment reviews of assets – Note 16 details the assumptions that have been applied. The determination of whether assets are impaired requires an estimation of the value in use of the cash generating units to which assets have been allocated, except where fair value less costs to sell is applied. The value in use calculation requires the Group to estimate the future cash flows expected to arise from each cash generating unit using projections for five years and determining a suitable discount rate in order to calculate present value, and the long-term growth rate. The sensitivities considered by the directors are described in Note 16.

Identification of intangible assets acquired in business combinations (Notes 17 and 18)

There are significant judgements involved in assessing the provisional amounts recognised in respect of the estimated fair value of assets and liabilities acquired through business combinations, in particular the amounts attributed to separate intangible assets such as titles, brands, acquired customer lists and the associated customer relationships. These judgements impact the amount of goodwill recognised on acquisitions. Any provisional amounts are finalised within the 12-month measurement period, as permitted by IFRS 3.

The fair values of assets recognised are based on recognised valuation techniques built, in part, on assumptions around the future performance of the business. The Group has built considerable knowledge of these valuation techniques but notwithstanding this, for major acquisitions, defined as when consideration is at or above £50.0m, the Group considers the advice of third-party independent valuers in identifying and calculating the valuation of any intangible assets arising on acquisition. Details of acquisitions in the year are set out in Note 18.

Recoverability of loan note receivables (Note 23)
The Group has a number of external receivables which were repayable over the next two to five years, mostly vendor loan notes receivable in relation to disposed businesses. The recoverability of the capital and interest payments is dependent on the financial success of the counterparties over the coming years. In making its judgement in respect of recoverability, the Group assesses for each significant loan receivable whether a credit risk provision is required. Details of the carrying value of these receivables are in Note 23.

Taxation (Notes 13, 27 and 28)
The Group's total tax charge is the sum of the current and deferred tax charges and the charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority.

Provisions for tax contingencies require the Group to make judgements and estimates in relation to tax issues and exposures. Amounts provided are based on the Group's interpretation of applicable tax law and the likelihood of settlement. Tax benefits are not recognised unless it is probable that the tax positions will be sustained. The amounts recognised in the consolidated financial statements are derived from the Group's best estimation and judgement. However, the inherent uncertainty regarding the outcome of these items means the eventual resolution could differ from the provision and in such event the Group would be required to make an adjustment in a subsequent period which could have an impact on the Group's profit and loss and/or cash position. The directors do not believe any such adjustments would be material.

The key area of judgement in respect of deferred tax accounting is the assessment of the expected timing and manner of realisation or settlement of the carrying amounts of assets and liabilities held at the balance sheet date. In particular, assessment is required of whether it is probable that there will be future taxable profits against which any deferred tax assets can be utilised. Specifically, the Group has a gross deferred tax asset relating to unused tax losses in Penton, which are recognised net of the deferred tax liabilities arising from the fair value of acquisition intangible assets. The recognition of this deferred tax asset is contingent on the Group's estimation of future taxable income and this estimation is supported by the Group's latest available three-year plan.

Adjusted results (Notes 8 and 15)
The Group presents adjusted results (Note 8) and adjusted diluted earnings per share (Note 15) to provide additional useful information on underlying performance and trends to Shareholders. These results are used for internal performance analysis and incentive compensation arrangements for employees. Adjusted results excludes items that are commonly excluded across the media sector: amortisation and impairment of goodwill and intangible assets relating to businesses acquired and other intangible asset purchases of titles and exhibitions, acquisition and integration costs charged to the Consolidated Income Statement, profit or loss on disposal of businesses, restructuring costs and other non-recurring items that in the opinion of the Directors would distort underlying results. 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. Refer to Note 8 for details of adjusting items recorded for the year and reconciled to Statutory Operating Profit.

KEY SOURCES OF ESTIMATION UNCERTAINTY
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

Recoverability of unused tax losses (Note 27)
The Group has a gross deferred tax asset relating to unused tax losses of £90.6m at 31 December 2016, which can be carried forward for use in future years. The recognition of this deferred tax asset is contingent on the Group's estimation of future taxable income and the directors expect this asset to be utilised within five years.

Contingent consideration (Notes 18 and 26)
Contingent consideration relating to acquisitions is recognised initially based on the Group's estimate of the most likely outcome and discounted appropriately to fair value. However, any subsequent re-measurement of contingent consideration is recognised in the Consolidated Income Statement. Payments made to former owners are assessed to consider if these represent consideration related to the acquisition or as remuneration for services provided in the post-acquisition period. The maximum contingent consideration payable under all arrangements is £24.5m, against which the Directors have provided for £21.2m, being the best estimate of the liability. A gain of £7.4m has been recognised in the year ended 31 December 2016 due to changes in the estimates of the assumptions underlying the provision.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY CONTINUED

KEY SOURCES OF ESTIMATION UNCERTAINTY: CONTINUED

Pension assumptions (Note 36)
There are a number of assumptions the Group has considered 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, the rates of increase in salaries and pensions and mortality assumptions. Note 36 details the principal assumptions which have been adopted based on the advice received from independent actuaries and also details sensitivities to changes in these assumptions.

Valuation and asset lives of separately identifiable intangible assets (Note 17)
In order to determine the value of the separately identifiable intangible assets on a business combination, the Group are required to make estimates when utilising valuation methodologies. Associated with this is deferred tax on these intangibles. These methodologies include the use of discounted cash flows, revenue forecasts and the estimates for the useful economic lives of intangible assets. For major acquisitions, defined as when consideration is at or above £50.0m, the Group considers the advice of third-party independent valuers in identifying and calculating the valuation of intangible assets arising on acquisition.

4 RESTATEMENT

The results for the year ended 31 December 2015 have been restated for the finalisation of the valuation of the separately identifiable tangible and intangible assets and liabilities of the Ashgate Publishing Limited acquisition that completed on 16 July 2015. This resulted in the Consolidated Balance Sheet at 31 December 2015 being adjusted for the recognition of additional receivables of £0.5m, additional inventory of £1.0m and a reduction to goodwill of £1.5m. The Consolidated Income Statement for the year ended 31 December 2015 was not impacted by this restatement.

The impact of the prior year restatements on the previously reported Consolidated Balance Sheet is summarised as follows:

	As at 31 December 2015		
	Previously reported £m	Adjustments £m	Restated £m
Goodwill	1,709.6	(1.5)	1,708.1
Non-current assets	**2,733.4**	**(1.5)**	**2,731.9**
Inventory	45.0	1.0	46.0
Trade and other receivables	242.9	0.5	243.4
Current assets	**326.4**	**1.5**	**327.9**
Total assets	**3,059.8**	**–**	**3,059.8**
Net assets	**1,268.1**	**–**	**1,268.1**

In addition to the above, earnings per share and dividend per share for the year ended 31 December 2015 have been restated to reflect the adjustment required for the bonus element of the 2016 rights issue associated with the Penton acquisition. This resulted in reported basic and diluted earnings per share being restated from 26.4p to 24.3p and adjusted basic and diluted earnings per share from 42.9p to 39.5p per share. Refer to Note 14 for the impact of the bonus element on Dividends per share.

5 REVENUE

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

	2016 £m	2015 £m
Subscriptions	**507.4**	461.3
Exhibitor	**276.3**	241.7
Unit sales	**269.9**	254.0
Attendee	**151.9**	156.6
Sponsorship	**92.6**	77.0
Advertising & Marketing Services	**47.6**	21.6
Total revenue	**1,345.7**	1,212.2

6 BUSINESS SEGMENTS

BUSINESS SEGMENTS

The Group has identified reportable segments based on financial information used by the Executive Directors in allocating resources and making strategic decisions. We consider the Chief Operating Decision Maker to be the Executive Directors. The Group's five (2015: four) identified reporting segments under IFRS 8 Operating Segments are as follows:

Academic Publishing

The **Academic Publishing** Division provides books and journals, both in print and electronic formats, primarily for academic and research users, in the subject areas of humanities & social sciences, and science, technology & medicine. It operates as Taylor & Francis with other imprints including Routledge, CRC Press, Garland Science and Cogent OA.

Business Intelligence

The **Business Intelligence** Division provides specialist data-driven intelligence and insight to professionals in niche communities. The digital subscription products consist of rich datasets and valuable insight, across the agricultural, financial, maritime, pharmaceutical, and technology, media and telecoms sectors.

Global Exhibitions

The **Global Exhibitions** Division is an international exhibitions organiser. It operates business to business exhibitions and trade shows, as well as a number of consumer events, enabling specialist communities to meet face to face, and conduct business.

Knowledge & Networking

The **Knowledge & Networking** Division provides conferences and training courses globally. It creates and connects communities based on the sharing of insights and learning, providing attendees with the opportunity to meet, network and share knowledge.

Penton Information Services

Penton is the US-based Exhibitions and Professional Information Services business that was acquired on 2 November 2016. The Penton business lines will be incorporated into the business segments of **Business Intelligence, Global Exhibitions** and **Knowledge & Networking** in 2017 and for 2016 in the post-acquisition period it has been operated and reported as a separate Division.

6 BUSINESS SEGMENTS CONTINUED

SEGMENT REVENUE AND RESULTS

The Group's primary internal Income Statement performance measure for Business Segments is Revenue and Adjusted Operating Profit. A reconciliation of Adjusted Operating Profit to Statutory Operating Profit and Profit Before Tax is provided below:

Period ending 31 December 2016

	Academic Publishing £m	Business Intelligence £m	Global Exhibitions £m	Knowledge & Networking £m	Penton Information Services £m	Total £m
Revenue (Note 5)	490.4	290.0	306.9	224.4	34.0	1,345.7
Adjusted operating profit before joint ventures and associate	187.2	65.7	118.2	37.4	6.8	415.3
Share of adjusted results of joint ventures and associate	–	–	0.8	–	–	0.8
Adjusted operating profit	187.2	65.7	119.0	37.4	6.8	416.1
Intangible asset amortisation (Note 17)[1]	(48.2)	(18.0)	(33.9)	(9.8)	(6.8)	(116.7)
Impairment (Note 8)	–	–	(31.1)	(36.6)	–	(67.7)
Acquisition and integration costs (Note 8)	(0.4)	(0.1)	(3.0)	(1.0)	(28.6)	(33.1)
Restructuring and reorganisation costs (Note 8)	(3.6)	(1.8)	(0.1)	(1.7)	–	(7.2)
Subsequent re-measurement of contingent consideration (Note 8)	–	–	2.4	5.0	–	7.4
Operating profit/(loss)	135.0	45.8	53.3	(6.7)	(28.6)	198.8
Loss on disposal of businesses (Note 20)						(39.8)
Investment income (Note 11)						59.5
Finance costs (Note 12)						(40.2)
Profit before tax						178.3

[1] Excludes acquired intangible product development and software amortisation.

Period ending 31 December 2015

	Academic Publishing £m	Business Intelligence £m	Global Exhibitions £m	Knowledge & Networking £m	Total £m
Revenue (Note 5)	447.4	276.8	262.5	225.5	1,212.2
Adjusted operating profit before joint ventures	164.8	63.2	98.1	39.6	365.7
Share of adjusted results of joint ventures	–	–	(0.1)	–	(0.1)
Adjusted operating profit	164.8	63.2	98.0	39.6	365.6
Intangible asset amortisation (Note 17)[1]	(44.4)	(16.1)	(28.7)	(10.3)	(99.5)
Impairment (Note 8)	–	(1.1)	–	(12.8)	(13.9)
Acquisition and integration costs (Note 8)	(0.8)	–	(1.4)	(0.1)	(2.3)
Restructuring and reorganisation costs (Note 8)	(3.3)	(3.7)	(1.4)	(5.3)	(13.7)
Subsequent re-measurement of contingent consideration (Note 8)	–	(0.2)	0.5	–	0.3
Operating profit	116.3	42.1	67.0	11.1	236.5
Profit on disposal of businesses (Note 20)					9.1
Investment income (Note 11)					4.7
Finance costs (Note 12)					(30.6)
Profit before tax					219.7

[1] Excludes acquired intangible product development and software amortisation.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Adjusted operating result by operating segment is the measure reported to the Executive Directors for the purpose of resource allocation and assessment of segment performance. Finance costs and investment income are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash positions of the Group.

SEGMENT ASSETS

	2016 £m	2015 £m
Academic Publishing	**1,201.2**	1,114.4
Business Intelligence	**835.1**	761.7
Global Exhibitions	**872.8**	718.6
Knowledge & Networking	**458.1**	374.3
Penton Information Services	**1,509.7**	–
Total segment assets	**4,876.9**	2,969.0
Unallocated assets	**134.6**	90.8
Total assets	**5,011.5**	3,059.8

For the purpose of monitoring segment performance and allocating resources between segments, the Group monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments except for certain centrally held balances, including some intangible software assets relating to group infrastructure, balances receivable from businesses sold and taxation (current and deferred). Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

6 BUSINESS SEGMENTS CONTINUED

SEGMENT REVENUE BY TYPE

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

	2016 £m	2015 £m
Academic Publishing		
Subscriptions	**243.1**	216.4
Unit sales	**247.3**	231.0
Total Academic Publishing	**490.4**	447.4
Business Intelligence		
Subscriptions	**258.4**	244.9
Unit sales	**22.6**	23.0
Advertising	**9.0**	8.9
Total Business Intelligence	**290.0**	276.8
Global Exhibitions		
Exhibitor	**233.7**	199.2
Attendee	**37.5**	33.1
Sponsorship	**28.6**	23.3
Advertising	**7.1**	6.9
Total Global Exhibitions	**306.9**	262.5
Knowledge & Networking		
Exhibitor	**41.4**	42.5
Attendee	**113.8**	123.5
Sponsorship	**62.7**	53.7
Advertising	**6.5**	5.8
Total Knowledge & Networking	**224.4**	225.5
Penton Information Services		
Subscription	**5.9**	–
Exhibitor	**1.2**	–
Attendee	**0.6**	–
Sponsorship	**1.3**	–
Advertising & Marketing Services	**25.0**	–
Total Penton Information Services	**34.0**	–
Total revenue	**1,345.7**	1,212.2

GEOGRAPHICAL INFORMATION

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

	Revenue		Segment assets	
	2016 £m	2015 £m	**2016 £m**	2015 £m
UK	**145.8**	143.1	**1,296.9**	1,229.7
North America	**624.7**	511.5	**3,340.0**	1,495.9
Continental Europe	**213.5**	215.5	**79.0**	54.7
Rest of World	**361.7**	342.1	**295.6**	279.5
	1,345.7	1,212.2	**5,011.5**	3,059.8

No individual customer contributes more than 10% of the Group's revenue in either 2016 or 2015.

7 OPERATING PROFIT

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

	Notes	**Adjusted results 2016 £m**	**Adjusting items 2016 £m**	**Statutory results 2016 £m**	Adjusted results 2015 £m	Adjusting items 2015 £m	Statutory results 2015 £m
Cost of sales[1]		**415.3**	**–**	**415.3**	377.6	–	377.6
Staff costs (excluding redundancy costs)	9	**372.5**	**–**	**372.5**	333.6	–	333.6
Amortisation of other intangible assets	17	**14.6**	**116.7**	**131.3**	12.8	99.5	112.3
Impairment – goodwill	8	**–**	**65.8**	**65.8**	–	13.9	13.9
Impairment – intangibles	8	**–**	**1.9**	**1.9**	–	–	–
Depreciation	21	**6.5**	**–**	**6.5**	6.1	–	6.1
Acquisition and integration related costs	8	**–**	**33.1**	**33.1**	–	2.3	2.3
Restructuring and reorganisation costs	8	**–**	**7.2**	**7.2**	–	13.7	13.7
Subsequent re-measurement of contingent consideration	8	**–**	**(7.4)**	**(7.4)**	–	(0.3)	(0.3)
Operating lease expense							
– Land and buildings	34	**22.9**	**–**	**22.9**	18.1	–	18.1
– Other	34	**1.0**	**–**	**1.0**	1.3	–	1.3
Net foreign exchange loss		**1.3**	**–**	**1.3**	1.9	–	1.9
Auditor's remuneration for audit services (see below)		**1.4**	**–**	**1.4**	1.1	–	1.3
Other operating expenses		**94.9**	**–**	**94.9**	94.0	–	93.8
Total net operating expenses before joint ventures and associate		**930.4**	**217.3**	**1,147.7**	846.5	129.1	975.6

[1] Cost of sales includes £47.6m (2015: £45.9m) for inventory recognised as an expense including pre-publication amortisation.

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7 OPERATING PROFIT CONTINUED

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

	2016 £m	2015 £m
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	**0.8**	0.7
Fees payable to the Company's auditor and its associates for other services to the Group:		
Audit of the Company's subsidiaries	**0.6**	0.4
Total audit fees	**1.4**	1.1

Fees payable to the Company's auditor for non-audit services comprises:		
Transaction Support Services	**4.9**	–
Half Year Review	**0.1**	0.1
Taxation Services	**0.1**	0.3
Total non-audit fees	**5.1**	0.4

Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis.

The Audit Committee approves all non-audit services within the Company's policy. During the year, the auditor provided Transaction Support Services principally in relation to the reporting requirements associated with the size of the Penton acquisition, the Audit Committee having concluded that the auditor was best placed to perform these services due to their knowledge of the Company. The ratio of non-audit services to audit services was therefore exceptional at 3.6x (2015: 0.3x). Excluding the Transaction Support Services, the ratio in 2016 was 0.1x.

A description of the work of the Audit Committee is set out in the Corporate Governance Statement on page 72 and includes an explanation of how auditor objectivity and independence is safeguarded when non-audit services are provided by the auditor. No services were provided pursuant to contingent fee arrangements.

8 ADJUSTING ITEMS

The following charges/(credits) are presented as adjusting items:

	Notes	2016 £m	2015 £m
Intangible amortisation and impairment			
Intangible asset amortisation	17	**116.7**	99.5
Impairment – goodwill	16	**65.8**	13.9
Impairment – other intangible assets	17	**1.9**	–
Acquisition and integration costs	7	**33.1**	2.3
Restructuring and reorganisation costs			
Redundancy costs		**6.0**	11.4
Reorganisation costs		**(0.4)**	0.4
Vacant property costs		**1.6**	1.9
Subsequent re-measurement of contingent consideration	7	**(7.4)**	(0.3)
Adjusting items in operating profit		**217.3**	129.1
Loss/(profit) on disposal of subsidiaries and operations	20	**39.8**	(9.1)
Investment income	11	**(58.9)**	–
Adjusting items in profit before tax		**198.2**	120.0
Tax related to adjusting items	13	**(63.2)**	(13.2)
Adjusting items in profit for the year		**135.0**	106.8

The principal adjustments made are in respect of:

- Intangible asset amortisation – the amortisation charge in respect of intangible assets acquired through business combinations or the acquisition of trade and assets is excluded from adjusted results as they do not relate to underlying trading;
- Impairment – the Group tests for impairment on an annual basis or more frequently when an indicator exists. Impairment charges are individually disclosed and are excluded from adjusted results as they do not relate to underlying trading (See Note 16 for further details);
- Acquisition and integration costs – the costs incurred by the Group in acquiring and integrating share and asset acquisitions. Acquisition costs totalled £30.0m, with £26.2m relating to the Penton acquisition; integration costs totalled £3.1m;
- Redundancy, reorganisation and vacant property costs – these are mainly related to the consolidation of our Books operations into a single global business within Academic Publishing and the ongoing rationalisation programme in the Knowledge & Networking Division, changing the operating model to align with the Group's revised strategy, the *Growth Acceleration Plan*;
- Subsequent re-measurement of contingent consideration is recognised in the period as a charge or credit to the Consolidated Income Statement unless these qualify as measurement period adjustments arising within one year from the acquisition date. They are excluded from adjusted results as they do not relate to underlying trading;
- Loss/(profit) on disposal of subsidiaries and operations – this relates to a £3.9m loss on disposal for the fair value of consideration less the net assets/(liabilities) disposed, and costs directly attributable with disposals, together with a £35.9m net charge from the impairment (£39.9m) and a recovery (£4.0m) of loan notes receivable arising from business disposals completed in prior years;
- Investment income of £58.9m relates to the gain on a deal contingent forward financial derivative contract associated with the Penton acquisition has been disclosed as an adjusting item as it is non-recurring in nature, further details are provided in Note 11; and
- The tax related to adjusting items is the tax effect of the items above.

9 STAFF NUMBERS AND COSTS

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

	Number of employees	
	2016	2015
Academic Publishing	**2,079**	2,062
Business Intelligence	**2,024**	2,093
Global Exhibitions	**931**	878
Knowledge & Networking	**1,326**	1,537
Penton Information Services[1]	**199**	–
	6,559	6,570

[1] Number of employees for Penton Information Services reflects the average for the full year.

Their aggregate remuneration comprised:

	2016 £m	2015 £m
Wages and salaries	**327.6**	293.9
Social security costs	**30.1**	27.9
Pension costs charged to operating profit (Note 36)	**9.9**	9.2
Share-based payment (Note 10)	**4.9**	2.6
Staff costs (excluding redundancy costs)	**372.5**	333.6
Redundancy costs (Note 8)	**6.0**	11.4
	378.5	345.0

The remuneration of Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures* (Note 37). Further information about the remuneration of individual Directors is provided in the audited part of the Remuneration Report on page 91.

	2016 £m	2015 £m
Short-term employee benefits	**2.8**	3.3
Post-employment benefits	**0.3**	0.3
Share based payment	**1.9**	0.7
	5.0	4.3

10 SHARE-BASED PAYMENTS

The Group Long-Term Incentive Plans ("LTIPs") provide for nil cost options and have a grant price equal to the middle market quotation from the day prior to the grant date. The performance period is three years starting with the year in which the grant is made. LTIP awards are conditional share awards with specific performance conditions. To the extent they are met or satisfied then awards will vest following the end of the relevant performance period. LTIP allocations are equity-settled and will lapse if the employee leaves the Group before an LTIP grant vests, unless the employee meets certain eligibility criteria. As noted in the Remuneration Report, in April 2016, the Remuneration Committee approved the immediate conversion of LTIP awards from allocations to nil cost options, giving participants greater flexibility over when they can exercise their options.

The Group recognised total expenses of £4.9m (2015: £2.6m) related to share-based payment transactions in the year ended 31 December 2016 with £3.6m (2015: £2.4m) relating to equity-settled LTIPs, £0.3m (2015: £0.2m) relating to equity-settled ShareMatch and £1.0m (2015: £0.3m) relating to cash-settled awards.

LONG-TERM INCENTIVE PLAN

The 2016 LTIP award was granted on 17 March 2016. The performance conditions of the 2016 LTIP awards to Executive Directors were relative Total Shareholder Return (TSR for FTSE 51–150 constituents, excluding financial services and commodities) and Earnings Per Share ("EPS") Compound Annual Growth Rate ("CAGR").

The 2015 LTIP award was granted on 13 February 2015. The performance conditions of the 2015 LTIP awards to Executive Directors were relative Total Shareholder Return (TSR for FTSE 51–150 constituents, excluding financial services and commodities).

The 2014 LTIP award was granted on 5 September 2014. The performance conditions of the 2014 LTIP awards were relative TSR (equally split between two peer groups (i) the constituents of the FTSE 350 Index, excluding Investment Trusts, and (ii) the constituents of the FTSE All Share Media Index) and Personal Strategic Measures. Further details are set out in pages 95 to 105 in the Remuneration Report.

The movement during the year includes an adjustment to the number of awards to reflect the bonus element of the Rights Issue, and is as follows:

	2016 Number of options	2015 Number of options
Outstanding at 1 January	**2,311,469**	1,953,149
Adjustment to reflect bonus element of Rights Issue	**229,874**	–
LTIPs exercised in the year	**(232,847)**	–
LTIPs lapsed in the year	**(462,362)**	(687,375)
LTIPs granted in the year	**1,051,189**	1,045,695
Outstanding at 31 December	**2,897,323**	2,311,469

The TSR award components were valued using a Monte Carlo simulation model. The inputs into the Monte Carlo simulation model for the LTIP performance conditions are:

Date of grant	Share price at grant date[1]	Share price at exercise date	Expected volatility	Expected life (years)[2]	Risk free rate	Annual Dividend yield
1 September 2013	£5.09	£6.50	27.0%	3	0.3%	4.2%
8 September 2014	£5.18	n/a	20.0%	3	0.9%	3.7%
13 February 2015	£5.29	n/a	21.0%	3	0.8%	3.4%
17 March 2016	£6.91	n/a	20.4%	3	0.62%	3.2%

[1] Grant price has not been adjusted for bonus element of 2016 rights issue.

[2] From 1 January of year in which grant made.

In order to satisfy share awards granted under the Long-Term Incentive Plan, the share capital would be increased by up to 2,545,976 shares (2015: 1,574,197 shares) taking account of the shares held in the EST (Note 32). The Company is planning to satisfy the awards through the issue of additional share capital or the purchase of shares as needed on the open market. The weighted average share price during the year was £6.78 (2015: £5.65).

FINANCIAL STATEMENTS

10 SHARE-BASED PAYMENTS CONTINUED

Expected volatility was determined by calculating the historical volatility of the Group's share price over one, two and three years back from the date of grant. The expected life used in the model has been adjusted, based on the Group's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

SHAREMATCH (SHARE INCENTIVE PLAN)

In June 2014, the Company launched ShareMatch, a global Share Incentive Plan (tax qualifying in the UK), under which eligible employees can invest up to the limit of £1,800 per annum in the Company's shares. The scheme includes a matching element, whereby for every two shares purchased, the Company will award the participant one matching share. As noted in the Remuneration Report, the matching element has been increased to one new share for every one purchased from March 2017. Matching shares are subject to forfeiture if the purchased shares are withdrawn from the scheme within three years of purchase or if the employee leaves the Group, unless the reason for leaving is due to restructuring or retirement. In addition, both the purchased and matching shares are eligible to receive any dividends payable by the Company, which are reinvested in more shares. Employee subscriptions can be made on a monthly or one-off, lump sum basis and matching shares are purchased on a monthly basis, through a UK Trust. Further details are set out in the remuneration section of the financial statements.

	2016 ShareMatch Number of share awards	2015 ShareMatch Number of share awards
Outstanding at 1 January	**109,729**	36,435
Adjustment to reflect Rights Issue	**8,216**	–
Exercised in the year	**(17,445)**	–
Lapsed in the year	**(11,434)**	(5,203)
Granted in the year	**52,748**	78,497
Outstanding at 31 December	**141,814**	109,729

11 INVESTMENT INCOME

	2016 £m	2015 £m
Loans and receivables:		
Interest income on bank deposits	**0.6**	0.7
Interest income on non-current receivables	**–**	4.0
Fair value gain on financial instruments through the income statement	**58.9**	–
	59.5	4.7

The fair value gain on financial instruments in 2016 of £58.9m represents the gain on maturity from the deal contingent forward contract related to the acquisition of the Penton business. The contract was taken out at the acquisition announcement date of 14 September 2016 and gave the Group the right to swap the expected sterling net proceeds from the equity rights issue of £701.5m into US Dollars with a maturity date set at the acquisition closing date. This one-off gain has been shown as an adjusting item in the Consolidated Income Statement.

12 FINANCE COSTS

	Note	2016 £m	2015 £m
Interest expense on financial liabilities measured at amortised cost		**39.5**	30.1
Interest cost on pension scheme liabilities	36	**0.2**	0.3
Total interest expense		**39.7**	30.4
Fair value loss on financial instruments through the income statement		**0.5**	0.2
		40.2	30.6

13 TAXATION

The tax charge comprises:

	Notes	2016 £m	2015 £m
Current tax:			
UK		**34.1**	19.3
USA		**(20.0)**	6.3
UAE & Monaco		**–**	1.0
Rest of the World		**10.2**	6.0
Current year		**24.3**	32.6
Deferred tax:			
Current year	27	**(15.3)**	14.4
Credit arising from UK corporation tax rate change	27	**(4.2)**	–
Total tax charge on profit on ordinary activities		**4.8**	47.0

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

	Notes	Gross 2016 £m	Tax 2016 £m	Gross 2015 £m	Tax 2015 £m
Amortisation of other intangible assets	8	**(116.7)**	**41.3**	(99.5)	17.7
Deferred tax credit arising from revised treatment of certain non-UK intangible assets		**–**	**12.1**	–	–
Benefit of US goodwill amortisation for tax purposes only		**–**	**(10.0)**	–	(7.4)
Impairment	8	**(67.7)**	**–**	(13.9)	–
Redundancy and restructuring costs	8	**(7.2)**	**1.9**	(13.7)	2.6
Acquisition and integration costs	8	**(33.1)**	**4.5**	(2.3)	0.5
Subsequent re-measurement of contingent consideration	8	**7.4**	**(0.6)**	0.3	(0.2)
(Loss)/profit on disposal of businesses	20	**(39.8)**	**21.5**	9.1	–
Deferred tax credit on intangible assets arising from UK corporation tax rate change	27	**–**	**4.3**	–	–
Investment income	8	**58.9**	**(11.8)**	–	–
		(198.2)	**63.2**	(120.0)	13.2

13 TAXATION CONTINUED

During 2016, the treatment of certain non-UK intangible assets has been reviewed, and a deferred tax asset has been established in relation to the unamortised tax base of these intangible assets. As there is no corresponding accounting amortisation of these assets, the benefits of tax deductions for amortisation of the tax base are reflected in the adjusted tax charge, and the creation of the deferred tax asset is treated as an adjusting item.

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

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

	2016		2015	
	£m	**%**	£m	%
Profit before tax	**178.3**		219.7	
Tax charge at effective UK statutory rate of 20% (2015: 20.25%)	**35.7**	**20.0**	44.5	20.2
Non-deductible impairments	**16.3**	**9.1**	2.9	1.3
Other non-deductible expenses & similar items	**2.1**	**1.2**	(2.2)	(1.0)
Profits taxed at different rates	**(17.5)**	**(9.8)**	7.6	3.5
Adjustments for prior years	**(4.7)**	**(2.7)**	(3.0)	(1.3)
Adjustments to deferred tax on intangible assets	**(18.4)**	**(10.2)**	9.9	4.5
Acquisitions and disposals related	**(1.7)**	**(1.0)**	(2.7)	(1.2)
Benefits from financing structures	**(9.1)**	**(5.1)**	(8.2)	(3.8)
Tax incentives and foreign tax credits	**(4.0)**	**(2.2)**	(3.4)	(1.5)
Losses in certain jurisdictions that have not been recognised	**5.5**	**3.1**	1.6	0.7
Deferred tax credit arising from UK corporation tax rate change	**0.6**	**0.3**	–	–
Tax charge and effective rate for the year	**4.8**	**2.7**	47.0	21.4

In addition to the income tax charge to the Consolidated Income Statement, a tax credit of £2.0m (2015: charge of £1.2m) has been recognised directly in the Consolidated Statement of Comprehensive Income during the year.

14 DIVIDENDS

	2016 Per share (p)	2016 £m	2015[1] Per share (p)	2015 £m
Amounts recognised as distributions to equity holders in the year:				
Final dividend for the year ended 31 December 2014 (previously stated 12.90p)	–	–	11.88	83.6
Interim dividend for the year ended 31 December 2015 (previously stated 6.55p)	–	–	6.03	42.5
Final dividend for the year ended 31 December 2015 (previously stated 13.55p)	**12.47**	**87.8**	–	–
Interim dividend for the year ended 31 December 2016 (previously stated 6.80p)	**6.26**	**44.1**	–	–
	18.73	**131.9**	17.91	126.1
Proposed final dividend for the year ended 31 December 2016 and actual dividend for 31 December 2015	**13.04**	**107.5**	12.47	87.8

[1] Dividend per share restated for bonus element of 2016 rights issue.

As at 31 December 2016 £0.1m (2015: £0.1m) of dividends are still to be paid.

15 EARNINGS PER SHARE

Earnings per share figures for 2015 have been restated from previously reported figures to take into account the impact of the Rights Issue in line with IAS 33 *Earnings per Share*.

BASIC

The basic earnings per share calculation is based on a profit attributable to equity shareholders of the parent of £171.6m (2015: £171.4m profit). This profit on ordinary activities after taxation is divided by the weighted average number of shares in issue (less those shares held by the EST and ShareMatch), which is 725,629,255 (2015: restated amount 704,067,024).

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 727,826,695 (2015: restated amount 704,563,017).

The table below sets out the adjustment in respect of dilutive potential ordinary shares with the 2015 amounts restated to reflect the adjustments associated with the Rights Issue:

	2016	2015[1]
Weighted average number of shares used in basic earnings per share	**725,629,255**	704,067,024
Potentially dilutive ordinary shares	**2,197,440**	495,993
Weighted average number of shares used in diluted earnings per share	**727,826,695**	704,563,017

[1] Restated for bonus element of 2016 rights issue.

FINANCIAL STATEMENTS

15 EARNINGS PER SHARE CONTINUED

EARNINGS PER SHARE

In addition to basic EPS, adjusted diluted earnings per share calculations have been provided as this is useful additional information on underlying performance. Earnings are based on profits attributable to equity shareholders and adjusted to exclude items that in the opinion of the Directors would distort underlying results with these items detailed in Note 8.

	Earnings 2016 £m	**Per share amount 2016 Pence**	Earnings 2015 £m	Per share amount 2015 Pence[1]
Profit for the year	**173.5**		172.7	
Non-controlling interests	**(1.9)**		(1.3)	
Earnings for the purpose of statutory basic EPS/statutory diluted EPS	**171.6**	**23.6**	171.4	24.3

[1] Restated for bonus element of 2016 rights issue (Earnings per share and Diluted earnings per share previously reported 26.4p).

ADJUSTED EARNINGS PER SHARE

	Earnings 2016 £m	**Per share amount 2016 Pence**	Earnings 2015 £m	Per share amount 2015 Pence[1]
Earnings for the purpose of Statutory Basic EPS/Statutory Diluted EPS	**171.6**	**23.6**	171.4	24.3
Adjusting items:				
Redundancy and restructuring costs (Note 8)	**7.2**	**1.0**	13.7	2.0
Acquisition and integration costs (Note 8)	**33.1**	**4.6**	2.3	0.3
Intangible amortisation and impairment (Note 8)	**184.4**	**25.4**	113.4	16.1
Subsequent re-measurement of contingent consideration (Note 8)	**(7.4)**	**(1.0)**	(0.3)	–
Loss/(profit) on disposal and other adjusting items (Note 8)	**39.8**	**5.4**	(9.1)	(1.3)
Investment income (Note 8)	**(58.9)**	**(8.1)**	–	–
Add back tax on adjusting items (Note 8)	**(63.2)**	**(8.7)**	(13.2)	(1.9)
Earnings for the purpose of adjusted basic EPS	**306.6**	**42.2**	278.2	39.5
Effect of dilutive potential ordinary shares	**–**	**(0.1)**	–	–
Earnings for the purpose of adjusted diluted EPS	**306.6**	**42.1**	278.2	39.5

[1] Restated for bonus element of 2016 rights issue (2015 adjusted EPS previously reported 42.9p).

16 GOODWILL

	£m
Cost	
At 1 January 2015	1,920.5
Additions in the year (Note 18)	35.8
Disposals[1]	(150.2)
Exchange differences	18.2
At 1 January 2016 as previously reported	**1,824.3**
Adjustment for re-measurement of prior year acquisition[2]	**(1.5)**
At 1 January 2016 (as restated)	**1,822.8**
Additions in the year (Note 18)	**877.6**
Disposals	**(0.1)**
Exchange differences	**216.7**
At 31 December 2016	**2,917.0**
Accumulated impairment losses	
At 1 January 2015	(253.6)
Impairment losses for the year (Note 8)	(13.9)
Disposals	150.0
Exchange differences	2.8
At 1 January 2016	**(114.7)**
Impairment losses for the year (Note 8)	**(65.8)**
Disposals	**–**
Exchange differences	**(12.1)**
At 31 December 2016	**(192.6)**
Carrying amount	
At 31 December 2016	**2,724.4**
At 31 December 2015 (as restated)	1,708.1

[1] Included within disposals in 2015 was fully amortised goodwill written off of £150.0m.

[2] The restatement of goodwill relates to the finalisation of the valuation of separately identifiable intangible assets of the Ashgate Publishing Limited acquisition that completed on 16 July 2015. This resulted in the recognition of additional receivables of £0.5m, additional inventory of £1.0m and a reduction to goodwill of £1.5m. See Note 4.

16 GOODWILL CONTINUED

IMPAIRMENT REVIEW

As goodwill is not amortised, it is tested for impairment annually, or more frequently if there are indicators of impairment. The testing involves comparing the carrying value of assets in each cash-generating unit ('CGU') with value in use calculations or assessments of fair value less cost to sell derived from the latest Group cash flow projections.

In 2016 there was impairment of goodwill totalling £65.8m (2015: Total goodwill impairment £13.9m), with a charge of £29.2m in **Global Exhibitions** principally relating to the Brazil CGU, and £36.6m in **Knowledge & Networking** relating to the Regional Hub CGU. At 31 December 2016, the recoverable amount of the Brazil CGU was £31.1m and the recoverable amount of the Regional Hub CGU was £4.2m.

In 2016 the number of CGUs was 25 (2015: 21). For reporting purposes, the CGUs are aggregated into five (2015: four) reportable segments which each have their own Managing Director and Chief Financial Officer. The carrying amount of goodwill recorded in the major groups of CGUs is set out below:

CGU GROUPS

	2016 Number of CGUs	2015 Number of CGUs	**2016 £m**	2015[1] £m
Academic Publishing	**1**	1	**519.8**	475.7
Business Intelligence	**5**	5	**631.2**	591.6
Global Exhibitions	**11**	7	**420.0**	361.4
Knowledge & Networking	**7**	8	**319.6**	279.4
Penton Information Services	**1**	–	**833.8**	–
	25	21	**2,724.4**	1,708.1

1 The restatement of goodwill relates to the finalisation of the valuation of separately identifiable intangible assets of the Ashgate Publishing Limited acquisition that completed on 16 July 2015. This resulted in the recognition of additional receivables of £0.5m, additional inventory of £1.0m and a reduction to goodwill of £1.5m.

The movements in the carrying amount relate primarily to acquisitions, disposals, exchange movements and adjustments arising from reclassifications arising when acquisition intangible valuations are completed.

The recoverable amounts of the CGUs are determined as the greater of the value in use calculations or fair value less costs to sell, which are based on the cash flow projections for each CGU. The key assumptions are those regarding the revenue and operating margin growth rates together with the long-term growth rate and the discount rate applied to the forecast cash flows. The recoverable amount measurement is categorised as Level 3 in the fair value hierarchy based on the inputs to the valuation techniques used.

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

	Long-term market growth rates		Pre-tax discount rates	
Key assumptions	**2016**	2015	**2016**	2015
Academic Publishing	**2.2%**	2.4%	**10.5%**	10.3%
Business Intelligence	**2.0 – 2.4%**	2.0 – 2.4%	**9.8 – 10.7%**	10.1 – 11.4%
Global Exhibitions	**1.9 – 3.9%**	2.0 – 3.5%	**8.9 – 14.9%**	8.3 – 14.4%
Knowledge & Networking	**1.9 – 2.4%**	1.8 – 2.4%	**9.8 – 11.0%**	10.2 – 11.5%
Penton Information Services	**2.4%**	N/A	**12.2%**	N/A

The pre-tax discount rates used in the value in use calculations reflect the Group's assessment of the current market and other risks specific to the CGUs. Long-term growth rates are applied after the forecast period of five years and do not exceed the long-term average growth prospects for the markets in which the CGUs operate. Long term growth rates are sourced from external reports on long-term CPI inflation rates for each CGU.

The Group has undertaken a 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 1.0%; and
- a decrease in the terminal growth rate by 0.5%.

The sensitivity analysis shows that when applying the 1.0% increase in pre-tax discount there would be an £8.2m increase in the total impairment charge, which reflects an impairment of £5.7m in the Telecoms, Media & Technology ("TMT") CGU that sits within the **Business Intelligence** division, and a £2.5m increase in the impairment in the Brazil CGU in **Global Exhibitions**.

When applying the 0.5% decrease in terminal growth rate sensitivity there would be a £2.8m increase in the total impairment charge, which reflects an impairment of £2.0m in the TMT CGU that sits within the **Business Intelligence** division, and a £0.8m increase in the impairment in the Brazil CGU in **Global Exhibitions**.

When applying the above criteria combined, there would be a £11.8m increase in the total impairment charge, which reflects an impairment of £7.4m in the TMT CGU, and £1.3m in the Finance CGU, both of which sit within the **Business Intelligence** division and a £3.1m increase in the impairment in the Brazil CGU in **Global Exhibitions**.

17 OTHER INTANGIBLE ASSETS

	Publishing book lists and journal titles £m	Database and intellectual property, brand and customer relationship £m	Exhibtions and conferences, brand and customer relationships[3] £m	Sub-total £m	Intangible software assets £m	Product development[2] £m	Total £m
Cost							
At 1 January 2015	727.3	567.1	448.8	1,743.2	82.6	18.4	1,844.2
Arising on acquisition of subsidiaries and operations	32.1	–	17.4	49.5	–	–	49.5
Additions[1]	33.8	0.1	78.7	112.6	23.2	3.5	139.3
Disposals (Note 20)	–	(89.8)	(2.7)	(92.5)	(3.0)	(0.5)	(96.0)
Disposal of subsidiaries	–	–	–	–	(1.0)	–	(1.0)
Reclassification (Note 21)	–	–	–	–	0.9	–	0.9
Exchange differences	20.2	14.5	(7.1)	27.6	1.7	0.8	30.1
At 1 January 2016	**813.4**	**491.9**	**535.1**	**1,840.4**	**104.4**	**22.2**	**1,967.0**
Arising on acquisition of subsidiaries and operations[3]	**3.9**	**7.0**	**671.6**	**682.5**	**0.9**	**16.7**	**700.1**
Additions[1]	**7.8**	**–**	**46.7**	**54.5**	**43.4**	**12.1**	**110.0**
Disposals (Note 20)	**(2.0)**	**–**	**–**	**(2.0)**	**(2.1)**	**(0.3)**	**(4.4)**
Disposal of subsidiaries	**–**	**–**	**–**	**–**	**(0.1)**	**–**	**(0.1)**
Exchange differences	**88.3**	**68.4**	**82.4**	**239.1**	**9.6**	**2.9**	**251.6**
At 31 December 2016	**911.4**	**567.3**	**1,335.8**	**2,814.5**	**156.1**	**53.6**	**3,024.2**

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17 OTHER INTANGIBLE ASSETS CONTINUED

	Publishing book lists and journal titles £m	Database and intellectual property, brand and customer relationship £m	Exhibtions and conferences, brand and customer relationships[3] £m	Sub-total £m	Intangible software assets £m	Product development[2] £m	Total £m
Amortisation							
At 1 January 2015	(270.1)	(439.6)	(183.1)	(892.8)	(47.0)	(7.2)	(947.0)
Charge for the year	(44.5)	(23.0)	(32.0)	(99.5)	(10.6)	(2.2)	(112.3)
Disposals (Note 20)	–	74.2	2.7	76.9	2.5	0.1	79.5
Disposal of subsidiaries	–	–	–	–	0.7	–	0.7
Reclassification (Note 21)	–	–	–	–	(0.1)	–	(0.1)
Exchange differences	(7.9)	(11.2)	0.8	(18.3)	(0.9)	(0.4)	(19.6)
At 1 January 2016	**(322.5)**	**(399.6)**	**(211.6)**	**(933.7)**	**(55.4)**	**(9.7)**	**(998.8)**
Charge for the year	**(49.5)**	**(17.9)**	**(49.3)**	**(116.7)**	**(10.6)**	**(4.0)**	**(131.3)**
Impairment losses (Note 8)	**–**	**–**	**(1.9)**	**(1.9)**	**–**	**–**	**(1.9)**
Disposals (Note 20)	**0.3**	**–**	**–**	**0.3**	**2.0**	**–**	**2.3**
Exchange differences	**(38.8)**	**(56.7)**	**(37.4)**	**(132.9)**	**(4.7)**	**(1.9)**	**(139.5)**
At 31 December 2016	**(410.5)**	**(474.2)**	**(300.2)**	**(1,184.9)**	**(68.7)**	**(15.6)**	**(1,269.2)**
Carrying amount							
At 31 December 2016	**500.9**	**93.1**	**1,035.6**	**1,629.6**	**87.4**	**38.0**	**1,755.0**
At 31 December 2015	490.9	92.3	323.5	906.7	49.0	12.5	968.2

[1] Additions includes business asset additions and Intangible software assets and product development.
[2] All product development in 2016 and 2015 is internally generated.
[3] Included in amounts arising on acquisition of subsidiaries and operations is £648.2m related to the Penton acquisition which is based on provisional valuations.

Intangible software assets include a gross carrying amount of £136.8m (2015: £90.0m) and accumulated amortisation of £57.4m (2015: £46.0m) 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.

18 BUSINESS COMBINATIONS
CASH PAID ON ACQUISITION NET OF CASH ACQUIRED

	Segment	2016 £m	2015 £m
Current period acquisitions			
Penton Information Services	Penton Information Services	**1,218.8**	–
Light Reading LLC	Knowledge & Networking	**44.3**	–
Finovate Group, Inc	Knowledge & Networking	**13.8**	–
Eurovir SAS	Global Exhibitions	**2.9**	–
Market Rates Insight	Business Intelligence	**2.7**	–
Xconomy, Inc	Knowledge & Networking	**0.7**	–
Co-Action Publishing AB	Academic Publishing	**3.2**	–
Chengdu Weiner Meibo Exhibition Co. Ltd	Global Exhibitions	**1.2**	–
Shanghai Yingye Exhibitions Co.	Global Exhibitions	**1.9**	–
		1,289.5	–
Prior year acquisitions			
2015 acquisitions:			
WS Maney & Son Limited	Academic Publishing	**–**	21.3
Ashgate Publishing Ltd and Inc.	Academic Publishing	**–**	19.1
Boston Biotech Conference LLC	Knowledge & Networking	**0.9**	12.7
MegaConvention, Inc.	Global Exhibitions	**0.6**	7.6
Pickering & Chatto (Publishers) Ltd	Academic Publishing	**0.1**	1.4
LeadersIn	Knowledge & Networking	**–**	0.2
Brick Shows	Global Exhibitions	**–**	0.2
		1.6	62.5
2014 acquisitions:			
Hanley Wood Exhibitions	Global Exhibitions	**–**	(0.5)
Baiwen	Global Exhibitions	**–**	2.1
Other		**1.1**	4.1
		1.1	5.7
2013 acquisitions:			
Compendium Contech Ltée	Global Exhibitions		0.3
Doyle Trading Consultants		**1.2**	–
Other		**0.7**	–
		1.9	0.3
2010-2012 acquisitions:			
Other		**0.1**	0.3
		0.1	0.3
Total cash paid in year		**1,294.2**	68.8

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18 BUSINESS COMBINATIONS CONTINUED

In line with the Group's strategy, a number of acquisitions were made in the year. The contingent consideration for our share and asset acquisitions is based on future business valuations and profit multiples and has been estimated on an acquisition by acquisition basis using available data forecasts. The maximum undiscounted amounts payable for contingent consideration is £24.5m.

ACQUISITIONS

The provisional amounts recognised in respect of the estimated fair value of identifiable assets and liabilities in respect of acquisitions made in 2016 and payments made in 2016 relating to prior year acquisitions was:

Net assets/(liabilities) at acquisition date

	Penton £m	Light Reading £m	Finovate £m	Other 2016 acquisitions £m	Other payments for prior year acquisitions £m	Total £m
Intangible assets	648.2	24.6	5.1	22.2	–	700.1
Property and equipment	7.9	–	–	–	–	7.9
Investments	0.2	–	–	–	–	0.2
Deferred tax asset	–	0.2	–	–	–	0.2
Trade and other receivables	41.2	3.7	0.4	2.6	–	47.9
Cash and cash equivalents	21.4	2.0	0.8	3.5	–	27.7
Trade, other payables and provisions	(24.9)	(1.8)	–	(1.9)	4.7	(23.9)
Deferred income	(59.5)	(1.6)	(1.5)	(4.0)	–	(66.6)
Deferred tax liabilities	(114.7)	–	(3.9)	(0.9)	–	(119.5)
Retirement benefit obligation	(19.6)	–	–	–	–	(19.6)
Identifiable net assets acquired	500.2	27.1	0.9	21.5	4.7	554.4
Goodwill	833.8	22.8	20.1	0.9	–	877.6
Total consideration	1,334.0	49.9	21.0	22.4	4.7	1,432.0
Satisfied by:						
Cash consideration	1,240.2	46.3	14.2	16.1	–	1,316.8
Deferred and contingent consideration paid	–	–	0.4	–	4.7	5.1
Deferred closing price adjustment	(6.6)	3.6	1.3	–	–	(1.7)
Deferred consideration	18.2	–	–	4.0	–	22.2
Contingent consideration	–	–	5.1	2.3	–	7.4
Share consideration	82.2	–	–	–	–	82.2
Total consideration	1,334.0	49.9	21.0	22.4	4.7	1,432.0
Net cash outflow arising on acquisitions:						
Cash consideration	1,240.2	46.3	14.2	16.1	–	1,316.8
Deferred and contingent consideration paid	–	–	0.4	–	4.7	5.1
Less: net cash acquired	(21.4)	(2.0)	(0.8)	(3.5)	–	(27.7)
Net cash outflow arising on acquisitions	1,218.8	44.3	13.8	12.6	4.7	1,294.2

BUSINESS COMBINATIONS MADE IN 2016

Penton Information Services

On 2 November 2016, the group acquired 100% of the issued share capital of Penton Information Services, a leading independent US-based exhibitions and professional information services business.

The provisional amounts recognised in respect of the estimated fair value of the identifiable assets acquired and liabilities assumed are as follows:

	Book value £m	Fair value adjustments £m	Fair value £m
Intangible assets	17.6	630.6	648.2
Property and equipment	7.9	–	7.9
Investments	0.2	–	0.2
Deferred tax asset	46.8	(46.8)[1]	–
Trade and other receivables	42.9	(1.7)	41.2
Cash and cash equivalents	21.4	–	21.4
Trade and other payables	(23.8)	(1.1)	(24.9)
Deferred income	(59.5)	–	(59.5)
Borrowings	–	–	–
Deferred tax liabilities	–	(114.7)	(114.7)
Retirement benefit obligation	(19.6)	–	(19.6)
Identifiable net assets acquired	33.9	466.3	500.2
Provisional goodwill			833.8
Total consideration			1,334.0

[1] The fair value adjustment of Deferred Tax Assets represents the net presentation of Deferred Tax Assets against Deferred Tax Liabilities.

The net cash consideration at closing, using an exchange rate of 1.22, was £1,218.8m ($1,482.5m), comprising £1,240.2m ($1,508.6m) of cash consideration paid to the vendors at closing date, less cash acquired of £21.4m ($26.1m). Total consideration at closing, using an exchange rate of 1.22, was £1,334.0m ($1,622.7m), consisting of £1,240.2m ($1,508.6m) of consideration settled in cash, deferred closing price refund of £6.6m ($8.0m), £82.2m ($100.0m) of share consideration and deferred consideration with an estimated fair value of £18.2m ($22.1m) payable in October 2018 for anticipated future tax benefits.

The provisional value of Identifiable net assets of £500.2m included cash of £21.4m, intangible assets of £648.2m and deferred tax liabilities of £114.7m. A goodwill balance of £833.8m has been recorded. These net asset amounts are provisional and reflect a preliminary valuation performed by a third party valuation expert. These numbers are therefore subject to change in accordance with IFRS 3 *Business Combinations* (revised 2008) once the full purchase price allocation and fair value analysis has been completed.

The goodwill of £833.8m arising from the acquisition of Penton relates to the following factors:

- Provides Informa with increased scale in the **Global Exhibitions** market, where it now ranks as one of the top 3 commercial exhibition organisers;
- Enhances Informa's market leadership in a number of verticals, particularly natural products and ingredients, agriculture and infrastructure;
- A strong management team with expertise which can be applied to other parts of the Group; and
- Increases Informa's exposure to the US, the largest economy in the world, providing greater balance across geographies and products.

Acquisition costs charged to operating profit (included in adjusting items in the Consolidated Income Statement) for the year ended 31 December 2016 amounted to £26.2m for adviser and related external fees and an income statement credit of £58.9m relating to the derivative forward contract used to hedge the proceeds of the equity rights issue (see Note 11). In addition, there were underwriting fees associated with the equity rights issue of £14.0m which were charged to the Share Premium account.

The business contributed £34.0m of revenue and a loss after tax of £4.8m for the period between the date of acquisition and 31 December 2016. If the acquisition had completed on the first day of the financial year, it would have contributed £276.0m of revenue and £21.1m of profit after tax to the Group for the year ended 31 December 2016.

18 BUSINESS COMBINATIONS CONTINUED

BUSINESS COMBINATIONS MADE IN 2016 CONTINUED

Light Reading LLC

On 13 July 2016, the group acquired 100% of the issued share capital of Light Reading LLC a leading content-driven B2B integrated marketing services company serving the communications industry. The Company forms part of the **Knowledge & Networking** segment. Total consideration was £49.9m ($67.2m) of which £44.3m ($59.6m) was paid in cash, net of cash acquired of £2.0m ($2.7m), and there is a deferred consideration amount payable of £3.6m ($4.9m).

The provisional amounts recognised in respect of the estimated fair value of the identifiable assets acquired and liabilities assumed are as follows:

	Book value £m	Fair value adjustments £m	Fair value £m
Intangible assets	–	24.6	24.6
Deferred tax asset	–	0.2	0.2
Trade and other receivables	4.1	(0.4)	3.7
Cash and cash equivalents	2.0	–	2.0
Trade and other payables	(1.8)	–	(1.8)
Deferred income	(1.6)	–	(1.6)
Identifiable net assets acquired	2.7	24.4	27.1
Provisional goodwill			22.8
Total consideration			49.9

The goodwill of £22.8m arising from the acquisition of Light Reading relates to the following factors:

- Existing workforce skills and expertise;
- Savings on net operating costs by reducing duplication;

Acquisition costs (included in adjusting items in the Consolidated Income Statement) for the year ended 31 December 2016 amounted to £0.2m.

The business contributed £5.3m of revenue and profit after tax of £0.4m for the period between the date of acquisition and 31 December 2016. If the acquisition had completed on the first day of the financial year, it would have contributed £14.0m of revenue and £1.9m of profit after tax to the Group for the year ended 31 December 2016.

Finovate Group, Inc.
On 25 April 2016, the group acquired 100% of the issued share capital of Finovate Group, Inc. one of the premier event companies in the Fintech innovation space in the US. The Company will form part of the **Knowledge & Networking** segment. Total consideration was £21.0m ($30.6m) of which £13.4m ($19.6m) was paid in cash at closing, net of cash acquired of £0.8m ($1.1m) and £0.4m ($0.5m) of deferred consideration was paid in the year, with contingent and deferred consideration amounts payable of £6.4m ($9.4m).

The provisional amounts recognised in respect of the estimated fair value of the identifiable assets acquired and liabilities assumed are as follows:

	Book value £m	Fair value adjustments £m	Fair value £m
Intangible assets	–	5.1	5.1
Trade and other receivables	0.4	–	0.4
Cash and cash equivalents	0.8	–	0.8
Trade and other payables	–	–	–
Deferred income	(1.5)	–	(1.5)
Deferred tax liabilities	–	(3.9)	(3.9)
Identifiable net assets acquired	(0.3)	1.2	0.9
Provisional goodwill			20.1
Total consideration			21.0

The goodwill of £20.1m arising from the acquisition of Finovate Group relates to the following factors:

- Existing workforce skills and expertise;
- Savings on net operating costs by reducing duplication;

Acquisition costs (included in adjusting items in the Consolidated Income Statement) for the year ended 31 December 2016 amounted to £2.7m.

The business contributed £5.0m of revenue and profit after tax of £0.9m for the period between the date of acquisition and 31 December 2016. If the acquisition had completed on the first day of the financial year, it would have contributed £7.2m of revenue and £0.9m of profit after tax to the Group for the year ended 31 December 2016.

OTHER BUSINESS COMBINATIONS MADE IN 2016

On 14 June 2016, the Group acquired 100% of the issued share capital of Eurovir SAS, a European medical events business. The Company will form part of the **Global Exhibitions** segment. Total consideration was £6.8m (EUR 9.0m) of which £2.8m (EUR 3.8m) was paid in cash, net of cash acquired of £2.4m (EUR 3.1m) and there are deferred and contingent consideration amounts payable of £1.6m (EUR 2.1m).

On 9 August 2016, the Group acquired 100% of the issued share capital of Market Rates Insight, Inc. a US-based company providing financial institutions with comprehensive market intelligence on deposits, loans and fees. The Company will form part of the **Business Intelligence** segment. Total consideration was £3.1m ($4.1m) of which £2.7m ($3.6m) was paid in cash, and there are deferred consideration amounts payable of £0.4m ($0.5m).

On 31 August 2016, the Group acquired 100% of the issued share capital of Xconomy, Inc. a US-based company providing market intelligence on business, life sciences and technology. The Company will form part of the **Knowledge & Networking** segment. Total consideration was £2.5m ($3.6m) of which £0.7m ($1.3m) was paid in cash, net of cash acquired of £0.3m ($0.3m), and there are deferred and contingent consideration amounts payable of £1.5m ($2.0m).

On 4 October 2016, the Group acquired 100% of the issued share capital of Co-Action Publishing AB, a Swedish based publishing company. The Company will form part of the **Academic Publishing** segment. Total consideration was £3.9m of which £3.2m was paid in cash, net of cash acquired of £0.3m, and there are deferred consideration amounts payable of £0.4m.

On 16 October 2016, the Group acquired 60% of the issued share capital of Chengdu Weiner Meibo Exhibition Co. Ltd, a beauty exhibition business in Chengdu, China. The Group has an option to purchase a further 20% from 2020. The Company will form part of the **Global Exhibitions** segment. Total consideration was £2.1m (CNY 18.0m) of which £1.3m (CNY 10.9m) was paid in cash, net of cash acquired of £0.4m (CNY 3.5m), and there are deferred consideration amounts payable of £0.4m (CNY 3.6m).

18 BUSINESS COMBINATIONS CONTINUED

On 25 November 2016, the Group acquired 60% of the issued share capital of Shanghai Yingye Exhibitions Co., Ltd which controls the assets of China (Shanghai) International Floor Industry Exhibition and China (Shanghai) International Mortar Technology and Equipment Exhibition. The business operates exhibitions and conferences in China for the Floor Industry and for Mortar Technology and Equipment. The Company will form part of the **Global Exhibitions** segment. Total consideration was £4.0m (CNY 32.8m) of which £1.9m (CNY 16.0m) was paid in cash, net of cash acquired of £0.1m (CNY 0.4m), and there were deferred contingent consideration payments of £2.0m (CNY 16.4m).

UPDATE ON CONSIDERATION PAID IN 2016 RELATING TO BUSINESS COMBINATIONS COMPLETED IN PRIOR YEARS

During 2016 contingent and deferred consideration cash payments of £4.7m were made relating to acquisitions completed in prior years.

19 JOINT VENTURES AND ASSOCIATE

The Group's investment in joint ventures and associate at 31 December 2016 are as follows:

Company	Division	Country of incorporation and operation	Class of shares held	Share holding	Accounting year end
Lloyd's Maritime Information Services Limited	Business Intelligence	UK	Ordinary	50%	31 December
Independent Materials Handling Exhibitions Limited	Global Exhibitions	UK	Ordinary	50%	31 December
Informa Tharawat LLC	Global Exhibitions	State of Qatar	Ordinary	49%	31 December
Pestana Management Limited	Knowledge & Networking	Cyprus[1]	Ordinary	49%	31 December

[1] Pestana Management Limited is incorporated in Cyprus and operates in Russia.

On 9 February 2016 the Group disposed of its Adam Smith conference business Corporate Communications International Limited. Consideration was in the form of shares, resulting in the Group taking a 49% shareholding in the acquiring entity, Pestana Management Limited, of which 25% carry voting rights.

An analysis of changes in the carrying value of investments in joint ventures and associate is set out below:

	2016 £m	2015 £m
At start of year	**0.1**	0.2
Share of results of joint ventures and associate	**0.8**	(0.1)
Shares received in consideration for disposal of Consumer Information business (See Note 20).	**0.6**	–
At end of year	**1.5**	0.1

The following represent the aggregate (100%) and Group share of assets, liabilities, income and expenses of the Group's joint ventures and associate:

	100% of results 2016 £m	Group share 2016 £m	100% of results 2015 £m	Group share 2015 £m
Non-current assets	–	–	0.1	–
Current assets	**1.9**	**0.9**	0.9	0.5
	1.9	**0.9**	1.0	0.5
Non-current liabilities	–	–	–	–
Current liabilities	–	–	(0.7)	(0.4)
Net assets	**1.9**	**0.9**	0.3	0.1
Operating profit/(loss)	**1.7**	**0.9**	(0.3)	(0.1)
Finance costs	–	–	–	–
Profit/(loss) before tax	**1.7**	**0.9**	(0.3)	(0.1)
Tax (charge)/credit	**(0.2)**	**(0.1)**	0.1	–
Profit/(loss) after tax	**1.5**	**0.8**	(0.2)	(0.1)

20 DISPOSAL OF SUBSIDIARIES AND OPERATIONS

During the year, the Group generated the following net (loss)/profit on disposal of subsidiaries and operations:

	Segment	2016 £m	2015 £m
Corporate Training businesses loan impairment		**(39.9)**	–
Robbins Gioia loan recovery		**4.0**	–
Other operations (loss)/gain on disposal		**(2.6)**	0.3
Corporate Communications International Limited loss on disposal	Knowledge & Networking	**(1.3)**	–
Consumer Information business profit on disposal	Business Intelligence	–	7.4
Conference businesses in Sweden, Denmark and the Netherlands profit on disposal	Knowledge & Networking	–	1.4
(Loss)/profit for the year from disposal of subsidiaries and operations		**(39.8)**	9.1

IMPAIRMENT OF LOAN NOTE RECEIVABLE

In early 2013 the Group entered into an agreement to sell its five corporate training businesses for a mixture of cash and interest bearing loan notes. Following the under-performance of these businesses in 2016 with the new owners, the loan and related accrued interest receivable has been fully impaired in the year, leaving a carrying value of £nil at 31 December 2016 (carrying value at 31 December 2015: £35.7m ($51.9m)). This resulted in a total write off charge of £39.9m ($51.9m) representing £31.4m ($40.0m) for the fair value of the principal loan amount and £8.5m ($11.9m) for accrued interest recognised in prior periods. There was also a £4.0m ($5.0m) recovery from a previously fully provided loan note relating to Robbins Gioia, where there was agreement for recovery and funds were received in February 2017.

DISPOSALS MADE IN 2016

On 9 February 2016 the Group disposed of its Adam Smith conference business, Corporate Communications International Limited. Consideration was in the form of shares, resulting in the Group taking a 49% shareholding in the acquiring entity, Pestana Management Limited, of which 25% carry voting rights. The loss on disposal was £1.3m and the cash disposed with business was £1.2m. From the date of disposal, this new investment will be accounted for as an Associate using equity accounting.

There were other disposals which resulted in a loss of £2.6m.

21 PROPERTY AND EQUIPMENT

	Freehold land and buildings £m	Leasehold land and buildings £m	Equipment fixtures and fittings £m	Total £m
Cost				
At 1 January 2015	2.4	9.5	36.4	48.3
Additions[1]	–	3.3	3.9	7.2
Acquisition of subsidiaries	–	–	(0.4)	(0.4)
Reclassification	–	0.1	(1.1)	(1.0)
Disposals	–	(0.5)	(2.4)	(2.9)
Disposal of subsidiaries	–	(0.1)	(1.1)	(1.2)
Exchange differences	–	–	0.6	0.6
At 1 January 2016	**2.4**	**12.3**	**35.9**	**50.6**
Additions[1]	**–**	**1.0**	**3.6**	**4.6**
Acquisition of subsidiaries	**1.0**	**3.6**	**3.3**	**7.9**
Disposals	**(0.3)**	**(0.5)**	**(3.4)**	**(4.2)**
Exchange differences	**–**	**1.2**	**5.3**	**6.5**
At 31 December 2016	**3.1**	**17.6**	**44.7**	**65.4**
Depreciation				
At 1 January 2015	(0.4)	(4.5)	(25.9)	(30.8)
Charge for the year	–	(1.4)	(4.7)	(6.1)
Reclassification (Note 17)	–	–	0.2	0.2
Disposals	–	0.5	2.3	2.8
Disposal of subsidiaries	–	0.1	1.0	1.1
Exchange differences	–	–	(0.5)	(0.5)
At 1 January 2016	**(0.4)**	**(5.3)**	**(27.6)**	**(33.3)**
Charge for the year	**–**	**(1.8)**	**(4.7)**	**(6.5)**
Disposals	**0.1**	**0.4**	**2.8**	**3.3**
Exchange differences	**–**	**(0.8)**	**(4.0)**	**(4.8)**
At 31 December 2016	**(0.3)**	**(7.5)**	**(33.5)**	**(41.3)**
Carrying amount				
At 31 December 2016	**2.8**	**10.1**	**11.2**	**24.1**
At 31 December 2015	2.0	7.0	8.3	17.3

[1] All the £4.6m (2015: £7.2m) additions represents cash paid.

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

22 INVENTORY

	2016 £m	2015[1] £m
Raw materials	–	0.1
Work in progress (pre-publication costs)	**7.9**	7.4
Finished goods and goods for resale	**44.5**	38.5
	52.4	46.0

[1] Inventory restated for re-measurement of prior year valuation (see note 4).

Write down of inventory during the year amounted to £2.1m (2015: £2.1m).

23 TRADE AND OTHER RECEIVABLES

	2016 £m	2015[1] £m
Current		
Trade receivables	**273.3**	181.2
Less: provision	**(31.3)**	(23.2)
Trade receivables net	**242.0**	158.0
Other receivables	**25.5**	21.4
Prepayments and accrued income	**90.6**	64.0
Total current	**358.1**	243.4
Non-current		
Other receivables	**0.5**	36.2
Total non-current	**358.6**	279.6

[1] Trade receivables restated for re-measurement of prior year valuation (see note 4).

The average credit period taken on sales of goods is 54 days (2015: 49 days). The Group has provision policies for its various Divisions which have been determined by reference to past default experience. Under the normal course of business, the Group does not charge interest on its overdue receivables.

Other current receivables includes £4.0m ($5.0m) of consideration receivable associated with a loan note related to the prior year disposal of the Robins Gioia business. In 2016 there was an impairment in relation to the non-current receivable loan notes that were fully impaired in the year. See Note 20 for further details. The Group's exposures to credit risk and impairment losses related to trade and other receivables are disclosed in Note 30. The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

24 CASH AND CASH EQUIVALENTS

	Note	2016 £m	2015 £m
Cash at bank and on hand'		**49.6**	34.3
Bank overdrafts	29	**(9.4)**	(2.0)
Cash and cash equivalents in the Consolidated Cash Flow Statement		**40.2**	32.3

The cash at bank and on hand is presented net of the Group's legal right to offset overdrafts. The Group's exposure to interest rate risks and a sensitivity analysis for financial assets and liabilities is disclosed in Note 30.

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25 TRADE AND OTHER PAYABLES

	2016 £m	2015 £m
Current		
Deferred consideration	**8.8**	3.5
Trade payables	**48.7**	28.3
Accruals	**164.9**	139.4
Other payables	**24.1**	36.7
Total current	**246.5**	207.9
Non-current		
Deferred consideration	**18.4**	–
Other payables	**9.2**	5.5
Total non-current	**27.6**	5.5
	274.1	213.4

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 37 days (2015: 32 days). There are no suppliers who represent more than 10% of the total balance of trade payables in either 2016 or 2015. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame. Therefore, under the normal course of business, the Group is not charged interest on overdue payables. The Directors consider that the carrying amount of trade payables approximates to their fair value.

26 PROVISIONS

	Contingent consideration £m	Property leases £m	Restructuring provision £m	Acquisition & integration £m	Other provision £m	Total £m
At 1 January 2015	15.7	3.9	8.5	–	0.1	28.2
Increase in year	24.4	6.1	11.5	–	–	42.0
Utilisation	(9.9)	(2.4)	(11.7)	–	(0.1)	(24.1)
Release	(0.3)	(0.2)	(0.6)	–	–	(1.1)
At 1 January 2016	**29.9**	**7.4**	**7.7**	**–**	**–**	**45.0**
Increase in year	**18.1**	**3.1**	**9.5**	**24.8**	**–**	**55.5**
Utilisation	**(19.4)**	**(0.6)**	**(10.3)**	**(12.5)**	**–**	**(42.8)**
Release	**(7.4)**	**(1.5)**	**(2.6)**	**–**	**–**	**(11.5)**
At 31 December 2016	**21.2**	**8.4**	**4.3**	**12.3**	**–**	**46.2**
2016						
Current liabilities	**16.9**	**1.0**	**4.2**	**12.3**	**–**	**34.4**
Non-current liabilities	**4.3**	**7.4**	**0.1**	**–**	**–**	**11.8**
2015						
Current liabilities	14.3	2.1	7.6	–	–	24.0
Non-current liabilities	15.6	5.3	0.1	–	–	21.0

The contingent consideration relates primarily to current year acquisitions including Finovate Group, Inc., Eurovir SAS, Light Reading LLC, Market Rates Insight, Xconomy, Inc, and Chengdu Weiner Meibo Exhibition Co. Ltd. The contingent consideration will be paid in one to two years.

The acquisition and integration provision of £12.3m at 31 December 2016 relates to amounts incurred but not yet settled associated with the Penton acquisition. See Note 18 for further details.

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.

See Note 8 for details of items included in restructuring provisions and details of the re-measurement of contingent consideration. Amounts included within restructuring provisions are expected to be utilised in 2017.

27 DEFERRED TAX

	Accelerated tax depreciation £m	Intangibles £m	Pensions (Note 36) £m	Losses £m	Other £m	Total £m
At 1 January 2015	(4.2)	198.5	(2.1)	(4.0)	(28.2)	160.0
Charge to other comprehensive income for the year	–	–	1.2	–	–	1.2
Acquisitions	–	7.8	–	(0.7)	(0.6)	6.5
Charge to profit or loss for the year excluding UK corporation tax rate change	0.6	1.5	–	4.1	8.2	14.4
Disposals	–	(3.8)	–	–	–	(3.8)
Foreign exchange movements	0.1	6.8	–	(0.1)	(2.4)	4.4
At 1 January 2016	**(3.5)**	**210.8**	**(0.9)**	**(0.7)**	**(23.0)**	**182.7**
Credit to other comprehensive income for the year	**–**	**–**	**(2.0)**	**–**	**–**	**(2.0)**
Acquisitions	**5.5**	**213.8**	**(7.5)**	**(86.5)**	**(6.0)**	**119.3**
Charge/(credit) to profit or loss for the year excluding UK corporation tax rate change	**0.8**	**(11.8)**	**–**	**(2.9)**	**10.7**	**(3.2)**
Charge/(credit) to profit or loss for the year arising from UK corporation tax rate change	**0.1**	**(4.3)**	**–**	**–**	**–**	**(4.2)**
Deferred tax credit arising from revised treatment of certain non-UK intangible assets	**–**	**(12.1)**	**–**	**–**	**–**	**(12.1)**
Disposals	**–**	**–**	**–**	**–**	**–**	**–**
Foreign exchange movements	**–**	**40.2**	**–**	**(0.5)**	**(3.3)**	**36.4**
At 31 December 2016	**2.9**	**436.6**	**(10.4)**	**(90.6)**	**(21.6)**	**316.9**

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27 DEFERRED TAX CONTINUED

Certain deferred tax assets and liabilities have been offset. The following is the analysis of deferred tax balances for the Consolidated Balance Sheet.

	2016 £m	2015 £m
Deferred tax liability	**329.9**	183.3
Deferred tax asset	**(13.0)**	(0.6)
	316.9	182.7

Deferred tax assets have been recognised on the basis that, from the current forecast of the Group's entities, it is probable that there will be taxable profits against which these assets can be utilised, offset for reporting purposes jurisdiction by jurisdiction.

Included in deferred tax is an asset relating to tax losses in the Penton business, which can be carried forward for use in future years. The Directors have concluded that it is probable that there will be sufficient future taxable profits against which these losses can be utilised, taking into account the Group's latest available forecast. For further details regarding this judgement, please refer to the Group's critical accounting judgement disclosure, contained in Note 3.

Deferred tax has been provided on UK intangible assets in respect of temporary timing differences at the UK rate at which they are expected to reverse. Deferred Tax has been provided at the rate of 19.25% on all other UK temporary differences.

The Finance (No.2) Act 2015 enacted prospective legislation to reduce the main UK Corporation Tax rate to 18%. The Finance Act 2016 enacted further reductions to the UK main Corporation Tax rate to 17% from 1 April 2020, as follows:

Year to 31 March	2017	2018	2019	2020	2021
Corporation Tax Rate	20%	19%	19%	19%	17%

At 31 December 2016 the Group has unused tax losses of approximately £289.7m (2015: £36.6m) available for offset against future profits of which a deferred tax asset of £90.6m relating to the US has been recognised. A deferred tax asset of £22.8m (2015: £10.6m) has not been recognised due to the unpredictability of future taxable profit streams.

At the reporting date, the aggregate amount of withholding tax on post-acquisition undistributed earnings for which deferred tax liabilities have not been recognised was £13.7m (2015: £13.3m). 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.

28 NON-CURRENT TAX LIABILITIES

The Group has a number of ongoing tax disputes around the world, and has taken some tax positions where the legislative position is not clear, but are not currently the subject of disputes. In total, the Group has accrued £13.3m (2015: £15.2m) for potential tax liabilities arising from such matters; no more than £5.0m (2015: £4.3m) is expected to become payable in the next twelve months, and the balance is held as a non-current liability.

29 BORROWINGS

	Notes	2016 £m	2015 £m
Current			
Bank overdraft	24	**9.4**	2.0
Bank borrowings – current	35	**9.4**	2.0
Private placement loan note ($102.0m) – due December 2017		**82.9**	–
Private placement loan note (€50.0m) – due December 2017		**42.8**	–
Private placement loan note (£40.0m) – due December 2017		**40.0**	–
Private placement fees		**(0.2)**	–
Private placement – current	35	**165.5**	–
Total current borrowings		**174.9**	2.0
Non-current			
Bank borrowings – revolving credit facility – due October 2020		**300.2**	359.1
Acquisition facility – due March 2018		**548.6**	–
Bank borrowing fees		**(3.7)**	(4.2)
Bank borrowings – non-current	35	**845.1**	354.9
Private placement loan note ($102.0m) – due December 2017		**–**	68.8
Private placement loan note (€50.0m) – due December 2017		**–**	36.8
Private placement loan note (£40.0m) – due December 2017		**–**	40.0
Private placement loan note ($385.5m) – due December 2020		**313.3**	260.2
Private placement loan note ($120.0m) – due October 2022		**97.5**	81.0
Private placement loan note ($130.0m) – due October 2025		**105.7**	87.8
Private placement fees		**(1.3)**	(1.6)
Private placement – non-current	35	**515.2**	573.0
Total non-current borrowings		**1,360.3**	927.9
		1,535.2	929.9

There have been no breaches of covenants under the Group's bank facilities and private placement loan notes during the year. The bank and private placement 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 loans.

The Group has issued private placement loan notes amounting to USD 737.5m (2015: USD 737.5m), GBP 40.0m (2015: GBP 40.0m) and EUR 50.0m (2015: EUR 50.0m). As at 31 December 2016, the note maturities ranged between one and nine years (2015: two and ten years), with an average duration of 4.2 years (2015: 5.5 years), at a weighted average interest rate of 4.3% (2015: 4.3%).

The Group maintains the following lines of credit:

- £900.0m (2015: £900.0m) revolving credit facility, of which £300.2m (2015: £359.1m) has been drawn down at 31 December 2016. Interest is payable at the rate of LIBOR plus a margin based on the ratio of net debt to EBITDA; and
- £548.6m ($675.0m) Acquisition Facility Agreement for up to 30 months to March 2019, of which £548.6m ($675.0m) was drawn on 31 December 2016. On 25 January 2017 the Group issued £406.4m ($500.0m) of private placement loan notes, the proceeds of which were used in January 2017 to repay £406.4m ($500.0m) of the acquisition facility;
- £150.0m Term Facilities Agreement is available to be drawn until December 2017, and if drawn, has a final maturity of December 2019. £nil was drawn on 31 December 2016; and

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29 BORROWINGS CONTINUED

- £51.2m (2015: £32.6m) comprising a number of bilateral bank uncommitted facilities that can be drawn down to meet short-term financing needs. These facilities consist of GBP 16.0m (2015: GBP 16.0m), USD 13.0m (2015: USD 13.0m), EUR 18.0m (2015: EUR 8.0m), AUD 2.0m (2015: AUD 2.0m), and CAD 2.0m (2015: CAD 2.0m). Interest is payable at the local base rate plus a margin.
- The Group has two bank guarantee facilities comprising in aggregate up to EUR 7.0m (2015: EUR 7.0m), and up to AUD 1.5m (2015: AUD 1.5m).

The effective interest rate as at 31 December 2016 is 2.3% (2015: 3.4%). The average effective interest rate for the year ended 31 December 2016 was 4.1% (year ended 31 December 2015: 3.5%).

The Group had committed undrawn borrowing facilities at 31 December 2016 relating to the undrawn amount of the revolving credit facility of £599.9m (2015: £540.9m) and the undrawn Term facility agreement of £150.0m.

The Group's exposure to liquidity risk is disclosed in Note 30(g).

30 FINANCIAL INSTRUMENTS

(A) FINANCIAL RISK MANAGEMENT

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

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

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

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

The Group Treasury function provides services to the Group's businesses, co-ordinates access to domestic and international financial markets and monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk and price risk), credit risk, liquidity risk and interest rate risk.

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

In September 2016, the Group entered into a new acquisition debt facility of $675.0m and a Term Facilities Agreement of £150.0m, of which £548.6m ($675.0m) and £nil respectively was drawn down at 31 December 2016.

Capital risk management

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

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

Cost of capital

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

Gearing ratio

The principal financial covenant ratios under the Group's borrowing facilities are maximum net debt to EBITDA of 3.5 times and minimum EBITDA interest cover of 4.0 times, tested semi-annually. At 31 December 2016 both financial covenants were comfortably achieved, with the ratio of net debt (using average exchange rates) to EBITDA of 2.6 times (2.2 times at 31 December 2015). The ratio of EBITDA to net interest payable in the year ended 31 December 2016 was 11.0 times (2015: 14.9 times). EBITDA is derived from adjusted operating profit adding back depreciation, amortisation and finance costs.

(B) CATEGORIES OF FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.

	Notes	2016 £m	2015 £m
Financial assets			
Trade receivables	23	**242.0**	158.0
Other receivables	23	**26.0**	57.6
Cash at bank and on hand	24	**49.6**	34.3
Total financial assets		**317.6**	249.9

	Notes	2016 £m	2015 £m
Financial liabilities			
Bank overdraft	29	**9.4**	2.0
Bank borrowings	29	**848.8**	354.9
Private placement loan notes	29	**682.2**	573.0
Trade payables	25	**48.7**	28.3
Accruals	25	**164.9**	139.4
Other payables	25	**33.3**	42.2
Deferred consideration	25	**27.2**	3.5
Contingent consideration	26	**21.2**	29.9
Total financial liabilities		**1,835.7**	1,173.2

(C) MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange and interest rates, will affect the Group's income or the value of its holdings of financial instruments.

The Group manages these risks by maintaining a mix of fixed and floating rate debt and currency borrowings using derivatives where necessary. The Group does not use derivative contracts for speculative purposes.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects on the Group's financial performance. Risk management is carried out by a central treasury department under policies approved by the Board of Directors.

30 FINANCIAL INSTRUMENTS CONTINUED

(D) INTEREST RATE RISK

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

The risk is managed by maintaining an appropriate mix of fixed and floating rate borrowings and by the use of interest rate swap contracts, where necessary. The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk section of this note.

The following table details financial liabilities by interest category:

	Fixed Rate £m	Floating rate £m	Non-interest bearing £m	Total 2016 £m	Fixed rate £m	Floating rate £m	Non-interest bearing £m	Total 2015 £m
Bank overdraft	–	**9.4**	–	**9.4**	–	2.0	–	2.0
Bank borrowings	–	**848.8**	–	**848.8**	–	354.9	–	354.9
Private placement loan notes	**682.2**	–	–	**682.2**	573.0	–	–	573.0
Trade payables	–	–	**48.7**	**48.7**	–	–	28.3	28.3
Accruals	–	–	**164.9**	**164.9**	–	–	139.4	139.4
Other payables	–	–	**33.3**	**33.3**	–	–	42.2	42.2
Deferred consideration	–	–	**27.2**	**27.2**	–	–	3.5	3.5
Contingent consideration	–	–	**21.2**	**21.2**	–	–	29.9	29.9
	682.2	**858.2**	**295.3**	**1,835.7**	573.0	356.9	243.3	1,173.2

Interest rate sensitivity analysis

A high percentage of loans are at fixed interest rates hence the Group's interest rate sensitivity would only be affected by the exposure to variable rate debt.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's profit for the year would have decreased or increased by £8.5m (2015: £3.6m).

(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.

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

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

	Assets		Liabilities	
	2016 £m	2015 £m	**2016 £m**	2015 £m
USD	**346.6**	168.0	**(1,841.9)**	(940.1)
EUR	**30.4**	12.6	**(82.2)**	(56.1)
Other	**136.2**	45.5	**(455.6)**	(54.6)
	513.2	226.1	**(2,379.7)**	(1,050.8)

The foreign currency borrowings of £1,323.1m (2015: £760.7m) are used to hedge the Group's net investments in foreign subsidiaries.

	Average rate		Closing rate	
	2016	2015	**2016**	2015
USD	**1.36**	1.53	**1.23**	1.48
EUR	**1.23**	1.38	**1.17**	1.36

Foreign currency sensitivity analysis
In 2016 the Group received approximately 59% (2015: 55%) of its revenues and incurred approximately 48% (2015: 43%) of its costs in USD or currencies pegged to USD. The Group is therefore sensitive to movements in the USD against the GBP. In 2016, each $0.01 movement in the USD to GBP exchange rate has a circa £6.5m (2015: £4.4m) impact on revenue and a circa £2.9m (2015: £2.0m) impact on operating profits. Offsetting this will be reductions to the value of USD borrowings, interest and tax liabilities. This analysis assumes all other variables, including interest rates, remain constant.

(F) CREDIT RISK
The Group's principal financial assets are trade and other receivables (Note 23) and cash and cash equivalents (Note 24), 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 Consolidated Balance Sheet are net of allowances for doubtful receivables, estimated by the Group based on prior experience and its assessment of the current economic environment.

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

The Group's exposure and the credit worthiness of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved financial institutions. Credit exposure is controlled by counterparty limits that are reviewed and approved as part of the Group's treasury policies.

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

Non-current other receivables
Non-current other receivables arose from disposals made in the current and prior years as disclosed in Note 23. The Risk Committee reviews these receivables and the credit quality of the counterparties on a regular basis.

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 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 reference to past default experience.

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

30 FINANCIAL INSTRUMENTS CONTINUED
The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

Ageing of trade receivables:

	Gross 2016 £m	**Provision 2016 £m**	Gross 2015 £m	Provision 2015 £m
Not past due	**111.2**	**(0.7)**	95.0	(0.3)
Past due 0 – 30 days	**79.2**	**–**	43.3	–
Past due over 31 days	**82.9**	**(12.8)**	42.9	(9.8)
Books provision (see below)	**–**	**(17.8)**	–	(13.1)
	273.3	**(31.3)**	181.2	(23.2)

Trade receivables that are less than three months past due for payment are generally not considered impaired. For trade receivables that are more than three months past due for payment, there are debtors with a carrying amount of £20.4m (2015: £7.5m) which the Group has not provided for, as there has not been a significant change in the credit quality and the amounts are considered recoverable. The Group does not hold any collateral over these balances.

A provision relating to returns on books of £17.8m (2015: £13.1m) has been disclosed separately in the table above. This provision is based on the Group's best estimate of previous seasonal sales and returns trends, and is included as part of the overall provision balance.

Movement in the provision:

	2016 £m	2015 £m
At 1 January	**23.2**	26.0
Provision recognised	**12.5**	3.8
Receivables written off as uncollectible	**(1.9)**	(2.4)
Amounts recovered during the year	**(2.5)**	(4.2)
At 31 December	**31.3**	23.2

There are no customers who represent more than 10% of the total gross balance of trade receivables in both 2016 and 2015.

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

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

(H) LIQUIDITY AND INTEREST RISK TABLES

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

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

	Carrying amount £m	Contractual cash flows[1] £m	Less than 1 year £m	1-2 years £m	2-5 years £m	Greater than 5 years £m
31 December 2016						
Non-derivative financial assets						
Non-interest bearing	**317.6**	**317.6**	**317.2**	**0.2**	**0.2**	**–**
Variable interest rate instruments	**–**	**–**	**–**	**–**	**–**	**–**
	317.6	**317.6**	**317.2**	**0.2**	**0.2**	**–**
31 December 2015						
Non-derivative financial assets						
Non-interest bearing	213.5	213.5	213.2	0.1	0.2	–
Variable interest rate instruments	35.7	32.7	32.7	–	–	–
	249.2	246.2	245.9	0.1	0.2	–

[1] Under IFRS 7 contractual cash flows are undiscounted and therefore may not agree with the carrying amounts in the consolidated balance sheet.

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

	Carrying amount £m	Contractual cash flows[1] £m	Less than 1 year £m	1-2 years £m	2-5 years £m	Greater than 5 years £m
31 December 2016						
Non-derivative financial liabilities						
Variable interest rate instruments	**858.2**	**867.9**	**867.9**	**–**	**–**	**–**
Fixed interest rate instruments	**682.2**	**839.5**	**29.6**	**195.4**	**381.8**	**232.7**
Trade and other payables	**246.9**	**246.9**	**237.7**	**9.2**	**–**	**–**
Deferred consideration	**27.2**	**27.2**	**8.8**	**18.4**	**–**	**–**
Contingent consideration	**21.2**	**21.2**	**16.8**	**4.4**	**–**	**–**
	1,835.7	**2,002.7**	**1,160.8**	**227.4**	**381.8**	**232.7**
31 December 2015						
Non-derivative financial liabilities						
Variable interest rate instruments	356.9	361.4	361.4	–	–	–
Fixed interest rate instruments	573.0	705.9	24.9	170.6	317.1	193.3
Trade and other payables	209.9	209.9	204.4	5.5	–	–
Deferred consideration	3.5	3.5	3.5	–	–	–
Contingent consideration	29.9	29.9	14.3	14.2	1.4	–
	1,173.2	1,310.6	608.5	190.3	318.5	193.3

[1] Under IFRS 7 contractual cash flows are undiscounted and therefore may not agree with the carrying amounts in the consolidated balance sheet.

31 SHARE CAPITAL

Share capital as at 31 December 2016 amounted to £0.8m (2015: £0.6m).

On 11 October 2016, the Group issued 162,234,656 ordinary shares of 0.1p each through a 1-for-4 Rights Issue. The shares were issued at £4.41 each and raised gross proceeds of £715.5m (£701.5m net proceeds after expenses of £14.0m). Trading in the new shares commenced on 26 October 2016. The excess of cash received over the nominal value of the shares issued was recorded as share premium. The net proceeds were used to part fund the acquisition of the Penton business (see Note 18).

On 2 November 2016 the Group issued 12,829,146 ordinary shares to the sellers of the Penton business in part consideration for the sale ("Consideration Shares"). The number of shares reflected the sterling equivalent of $100.0m divided by the 95 per cent of the volume weighted average closing price per share of Informa shares on the London Stock Exchange for the 10 consecutive trading days ending on the third trading day immediately prior to Closing, converted at the average exchange rate over such 10 consecutive trading day period. The share premium (net of transaction costs) is £905.3m at 31 December 2016.

For details of options issued over the Company's shares see Note 10.

	2016 £m	2015 £m
Issued and fully paid		
824,005,051 ordinary shares of 0.1p each (2015: 648,941,249 of 0.1p each)	**0.8**	0.6

	Number of Shares 2016	Number of Shares 2015
At 1 January	**648,941,249**	648,941,249
Issue of new shares related to the Rights Issue	**162,234,656**	–
Issue of new shares related to consideration for the Penton acquisition	**12,829,146**	–
At 31 December	**824,005,051**	648,941,249

32 OTHER RESERVES

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

	Reserves for shares to be issued £m	Merger reserve £m	Other reserve £m	Employee Share Trust and ShareMatch shares £m	Total £m
At 1 January 2015	3.2	496.4	(2,152.8)	(0.3)	(1,653.5)
Share award expense	2.6	–	–	–	2.6
Own shares purchased	–	–	–	(0.4)	(0.4)
Transfer of vested LTIPs	(1.5)	–	–	–	(1.5)
At 1 January 2016	**4.3**	**496.4**	**(2,152.8)**	**(0.7)**	**(1,652.8)**
Shares issued	**–**	**82.2**	**–**	**–**	**82.2**
Share award expense	**3.9**	**–**	**–**	**–**	**3.9**
Own shares purchased	**–**	**–**	**–**	**(1.0)**	**(1.0)**
Transfer of vested LTIPs	**(1.7)**	**–**	**–**	**0.1**	**(1.6)**
Put option on acquisition of non-controlling interests	**–**	**–**	**(1.5)**	**–**	**(1.5)**
At 31 December 2016	**6.5**	**578.6**	**(2,154.3)**	**(1.6)**	**(1,570.8)**

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RESERVE FOR SHARES TO BE ISSUED

This reserve relates to LTIP's granted to employees reduced by the transferred and vested awards. Further information is set out in Note 10.

MERGER RESERVE

The merger reserve was created in 2004 from the merger of Informa plc and Taylor & Francis Group plc. On 2 November 2016, the Group acquired Penton Information Services and the share premium on the shares issued to the vendors has been recorded against the merger reserve in accordance with the Merger Relief rules of the Companies Act 2006.

OTHER RESERVE

The other reserve includes the inversion accounting reserve of £2,189.9m, which was created from the new equity structure in May 2014.

EMPLOYEE SHARE TRUST SHARES

As at 31 December 2016, the Informa Employee Share Trust ("EST") held 616,187 (2015: 737,272) ordinary shares in the Company at a cost of £616 and a market value of £4.2m (2015: £4.5m). At 31 December 2016 the Group held 0.01% (2015: 0.01%) of its own called up share capital.

As at 31 December 2016, the ShareMatch scheme held 141,814 ordinary shares in the Company at a market value of £1.0m.

33 NON-CONTROLLING INTERESTS

The Group's non-controlling interests at 31 December 2016 was composed entirely of equity interests and represents the minority shares of Brasil Design Show (45%, 2015: 45%), Chengdu Wiener Meibo Exhibitions Co., Ltd (40%, 2015: N/A), Shanghai Yingye Exhibitions Co., Ltd (40%, 2015: N/A), Agra CEAS Consulting Limited (18.2%, 2015: 18.2%), Bureau European de Recherches SA (18.2%, 2015: 18.2%), Shanghai Baiwen Exhibitions Co., Ltd (15%, 2015: 15%), Shanghai Meisheng Culture Broadcasting Co., Ltd (15%, 2015: 15%), Design Junction Limited (10%, 2015: 10%) and Monaco Yacht Show S.A.M. (10%, 2015: 10%).

34 OPERATING LEASE ARRANGEMENTS

	2016 £m	2015 £m
Minimum lease payments under operating leases recognised in Consolidated Income Statement for the year	**23.9**	19.4

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

	2016		2015	
	Land and buildings £m	**Other £m**	Land and buildings £m	Other £m
Within one year	**24.2**	**0.7**	18.2	0.9
Within two to five years	**61.5**	**1.0**	56.6	0.8
After five years	**11.4**	**–**	19.1	–
	97.1	**1.7**	93.9	1.7

Operating lease payments on land and buildings represent rentals payable by the Group for certain of its properties.

35 NOTES TO THE CASH FLOW STATEMENT

	Notes	2016 £m	2015 £m
Profit before tax		**178.3**	219.7
Adjustments for:			
Depreciation of property and equipment	21	**6.5**	6.1
Amortisation of other intangible assets	17	**131.3**	112.3
Impairment – Goodwill	8	**65.8**	13.9
Impairment – Other intangible assets	8	**1.9**	–
Share-based payment	10	**3.9**	2.6
Subsequent re-measurement of contingent consideration	8	**(7.4)**	(0.3)
Loss/(profit) on disposal of businesses	20	**39.8**	(9.1)
Loss on disposal of other assets		**–**	0.1
Investment income	11	**(59.5)**	(4.7)
Finance costs	12	**40.2**	30.6
Share of results of joint ventures and associate	19	**(0.8)**	0.1
Operating cash inflow before movements in working capital		**400.0**	371.3
Increase in inventories		**(6.8)**	–
Increase in receivables		**(64.2)**	(21.0)
Increase in payables		**86.2**	41.7
Movements in working capital		**15.2**	20.7
Cash generated by operations		**415.2**	392.0

ANALYSIS OF NET DEBT

	At 1 January 2016 £m	Non-cash Movements £m	Cash flow £m	Exchange Difference £m	At 31 December 2016 £m
Cash at bank and on hand	**34.3**	–	**(3.6)**	**18.9**	**49.6**
Overdrafts	**(2.0)**	–	**(6.7)**	**(0.7)**	**(9.4)**
Cash and cash equivalents	**32.3**	–	**(10.3)**	**18.2**	**40.2**
Other loan receivable	**0.3**	–	**(0.2)**	**0.1**	**0.2**
Private placement loan notes due in less than one year	–	**(165.7)**	–	–	**(165.7)**
Bank loans due in more than one year	**(359.1)**	–	**(433.0)**	**(56.7)**	**(848.8)**
Private placement loan notes due in more than one year	**(574.6)**	**165.7**	–	**(107.6)**	**(516.5)**
Bank loan fees	**4.2**	**(2.2)**	**1.7**	–	**3.7**
Private placement fees	**1.6**	**(0.5)**	**0.4**	–	**1.5**
Total	**(895.3)**	**(2.7)**	**(441.4)**	**(146.0)**	**(1,485.4)**

Included within the cash outflow of £441.4m (2015: inflow of £25.1m) is £1,455.9m (2015: £928.9m) facility loan repayments, £1,888.9m (2015: £812.0m) of facility loan drawn downs, no private placement repayments (2015: £73.3m) and no private placement draw downs (2015: £166.5m).

Net debt consists of cash and cash equivalents and includes bank overdrafts, borrowings and other loan note receivables where these are interest bearing and do not relate to deferred contingent arrangements.

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36 RETIREMENT BENEFIT SCHEMES

(A) CHARGE TO OPERATING PROFIT

The charge to operating profit for the year in respect of pensions, including both Defined Benefit and Defined Contribution Schemes was £10.3m (2015: £9.5m). This consisted of a £0.4m (2015: £0.3m) charge to operating profit related to administration costs for the Defined Benefit schemes and a £9.9m charge to operating profit relating to Defined Contribution Schemes (2015: £9.2m).

(B) DEFINED BENEFIT SCHEMES – STRATEGY

The Group operates two Defined Benefit Pension Schemes in the UK, the Informa Final Salary Scheme and the Taylor & Francis Group Pension and Life Assurance Scheme (the "Group UK Schemes") for all qualifying UK employees providing benefits based on final pensionable pay. Additionally, as a result of the Penton acquisition, the Group now has two Defined Benefit Schemes in the US; Penton Media, Inc. Retirement Plan and Penton Media, Inc. Supplemental Executive Retirement Plan (the "Penton Schemes"). All Schemes (the "Group Schemes") are closed to future accrual. Contributions to the Group UK Schemes are determined following triennial valuations undertaken by a qualified actuary using the projected unit credit method. Contributions to the Penton Schemes are assessed annually following valuations undertaken by a qualified actuary using the projected unit credit method.

For the Group UK Schemes, the Defined Benefit Schemes are administered by a separate fund that is legally separated from the Company. The Trustees are responsible for running the Group UK Schemes in accordance with the Group Schemes' Trust Deed and Rules, which sets out their powers. The Trustees of the Group UK Schemes are required to act in the best interests of the beneficiaries of the Group Schemes. There is a requirement that one-third of the Trustees are nominated by the members of the Group UK Schemes. The Trustees of the pension fund are responsible for the investment policy with regard to the assets of the fund. Neither of the Schemes has any reimbursement rights.

The Group's pension funding policy is to provide sufficient funding, as agreed with the Trustees, to ensure any pension deficit will be addressed to ensure pension payments made to current and future pensioners will be met.

The investment strategies adopted by the Trustees of the Group UK Schemes include some exposure to Index-Linked Gilts and Corporate Bonds. These assets are held to provide some protection to the Group Schemes' funding levels in the event of interest rates falling. *The investment strategies of the Penton Schemes are to maximise plan assets within designated risk and return profiles.* All assets are managed by a third party investment manager according to guidelines established by the Company.

(C) DEFINED BENEFIT SCHEMES – RISK

Through the Group Schemes the Company is exposed to a number of potential risks as described below:

- **Asset volatility:** the Group Schemes' Defined Benefit obligation is calculated using a discount rate set with reference to corporate bond yields, however the Group Schemes invest significantly in equities. These assets are expected to outperform corporate bonds in the long term, but provide volatility and risk in the short term.
- **Changes in bond yields:** a decrease in corporate bond yields would increase the Group Schemes' Defined Benefit obligation, however this would be partially offset by an increase in the value of the Schemes' bond holdings.
- **Inflation risk:** a significant proportion of the Group Schemes' Defined Benefit obligation is linked to inflation, therefore higher inflation will result in a higher defined benefit obligation (subject to the appropriate caps in place). The majority of the Group UK Schemes' assets are either unaffected by inflation, or only loosely correlated with inflation, therefore an increase in inflation would also increase the deficit.
- **Life expectancy:** if the Group Schemes' members live longer than expected, the Group Schemes' benefits will need to be paid for longer, increasing the Group Schemes' Defined Benefit obligations.

The Trustees and the Company manage risks in the Group Schemes through the following strategies:

- **Diversification:** investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.
- **Investment strategy:** the Trustees are required to review their investment strategy on a regular basis.

There are three categories of Defined Benefit Scheme members:

- Employed deferred members: currently employed by the Company
- Deferred members: former employees of the Company
- Pensioner members: in receipt of pension.

For the Penton Scheme, the Defined Benefit Scheme is administered by Penton Media, Inc. and is subject to the provisions of the Retirement Income Security Act 1974. The Trustee is required to act in the best interests of the beneficiaries of the Penton Scheme in accordance with the Scheme Trust Deed and Rules. The Trustee is responsible for the investment policy with regard to the assets of the fund. The Scheme has no reimbursement rights.

The Defined Benefit obligation is valued by projecting the best estimate of future benefit payments (allowing for future salary increases for employed deferred members, revaluation to retirement for deferred members and annual pension increases for all members) and then discounting to the balance sheet date. The majority of benefits receive increases linked to inflation (subject to a cap of no more than 5% p.a. for UK Schemes). There are no caps on benefits in the Penton schemes.

The approximate overall duration of the Group Schemes' defined benefit obligation as at 31 December 2016 was as follows:

	2016			2015
	Penton Retirement Plan	Penton Executive Retirement Plan	Group UK Schemes	Group UK Schemes
Overall duration	**15**	**14**	**20**	18
Subdivided into:				
– deferred members	**17**	**–**	**23**	21
– Retired members	**9**	**14**	**13**	13

Benefits are not linked to inflation in the Penton Schemes.

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

	2016 %		2015 %
	Penton Schemes	Group UK Schemes	Group UK Schemes
Discount rate	**3.7**	**2.6**	3.8
Rate of price inflation	**N/A**	**2.4 (CPI) and 3.4 (RPI)**	2.2 (CPI) and 3.2 (RPI)
Rate of salary increase– employed deferred	**N/A**	**2.9**	3.2
Rate of increase in deferred pensions – former employees	**N/A**	**2.4**	2.2
Rate of increase in pensions in payment – pensioners	**N/A**	**2.1 to 3.3**	2.0 to 3.1

	2016 Years		2015 Years
	Penton Schemes	Group UK Schemes	Group UK Schemes
Life expectancy:			
For an individual aged 60 – male	**85**	**87**	87
For an individual aged 60 – female	**87**	**89**	89

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36 RETIREMENT BENEFIT SCHEMES CONTINUED

(D) DEFINED BENEFIT SCHEMES – INDIVIDUAL DEFINED BENEFIT SCHEME DETAILS

Informa Final Salary Scheme

The Trustees are required to carry out an actuarial valuation every three years. The result of this valuation determines the level of contributions payable by the Group.

The last actuarial full valuation of the Informa Final Salary Scheme was performed by the Scheme Actuary for the Trustees as at 31 March 2014. This valuation revealed a funding shortfall of £0.2m. Contributions paid since 31 March 2014, in respect of the recovery plan put in place following the 31 March 2011 valuation were in excess of those required to recover the deficit of £0.2m. That recovery plan has now expired and no further deficit contributions are required.

An actuarial valuation was carried out for IAS 19 purposes as at 31 December 2016 by a qualified independent actuary. The Scheme was closed to new entrants on 1 April 2000 and closed to future accrual on 1 April 2011. The Group's contribution over the year was £nil (2015: £0.1m). The Employer expects to pay no contributions to the Scheme during the accounting year beginning 1 January 2017 in respect of the deficit. The next actuarial valuation of the Informa Final Salary Scheme is 31 March 2017.

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

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.1%	Decrease/increase by £2.3m
Rate of price inflation pre-retirement	Increase/decrease by 0.25%	Increase/decrease by £5.7m
Rate of mortality	Increase/decrease by 1 year	Increase/decrease by £3.3m

Taylor & Francis Group Pension and Life Assurance Scheme

The Trustees are required to carry out an actuarial valuation every three years. The result of this valuation determines the level of contributions payable by the Group. The last actuarial full valuation of the Taylor & Francis Life Assurance and Pension Scheme was performed by the Scheme Actuary for the Trustees as at 30 September 2014. This valuation revealed a funding surplus of £1.3m. No further contributions are currently required.

An actuarial valuation was carried out for IAS 19 purposes as at 31 December 2016 by a qualified independent actuary. The Scheme was closed to new entrants on 1 April 2000 and closed to future accrual on 1 April 2011. The Group's contribution over the year was £nil (2015: £0.3m). The Employer expects to pay no contributions to the scheme during the accounting year beginning 1 January 2017 in respect of the deficit. The next actuarial valuation of the Taylor & Francis Group Pension and Life Assurance Scheme is 30 September 2017.

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

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.1%	Decrease/increase by £0.5m
Rate of price inflation pre-retirement	Increase/decrease by 0.25%	Increase/decrease by £1.2m
Rate of mortality	Increase/decrease by 1 year	Increase/decrease by £1.0m

Penton Media, Inc. Retirement Plan
The Trustees are required to carry out an actuarial valuation every year. The result of this valuation determines the level of contributions payable by the Group. The last actuarial full valuation of the Penton Scheme was performed by the Scheme Actuary for the Trustees as at 31 December 2016. The Employer expects to pay no contributions during the accounting year beginning 1 January 2017, with the Actuarial Value of Assets exceeding the plans funding target.

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

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.1%	Decrease/increase by £0.7m
Rate of mortality	Increase/decrease by 1 year	Increase/decrease by £0.6m

Penton Media, Inc. Supplemental Executive Retirement Plan
The Trustees are required to carry out an actuarial valuation every year. The result of this valuation determines the level of contributions payable by the Group. The last actuarial full valuation of the Penton Scheme was performed by the Scheme Actuary for the Trustees as at 31 December 2016. The Employer expects to pay no contributions to the Scheme during the accounting year beginning 1 January 2017.

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

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.1%	Decrease/increase by £nil
Rate of mortality	Increase/decrease by 1 year	Increase/decrease by £nil

(E) AMOUNTS RECOGNISED

Amounts recognised in respect of these Defined Benefit Schemes are as follows:

	2016 £m	2015 £m
Recognised in profit before tax		
Current service cost	–	–
Administration cost	**0.4**	0.3
Net interest cost on net deficit	**0.2**	0.3
Total	**0.6**	0.6

	2016 £m	2015 £m
Recognised in the Consolidated Statement of Comprehensive Income		
Actual return less expected return on Scheme assets	**11.1**	(1.1)
Experience gain	**2.4**	2.0
Change in demographic actuarial assumptions	**(2.1)**	–
Change in financial actuarial assumptions	**(25.7)**	5.1
Actuarial (loss)/gain	**(14.3)**	6.0

FINANCIAL STATEMENTS

36 RETIREMENT BENEFIT SCHEMES CONTINUED
(E) AMOUNTS RECOGNISED CONTINUED

	2016 £m	2015 £m
Movement in deficit during the year		
Deficit in Schemes at beginning of the year	**(4.0)**	(10.1)
New Schemes from Penton acquisition	**(19.6)**	–
Contributions	**–**	0.4
Net finance cost	**(0.2)**	(0.3)
Actuarial (loss)/gain	**(14.3)**	6.0
Effect of movement in foreign currencies	**0.1**	–
Deficit in Schemes at end of the year	**(38.0)**	(4.0)

The amounts recognised in the Consolidated Balance Sheet in respect of the Group Schemes are as follows:

	2016 £m	2015 £m
Present value of Defined Benefit obligations	**(184.4)**	(106.7)
Fair value of Scheme assets	**146.4**	102.7
Deficit in Schemes and liability recognised in the Consolidated Balance Sheet	**(38.0)**	(4.0)

Changes in the present value of Defined Benefit obligations are as follows:

	2016 £m	2015 £m
Opening present value of Defined Benefit obligation	**(106.7)**	(112.0)
New Schemes from Penton acquisition	**(52.5)**	–
Interest cost	**(4.0)**	(3.9)
Benefits paid	**3.8**	2.1
Actuarial (loss)/gain	**(25.4)**	7.1
Effect of movement in foreign currencies	**0.4**	–
Closing present value of Defined Benefit obligation	**(184.4)**	(106.7)

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

	2016 £m	2015 £m
Opening fair value of Scheme assets	**102.7**	101.9
New Schemes from Penton acquisition	**32.9**	–
Expected return on Scheme assets	**3.8**	3.6
Actuarial gain/(loss)	**11.1**	(1.1)
Contributions from the sponsoring companies	**–**	0.4
Benefits paid	**(3.8)**	(2.1)
Effect of movement in foreign currencies	**(0.3)**	–
Closing fair value of Scheme assets	**146.4**	102.7

The assets of the Taylor & Francis Group Pension and Life Assurance Scheme include assets held in managed funds and cash funds operated by Legal & General Assurance (Pensions Management) Limited, Zurich Assurance Limited, Partners Group AG, BlackRock Investment Management (UK) Limited, Standard Life Investments and Insight Investment Management Limited.

The assets of the Informa Final Salary Scheme include assets held in managed funds and cash funds operated by BlackRock Investment Management (UK) Limited, Partners Group AG, Zurich Assurance Limited, Standard Life Investments and Insight Investment Management Limited.

The assets of the Penton Scheme include assets held in managed funds and cash funds operated by New York Life Insurance Company, BlackRock Institutional Trust Company NA, Invesco Asset Management Limited, and others.

The fair value of the assets held are as follows:

31 December 2016	**Taylor & Francis**	**Informa**	**Penton**	**Total**
Equities	**11.9**	**42.3**	**21.5**	**75.7**
Bonds	**2.5**	**8.6**	**1.3**	**12.4**
Cash	**0.2**	**1.5**	**–**	**1.7**
Property	**3.2**	**7.9**	**–**	**11.1**
Diversified Growth Fund	**5.4**	**18.9**	**–**	**24.3**
Other	**2.9**	**8.7**	**9.6**	**21.2**
Total	**26.1**	**87.9**	**32.4**	**146.4**

31 December 2015	Taylor & Francis	Informa	Total
Equities	8.2	35.3	43.5
Bonds	6.4	15.2	21.6
Cash	0.1	0.6	0.7
Property	3.3	9.3	12.6
Diversified Growth Fund	5.4	18.9	24.3
Total	23.4	79.3	102.7

All the assets listed above have a quoted market price in an active market. The Group Schemes' assets do not include any of the Group's own financial instruments, nor any property occupied by, or other assets used by, the Group. The actual return on plan assets was £15.0m (2015: £2.5m).

37 RELATED PARTY TRANSACTIONS

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

TRANSACTIONS WITH DIRECTORS

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

Further information about the remuneration of individual Directors is provided in the audited part of the Remuneration Report on pages 91 to 106 and Note 9.

TRANSACTIONS WITH JOINT VENTURES AND ASSOCIATE

During the period the Group received revenue of £nil (2015: £nil) from Lloyd's Maritime Information Services Limited, a joint venture.

During the period the Group received revenue of £0.1m from Pestana Management Limited, an associate.

During the period the Group received revenue of £1.8m (2015: £nil) from Independent Materials Handling Exhibitions Limited, a joint venture.

OTHER RELATED PARTY DISCLOSURES

At 31 December 2016, the Group has guaranteed the pension scheme liability of £38.0m (2015: £4.0m) (see Note 36).

38 SUBSIDIARIES

The listing below shows the subsidiary undertakings as at 31 December 2016.

	Company Name	Country	Ordinary shares held	Registered Office
Academic Publishing	Informa Limited	Hong Kong	100%	HK2
	Taylor & Francis Books India Pvt Limited	India	100%	IN2
	Informa Healthcare AS	Norway	100%	NO1
	Taylor & Francis (S) Pte Limited	Singapore	100%	SG1
	Co-Action Publishing AB	Sweden	100%	SE1
	Taylor & Francis AB	Sweden	100%	SE1
	Afterhurst Limited	United Kingdom	100%	UK1
	Ashgate Publishing Limited	United Kingdom	100%	UK1
	Cogent OA Limited	United Kingdom	100%	UK1
	Gower Training Limited	United Kingdom	100%	UK1
	Maney Publishing Limited	United Kingdom	100%	UK1
	Pickering And Chatto (Publishers) Limited	United Kingdom	100%	UK1
	Psychology Press New Co Limited	United Kingdom	100%	UK1
	Routledge Books Limited	United Kingdom	100%	UK1
	Taylor & Francis Books Limited	United Kingdom	100%	UK1
	Taylor & Francis Group Limited	United Kingdom	100%	UK1
	Taylor & Francis Publishing Services Limited	United Kingdom	100%	UK1
	W S Maney & Son Limited	United Kingdom	100%	UK1
	Taylor & Francis Limited	United Kingdom	100%	UK1
	Taylor & Francis Group, LLC	United States	100%	US14
Business Intelligence	Datamonitor Pty Limited	Australia	100%	AU1
	Ovum Pty Limited	Australia	100%	AU1
	Agra CEAS Consulting - Bureau Europeen de Recherches S.A.	Belgium	82%	BE1
	Informa Economics FNP Consultoria Ltda	Brazil	100%	BR4
	Instituto FNP	Brazil	55%	BR4
	3108155 Canada Inc.	Canada	100%	CA1
	iNet Interactive Canada, Inc.	Canada	100%	CA1
	Penton Media Canada, Inc.	Canada	100%	CA1
	F.O. Licht Zuckerwirtschaflicher Verlag Und Marktforschung Gmbh	Germany	100%	GE3
	Datamonitor Publications (Hk) Limited	Hong Kong	100%	HK1
	Informa Global Markets (Hong Kong) Limited	Hong Kong	100%	HK1
	Penton Media Asia Limited	Hong Kong	100%	HK3
	NND Biomedical Data Systems Private Limited	India	100%	IN1
	Informa Global Markets (Japan) Limited	Japan	100%	JA1
	Penton Media Mexico S. De R.L. De C.V.	Mexico	100%	ME1
	Informa Global Markets (Singapore) Private Limited	Singapore	100%	SG1
	Marketworks Datamonitor (Pty) Limited	South Africa	100%	ZA1
	Agra Ceas Consulting Limited	United Kingdom	82%	UK1
	Agra Informa Limited	United Kingdom	100%	UK1

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Company Name	Country	Ordinary shares held	Registered Office
Datamonitor Limited	United Kingdom	100%	UK1
Ebenchmarkers Limited	United Kingdom	100%	UK1
Informa Global Markets (Europe) Limited	United Kingdom	100%	UK1
Informa Telecoms & Media Limited	United Kingdom	100%	UK1
MRO Exhibitions Limited	United Kingdom	100%	UK1
MRO Network Limited	United Kingdom	100%	UK1
MRO Publications Limited	United Kingdom	100%	UK1
Penton Communications Europe Limited	United Kingdom	100%	UK1
TU-Autmotive Holdings Limited	United Kingdom	100%	UK1
TU-Automotive Limited	United Kingdom	100%	UK1
Duke Communications International, Inc.	United States	100%	US1
Duke Investments, Inc.	United States	100%	US2
DVGM & Associates	United States	100%	US2
Farm Progress Companies, Inc.	United States	100%	US3
Farm Progress Holding Company, Inc.	United States	100%	US3
Farm Progress Insurance Services, Inc.	United States	100%	US3
Indiana Prairie Farmer Insurance Services, Inc.	United States	100%	US3
iNet Interactive, LLC	United States	100%	US4
Informa Business Intelligence, Inc.	United States	100%	US5
Informa DataSources, Inc	United States	100%	US6
Internet World Media, Inc.	United States	100%	US10
Market Rates Insight, Inc.	United States	100%	US12
Ovum, Inc.	United States	100%	US6
Penton Business Media Holdings, Inc.	United States	100%	US2
Penton Business Media Internet, Inc.	United States	100%	US2
Penton Business Media Publications, Inc.	United States	100%	US2
Penton Business Media, Inc.	United States	100%	US13
Penton Media, Inc.	United States	100%	US10
Penton Operating Holdings, Inc.	United States	100%	US2
Rural Press (USA) Limited	United States	100%	US3
Rural Press USA, Inc.	United States	100%	US3
The Miller Publishing Company, Inc.	United States	100%	US3
Global Exhibitions			
Informa Fashion Pty Limited	Australia	100%	AU2
Informa Trade Events Pty Limited	Australia	100%	AU2
Informa Middle East Limited	Bermuda	100%	BM1
The Superyacht Cup Limited	Bermuda	100%	BM1
Brasil Design Show - Eventos, Midias, Consultorias, Treinamentos e Participacoes Ltda	Brazil	100%	BR1
BTS Informa Feiras Eventos e Editora Ltda	Brazil	100%	BR2
Informa Canada Inc.	Canada	100%	CA1
Chengdu Wiener Meibo Exhibitions Co., Ltd.	China	60%	CH1

38 SUBSIDIARIES CONTINUED

	Company Name	Country	Ordinary shares held	Registered Office
Global Exhibitions	Informa Exhibitions (Beijing) Co., Ltd.	China	100%	CH4
	Shanghai Baiwen Exhibitions Co., Ltd.	China	85%	CH5
	Shanghai Meishing Culture Broadcasting Co., Ltd.	China	85%	CH6
	Shanghai Yingye Exhibitions Co, Ltd	China	60%	CH7
	Informa Egypt LLC	Egypt	100%	EG1
	Euromedicom SAS	France	100%	FR1
	Eurovir SAS	France	100%	FR1
	International Trade Exhibition Company France SAS	France	100%	FR1
	Itec Edition Sarl	France	100%	FR1
	Informa Monaco Sam	Monaco	100%	MC1
	Monaco Yacht Show SAM	Monaco	90%	MC1
	IIR Exhibitions Philippines Inc	Philippines	100%	PH1
	Informa Saudi Arabia LLC	Saudi Arabia	100%	SA1
	Informa Exhibitions Pte Limited	Singapore	100%	SG1
	Informa Middle East Media FZ LLC	United Arab Emirates	100%	UAE1
	Brick Shows Limited	United Kingdom	100%	UK1
	Cityscape Exhibitions Limited	United Kingdom	100%	UK1
	Design Junction Limited	United Kingdom	90%	UK1
	E-Health Media Limited	United Kingdom	100%	UK1
	IIR Exhibitions Limited	United Kingdom	100%	UK1
	IIR Management Limited	United Kingdom	100%	UK1
	IIR (U.K. Holdings) Limited	United Kingdom	100%	UK1
	Informa Final Salary Pension Trustee Company Limited	United Kingdom	100%	UK1
	Informa Exhibitions Holding Corp.	United States	100%	US7
	Informa Exhibitions U.S. Construction & Real Estate Inc.	United States	100%	US8
	Informa Exhibitions, LLC	United States	100%	US7
	Informa Life Sciences Exhibitions, Inc.	United States	100%	US6
	Informa Pop Culture Events, Inc.	United States	100%	US6
Knowledge & Networking	IIR Pty Limited	Australia	100%	AU1
	Euroforum GmbH	Austria	100%	AT1
	IIR Informa Seminarios Ltda	Brazil	100%	BR3
	Light Reading Canada, Inc.	Canada	100%	CA2
	IBC Conferences And Event Management Services (Shanghai) Co., Ltd.	China	100%	CH2
	Ebd Group Gmbh	Germany	100%	GE1
	Euroforum Deutschland SE	Germany	100%	GE2
	Informa Deutschland Gmbh	Germany	100%	GE2
	Informa Holding Germany Gmbh	Germany	100%	GE2
	Lesbistes BV	Netherlands	100%	NE2
	EBD Gmbh	Switzerland	100%	SW1
	Euroforum Schweiz AG	Switzerland	100%	SW2

Company Name	Country	Ordinary shares held	Registered Office
BVO Limited	United Kingdom	100%	UK1
I.I.R. Limited	United Kingdom	100%	UK1
Light Reading UK Limited	United Kingdom	100%	UK1
Knect365 US, Inc.	United States	100%	US11
Group			
Informa Enterprise Management (Shanghai) Co., Ltd.	China	100%	CH3
Informa European Financial Shared Service Centre Gmbh	Germany	100%	GE2
Informa Switzerland Limited	Jersey	100%	JE1
Institute For International Research (I.I.R.) BV	Netherlands	100%	NE1
IIR South Africa BV	Netherlands	100%	NE1
Informa Europe BV	Netherlands	100%	NE2
Informa Finance BV	Netherlands	100%	NE2
IBC Asia (S) Pte Limited	Singapore	100%	SG1
Informa Finance Gmbh	Switzerland	100%	SW1
Informa IP Gmbh	Switzerland	100%	SW1
IBC (Ten) Limited	United Kingdom	100%	UK1
IBC (Twelve) Limited	United Kingdom	100%	UK1
IBC Fourteen Limited	United Kingdom	100%	UK1
IBC Informa Limited	United Kingdom	100%	UK1
Informa Exhibitions Limited	United Kingdom	100%	UK1
Informa Finance UK Limited	United Kingdom	100%	UK1
Informa Finance USA Limited	United Kingdom	100%	UK1
Informa Group Holdings Limited	United Kingdom	100%	UK1
Informa Group Plc	United Kingdom	100%	UK1
Informa Holdings Limited	United Kingdom	100%	UK1
Informa Investment Plan Trustees Limited	United Kingdom	100%	UK1
Informa Overseas Investments Limited	United Kingdom	100%	UK1
Informa Quest Limited	United Kingdom	100%	UK1
Informa Six Limited	United Kingdom	100%	UK1
Informa Three Limited	United Kingdom	100%	UK1
Informa UK Limited	United Kingdom	100%	UK1
Informa US Holdings Limited	United Kingdom	100%	UK1
LLP Limited	United Kingdom	100%	UK1
Informa Academic And Business, LLC	United States	100%	UK1
Informa Export, Inc.	United States	100%	US6
Informa Global Sales, Inc	United States	100%	US6
Informa Support Services, Inc.	United States	100%	US6
Informa USA Inc.	United States	100%	US9

38 SUBSIDIARIES CONTINUED

AT1	Wipplingerstrasse 24, 1010 Wien, Austria
AU1	Level 18, 347 Kent Street, Sydney, NSW 2000, Australia
AU2	Level 5, 267 Collins Street, Melbourne, VIC 3000, Australia
BE1	Rue de Commerce 20/22, B-1000 Brussels, Belgium
BM1	Canon's Court, 22 Victoria Street, Hamilton, Bermuda
BR1	Rue Bela Cintra 967, 11th Floor, Suite 112-C, Consolacao, Sao Paolo 01415-003, Brazil
BR2	Rue Bela Cintra 967, 11th Floor, Suite 112-A, Consolacao, Sao Paolo 01415-003, Brazil
BR3	Rue Bela Cintra 967, 11th Floor, Suite 111, Consolacao, Sao Paolo 01415-003, Brazil
BR4	Rue Bela Cintra 967, 11th Floor, Suite 112-B, Consolacao, Sao Paolo 01415-003, Brazil
CA1	10 Alcorn Avenue, Suite 100, Toronto, Ontario M4V 3A9, Canada
CA2	200 Queen Street West, Suite 3300, Toronto, Ontario M5H 3R3, Canada
CH1	No. 207, 41 Middle Bridge Cu Street, Wuhou District, Chengdu City, China
CH2	Room 311, No. 828 Xi Kang Road, Jian'an District, Shanghai, China
CH3	Room 2201, Hong Kong New Tower, No. 300 Huai Hai Middle Road, Huang Pu District, Shanghai, China
CH4	Room 802, 8th Floor, No. 87, Building No. 4, Worker's Stadium North Road, Chaoyang District, Beijing 100027, China
CH5	Room 1010, 10F, No. 93 Nanjing West Road, Jian'an District, Shanghai, China
CH6	Room 101-75, No. 15 Jia, No.152 Alley, Yanchang Road, Zhabei District, Shanghai, China
CH7	Room 234, 2nd Floor, M Zone, 1st Building, No. 3398, Hu Qing Ping Road, Zhao Xiang Town, Qing Pu District, Shanghai, China
EG1	7H, 263 Street, New Maadi, Cairo, Egypt
ES1	C/Azcona, 36 Bajo, 28028 Madrid, Spain
FR1	Rue De Lisbonne, 75008, Paris, France
GE1	Isartorplatz 4, 80331, Munich, Germany
GE2	Prinzenallee 3, 40549, Dusseldorf, Germany
GE3	AM Muhlengraben 22, 23909, Ratzeburg, Germany
HK1	Suite 1106-8, 11/F Tai Yau Building, No 181 Johnston Road, Wanchai, Hong Kong
HK2	Level 54, Hopewell Centre, 183 Queens' Road East, Hong Kong
HK3	Level 15 Langham Place, 8 Argyle Street, Mong Kok, Kowloon, Hong Kong
IN1	2nd & 3rd Floor, The National Council or YMCAs of India, 1 Jai Singh Road, New Delhi 110001, Delhi, India
IN2	flat No. 104, Dhanunjaya Residence, Plot No. 143, Kalyan Nagar III, Hyderabad, Andthra Pradesh 500018, India
JA1	5F Iwanami Hitotsubashi Building, 2-5-5 Hitotsubashi, Chiyoda-Ku, Tokya 101-003, Japan
JE1	22 Grenville Street, St Helier, JE4 8PX, Jersey
MC1	Le Suffren, 7 Rue Suffren-Reymond, 98000, Monaco
ME1	Chintermex, Primer Novel, Local 45, Av. Parque Fundidora, 501, Col. Obrera, Monterrey 64010, Mexico
NE1	Kabelweg 37, 1014 BA, Amsterdam, Netherlands
NE2	Schimmelt 32, Kantoor C, 7E Verdieping, 5611 ZX, Eindhoven, Netherlands
NO1	C/O Wahl-Larson, Advokatfirma AS, Fridtjof Nansens Plass 5, Oslo 0160, Norway
PH1	Unit 1003, Autel 2000 Corporate Centre, Valero Street Corner, Herrera Street, Saleedo Village, Makati City, Philippines
SA1	Aziziya District Bin, Mahfouz Centre, P.O. Box 4100, Jeddah 21491, Saudi Arabia
SE1	Box 3255, 103 65, Stockholm, Sweden
SG1	111 Somerset Road, #10-05 Tripleone Somerset, 238164, Singapore
SW1	Baarerstrasse 139, 6300 Zug, Switzerland
SW2	Förrlibuckstrasse 70, 8005 Zurich, Switzerland

UAE1	*17th & 18th Floor, Creative Tower, P.O. Box 422, Fujairah, UAE*
UK1	5 Howick Place, London, SW1P 1WG, United Kingdom
US1	748 Whalers Way, Building E., Fort Collins, CO 80525, U.S.A.
US2	1166 Avenue of the Americas, 10th Floor, New York, NY 10036, U.S.A.
US3	255 38th Avenue, Suite P, Saint Charles, IL 60174-5410, U.S.A.
US4	9100 West Chester Towne Centre Drive, Suite 200, West Chester, OH 45069, U.S.A.
US5	52 Vanderbilt Avenue, 11th Floor, New York, NY 10017, U.S.A.
US6	101 Paramount Drive, Suite 100, Sarasota, FL 34232, U.S.A.
US7	3300 N. Central Avenue, Suite 300, Phoenix, A 85012, U.S.A.
US8	6191 N. State Highway, Suite 500, Irving, TX 75038, U.S.A.
US9	One Research Drive, Westborough, MA 01581, U.S.A.
US10	1100 Superior Avenue, 8th Floor, Cleveland, OH 44114-2518, U.S.A.
US11	708 Third Avenue, 4th Floor, New York, NY 10017, U.S.A.
US12	275 Greenfield Avenue, San Anselmo, CA 94960, U.S.A.
US13	9800 Metcalf Avenue, Overland Park, KS 66212-2216, U.S.A.
US14	6000 NW Broken Sound Parkway, Suite 300, Boca Raton, FL 33487, U.S.A.
ZA1	Broadacres Business Centre, Corner Cedar and 3rd Avenue, Broadacres Sandton, Gauteng 2021, South Africa

The proportion of voting power held is the same as the proportion of ownership interest. The Consolidated Financial Statements incorporate the financial statements of all entities controlled by the Company as at 31 December each year. Refer to Note 2 for further description of the method used to account for investments in subsidiaries.

39 POST BALANCE SHEET EVENTS

On 1 March 2017, the Group entered into a definitive agreement to acquire 100% of the share capital of Yachting Promotions, Inc., ("YPI") for cash consideration of £106.0m ($133.0m), subject to customary closing conditions. YPI is the operator of some of the largest yachting and boat shows in the US. The business will form part of the **Global Exhibitions** Division. Further information in respect of the accounting for the acquisition will be provided in the Annual Report for the year ending 31 December 2017.

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2016

	Notes	2016 £m	2015 £m
Fixed assets			
Investment in subsidiary undertakings	3	**3,659.6**	3,656.0
Current assets			
Debtors due within one year	4	**2,190.7**	901.7
Cash at bank and on hand		**0.2**	0.2
		2,190.9	901.9
Creditors: amounts falling due within one year	5	**(374.9)**	(321.7)
Net current assets		**1,816.0**	580.2
Creditors: amounts falling due after more than one year	6	**(1,048.6)**	(523.2)
Net assets		**4,427.0**	3,713.0
Capital and reserves			
Called up share capital	7	**0.8**	0.6
Share premium account	8	**905.3**	204.0
Reserve for shares to be issued	8	**6.0**	3.3
Merger reserve	8	**955.1**	872.9
Employee Share Trust shares	8	**(0.7)**	(0.2)
Profit and loss account	8	**2,560.5**	2,632.4
Equity shareholders' funds		**4,427.0**	3,713.0
Profit for the year ended 31 December		**59.2**	28.5

These financial statements of this Company registration number 8860726, were approved by the Board of Directors on 5 March 2017 and were signed on its behalf by

STEPHEN A. CARTER
Group Chief Executive

GARETH WRIGHT
Group Finance Director

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1 CORPORATE INFORMATION
Informa PLC (the Company) is a company incorporated in the United Kingdom under the Companies Act 2006 and is listed on the London Stock Exchange. The Company is a public company limited by shares and is registered in England and Wales with registration number 08860726. The address of the registered office is 5 Howick Place, London, SW1P 1WG.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW
Informa PLC is the parent company of the Informa Group (the "Group") and its principal activity is to act as the ultimate holding company of the Group.

2 ACCOUNTING POLICIES
BASIS OF ACCOUNTING
The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 ("FRS 100") issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland as issued by the Financial Reporting Council.

The Company presents its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2015. There were no material adjustments recorded for the transition from UK GAAP to FRS 102. As permitted by FRS 102, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, presentation of a cash flow statement, standards not yet effective, and related party transactions. The Directors' Report, Corporate Governance Statement and Directors' Remuneration Report disclosures are on pages 68 to 111 of this report. The financial statements have been prepared on the historical cost basis and on the going concern basis as explained in Note 2 to the consolidated financial statements.

The principal accounting policies adopted are the same as those set out in Note 2 to the consolidated financial statements, with the exception of the merger reserve accounting treatment arising from the Scheme of Arrangement in 2014.

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

PROFIT AND LOSS ACCOUNT
As permitted by s408 of the Companies Act 2006 the Company has elected not to present its own profit and loss account or statement of comprehensive income for the year. The Company's revenue for the year is £nil (2015: £nil), and profit after tax for the year is £59.2m (2015: £28.5m).

INVESTMENTS IN SUBSIDIARIES AND IMPAIRMENT REVIEWS
Investments held as fixed assets are stated at cost less any provision for impairment. Where the recoverable amount of the investment is less than the carrying amount, an impairment is recognised. Impairment reviews are undertaken at least annually or more frequently where there is an indication of impairment.

3 INVESTMENT IN SUBSIDIARY UNDERTAKINGS

Cost	**2016 £m**	2015 £m
At 1 January	**3,656.0**	3,653.9
Additions	**3.6**	2.1
At 31 December	**3,659.6**	3,656.0

Other additions of £3.6m (2015: £2.1m) relate to the fair value of the share incentives issued to employees of subsidiary undertakings during the year.

FINANCIAL STATEMENTS

The listing below shows the direct subsidiary and other subsidiary undertakings as at 31 December 2016 which affected the profit or net assets of the Company:

Company	Country of registration and operation	Principal activity	Ordinary shares held
Informa Switzerland Limited	England and Wales	Holding Company	100%
Informa Global Sales, Inc.	US	Domestic international sales corporation	100%

Details of subsidiaries controlled by the Company are disclosed in the Consolidated Financial Statements (Note 38).

4 DEBTORS DUE WITHIN ONE YEAR

	2016 £m	2015 £m
Amounts owed from group undertakings	**2,190.7**	901.7

Amounts owed to group undertakings falling due within one year are unsecured, interest bearing and repayable on demand. Interest rates on amounts owed from group undertakings range from 0% to 3.5% (2015: 0% to 3.5%).

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £m	2015 £m
Amounts owed to group undertakings	**357.5**	319.4
Other creditors and accruals	**4.5**	2.3
Income tax payable	**12.9**	–
	374.9	321.7

Amounts owed to group undertakings falling due within one year are unsecured, interest bearing and repayable on demand. Interest rates on amounts owed to group undertakings range from 0% to 3.5% (2015: 0% to 3.5%).

6 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2016 £m	2015 £m
Revolving credit facility	**297.1**	354.9
Acquisition facility	**548.0**	–
Private placement loan notes	**202.3**	168.0
Other payables	**1.2**	0.3
	1,048.6	523.2

In September 2016, the Company entered into an Acquisition Facility Agreement for an equivalent of £548.6m, of which £548.6m was drawn down at 31 December 2016 (2015: £nil). The facility matures in March 2018. On 25 January 2017 the Group issued £406.4m ($500.0m) of private placement loan notes, the proceeds of which were used in January 2017 to repay £406.4m ($500.0m) of the acquisition facility. The acquisition facility of £406.2m are stated net of £0.2m of arrangement fees.

On 23 October 2014, the Company entered into a new five year revolving credit facility for an equivalent of £900.0m, of which £300.1m was drawn down at 31 December 2016 (2015: £359.1m). The facility matures in October 2020. Interest is payable at the rate of LIBOR plus a margin based on the ratio of net debt to EBITDA.

The private placement loan notes of £203.2m ($250.0m) are stated net of £0.9m of arrangement fees.

7 SHARE CAPITAL

On 11 October 2016, the Group issued 162,234,656 ordinary shares of 0.1p each through a 1-for-4 Rights Issue. The shares were issued at £4.41 each and raised gross proceeds of £715.5m (£700.9m net proceeds after expenses of £14.6m). Trading in the new shares commenced on 26 October 2016. The excess of cash received over the nominal value of the shares issued was recorded as share premium. The net proceeds were used to part fund the acquisition of the Penton business.

On 2 November 2016 the Group issued 12,829,146 ordinary shares to the sellers of the Penton business in part consideration for the sale ("Consideration Shares"). The number of shares reflected the sterling equivalent of $100.0m divided by the 95 per cent. of the volume weighted average closing price per share of Informa shares on the London Stock Exchange for the 10 consecutive trading days ending on the third trading day immediately prior to Closing, converted at the average exchange rate over such 10 consecutive trading day period.

	2016 £m	2015 £m
Issued and fully paid		
824,005,051 (2015: 648,941,249) ordinary shares of 0.1p each	**0.8**	0.6

	Number of shares	Number of shares
At 1 January	**648,941,249**	648,941,249
Issue of shares in relation to Rights Issue	**162,234,656**	–
Issue of new shares related to consideration for the Penton acquisition	**12,829,146**	–
31 December	**824,005,051**	648,941,249

FINANCIAL STATEMENTS

8 CAPITAL AND RESERVES

	Share capital £m	Share premium account £m	Reserve for shares to be issued £m	Merger reserve £m	Employee Share Trust shares £m	Profit and loss account £m	Total £m
At 1 January 2015	0.6	204.0	1.1	872.9	(0.2)	2,729.8	3,808.2
Share-based payment charge	–	–	2.4	–	–	–	2.4
Profit for the year	–	–	–	–	–	28.5	28.5
Equity dividends	–	–	–	–	–	(126.1)	(126.1)
Transfer of vested LTIPs	–	–	(0.2)	–	–	0.2	–
At 1 January 2016	**0.6**	**204.0**	**3.3**	**872.9**	**(0.2)**	**2,632.4**	**3,713.0**
Shares issued	**0.2**	**701.3**	**–**	**82.2**	–	**–**	**783.7**
Own shares purchased	**–**	**–**	**–**	**–**	**(0.6)**	**–**	**(0.6)**
Share-based payment charge	**–**	**–**	**3.6**	**–**	**–**	**–**	**3.6**
Profit for the year	–	**–**	**–**	**–**	**–**	**59.2**	**59.2**
Equity dividends	**–**	**–**	**–**	**–**	**–**	**(131.9)**	**(131.9)**
Transfer of vested LTIPs	**–**	**–**	**(0.9)**	**–**	**0.1**	**0.8**	**–**
At 31 December 2016	**0.8**	**905.3**	**6.0**	**955.1**	**(0.7)**	**2,560.5**	**4,427.0**

As at 31 December 2016 the Informa Employee Share Trust ("EST") held 616,187 (2015: 737,272) ordinary shares in the Company at a cost of £616 and a market value of £4.2m (2015: £4.5m). The 616,187 shares held by the EST have not been allocated to individuals and the remaining shares have been allocated to individuals in accordance with the Deferred Share Bonus Plan as set out in the Directors' Remuneration Report on pages 91 to 106.

As at 31 December 2016, the ShareMatch scheme held 179,089 ordinary shares in the Company at a market value of £1.2m.

The Directors are of the opinion that the distributable reserves of the Company are not materially different to the profit and loss account.

Details of the description of reserves are disclosed in the Consolidated Financial Statements (Note 32).

9 SHARE-BASED PAYMENTS

Details of the share-based payments are disclosed in the Consolidated Financial Statements (Note 10).

10 DIVIDENDS

During the year an interim dividend of £44.1m (2015: £42.5m) and a final dividend for the prior year of £87.8m (2015: £83.6m) were recognised as distributions by the Company. Details of dividends are disclosed in the Consolidated Financial Statements (Note 14).

11 RELATED PARTIES

The Directors of Informa PLC had no material transactions with the Company or its subsidiaries during the year other than service contracts and Directors' liability insurance. Details of Directors' remuneration are disclosed in the Remuneration Report. The Company has taken advantage of the exemption that transactions with wholly owned subsidiaries, do not need to be disclosed.

AUDIT EXEMPTION

The following UK subsidiaries will take advantage of the audit exemption set out within Section 479A of the Companies Act 2006 for the year ended 31 December 2016.

Audit exempt companies	Registration numbers
Agra Informa Limited	00746465
IBC (Ten) Limited	01844717
IBC (Twelve) Limited	03007085
IBC Fourteen Limited	03119071
IIR (U.K. Holdings) Limited	02748477
IIR Management Limited	02922734
Informa Finance UK Limited	08774672
Informa Finance USA Limited	08940353
Informa Holdings Limited	03849198
Informa Overseas Investments Limited	05845568
Informa Six Limited	04606229
Informa Three Limited	04595951
Routledge Books Limited	03177762
Taylor & Francis Group Limited	02280993
Informa US Holdings Limited	09319013
Penton Communications Europe Limited	02805376
TU-Automotive Holdings Limited	09823826
TU-Automotive Limited	09798474
MRO Network Limited	09375001
MRO Publications Limited	02732007
MRO Exhibitions Limited	02737787
Light Reading UK Limited	08823359
E-Health Media Limited	04214439

FIVE YEAR SUMMARY

	2016 £m	2015 £m	2014 £m	2013 £m	2012 £m
Results from operations					
Revenue	**1,345.7**	1,212.2	1,137.0	1,130.0	1,110.1
Adjusted operating profit	**416.1**	365.6	334.0	335.2	330.5
Statutory operating profit/(loss)	**198.8**	236.5	(2.8)	146.4	127.8
Statutory profit/(loss) before tax	**178.3**	219.7	(31.2)	115.4	70.3
Profit/(loss) attributable to equity holders of the parent	**171.6**	171.4	(52.4)	(6.5)	90.6
Free cash flow[3]	**305.7**	303.4	237.2	213.6	220.8
Net assets[1]					
Non-current assets	**4,520.3**	2,731.9	2,612.7	2,432.6	2,641.4
Current assets	**491.2**	327.9	306.2	279.6	292.2
Non-current liabilities	**(1,775.9)**	(1,141.7)	(1,028.9)	(967.6)	(1,016.4)
Current liabilities	**(1,047.6)**	(650.0)	(658.3)	(553.5)	(593.5)
Net assets	**2,188.0**	1,268.1	1,231.7	1,191.1	1,323.7
Key statistics from continuing operations (in pence)[2]					
Earnings per share	**23.6**	24.3	(7.9)	(1.0)	13.9
Diluted earnings per share	**23.6**	24.3	(7.9)	(1.0)	13.9
Adjusted earnings per share	**42.2**	39.5	37.8	37.8	35.3
Adjusted diluted earnings per share	**42.1**	39.5	37.8	37.8	35.3
Dividends per share	**19.3**	18.5	17.8	17.4	17.0

1 2015 net assets have been restated for the finalisation of acquisition accounting.

2 Earnings per share and dividends per share restated for bonus impact of the 2016 rights issue.

3 Free cash flow restated for change in presentation of acquisition and integration costs.

COMPANY INFORMATION
LEGAL NOTICES

NOTICE CONCERNING FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements. Although the Group believes that the expectations reflected in such forward-looking statements are reasonable, these statements are not guarantees of future performance and are subject to a number of risks and uncertainties and actual results and events could differ materially from those currently being anticipated as reflected in such forward-looking statements. The terms "expect", "estimate", "forecast", "target", "believe", "should be", "will be" and similar expressions are intended to identify forward-looking statements. Factors which may cause future outcomes to differ from those foreseen in forward-looking statements include, but are not limited to, those identified under "Principal Risks and Uncertainties" on pages 22 to 31 of this Annual Report. The forward-looking statements contained in this Annual Report speak only as of the date of publication of this Annual Report and the Group therefore cautions readers not to place undue reliance on any forward-looking statements.

Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in the Group's expectations or any change in events, conditions or circumstances on which any such statement is based.

WEBSITE

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

All general enquiries concerning holdings of ordinary shares in Informa PLC, should be addressed to our registrars, Computershare Investor Services PLC ("Computershare"):

Computershare Investor Services PLC
The Pavilions, Bridgwater Road
Bristol, BS99 6ZZ

Helpline: +44 (0)370 707 1679
Website: www.investorcentre.co.uk

The shareholder helpline is available between Monday and Friday, 8.30 am to 5.30 pm.

To access your shareholding details online, go to www.investorcentre.co.uk. To register to use the website, you will need your shareholder reference number as shown on your share certificate or dividend voucher.

The website enables you to:

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

DIVIDEND

Informa usually pays a dividend to all shareholders twice each year. Shareholders can arrange for dividends to be paid by mandate directly to a UK bank or building society account through the BACS (Bankers' Automated Clearing Services) system. You can register your bank or building society details online at www.investorcentre.co.uk or contact Computershare for a dividend mandate form.

If you wish to receive your dividends in a different currency, you will need to register for the global payments service provided by Computershare. Further information can be found on the Computershare website.

Alternatively, shareholders can elect to receive shares instead of cash from their dividend allocation through the Dividend Reinvestment Plan ("DRIP"). For further details on the DRIP, including terms and conditions, you should contact Computershare or visit their website.

SHAREHOLDER INFORMATION CONTINUED

SHARE DEALING

Shareholders have the opportunity to buy or sell Informa PLC shares using a share dealing facility operated by our registrar Computershare. Internet and telephone dealing is available via Investor Centre www.investorcentre.co.uk.

Internet dealing – The fee for this service will be 1% of the value of each sale or purchase of shares (subject to a minimum of £30). Stamp duty of 0.5% is also payable on all purchases.

Telephone dealing – The fee for this service will be 1% of the value of the transaction plus £35. Stamp duty of 0.5% is also payable on all purchases. To use the service please call 0370 703 0084 and have your Shareholder Reference Number (SRN) to hand. This service is available Monday to Friday from 8 am to 4 pm.

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. Around £25 million has been given by ShareGift so far to over 2,000 different charities. Further information about ShareGift can be found on their website, www.ShareGift.org or by calling 020 7930 3737.

ELECTRONIC SHAREHOLDER COMMUNICATIONS

As part of Informa's Sustainability 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.investorcentre.co.uk/ecomms.

PROTECTING YOUR INVESTMENT FROM SHARE REGISTER FRAUD

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

If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation
- Check that they are properly authorised by the FCA before getting involved. You can check at www.fca.org.uk.
- Report the matter to the FCA by completing an online form at www.fca.org.uk.
- Inform Computershare on 0370 707 1679.

TIPS ON PROTECTING YOUR SHAREHOLDING

- Ensure all your certificates are kept in a safe place or hold your shares electronically in CREST via a nominee.
- Keep all correspondence from Computershare in a safe place, or destroy correspondence by shredding it.
- If you change address inform Computershare. If you receive a letter from Computershare 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. If you change your bank account, inform Computershare of the details of your new account. Respond to any letters Computershare 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.

ADR PROGRAMME

On 1 July 2013, Informa established a Level I American Depositary Receipt (ADR) programme with BNY Mellon, the global leader in investment management and investment services. Each Informa ADR represents two ordinary shares and trade on the OTC (Over-The-Counter) market in the U.S. under the symbol "IFJPY" (ISIN US45672B2060). Investors can find information on Informa's ADRs on www.bnymellon.com/dr.

Informa's ordinary shares continue to trade on the Premium Main Market of the London Stock Exchange (LSE) under the symbol "INF" (ISIN: GB00BMJ6DW54).

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