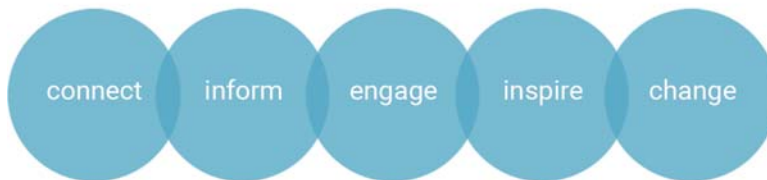


wecreate. wedeliver.



Informa
Investor Day
June 2017

INFORMA

Stephen A. Carter, Group Chief Executive

Gareth Wright, Group Finance Director

Patrick Martell, CEO, Business Intelligence

Gary Nugent Group MD, Business Intelligence

Lara Boro, Group MD, Business Intelligence

Kate Spellman, President, Marketing Services

Andy Mullins, CEO, Knowledge & Networking

Anna Chrisman, MD, Life Sciences

Carolyn, Dawson, MD, TMT

Charlie McCurdy, CEO, Global Exhibitions

Fred Linder, MD, Global Health & Nutrition Network

QUESTIONS FROM

Nick Dempsey, Barclays Capital

Will Packer, Exane BNP Parabis

Matthew Walker, Credit Suisse

Chris Collett, Deutsche Bank

Katherine Tait, Goldman Sachs

Natasha Brilliant, Citigroup

Steve Liechti, Investec

Patrick Wellington, Morgan Stanley

Ian Whittaker, Liberum



Growth & Capability

Stephen A. Carter, Group Chief Executive

Good morning, thank you very much for coming and welcome to the Informa Investor Day. We were scheduled to have an investor day last year, but that got postponed or rescheduled because it fell just in the kind of sweet spot or awkward spot of what ended up being the transaction to acquire Penton Information Services and so it's a little bit overdue, so apologies for that.

So as consequence what we've tried to do today is ensure that you get as much of a sense of what's going on inside the business as possible. And the really is the purpose of today, there are no new numbers, so for those of you who are running models on the business, which I know some of you are, there are no new numbers, sorry to disappoint. But what we're seeking to do today is to allow as many people as possible to get a sense of what's going on inside the business and what has been going on inside the business for the last three or four years.

I'm delighted that we're joined by a whole range of colleagues from across the Group. On the podium here we have the University Challenge team from Business Intelligence, Lara, Kate, Patrick, who many of you already know and Gary. And then as we work through the day we'll also be joined by colleagues from our Knowledge & Networking business, Andy Mullins who some of you know, Anna Chrisman and Carolyn Dawson. And then to wrap it up at the end Charlie McCurdy and Fred Linder from our Global Exhibitions business.

You'll get a real sense of each of the different businesses, a bit of a sense of the character and flavour of the different businesses and an opportunity as we go along to ask questions.

We had one of those scruples debates late last night when we were rehearsing, which is in the goodie bag, the party bag that everyone has had a chance to get - do we put the presentation in the pack in advance? Richard Menzies-Gow said of course we do Stephen because people want to be able to scribble notes. I said but they'll all just go to the last slide and by ten o'clock everyone will have left. So you have the slides, so please feel free to scribble, take notes, but if you can stay for as long as you can it would be very welcome.

The plan is we're going to do this as a game of two halves, so we will run through one and a half parts of the presentations and then we'll break for a bit of coffee, enjoy the view, I don't know how many of you have been to what's known as London's Living Room before, but it's a great spot, we've been blessed with the weather. It isn't always like this in London for those of you who have travelled. And people can get a chance to get a breath of fresh air, stretch their legs. Then we'll come back in for the second half and then we'll take questions in an open forum at the end and then there will be some lunch for people who want to stay and then everyone can go. So that's the flow of the day. Is there anything else on housekeeping? Great.

We've got a lot of slides as you will have seen in the presentation pack for those of you who've tucked into the goodie bag. We're going to click through them at a bit of a rate. I really would encourage people to ask questions. Everyone always says that at these meetings and then no one asks any questions until we get to the end at the Q&A. But the purpose of this meeting is to allow a conversation to be had with the people who are doing the business in the business. So I would strongly encourage you, if you have a question as you go along by all means store it up and ask it at the end, but if you want to ask it in the middle of a presentation no one is going to mind, in fact people are going to be reassured that someone is listening to what they're saying. So please if you want to ask a question please do so.

This is the disclaimer - that is as is. The theme of the day is growth and capability. The Growth Acceleration Plan which we launched just over three years ago now was designed to do two things for the Group, get it back into a sustainable position of growth across all of the businesses and at the same time build capability.



So it was a two pronged strategy, we've been I think and I hope very consistent that that's what we were doing. And that capability manifests itself in a number of different ways. A lot of it is to do with product, a lot of it is to do with people, a lot of it is to do with systems and operating capability, to give us platforms and competence and capability in our individual businesses so that we could then move after the completion of the Growth Acceleration Plan to further growth and scale off a base level of operating capability, which should give us and indeed our shareholders reassurance that we can do that efficiently and with appropriate returns.

So what we're trying to do in the presentation material is to give you an operating sense of a) what we're doing in terms of driving growth and where we believe those vectors of growth are in the markets in which we operate. And b) where we think the key capability gaps were and how we've infilled them or begun the process of so doing.

This is the running order; myself and Gareth will kick it off, pretty briefly just to give you a scene set and a context. Patrick will then take the Chair and take a section through Business Intelligence. Andy will then take the Chair and take a section through K&N. And then Charlie will lead us out on Global Exhibitions.

I've said this many times, I think it's beginning to be consistent and clear and possibly repetitious, we see ourselves as operating in what we call the knowledge and information economy. We broadly regard that as an attractive neighbourhood to hang out in. We operate in four areas which are laid out in this slide, we operate in Global Exhibitions, what we talk about as providing platforms for trade and commerce. B2B businesses looking to use the real time value of a face to face transaction led environment in order to build commercial advantage for their customers or for their products.

We believe that the backdrop to that market is very positive and that the forward picture remains so. Many people have said over the years it's counterintuitive given what's happening in digitisation and the ease of transfer of knowledge and information. But actually what you see progressively and continuously is the internationalisation of industrial verticals and an increasing number of them. Those are global communities, those global communities wish to meet and connect; a well-organised, well branded, well developed trade show operates at the nexus of those global industry groups and if you do it well it's a very attractive commercial proposition for customers and participants.

Business Intelligence, quite a different market but still in the knowledge and information economy; here what you're dealing with is often price, transaction, reference, data, and information that allows people to take vast quantities of available information down a level of specific value and use, which enables people to make better informed decisions.

In Academic Publishing, scholarly reference led academic publishing, there again the vectors for growth are quite significant. There is a significant rise in international research and investment. There is a continuous development of new subject areas becoming areas of academic study and because across the world you're seeing an increasing rise of middle class communities in all countries in the world you're seeing a steady rise in educational inflation, as first level degree education is an entry price and so research led post graduate further academic differentiation becomes more and more necessary in multiple locations and markets. Our business is a business in two halves, I'll talk about it in a second, but largely operates in and around research led academic study.

And then finally what we call Knowledge & Networking, a business that is increasingly shifting its portfolio and its product and its brands to operate around network based communities in end markets. We've chosen three, there may be more that we add, it used to be dominated by a very long tail of spot conferences, we've slowly been cleaning that business up and I won't steal Andy, Anna and Carolyn's thunder about where that business is right now.

Those are the four markets in which we operate, but the meta-market that we describe is the market for knowledge and information.



Some of you were kind enough to join us in Washington 18 months to two years ago, which is the last time we had one of these sessions. For those of you who were, or indeed even for those of you who weren't, you'll remember at that meeting we focused on two and a half things. We focused on Academic Publishing, we did a very deep dive into our Academic Publishing business. That was slightly in advance of the sort of tsunami of concern that that markets then embraced in relation to textbooks. But nevertheless we gave a lot of information about what differentiated our academic publishing business. So today we are not doing anything in depth on Academic Publishing, I'm going to talk about it briefly, but we're not going into that business in depth today. The other three businesses we are, that one we are not.

We did cover Global Exhibitions then and we're returning to it today because actually it's quite a significantly different and bigger business than it was when we met in Washington. And indeed Charlie in particular is now in a position where he can't just talk about what he thinks, he can be held to account for some of what he's done. So we felt that it was a sensible thing to put Global Exhibitions back on the agenda.

We also in that meeting talked about GAP, what was behind GAP, what the architecture was and where we were and we'll give a lot more depth on that.

What I will do on Academic Publishing is a couple of things, firstly I'll make an introduction. I'm afraid this is one of those embarrassing moments Annie where you get to stand up and wave, Annie, this is Annie Callanan. Annie is the soon to be new Chief Executive of Taylor & Francis, although even though she hasn't started it already feels like she's here. Officially she starts at the end of the month or the beginning of next month. She's in the process of relocating herself and her family over from the United States of America, I promise you the weather is not always like this Annie. And she will be taking the reins from Roger who many of you know well.

Annie's background, I'm sure some of you will have checked it out or seen it, is very much in knowledge based businesses that use technology to drive competitive and commercial advantage. And the relevance of that over and above Annie's own credentials as a leader and an executive is if you look at our Academic Publishing business we have felt for some time that we have defensible differentiated content which has a sustainable position in the market. And we remain of that view, particularly so in our Journals business, but equally so in our reference led Books business.

Having said that, any observer of our business and indeed if you look at some of our peers would say where we have been less focused and where we have deployed less capital and less attention is around building our capabilities on granular discovery, on service delivery for authors and academic communities and on digital services for those communities. And that inevitably is going to be an area where that business naturally spends more time and more attention over the coming years.

So Annie joins a healthy business, a stable business, but a business that is ready to take it to the next level of capability, to blend our content strength with a services and data and digital led discovery capability. And that will very much be the focus of her period as chief executive of that business.

As this slide is designed to highlight we believe this is a very robust business, we're making some small changes at that edges of the portfolio. We announced at our trading update at the AGM that our Garland Science textbook business we are looking for a new home for, not because it's a bad business but because we're never going to be a big player in medical textbooks or science textbooks. We think there is an opportunity for that business to be developed to the next stage both for the authors we work with and for the colleagues and communities that we associate with.

The remainder of the business we feel very confident has a sustainable long term position and its contribution to the Group, whether it be in scale, in margin, in cash flow, or in knowledge remains an important part of the Informa investment proposition.

GAP, the role of GAP was to do a number of things simultaneously. And at a simple level what we were seeking to do was to take a business that historically had been you know steady to slightly in decline to a business that was sustainably in growth and at that same time had the capability to do more. Not just to identify what it could acquire, but to be able to acquire it, integrate it, and operate it with speed, efficiency, and then improved returns.

Along the way we were also doing some other things which we were maybe less public about when we launched it. We knew we needed to do a little bit of a talent refresh, we definitely knew we needed to do a significant upgrade in the way in which we thought about technology and deployed technology, we knew we needed to tidy up the balance sheet, we knew we needed to look at the size of the business, we were keen to grow and improve the financial cash and working capital position of the business, so there were a whole series of sub texts of GAP. But at its heart it was to do those two things, get the business to a point whereby it was sustainably in growth and build capability for future scale.

How does that manifest itself in a higher level of specifics? Once we come out at the end of GAP going into 2018 we'd like to see the Group at a sort of 3% underlying growth rate. We would like to see us have a platform, now what do we mean by platforms, because that's one of the most misused words in management presentations? What we mean by platforms comes in lots of different guises. In Charlie's business it might mean that we have a single customer data management system across all of our exhibitions. But it doesn't mean that what we're doing is industrialising our portfolio to a point that there is no distinction between the natural ingredients business that Fred runs and the real estate business that his colleague Rick runs. Because the genius of that business is allowing the individual brands, the individual communities, the individual verticals to stand on their own two feet and have a level of distinction.

So platforms are not about grinding out the creative difference in each of the markets or communities that we operate in, but they are about removing duplication, they are about extracting procurement benefits associated with scale, they are about allowing us to lower our cost base on those parts of the business which are not value adding for us or for our customers. And that will manifest itself in lots of different ways, in lots of different parts of the Group.

We'd like all four divisions to be in growth going into 2018, I think at the moment we feel confident about three and it's odds on for Andy's business, but I'll leave him to talk about that later.

On capability, capability comes in a number of different ways. Some of that is functional capability, some of that is individual disciplines, some of that is just having a higher level of operational fitness in the way in which we run our company in different aspects of its operations. And importantly it's about giving us the capacity and the capability to be able to then identify other assets that we could acquire, integrate and then operate. Because one of the very attractive things about all of the markets that we operate in is there still remains a very high degree of fragmentation. And so in terms of the efficient and effective deployment of capital, we believe not I think in an ill disciplined way, but we believe there are a long tail of targets in the three core markets that we operate in, Events, Academic Publishing and Business Intelligence, which with appropriate discipline and appropriate capability you could bring into the Group, absorb and then move on.

These have been the building blocks of the GAP programme, you'll have seen this before, we materially changed the operating structure of the business. It now operates in a very simple four division way and you'll get a very clear flavour of that today. We made some quite significant change to the management, both the management model, management incentives and the management capability. We've made a lot of change to the portfolio, the portfolio mix of Informa - I joined the Board of Informa at the backend of 2009, the portfolio mix of the company is materially different in 2017 going into 2018. And that has definitely improved the base operating performance of the business. And we've managed I think to do that portfolio change without having to have a major pause moment on either performance or returns to shareholders.



We've been very committed to acquisitions, I would say in round numbers 75% of our acquisition capital has been in Exhibitions. We were explicit that we wanted to build and buy our way into that market. We saw there was an opportunity, clearly there were other players in there. We made our - actually we made our first move in that in buying the Virgo business, actually that's not true, we made our first move in buying the Chinese business at the backend of 2013 and then we bought the Virgo business, then we bought the Hanley Wood business which caused a little bit of a wrinkle because people kind of hadn't really seen that we were going to do that. And we raised a little bit of equity at that time for those of you who'll remember, we didn't explain that very clearly. So since then on every available public opportunity we've been very clear, we are in the market to buy and build a global leadership position in the Exhibitions market. And Charlie and Fred will give you a real insight into what we are building inside the company to give us confidence that that is an efficient deployment of shareholders' capital.

We've been investing in the business, it was not a culture of this company to invest organically for growth. It was an in year profit based business, nothing wrong with that and we still remain very focused on in year earnings and profit. But we're building a data business in Business Intelligence, we are deploying data management capability in GE, we will be and have already begun the process of improving our content management systems and our data analytic capabilities and increasingly our service offering in Academic Publishing. That requires a level of sustainable recurring organic investment in the Group in order to maintain the growth rates.

And on funding we have used different sources of funding in order to drive the programme, some of it recycling annual cash flow, some of it raising equity at a time that we thought was a sensible approach to tap the equity markets, some of it using bank debt and some of it using the private placement markets when they've been open to us at attractive prices. And Gareth will touch on some of that in a second.

That has got us to this position, which is a place whereby we feel the business is in a better place, there is still many miles of improvement for us as a Group, we're a long way from finished, but we feel we have started well. There are some encouraging signs on the financial performance that the business is improvement. We've seen a steady, but not spectacular improvement in revenue, we've seen a steady and attractive improvement in earnings, some of that flattered by foreign exchange and the strength of the dollar, but a material proportion of it flattered by increasing operational performance.

The free cash flow in the business is materially improved and we have consistently raised the dividend and are committed to doing so until the end of the Growth Acceleration Plan. And on that note I'll hand over to Gareth.

Gareth Wright, Group Finance Director

Thank you Stephen. So in the same way that we've been focusing on improving the operational fitness of the Group through the GAP programme we've also been equally focused on improving the financial fitness at all levels in the business, whether it's at a platform level through increasing the capacity of our finance ERP systems, whether it's in terms of talent, whether it's in terms of the recruitment of an improved treasury function, and improved our capabilities in risk and compliance, or whether it's in the capability around monthly forecasting processes, operating metrics, three year business planning.

At all levels we have looked to do things that make us become more robust in the way we operate the Group, strengthen the fitness, the structure and the experience that we have in Informa.

Our focus on cash remains front and centre. We have always been a healthy generator of cash as a business, but we've looked to really try to impress on all our finance executives the importance of having cash front and centre in everything that they do. And this has led to a much greater scrutiny



and focus around working capital management, around capital allocation and a real forensic understanding of how we translate revenue into profits, into cash.

Finally, we have also done a lot of work around the balance sheet financing with the renegotiation of our bank term loan facilities, the renewal of several tranches of the US private placement notes, ensuring we have visibility and security of long term appropriate funding, but all at attractive interest rates.

Together these enhanced financial capabilities give us confidence in our ability to support the business delivering improved returns in the future.

Now a key feature of the Growth Acceleration Plan has been the £90m investment programme that we launched back in 2014. Now this was essentially a catch up investment programme following a number of years in which the business has been over earning, holding back on product and platform investment to protect margins. So GAP provided an opportunity both to inject some much needed investment into what I'd call customer product nourishment, so product functionality, flexibility, quality of data, device compatibility, reliability, the list goes on. But GAP also provided a reset opportunity in terms of the internal attitude to investment within Informa. We've been working hard to shift the culture away from a culture of spend as little as possible to protect the margins to a culture of ongoing investment for future growth.

Now as long as investing is done sensibly with proper controls and assessments investing today drives growth tomorrow.

It's worth noting this change has also been mirrored in the change in incentive structure for many colleagues across the Group, less focus on in year profit and more focused on in year revenue and multiyear earnings to growth targets.

Now looking forward it's important to understand that we're not just going to turn off the investment post GAP that would take us back to where we were before GAP, under investing with a capex to sales ratio below 2%. We talked to you at the full year results about a forward capex range of say 3 to 5% for the Group, which implies somewhere in the region of £50m at the lower end up to £80m to £90m of investment at the top end depending on what your revenue forecast is.

Now that investment is obviously not a million miles away from what we spent in the GAP investment programme. But the key thing to remember is that we are a far bigger business today than we were when we launched GAP. This is capex as a percentage of revenue and we're just a much bigger business.

Now in reality for our mix of businesses today I suspect 5% of sales in terms of capex for a given year might be a bit of a stretch, but it's not impossible in any one year if a number of projects come together in terms of the spend. If you break it down our Events businesses by definition have a lower capital intensity. And it's not that there are no investment opportunities in these businesses, as you'll hear today from Charlie who will talk about the MarkitMakr platform that we're rolling out across the business. So even here we are seeing increased opportunities for digital and data initiatives. But on average we'd expect the capex to sales ratio in GE and K&N to be in the region of 1 to 2%.

In BI and AP it's higher as these are more data and platform intensive businesses which need regular refresh and upgrade. So in these businesses we'd expect the ratio of capex to sale to be in the range of 4 to 5%.

Now if you put all that together it means on average for the Group we're likely to be in the 3 to 4% range for capex, notwithstanding that we could have years where it goes a bit higher.

So the key thing is what will this give us? Now product innovation will remain key across our businesses post GAP. So for example today you'll hear Lara talk about we've worked really hard to



create a culture of innovation in Business Intelligence that just wasn't there before the Growth Acceleration Plan.

Technology is at the core of this and we'd like to think that that's the foundation that GAP has given us - in a digital sense we now have a real base from which to do more sophisticated things that further drive customer value. And you'll hear more about that over the course of this morning.

The key point is that as we exit GAP we want the business to be in the virtuous circle of higher investment, higher growth, and delivering higher returns.

Now you've seen this slide before, but we thought it was worth putting it up again just to emphasise the point that the Growth Acceleration Plan investment programme has been all about many different initiatives across the Group in all divisions.

You're going to hear today about many of these in more detail, but the key point is that the customer facing benefits of these investments are really only now starting to reach the market. And that is what gives us the confidence that we can drive the next improvement in growth, particularly in BI, but to a degree it's true in all of the divisions of the Group.

And in relation to the previous slide, ultimately what we want to do is for this chart to keep going in 2019, 2020 and beyond so there is a continuous pipeline of such activity and initiatives coming through. It's about continuous reinvestment for growth.

So what does that all mean for the financial anatomy of the Group as we exit the Growth Acceleration Plan? Well again you've heard us talk about all these individual factors on the slide in isolation in the past, but putting it together on a single page I think helps illustrate how the divisional strategies come together at a Group level. Ultimately the unwritten ambition as we come out of the Growth Acceleration Plan into 2018 was to have a business capable of delivering sustainable 3% plus underlying revenue growth and one that continues to deliver consistent margins and one that has a culture of continuous reinvestment for growth. So those are the headline, baseline ambitions of GAP delivery that we've talked about.

So how do we make that happen by division? Well if you look at it it means for Global Exhibitions we want to continue to deliver market leading growth and margins. Now this is something that we've been doing for a number of years, but it is something that does get harder as the division gets larger. But we believe we can do this and the work that we've done to strengthen the scale of the business will be illustrated today by Charlie and Fred as they talk about the operations.

It means in Business Intelligence we're going to have improve from our return to positive growth last year, up a notch this year, up a notch next year and get back to our overall objective of 3% growth in that division. And if we can do that we think then some of that operating leverage begins to trickle through to the bottom line and we'll start to see the margins tick up a little.

It means in Knowledge & Networking following the hard work we're doing to reshape the portfolio and focus the business on key verticals and high impact event brands we get the business back into positive growth. And again as we do this and as we begin to focus the portfolio in the right places again we expect to see the margin tick up in that division.

And it means in Academic Publishing under the new leadership that Annie brings it needs to continue to be reliable and consistent with the consistent revenue growth and strong margins.

So what that combination gives us then is a group not only with higher growth, but one with increasing balance, breadth and robustness. So today already close to 60% of revenue comes from subscription and exhibitor revenue, pre-booked and prepaid with high levels of retention and rebooking. In fact a good proportion of the sponsorship revenue we run is also renews, adding further pre-booked visible revenue.



From a geographic standpoint as Stephen touched on, we have deliberately pivoted the business towards the United States. And for each of the markets we operate in the US is the dominant market and we see significant opportunities for growth in the US.

Now to be clear that is not to say that there aren't growth opportunities otherwise, Asia for example is a real opportunity for us going forward. But today, standing here, if we were to lay bets on you know where the potential opportunities are for each business, invariably we think the odds are still much more stacked towards opportunity in the United States.

Finally before we start off going into more depth in each of the divisions I thought it was just worth reflecting on the shift we've made to the mix of the Group through the period of the Growth Acceleration Plan.

Now the first thing to note is as I said earlier we're a significantly larger group than we were in 2013, 50% bigger in revenue terms through a combination of building and buying over the last three years. This has seen us scale up our Global Exhibition business, a key objective of the GAP plan, with a particular emphasis on building presence in the key US market. Now this is something that was really reinforced with the addition of the Penton business last year and you'll see that in the presentations to come from GE.

At the same time we've been focusing on the Knowledge & Networking business, exiting a number of businesses where we were subscale and focusing on key verticals and key geographies and brand and that's something that Andy is going to talk about more in a minute. And for Business Intelligence the percentage it represents of the Group revenue hasn't actually changed that much since 2013, but behind the scenes there has been a huge programme of activity going onto reorganise, focus, invest and return the business back to growth.

And with that in mind there is no one better to talk you through what has been achieved in Business Intelligence in the last couple of years than the Chief Executive of the division Patrick Martell.

The Journey To Growth - Opportunities From a Fully Integrated Penton

Patrick Martell, CEO, Business Intelligence

Good morning and thank you for coming. I am Patrick Martell and along with my colleagues I have a presentation to update you on returning the Business Intelligence division to organic revenue growth, the integration of Penton Information Services and the future opportunities that that combination presents.

I'm delighted to be joined by Lara Boro, Gary Nugent and Kate Spellman who will introduce themselves when they present on the topics set out in this slide. We hope you'll find the presentation informative and thought provoking and as Stephen said if you do have any questions then please feel free to interrupt as I go through or alternatively leave questions until the end and there will be plenty of time for us to answer them.

We are of course very pleased with the progress made to date and with the integration of the Penton brands, capabilities and colleagues that create exciting opportunities for Business Intelligence going forwards.

For illustration purposes I have some presentation slides that refer only to Penton, but it is now operating as part of the Intelligence division and under the structures that I will present here.

We operate in large global markets that are growing and our businesses are organised around attractive market verticals and with very strong brands. Business Intelligence provides specialist



information and analysis that informs decision making in highly competitive and highly dynamic markets.

We all see the explosion of data availability and computing power, but making the right decision is harder than it ever has been. To do so our customers need expert analysis, insight and information in order to gain competitive advantage.

The market is global and growing consistently and just how much depends on the data source you look at and indeed the cut of the market that you take; I reference the Outsell data in the presentation here.

The biggest market is in North America and for our specific markets that organic or the market growth rate is between 3 and 5%.

Our biggest revenue stream, as Gareth said, is generated from annual subscriptions. And whilst we serve six broad market verticals we operate in very specific niches within those markets. These niches enable us to build and understand audiences that are segmented and therefore highly attractive for our marketing services capabilities and indeed our consulting capabilities which we will come to later.

As this chart indicates we generate the bulk of our revenues from subscriptions. But we also have consulting revenues and with the acquisition of Penton marketing services. I will come back to this point, but it is important to understand that by operating in very specialist markets our subscription businesses advantage us to also provide specialist consulting and marketing services in those niche markets in which we are expert. We have over 2,000 colleagues working in more than 250 specialist brands and with, in excess of 120,000 users.

As part of our path to growth we have significantly increased our presence in North America as Gareth said, which is the biggest market for Business Intelligence and where historically we were underweight. Also shown on this slide are the market segments, the revenue by type and by region.

The GAP programme supported our path to growth, which Lara and Gary will talk to in more detail with regard to the specific initiatives and their outcomes. The executive management team was rebuilt to bring in functional expertise in sales, product development and technology, to oversee the GAP investments and to introduce the necessary operational disciplines.

The Business Intelligence division received the largest proportion of the GAP investment and have already delivered new and enhanced products across our markets with much more to come in 2017 and beyond as Gareth said.

Our path to growth was focused on improving two key measures, retention and new business and these will continue to be important metrics for this business going forward. Improving retention was significantly about process and customer engagement. And whilst the key to winning new business was equally about process, but it was very much about product and technology - innovation. Given the development cycle and timing of subscription revenues we are now starting to see the benefits of those investments and initiatives.

The kick start to revenue growth in 2016 was due to improved retention rates, but this will not drive further step changes, further improvement will now come from maintaining that discipline that we've instilled with regard to retention, whilst driving up our new business rates on the back of our technology and product investments.

Putting the customer at the heart of our planning has ensured that our sales, marketing and product plans are aligned with our objective of organic revenue growth. We have had to rebuild capability, such as product development that was lost from the business by recruiting significant resource to build and embed development cycles back into the business and back into its culture.



Not visible, but important has been investment to make it easier for customers to do business with us and to ensure that that provisioning of service is smooth and instantaneous. GAP funded initiatives such as identify and access management are all making this easier and possible.

One of the largest and most complex investments has been to reinvent our marketing processes from lead generation to the qualification and conversion of new business. As I stated earlier the improvement in retention was quicker to affect and largely due to process discipline. Improving new business rates is a clear objective that requires several programmes and initiatives to come together so that we can do it at scale and systematically.

As we drive retention rates higher and start to improve new business rates our customer relationships are strengthening all of the time. We are becoming more of a partner to our customers where our content and products are embedded. It is the strength of this relationship that then allows us to build revenue in other areas such as consulting and marketing services which in turn - further strengthen and build the bonds that harden and improve our subscription revenues.

I set out here what have been key changes to our operational fitness and that has supported the growth strategy. This has been a huge effort to change processes and culture, whilst maintaining the investment programmes across our product and technology portfolios. While we have tried to make these changes in a measured way so as to bring colleagues with us, if you were to step inside the business today as opposed to four or five years ago I believe it is a very different place. And whilst we are by no means finished we have made good progress with much more to come.

Of course the team is equally focused on the raw numbers and one of the things we did very quickly was to establish a baseline of operating metrics which inform us of trends and shifts in the business. There are many more than on this slide, cut and diced by region and sector, but the good news is that generally they have all started to move in the right direction as we've seen an impact from the changes in the investments that we have made.

The most important KPIs for me are retention and new business rates, these are not only leading indicators of future revenues, but also the effectiveness of our product development and innovation which is critical to this business.

The management structure we implemented at the start of this programme to drive best practice has been effective to install the process discipline and embed specific capability back into the business. As we continue to make progress and combine the Penton businesses we are also evolving the management structure to build depth and capability.

Lara and Gary assumed new responsibilities as divisional managing directors, whilst Kate Spellman leads the charge for our marketing service ambitions. Other colleagues shown on this slide, but who are not here today, have been equally influential in driving the improvements to date and for those still to come. We now have management teams that bring both depth, market knowledge and functional and operational strength.

Another lens with which to look at our division is from a type of revenue perspective. Subscriptions provide scale, stability and predictability and represent the largest proportion of our revenues. Our consulting business is getting a significant injection of resources to drive growth, the integration of Penton creates new and exciting opportunities in marketing service, not just for Business Intelligence but for Informa as a whole, which Kate will cover later.

As I referenced earlier our Business Intelligence subscription businesses give us an opportunity and indeed an advantage in generating revenue from both consulting and marketing services. These revenue streams will grow on the back of the investments in them, but also as subscription revenues build from new customers these contingent revenues also build.



Before I move on to Penton I just want to touch on our consulting offer which reports directly to me. We have also had revenue derived from consulting. By market our focus is set out here, TMT, Pharma, Agri and Maritime. In 2015 our focus and priority was to retain more of our subscription business and having done so we now have the opportunity to also focus on growth from consulting. Consulting delivers three important elements to the Business Intelligence division. Clearly revenue is one of them, but consulting also strengthens the strategic relationships we have with our customers whilst the assignments themselves build our insight and deeper knowledge of the challenges and the opportunities that our customers have. We have invested in a senior executive with a background in professional consulting to lead this business and are recruiting staff in the UK, North America and Asia to support our ambitions.

As with all of our businesses we are not generalists here, we are engaged to undertake work in very specialist and very niche markets.

I'd now like to cover a few points around Penton, the Penton acquisition, the integration and the opportunities that combination now presents with us. A snapshot of Penton just to remind everybody what Penton is or was as it is now very much part of Informa. It is an exhibitions and information service business with many characteristics that make it a perfect strategic fit. And it is based in North America.

It is a business organised around market verticals, providing content and experiences that are monetised through subscription, advertising, and user audiences. It has strong niche brands and culturally fits extremely well with Informa. Similar to Informa it has been on its own journey of repositioning over the last five years, as is illustrated by the shift in the change and mix of its revenues.

Our integration plan reflected the fact that Penton is a successful business and the priority was not to disturb it whilst we were integrating it. We have taken time for new discovery and to confirm the findings of the diligence work pre-acquisition whilst also moving to deliver the synergies during integration.

We're very pleased with the progress that we have made and are realising synergies sooner than planned as the integration is running ahead of schedule. We have combined the franchises into our divisional structures of Informa and are now operating and reporting them as part of those divisions.

As I said the integration has gone smoothly and we are operating under the management structure that I presented earlier for Business Intelligence. An important issue to highlight here is the way in which Penton and Business Intelligence monetise content differently and how each can benefit from each other's experiences and capabilities. Penton produces data and content that's similarly monetised through digital subscriptions, in addition it has some content that is provided free of charge to create an audience around particular interests and topics which can be monetised by advertisers wanting to target that particular audience or group.

Looking to the future we now have a business that is growing and operating in attractive markets providing specialist content and intelligence. The portfolio includes a strong collection of market leading brands. In addition to paid for content the integrated division has the ability to use content to engage and understand audiences in niche markets, which is hugely attractive to advertisers. The addition on Penton business builds scale in the largest global market for Business Intelligence whilst adding new markets and capabilities. Informa brings international reach to Penton.

This is all from me for now and I will hand over to Gary and other colleagues and then close at the end and take any questions.

Customer Focus & Sales Excellence



Gary Nugent, Group MD, Business Intelligence

Morning all, my name is Gary Nugent, I am the Group Managing Director of what we call Agribusiness, Financial and Industry and Infrastructure or what we call AFI for short. We are £175m or so plus business, serving the decision makers and influencers across those sectors with what we call insight, intelligence, advice and reach as a business.

I also have a watching brief over our best practice in sales and marketing, or our go to market strategy and I'll touch a little bit on what we've been doing in the past on that in some more detail as we go forward. To give you a little bit more insight into the verticals I'm going to touch on two at a high level and one in a little bit of depth. By their nature they are very similar in terms of the value proposition that we offer customers and the products and services that we deliver.

We offer insight through B2B media publications which answer questions such as what happened and why did it happen? We call it heads up content for executives in those industries. We then offer intelligence products and services. Those intelligence products and services are underpinned by data and then produce forecasts. So we give the world insight into what we think is going to happen. And then finally we offer advisory services. Those advisory services put those two value propositions of what happened and why did it happen and what's going to happen into the context of a customer specific business through advice and consultancy. In other words what should I do about it in my business?

In addition with the advent of Penton Information Services they have brought to the table the value propositions of reach and engagement into those decision makers. And we offer services to marketers and advertisers who want to raise awareness and generate demand for their businesses.

If I talk a little bit about Finance and Financial, as it says here it's about £100m plus business, it is the largest of the three verticals that I run. It serves three core market segments, those core market segments are investment sell side banking, buy side and wealth management and retail banking and we have products and services that we offer to those markets separately.

You'll see from this vertical and from the donut that subscriptions revenues dominate the revenue profile of this business. In our investment banking the services we offer are insight and intelligence around an array of assets classes whether they be bonds, equities, foreign exchange and actually more interestingly the flow of capital between those equity classes and of course into and out of geographies and into and out of industry segments. And that information of course is used by investors, speculators, hedge funds, hedgers to make trading decisions and build portfolio strategies and build mutual fund and investment fund products and services. So we're typically addressing the investors and we're addressing product managers and we're addressing wealth managers.

Typically this business is beginning to shift a little bit more towards the buy side and wealth management, specifically with the implication of regulation such as MiFED II which is sort of structurally changing the nature of how information and intelligence is disseminated across the industry. And that is requiring us to take a look in more depth and the use cases of that side of the business and better understand how they consume and absorb information. And that is really driving a lot of the thinking behind our product portfolio development in this space.

The other sector that I mentioned is retail banking and in the retail banking space we are typically providing competitive benchmarking services, predominantly in the United States of America and in the United Kingdom. We benchmark rates and fees across the portfolio of loans and deposits and credit cards and mortgages. But we also provide competitive benchmarking across the retail banking industries analogue customer experience and digital customer experience and we provide benchmarking of what we would call advertised rates and actual transactional rates moving forward. And of course this information, this insight is used by typically product managers, typically channel managers and of course we also offer compliance services looking to ensure that the companies are trading ethically - so the compliance managers within the retail banking sector.



What else would I say about this? It is a truly global business as you would imagine as are all of the good business intelligence businesses and I'll touch a little bit on that when I talk about Agribusiness.

The other industry I'll talk about here or the other vertical I'll talk about here is Industry and Infrastructure. This is a business - this is the sixth vertical and the newest vertical within Informa BI, and it was created principally out of the acquisition of Penton Information Services. As such its revenue streams are more dominated by marketing services revenues rather than subscription revenues and you can see that from the donut chart here. It's about a £50m vertical and we basically rely upon the three core assets of brand, content and audience to deliver marketing services to marketers and advertisers who want to reach the decision makers and influencers that the titles actually talk to on a daily basis.

So to give you an example of that Industry Week is a classic example, a very good example of that. It is our preeminent B2B media publication that addresses the decision makers and influencers of the manufacturing industry sector, it touches about 300,000 readers on a monthly basis, has about 60,000 social media followers and of course that is an invaluable asset to offer to the marketers and advertisers who want to sell products and solutions and service to that marketplace.

However, you will also see that it actually comes with a very strong subscription intelligence business as well, one that we're very optimistic about called our Asset Intelligence Business, this is a decision workflow tool that offers our customers the ability to cost and price for large construction works and then reimburse themselves with the contracting party and get paid quicker effectively. It's a very interesting business with lots of potential and indeed with the Build America agenda going on in North America we can see a lot of opportunity for that business.

As I mentioned earlier I also have a watching brief on the subject of marketing and services and or best practice in this area. And I thought it would be useful for us to give you a bit of insight into what we've been doing over the past two years.

I think early on we diagnosed that the fundamental problem as to why the business was not growing is what we called the leaky bucket problem. As quickly as we could pour new customers into the top of the business unfortunately they were leaking out of the bottom of the bucket at a faster rate. And so we quickly identified that the number one priority of the business had to be first and foremost to retain and then grow our existing customers. And so we put in place a number of strategies designed to ensure that we did that.

As Patrick mentioned earlier on the first thing that we then did beyond that was to establish a set of key performance indicators, or leading indicators that would let us know whether those strategies were having the desired effect. The two principal ones were the annualised contract value, which gives us a sense of the future revenues of the business and then what we call the value renewal rates and our volume renewal rates. How much do we retain customers on a pound or dollar basis and how much do we retain customers on a volume subscriber basis?

And then underneath these two metrics there were two sub metrics which were very important to use throughout that period which we called the pre-expiry rate and the year one renewal rate. The pre-expiry rate was a measure of how often are we renewing our customers contracts on or before the contract expires. It was a very interesting metric because of two reasons, number one was that if let the contract expire there is more change that the customer will have second thoughts and not renew. The second thing is of course that whilst you are constantly looking over your shoulder at business that has expired you're not looking forward at new business and so it's a distraction, it's an opportunity cost. And so we put a lot of time and effort into how we would actually renew our customers on or before.

The year one renewal rate is also interesting because the other thing that you see from the data is that if a customer renews for the first year they will then typically renew for two, three, four, five years,



so getting them over that hurdle is very important and therefore the strategies that we put in place were designed to ensure that we actually captured optimally that first year renewal rate.

Having put the KPIs in place, then what we did is we reorganised our go to market strategy from what was effectively a product centric model to a customer centric model. So we reorganised around what was as the time the five core industry verticals and then we reorganised around the potential, the customers with potential inside those industry verticals. So effectively what we say internally is we adopted the mantra of the infamous US bank robber John Dillinger, when he got asked the question why do you rob banks? His answer was, well because that's where the money is. And we reorganised our sales force and our go to market around where the money is effectively.

Having put that in place we then restructured our incentive programme for the sales organisation. It's a bit of a blunt instrument but it's very effective and introduced a culture of over performance by rewarding over performance, but also by penalising under performance. So that the gap between those two things became very clear in the minds of the sales force and in the minds of the leadership of the business.

And then we started to introduce new process into the system to try and industrialise our go to market in a sense. It was also to bring to the table the notion that selling is a team sport. And it's only through the alignment of marketing and sales and client services and product management and the product delivery capability that we actually win in the long run. And so we introduced what we called the customer engagement programme. The customer engagement programme aligned the roles and responsibilities across the annual lifecycle of a subscription and simplistically broke that year down into four key phases.

The first phase is what we call the - getting the customer to adopt and use the product and the service and that is what the focus and attention of the phase of the process was. The second phase was then about getting the customer to acknowledge that value associated with the service. Do they actually see the return on the investment associated with the money they spent? And then we move into the third phase which is to explore other opportunities where we can add value. And then the fourth phase as you would expect is close the order and take the money. And so we aligned marketing, we aligned sales, we aligned client services in particular around those four phases throughout the year to drive that engagement with our customers.

Key in that was that last division I mentioned client services, client services was a bit of an underutilised muscle within the business and it was the acknowledgement that the product is not just the product. In fact what we really need to do is deliver an experience both pre-sale and post-sale in addition to the product to make ourselves an attractive proposition to customers.

This tended to focus along two lines, the first line was the line we called simplifying and making ourselves easy to do business with. That resulted in a number of initiatives like simplifying our terms and conditions, we started to consolidate our legal entities, such that we could offer customers one contract and one invoice for all the products and services that they bought from us, and we started to introduce local time zone, local language and importantly local currency into our commercial model with our customers. It's all about making ourselves easier to do business with.

And then the second strategy was that usage strategy I mentioned on proactively monitoring the usage of our customers and engaging with them and helping them adopt and get value out of the products and services we give them.

Last but not least, that last strategy was really around branding and our marketing. We were a very fragmented set of value propositions. If I looked at the number of customers who bought two or more products and services from us it was relatively low and indeed the awareness in the marketplace of the breadth of what we could deliver was low and indeed it was low within the company as well. Typically because the company had been organised by their individual product and brand.

And so we invested in a unifying brand delivering what we hoped and what we designed to deliver along four attributes, four key attributes. One was the precision outlining the attention to detail and accuracy of what we do. The second one was authority, to give our customers the confidence that when we speak we speak with knowledge and integrity. We then espoused the virtue of forward focus in everything we do, really looking at not just our ability to forecast but actually our adoption of modern techniques and practices in terms of how we do our job. And then finally connected, connected being not just connected across Business Intelligence and being able to not just see the dots but join the dots across all of our industry verticals, but actually across all of Informa with our Exhibitions colleagues and with our Knowledge & Networking colleagues as well.

So those were the key strategies that we adopted. Of course from a results perspective if we look at the key performance indicators what we've seen over the period is that our value and our volume renewal rates have improved by four percentage points each. Similarly has our year one renewal rate and most impressively our pre-expiry rate improved by 22 percentage points. And that's incredibly important because that now allows the sales organisation to instead look behind themselves to start looking forward. And in particular as the driving of new business becomes more important that becomes essential.

So I said I would give you a little bit of a deep dive into our Agribusiness profile, this is a very attractive market from a Business Intelligence perspective and I thought it would be worthwhile maybe just explaining a little bit about why that is the case. And as such it's a market that we have focused a fair amount of the GAP investment capital.

So why is it a good market for us? Well first and foremost demand - as our population is increasing and becoming increasingly wealthy the demand for more food and better food is only growing exponentially, we've all got to eat as we say inside the Agribusiness vertical. But not only that but inherently supply is volatile, mother nature always plays a hand in this industry, specifically through weather on an annual basis and climate change on a long term basis. But also there are natural disasters that can also play havoc with the supply. And therefore - and to meet the increasing demand there are two key themes at play, one is optimisation of the supply chain and the supply chain is quite opaque, still to this day. And the second then is driving productivity and yield out of every acre of land. And that involves a significant amount of investment in hard science in this industry, whether it's chemistry or biology, or the digitisation of the industry. And all of those things therefore come with large capital investments which are risky in their nature.

And therefore the hunger and if you excuse the pun, the hunger for data, and for information, and for analysis, and for forecasts, and for advice just continues to grow unabated. And therefore we see it as a very attractive market.

You can see as well from our donut here is that it's one of the markets that we have the strongest balance of revenue portfolio from our subscription revenues, our consulting revenues and our marketing services revenues. And it's a truly global market, everybody has to eat no matter where they are in the world, and you can see from the nature of where we derive our revenues, our revenues are truly global, from the United States of America, Latin America, the United Kingdom and Europe and across the Asian continent.

To give you a little bit more insight into what we do we operate across the value chain, what the industry would call from farm to fork. The truth of the matter is we actually operate even earlier than farm we operate in the input supply space as well, which I'll explain. Unfortunately the marketing team don't have very clever alliteration from input supply, to fork, so we just stick with farm to fork. Input supplies are fertilisers, seeds and pesticides effectively. And this is the agenda that's driving productivity and yield out of every acre of land. And we provide insight and intelligence into that marketplace and we provide that to product managers, to research and development, to strategy, and to go to market executives inside the big input supply and agricultural suppliers, in the likes of the Monsanto's and the Bayer's of this world.



Adjacent to that we then have a section on policy and regulation. It's a marketplace that's increasingly becoming regulated and is a scrutiny for government policy as people want to know where their food came from and they want to know how their food was produced, but also increasingly as governments look to secure food supply for their nations and for their people. And so this is an area where again if you don't have your eye on the ball and you make some mistakes in this space that can cost you hundreds of millions of pounds if you're not careful.

We also operate in the supply and the demand and pricing side of those agricultural commodities. So whether they be crops or livestock we give buyers and sellers across the value chain insight into future pricing for all of these commodities. And they can be inside the supply chain so they can be the sugar buyers within Coca-Cola or the wheat buyers with Kellogg, but also of course across the financial community who are investing, speculating and hedging across those commodities.

And then finally we operate in the retail space, in the distribution space of this, principally because it gives us insight into demand and how demand and tastes are changing, which we then use to influence that supply on the demand side.

We have about 130 analysts across the globe, strategically positioned across the globe, serving about 20,000 users in this business. And as I say it's one of those markets that we believe is fit for growth as we move forward. And therefore it's the market, or one of the markets that we invested in with our GAP investments. And what I wanted to talk a little bit about is the investment that we made in Informa Economics group, or what we call IEG and the platform Vantage which we launched back in November and December of last year.

IEG is a business that's principally based in Memphis Tennessee and if you talk to our customers they will tell you that we are in their mind the benchmark for future pricing on commodities. However, the way that we delivered our products and our services was very - I was going to say 19th century, but that's not quite right, it was very 20th century, very 20th century. We were using static PDF files that we would email to our customers on a weekly basis. And of course that's not really a modern consumption pattern for most of our sophisticated customers.

So we used the GAP money to port that business onto a scalable, robust, highly available data platform that allows us to now offer those services to our customers in near real time. So no longer are we publishing on a weekly schedule, but we are publishing in real time the research and the analysis. In addition what we've offered is real time application programme interfaces and data feeds so that we can now feed that information to our customers and integrate ourselves into their workflows seamlessly.

And then last but not least we introduced advanced modelling and visualisation capabilities for the customers to allow them to then actually play with the data much more easily than they've ever been able to do so in the past.

The response to this has been absolutely fantastic. We had over 300 customers that we reported as part of the first phase, 3,500 users. I'm delighted to say that we haven't lost a single customer yet, which is good to say. More importantly if you look at the levels of engagement across the business the levels of engagement have gone up by 40% in terms of using the product, but also the time spent has doubled and the number of areas of the business that they're investigating has doubled as well.

The net effect of that over the past six months has been that our renewal rates have grown by 6.5 percentage points associated with this business to north of 91%, which we're very happy with. And of course having secured the adoption of our existing customers the commercial focus for this business now is moving on to acquiring new customers. And that's clearly what we're doing at present.

The last thing I wanted to mention was just to touch a little bit about the brand investment that we made. And again this touches on - as we move into the world of new business - as we need to drive new business that then becomes a matter of driving cross sell within our existing customers and



acquiring new logos. And so the brand refresh that brought together that rather fragmented portfolio and the inconsistent look and feel that meant that many of our customers and many of our employees didn't realise that this was all part of the same business has now gone away. And so our customers can now see as they engage with us the breadth of what we do and come to us and of course it makes it much easier for us to position ourselves on the marketplace.

My apologies for overrunning, thank you for your attention and I'll pass over to Lara.

Product & Platform, Innovation

Lara Boro, Group MD, Business Intelligence

Good morning everyone, I'm Lara Boro, I'm the Group MD of Pharma, TMT and Transportation. I'm going to try and pick up the pace here. Stephen has looked at me and you always try and please the boss.

So I have 15 years' experience in B2B, I started that Financial Times, when to EMAP, now Essential and now at Informa. My background is in strategy, product development and international business development. I lead three verticals at BI, I'm going to spend a little of time on Pharma £100m plus vertical, so no more detail now. Transportation £55m revenue, primarily subscription, but also marketing services and some data sales. And TMT under Ovum brand £30m business, largely subscription but you'll see in gold there also a healthy consulting business.

I've been responsible for product and platform strategy since I joined BI three years ago and continue to have a watching brief in that area my new role.

So this is something I can talk about for ten years but I'm not going to bore you with it, I'm going to talk to you about it in about five minutes. So customer centric product management what does that mean? Well, let me start by trying to define what we mean by product management. Product management is above all a business function which is focused on optimising the value from products, the value to the customer, which therefore translates in revenue and profit for us. That's probably the most simple definition I can give you and the quickest one.

So in parallel to building excellent go to market which Gary has been leading over the last few years we have been building product development and innovation capability, which is absolutely fundamental to sustaining growth and accelerating that growth in BI.

This has been done in a number of ways and again I will maybe skip through some for time. But some are really cool so I'll spend a few minutes on them. One really is talent, and capability, and people, when I joined BI there were maybe five people with a title with product in them, amongst 2,000. Clearly product management as a discipline is not traditionally a core strength of publishing, or even business information businesses. It's more commonly found in software companies, FMCG goods companies. Since 2014 as Patrick referenced we have grown from about five people in the business to over 60 people now well embedded in each of our verticals. And that makes a huge difference.

Next to really succeed in taking what is loosely a function people talk about to a real muscle that the business can pull and pull again and work on we needed to find a common language, an approach that would bring together the various disciplines that come together to bring a product to market. Content creation, technology development, sales, marketing, and customer service. As Gary side the product is definitely no longer the product. And what we choose is a framework called pragmatic marketing. And again, a framework that came out of the software industry, it is very focused on taking a customer centric view of innovation. And it looks at the end to end lifecycle of the product, all the way from idea, through development, through go to market and after service.



So this outside in approach which I can't tell you how fundamental that is, that approach where we sit with our clients and develop ideas together, test them very quickly, prototype them, put out a beta, test it again and validate it, means that when we come to presenting large cases to Gareth, etc, we have much more sophisticated and commercial business cases. And that in addition to being underpinned with pretty robust GAP investment framework means that we are BI can take more objective capital allocation decisions across the verticals, but the Group too can think about how it allocates its capital across the businesses.

So in parallel to building this deep product management capability one of the things that I think has been most transformational is the focus on innovation. Again, the focus really is not that people don't know in these businesses that they needed to innovate, as you heard they had perhaps been starved of cash, it's that typically in publishing people innovated from the editor. So the editor would sit there and go this is what we need to do for customers, I know my customers really well and ideas would flow; a new format, a new event, etc.

Pragmatic marketing, as I said, is all about outside in innovation. And what we've been doing is really thinking about how we make that a core principle in everything that we do. We have a word which I love called NIHITO, nothing important happens in the office, you are all proof of that here today, nothing important happens in the office. And we use it a lot to make sure that our product management teams, our product marketing teams all sit and spend a huge amount of time with our customers, people who aren't our customers, people who should be our customers and people who left us to try and understand how we can improve what we do.

So finally tracking and measurement, something dear to Group, every business case now has lead and lag indicators. We track these KPIs on a monthly basis through steer co. we have visibility of our product road maps. As Patrick mentioned it is 12 to 18 months out, I think when I joined nobody could show me a product road map. And many of our GAP investments are now starting to come onstream. So we have a number of investments as Gary mentioned a few for instance and Vantage have come out this year, but a number of those are in development and coming out into the second half of the year and into early next year.

The overarching product strategy here really has been to invest in what we call our intelligence assets, predominantly data and predictive assets and to streamline and come up with common platforms to gain efficiency in our insight assets which allows us also to capture a broader audience.

So moving on to how our products fit together or what we like to call our product architecture. You've heard us mention insight and intelligence a number of times, I thought I'd bring that to life a little bit for you in the context of a marketing brand that hopefully you can recognise. So at the foundation of our offerings here at Lloyds List are insight products and brands build trust and credibility with the communities that we serve.

In Maritime our core customers are ship owners and operators, financiers and commodity analysts. So through our insight products we deliver content that allows a wide base of players in the market to interpret the trends that are shaping their market. As Gary said we answer the - what's just happened? Why did it happen? You know heads up content.

We monetise insight assets through two models, one is through subscriptions, typically lower value, higher volume, but also through marketing services. Why? Because we can enable advertisers to reach our specialist audience through content marketing, advertising, webinars and community based awards and events. Kate will be talking more about that, marketing services now another key muscle to our BI portfolio.

We optimise pricing here to attract a large number of audiences. Again if you look at the base of the triangle at the bottom you're getting large audiences, lower value perhaps. At the top you're getting smaller audience, higher value.



We also use our insight assets, Lloyds List to showcase our intelligence assets. So we would take extracts from data cuts, tables, infographics and showcase those to upsell people from Lloyds List into Lloyds List Intelligence. So Lloyds List Intelligence would be an example of what we call and intelligent asset. An intelligence asset is predominantly data driven, predictive asset, higher value, lower volume. It is there to try and address specific what we call use cases or specific needs of customers.

If you look at Lloyds List Intelligence, for instance a use case there would be a fuel bunker provider would use it to track when a ship is nearing a port so that they could schedule a fuel supply ahead of time. And intelligence assets are typically forward looking, they are global, they are high value low volume. The business model there is again subscription, nice repeatable revenue, very sticky, into workflows and enterprise based licensing models.

And last but not least we position our consulting on top of that, or the cream on top as I like to call it, where our USP comes primarily from the specialist expertise that we have in that market. So we're not generalists as Patrick says, we are experts in that market, we have the data on those markets, we have relationships through the brands that only we can access in that market. And so when we do a piece of consulting in that market it is very much linked to the core subscriptions offerings that we have.

These projects help us cement our relationship with our customers, as Patrick said they create stickiness and really most importantly for me as a product person at heart you get an excellent insight in what the boardroom is thinking about, where are they going and you recycle all of that into your product and innovation pipeline.

So our product architecture aims to build these - what we call sustainable growth ecosystems across each of the verticals. We ensure a healthy balance between the subscription core insight and intelligence assets that is our core bread and butter, nice repeatable revenue, you can see it, you can touch it and you can predict it years in advance. But then also what I call derivative or contingent revenue streams in marketing service and consulting which we have a right to play in because we have the subscription assets. So perhaps that's another way to think about core revenues and contingent revenues for BI.

A very quick snapshot at Pharma, I love the Pharma vertical, as Gary said Agri has fantastic characteristics, so does Pharma in terms of a market for business information. It is a very large market, customers in this market spend up to \$12bn a year on information, workflow tools, software to try and reduce risk or optimise return on investment. It's highly regulated, it's global, significant R&D goes into the market, \$60bn a year is spent on R&D in this market. There is a huge amount of pressure on return of investment. The risk profile of these investments is crazy, 90% of drugs fail something during the cycle. And therefore the cost of bringing a drug to market if you put all the failure rates together is about \$2.5bn. So that kind of investment, high risk, high return, but clearly as a player in that market you are willing to invest in information, data, tools, predictive insight, anything that will help you shift that risk profile and bring your product to market more effectively or try and forecast adoption in a more accurate way.

Revenue mix here primarily subscription, very little other revenue streams, clearly an opportunity as I like to point out to my teams and in terms of geographies, very North American focused, 60% of our revenue. It's a North American focused market anyway, although we're seeing nice growth in Asia.

Customer types, again something we could spend a lot of time on, but broadly speaking four core customer groups, pharma and biotech, you all know who they are, GSK, Amgen for instance. Contract research organisations perhaps less familiar - what we call a CRO, it's an organisation that typically provides support, outsource services to pharma, biotech, and medtech companies, typically around clinical trial supports; they will run clinical trials for large pharma. Here our customers include Covance and Parexel.



Then next we have medtech companies, again medtech companies encompass companies that product a wide range of healthcare equipment, used to diagnose, or monitor, or treat disease. Companies you may have heard of here are Boston Scientific and Teleflex.

And last but not least professional services companies, anything from consultants to marketing agencies, so Bain and Omnicom, who are trying to sell services to the first three tiers of customers that we touched upon.

The geographic mix, again largely - very much US focused, 54% of our customers are North American based. In Europe our key markets are Germany, Switzerland as you'd expect, but also the UK and France. And then in Asia a key market is Japan.

Back to the famous product architecture, but what I'll try and do here is take you through a live customer example. We serve for key personas, or types of users, or buyers in this market. Clinical R&D, policy and regulatory, commercial and medtech and I'm going to spend a little bit of time on commercial because as you can see we have lots of products that we market in that space.

So let's try and bring that to life a little bit. So if I start with a business needs. Imagine you're a business development executive at say Merck or Roche, or one of the world's leading pharma companies. Now your company, like many pharma companies, makes more than half of its revenue from drugs discovered not in your own R&D, but in labs by innovative biotech, right. So your role is very important it's not like a business development role in some of our companies. You know you're responsible for bringing in half the revenues and you need to do that by identifying drugs that you can licence, acquire or co-develop with very innovative biotech.

So you read Scrip daily on line through tablets and phones, which provides you with news and a unique insight into the latest research on diseases, such as for example - let's use melanoma. And when a potential development opportunity is identified through that news and update stream you need to know whether the market for melanoma drugs is worth investing in. You would access Datamonitor Healthcare for detailed drug and disease analysis and market forecast. It will allow you to quickly get a sense of the market size. It has forecasts ten years out on markets by country and by region and you'd be a pretty quick snapshot of whether the market for melanoma is worth investing in, not melatonin maybe I took too many of those on the plane yesterday.

Next, you would access Biomedtracker, Biomedtracker would help you access the development risk of the drug that you're interested in licensing. Remember 90% of drugs fail sometime during that 15 year cycle that it takes to bring a drug to market. So understanding the likelihood of approval of a drug through that cycle is fundamental. And Biomedtracker would track every catalyst event and notify you of how that drug is doing and give you a sense of the probability or likelihood of approval.

Now the product would also allow you to identify other drugs with similar characteristics, so that if your plan A fails on licensing you have plans B and C, always a good thing to have. And once you've established that the market for melanoma is attractive, meets your investment criteria and you've validated your licensing target you would go to Medtrack. Medtrack allows you to look at global patent coverage around the drug that you are analysing. It will flag any sort of red flags, you know somebody else - there's a patent breach, etc. But also it has an excellent deals database that would allow you to look at how other people in your space have structured similar licensing deals. So it tracks every single licensing deal for similar products in the market.

So this would give you an edge to structuring your proposals. You would hopefully also then call our consulting team, our consulting team could further challenge your decision to take that proposal forward. We could conduct bespoke analysis on competition for instance. We could take our data and marry it with proprietary data that you have and run better sophisticated models. And hopefully that brings to life how these products can fit together to deliver a complete solution in the commercial space.



Now as Gary mentioned many of our pharma customers buy more than one product from us, in fact this is the market where we have the largest amount of cross sell. But when I walked into this business a few years ago, and I remember the meeting very well, I was with a large pharma client and we were talking about some products. And they said to me, well we use you for this, but we use Medtrack from somebody else. And I said, but we own Medtrack, right. We used to go to market in a very fragmented way, everything was product specific, there was no common branding. Today we make it very easy for customers to understand what we can do to help and how they can buy more than one thing from us.

One minute challenge - Trialtrove, why do I want to talk about Trialtrove? Trialtrove as you've seen on the last slide we operate in the clinical space. I would say that that's where our core strength and intelligence is. Trialtrove is the world's best source of clinical trials data, clinical trials currently in process and 14 or 15 years of global clinical trials data. It is, I think, the single source of truth for many of our customers, many of our customers just by the one source, a number of them buy more than one - we're trying to convince them to do otherwise. And we have spent a significant amount of our GAP investment on improving Trialtrove.

But we're improving the whole experience. We have started at the backend so that our ingestion tool is better so we can get more information to the customers faster and cheaper. We have improved the customer experience at the front end. You will see - those of you who have got very good eyesight that that product hadn't been touched for ten years, you still had tables that were very hard to make any sense of. We now have very easy to use and search functionality, great graphical analytics interfaces that actually bring the data to life for customers.

So one of the anecdotes in Trialtrove which I think is interesting and Gary alluded to earlier is this outside in approach to innovation isn't just about new ideas. It's about the subtleties of rolling out a product that at customer wants to use versus one that he's forced to use. And what do I mean by that? So remember that Trialtrove is the de facto day to day tool that hundreds of people in a company like Pfizer might use to look at day to day R&D decisions. So you've got hundreds of users in the company using something that they've used for ten years, they know exactly the box that they want to use and where they go to search. And now here we go, this is the great brand spanking thing that we want you to use. And they told us very quickly you know we're terrified we love what you're doing, we in fact helped you design it, but we're terrified that on a day to day basis you're going to slow us down before you speed us up.

And so what we did is not very innovative, but it's worked out fantastic, we kept the old search functionality and the new search functionality working together on the same screen, so that people could decide whether they use new or old and get used to the new as well as the old. They had the old there as a crutch. And as Gary said again this is in beta right now, it goes to market in Q4, but we've had very, very good response from customers who eventually will leave the old and we will take them onto the new.

Finally Pharmapremia, a very different kind of product this, brand spanking new, we developed it in 12 weeks. That's what I love about that story. We came up with an idea with a client they said - could you do this with your data and we said - hmmm don't know, but let's try. It was only possible really because we had made all those improvements to the data, the platforms, and the technology that powers Trialtrove. So we were able to take all that data and build a very quick interface to it. And the tool enables pharma companies to de-risk their drug portfolios by comparing development titles and probabilities of success of a drug versus another drug.

Now we're very excited about this product, it already has some sales; it has more in the pipeline, but it's not the finished product. This is for us a live beta, we happen to be making money as we develop it further. It might morph into something entirely different. And in fact here we're working with MIT on a very exciting project using machine learning to find predictive signals in this data.



Early indicators are that we will have all the ingredients for some pretty sophisticated tools, which both pharma companies, but I expect also financial investors will find valuable and could power new types of financial instruments designed to de-risk investment and drug development. And if that worked then we could speed up drug discovery of cures of some of the world's major disease and orphan diseases.

So that's probably enough from me, I hope that's given you an insight into a number of our key verticals and how we think of product innovation as really a key lever in our future growth. Thank you for your time and I'll hand over to Kate Spellman who leads marketing services.

Marketing Services Opportunity

Kate Spellman, President, Marketing Services

Thank you Lara. Hi, I'm Kate Spellman and I'm here today to talk to you about marketing services. As you can tell from my accent, or lack thereof, I'm not from here and you may have guessed I've been inherited from the Penton acquisition and I could not be happier to be here. And it's not just because of the weather. I am thrilled to be engaged with a truly talented group of people and deliver on a huge opportunity in front of us.

Before I jump into Marketing Services, I wanted to touch on a comment that Patrick made earlier regarding the integration of Penton. Acquisitions are difficult, and with the size and complexity of Penton it has not been an easy task. The Informa team has done an excellent, thoughtful job setting us up for success. This is a real testament to the leadership driven by Patrick with the Executive team and to my colleagues Lara and Gary. Many thanks to the entire leadership team, many of whom are here today.

So, onto Marketing Services as the third area of growth; first let's address - and I know this has been a big question across the board, what is Marketing Services? It's a business organised around market verticals providing content and experiences that are monetised through marketers. Simply we connect and sell B2B audience to a marketer.

So how did we build Marketing Services? Internally we looked at our strengths built on traditional B2B advertising. We had content, brand reputation, loyal niche audience and an extensive database. Then externally we looked at what do our customers need, this is the marketers and the B2B audience, to understand where the gaps are, how could we uniquely position ourselves? Where could we break away from our competitors and what could we actually execute on in scale? And that was obviously very important.

So what we found is that marketers need turnkey marketing solutions that put their products and their brands in front of a B2B audience. Marketing teams are very short staffed, they often don't know to best speak to potential buyers, and many don't have the channels or tools to reach them. This led to our strategy, focus on scale where we can engrain as a trusted partner and grow, where we hold hands from beginning to end. Our customer wants one place to go not multiple sources.

This allows us the opportunity to deepen our relationship with the marketer. As for the B2B audiences, what do they want? They are looking for quality information around specific vertical knowledge to simply do their jobs better.

So I referred to the tools and channels of delivery and thought this would be a very helpful slide for you. This is a list of products that we offer, and we're moving away from a menu list like you see here, a menu list and a rate card which was really how we used to sell. So our goal is need based conversation with marketers, starting with their specific need. And this enables a higher level of engagement beyond a print ad, or a booth, or a banner. This changes the whole dialogue from



tactical to understanding the clients' business and marketing needs. This builds an ongoing relationship, a deeper relationship and we mix the right products to the marketers' needs.

So these products can be sold individually or in an integrated solution. But let me give you an example of an integrated solution. So imagine you are a large manufacturing company, you're launching a new product and what do you need, you need to fill your sales pipeline. We start with research to understand the market need. How do we position the product? Where does the company need to differentiate? And in the manufacturing world it could be around services and support which is where they make their revenue today. And then an overall branding programme is developed, this is an umbrella campaign, launched to build awareness. At consideration point we target programmes that can include webinars, white papers, newsletters and these programmes are focused towards a specific audience, built to deliver leads or contacts for the company.

And then finally we look at lead nurture programmes where we continue to deliver content, take them now a path to raise their hand for interest and ready for a company to contact them. The perfect environment for that, events.

The process continues, it's not linear, B2B audiences are at different places in their buying needs constantly. A marketer needs to be in front of them at all of these points when the buyer is ready, so it's a continual cycle.

So we leverage our audience, we leverage our vertical knowledge and we leverage our content. But what makes us different? We have 20 million users, that's scale, a diversity of content and channels and very importantly we use behavioural target data to target audience segment with content they want. This gives us the ability to surround our user with the right information, at the right time, with the right device or platform.

Our secret sauce, we give the experience a bespoke work behind the curtain we create a scalable finite set of offerings to engage our audience and deliver to marketers. And again we can mix and match that so it looks like a very custom programme.

Our audience is at the centre, this is what creates our high value, this is our lifeblood. So it begins with content, this is what attracts the audience; once we gather the audience we can segment. We track behaviour, we understand intent. This gives us the ability to continually engage with the audience as individuals. We know them by name. We watch patterns of behaviour, what topic the audience is interested in and match the audience with the marketers' need.

Today we're asking for an ongoing relationship with our audience, we contact them several times a week, unlike traditional advertising a user could be asked maybe once or twice a year for that relationship. So content is critical and key to this engagement. Our engagement process has been operationalised and that's what you see here. It's an ongoing cycle. This allows us to identify market trends as well and that makes us again a valuable partner to the marketer. We can come in and talk to them about trends that are happening in their market that they can take advantage of.

So what's our opportunity? Penton was a North American based company with Informa we became a global company, a larger and deeper database of audience, more trusted brands, significant vertical knowledge. We are now a global powerhouse of brands. We operate in large global markets that are growing around attractive market verticals. So let me give you some examples. We reach over 1.2 million aviation professionals across 185 countries. We tap into the entire design to manufacturing space. More than 85% of the US agriculture GDP is produced by our audience. We are now the undisputed leader in the booming natural products industry and Fred will be talking to you about that later. And this is just the start, Informa gives us the capability to deliver on a much larger promise.

So if you think about Marketing Services we are an additional growth engine to where Informa is already entrenched, the vertical audience, vertical knowledge and vertical brands. It goes back specifically to our differentiator and I cannot say that enough. And where do we start? Our top



priority is delivering on existing Penton revenue that we promised, we are leveraging the BI approach, putting the customer at the heart of the planning and leveraging on investment.

We are already showing early promise with Pharma and Maritime in BI with programmes that have already launched. It's an exciting time for us, we're in the right home, the right growth culture and I really look forward to sharing success with you in the future.

Thank you and back to Patrick.

Future Growth & Opportunity

Patrick Martell, CEO, Business Intelligence

Thank you very much. I've literally got two or three slides left. But in closing this session I'll summarise really just a few points. We're obviously delighted owners of the Penton brands and now they are integrated and operating as a single business.

The integration plan has run ahead of target and the franchises are now operating and reporting through the Informa structure. The synergies are on track and we have managed the integration plan successfully, with operational efficiencies flowing through.

Penton adds significant weight to our US presence, strong brands and new capabilities. There are opportunities to develop their subscription assets and to build bigger audiences and to monetise them.

In closing without repeating everything on this slide we've got the Business Intelligence division back to organic revenue growth and with the integration of Penton operating as a single business with new capabilities and opportunities.

Stephen described to me my role at Penton being similar to that as the last governor of Hong Kong, to manage a smooth handover and transition. Being the CEO of Penton was completely delightful but very brief. We operate in attractive growing markets and in very specialist niches within those markets. We've built product and technology platforms that will enable us to build on and accelerate our organic growth and to do so more dynamically as Lara pointed out.

We have the management capability and depth to deliver on our promises and ambitions. Again thank you very much for your time and we will take any questions now if you have any.

Questions and Answers

Nick Dempsey, Barclays Capital

Hi, two questions please. So just on Marketing Services, I kind of heard for many years that B2B magazine publishers describing the benefits of brand, content, reach, it sounds quite like this, so I suppose I need a bit more persuading as to why this is different and it isn't what we came to realise was a bad business model of B2B magazine publishing?

Second question, just on consulting, I suppose my experience of consulting is that it can be very discretionary, it can be very lumpy and it's not very scalable. So does it make you more cyclical inside BI and does it make you less predictable within one year if you are scaling up consulting?

Patrick Martell, CEO, Business Intelligence



On the marketing side I would start off by saying that the opportunity we now have is partly presented by our ability to engage directly with audiences, which wasn't the case when B2B publishers were providing their content through magazines. So it's now provided digitally, so not only do you have a direct relationship, as Kate pointed out you can also watch what our customer do. You can watch what content they consume and what content they don't and react dynamically to that.

So not only have we the opportunity to build big audiences, segmented by topic and by interest group, but we can understand those audiences better and we can respond more dynamically, in fact completely dynamically to what it is they actually want. And in so doing build a much more attractive audience for advertisers because it is enriched with real insight, rather than, if I was being kind, assumptions of the past.

.....

Kate Spellman, President, Marketing Services

I think that's correct, I think you know coming from Penton we were a large company so we actually had the ability to scale. And building behind that we were able to put in a number of marketing automation tools, opt in opt out tools and we can now track our users; we know what they click on, we know exactly what they are looking at, how they're engaging. We really do what we call day parting, so we know what device they want at a certain time. And we know now that if somebody is attending an event that they'd be interested in getting a specific newsletter.

So what we've been able to do and this may surprise you, we send out double the amount of emails that we used to, but that's because they are very targeted and very specific. So we're reaching a niche audience that we haven't been able to really target before. And that's become very valuable to the marketer because we can actually help them develop who is your target audience, who do you really want to go after and develop programmes specifically around that.

.....

Patrick Martell, CEO, Business Intelligence

And that's supported by trusted brands as well.

.....

Kate Spellman, President, Marketing Services

Yes.

.....

Patrick Martell, CEO, Business Intelligence

So not only is the email relevant and the content relevant the click - the open rates of those emails are phenomenally different.

.....

Kate Spellman, President, Marketing Services

Yes and the reason we're able to do this is building on the back of traditional B2B advertising, because again it gave us that breadth of data, so that's when we backed out from this and said okay what's the next step? And it really is built around the data; the audience is at the centre.

.....

Patrick Martell, CEO, Business Intelligence

As far as consulting revenues, I mean the point more generally is clearly we have made by definition the Business Intelligence revenues - you know subscription was 85, 90% of our business, it isn't that percentage now as we've grown. So it is inherently less predictable than a subscription model. But



consulting brings to us - as I said in the presentation, it brings - I mean firstly we are not a generalist, so we're not scaling up behind individuals and their relationships with customers. We are scaling up behind data and market expertise. And because of that I suppose we are I suppose in effect the expert's expert in terms of our consulting offering. And it is more sticky and it helps us not only build better relationships with our customers, but it helps us internally build better insight into their issues.

So you know we said a couple of times in the presentation it's contingent revenues. We're not doing this just out of pure opportunity; we're doing this because it's relevant to our subscription business. The margins aren't as high and it's never going to be a dominant part of our revenues, but it's an important part and it's a nice piece of business to have.

Will Packer, Exane BNP Parabis

Hi, three questions from me please. Firstly in terms of the print performance of the Penton business since you acquired it, could you comment on how it's doing and how that compares to your expectation at the time of acquisition?

Secondly Informa Global Markets is an asset within the BI portfolio which has been cited as an area of weakness historically, could you update us as to where we stand there, how big is it, how big a drag is it, is it back to growth yet?

And then finally on the slide around marketing services opportunity longer term, there's a very encouraging three to four times the opportunity in the future. Could you give us a feel for what would be a success in terms of extending marketing services into new parts of Informa? Is it sustaining double digit growth, is it tripling the size of the business, how should we think about that?

Patrick Martell, CEO, Business Intelligence

I shall not only remember the answers, but remember the questions. So starting off with IGM as the first question, I mean I'll ask Gary to add a little bit of flavour to that. It is a business that has been under quite a lot of challenge, as you will probably know better than anybody. But as Gary said, our opportunity and emphasis is shifting into different parts of that market, much more driven by data on the wealth management side in particular. So whilst IGM isn't providing us with additional growth it's part of the portfolio that is back to growth.

Will Packer, Exane BNP Parabis

So it's still declining?

Patrick Martell, CEO, Business Intelligence

Yes.

Will Packer, Exane BNP Parabis

And then in terms of the print performance and how that compares to your pre-acquisition expectations at Penton?

Patrick Martell, CEO, Business Intelligence



I mean it's performing as we expected, so there are no surprises there. In some part of the print portfolio actually we've seen the market opportunity, I think some of the businesses moved a little bit faster to get rid of print than maybe the customer or the market wanted. So in some of those instances we've actually seen some investment in print and increases in print. And it's an area where - I mean you might expect me to say this, but it's an area where I think there are still some opportunities, albeit long term structural decline, but I don't personally think to the point of zero.

.....

Will Packer, Exane BNP Parabis

And is that a double digit decline or a high single digit?

.....

Patrick Martell, CEO, Business Intelligence

I mean it's my personal opinion - well it's not a personal opinion it's a fact, at the moment it's double digit decline, but I personally think that at some point we'll stabilise to single, high single digits.

.....

Will Packer, Exane BNP Parabis

And then just on the potential of marketing services cross sell?

.....

Patrick Martell, CEO, Business Intelligence

I think the way to look at that, I mean not only in terms of the opportunity globally because Penton has - you know one of the reasons we bought it is it's based in North America, but that's also one of the restrictions that business has had. So Informa brings to that a global opportunity, the way you've got to look at this in addition to our scale and international reach is the opportunity to build bigger audiences. The revenue will be determined by the size and the quality of the audience that we're able to build across the Informa portfolios.

.....

Kate Spellman, President, Marketing Services

And I think just to add to that, you know we took time to build this, so the backend execution, that capability is baked. So we're ready to put that across and scale across the company, so that portion is done. But going back to what Patrick said it's got to be built on the right data.

.....

Patrick Martell, CEO, Business Intelligence

If you look at the sort of space in terms of the competition, you've quite often got businesses that are content businesses, you've got creative businesses, agencies, and you've got businesses that focus on marketing services execution, Penton brings all of those together. So it brings both the content and the execution capabilities, which is very unique.

.....

Will Packer, Exane BNP Parabis

So adding Penton to the wide Informa business obviously has a huge boost to audiences immediately, is it an immediate positive?

.....

Patrick Martell, CEO, Business Intelligence



One of the great things about Penton and this market in particular is you can see the effect of your investments and decisions more quickly. So one of the beauties of a subscription business when it's back to growth is it has enormous momentum like a flywheel. One of the disadvantages of that when it isn't growing, it takes some while to build that momentum up. With Penton, you know there are opportunities there that are much more dynamic. So yes we are already beginning to see, as Kate referenced, some opportunities across our existing portfolio where we're not generating marketing service revenues.

.....

Gary Nugent Group MD, Business Intelligence

Can I just pick up a little bit on your IGM question, just to clarify a few bits. It focused on two key assets classes, foreign exchange and bonds, the real area of weakness has been in foreign exchange, rather than bonds, bonds still is actually a very solid and stable market for us. I think the other thing of course is it principally focused on sell side investment banking. As I mentioned earlier on we have been pivoting the business towards buy side and adapting the content for buy side and wealth management.

And then just to link in on the marketing services piece, one of the really interesting assets that came into the Financial vertical is the wealth management portfolio that reaches into there's about 465,000 wealth managers on a monthly basis. And of course in terms of an immediate benefit I'm using that reach actually to position the content and to position the products and services into the community. And so you know there is still opportunity there.

.....

Patrick Martell, CEO, Business Intelligence

It's a very good example of using content from existing Informa businesses and putting it onto marketing platforms, that immediately drives audience, and that audience drives advertising revenue.

.....

Matthew Walker, Credit Suisse

Just one fairly simple question which is can you give us a bit of a timescale for when you think you can get back to 3% growth in the business? And also what would success look like in terms of - I think Gareth mentioned some margin increases, what would success look like in terms of how much you could increase the margin let's say in three years' time over what it was in 2016?

.....

Patrick Martell, CEO, Business Intelligence

You got me really relaxed then at the start of your question by saying this was a simple one.

[Laughter]

I think in terms of getting to the - at least pacing with the market in terms of growth we saw the business return to organic growth in 2016 obviously. Subscription businesses - you know you have to wait 12 months at least before you get the full benefit of that revenue. So we will continue I think into 2018, I'm not setting any budget expectations Gareth, but you know that is going to build through to 2018 and into 2019, it's not going to be switched on. That would be my answer.

As far as margins are concerned, the margin has obviously been impacted by the investment, the catch up investment that we've been making, but equally important I think to remember is that investment has to continue. If we're going to drive higher levels of growth, then along with that will come more investment. And I think you know this picture will evolve, but there will be a trade-off between the two. The faster we grow the more we'll have to invest, so in the short term the margins will be lower.



.....

Chris Collett, Deutsche Bank

Morning, just two questions, one again on marketing services and the cross sell opportunity. Most of your BI products that are in the existing BI products are subscription based and customers who are taking a subscription then don't really take kindly to being marketed at. So is there really a cross sell opportunity there?

And then the second question was just coming back to the margins point, is there a - could you let us know about the D&A charge, as those new products are already up and onstream are you already starting to put that D&A through or is there a sort of wall of D&A still about to hit this year or next year?

.....

Patrick Martell, CEO, Business Intelligence

Just going back to the marketing services opportunity first, I'm not sure I quite understood the point, the opportunity is not everywhere across Informa, you know you have to pick your spots. But it's really a question of taking some of our expert content and effectively putting it on the other side of the pay wall to drive audience, but being very selective about that. And you're quite right, we're not going to start using our subscribers, so the 120,000 users - subscribers, we're not going to start marketing to them as part of their subscription.

The marketing services opportunity will come from creating bigger audiences, using the market verticals that we have and selectively using products and content to drive that engagement and the size of the audience.

.....

Kate Spellman, President, Marketing Services

But I do think you can drive both ways, so our marketers in BI are also looking at a wider audience to bring those subscribers in as we start to give them the right content that could drive them to be a BI subscriber. So I think it's kind of a win-win on both sides.

.....

Patrick Martell, CEO, Business Intelligence

As far as the other point, I think as you say are there any shocks coming as far as margins are concerned because of the wall of investment.

.....

Stephen A. Carter, Group Chief Executive

Well I think it was as specific depreciation and amortisation question wasn't it, do you want to take that Gareth?

.....

Gareth Wright, Group Finance Director

Yes, I think we've talked about the product really coming to market from now going forward, but the reality is there's no sort of step up in depreciation as the investments have sort of gone through the beta stages. Lara talked a bit about how the go live has worked through beta stages, trials, you know developments going to market and that has the effect of smoothing out the depreciation. Because as something goes to market you start appreciating that element of beta and so that has the effect of smoothing out the depreciation over time. And therefore whilst we think the upside really in terms of

the market and the revenue is weighted towards sort of '17 and '18 there is not the same sort of step up in the depreciation charge at one instant point in time. So that will smooth out.

But back to Patrick's margin question, why Patrick is not saying the margin is going to go up immediately in '18 is because elements like that are still there in the cost base. So I think you need the revenue growth to tick up to a slightly higher level before we start to see the margin follow it upwards.

.....

Katherine Tait, Goldman Sachs

Morning, two questions from me. Firstly you referenced a few times across the presentation this morning about the growth in BI coming from new addressable users, or driving that aspect of the business. Can you give us a bit of clarity, is that going to be mostly driving penetration within your existing niches, or will that be expanding beyond your existing niches into new niches. Because presumably by the very fact of being in niches they are in any case smaller, so just a bit of clarity on that?

And then secondly on the marketing services business, if you could give a sense of how the margin profile differs to that of the subscription products and also how you expect that to develop over time as you scale?

.....

Patrick Martell, CEO, Business Intelligence

As far as the niches are concerned the growth will come from new products within those niches, so you are right they are niches, but you know they're massive markets, so even the niches are large. So within those specialist niches we'll be providing additional product for additional revenue from existing customers and indeed to drive win back and new business. That's the plan. Whilst, I hope we made it clear, maintaining the discipline that we've put into the business around renewals.

.....

Gary Nugent Group MD, Business Intelligence

Can I pick up on that one Patrick? I mean if I take the example of Vantage which I showed you earlier on, we have these channels that we call them within the platform and every channel is in essence a niche. So a channel might be pork, it might be beef, it might be poultry, it might be corn, it might be soya, it might be canned fruits, it might be tomatoes, across that you have the channels and so every one of those is a niche. And certainly I have a real opportunity to cross sell one niche inside the same customer, because there is a buyer of pork, there is a buyer of beef, there is a buyer of tomatoes, there's a buyer of pineapples. And I have certainly no way penetrated all of those buyers across those existing customers.

So certainly cross selling inside existing customers and deepening the penetration there is a real opportunity for us. And then as Patrick said there are other opportunities of new products taking us into the kind of adjacent areas of the supply chain. Because the nice thing about the niches is eventually they all join up because they are all part of a supply chain. And so joining up those adjacencies is where the next layer of growth comes from.

.....

Patrick Martell, CEO, Business Intelligence

As far as margins are concerned across marketing services Kate made the point that increasingly we're trying to bundle solutions up. So rather than selling from a menu list, which inevitably gets cannibalised as far as margin is concerned when you're selling a single thing, the more you can put those together as a package and sell outcomes and indeed partake in some of the benefit of that outcome then the better the margins will be.



.....

Kate Spellman, President, Marketing Services

I think to answer some of your question because when you look at other media companies it tends to be very low, sometimes just in the high single digits to 10%. Right now we're 38% full in and that includes every touch. So we also take the responsibility of packaging what the rate card looks like, so again it's a real business, it's not something that we're just layering on top.

.....

Natasha Brilliant, Citigroup

Hi, two questions, firstly on sort of pricing versus volumes, you've talked about getting new customers and selling additional products to your existing customer base. But thinking about the targeted 3% organic growth how should we think about it in terms of sort of average pricing, how much power you've got there versus sort of volumes of products and customers?

And then my second question is just on your data that you use in your subscription products. How much is - so what proportion of that is publically available versus proprietary data if you can quantify it and are there are any areas where you're seeing competitive threats, where you know other players are perhaps using the same data to sort of offer competitive products?

.....

Patrick Martell, CEO, Business Intelligence

As far as pricing is concerned, Gary will answer it in a bit more detail, but we're certainly not aggressively pricing products, you know where we've got legacy products and you know we're not dependent on revenue growth from imposing price increases. Price increases are important because there is a high development cost associated with our products, but I would rather see that growth and margin improvement come from additional volume rather than from price.

Gary I don't know if you had anything that you wanted to add?

.....

Gary Nugent Group MD, Business Intelligence

Well I mean on the subject of pricing, I mean a lot of the - you know our value proposition is that we help customers make better decisions faster and they are either operational decisions or strategic decisions. And it's a very highly geared value proposition I have because they are usually tens or hundreds of millions of pounds decisions that you're making. Should I build my new fertiliser plant in Azerbaijan or Zanzibar? These sorts of questions.

And so I think there is opportunity to price for value and certainly one of my favourite quotes of the feedback of Vantage was from the Chief Executive of a private investment fund that focuses on the agricultural business and we had lost of glowing references, but this one was - "It's a nominal price that influences hundreds of million pound decisions." And so I immediately passed that to my pricing manager and said we need to go and have a think about that.

So I think that there is also opportunity for us to price to value, but as Patrick sort of touched on it's also a very competitive market as well. And so you know our aim is to be competitive. I think the investments in the products and the services have given us the ability or the right to go and talk to customers about the value that we're offering them. And that is what we're doing on our - as we launch the new products and we get the adoption is then we're having that conversation.

.....

Patrick Martell, CEO, Business Intelligence



Sorry and your other point, your other question?

Natasha Brilliant, Citigroup

It was just on the sort of proportion of data that's proprietary versus publically available?

Patrick Martell, CEO, Business Intelligence

I mean I don't have that number in my head as to how much, but it's not - I mean we obviously collect data that is available, we create some of our own data, but the point really is essentially the intelligence that we add to that data to turn it into information. But I don't carry in my head we create.

Stephen A. Carter, Group Chief Executive

We don't cut that data publically either.

Steve Liechti, Investec

Morning, just going back to the growth - the margin question, I understand there is a lot of noise in the short term given the investment and stuff like that and where you've come from, but maybe Stephen on a five year view what do you think would be good for the business with the portfolio as you see it now in terms of organic growth? You've got 3% plus, I guess I'm thinking well what's the plus bit? And also is this inherently on a fully invested basis a 25, 30% margin business, or it is a 20% margin business?

Stephen A. Carter, Group Chief Executive

Are you talking about BI specifically Steve?

Steve Liechti, Investec

Yes.

Stephen A. Carter, Group Chief Executive

This should be a 25% plus margin business on a going forward basis. I mean we've taken a conscious decision to take our margins down in this business in order to get it back into growth. It has also allowed us to do some portfolio pruning. We've done some portfolio additions. And you know we're now beginning to tick up the growth level. I think in a year to 18 months that growth level should start to be consistent and predictable at which point your margin should start to - you know level out and start to tick up. So it would be disappointing not to see this business go to north of 25% margins.

Steve Liechti, Investec

Can I just come back to you on the growth bit then as well, defining the plus, so if on a steady state basis, fully invested 25% margin business should this business be really growing at 5% rather than 3%?



Stephen A. Carter, Group Chief Executive

I think that's much harder to predict, let's get to 3% and then ask me that question. Are we ready to cut for coffee? Okay I think - oh sorry is it a quick one or is it I have a quick five questions?

Unidentified Analyst

I want a coffee as well, so I'll keep it short. Just coming back on the upselling discussion that we had, when I look at some of your verticals they clearly have a tough time right now, the list of companies - they talk about cost cutting quite aggressively. Is it now really the time to convince them to upsell, so that would be quite interesting, so if you could just talk about the dynamics there?

And Lara side in the Pharma example there are other players clearly as well, is there a trend to potentially convince them to go to just one provider, or is that something that's very unlikely? That would be quite interesting to hear.

Patrick Martell, CEO, Business Intelligence

Well, on the first point I don't think it necessarily follows that if the market is having a tough time they won't spend on business intelligence, in fact I think it's completely the opposite, the tougher it gets the more you need business intelligence. So I think tough markets - uncertainty creates big opportunity for our businesses.

Gary Nugent Group MD, Business Intelligence

And I can give you a personal example of one of the dynamics. I mean I once worked for a company that had a large in house research capability and I once had a boss in a tough time who suggested that we needed to trim the cost associated with that. And so what we ended up doing of course was reducing our internal cost and replacing that with external sources of information and research, obviously at a lower cost and because they had more scale, because they can aggregate the cost of that across many, many, many customers they could do that more effectively.

So to some extent you then have an internal displacement sales capability, which is you look for where are those internal research capabilities and can you displace them with your research? That is certainly an opportunity that we look at.

Stephen A. Carter, Group Chief Executive

I think you have always got to be alive to that, I mean when you're facing into a market that's having a devastating end market trauma, so if you went back to when the pharma businesses were facing a kind of whole series of sequential patent cliffs, that was definitely an issue, because the industry was having a bit of an existential crisis. But at a broader level it isn't always the case that tough - you know tough spot issues that require either cost cutting internally and then external sourcing, or innovation through new thinking isn't necessarily an opportunity.

And we would say if we look at our now six, previously five - six end markets we're not looking at our end markets and thinking to Steve's question - you know a legitimate reason for underperformance, if were to happen, would be because we're facing an end market problem. That would be our interpretation of how we're facing off against the end markets.

Now unless Patrick is going to finish with a classic Wellington closer.



Patrick Wellington, Morgan Stanley

I was just going to back job on the guidance there because it seems to go around and around a bit, so it seems to me that what you were saying was that 3% organic growth is at target, but not '17, not '18, possibly '19. And it seemed to me that you said that the margins would go down first, I mean we're at 23% anyway and that margins would go down first and that then at some point we might drift up towards 25% once the 3% is achieved. But my impression of that was it was all sort of a '19, '20 sort of environment. Is that what we've just heard?

Gareth Wright, Group Finance Director

I think terms of the 3% growth, we talked about that as and exit rate for GAP, we talked about it being an exit rate on the Growth Acceleration Plan, it's as we leave the Growth Acceleration Plan in 2018 we will have that business back at 3% growth. Where we think it can go going forward from there, you know as Stephen said we are not signing up to a specific number at this stage, but we are confident we can get above that number over time through sort of '19, '20, etc, as we continue to make the business more robust, but the 3% number is a GAP exit run rate in 2018.

Patrick Wellington, Morgan Stanley

For BI specifically?

Gareth Wright, Group Finance Director

For BI specific yeah. In terms of the margin, the margin point, the margin has come back a bit as we've reinvested in the business. You know it may come back a touch in terms of say current year or something as we're currently investing in the business and the GAP depreciation and things like that are coming online, but we expect the margin to tick up probably from say '19 onwards. Because I think when you're in '18 and you're getting to 3% growth you're beginning to get to a point where you can see some margin expansion. So margin expansion is really something we'd say from '19 onwards you'd expect to model that coming through.

Patrick Wellington, Morgan Stanley

Thanks.

Stephen A. Carter, Group Chief Executive

Okay, we'll take - Richard a coffee break. It's quarter past eleven, if we can reconvene at half past eleven. Fabulous, thanks.

Coffee Break
Stephen A. Carter, Group Chief Executive

Welcome back. Andy Mullins who is the Chief Executive of our Knowledge & Networking business joined by two colleagues Anna Chrisman and Carolyn Dawson who respectively run two of the market verticals. And you'll begin to spot a bit of a theme here. Which will then be followed up by Charlie and Fred Linder who runs our Global Health & Nutrition business inside Global Exhibitions. And what



we are trying to do whilst retaining the commercial discipline that running the Group through a divisional structure gives us, what we're also trying to do everywhere is build depth in vertical expertise in end markets because that we believe gives us long term strength and deeper knowledge with our customers.

In Andy's business in particular which was by far and away the most, what's the word, distributed of all of the businesses that's a good word, was the most distributed of all of the Informa businesses, when Andy joined the company I said to him he's going to have the most difficult job in the company because to shape shift what we had built up through acquisition and development historically in what was largely a spot conference business into a set of content led community businesses in markets where we had defensible brands and market positions was going to be a bit bumpy, was going to take some time and would take quite a bit of hard yards. The journey is not complete by any manner of means but the direction of travel you'll get a chance to see.

And then we won't take questions if you don't mind at the end of Andy's section and then we'll go straight into a presentation from Charlie and Fred and then we'll have another Q&A session and then break for lunch. So that's the flow. Thanks for bearing with us. Andy the floor is yours.

Simplify, Focus, Grow

Andy Mullins, CEO, Knowledge & Networking

Thanks Stephen that's a very helpful intro. It makes me jump past my first slide immediately which was to introduce my two colleagues there which is fantastic.

What I thought I'd do is I'd start with my operating board. I have seven colleagues with me. We have four business leading Managing Directors of which Carolyn and Anna are two. They all have deep experience, not only of events but deep knowledge of the areas in which they run and operate their businesses, very similar to Gary and Lara earlier. And I believe that will be well demonstrated when they do their sessions and I'll try and move onto them as quickly as I can so they can talk because I think that brings to life how we've changed and how we're very different to the way people may perceive us currently in the marketplace.

All four have spent the majority of their careers, the Managing Directors, within Informa and have been promoted from within the business. The other non-business leading Managing Directors are all pretty much new to Events from the outside but have a rich experience of multinational FTSE 100 or media companies. And myself I came from Unilever, Diageo, News International, DMGT and ESI Media before I joined in September 2014.

Okay here's a quick overview of the business we operate in. Many of you may call us a conference business but we are moving forward and evolving from that. We now pretty much focus on three growing and higher margin industry verticals, we call them Global Finance, Telecoms, Media and Technology and Life Sciences. Anna runs Life Sciences, Carolyn runs the TMT. We now concentrate our resources and invest behind strong global brands that have reach, stretch and influence. We're moving to the provision of engaging experiences we call connections where our key customers can fully engage with their most valued and desired target audiences. We facilitate this through a range of market leading, face to face events and the provision of all year round digital products and services, that's the major change. The strategic and tactical use of content is critical to my division and the mix, and using Kate's words it's the magic sauce that attracts the critically valuable audience that our customers need and want to engage with.

This chart I'll quickly rush over and leave to some degree because it's numbers, it's facts so you can see it there, and they get brought up as the presentation will go through. But fundamentally we're a quarter of a billion revenue business. We have 1,200 colleagues spread around the world but predominantly the UK, US and now Dubai.



Now this is an interesting chart and I'll dwell on it for a little while. This was the business in 2014. Each bubble represents a separate K&N business. Its size depicts the scale of revenue and up the vertical axis it's operating margin. So you can see we had a whole range of different businesses, 28 separate business operating units in 17 locations. They were focusing on over 12 industry verticals, multiple languages, multiple brands, many different company names. There were over 55 Managing Directors with individual P&Ls and many were free to create any conference on any topic anywhere in the world across any geography, and they varied in size, importance and profitability. So the need to create simplification and focus was absolutely paramount and the first thing we had to focus upon.

And the Growth Acceleration Plan which you've heard many times over was absolutely of critical importance to K&N. It was our ability to create the clarity, the simplification and focus to drive for growth. The key initiatives we focused on were change of structure which facilitated behavioural and cultural change which at times has been quite painful. Active management of the portfolio, what do we stop, what do we turbo charge, what do we milk and what new events do we initiate. And hopefully Anna and Carolyn's presentation will talk about some of the newest and best things we've been working on which we're very proud of. And it was about building critical capabilities which will enable us to develop new and growing revenue streams specifically around sales effectiveness and digital capability.

The 2017 column on the right depicts how we are positioned today and for the future. One single business organised around verticals. A unified and aligned Board, shared targets, similar remuneration structures. Based mainly now out of the UK, the US and Dubai. Business plans that are built to deliver future growth with target based incentives rather than in year profit shares as Stephen commented on before. And we're building and investing in capabilities specifically around product development, sales and digital.

Right this is the outcome of our simplification and focus process, clearly it's a little bit more complex than four bubbles on a chart, but there are three large, higher margin industry verticals now of Global Finance, TMT, Life Sciences, and what I call a Specialist Subject Matter Expert portfolio of higher margin conferences and events targeted at professionals in the areas of marketing, innovation, research, HR, legal, tax etc.

This chart very quickly demonstrates the degree of change we have gone through over the last seven or eight years, specifically in the last two when I've been managing the business. Over 12,000 confexes, conferences, seminars, training events in 2009. Now we're down to around 1,000 of which only 300 exist within our core verticals, real focus. Some of this has been about exiting domestic foreign language conferences - businesses, you can see a list of them there. We're in the process of finishing that process hopefully this year. But much of it has been about removing failing and low margin events, actively managing the portfolio or merging and co-locating events to make larger, more dominant, more successful events.

This is a quick snapshot of 30 of our top events, every single one over £1m in revenue and many much more than that. They contribute over 30% of our event revenues now. They are strong and growing and seen by our key communities as well respected, market leading, must attend networking events. They are powerful and profitable and a great foundation from which we are building our all year round customer led engagement model. This is where we're different to Kate and the marketing services; we're building from face to face events outwards whereas Penton has built from print and digital outwards.

I'm going to go through this quite quickly because Gary talked about building capabilities in sales, building capabilities in digital as well. Fundamentally we have transformed our sales capabilities and our digital platforms and processes through the GAP programme and this is now pretty much complete now.



I skipped on really because I want to talk about how our revenue is going to change. The left hand one, the two wheels are really two very disconnected, restricted, multi transactional, face to face revenue streams from the old model, predominantly delegate and sponsorship. And they're some of the numbers you'll see in every single chart to do with the verticals and the K&N in total chart you saw earlier. What we're doing is we're moving from that restrictive model to an engagement based face to face digital and key account led revenue model, transformational from where K&N has been over the last decade or so. We now have access to an exploitation of digital and networking products and services where we can now promise full engagement between customers and their audiences before, during and after our flagship events. It's a whole array of products and services that are now and will be available for our key customers and will be sold through our new key account structure. It's about tailoring offerings to them to meet their needs in areas of insight generation, brand building, thought leadership and lead generation, or a combination of the four.

So how are we competitively positioned? People thought we might have been in the conference business, where are we now? Well we're in a market that really is now focused. It's growing, it's catalysed by innovation and technology change. We have clear communities and sub communities within these markets and they are genuinely international with a strong US and UK European bias. Our assets are built around strong event brands that operate within discreet communities. We provide excellent content. We have very strong relationships with our customers, speakers, VIPs, advisers, and we offer a unique partnering service which Anna is going to bring to life when she talks about EBD.

So we'll be delivering a greater breadth and predictability of our revenues that moves just beyond delegates and sponsorship, moving into partnering, presenter and demo revenues, marketing services which you've heard before and learning academies. And hopefully some of this will be pulled together in the two big festivals we're going to talk about at the end of this presentation.

And all of these, as I said before, are actually introduced into and around our top events. That's our difference, that's our point of difference and why we believe we can be successful because it's building from very strong, established events where our customers have huge loyalty and respect and reputation for our brands and those events.

My last chart before I move on to the other Managing Directors is to do a very quick snapshot of finance, our global finance vertical. Most of the facts are there but I'm going to pull out a couple of highlights. We specialise predominantly in fintech, wealth, private equity, banking and risk. And we have some amazingly strong event brands, SuperReturn and FundForum, truly market leading. These deliver - the reason they're different predominantly to the other two verticals is they still deliver significant delegate revenues from some very premium priced high ticket events, you know market beating, standout events within the marketplace. And FundForum International is currently running at the moment in Berlin and doing very well indeed.

I'll move on quickly. I've tried to move forward because I want to give as much time as possible to Anna and Carolyn.

Life Sciences Vertical

Anna Chrisman, MD, Life Sciences

Thanks Andy. Good morning everyone. I'm Anna Chrisman, I'm the Managing Director of the Life Science protocol within Knowledge & Networking. I will talk a little bit about our market and I will talk about our capabilities and our strength in the vertical, and then I'll highlight a couple of the specific areas within our product mix.

You already heard actually quite a bit from Lara about the Life Science market from the pharma perspective. We are really in drug development and she already gave you a bit of an overview of the



complex market that we're in there. I can only echo that it is such a highly complex market and for us it's incredibly attractive because the stakeholders in the Life Sciences are incredibly dependent on the knowledge exchange and collaboration among each other, and that is exactly what we facilitate and what makes us an important player in that market.

Our revenue mix is delegate led and that's specifically true in the vertical or in the parts of the vertical that are built around networking and partnering where delegates make up up to 60% to 80% of the total revenue. Most of our events take place in the US and in Europe, but especially the large events have a very international audience and we see a really growing - we see much growing delegate numbers from China, Korea and Japan in that.

Over the last years we have significantly reduced the number of small and one off events in the vertical and we have aligned the resources really around the strong brands and the strong portfolios, and we now hold around 50 events annually across the different brands. The largest ones in terms of attendance and revenue are BIO-Europe, BIO-Europe Spring and Biotech Showcase in the EBD portfolio and those are followed by another ten events that are at least £1m in revenue, and those 13 events make up a total of two thirds of our total revenue and the smaller events are aligned around these 13 events.

The Life Science vertical has three main brands, Boston Biotech Conferences, BBC we call it, our BBC not British BBC, they run a portfolio of ten sea level invite only intimate networking events. Then we have EBD Group with a small portfolio, seven partnering events but they're very large scale events targeting R&D, business development and sea level biotech, and I'll go a little bit more into that on my next slide. And then the K&N Life Science event brands that focus around several areas, the strongest one in bio processing, in emerging scientific areas and clinical trials. Those portfolios mainly target scientists, mid to senior level scientists.

Across the Group we have a team of about 130 people. We have offices in London, Boston, New York, Munich and San Diego, that's where I'm actually based. And as Andy pointed out we have really transformed the business to now a fully vertically aligned structure and we're really using the synergies among the Group within the vertical for the first time fully to our advantage. So for example we are taking a much more key account driven approach to sponsorship sales. We deal with a lot of the same organisations across the different brands so that makes sense for us. We're co-locating and we're co-marketing across the different brands now, and we are creating best practices around the product offerings that can be rolled out across the brands. So for example the Connect Life Sciences team just starting rolling out a series of digital weeks and the blueprint of that new product can now be applied in EBD and BBC as well to really create new offerings for those markets without reinventing the wheel and doubling up on resources.

We are definitely honing in on a very customer value focused approach to the specific portfolios and that is because we really see within the vertical that the areas that are centred around clear customer driven value propositions and have a really strong industry team are the ones that are thriving, that have strong customer retention and that see strong growth.

The best example of that is actually EBD Group, so that's the partnering model in our vertical. EBD Group stands out as not just the largest portfolio but really the one with the strongest growth and very high customer retention and customer satisfaction. EBD is based on a very simple value proposition. It facilitates the connections that drive partnerships in drug development and so that basically means EBD connects biotech companies with investors and predominantly strategic pharma partners. Going back to what Lara described earlier, it's an incredibly long process to get a drug to the market and it takes a lot of collaboration and a lot of stakeholders involved. So what that looks like at an EBD event can almost be described as company speed dating.

To give you an example EBD's flagship event is BIO-Europe. You'll see about 3,800 attendees at the event from over 50, I think almost 60 countries now. Before the event you actually log into the EBD online system, you start connecting with potential partners and we log over 100,000 meeting requests



before the event, before BIO-Europe happens. So that's a time period of a month before the event when people are actively working in the system. During the three days of the conference we then, resulting from those 100,000 requests, actually facilitate about 23,000 individual meetings. What that means for a typical biotech CEO is that he or she will have about 30 meetings or so depending on the work that they've put in beforehand with all the large and midsize pharma companies from around the globe during those three days and hopefully resulting in partnerships to drive their pipeline forward. On the other side for a company like GSK or for Bayer they will scan through thousands of requests leading up to the event and their scouts and R&D teams will have several hundred meetings onsite. They will show up with anything from 10 to 40, sometimes even more people, at these events and this is really crucial to fill their licensing investment and to have transactions - licensing M&A investment to fill their drug pipeline which is where most of the new drugs in pharma are coming from these days.

So we always ask our customers whether they can actually pinpoint deals specifically to a conference but that is not sometimes possible, but generally the answer is that those partnerships are really long term partnerships, it's not one quick transaction. And that is actually a great thing for us because these customers keep coming back, they have a very high loyalty to our event portfolio and they need our portfolio year round, and so both across the portfolio strong retention and then year on year retention because they nurture and build these relationships over time.

One thing that's unique and that was actually mentioned earlier as well the question around what happens when funding gets tight or when costs get cut. The EBD portfolio is in the very fortunate position to be quite recession proof when biotech financing goes down like it did in 2008. Partnerships with pharma are really the only viable option for biotechs to keep moving forward and so we actually saw strong growth during that time from the pharma side of the valuations, the biotech valuations are favourable so they also like to invest in biotech companies at those times.

The way we've managed the EBD portfolio is to be really very, very laser focused on attendee ROI and the value to the attendee. It's a business that focused less on the content and the event programmes and instead really emphasises on the connections and the stakeholders that have to be there in order for the event to be successful. So we don't really have a lot of traditional conference producers. We have a team that's focused on building stakeholder relationship and then a very strong customer service team around the whole partnering process, scheduling all those meetings.

And we have also put a very high focus on actually measuring the ROI from an attendee perspective. So the EBD system can link in with the Salesforce and all the internal systems that the pharma companies and biotech companies have so what takes place at the event onsite can be very directly linked to the strategic goals of the company and how they interact with those customers outside of our events.

So now in the context of the combined Life Science vertical we are able to transfer the best practices and capabilities now finally across the other brands as well. For example we're leveraging EBD's strong stakeholder relationships and are bringing in associations and government economic development groups into the events both to broaden the audience but also to bring in economic development investment to conferences. And of course we are applying the learnings and the technology from EBD to really bring appropriate and focused networking to the rest of the vertical.

So the synergies between the brands actually lead me into Biotech Week Boston. To set the scene a little bit for this event you have to understand that Boston and San Francisco are fierce rivals when it comes to who is the epicentre of the Life Science market. Boston has probably beat San Francisco in most ways there but Boston does not have an annual or it has not had an annual, big, large scale event that bring the Life Science industry together in the city annually in the past. And we're able to facilitate that now. 2016 was a proof of concept year for Biotech Week Boston. We co-located four events from the KNeCT365 portfolio.



We created a festival programme and we brought in a couple of the local stakeholders. This year we have an established presence in Boston. We have our office there and we have a much more ambitious approach to this. It's going to happen in September. We have currently 15 events and programmes scheduled around the week including full conferences but also a really high level festival keynote programme, social programmes including the battle of the biotech bands which is going to be the nerdiest event in town that week, or the month or the year who knows. We have BBC, EBD and Xconomy contributing programmes and bringing in additional audiences. We are curating a programme of external events with strategic partners such as MassBio and overall we expect at least 4,500 participants during the week. We have the support of the region with the Mayor's office, the Massachusetts Life Sciences Centre and MassBio onboard as well.

So this week is bound to become an important event for the Boston life science community, generally for the international life science community but it also really shows how we as a vertical now approach this market and how we leverage the capabilities and the strength in the brands and in the teams across the Group. And that's not only true for the Life Science vertical, it also represents how K&N approaches our major markets generally and I'll hand over to Carolyn now who will talk about that more in the TMT market. Thank you.

TMT Vertical

Carolyn, Dawson, MD, TMT

Thanks Anna. So I'm Carolyn Dawson, I'm the Managing Director of the TMT portfolio. Similar to Anna I'll talk to you about the scale of the portfolio, its strengths and then also focus on a couple of key initiatives that are very important to us at the moment. And we operate 95 events with about 150,000 visitors over a year. That's across North America, Africa, Asia, the Middle East and Europe. We do that with 150 staff, predominantly based in London and also in our San Francisco office.

We have nine portfolios serving communities across the vast sphere that is TMT. So those include 5G technology, mobile and fixed communication networks, enterprise services, connected cars, the internet of things and latterly artificial intelligence. We've grown and maintained a market leading position in the events sphere for the breadth and coverage that we cover within TMT over the last 20 years. We are very fortunate to be operating in a growing, global market but also one that's starting to take relevance across the other verticals where Informa operates as well.

So our revenue mix is sponsorship led unlike the Life Sciences division. Attendees account for between 10% to 20% of our revenue depending on the market that we're in. Creating and sustaining large scale events is absolutely key, it's a critical strategy for us, but we actually also have many growing mid-sized events with the TMT space purely down to the fast growth cycle of our business. We lead with our event brands, AfricaCom, Internet of Things World, Broadband World Forum, 5G Channel Partners and one that we've just newly created this week TechXLR8 that's happening over in the ExCeL Centre. These are all market leading events, high growth, high retention, improving net promoter scores year on year. TMT has really evolved I would say over the 16 years or so that I've been in the business from being a 90% telecoms based business, as you can see from the start Telco networks and services, broadband, media networks, to now being a far more balanced and broader portfolio of telecoms, media and technology. We rebranded last year from Informa Telecoms & Media to TMT and actually we lead with technology, so Technology, Media and Telecoms and the emphasis is very much on the tech side of our business, this is where the growth is.

To kind of bring together two aspects within that, you know as Andy pointed out our strategy within K&N is to build communities so driving engagement through digital and face to face products has proven to help us grow market share, presence and to do so quickly and that's really demonstrated on our internet of things portfolio. So marrying going into a new tech area as well as building communities. We launched a digital community last year. We already have an active subscriber database of over 20 million. We have provided 15,000 leads to clients to date. In addition to those



digital products we've built a series of face to face events around that community. That now stands at 18 with over 25,000 visitors, and both are strong in independent revenue streams in their own right.

Our flagship event, the Internet of Things World event in Santa Clara which took place last month has grown from having 400 attendees two years ago to over 10,000. And it's achieved 30% revenue year on year growth. From that base, from the Internet of Things World event we've actually developed topic led events within that sector such as smart cities, blockchain, internet of things security, as the customer need has evolved with the technology for deeper dive content in more niche areas. But our growth in that space has really come from leading the way with quality and engaging content and that's really being curated by a team of expert editorial and event producers working hand in hand and whom specialise in this market all year round. And we also focus as others have said on building key account relationships so that enables us to engage with our customers at a more senior level, that enables them to help us develop our products which in turn enables us to grow the revenues from those accounts driving retention levels and also cross selling into new areas.

And latterly I want to talk to you about the festival concept. So this is something that we are going through right now. I probably won't ask you to put your hands up if anyone has heard of London Technology Week that's happening. We have over 200 crowd source events happening across the city as we speak. So the history of TMT events really started with delivering quality content. This evolved quite quickly into networking, it's introduced a formal networking partnering service similar to the EBD model and that is still a core USP of our business today.

But a new pillar to our growth strategy is really around creating more valuable experiences for our customers. And so this week it's the first time that Informa have run London Tech Week in association with London & Partners and the Mayor's office. We created really what looks like a three year plan for growth. The vision was to create Europe's largest festival for technology and that's by hosting a rival set of events over the city spanning networking, social programmes and business collaboration opportunities. We want to cultivate London as the global powerhouse for tech in Europe and to attract international attendees into the city. And we also want to build an entire community for London Tech Week so it doesn't just become about the physical week itself. And we've done that on a first class digital platform that we launched about a month ago that enables our customers to access business information. And it also enabled us to have the opportunity to bring eight of our core leading brands together under this new TechXLR8 brand that we're running and I'll come onto that in a little while.

This slide shows the framework of the week. What we've actually been able to achieve in year one has been beyond expectation, certainly beyond my expectations when we started this about 12 months ago. On Monday we hosted 800 tech leaders at the Here East in the former Olympic park opened by the London Mayor and with a personal video of support from Sir Richard Branson. Over the last couple of days we've launched and run a leaders in tech summit so a thought leadership event which has had Sir Martin Sorrell, Ronan Harris from Google, Cindy Rose from Microsoft, Robert Thompson from News Corp as leading speakers. That's being run in association with Google at their academy in Victoria. Similarly we've also launched London Tech Week Academy so in collaboration with Google again to deliver digital skills training.

We've had a social programme so there's been something on every evening. On Monday night we hosted an ambassador in association with the Prince's Trust. Tuesday saw the first ever worldwide championship league for drone racing in Alexandra Palace where the venue was completely transformed, broadcast by Sky in a couple of months' time. It was also the evening for the Europa's Awards which is the start-up venture in association with Mike Butcher and the TechCrunch team. Last night it was the TechXLR8 awards and also a reception at Downing Street in association with Brent Hoberman and the Founders Forum. And this evening no less we have a concert in Wembley Arena from Hans Zimmer which is branded London Tech Week. We're streaming pretty much most of this content over our TechX365 platform those that can't be at it live as it is happening, and then TechXLR8 our product as in Informa has been in ExCeL for the last two days. I think by the time I left the venue onsite we had over 10,000 visitors which is 40% up year on year. That brings together for



us the start of what we see as telecoms and technology converging. So our 5G World event alongside our newer IoT, AI, connected cars products.

In terms of that event we've had significant first time sponsorship investment from major tech brands, Google, Salesforce, Amazon, Lexar to name but a few. And over the week we've hosted as I've said 200 crowd sourced events and quadrupled revenue year on year. But London Tech Week isn't really just around those events. We also want to build a legacy for this and we've chosen talent as our number one mission. So through the initiatives over the week we're setting ourselves the goal to use the festival as a vehicle to up skill existing workforces, to provide digital skills to the underprivileged young, and to also promote diversity within the tech sector to enable future growth.

Informa is actually leading the charge with this initiative. So we have partnered with the Prince's Trust for the gala dinner as I mentioned on the Monday. We've also sponsored an initiative to get started in tech programme with a course for up to 20 people and the prize winner will be announced tomorrow. We've developed a stream for talent and diversity on our community platform and we're also going to be championing the Mayor's digital training programme which will launch in October. And that's about it for TMT so thank you very much.

Future Growth and Opportunities

Andy Mullins, CEO, Knowledge & Networking

Thank you Carolyn and Anna. Now you probably know why I rushed forward to get them on stage as quickly as possible. I wanted to dispel the fact that we've put hundreds and thousands of little topic based events set up in hotels with a few people coming in; we take the money and run. We put a lot of planning, thinking, intelligence, content, partnership into our new ideas. Anna, Carolyn, Shabnam and Julian weren't Managing Directors when K&N was formed. They've all been promoted to their positions. IoT World didn't exist, Biotech Week Boston didn't exist. London Tech Week existed being run very, very poorly. It now is a fantastic event and we are transforming the business literally day by day.

Anyhow this last slide is like Patrick had a quick summary of where we're at and a few statements on where I think we're placed going forwards.

I think we are going to stabilise the historic decline of this business and we're going to have much more stable revenues and a more stable business where margins will naturally improve because the mix will improve. There will be enhanced focus on where we're strong and where we need to be strong and this will deliver attractive growth opportunities as illustrated just now. We will be much closer to our customers and we believe that our highly engaged and responsive product offerings delivered through new key account capability will strengthen and improve our position as opposed to hundreds and thousands of individual transactions on hundreds and thousands of events.

And there will be an increased focus and desire to secure and exploit the benefits of content and data. We're just on this journey, we're working on it as we speak, we've been developing a lot of the capabilities over the last few months. And through digital platforms that have been delivered by GAP this will provide unique opportunities, capabilities and value added offerings for us, not only for our key customers but for the other Informa divisions. Stephen talked about verticals and developing it, what we're developing we believe will be of use throughout the other divisions as well.

So in summary we're going to create and nurture highly engaged and valued communities in which our key customers will be able to seamlessly interact with our community members. This will be through a broad range of highly engaged and content based products and services. Okay thank you very much.



Internal Expansion

Stephen A. Carter, Group Chief Executive

Thanks Andy. Thanks Carolyn, thanks very much Anna. I'm going to kick you off the stage and invite Fred and Charlie to come and join us if we could, and then I'll do a little bit of filling while you're getting up here. This is the last section of the presentation and as I said at the beginning for those of you who were in Washington we actually did quite a deep dive as I recall Charlie into where we had got to by then. Since then the company has progressively continued to grow, actually at a Group level in North America. This just gives you a snapshot of the Group from an overall perspective in the US. And as the chart makes clear we've now got three really quite good sized businesses in the US in Academic Publishing, in Business Intelligence and in Global Exhibitions, and as Andy has just illustrated or Anna in particular a significant position in our much more simplified and focused K&N business.

When I first met Charlie, in fact I was introduced to Charlie when we sort of had the idea that it was probably strategically sensible for us to bulk up in the US and also to try and buy and build a position in Global Exhibitions, I made a point of wandering around the industry and trying to learn as much as I could from people who had been in it for a long time. And a number of people told me that the person I should speak to was Charlie McCurdy so I did. I affected an opportunity to have a cup of coffee with Charlie and spend a little bit of time picking his brain and then at the end of that conversation came to the conclusion that actually he knew so much about the business that it might not be a bad idea for him to come and do it and then be held accountable for it. So on that note I'll hand you over to Charlie.

International Expansion, Growth and Scale

Charlie McCurdy, CEO, Global Exhibitions

Thank you very much. Well I do see a number of faces familiar from the November 2015 investor day. I was two months into the job then and I think I laid down a lot of promises for you, and I hope that you will see that we've gotten a lot done in the interim period of time. Those of you who are less familiar with the Global Exhibitions business of Informa I hope you will agree with me after this presentation that there's a whole lot to like about this business now and going forward.

And as a special bonus we have a spotlight on our Global Health and Nutrition vertical which is run by Fred Linder, a long time industry colleague of mine in the US who joined us in November with the acquisition of Penton and has stepped up in a big way. And I think you'll see that what he's doing is a great example of many of the themes we'll be talking about. How we literally make markets, how we drive commercial activity in really attractive markets, how we leverage scale within verticals to the advantage of our customers, the visitors to our show and our P&Ls, and finally how the combination in this case of great Informa properties and great Penton properties have created a real category killer. So Fred with that setup the expectations are high. Let's see.

Let's get right into it. So just setting up the themes for today. First of all I think you'll see that our business takes advantage of many characteristics that make exhibitions so powerful in their market, markets of fragmentation, the borderless flow of commerce for sourcing and distribution of products and services, the barriers to entry. We're really well positioned. As far as market growth, as many of you probably know the Global Exhibitions industry has been and is expected to continue to see fairly robust growth, this one forecast, the main forecast in the industry, about 5% growth in coming years. So we're in a strong business in a strong market. Third what I've come to do and I think what we're seeing is we're evolving as what's really a fine exhibition organiser business to this broader market making role in our industries and I'll give you some flavour for that in a bit.



Finally we've repositioned the business into some really powerful brands and some really attractive markets that underlie and drive the growth of demand for what we do and we try to do very well.

So the snapshot of this is sort of our Facebook profile page. First of all we are now in the top three exhibition organisers in the world. We have market leading profit margins. We have been and aim to continue to beat this robust rate of growth in our marketplace. So all very attractive financial characteristics. I won't give you any percentages to fill in your models though.

Over on the right of this page we have as I mentioned a fine portfolio. We have a very deep pool of talent among the 1,100 colleagues around the world who form the Global Exhibitions division. And finally we are operating now on quite substantial scale. As far as the - on the lower left this is actually quite remarkable, the formation of these verticals, a handful of very health global vertical markets now are the way in which we address our markets with the Construction, Health & Nutrition, Life Sciences, Aviation, Agriculture etc. The mix of revenues actually quite characteristic of the Exhibition business with about three quarters of revenue coming from the exhibitors, these are the suppliers to our verticals who are looking to move product to those specifiers or buyers who attend our shows. And finally by region, similar to much of the rest of the portfolio at Informa, the majority of our business coming out of North America.

So the Growth Acceleration Plan, I entered Informa right in the middle of this programme from a Group standpoint and we went into high gear very soon upon my arrival with very specific goals in mind from the return on these investments, and that's to change the roles we play from a collection of really quite effective exhibition businesses to coordinated, globally present, top performing makers of markets. That's built upon the capabilities, the scale and the depth within verticals. And I think what we have been experiencing now is high growth in the context of very strong foundations. High growth is great but you need strong foundations to make it sustainable. That's in place and increasingly in place. And the other main challenge is development of talent so that we can continue to execute at the level that the market needs us to do and I think we're very well positioned from that standpoint as well.

So it's not just about being bigger though it's also about being richer in what we do for our markets. So some of you may be wondering how do we actually go about transforming from a really good exhibition organising company to a market maker, a driver of commerce within these markets. And it does start on the lower right here, the scale on the strong foundation from a capability and talent standpoint. It moves into the expansion of depth within verticals and across geographic boundaries, and finally in the lower left here the expanded dimension of digital and data services that are so coveted by our exhibitors who are looking to get opportunities from our shows, and the specifiers and buyers who are looking for products and services to enhance their business performance. All this has translated into our GAP investment which is focused on supporting these capabilities and market offerings and CRM systems and marketing automation systems and digital and data capabilities, and we're actually in the middle of - we're in various stages of actually complete deployment to these capabilities to the middle of deployment to just piloting a Salesforce.com application. And all this is to support the execution within the vertical markets with the global reach, so depth and breadth.

So you've seen within the Informa Exhibitions business and throughout my career I've built growth on two main pillars, one is the internal organic build, the other being the buy or acquire dimension. Within the build area we've identified six building blocks of those growth attributes for volume and price obviously but also cross selling across regions, launching shows into market opportunities, productivity gains and also this online service dimension that we're putting in place that we have used successfully in the past. On the acquisition front we're very focused on building concentration and market strength within attractive vertical markets and there's a strong pattern that I think you'll see emerging out of that.

So this is going back before my time but for those of you who have been following the arc of Informa's development, not so long ago the Exhibition business in Informa was a really good, regional trade show company based out of Dubai, very powerful within that region and well run for what it did. What



we look at today in 2017 is it's quite a substantial enterprise with a global presence with a majority of our business in North America but very much interrelated across the world and across vertical markets. So the company has gone from less than \$100m of revenue not that long ago if you look at it, to a division that has more than \$600m and 60% of which is in the Americas.

So it's interesting for supporting both the organic pillar of growth and the acquisition pillar how do we take advantage of these acquired businesses? We do look to evolve from an exhibition organiser to a market maker. And what's interesting and we'll go into this now is that the strategy for success in the internal growth as well as leveraging acquired businesses is exactly the same. So that not to oversimplify but we have attendees and exhibitors at exhibitions as you know, more broadly the exhibitors are suppliers to these industries and the visitors, their job is to specify or acquire product for their enterprise's progress. And all that leads to our positioning as for Informa Exhibitions as the maker of these markets, to bring the buyers to opportunities from a sourcing standpoint and to bring opportunity generation to the suppliers in a very productive way.

So why don't we focus first on three of those six building blocks for the organic growth part of the business and we'll look at value based pricing, we'll look at a good example of a launch and finally the kind of digital services that we're rolling into the markets right now.

On pricing, a good thing about the Exhibition business is typically we can price based on value to customer rather than a cost plus basis. That is a key to the margins in our industry. But as other companies, other organisers have done in recent years we're focusing on really strategic value based pricing. A good point that some of you may be aware of that of the budget of a typical exhibitor may come to spend, take a number, \$100,000 to be present at a trade show. Only about \$25,000 of that will go actually to the organiser, the rest goes to their travel, their lodging, their stand build, all this kind of thing. So that actually gives us more pricing power than you might imagine because their budget encompasses much more than the price they're paying to us.

So to leverage that in a very strategic way and a very - in a way that makes customers happy we've engaged and are rolling into the portfolio very, very specific research into what drives exhibitor preferences. What do they value in being at one of our trade shows? And I won't go through the long list here but every exhibitor has different objectives and different shows have different sort of characteristics to them.

So the debut for Informa Exhibitions was put in place this last January in Las Vegas our international surfaces event. This is construction materials for surfaces, it's hard materials, soft materials, flooring and walls, that kind of thing. A longstanding successful trade show in the United States. We did the research last year, we put it in place and the outcome in brief was that a strong show is getting stronger. We've typically had good pricing power. We saw actual yield per net square foot increase by 3% to 5% more than the pricing that we had been getting in the past or would have expected to have received. And the rebooking rate, even though on average people were paying more the rebooking rate was higher with paid contracts at the show. Now that's - when you have satisfied customers who are paying more I'm very proud of our guys for doing that. And we'll be rolling this programme out across our other key events over the next three years or so.

So the second building block I'd like to touch on with a specific example is the launching of shows. A lot of talk about launching trade shows. When you can do it it's great. We had a big success, one of our key verticals as you recall is the Life Sciences business. Specifically we're a very, very big leader in the world in medical devices and medical equipment trade shows in many, six or seven locations around the world. Our flagship has been the Arab Health Show, very successful show in Dubai to the extent that it filled up the venue; there was no more - literally no more room for exhibitions. And our guys could have been satisfied with that; they said well how do we keep growing? And they identified the medical laboratory equipment, MEDLAB which was a meaningful sub segment of the show which had a somewhat distinct visitor profile, and they rented the hall for the next week. This was just last January. They rented the hall for the next week, spun out the shows like Athena coming from the head of Zeus, this fully formed major trade show that was a very big success. And it's in fact one of

our top 20 shows now. Didn't even exist a year and a half ago and I give credit to our guys for the ambition and the execution of making that work and making those exhibitors who used to be in the main show really happy to be set apart. So that's a pretty good example of a launch.

The third building block of organic growth that we're rolling into the market right now is digital sourcing and digital lead generation tool. This is - and it's a development team actually that I've worked with over the past ten years at a couple of previous companies, so we've refined and developed these capabilities in the context of real world marketplaces and it's done quite well. It's a proprietary technology that we have our own development team. It uses the name MarkitMakr and it's spelled that way because the domain name was available. But it's descriptive obviously.

So I'll just touch on we debuted this product in the medical equipment marketplace, the one led by Arab Health, on a global basis in January. We already have over 500 companies or have displayed over 5,000 products on this that are now discoverable by the marketplace with very strong buyer interest in terms of traffic and lead generation. We have such well-known firms as GE Medical are big in this programme now, Siemens just yesterday increased their buy on this site by \$50,000 which is actually a meaningful percentage of what they pay us for their stand at Arab Health, at Fuji imaging, a number of major, very sophisticated marketers who are happily parting with their budgets to get more leads out of Informa exhibitions online.

So it's all great that we can look at markets across the world and operate sales and marketing across boundaries but how do we actually execute? And what we've done is create super hubs and more regional hubs that can support operations and administration for the actual staging of the events and the management of the talent pool in each of these regions around the world. And this is all in place and performing quite well.

So that's touching on how we're supporting organic growth. Let's talk a bit about acquisition driven growth and why this makes us a more powerful company because it really is the same programme as on the organic side as buying things and then applying the same organic growth methodologies to them and getting depth within verticals. And the Penton transaction that was completed last fall is a really, really good example of this. You can see here there are four verticals that we picked up at Exhibition business from Penton in the Agricultural space, in the Health & Nutrition, in Waste Management and in Aviation. Three of those Informa already had very powerful position in. In the Agricultural space we had the market leading Latin American agricultural show, we had the market leading North American and European nutritional ingredients shows, we had the market defining waste water show in the United States. And so we added to those the biggest shows and media presence in North America in the Ag space, the finished goods ingredients shows adding to the nutritional ingredients shows that Fred will walk you through, and the Waste Expo which is solid waste to the Waste Water Show. Believe me there's a lot of waste to move in the United States and we're there believe me and proud of it.

[Laughter]

And finally the Aviation category is now one of our top seven categories where we have both events and media and data products that surround that market quite effectively. So we combined the Penton products and people with the Informa products and people and what that equates to is really, really enhanced market power both from the buyers and the suppliers in these markets. And where are we on this process? The management organisation is in place, administration and support functions are in place, systems are working and in process and so we are operating as one company now and very soon we can say this is a done and dusted process but importantly we're active in the market as one enterprise across these verticals.

So the organic growth strategy for the Penton plus Informa business as I said before is exactly the same that we've been delivering in the other verticals over the last couple of years with the cross selling across borders, with the cloned or geo adapted events elsewhere in the world in the categories where we have physical presence, operationally we've streamlined, showed support. We've already



renegotiated vendor contracts for venues and general contractors and lodging, hotel management. The tools, the technology tools that we use to support are highly effective now so things are moving along at pace.

So where are we now? This is really what makes up Informa's Global Exhibition business. We have all the attributes and we benefit from the attributes that drive our market making role and these are high product innovation, driving marketing spend, fragmentation, high value added markets, international presence and the underlying growth of our markets. In some measure we benefit from all of these in the verticals that we concentrate on that you can see outlined across the bottom of the page here. And we have been and our goal is to continue even at the scale we have now, to grow faster than a very robust industry. And I think that, I hope I've shown you why I think I have confidence that we have the resources and customer dependency that can help us do that.

And to give some real concrete flavour to that, that's a mixed metaphor, why don't I hand the podium over to Fred Linder who is going to walk you through our - I'll set you up, it's an amazing business this Health & Nutrition business and I think you'll enjoy Fred's presentation. Thanks.

Health & Nutrition Vertical

Fred Linder, MD, Global Health & Nutrition Network

Thank you Charlie. On the home stretch here. Thanks for hanging in there with us. My name is Fred Linder; I did come from the Penton side. I've known Charlie for about a dozen years I think prior to that through being part of the trade show community and have been welcomed in and I'll echo what Kate said. I'm usually on the acquiring side, not the acquiree side. I will say that the welcome and the manner in which we have been integrated from Penton makes me feel like I've been at Informa forever and it's a nice attribute to be able to come into a company and feel that way so I think that's worth mentioning. I think there is a great capability to do acquisitions speaking from somebody who was acquired.

Talk a little bit about the Health & Nutrition vertical. It is a very attractive segment based on a number of different growth factors. Consumer demand for healthy products is increasing pretty much on a global basis. We're focused on the B2B side of that which generally makes it a little bit more contracted and easy to work with. It is a highly fragmented market which as a trade show organiser we really like, and a lot of that fragmentation is driven by a very low barrier of entry which sparks a lot of innovation. So there's a lot of need to see and touch and feel and eat quite frankly the product so it's a category that suits itself very well to in person events. There's also a regulatory driver that is pretty consistent in the world over, the UN just declared this next ten years the decade of nutrition which I think you'll see funding by individual countries that will also help support the growth of this industry. These are mutually exclusive or unrelated areas but toast is falling butter side up as I like to say and that's helping us to grow from various different perspectives.

If we looked at what the market is in terms of the tipping point, that's a little bit where I was talking about, greater awareness, and there really is a global awakening to personal health and that's a big driver for us as well. We operate the groups in two distinct areas, the Virgo business which was acquired a few years back is predominantly in the ingredients space as is the Vitafoods business. The New Hope business based out of Boulder is more in the finished goods but obviously the finished goods are driven by what's inside and there is a greater need and demand for more transparent and healthy nutrition ingredients which fully leads to the finished goods products.

If you look at where we have seen and we talked a little bit about being in the market, we get a really good look at what's coming up if you go back to maybe the '90s, it was things in the supplement space like ginkgo. Five years ago it was things like anything coconut, nobody had had coconut water and now it's coconut everywhere. I think the topics that you really need to look at now are protein based from the very esoteric to cricket protein but to any kind of protein diets, that's where we're



seeing the market growing and the demand for the supply chain all the way to the consumer and we kind of have that covered and there's really nobody else that has that part covered.

The growth rates for the natural products industry is, and it varies depending on where you go, I think 6% frankly is conservative, that's not the growth rate for Informa. I'm not doing my budgets here but that is the growth rate for the industry and I think we'll see that potentially be even north of where we are.

As consumer demand grows one of the things we've seen on the finished goods side is the demand for transparency in terms of where products are coming from and where the number of touch points are. That is not quite there on the ingredients space but we think of that as white space in the ingredients space.

Growth drivers, as I mentioned fragmentation. Global market. I don't think the demand for global and healthy products was quite there a decade ago but I think in developing countries it's more about feeding people and nutrition, but I think you're seeing a bunch of things come together that focuses on really nutritionally based and healthy products, depending regardless of where you are as a developed nation. Rising demand for healthy, transparent food supply I mentioned a little bit.

A couple of drivers to think about that you've probably all heard about or if you look in your cupboards or your refrigerator, clean label, natural organic, free from which includes things like free from sugar, free from meat, gluten, GMOs, and then I think you're looking at the failing trust in some of the larger brands. Golden rule is see who's got the gold rules and you're seeing some of the mainstream companies' CEOs being exited and valuations going down in some of the mainstream foods. They're actively doing two or three things. They are actively purchasing brands that are in the natural space. They're redeveloping their current brands and formulations. There's some pretty good examples over the last couple of years of Kraft taking out trans fats and so they're slowly catching up, but they're also investing in smaller companies through investment funds, Nestlé notably, Paine. A number of them have companies that they're investing in, basically taking a first right of purchase down the road so it's a pretty robust and engaged community in terms of what's happening on the mainstream.

Anecdotally when I started in the business 20 years ago there was a huge food show called FMI, Food Marketing Institute that was based in Chicago that's essentially out of business because I think they kind of missed this natural piece. And not unlike some of the more mainstream companies not having caught onto that has put them in a very difficult situation in terms of what they have been doing.

Again public policy I mentioned already in terms of with that I think there is funding that comes from that.

This is a bit of a what the look of the business is right now in terms of the size. I think the one thing that's not on here is it's about 8,000 distinct customers that we're doing business with currently. And again a dual approach with finished goods versus ingredients. Ingredients is a much more global business if you think about where people are sourcing from. Our strategy going forward with combining the finished goods with the ingredients is we will lead with the ingredients side of the portfolio as it is a bit more ubiquitous and global. Finished goods tends to be a little bit more regional and culturally based if you think about what people eat in different areas. Once you have a beach head if you will on the ingredients side then you would come alongside with the finished goods. We have the connections and the contacts from a customer perspective, and as Charlie mentioned obviously we have the global infrastructure which is something that Penton did not have. So there are no lay ups in business anymore but I would say that being able to plug and play or lift and shift some of these concepts on a global basis from a growth perspective, I hate to say the word easy but I think it's a pretty direct path to what we're able to do with the power of the three groups combined. And when I say three groups it's the Boulder based group in New Hope, the Phoenix based group which was Virgo and then the London based group which is Vitafoods.

In terms of specifically looking at growth one of the things, and it's sort of interesting coming in as the acquiree but acting almost like an acquirer and merging these three businesses together, normally when you do that it's because something is broken. This is a situation where clearly nothing was broken, each of the three businesses were doing really well and so I think there was a real emphasis on trying not to disrupt the business while at the same time bringing them together. Point number two, trying to bring this into a unified leadership. We did execute on that last week and we now have a single team that is running the three groups which I think was met with obviously some pain but also with great optimism in terms of being able to go to market as one strong market maker in the natural foods business on a global basis.

We want to - we talked a little bit about this as related to Ag actually, further increase and address the full industry value chain and deliver solutions to customers on a global basis. Everybody eats and so there is a need for better and more nutrition and a desire from a customer perspective. So we see that as another growth driver. Mentioned a little bit point number four in terms of we now have the infrastructure in order to be able to do that, that was never the case with Penton and I think if I reverse engineer into Informa without a finished goods again sort of farm to fork concept, this is going to be a much more powerful proposition to the industry to be able to do that on a global basis.

The digital strength and I think a lot of that is you heard about it in K&N and you heard about it in BI, we're subject matter experts. We're not in the business of selling square metres of cement on the floor. We lead with content and have a seat at most tables when it comes to legislative agendas or trending. And that is done through mostly digital. There is some print but mostly digital properties that allow us to be with the customer and really understand what they're looking to do. I think being in the business of exhibitions for the sake of selling square feet of cement, not super exciting but I think what brings us power is that we are a market maker. And it's interesting, the language has been a little bit different in terms of what were drivers in Penton and Informa but the concept is exactly the same. Charlie refers to it as a market maker and one of the first conversations we had was about that. I think New Hope and the other two businesses have done a really good job. We talked a lot about we've got to be in the business rather than on the business. And I think all three of the brands if I look at New Hope, Vitafoods and the supply side brands are specifically known in the Exhibitions business for being very close to their customers and really understanding and understanding the market. I think that was it on that.

Highlighting a little bit of what we do with Natural Products Expo West, I think you're also looking at a younger demographic and the experience part of it is a really important part. I sometimes looked at Expo West as a phenomenon. Sometimes that is a reference to something that's gone completely out of control and it may feel like that. It's very much a controlled business in terms of what we have but we have 80,000 attendees that descend on Anaheim in over five days. Some of our biggest challenges are things we don't necessarily control but we meet with the Uber and the taxi folks to try to get people moved in and around the city because we're bringing in a city's worth of people in there. It is a must attend event if you're in the natural products industry. We've seen really good growth from that and very serendipitously we were not unlike the Arab Dubai Centre. We were up again a wall bound situation and the expansion of the Anaheim Convention Centre will be complete by the time we get there in March of 2018 and the presales on that look very strong. It is the largest brand in Health & Nutrition; I think it's the largest brand in Informa as well quite frankly. Just in case anyone was asking.

[Laughter]

I think it's by about this much so we've got our work cut out for us. In terms of the experience that we want people to have, we really want them to just be in there. We have the largest food and beverage bill or benefit to the hotels there. A lot of the meetings take place in the hotels there. It's a good drinking crowd and a good eating crowd, that is what they do, not necessarily the drinking but that happens too. In terms of the experience that we want them to have we've been very creative with things in terms of the sponsorships. We have a 7am yoga that is attended by hundreds. We sell flash mobs as sponsorships to try to cut through the 80,000 people in there. The fact that it's so



strong and our ability to sell against ourselves to try to get that exposure to those companies, we've done really well to drive incremental revenues from that perspective.

Somebody mentioned the bands in Boston. That's actually something that we sell as a sponsorship where a number of the companies have musicians in them and I think Clif Bar some of you may know, they brought their folks in and all their employees and we sell them the opportunity to have their own internal party with their employees being in the band so to speak.

With that I think the best thing to do is to get you the full on experience if you want to roll the video.

Video Playing

Important to note that the actors in there were employees, the exhibitors were real exhibitors and thank you to Kate from the marketing services team for producing the video. Lastly kale is pronounced with a silent K after five o'clock.

[Laughter]

Charlie I think you're up.

Future Growth and Opportunities

Charlie McCurdy, CEO, Global Exhibitions

Well thank you very much Fred. I think that you maybe see there's no more fun way to make money than the Exhibition business - legal way yeah.

[Laughter]

We're all above board believe me. Anyway thanks very much Fred. I think that gave you a really first-hand view of what drives a great Exhibition business.

So I won't spend a lot of time on this wrap up slide. There's just two things I want to say and it's all based on for the last 30 years I've seen my job as creating value in the media and events space. And that's what we're trying to do right now and with all the people we have in place, the products, the capabilities, the dimensions we're adding to even as the scales they continue, one grow faster than a great marketplace, the great industry, and two lead the industry in the margins in doing that. That's all we're trying to do and if we can do that I think we'll keep people like you very happy. Thank you.

Stephen A. Carter, Group Chief Executive

Thanks Charlie, grab a seat. Could I ask Annie and Andy and Patrick to join me on the stage, do you mind?

I'm just going to wrap up very quickly. So I hope you've got a bit of a sense, as I said at the beginning the purpose of today wasn't to put out any new numbers although I noticed in the first Q&A we tried to get nailed on guidance change. There's no change to guidance, we're not issuing any new numbers. What we're trying to do is give you a sense of the depth and the knowledge and the expertise, what Fred describes as the subject matter expertise within the business.



To give you detailed specifics on where we are on the Penton integration which we feel pretty good about where we've got to and specifically in the three businesses that we focused on today. In GE which we finished on, our newest business if you like, give you a sense of how proud we feel about where we're going with that business and what we think the future potential is. In K&N which has been if you like our oldest business in a way from an Informa perspective but the one that's going through the most change. We feel it's getting to a steady state and the question is where to from here? And in BI which was our most troubled business this is a business that's now steady, has a very clear view about what its path to growth is and is focused on building depth of expertise in the - where the growth vectors are in the end markets that we operate in.

We haven't got into depth on Academic Publishing but as this slide here seeks to simplify this really is the simplest summary, we use it internally, we used it at the AGM for those of you who followed that, as to what we've really been doing in these four businesses over the last three or four years. And the future plan is to then turn that activity into delivery and we're giving you a sense of what some of that delivery looks like in three out of the four businesses. The thing that's common to all of them in the centre of the slide, we have been and probably will remain focused on growing and deepening our position in the United States of America. I increasingly spend more and more of my time in the US and I think that's likely to continue. We see ourselves increasingly dependent upon data whether it's data analytics, whether it's pricing data, whether it's customer preference data, whether it's customer usage data. You can't run one of these businesses on a simple cash out at the end of the year and make sure you hold your earnings. If you're not investing for future growth you're going to be going backwards and so data is going to remain an increasing and important part of the business.

People, ours is a people business. The other purpose of today was to give you a chance not just to listen to myself and Gareth or indeed even Richard although we've managed to keep him quiet all day, but when we get into the Q&A and the questions get tricky they'll all go to him. But to give you a sense of the people who are actually running the business in depth, and a feel for the subject matter and category expertise that we benefit from across the Group.

I hope it's been useful. I can tell that there is an almost unabated enthusiasm to get your hands on the cricket protein sandwiches that we've provided - not. But let's take some questions and then we'll break and mingle for lunch. So let's kick it open to questions.

Questions and Answers

Ian Whittaker, Liberum

Three questions please. First of all just going back to Knowledge & Networking sort of in terms of the cleaning up of that portfolio. So it sounds as though from what you were saying you've got three verticals there where there's very good growth, sort of they seem attractive longer term and yet when you look at sort of as it were the guidance that we seem to have in terms of the steady state it seems to be sort of steady revenues which is sort of a little bit of a disconnect there with the growth in the underlying industry. So just wondering if you could sort of just give us a bit more of clarity on why you've actually gone for that given the attractiveness of the industries underneath?

The second thing related also as well on K&N, again if you look at the exhibitors as a percentage of revenues is quite low at the moment. If you could give us a bit more clarity again on how you see that moving forwards?

The third thing in terms of events. Obviously you've greatly expanded the percentage of your Group revenues that have come from events over the past couple of years but could you give us an idea just in terms of your thinking on a medium term view sort of where you see things going with events?



Obviously the organic revenue growth is very good but just thinking in terms of acquisitions. You said you were in a top three at the moment, would you like to as it were approach someone the size of Reed Elsevier and if so which geographical locations are you focused on?

.....

Stephen A. Carter, Group Chief Executive

Okay let me maybe cut into the last of those and then Andy and Charlie if you want to come in on the specifics.

I think as far as the Group is concerned we've never had an ambition, well we've certainly never had an objective, for size for its own sake. I think in the Exhibitions industry and maybe Charlie can come in on this, there is a certain boxing weight you need to get to, particularly on the kind of vendor management side, general contracting, the kind of face to face capabilities you have on housing and registration costs, travel commissions etc. And my sense certainly is in two of our markets by geography, the United States and the Middle East and Africa we feel comfortable as to where we are. I think we could have a bit more scale in China and Asia if we could find it at the right price, and more importantly in the right markets.

But I think we are confident in our future organic growth rates in Exhibitions and we are open to further acquisitions if they fit with our portfolio. And the comment that Fred and to a degree Kate made although Kate's comment wasn't specifically related to Exhibitions, we put a lot of store and I've talked about this before, I talked about this when we did the Hanley Wood acquisition, again when we did Penton, we put a lot of store behind cultural fit. You know my experience in a number of different businesses, actually acquisitions rarely fail because the numbers don't add up, they fail because the culture doesn't work. And if you get the cultural fit wrong you're in a kind of downward spiral of trying to rewrite the numbers. And so obviously you want to get something that fits in your portfolio but you also want to get something that you feel is additive to your business and you can be additive to it. So I think that's our thinking as it relates to future growth in Exhibitions. Charlie do you want to come in on that?

.....

Charlie McCurdy, CEO, Global Exhibitions

Yeah just briefly. Our job is to create value by creating a better experience for customers. If we can do that organically that's great, but one of the features that I didn't get into, that you may be familiar with was the barrier to entry in the Exhibition business does mean that in certain parts of the world in certain verticals to get a presence we do need to acquire and in doing that to increase the level of service. We're ready to take it on.

.....

Stephen A. Carter, Group Chief Executive

On the K&N questions, I mean the reason why maybe it's a once bitten, twice shy, I mean this is a business that's been declining for some time so A, we're not seeking to issue new market guidance, B, you know we're not printing out ambitious growth numbers for this year or for next year. The task for the team was very clear from the very beginning. I think we've been transparent about that. It was always going to be in a positive sense the last taxi off the rank on the growth track. We feel good about the direction it's going and we'll see where it ends up going into '18 and '19.

As Andy said I think the margin will improve assuming we can finish the job we've done on tidying up the portfolio so you'll see a natural improvement in the margin. But on the revenue I think that's what I would say. Andy I don't know if you want to give some more colour?

.....

Andy Mullins, CEO, Knowledge & Networking



I think the problem with the conference business, when you start with very little data and insight it takes about 12 months to learn the real health of an event, what's working, what's not working. So it takes a while to improve the events you have within your portfolio as well as taking out the things that aren't working. But the things we've started from scratch we're really, really pleased with, they're performing very well. And we're really scraping out all of the underperforming ones as we discover what's the problem, is it customer retention, is it attendee satisfaction. And we've got full data now; we've got a full year's data for the first time now for year on year which we never had before so it's going to take a while. So if we decide to change an event now today it may take until 2019 before that event comes through and performs across all key criteria. The bit about adding exhibitions I think was the point, it's quite interesting. Our Commercial Directors that run in all the verticals actually come from telecoms and telecoms has a very high exhibition revenue. So we have capability and skills which are transferring across the verticals so some events are now adding in conference content, some are adding in exhibition revenues but it's the start of a journey. It takes 12 months to get that in as I say. So it's going to take a while but it's a nice start.

.....

Stephen A. Carter, Group Chief Executive

Thanks Andy.

.....

Nick Dempsey, Barclays

Two part question on margins. So just going back to what you said about BI margins, I want to try and understand when you said that they might go down this year did you mean on an underlying basis because it's a complex thing right, you're including Penton businesses inside BI now and then you've got Penton synergies on top. Did you mean underlying all of that when you talked about margin?

And then a kind of similar thing for the Group that when you're talking about these aspirations for margin divisionally am I right in thinking you're not really including in that the synergies from Penton this year, so mix effect benefits? In other words Group margin could still go up in the short term?

.....

Gareth Wright, Group Finance Director

I think when we're talking about that you're right, the question we're trying to answer is a question of at what point does the revenue growth that the Group is achieving post the Growth Acceleration Plan reach a scale where the operating leverage begins to have a benefit on the margin? That's kind of the question we're looking to answer in the slide I put up earlier, and that's the question that Patrick was kind of answering when he was talking about BI specifically. So the answers that we've been giving you are looking at it from that angle.

If you then overlay the Penton businesses on top of it and specifically the Penton synergies that come, that's a slightly different angle and that's where you would start to see the margins tick up earlier. So for example take the BI example that we were looking at. BI fundamentally the operating leverage starts to have an effect maybe in '18, certainly in '19. But if you bring into it the Penton business and you bring in the Penton synergies the BI margin does improve in '17. So it depends kind of which angle you're asking that particular question from. And the slide that we put up earlier that I spoke to was certainly in terms of just the like for like revenues and when the operating leverage benefits the numbers.

In terms of the Group numbers overall, you know we'd say in the mix on the Penton businesses and Penton coming in and the synergies that will not be dilutive certainly to the margins in 2017. But really I think the margin uptick overall for the Group on the whole probably comes in more in '18/'19. So I think in '17 what you're going to see is a bit of benefit from Penton in the BI numbers, probably



less so in the GE numbers because the GE margin was already a pretty good margin with the Hanley Wood and Virgo businesses in there. And AP and K&N sort of largely stable is what you'd see year on year.

.....

Stephen A. Carter, Group Chief Executive

I'm glad you answered that Gareth because I really mucked that question up when Nick asked me last time.

.....

Will Packer, Exane BNP Paribas

Could we touch on the Academic Books business a little bit? You had your trading update recently where you talked about still tough trends but some plans for disposals within that part of the business. Could you kind of outline for us what is going to be disposed of and what your plan is to dispose of elsewhere within the Books business and the performance of the remaining bits of the Books, the monographs etc.?

And then as a kind of second question, in terms of the Exhibitions business for Charlie just to think through what factors can determine and will drive your outperformance versus industry growth rates? You've significantly outperformed in the last three or four years, what factors should we think about when we model our future years as to whether you can sustain that outperformance, how would you think about that? Thanks.

.....

Stephen A. Carter, Group Chief Executive

There's a little bit of me is tempted to throw that question on Books to Annie but that would be harsh, although she's welcome to come in if she's got an answer.

.....

Annie Callanan

Give me a business card first and then...

[Laughter]

.....

Stephen A. Carter, Group Chief Executive

That's fair. Look we're not going to give any - I'm not going to tell you anything we haven't already told everyone. I mean our view on Books hasn't changed from when we did our trading update which was not so long ago. When was that, three weeks ago? You know our Academic Reference Books business is steady. There is a specific portion of that portfolio, the Garland Science business which we are already in discussion with potentially interested parties. And based upon what I know today I'm reasonably confident that that will not be part of the portfolio by the end of the year. As to whether we look at any other part of the Books probably no comment.

.....

Will Packer, Exane BNP Paribas

Just to get an understanding of just how much of the textbooks is going to go as part of the Garland deal?

.....



Gareth Wright, Group Finance Director

It's a couple of percent of Books revenue.

Stephen A. Carter, Group Chief Executive

It's about 2% of overall Books revenue and Books revenue is 245 - 45%. The revenue is 220, that's the number I meant yeah.

Will Packer, Exane BNP Paribas

So it's 2% of that?

Stephen A. Carter, Group Chief Executive

On the why are we growing at a punchier rate than the market in Exhibitions Charlie?

Charlie McCurdy, CEO, Global Exhibitions

I think the short answer is we're better than average.

[Laughter]

That's all you have to be to beat the mean. But I think specifically we have really influential shows in our markets where demand is robust. We are enhancing the capabilities we have to expand the range of services to our customers who are highly dependent on us and we have the resources and capabilities and talent to support that implementation and I would refer you back to the earlier pages of the presentation.

Will Packer, Exane BNP Paribas

So is it more about the actions you take or the underlying markets?

Charlie McCurdy, CEO, Global Exhibitions

I'll give a lot of credit to the underlying markets and the leading events we have in those underlying markets. And then it's our job to boost that and I think that's what we're doing.

Stephen A. Carter, Group Chief Executive

Any other questions?

Chris Collett, Deutsche Bank

Another couple of quick questions. One was just a follow up Charlie on I guess that answer. What metrics do you look at most closely within the business and how do you - are you confident that when an underlying industry is no longer a growth industry that you've spotted that in time to take corrective action?



And then second question was a question for Annie which hopefully is a fair question to ask, and that is why did you join the business? What sort of mandate were you given to make changes or not?

Charlie McCurdy, CEO, Global Exhibitions

Sure. I guess you're asking about when things aren't going so well what do we do. An attribute from the P&L standpoint of the Exhibition business it's a lagging indicator because of the forward bookings and the forward contracting. By the same token we can see way before an event if demand is lightening up and I remember vividly November, I was just talking to somebody, to Gareth, November 2008 was not a very pleasant time and we were number one in the medical device manufacturing space in America in our trade show business. It was purring along. December 1 came and the order book stopped, and by the end of January we had reduced the workforce 10%, we had cut back on marketing spend and we had a tough year like everybody else but we were ready for it. So we have really, really good visibility ahead of time.

Annie Callanan

A loud American doesn't need the mic. So you asked a little bit about inspiration and so I'll start there. I did spend the better part of a decade and a half around the fringes and in the knowledge economy and so I certainly have a perspective on it. I did leave that market and followed the technology because I have a real passion for the transformational effect of technology on these businesses and I think the time was right to come back. Because as I looked at it from the outside I realised that the publishing industry has learned a lot about what it failed to do probably a decade ago and I think we all understand now that we're dealing with a digital ecosystem and a digital supply chain and a very transformational opportunity to change the way in which we deliver knowledge to people who need it more than they've ever needed it before.

You know in the modern world we're leaving people behind and they're not keeping up. And our academic institutions that are supposed to be enhancing these opportunities and generating a thriving middle class of educational and economic advancement aren't meeting that need. And I think there's an opportunity, maybe a once in a generational opportunity to be a voice and not an echo for a brand that has such an incredible heritage to be able to take that forward and be able to leverage technology in some very new and unique ways to deliver knowledge to the people who have those gaps and can't survive and thrive without them. So I hope that this is a platform where we can do that.

Now for right now the remit is come in, grab the 2017 ball and run with it and deliver, and that's what I intend to do. But while that's happening obviously looking further out, understanding where those opportunities are and really reimagining the business in some new ways while staying very strong and focused on the foundations of the business and what's made it great up until this point.

Steve Liechti, Investec

Just trying to take a step back and listening to the speeches on the K&N side and the BI side, I mean the stories are pretty similar really aren't they? And they're two different businesses almost converging in the middle. So ultimately aren't they the same business really just trying to do the same thing in terms of verticals and stuff like that?

Stephen A. Carter, Group Chief Executive

There's definitely - I mean look we own all these businesses so by definition there's a similarity between all of them. I mean as Annie said I think all of our businesses operate through the lens of specialist knowledge and knowledge advancement, you just do it in different ways through different



products. And ultimately when you're running a business commercially the key is you know how do you organise yourself effectively around your customers and your own markets? And the judgement we made was that there were distinct customers, end markets and buying points, and when we created the four divisions that was why we did it.

I mean you're quite right Steve; we made some slightly depending on your point of view wisdom of Solomon decisions or entirely arbitrary decisions about where do you draw lines. And as I often say inside the company the clue is in the name, they're called divisions and so you have to create some divisions. And some of those divisions are a bit grey at the edges. But at its heart what we've sought to do over the last three or four years is to build highly functional, highly functioning, independent businesses who are more focused around customers, customer data, products and end market specialisation.

The next stage of growth and development for this Group is undoubtedly drilling further down into markets, verticals. Could I imagine a scenario whereby we as a business might take one, two, possibly three or more end markets and create end market based business units? I could but we're not there yet and I think all my colleagues would say we're not a - this is not a comment on me or any other colleague - we're not at an operational level sophisticated enough yet to be able to introduce that level of operating complexity and still deliver the level of commercial performance that we aspire to.

But it's definitely a next generation opportunity for us to drive more growth because there are overlaps and as yet we're not mining those overlaps. And that I think is a promise for the future. But I don't necessarily think it needs us to change the operating model. It might require us to overlay on top of the existing operating model and that requires some system sophistication, it requires a common set of collaboration and values which we're also building as well and maybe you got a bit of a sense of that today. Plenty of companies who do that but I think we've got time to get to that.

Take a final question.

No, okay can I just say thank you very much for coming. I know it's a warm and sticky summer' day. We've taken a lot of your time. I'm sorry if there were too many slides but we were keen to show and tell. There is lunch for anyone who is willing to stay and chat, we'll be here to chat. If you want to grab and go help yourself, otherwise safe travels. Thank you very much.

.....

END

DISCLAIMER

This transcription has been derived from a recording of the event. Every possible effort has been made to transcribe this event accurately; however, neither World Television nor the applicable company shall be liable for any inaccuracies, errors or omissions.

