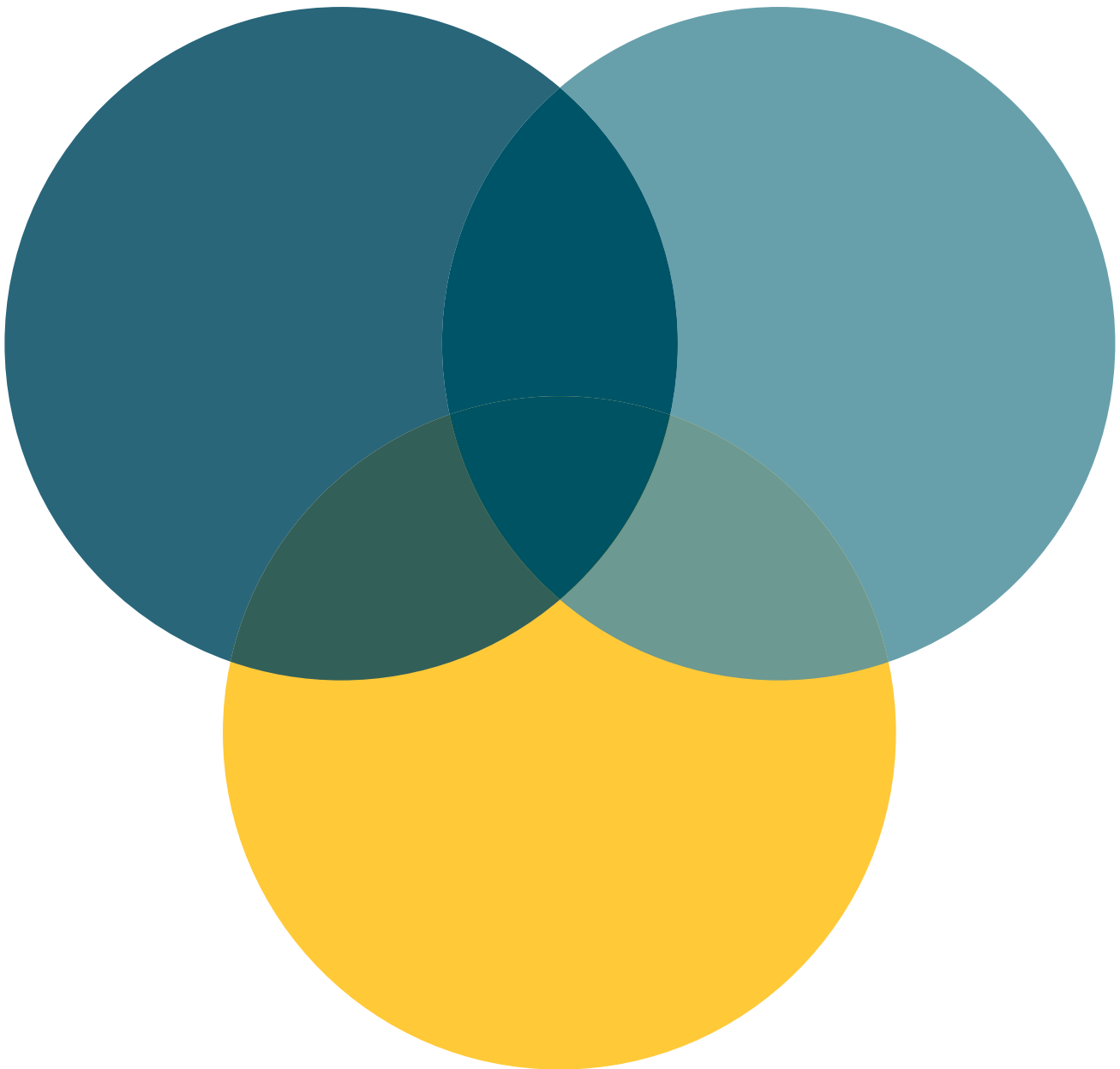


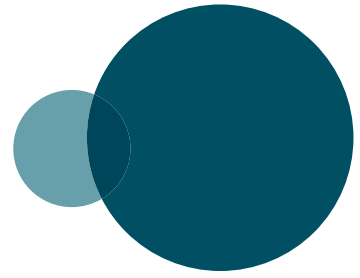
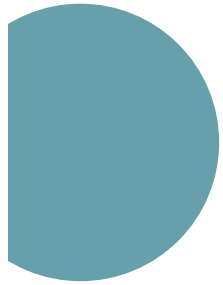


United Business Media

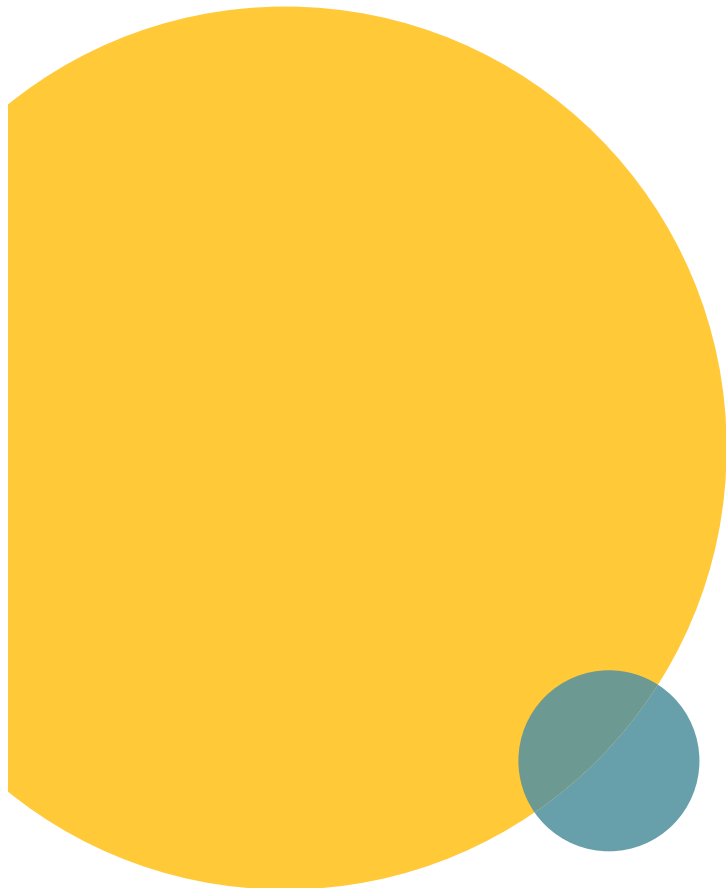
Integrating Media

Annual Report and Accounts 2007





Integrating Media...

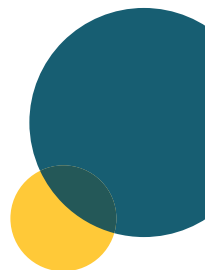


04	Chairman's Statement	44	Board of directors	62	Consolidated income statement
06	Business Review	46	Directors' remuneration report	63	Consolidated balance sheet
06	Strategy and Performance	54	Corporate governance statement	64	Consolidated cash flow statement
14	UBM Divisional Performance	57	Independent auditors' report to the members of United Business Media plc (consolidated financial statements)	65	Consolidated statement of recognised income and expense
16	PR Newswire	58	Report of the directors	66	Notes to the consolidated financial statements
18	CMP Asia			124	Five year financial summary
20	CMP Information			125	Independent auditors' report to the members of United Business Media plc (parent company)
22	CMP Technology			126	Statement of directors' responsibilities
26	CMPMedica			127	Parent company balance sheet
28	Commonwealth Business Media			128	Notes to the parent company financial statements
30	Financial Review			132	Shareholder information
34	Risks and Uncertainties			133	Financial calendar
36	Corporate Social Responsibility			133	Cautionary statement

United Business Media is a leading global business media company. We inform markets and bring the world's buyers and sellers together through news distribution, at events, online, in print and through our business information products and services.

We focus on serving professional commercial communities, from doctors to game developers, from journalists to jewellery dealers, from farmers to pharmacists. Our branded products and services are embedded in the working lives of the professional communities we serve. Our customers trust our brands to inform, educate and to host their professional exchanges.

Our 6,500 people, based in more than 30 countries, work in specialist teams to serve these communities, helping them to do business successfully and their markets to work effectively and efficiently.





- 04 **Chairman's Statement**
- 06 **Business Review**
- 06 Strategy and Performance
- 14 UBM Divisional Performance
- 16 PR Newswire
- 18 CMP Asia
- 20 CMP Information
- 22 CMP Technology
- 26 CMPMedica
- 28 Commonwealth Business Media
- 30 Financial Review
- 34 Risks and Uncertainties
- 36 Corporate Social Responsibility

Section 1: 2007 Review

Chairman's Statement



UBM has a clearly articulated strategy which, at its simplest, is to build businesses which connect buyers and sellers, helping them to do business and their markets to operate efficiently and effectively. Our expertise lies in supporting commercial and professional communities with products that are integrated across different media channels.

I am delighted to report in my first Chairman's Statement to Shareholders that 2007 was a successful year for United Business Media both financially and operationally.

Adjusted continuing group operating profit¹ increased by 11.5% to £166.1m (2006: £149.0m). Diluted earnings per share² (adjusted) increased by 19.4% to 52.3p (2006: 43.8p). The Board is recommending a final dividend of 16.76p (2006: 13.6p), bringing the total dividend for the year to 21.6p, an increase of 20.0% on 2006's 18.0p. During the year a total of £276m of capital was returned to shareholders by way of a special dividend of £200m and £76m by means of buying back shares.

My first duty is to thank my predecessor, Geoff Unwin, for his magnificent job as Chairman over the last five years and as a member of the Board for the previous six years. As Chairman, Geoff oversaw the wholesale transformation of UBM as a company and the creation of significant value for shareholders. I would also like to thank Charles Gregson for the significant contribution he has made to the Board's deliberations during his eleven years as an executive director of UBM, and also for the previous twelve years he served as a director of MAI plc prior its merger with United. Charles will continue to make a major contribution to the company in his role as the Chief Executive Officer of PR Newswire.

UBM has a clearly articulated strategy which, at its simplest, is to build businesses which connect buyers and sellers, helping them to do business and their markets to operate efficiently and effectively. We aim for each of our businesses to be at the heart of commercial and professional communities, providing each community with a rich, tailored and complete range of media products – the 'must attend' event, the 'must read' content, the 'must use' market analysis or business information resource. Our expertise lies in supporting these commercial and professional communities with products that are integrated across different media channels.

¹ Before amortisation of intangible assets on acquisitions, exceptional items, share of taxation on profit from joint ventures and associates, and excluding operating profits of discontinued operations.

² Before amortisation of intangible assets on acquisitions, exceptional items, share of taxation on profit from joint ventures and associates, net financing costs – other than interest and deferred tax on the amortisation of intangible assets. EPS also excludes deferred tax on the amortisation of intangible assets. Diluted EPS includes the impact of share options.

Each of our businesses serves its market in different ways – PR Newswire helps businesses and many other organisations communicate, and increasingly interact, with a target audience. Professional game software developers around the world read CMP Technology's Gamasutra website or Game Developer Magazine, attend the various Game Developer events and use the MyGDC social networking site. Professionals working in the UK building industry read CMP Information's Building magazine or use the Building website to keep abreast of industry developments or to look for a new job. For the jewellery industry in Asia, the dozen Jewellery and Watch shows run by CMP Asia are 'must attend' events. Commonwealth's PIERS information products support the everyday work processes of businesses involved in import and export. CMPMedica's Vidal drug information directory – increasingly a digital product – is an integral part of General Practitioners' prescribing process in many countries.

UBM drives its profitable growth by strengthening and extending its existing brands and businesses into new product and geographical markets. We invest in new product development and in acquisitions which complement our existing products and help our businesses develop their integrated media portfolios. UBM is an increasingly international business, with less than 15% of profits now being earned in the UK. Our focus on international expansion will continue as we seek out opportunities to export our successful products to parts of the world which are experiencing rapid economic growth, particularly China, India and Latin America. In 2008 PR Newswire has opened its first bureau in Mumbai, India and CMP Asia has run its first event in Macau.

UBM's management team, led by David Levin, has been highly effective in devising and executing this strategy. Equally Nigel Wilson is an integral part of that team and has made a great contribution to UBM over the past six years. My Board colleagues and I are delighted that Nigel has taken on the role of Deputy CEO alongside that of Chief Financial Officer.

During the last three years UBM has been transformed to the point where around 80% of our earnings are generated from news distribution, events and data-based products. Much of the structural reshaping of UBM's underlying business has been achieved through acquisitions – since 2005 we have invested

more than £385m in 52 acquisitions, principally of events and data-based business, which generated over £50m (on a pro forma basis) of EBIT in 2007. We have also significantly pruned our portfolio through the disposal of non-core assets, generating £780m since 2005. However, having substantially refocused the business, our disposals activity was minimal in 2007.

In 2007 we completed 17 acquisitions for almost £100m. We will continue to accelerate UBM's development through investing in both organic product development and in acquisitions – aiming to invest £300-£500m in acquisitions during 2008 and 2009. The Board is confident in our team's capacity and ability to identify, close and successfully integrate our acquisitions.

Our balance sheet remains strong with net debt of £157.5m at year end. We returned £276m of capital during 2007 and have set out our intention to return £200m-£300m to shareholders by the end of 2009.

We recognise that one of the most important components of accelerating UBM's profitable growth is how we recruit, develop and retain our key staff, particularly our most talented managers. The UBM Business Leaders Programme is developing high calibre business leaders. In 2007 the Programme had 21 senior delegates drawn from every one of UBM's businesses. Investing in the development of high potential staff is evolving UBM into a more entrepreneurial and innovative company.

UBM has a clear, well-established strategy and a proven management team who are implementing this strategy effectively. UBM will continue the development of its business organically and by acquisition, expanding its core businesses, entering new markets and new geographies. UBM is well placed to deliver another strong performance for our shareholders in 2008.



Chairman
29 February 2008

Business Review

Strategy and Performance



David Levin
Chief Executive Officer

Statutory results

	2007	2006
Revenue	£801.6m	£739.1m
Group operating profit	£126.1m	£118.4m
Profit before tax	£129.5m	£113.5m
EPS	42.7p	50.7p
EPS (diluted)	41.8p	49.8p

³ Adjusted continuing group operating profit is group operating profit before amortisation of intangible assets on acquisitions, exceptional items and share of taxation on profit in joint ventures and associates.

⁴ Adjusted profit before tax and earnings per share is before amortisation of intangible assets arising on acquisitions, exceptional items, deferred tax on intangible assets and net financing costs – other than interest. EPS also excludes deferred tax on the amortisation of intangible assets. Diluted EPS includes the impact of share options.

Results

In 2007 UBM successfully continued its operational and strategic progress. Revenues from continuing operations grew by 8.5% to £801.6m (2006: £739.1m) and adjusted operating profit³ from continuing operations rose by 11.5% to £166.1m (2006: £149.0m).

Adjusted profit before tax⁴ was £170.0m excluding profits on disposals (2006: £160.5m). In 2007 continuing operating margins were 20.7% (2006: 20.3%).

Diluted earnings per share⁴ (adjusted) rose by 19.4% to 52.3p from 43.8p and by 17.4% to 53.4p from 45.5p on a headline basis. On a constant currency basis, the increase in diluted earnings per share was 25.1%.

We ended the year with £157.5m of net debt (2006: net cash £130.9m).

The Board is proposing a final dividend of 16.76p, taking the total dividend for 2007 to 21.6p, an increase of 20.0% from 18.0p in 2006.

Marketplace

The common characteristic shared by all of UBM's businesses is their focus on facilitating – indeed, mediating – professional commercial activity. However each business serves different markets, in different geographies and provides a distinct set of products and services that connects buyers and sellers in different ways.

PR Newswire marketplace overview

PR Newswire operates in the news and information distribution marketplace, a marketplace adjacent to those of UBM's other businesses. Long term growth in this market is supported by the continued development of a globalised competitive environment in which businesses look to communicate their market propositions nationally, regionally and worldwide. In 2007 the volume of industry wire traffic in the US rose by 4.1% on 2006 with just over 500,000 messages being distributed. The US wire market is served by four main players, of which PR Newswire is one, with a marketshare in 2007 of around 40% (in terms volume of messages distributed, as recorded by Factiva).

An important market, one in which PR Newswire has particular historic strength, is regulatory disclosure. Regulatory disclosure is the information that national and international financial regulators require publicly traded companies and financial institutions to distribute quickly and fairly in order to ensure the orderly operation of financial and other markets. As financial markets continue to globalise, the number of companies needing to fulfill the growing obligations for disclosure imposed by market

regulators – particularly via legislation such as the European Union’s Transparency Obligations Directive (implemented from January 2007) – is likely to continue to expand. This trend is further supported by rising standards of corporate transparency and more extensive corporate news distribution beyond strict regulatory compliance. As a result the size of the worldwide regulatory and related disclosure market seems set to grow over the long term.

The different ways in which news can be distributed and the means by which marketing propositions can be communicated are expanding, particularly as online technology develops and broadband penetration expands. This means the news and information distribution marketplace is expanding beyond simply delivering news or marketing messages and instead is converging with markets for products and services used in marketing, public relations and investor relations, particularly for online products and services. PR Newswire provides a range of services in the markets adjacent to news distribution. These include production of online multimedia content, online audience targeting services, marketing effectiveness analytics and interactive services.

These long term structural shifts are changing the relationship between businesses and their targeted audiences, whether investors, customers or employees. The growth in use – and access to – the online environment means that the traditional media are no longer the sole ‘gatekeepers’ of information and insight. Companies can now reach beyond the media to communicate directly with their audiences, worldwide. The experience, expertise and operational infrastructure used to reach the traditional media means news distribution businesses are ideally placed to expand their proposition to help businesses reach the new generation of citizen journalists, bloggers and participants in social networks – especially those built around video.

Other UBM business marketplace overview

UBM’s other businesses – CMP Technology (which was separated into four distinct businesses in February 2008), CMPMedica, CMP Information, CMP Asia and Commonwealth Business Media – operate in the Business to Business (B2B) media marketplace. This marketplace is highly fragmented, reflecting the varied types of products and services, and the range of business models operating and in the market. B2B media businesses range from direct marketing, to media platforms supported by lead generation, display and classified advertising, to information suppliers (directories, databases), through to providers of enterprise workflow solutions.

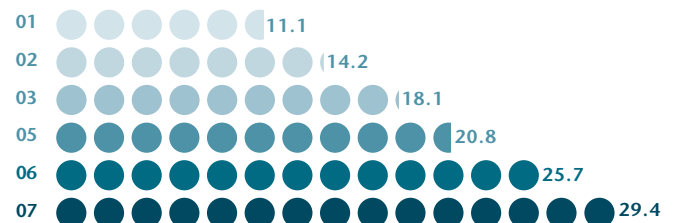
The long term outlook for the worldwide B2B marketplace is positive. Studies suggest that the US B2B market accounts for around half of the global market and is currently worth around \$25bn. The US market is anticipated to grow at about 6.2% per annum for the period 2006 to 2010.⁵ The rate of growth in the emerging economies such as India and China is expected to match their GNP growth rates of 11.8% and 10.6% respectively (CAGR, 2007–11).⁶ However the short to medium term impact of the ‘credit crunch’ on the outlook for growth in the US and other developed economies is currently unclear although stock market expectations are clearly negative.

The changing shape of B2B media Despite the diverse nature of the B2B marketplace and the business models operating within it, there are identifiable, long term, macro shifts which we believe are restructuring the global B2B marketplace, albeit in different ways, at different speeds in different industries, in different places. These shifts include the rapid evolution of the online environment and the growing importance of face-to-face media, particularly as part of an integrated media proposition.

The rise and rise of face-to-face media The desire for buyers and sellers to meet face-to-face continues to strengthen, even as the capabilities of the online environment have grown (see below). The social importance and deeply nuanced nature of face-to-face contact, as well as the highly efficient sales and marketing opportunities, ensure exhibitions and tradeshow events continue to grow consistently across B2B markets and represent an increasingly important part of the media mix into the future. Industry forecasts predict that even in the relatively mature US events market, revenues from events will grow at a compound average rate of almost 6% between 2006 and 2010.⁵

Evidence from UBM’s own experience demonstrates that when a tradeshow event serves the needs of a professional community successfully, it enjoys predictable, consistent growth over many years. The graph below shows the year on year revenue generated by the CPhI event franchise.

CPhI revenue (€m)



⁵ Source: 'VSS Communications Industry Forecast, 2006–2010', Veronis Suhler Stephenson.

⁶ Source: World Bank figures, quoted in 'Global Entertainment and Media Outlook: 2007–2010' by PricewaterhouseCoopers.

Business Review

Strategy and Performance continued

A strategic focus for UBM is the development of product propositions that integrate online and offline media to take advantage of their different – but complementary – characteristics. In particular, UBM is integrating online and face-to-face media products to extend the interactions which attendees enjoy at events into a complementary, online social networking environment that will continue year round, an example being the MyGDC social networking developed for the Game Developer Conference in February 2008.

The advent of online social media, often described as having Web 2.0 characteristics, is giving rise to rich and diverse forms of community-based interactive media models which are changing established relationships between the producers of content and its consumers. Social media not only potentially provide a fundamental disruption of the traditional editorial model of media content creation, but also represent a major driver of change with respect to the practice of marketing, advertising and public relations. UBM's Mass Events Labs, acquired in January 2008, produces innovative custom events (often called 'unconferences') whose agenda is determined by the event's participants, generally day-by-day during the course of the event, rather than by the event's organizers in advance. UBM businesses operate more than 250 events and exhibitions around the world, many of them leaders in their respective markets. Revenues from events and exhibitions grew on a like-for-like basis by 11.8% in 2007, representing 30.2% of UBM revenues (2006: 28.5%).

Development of the online environment The rapid development of the online environment is reshaping aggregate patterns of both content creation and consumption, driven by the increasingly widespread availability of low cost digital technology and broadband internet access. Aggregate advertising and marketing expenditure has followed the audience towards the online environment, resulting in global online advertising increasing at annual rates of in excess of 30% in each of the last three years and is projected to constitute 14% of global advertising by 2011, compared with less than 3% in 2005.⁷

This long term shift creates new opportunities and challenges in the B2B marketplace, as companies adapt to the new patterns of media usage and content consumption by redirecting their marketing and advertising expenditure, as well as exploring the new approaches and techniques of communicating with target audiences that the online environment offers. In the US, online B2B media revenues are predicted to grow at a compound average rate of just under 20% between 2006 and 2010 – over three times the equivalent growth rate in the overall market – rising to an estimated 16% of the market's total revenues by 2010.⁸

The sophistication of products and services that can be offered in the online environment is growing rapidly and, as technology

continues to advance, the online environment will be able to offer new forms of engagement between businesses and their audiences, creating new opportunities for B2B media businesses. An example of this is UBM's TechInsights Studio (formerly How Machines Work) which designs and develops bespoke 'immersive' online environments, such as games. TechInsights Studio products are most frequently used as a component within broader marketing campaigns that use other, complementary, UBM media products.

UBM has developed products that take advantage of virtual online community environments such as Second Life, for example to host conferences and seminars. Virtual environment technologies are also enabling rapid innovation in areas ranging from recruitment fairs and online marketing to workplace training.

UBM businesses operate more than 330 websites and online services, using varying business models. In 2007 UBM revenues derived from online businesses grew by 10.0% on an underlying basis to account for 5.6% of overall revenues.

Workflow and data-based products Workflow products that rely on subscription data are increasingly embedded in the working lives of professional communities which use them to support decision-making and other day-to-day business activities. Increasingly powerful – and economically accessible – business computing is allowing more and more organisations to access, store, manipulate and analyse more commercial information as part of normal business practice – the workplace is becoming ever more information-intensive.

The market for information offered both online and in the form of print is likely to see continued growth. Licensed and subscription-based products that are embedded into business practices offer a high quality and predictable revenue stream for media companies providing them. Studies estimate the business information market will grow at a CAGR of 5.8% 2007–2011, from \$84bn in 2006 to \$111bn in 2011.⁹

In 2007 UBM derived 19.0% of its revenues from data-based products (including workflow products such as OAG's online travel information service and print data products such as the Vidal drug information directories).

The future of print It is clear that in developed economies with high levels of broadband penetration there is a structural shift away from printed media and towards more and more content being consumed via online media. As a result aggregate marketing and advertising spend in B2B media is expected to be redistributed away from print and towards online media, events and data products. While industry forecasts for the US market predict that print revenues will grow at a compound annual rate of around 3% between 2006 and 2010,⁸ growth in the markets UBM businesses serve is likely to be lower.

⁷ Source: 'Global Internet Advertising Market' in 'Global Entertainment and Media Outlook: 2007–2010' by PricewaterhouseCoopers.

⁸ Source: 'VSS Communications Industry Forecast, 2006–2010', Veronis Suhler Stephenson.

⁹ Source: 'Global Business Information Market' in 'Global Entertainment and Media Outlook: 2007–2011' by PricewaterhouseCoopers.

Nonetheless print still has a significant role to play in B2B media. The printed page is a unique media form that allows for browsing and association that has not yet been reproduced in online formats. The reader of the printed page – in the hands of a strong editor – can allow themselves to be guided towards ‘unexpected’ content with confidence.

Print has a set of unique characteristics that make it preferable for certain demographics. For example print products are particularly useful for those who do not work in a fixed location with access to a PC with a broadband connection, such as professionals in the building industry. In economies where broadband infrastructure is less well developed and computer technology is less pervasive, particularly in emerging economies such as India, print media remains an attractive growth market.

In 2007 UBM businesses published more than 200 magazine titles which generated 27.5% of revenues, compared with 36.3% of revenues in 2006.

Strategy

We aim to develop UBM as a set of focused, profitable and growing professional B2B media and service businesses that connect communities of buyers and sellers across the best possible mix of complementary media – integrating online, events, print and news distribution – by helping them to do business and their markets to operate effectively and efficiently. This is how UBM aims to create long-term value for its shareholders.

UBM’s strategy to achieve profitable growth explicitly recognises the macro changes taking place in the marketplace, especially those driven by the digital revolution. In particular, UBM seeks to take advantage of the fragmentation of broad media markets into many smaller markets that address narrower, more specialist communities of interest. Each of the businesses we are building aims to stand at the heart of a specific, business-to-business, professional community of interest, offering a portfolio of media products that serves the needs of that community’s buyers and sellers.

Each UBM business aims to drive its profitability by owning a portfolio of complementary premium media products – the ‘must attend’ event, the ‘must read’ publication or ‘must use’ website, the ‘must have’ information resource or workflow product – within each community of buyers and sellers we serve. We look for opportunities to integrate our products and services across these different media. Premium media products connect more buyers and sellers than other products, giving buyers the greatest choice and sellers the best prices. These media products command a premium for advertising space, information and analysis, and for making face-to-face introductions at events.

2007 Performance

The following sections set out UBM’s essential strategic priorities and review UBM’s progress in meeting them during 2007:

Strategic priority 1:

Delivering shareholder returns Creating long term value and generating returns for shareholders is a fundamental strategic priority for UBM.

2007 achievements In 2007 UBM achieved a strong financial performance, delivering continued excellent growth in returns to shareholders.

UBM grew its adjusted diluted Earnings Per Share by 19.4% to 52.3p (2006: 43.8p) and adjusted Earnings Per Share¹⁰ by 17.4% to 53.4p (2006: 45.5p).

In 2007 UBM’s Total Shareholder Returns were at the median performance among UBM’s group of peer companies. In the longer term three year time horizon, UBM’s Total Shareholder Returns performance for the period 2005–2007 ranks fourth against its peer group.

2008 and beyond Achieving superior Total Shareholder Returns remains the key strategic priority for UBM and the Board continues to use it as one of the key performance indicators to assess the successful implementation of UBM’s strategy.

Strategic priority 2:

Ensuring a balanced media portfolio To position UBM’s businesses to take advantage of shifting patterns of market growth, media consumption and advertising spend, a key strategic priority of the last several years has been to rebalance UBM’s aggregate media portfolio towards events, workflow and data products and towards online media. The aim is to direct UBM’s businesses towards markets which offer higher growth potential, more visible revenue streams, more predictable profitability and which will prove sustainable into the future as the digital revolution advances. As well as acquiring assets and businesses to accelerate the rebalancing of UBM’s media portfolio towards growth markets, UBM constantly reviews its existing businesses to assess their strategic fit.

¹⁰ Before amortisation of intangible assets on acquisitions, exceptional items, share of taxation on profit from joint ventures and associates, net financing costs – other than interest and deferred tax on the amortisation of intangible assets. EPS also excludes deferred tax on the amortisation of intangible assets. Diluted EPS includes the impact of share options.

Business Review

Strategy and Performance continued

2007 achievements In 2007 UBM continued to rebalance its media portfolio, principally through acquisitions and by launching new businesses, as well as through asset and business disposals.

Revenues	2007	2006
News distribution	£141.1m	£129.9m
Events	£242.1m	£220.4m
Online	£45.3m	£42.5m
Data	£152.6m	£90.5m
Print	£220.5m	£275.6m

2007 saw the proportion of both revenue and profits generated from non-print sources continue to expand over the prior year.

News distribution continued its revenue growth relative to other media types, growing to 17.6%, thanks to another excellent performance by PR Newswire both in terms of revenue growth and in margin improvement. The business also made a number of acquisitions during the year.

Events also continued to generate a relatively larger share of revenue, growing to 30.2% during 2007, driven by the launch of new events by UBM's existing businesses and also by the acquisition of events during the year.

The proportion of revenues derived from data-based products (including online workflow products and print data products such as directories), grew 41.7%, reflecting the acquisition of Commonwealth Business Media in 2006.

The proportion of revenues attributable to advertising-based magazines fell from 36.3% in 2006 to 27.5% in 2007 with revenues from continuing print titles declining.

2008 and beyond In the course of the last three years UBM has made significant progress on this strategic objective and, taken in aggregate, the distribution of UBM's activities across media types is now more appropriately balanced. UBM's strategic objective remains to rebalance its aggregate business portfolio towards product and services that enable UBM to accelerate its rate of revenue growth and to improve the quality and predictability of its earnings. In 2008 and beyond UBM will seek to continue to generate a greater proportion of its revenues and profits from events and from intellectual property-based (data) products and services.

Strategic priority 3:

Making acquisitions to drive profitable growth in a restructured media portfolio UBM has developed industry-leading experience and expertise in selecting and completing acquisitions efficiently and effectively. UBM is also highly practised in managing the process of financial and operational integration, post acquisition.

To make sure that acquisitions contribute to UBM's continued profitable growth, UBM maintains strict financial discipline in assessing potential acquisitions. UBM targets an 8% post-tax return on capital for acquired businesses or assets in their first full year of ownership.

UBM carefully monitors the progress of acquisitions in terms of their contribution to UBM's profitability, using pre-tax return on acquisitions as a key performance indicator.

2007 achievements Acquisitions and disposals are a key means by which UBM has accelerated the rebalancing its business portfolio. In 2007 UBM invested £93.7m in 17 acquisitions¹¹ (2006: £163.0m in 18 acquisitions) and in 2006 disposed of businesses and assets for a total of £60.2m.

All of the acquisitions made in 2007 were 'bolt-on' acquisitions intended to complement existing market positions and to provide enhanced growth opportunities for existing UBM businesses. The acquisitions were principally of event, online, news distribution and data businesses.

Acquisition summary table:

Business	% shareholding	Type	Country of Operation	Acquiring business	£m invested ¹¹
Vintage Filings LLC	100	News distribution	US	PR Newswire	£26.3m
Semi Conductor Insights	100	Data	Canada	CMP Technology	£16.9m
Ithaca	100	Events	UK	CMPi	£14.2m
Physicians Practice LLC	100	Print	US	CMPMedica	£9.0m
Quest Media	100	Events	UK	CMPi	£4.9m
Portelligent	100	Data	US	CMP Technology	£4.8m
HispaniMark	100	News distribution	US	PR Newswire	£4.2m
Intermodal	100	Events	Brazil	CMPi	£3.4m
Notilog	100	News distribution	Brazil	PR Newswire	£2.9m
Guangzhou Beauty Fair	27.5	Events	China	CMP Asia	£1.8m
Decorex	100	Events	UK	CMPi	£1.3m
eXalt Solutions	25	Online	US	CMP Technology	£1.0m
Energy Solutions	100	Events	UK	CMPi	£0.9m
How Machines Work	100	Online	US	CMP Technology	£0.9m
RISI (partial acquisition)	2	Data	US	UBM	£0.5m
APP Guide	100	Data	Australia	CMPMedica	£0.4m
EU Consulting	100	Data	Germany	UBM	£0.3m

¹¹ Amount invested includes estimate of potential earnout, but excludes deal costs.

UBM maintains strict financial discipline in targeting an 8% post-tax return on capital for acquired businesses or assets in their first full year of ownership. We anticipate that all of the acquisitions made in 2007 will meet or surpass our target return rate.

We are proud of UBM's record of generating value for shareholders from acquisitions. In 2007 pre-tax returns on the 47 acquisitions made over the period 2005 to 2007 – a key performance indicator – was 13.1% on a pro forma basis (2006: 11.3%). In 2007 we evaluated more than 100 potential acquisitions, although ultimately we decided not to proceed in transaction processes that ultimately realised in excess of £1bn.

2008 and beyond During the latter part of 2007, UBM announced its updated approach to acquisitions for the next two years. UBM will seek to invest £150m to £250m per year in 2008 and 2009 on acquisitions which help us advance our business strategy. UBM is committed to maintaining its strict acquisition criteria, including the requirement to exceed an 8% post-tax return in the first full year of ownership.

Strategic priority 4:

Driving UBM's profitable growth UBM aims to drive profitable growth by:

- Investing in new product development within UBM's businesses.
- Investing in UBM businesses to refresh and extend their existing product portfolios in order to:
 - enter a new geographical market, for example by launching a new edition of an event that has been successful elsewhere in a fast-growing economy;
 - grow into complementary media, for example by leveraging a strong print position to develop a leading complementary event;
 - create a product for an adjacent market, for example, by creating a website to target a specialist interest group within the broader audience of an existing event, online or print property;
 - making acquisitions to take a leading position in markets offering growth opportunities.

Reflecting the strategic importance the Board attaches to generating profitable growth from internally developed new products, UBM monitors the revenues earned by organic product launches as a key performance indicator of the success of organic growth initiatives.

2007 achievements In 2007, UBM invested in the development of new products, particularly online and event products, across each of its businesses. The majority of UBM's investment is made in small scale development projects that progressively evolve and extend existing products into new markets. However notable or illustrative organic product developments were:

- PR Newswire's MultiVu business (a provider of broadcast and multimedia production and distribution services) grew its revenues in 2007 by over 20% after sustained small scale investment over a number of years. MultiVu is well placed to take advantage of the growing use of multimedia news releases as well as the use of video online for a widening range of purposes.
- CMP Asia extended its development of an integrated, cross-media product portfolio with the launch of two new portal websites in 2007 to complement the Furniture show, held in Shanghai (www.FurnitureInChina.com) and the fine jewellery shows (www.AsiaFJA.com).
- CMPi first invested in launching its innovative RESI conferences for the professional residential property community in 2006: an investment that has been worthwhile with the 2007 event going from strength to strength, as delegate number beat expectations.
- CMP Technology's Heavy Reading is a research and consulting business focusing on the telecoms sector that has been developed from Light Reading (acquired in 2005). In 2007, the business grew 21%.
- CMPMedica launched extensions to its SearchMedica online search product, adding France and Spanish versions in 2007 (www.searchmedica.es, www.searchmedica.fr).
- In 2006 Commonwealth invested in the development of Profiles, a product that leverages its PIERS US import and export information to provide detailed information about a specific company and its holdings, as well as a snapshot of what the company imports and exports, complemented with current Dunn & Bradstreet information. In its first full year in the market this product grew 79%.

UBM's investment in new product development has achieved some remarkable successes, a number of which are noted above. However the success rate for new products developed by UBM's businesses has not always met expectations. Raising the 'hit rate' for new products is a key challenge for the management of each of UBM's businesses.

Business Review

Strategy and Performance continued

Establishing businesses in the fast-growing emerging economies is a key facet of driving profitable growth in the future. Each of UBM's businesses has been tasked with taking their leading brands to these territories. Key geographical expansion initiatives during 2007 have included the following:

- The largest investment in emerging markets by PR Newswire was in Latin America with the acquisition of Notilog. During 2007 PR Newswire also established a presence in a number of other new territories, including Dubai and Russia, as well as opening a new office in Mumbai, India in February 2008.
- CMP Asia leads UBM's business development in the region, supporting other UBM businesses as they develop their activities and taking responsibility for the management of UBM's India offices. In January 2008, CMP Asia launched its first event at the new Venetian Macau-Resort-Hotel venue in Macau. With more than 6,000 visitors and more than 500 exhibitors the event was CMP Asia's largest launch event ever in terms of revenue.
- With its acquisition of the Intermodal South America trade show and the launch of the Food Ingredients event, both in Brazil, CMPi continued to seek business opportunities in emerging economies. CMPi also launched its first show at the Abu Dhabi National Exhibition Centre in December.
- CMP Technology's Game Developer Conference is the largest game industry event in North America. After three years of groundwork, the inaugural ChinaGDC was held in Beijing in 2007. Working with a local partner the event was very well received in the Chinese game development community. CMP Technology also launched its first Indian event in 2007, the Embedded Systems conference held in Bangalore.
- Commonwealth's revenues are earned predominantly in the US and the UK and accordingly the business's management is seeking opportunities in new geographical markets. In 2008 Commonwealth is partnering with CMP Information in developing the Intermodal Latin America tradeshow in Brazil. In September Commonwealth held its first annual Transpacific Maritime Conference in Shenzhen, China.

UBM businesses have been successful in 'geo-cloning' a number of flagship products, notably events, with CMP Asia and CMPi being most successful. CMP Asia's long experience of running events in mainland China has proved key to its continued growth. However UBM's overall experience of international expansion has been more mixed with other markets and geographies proving challenging to enter and achieve profitable growth.

2008 and beyond In 2008 UBM continues to seek to drive its profitable growth by:

- invest in the development of its businesses by making 'bolt-on' acquisitions that strengthen existing UBM businesses and their market positions;
- build its businesses in fast-growing emerging economies, particularly by exporting UBM's successful media brands;

- invest in products and services which provide better quality earnings with greater visibility and predictability, particularly in intellectual property-based data/workflow businesses, rather than those reliant on advertising-based business models.

Strategic priority 5:

People and management UBM recognises that a key element in accelerating its profitable growth is its ability to attract, develop and retain the most talented people for its businesses at all levels. UBM is investing in the development of its company culture to support the evolution of a more entrepreneurial and innovative company.

2007 Achievements We have again placed a high priority on leadership and management development. Our flagship UBM Business Leaders programme aims to develop high calibre business leaders and provides a valuable tool in the succession planning process. The 2007 Programme brought together 21 senior executive delegates from across the globe. These delegates participated in three modules spanning the year and also led business projects pursuing UBM's agenda of strategic innovation. Senior executives sponsored the projects and were closely involved throughout the programme, which culminates in project presentations at the annual UBM Leadership Conference in March 2008. UBM's individual businesses also run their own leadership and management development programmes to help identify, develop and accelerate the careers of our talented people.

UBM works to develop a positive culture which is meritocratic, entrepreneurial and innovative, which values respect and integrity, and which is agile and responsive to changes in the marketplace and workplace. Staff engagement surveys – already in place in many UBM businesses – were extended across the whole of UBM. Information from the surveys was used to produce action plans to ensure that our talent is actively engaged within each of the businesses. For example, at CMPi, feedback from colleagues led to an enhanced performance review process being introduced. At PR Newswire more structured interview and appraisal processes were introduced, using innovative online systems.

Changes to the organisation of UBM's businesses also took place during the year in order to ensure customer-centricity and agility. Towards the end of 2006, PR Newswire announced that it had selected Cleveland, Ohio, and Albuquerque, New Mexico, as the locations for two new Operations and Customer Service Centers.

These centres are responsible for processing news releases for thousands of organisations. The new facilities are part of a larger initiative to deploy technology and organisational strategies that enable PR Newswire to provide enhanced sales, editorial and support services to its customers.

Finally, the appointment of Jennifer Dualier to the post of UBM's People and Culture Director in 2007 ensures that talent management and positive cultural development is given a strong priority and that the Board is actively involved with our work in this area.

2008 and beyond Our strategic priority for 2008 is to develop and weave robust succession planning processes into the fabric of business management practices. We believe this will have a positive impact on our ability to identify strategic capability shifts, and to engage and retain our high potential executive talent.

Key performance indicators

The Board and executives monitor the performance of UBM's businesses continuously using a wide range of financial and non-financial indicators. The key performance indicators by which the Board assesses progress against our strategic objectives are listed below:

	2007	2006
Adjusted Earnings Per Share ¹²	53.4p	45.5p
Adjusted diluted Earnings Per Share ¹²	52.3p	43.8p
12 month Total Shareholder Return ¹³	-2.0%	11.2%
Cumulative pre-tax return on acquisitions ¹⁴	13.1%	11.3%

¹² Adjusted earnings per share is before amortisation of intangible assets arising on acquisitions, exceptional items, deferred tax on intangible assets and net financing costs – other than interest.

¹³ Total shareholder return includes ordinary and special dividends plus movements in the share price.

¹⁴ UBM has adopted a financial target that acquisitions should achieve an 8% post-tax return. This would equate to a pre-tax return of 10% at an assumed effective tax rate of 20%. The return is calculated by dividing operating profit by the cost of acquisitions for the total of the three prior years. Current year acquisitions are included on a pro forma basis to ensure the full year is recognised.

The table above shows the numerical measures used by the Board to assess and monitor business performance. These measures analyse performance against the strategic objective of creating shareholder value and they also reflect the success of UBM's acquisition strategy in financial terms.

The Board does not consider that financial indicators are the most effective way of monitoring and assessing performance against the following strategic priorities:

- ensuring the correct balance of products in UBM's portfolio, both in terms of quality and visibility of profits, and the mix between media;
- growth in new markets and technologies, and in high-growth geographical territories;
- people and management.

In addition to its regular process for project reviews, the Board reviews acquisitions, disposals, new markets, new technologies and new territories on a project-by-project basis. In the Board's view, such an approach is more appropriate than high-level financial measures and facilitates a more efficient and incisive decision-making process.

The Board and executives view UBM's people as key to the success of the business and have a strategic objective to recruit and retain leading talent. The Board considers that there is no suitable key performance indicator to track progress against these objectives effectively, beyond our overall results.

Outlook

Overall we have made a good start to the year. UBM's events portfolio – which is our largest profit contributor – is showing strong momentum. Revenue bookings for our top twenty shows, which generated close to £100m in revenue in 2007, are running more than 10% ahead of 2007. Our recent launches – Web 2.0 Expo, the Macau Jewellery and Watch Show and P-MEC India – are performing strongly.

We continue to invest in acquisitions and in the organic development of our businesses to position them for continued profitable growth, particularly in the fast-growing emerging economies.

The substantial restructuring and development of UBM over the last three years has provided us with much greater predictability and visibility of revenues and profitability. We monitor the progress of each of our businesses extremely carefully and we have demonstrated our willingness and ability to take rapid and decisive action in response to changing circumstances or performance. UBM's businesses are distributed across more than 30 countries worldwide (less than 15% of UBM's profits are generated in the UK) and are active in a wide range of markets and sectors, each experiencing different economic conditions. We anticipate we will generate more than 80% of our 2008 profits from events, news distribution and intellectual property or data-based embedded workflow information products.

As announced in November 2007, we aim to invest £150m to £250m per year in acquisitions in both 2008 and 2009. So far in 2008 we have completed five acquisitions for a total of approximately £25m (including estimated earnouts). We remain committed to maintaining our financial discipline in making acquisitions. We have seen early indicators that sellers' pricing expectations are becoming better aligned with the realities of the current economic climate.

During 2007 we returned capital totalling £276m to shareholders by means of a £200m special dividend and through buying back 10.7m shares. In November we announced that, subject to trading conditions, we expect to return £200m-£300m to shareholders by the end of 2009. Since that announcement we have returned £30.8m through the purchase of 4.6m shares. We ended the year with net debt of £157.5m.

UBM is well placed to deliver another strong performance for our shareholders in 2008.

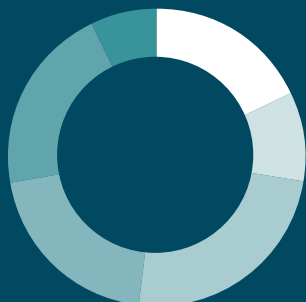
Business Review

UBM Divisional Performance

Total Revenue £789.3m

Revenue by company

- PR Newswire £141.1m
- CMP Asia £76.6m
- CMP Information £192.2m
- CMP Technology £160.5m
- CMPMedica £161.8m
- Commonwealth £57.1m



Total Profit £168.6m

Profit by company

- PR Newswire £49.1m
- CMP Asia £21.0m
- CMP Information £47.6m
- CMP Technology £25.2m
- CMPMedica £18.5m
- Commonwealth £7.2m



Revenue by region

- North America 45.6%
- Europe 16.0%
- Asia/RoW 15.0%
- UK 23.4%



Profit by region

- North America 48.2%
- Europe 19.9%
- Asia/RoW 17.0%
- UK 14.9%



	Revenue				Adjusted Operating Profit ¹⁵			
	2007 £m	As restated 2006 £m	Change (%)	Underlying ¹⁷ (%)	2007 £m	As restated 2006 £m	Change (%)	Underlying ¹⁶ (%)
PR Newswire	141.1	129.9	8.6	6.9	49.1	41.9	17.2	15.4
CMP Asia	76.6	73.8	3.8	10.7	21.0	19.7	6.6	11.4
CMP Information	192.2	169.8	13.2	9.4	47.6	40.8	16.7	2.5
CMP Technology	160.5	179.2	(10.4)	2.4	25.2	21.3	18.9	54.9
CMPMedica	161.8	169.5	(4.5)	(1.7)	18.5	22.8	(18.9)	(16.6)
Commonwealth	57.1	16.9	237.9	6.7	7.2	3.4	111.8	6.9
	789.3	739.1	6.8	5.0	168.6	149.9	12.5	10.5
Corporate ¹⁷	12.3	–	–	–	(2.5)	(0.9)	(177.8)	–
Continuing businesses	801.6	739.1	8.5		166.1	149.0	11.5	10.5
Discontinued operations								
CMP Entertainment	–	14.7	–		–	–	–	–
CMP Information	–	5.1	–		–	0.7	–	–
	801.6	758.9	5.6		166.1	149.7	10.9	10.5

¹⁵ Before amortisation of intangible assets on acquisitions, exceptional items, share of taxation on profit in joint ventures and associates and excluding operating profits of discontinued operations.

¹⁶ Underlying: adjusted for the effects of acquisitions, discontinued businesses and products, foreign exchange and biennial events.

¹⁷ Corporate operations comprises net central operating costs, the results of RISI, together with those equity accounted investments which do not form part of one of the Group's operating divisions.

PR Newswire

PR Newswire is one of the world's leading commercial news and information distribution service. Headquartered in New York, PR Newswire provides news distribution, targeting, measurement and broadcast services on behalf of many of the world's top companies, organisations and agencies. PR Newswire routinely sends its customers' news to outlets in 135 countries and in more than 40 languages. www.prnewswire.com

Office locations Over 1,000 people in bureaux in 11 countries around the world

Major products US1, U.S. Newswire, Edgar filing services, TOD Wire, MultiVu™, MEDIAAtlas™, Photo Services, ProfNetSM, MediaRoom, PR Newswire for Journalists, eWatch™, Notilog, MediaSense™, MediaSense™ Blog Measurement

CMP Information

CMP Information operates internationally providing creative professional media solutions. CMPi targets business professionals across a range of markets, including Construction & Architecture, Commercial Property, Licensed Trade, Security, Interiors and Food & Pharma Ingredients. www.cmpi.biz

Office locations Over 1,200 people in UK, Abu Dhabi, Brazil, India, Netherlands, USA

Major products Events: CPhI, Interiors Show, IFSEC (International Fire & Security Exhibition), Food Ingredients Show, **Online:** Building.co.uk, TTGLive.com, Barbour-ABI.com **Print:** Building, Property Week, The Publican

CMPMedica

CMPMedica is a leading global information and education provider to healthcare professionals. Its unique portfolio of professional media products includes drug directories, websites, magazines, electronic databases and events. www.cmpmedica.com

Office locations Over 1,500 people in London, New York, Paris, Frankfurt, Moscow, Sydney, Shanghai, Mumbai...and many others

Major products **Workflow information:** Vidal (Fr), MIMS (Asia), Vademecum Internacional (Sp), Spravotchnik Vidal (Russia) **Print:** Le Quotidien du Medecin (Fr), PsychiatricTimes (US), Oncology (US), Pulse Magazine (UK) **Events:** US Psychiatric & Mental Health Congress (US), Le Medec (Fr), Hopital Expo-Inytermedica with HIT (Fr), Le Medec (Fr), The Primary Care Clinic (Hong Kong), The Care Show (UK) **Online:** SearchMedica.com, Vademecum.es, Vidalpro.net, Meinegesundheit.de, MyDr.com.au, Everybody.co.nz

CMP Asia

CMP Asia is the leading organiser of exhibitions, with associated print and online media in Asia. CMP Asia holds the leading events of their kind in Asia for the jewellery, leather, fashion, beauty, maritime and furniture industries. CMP Asia also operates joint ventures with other UBM businesses and other businesses from the region. www.cmpasia.com

Office locations Over 600 people in: China, Hong Kong, India, Indonesia, Japan, Korea, Thailand, Singapore, Taiwan, USA

Major products Events: Hong Kong Jewellery & Watch Fair, Furniture China, Cosmoprof Asia, **Online:** JewelleryNet Asia, Furniture in China, Asia FJA **Print:** Jewellery News Asia, The Health Industry News, China Furniture, Food Processing & Ingredients

CMP Technology (to February 2008)

CMP Technology is one of the world's leading technology media businesses. It produces major industry events worldwide, publishes a comprehensive portfolio of branded online and print products, and provides business information and marketing services for technology marketers. www.cmp.com

Office locations Over 1,200 people in: USA New York, San Francisco CA, Boston MA, Canada, India, United Kingdom

Major products Events: Interop, Embedded Systems Conference, Game Developer Conference, XChange **Online:** The TechWeb Network, ChannelWeb, EE Times, Dr Dobb's, LightReading **Print:** InformationWeek, CRN, EE Times, Dr Dobb's

Commonwealth Business Media

Commonwealth Business Media Inc. is the leading information provider to the global trade, transportation and travel market with comprehensive proprietary data, news and analytical content. www.cbizmedia.com

Office locations Over 660 people in: USA, Canada, China, Hong Kong, Japan, Mexico, Netherlands, Singapore, United Kingdom

Major products Events: Journal of Commerce Conferences, Aviation Industry Conferences **Online:** PIERS Global Intelligence Solutions, OAG (Official Airline Guide) **Print:** The Journal of Commerce, Traffic World, Air Cargo World Aircraft Technology, Engineering & Maintenance, Airline Fleet & Network Management, US rail directories

Business Review

UBM Divisional Performance continued

PR Newswire

PR Newswire is one of the world's leading commercial news and information distribution service. Headquartered in New York, PR Newswire provides news distribution, targeting, measurement and broadcast services on behalf of tens of thousands of customers, including many of the world's top companies, organisations and agencies. PR Newswire routinely sends its customers' news to outlets in 135 countries and in more than 40 languages.



- Websites**
- www.prnewswire.com
 - profnet.prnewswire.com
 - ewatch.prnewswire.com
 - mediatlas.prnewswire.com
 - www.mediaroom.com
 - www.multivu.com
 - www.usnewswire.com

- Major products**
- US1 Premium Newswire
 - ProfNet ExpertsSM
 - eWatchTM
 - MEDIAAtlasTM

- Search Engine Optimization
- MediaRoom
- MediaSenseTM
- MultiVuTM
- U.S. Newswire

Revenue +8.6 per cent

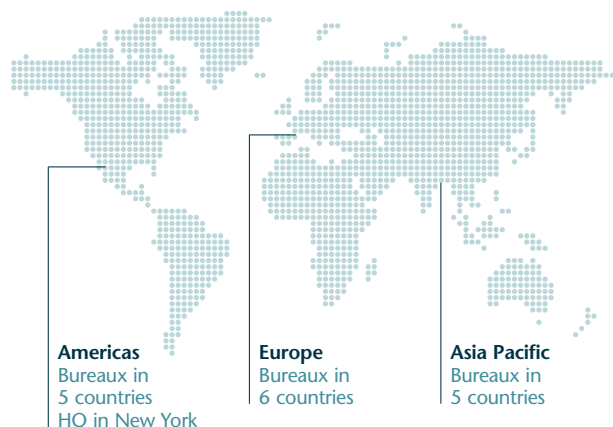


Operating profit +17.2 per cent



Locations

1,000 people
16 countries worldwide



Results for 2007

PR Newswire delivered another excellent performance, particularly in the second half of the year, generating profits close to \$100m. Underlying revenue and operating profit rose 6.9% and 15.4% respectively, with the business's overall operating margin continuing to improve, rising from 32.3% to 34.8%.

PR Newswire's strong performance continues to be driven primarily by growth in demand from US customers for PR Newswire's premium news distribution service, US1. This growth was augmented by a growing contribution from non-regulatory, non-wire, added value services such as MultiVu, MEDIAAtlas and ProfNet and by an expanding international business in Europe, China and Latin America.

Continuing cost management efforts also helped to ensure that margins improved in each of business's operational geographies over the course of 2007. PR Newswire undertook a project to consolidate its US editorial bureaux from 11 offices to three facilities in Cleveland, Albuquerque and Washington DC. The project was almost completed during the year, with the final stages of the Albuquerque move due to be completed by March 2008. The project successfully reduced overall costs and, in time, will enable PR Newswire to improve both its service levels and its ability to win business. However, as previously disclosed, the disruption of the consolidation and the demands of training of new staff caused PR Newswire to experience some service lapses.

Achievements in delivering UBM strategy

PR Newswire has a successful strategy of focusing on higher value product sales and tight cost management, complemented by investment in new non-wire product development and in acquisitions to facilitate further expansion into new market segments and into new geographical markets.

In 2007 PR Newswire's share of the wire message distribution market in the US fell – in volume terms – by around 5% as a result of increasing price-based competition and service issues arising from the consolidation project noted above. However take up of PR Newswire's premium US1 distribution product over the basic newswire product drove the improved yield of the US wire business. The US1 product provides comprehensive distribution of a customer's release to news outlets across the US but also provides additional services such as search engine optimisation, online and offline media monitoring.

PR Newswire continued to expand its business geographically during 2007. The European business performed ahead of plan, with good profit growth, revenues rising by 14.6%. The key driver of the European growth was organic market growth, particularly in the major European markets of the UK, Germany, the Nordic countries, France and Benelux. During 2007 PR Newswire Europe also started operations in a number of new territories, including Sweden, Belgium, Dubai and India.

Revenues generated by PR Newswire's marketing venture with Xinhua Finance Limited in China grew rapidly in 2007, more than doubling in the year as interest in – and the practice of – corporate news distribution continued to gather pace.

PR Newswire products and brands

MEDIAAtlas™
Targeting, List Building & Distribution

**PR Newswire
for Journalists**
www.prnewswire.com/media

PRN Direct
Secure customer dashboard

ProfNet Experts™
Where the Media & Sources Connect

U.S. Newswire
A PR Newswire Company

MediaRoom
On your site. In your control.

eWatch™
Media Monitoring

MULTIMU
BY MULTIMEDIA CONSULTANTS

MediaSense™
Measurement Made Meaningful

VINTAGE FILINGS
A PR-NEWswire COMPANY

**Hispanic
PR Wire**

notilog
A PR Newswire Company

PR Newswire made three acquisitions during 2007. In April, PR Newswire expanded its offering in the filings services market with the acquisition of Vintage Filings, a leading New York-based online EDGAR filing service (a service which lodges public company financial accounts with the US regulatory authorities).

PR Newswire's expansion into Latin America has been further advanced by the acquisition of Notilog, a Spanish and Portuguese language news monitoring service. Notilog is a leading media monitoring service in Mexico with strong market positions in the Argentinian and Brazilian markets. At the end of 2007, PR Newswire acquired the business of Hispanic PR Wire, including LatinClips and Hispanic Digital Network. These Miami-based businesses provide media services to the important and growing US Hispanic market.

Strategic priorities for 2008–2010

PR Newswire will continue seek to maintain its strong position in regulatory disclosure markets while taking advantage of the growing integration of marketing and PR. PR Newswire aims to address the needs of a wider set of customers such as private companies, marketing professionals, public policy sector and small businesses. By means of both in-house product development and by acquisition, PR Newswire aims to provide products and services, particularly online, that enable marketers and advertisers to identify, target and reach their chosen audiences, and to monitor audiences' responses.

Within the US market, PR Newswire's focus will be to ensure its new service centres operate at maximum efficiency, delivering the highest quality service to customers and enabling the business to regain market share and continue to drive higher value US1 distribution sales.

PR Newswire aims to continue its geographical expansion, both organically and by acquisition, particularly in countries and regions that are experiencing rapid economic growth. With its business in Europe and Latin America well established, in 2008 PR Newswire looks to build on its new operations in both the Middle East and the Indian sub-continent.



Find out more...

For more information about how these products serve their communities worldwide, visit www.prnewswire.com

Business Review

UBM Divisional Performance continued

CMP Asia

CMP Asia is the leading private organiser of exhibitions, with associated print and online media, in Asia. CMP Asia holds the leading events of their kind in Asia for the jewellery, leather, fashion, beauty, maritime, pharmaceutical ingredients and furniture industries. CMP Asia also operates joint ventures with other UBM businesses (e.g. CMP Information and CMP Technology) as well as with other businesses from the region. CMP Asia operates CMP Sinoexpo as a joint venture with Shanghai Sinoexpo International Exhibition Ltd. CMP Asia combines its global strength and experience with Sinoexpo's local network and expertise to stage 30 international events in China.



- Websites**
www.cmpasia.com
www.ubmindia.com
www.jewellerynetasia.com
www.aplf.com
www.cmpsinoexpo.com
www.cosmoprof-asia.com
www.this.ne.jp

Revenue +3.8 per cent



Operating profit +6.6 per cent



Major products

- Hong Kong Jewellery & Watch Fair
- Fashion Access
- Furniture China
- Cosmoprof Asia
- Tokyo Health Industry Show
- Jewellery News Asia

Office locations

600 people
9 countries



- USA New York
- China Hong Kong, Shanghai, Beijing, Guangzhou (HQ: Hong Kong)
- India Mumbai, Delhi, Japan Tokyo, Korea Seoul
- Singapore, Taiwan Taipei, Thailand Bangkok, Indonesia Jakarta

Results for 2007

CMP Asia delivered another strong performance in 2007 with underlying revenue up 10.7% and underlying operating profits 11.4%. CMP Asia's established events had another successful year. The key Hong Kong shows – the Hong Kong Jewellery Shows, the Fashion Jewellery and Fashion Access Fairs – all performed to plan or better, with Cosmoprof Asia delivering record profits. CMP Asia's events in mainland China were particularly strong with revenue up 50%. CMP Asia invested in new events, for example the launch of the fashion jewellery fair at a new Hong Kong venue in March. Operating margins of 27.4% (2006: 26.7%) reflect CMP Asia's continuing investment in new product development, particularly in the launch of new events in India and in China, and in developing a complementary online component to the events business.

Achievements in delivering UBM strategy

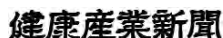
In 2007, CMP Asia delivered excellent profitable growth from its portfolio of established events, from its organic initiatives and from acquisitions.

CMP Asia is UBM's flagship business in terms of its strategic ambition to access the fast-growing Asian economies. The CMP-Sinoexpo business (mainland China events) grew by 28% during 2007. The largest mainland China show, the furniture fair, grew by more than 30%, taking up net space of 100,000 square metres. Also held in Shanghai in November, the biennial Marintec China show grew significantly, delivering record revenues, up by more than a third on 2005's show.

In terms of organic initiatives, the new March fashion jewellery fair was successfully launched at Hong Kong's new AsiaWorld Expo venue, helping CMP Asia's Jewellery exhibition group to continue its growth. In January 2008, CMP Asia launched its first event at the newly-constructed Venetian venue in Macau. The event was CMP Asia's most successful launch event ever. The Asian Jewellery exhibitions portfolio now comprises 12 shows across the region, including Hong Kong, mainland China, Japan and Macau, with two Indian shows to be launched in 2008 in Hyderabad and Chennai.

CMP Asia continues to expand its portfolio of events across Asia. CMP Asia is responsible for UBM India and now runs six events in India, four of which are joint ventures with other UBM businesses. CMP Asia and CMPi continued the successful global roll-out of the CPhI event brand with the second editions of the co-located CPhI India and P-MEC India shows. The IFSEC (security) and Embedded Systems (electronics) shows were also successfully launched in 2007. In its second year of business CMP Asia's India business doubled its overall revenues to £2.6m (2006: £1.3m).

CMP Asia brands



JEWELLERY NET ASIA.com



In 2007 CMP Asia has continued its investment in portal websites to provide its customers with a year round online presence to complement its shows and to provide an integrated media offering. The portals offer market news, a trading network and provide a marketing and sourcing platform for global materials and components suppliers, designers, manufacturers and buyers. In 2007 CMP Asia launched JewelleryNetAsia.com, a trade portal for the jewellery and gem industries, FurnitureInChina.com, an online network for the China furniture industry, and AsiaFJA.com, which aims to be Asia's leading online trading network for the fashion jewellery and accessories trades. The fourth portal, FashionNetAsia.com, was launched on 28 January 2008.

Strategic priorities for 2008–10

CMP Asia is investing to take advantage of the rapid economic growth of many of the countries in the region, with a particular focus on China and India. CMP Asia will launch several new shows in Macau and will also host two new jewellery shows in India in 2008. CMP Asia is also taking advantage of newly-constructed venue capacity in the region, notably in Macau. The business continues to look to expand its operations in Thailand, Taiwan, Japan, Singapore and Korea, and is pursuing acquisition and partnership opportunities across Asia.

CMP Asia also continues to provide its customers with an online capability that complements its shows, allowing CMP Asia to engage with its customers beyond the events. CMP Asia look to be able to provide value added online services to customers throughout the year, as well as to engage with the wider business communities CMP Asia serves.

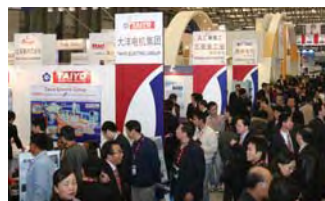
With its in-depth knowledge of the region's high growth markets and existing infrastructure, CMP Asia is well positioned to provide logistics and operational support to UBM's other specialist businesses as they seek to expand their businesses into Asia.

 Find out more...

For more information about how these products serve their communities across Asia, visit www.cmpasia.com



The annual **Tokyo Health Industry Show** is the biggest health-related tradeshow in Japan, featuring over 1,200 stands, with separate halls for Ingredients, Health & Natural Foods, Wellness attracting more than 45,000 visitors.



Marintec China 2007
Marintec China has become the definitive maritime conference and exhibition in Asia, in 2007 the show hosted more than 1,100 exhibitors and 35,000 visitors.

Business Review

UBM Divisional Performance continued

CMP Information

CMP Information operates internationally providing exhibitions, conferences, awards events, magazines, data and information products and websites targeted at business professionals across more than 20 professional markets such as the built environment, travel, licensed trade, agriculture, security and food and pharmaceutical ingredient industries.



- Websites**
- www.cmpi.biz
 - www.cphi.com
 - www.building.co.uk
 - www.property-week.co.uk
 - www.thefurnitureshow.co.uk
 - www.thepublican.com
 - www.farmersguardian.com
 - www.daltons.co.uk

Revenue +13.2 per cent



Operating profit +16.7 per cent



Major products

Events CPhI, Furniture Show, IFSEC
Online Barbour ABI, Barbour Construction Services; Barbour Health & Safety Services
Websites Daltonsbusiness.com; Daltonsholidays.com; Venuefinder.com

Print Building, Building Design, Property Week, Farmers' Guardian
Awards The Publican Awards, Property Industry Awards, Building Awards

Office locations

1,200 people
6 countries



Results for 2007

In 2007 CMP Information achieved strong revenue growth, 13.2% representing a considerable improvement on 2006 (2006: 7.7%). Underlying revenue and profit were up 9.4% and 2.5% respectively. The strength of the performance of CMPi's live media (trade shows, conferences) was notable, particularly its international shows which grew 12%. CMPi's key print titles such as Property Week also performed strongly during the year, although a number of other smaller titles declined. CMPi expanded its levels of investment in new product development in events (notably Think 07), online and data products through 2007; operating profit performance reflected this increased investment.

During the year CMPi made five acquisitions for a total investment of £24.7m. As part of the continuing strategy to rebalance and refocus CMPi's product portfolio, each acquisition was made as a complementary addition to an existing portfolio of products.

Achievements in delivering UBM strategy

In 2007 CMP Information continued its strategic development as a more balanced and focused international publishing and events business. Over the course of the last several years CMPi has successfully shifted its business mix, rebalancing its media portfolio away from print products and towards events and other sources of revenue. Print products now contribute 35% of CMPi's revenues, down from 42% in 2005.

CMPi has continued to shift the geographical mix of its business to reduce its reliance on UK-based products. CMPi's international events business performed well in 2007 with revenues rising 12% to £31.4m. CMPi has had considerable success in rolling out its key event franchises into new territories around the globe, particularly into fast-growing emerging economies. A successful second year CPhI show was run in India while the worldwide event, held at a different European venue each year, continues to grow well, with revenues rising more than 10% to record levels and earning strong profits. Working in partnership with CMP Asia, CMPi also successfully transplanted a number of other shows to India, including the Food Ingredients and IFSEC (fire and security) shows; Food Ingredients South Africa was also launched – CMPi's first event in that continent.

During the year CMPi opened an office in Brazil and launched the Food Ingredients event, also in Brazil. To build its business in Brazil further, CMPi acquired the Intermodal South America trade show for £3.4m in July. The show is the leading transportation event serving Latin America. CMPi will work with Commonwealth Business Media on this show, taking advantage of Commonwealth's editorial and sector expertise. In total, five shows are scheduled to be held in Brazil in 2008.

CMP Information brands



Building is the UK's leading magazine for construction professionals, featuring the latest news, features and intelligence from the Building industry.



The Pubican is a print component of CMPi's portfolio of products serving the UK's pub and bar industry.

CMPi is also developing its business in the Middle East, launching its first show at the Abu Dhabi National Exhibition Centre in December 2007 and a second in March 2008.

The performance of CMPi's print titles has been mixed with some titles such as Property Week, Building Design and Building Services showing double digit revenue growth during the year. In May, CMPi won an unprecedented five PPA awards, the 'Oscars' of the magazine world, with CMPi being awarded best weekly magazine, best monthly magazine and best website of the year. CMPi is investing both in new product development and in acquisitions to strengthen the range of products and services it offers to specific communities. This includes Sheds, RESI and Office, three new conference and networking events aimed at the commercial property market.

CMPi also launched its conference division during the year. CMPi Conferences will leverage its editorial leadership in many markets to provide thought leadership and content to business professionals. Since October 2007 CMPi has launched over 20 conferences in the market which will take place up to June with an estimated 3,000 paying delegates. A further 50 conferences will be launched between now and December 2008. The intention is to build a portfolio of market-leading, high quality and repeatable events.

In 2007 CMPi made five acquisitions for a total of £24.7m to strengthen its position in a number of key markets. The largest acquisition was of Ithaca Holdings which gave CMPi six complementary events and related media. CMPi also acquired the Decorex tradeshow, the UK's flagship tradeshow for the high end and contract interior design market in London to complement the existing Interiors event held annually in Birmingham. In October CMPi acquired Energy Solutions Expo, the UK's leading event for the commercial energy supply and management sector. Finally, the acquisition of Quest Media gave CMPi six events and three conferences to add to its existing business awards portfolio.

Strategic priorities for 2008-10

CMP Information is developing a broader product portfolio, growing particularly its events, conference and online elements, to meet the needs of each community, striving for innovative solutions which will help the community to do business. CMPi seeks to achieve this both through inhouse new product development as well as by making acquisitions.

CMP Information will continue to focus on internationalising its event business in higher growth economies, in particular seeking to take its key franchises such as CPhI, Food Ingredients and IFSEC to countries and regions that offer profitable growth opportunities.

 Find out more...

For more information about how these products serve their communities worldwide, visit www.cmpi.biz

Business Review

UBM Divisional Performance continued

CMP Technology

During 2007 CMP Technology provided a comprehensive portfolio of market-leading events, print and online media brands, bringing together the builders, sellers and buyers of information technology worldwide. In early 2008 UBM announced an important reorganisation of CMP Technology to create four new independent businesses; these changes are highlighted overleaf.



- Websites**
 www.cmpgame.com
 www.cmpgame.com
 www.lightreading.com
 www.techweb.com
 www.ddj.com
 www.gdconf.com
 www.informationweek.com

Revenue -10.4 per cent



Operating profit +18.9 per cent



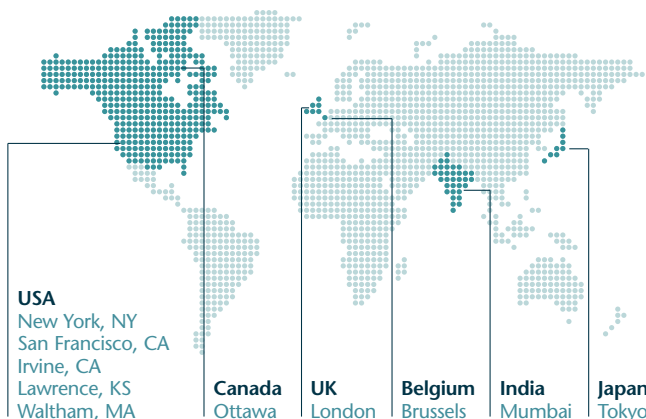
Major products

Events InterOp, Game Developer Conference, Black Hat, Embedded System Conference, Web 2.0, Xchange

Online TechWeb, LightReading, TechOnline, Dr. Dobb's, ChannelWeb.com
Print InformationWeek, CRN, VARBusiness, EE Times

Office locations

1,200 people
 6 countries



Results for 2007

In 2007 CMP Technology achieved a significant improvement in its performance while continuing to reshape its business. 2007 profits were 30.1% above 2006 at \$50.1m (2006: \$38.3m) and underlying revenues increased by 2.4%, the first such increase since 2001. As a result of the print portfolio consolidation announced in June, headline revenues were 10.1% below 2006 at \$320.6m. CMP Technology's margin was 15.7%. This represents CMP Technology's best margin performance for five years.

During the year, CMP Technology made four acquisitions for a total investment of \$47.4m;¹⁸ these acquisitions are performing ahead of plan. Businesses acquired by CMP in the last three years also contributed significantly to the year's results, with each acquisition expected to exceed the UBM cost of capital threshold in the first full year of ownership.

During 2007 CMP undertook a significant restructuring of its print portfolio, incurring an exceptional charge of \$12.5m which was taken in the first half.

Achievement in delivering UBM strategy

In 2007 CMP Technology continued to evolve its business, reshaping its product portfolio largely through the acquisition of events, data and service businesses, and by exiting declining markets. In June, against a backdrop of a shrinking market for magazines, CMP Technology restructured its print portfolio, closing a number of titles and merging others to focus on the principal market-leading brands. Over the course of the past three years, CMP Technology has successfully transitioned its sources of revenue away from print and towards event, online media, data and other services. Print products now contribute less than 40% of total revenue, compared to almost 75% in 2004. 2007 marks the first time CMP Technology's event and online revenues exceed those it derived from print products.

The event portfolio made an excellent contribution with revenues growing at a rate of 16.2% to contribute 34.2% of CMP Technology's 2007 total revenues. The primary driver of the growth was the continuing momentum behind market-leading events such as Interop, Game Developer, Black Hat, Web 2.0 and Voicecon, all of which achieved revenue growth of more than 10%.

CMP Technology has worked to globalise its leading event franchises during 2007. The event portfolio is being globalised with, for example, Interop events taking place in Tokyo, Moscow and Germany in 2007.

In 2007, CMP Technology continued its strategic development of products and services based on intellectual property and communities, and away from products based on display advertising. CMP Technology's key data and services businesses

¹⁸ Amount invested includes estimate of potential earnout, but excludes deal costs.

such as IPED (Institute for Partner Education and Development, a research consulting service for IT solution provider organisations) and ICMI (International Customer Management Institute) have been augmented with new inhouse products such as Heavy Reading (a telecoms research and consulting business developed from Light Reading) as well as by a number of acquisitions. Acquisitions in this space included CCCS and Think Service, Inc (both bolt-on acquisitions for ICMI), Semiconductor Insights (a leading provider of technical and intellectual property information to the global semiconductor industry), Portelligent (a leading provider of electronic product 'teardown' to the electronics industry) and an equity investment in eXalt (an IT sales channel workflow tool). Taken together, these and CMP Technology's other data and services business contributed 7.2% of revenue

in 2007, a proportion which will rise in 2008 as a result of the acquisitions noted above.

Aggregate online revenues now make up 20.2% of CMP Technology's total revenues, growing only modestly in 2007. In July, CMP Technology acquired How Machines Work, a leading designer and developer on interactive online environments.

UBM Technology businesses from March 2008

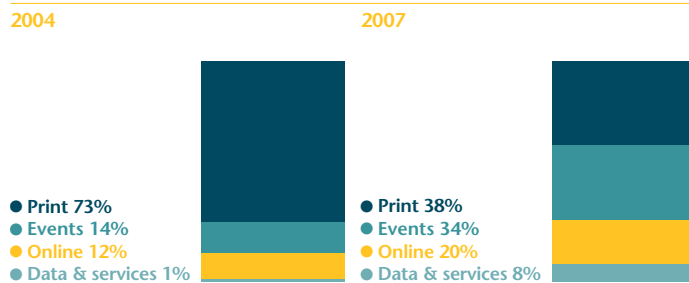
In February 2008 UBM announced the creation of four new, market-focused businesses from CMP Technology. As agile, independent companies, each new business will be well positioned to accelerate its profitable growth as it meets the changing needs of the professional communities and technology markets it serves. This is a further step in the redevelopment of CMP Technology from a single traditional print media business to a set of next generation, integrated media businesses that offer their varied customers a portfolio of event, online, print and data-based workflow products and services.

Since 2005 UBM has supported this development with an investment of more than \$200m in 18 acquisitions, particularly of events, online and business information products, as well as with investment in CMP Technology's inhouse product development and geographical expansion.

Each business will have the freedom to develop business models, audience development and international programmes that best fit its specific marketplace while also taking advantage of UBM's global footprint to support its international expansion. The four new businesses and their respective Chief Executive Officer are listed overleaf; each CEO will report to UBM Chief Executive, David Levin.

Strategic priorities for 2008–10

The key strategic priority for each of the four new businesses created from CMP Technology will be to focus on building businesses that best meet the changing needs of the specific communities they serve. Each business will look to expand both in its existing markets and, with support from UBM, in new markets in fast-growing economies.



CMP Technology events now TechWeb, Everything Channel, Tech Insights and Think Services – use a variety of events within an integrated media product offering that is tailored to meet the specific needs of each professional community served. These events range from large scale industry tradeshows such as Interop to much smaller training seminars.

 Find out more...

For more information about how UBM serves technology communities worldwide, visit www.techweb.com, www.channelweb.com, www.techinsights.com and www.think-services.com

Business Review

UBM Divisional Performance continued

CMP Technology continued

TechWeb

www.techweb.com
 The global leader in business technology media, focused on serving the needs of technology decision-makers and marketers worldwide.



Key products

Interop, Web 2.0, Black Hat, VoiceCon **Online resources:** The TechWeb Network, Light Reading, Intelligent Enterprise, InformationWeek.com, bMighty.com and The Financial Technology Network; and the market leading, award-winning print versions of InformationWeek, TechNet and MSDN Magazines. TechWeb also provides end-to-end services ranging from next-generation performance marketing, custom media, research and analyst services.

2007 Proforma revenues¹⁹
\$148m

CEO
 Tony Uphoff

Tech Web brands



Everything Channel

www.channelweb.com
 The one-stop-shop for the indirect channel that drives 75% of global technology sales. High-tech suppliers and solution providers turn to Everything Channel to manage and accelerate their business.



Key products

ChannelWeb online network, magazines (CRN and VARBusiness), events (XChange and Vision), workflow tools (MTC and eXalt), tele-recruiting, sales support, marketing services, research and education (IPED).

2007 Proforma revenues¹⁹
\$73m

CEO
 Robert Faletta

Everything Channel brands



¹⁹ Proforma revenues are 2007 revenues adjusted to include the proforma of 2007 and 2008 acquisitions and exclude the revenue from discontinued titles.

²⁰ 47.5% owned.

Tech Insights

www.techinsights.com

The source of essential business and technical information for the electronics industry's decision makers.



Key products

EE Times, Semiconductor Insights, TechOnline, Embedded Systems Conferences and Portelligent.

Think Services

www.think-services.com

Connects specialized communities via interactive media, educational events, consulting, training and certification.



Key products

Game Developers Conference, the Webby Award-winning Gamasutra.com, the International Customer Management Institute, the Help Desk Institute and Dr. Dobb's Journal.

2007 Proforma revenues¹⁹

\$83m

CEO
Paul Miller

Tech Insights brands

EETIMES

**HOW MACHINES
WORK**

Portelligent

**Semiconductor
insights**

**Embedded
Systems CONFERENCES**

techonline

2007 Proforma revenues¹⁹

\$61m

CEO
Philip Chapnick

Think Services brands

Dr.Dobb's

**GameDevelopers
Conference**

icmi
International Customer
Management Institute

Gamasutra.com

HDI
Leading IT Service & Support

**Austin GameDevelopers
Conference**

¹⁹ Proforma revenues are 2007 revenues adjusted to include the proforma of 2007 and 2008 acquisitions and exclude the revenue from discontinued titles.

Business Review

UBM Divisional Performance continued

CMPMedica

CMPMedica provides information and education to healthcare professionals and patients around the world. Its unique portfolio of professional media products includes journals, drug directories, electronic databases, websites and events.



- Websites**
- www.cmpmedica.com
 - www.vidalpro.net
 - www.cmellc.com/congress.html
 - www.legeneraliste.fr
 - www.lemedec.com
 - www.quotimed.com
 - www.pulsetoday.co.uk
 - www.searchmedica.fr

Revenue –4.5 per cent



Operating profit –18.9 per cent



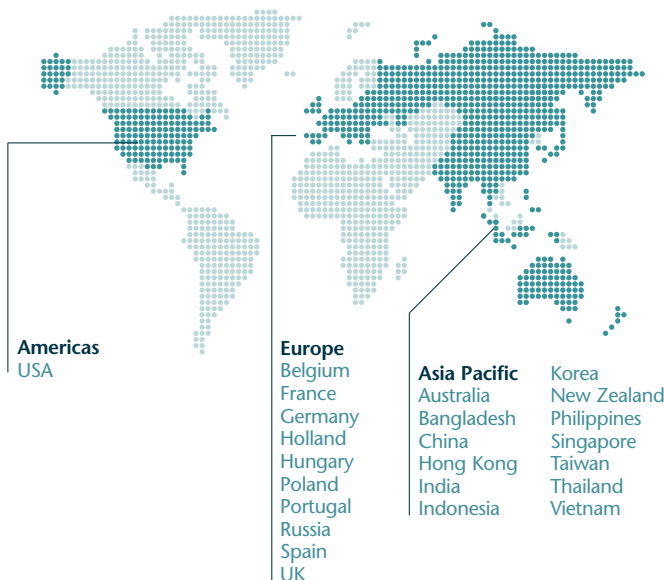
Major products

Vidal (Fr), Quotidien du Medecin (Fr), Pulse Magazine (UK), SearchMedica (UK, US, Fr), U.S. Psychiatric & Mental Health Congress (US), Psychiatric Times (US), MIMS (Australia, NZ,

Asia), Consultant (US), Oncology news international (US), Medical Progress (Asia), Health Today (Asia), Vademecum (Sp), Gelbe Liste (Ger), Kassenarzt (Ger), Journal du Medecin / Artsenkrant (Be)

Office locations

1,500 people
Worldwide



Results for 2007

CMPMedica’s overall performance was disappointing with revenue and profit falling by 4.5% and 18.9% to £161.8m and £18.5m respectively. On an underlying basis, revenue fell by 1.7% and profit fell by 16.6%.

Revenue growth in CMPMedica’s Vidal drug information product portfolio and in the Iberian and Pacific businesses was offset by declines in other national businesses in Benelux, Germany, the UK and most notably in the US. The US business has been particularly adversely affected in its pharmaceutical advertising and Continuing Medical Education markets.

During the year CMPMedica acquired Physicians Practice and Australian Prescription Products Guide (APPG) for a total of £9.4m. Physicians Practice is a leading practice management publication that supports physicians with business, financial and legal expertise to help them manage their practices more efficiently. The acquisition broadens and deepens CMPMedica’s offer to the US primary care physician community.

The APPG is a key drug information brand for the Australian pharmacy market and will extend the reach of CMPMedica’s Australian drug information systems business, which is currently focused on medical practitioners.

The integration of both businesses has proceeded to plan. The acquisitions made in 2006 are all performing in line with their respective acquisition case.

In February 2007, UBM announced that it would take 18–24 months to restructure CMPMedica to enable the business to achieve sustainable profitable growth. The business’s management is in the process of implementing a substantial restructuring plan. Restructuring costs of approximately £6m have been charged as an exceptional item.

Achievement in delivering UBM strategy

CMPMedica operates in the global healthcare market, a market whose continuing growth offers significant business opportunities in the medium term. CMPMedica’s business comprises Drug Information Systems (directories and digital services) Professional Media (journals and custom), Continuing Medical Education (events, print and online).

CMPMedica aims to continue to develop its product offering and to build even stronger positions in its chosen markets, with a particular focus on developing complementary digital and events business. In France, a new annual healthcare infomatics event, HIT, was launched with a significantly improved audience.



VIDAL Expert can be used as a stand-alone or online product to provide exhaustive information on drugs, non-medical health products, accessories, medical devices, homeopathy and nutritional products.

CMP Medica brands



CMPMedica events Events are an important element within CMPMedica's product portfolio. CMPMedica's events include **Le Medec**, the most important French CME congress for GPs which attracts 23,000 visitors, **Hospital Expo Inter Medica** which attracts exhibitors from all sectors linked to the world of hospitals, and the **U.S. Psychiatric and Mental Health Congress**, a national congress which provides psychiatrists and other mental health practitioners with the most up-to-date, clinically relevant research and treatment options in mental health care.

Event links

www.cmpmedica.com/events/hospital-expo-inter-medica

www.cmpmedica.com/events/u.s.-psychiatric-and-mental-health-congress1

Investment in digital products continued, for example Vidal launched the digital version of its disease guideline product (www.vidalreco.fr), MIMS relaunched its web services (www.MIMS.com) and both DIS brands enhanced their data solutions for workflow systems providers. SearchMedica, the search engine for doctors, was rolled out to France, Spain and to the USA. CMPMedica also rolled out existing products into new territories, for example with the launch of branded drug information systems in Ukraine and Kazakhstan.

The restructuring programme for CMPMedica aims to: rebalance its product portfolios to better meet the future needs of customers and audiences, and to ensure the support platforms are cost efficient. This will be undertaken by a combination of cost reductions and investment in organic product development and acquisitions.

CMPMedica's US operations are being substantially reorganised, including the transfer of the Continuing Medical Education business closer to customers on the East Coast. A number of senior management changes have also made, including the appointment of a new CEO, as well as improvements to the business's operational support functions.

Senior management changes have also been made in other parts of the business during the year with a reorganisation of responsibilities for Benelux and Iberia, the appointment of a Chief Financial Officer for CMPMedica, and new heads appointed to the Pacific, Asian, Belgian and Polish businesses.

Strategic priorities for 2008-10

CMPMedica's primary strategic priority is to complete its restructuring plan in order to position the business for future profitable growth. The plan requires the business to rebalance its media portfolio, reducing its dependency on print and expanding its digital and events capabilities. The rebalanced business will be able to offer customisable integrated marketing solutions that meet the requirements of its global customers.

In the medium term, CMPMedica is well positioned to provide media services to its global customers in what is a large and growing healthcare services market. CMPMedica has significant opportunities to leverage its skills and expertise across territories, in particular as the product mix shifts to digital.



Find out more...

For more information about how these products serve the medical community worldwide, visit www.cmpmedica.com

Business Review

UBM Divisional Performance continued

Commonwealth Business Media

Commonwealth Business Media is the leading information provider to the global trade and transportation industry, delivering comprehensive market information, news and analysis online, at events and in print.



Websites
www.cbizmedia.com
www.piers.com
www.backaviation.com
www.joc.com
www.oag.com
www.aviationindustrygroup.com

Revenue +237.9 per cent



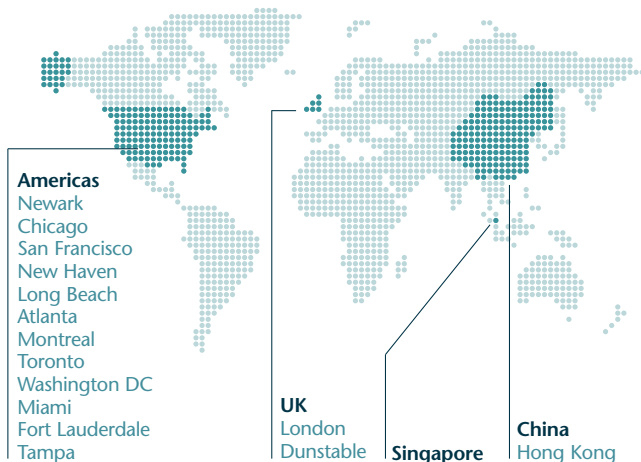
Operating profit +111.8 per cent



Major products
 PIERS
 BACK Aviation Solutions
 The Journal of Commerce

OAG Travel Planner
 Aircraft Technology
 Airline Fleet & Network Management

Office locations
 660 people
 8 countries



Results for 2007

Commonwealth Business Media has performed to expectations in its transitional year following its acquisition by UBM in July 2006. Commonwealth's underlying revenues and operating profits grew by 6.7% and 6.9% respectively.

PIERS and BACK, the online workflow information businesses that contribute more than 25% of Commonwealth's total revenue showed good organic growth, growing by 7.7% on 2006.

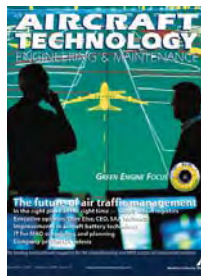
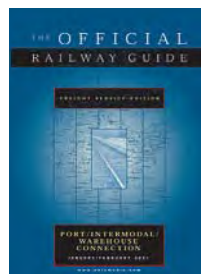
Commonwealth made no acquisitions in 2007 but made two acquisitions at the very end of 2006. OAG Worldwide and Aviation Industry Group are both complementary 'bolt-on' acquisitions for the BACK Aviation Solutions business. Both businesses performed to their respective business case and their integration is progressing in line with plan.

Commonwealth's acquisition of OAG was made in the knowledge that the business needed to be significantly restructured before it could contribute fully to Commonwealth's profitable growth. The restructuring plan commenced immediately after the acquisition was completed and it is now largely finished. An exceptional charge of £7.7m was taken during 2007 against the costs arising from the restructuring. OAG has moved from making losses in the year before its acquisition to trading profitably in 2007. Further improvements are expected in 2008, in line with its business case.

Achievements in delivering UBM strategy

Commonwealth's PIERS Global Intelligence Solutions and BACK Aviation Solutions products, as well as the Journal of Commerce and Official Airline Guide and Aviation Industry Guide provide data, news and analytical content integral to the everyday workflow of professionals working in the international trade and transportation industry. As a substantial business with an existing strong market position in a fragmented global, specialist market, Commonwealth has clear opportunities to consolidate its market position through internationalisation of its existing products, new product development and by acquisitions, as has already been shown by the acquisition of OAG and AIG.

Commonwealth Business Media brands



Commonwealth Business Media publications Commonwealth Business Media serves the professional communities of the global trade, travel and transportation industries with a portfolio of event, online data and print products that provide comprehensive business information, news and analytical content.

Generating around 80% of its revenue from online and print data and workflow products, Commonwealth helps UBM diversify its revenue streams and provides a higher quality of earnings through recurring and more predictable, principally subscription, revenue streams.

The PIERS business grew well during the year with successful new online product developments such as the WebTI product, which grew 28% over the prior year. The product will be further upgraded in 2008 and is anticipated to generate additional growth. The Profiles product, launched in February 2006, also performed well. Profiles provides a customer with detailed information about a specific company and its holdings, as well as snapshot of what the company imports and exports, complemented with current Dunn & Bradstreet information.

Commonwealth's events business grew 20% year on year, with organic growth in its existing portfolio of shows, particularly BreakBulk, and also from a new conference (TPM Asia). In addition, the newly-acquired AIG's portfolio of 21 conferences contributed to Commonwealth's growing events portfolio, an aspect of the business that will be increasingly important in future.

Strategic priorities for 2008–10

The global trade and transportation market is a substantial and growing market that offers Commonwealth continuing opportunities for profitable growth through making acquisitions, internationalising its existing products and through expanding its events portfolio.

Commonwealth looks to take advantage of UBM's global B2B media infrastructure and expertise, as well as to build on OAG's worldwide presence to help expand its business. Commonwealth is partnering with CMP Information on the Intermodal South America trade show in Brazil in 2008.

 Find out more...

For more information about how we serve the trade and transportation community worldwide, visit www.cbizmedia.com

Business Review

Financial Review



Nigel A. Wilson

Nigel Wilson
Chief Financial Officer &
Deputy Chief Executive Officer

Cash flow

Operating cash flow²¹ was £166.5m compared to continuing operating profit²² of £166.1m. This represents a cash conversion of 100.2 per cent, a strong performance by the business.

Capital expenditure for the year was £12.6m (2006: £13.1m). This was higher than depreciation of £10.2m (2006: £8.6m), reflecting the investment we have made, primarily in new systems, for example the New Technology Platform in OAG which will enable migration of data revenues from print to online, major website projects in our B2B business, and property investment at new office locations and sales systems within PR Newswire.

We paid dividends of £246.7m, including a special dividend of £200.3m. We paid tax of £5.3m. We incurred restructuring and business reorganisation spend of £17.0m. We made additional contributions to our pension scheme of £1.7m which, along with actuarial gains of £34.8m arising mainly from strong asset returns and a higher discount rate for valuing scheme liabilities, helped to turn a deficit of £3.8m on an IAS 19 accounting basis to a surplus of £36.2m.

Balance sheet

Our balance sheet remains strong. UBM had net debt at 31 December 2007 of £157.5m. We invested £93.7m (including estimate of potential earn outs and excluding deal costs) in 17 acquisitions and returned £276.2m of capital by repurchasing our shares and payment of a special dividend.

Our tax creditor is £227.6m and has increased from £205.7m as at 31 December 2006, representing our prudent assessment of the potential liability for prior years across different geographies, we have necessarily made judgements as to the outcome of matters not yet concluded. This creditor has been consistently classified as short term in line with our accounting convention.

As previously disclosed UBM is in dispute with HMRC with regards to a technical matter arising in relation to the sale of our Regional Newspapers business in 1998. The tax in dispute is estimated at £80m. UBM's appeal was heard at the High Court on 22 February 2007. The decision of the High Court went against UBM and UBM lodged an appeal with the Court of Appeal. The appeal was heard on 26 February 2008 and we are awaiting the outcome. Whilst it is likely that the matter will not be resolved until 2009 it is possible that it could be resolved during the current year.

²¹ Adjusted to exclude non-operating movements in working capital, such as expenditure against reorganisation and restructuring provisions.

²² Before amortisation of intangible assets on acquisitions, exceptional items and share of taxation on profit in joint ventures and associates.

Excluding potential payments in respect of the Regional Newspapers dispute discussed above, we do not expect the tax cash outflow in respect of the taxation creditor in 2008 to exceed £10m.

We continue to hold investments in ITN and the PA Group Limited which have performed well.

Restructuring and business reorganisation costs

During the year, CMP Technology announced a restructuring to align its product portfolio and organisational structure to the changing needs of its customers, and to better position the business to take advantage of growth opportunities in events, online and data. This involved the closure and merging of some print titles and a headcount reduction of over 200 people. The exceptional restructuring charge of £6.2m includes £3.3m relating to redundancy, £2.2m relating to vacant property and £0.7m to restructuring and business reorganisation costs. The redundancy and restructuring and business reorganisation costs have been substantially incurred at the year end and the amount relating to vacant property will be incurred over the remainder of the lease term.

Following the acquisition of the Official Airlines Guide (OAG) in December 2006, UBM announced a restructuring plan to integrate OAG into the Commonwealth business and to enable it to serve its global customers more effectively. The exceptional charge of £7.7m includes £6.0m relating to redundancy, £0.5m relating to vacant property and £1.2m of restructuring costs. The redundancy and restructuring costs have been substantially incurred at the year end and the amount relating to vacant property will be incurred over the remainder of the lease term.

During the year, CMPMedica commenced a restructuring programme to rebalance the business to enable them to better meet the changing customer requirements, to position them in growth markets and to improve profitability. The exceptional charge of £5.7m includes £2.8m of redundancy costs, £1.2m of vacant property costs and £1.7m of other reorganisation costs. Of the amount charged, £1.3m has been spent in 2007 and the balance is expected to be incurred in 2008.

Profit on disposal of business

£6.0m of additional profit from discontinued operations (after tax) has been recognised in 2007. This represents additional consideration receivable from GfK following the settlement of certain outstanding items relating to the sale of NOP World in 2005, together with the release of amounts previously held for potential warranty and other claims which are now no longer required.

Acquisition performance

	Invested £m	Cumulative Pre-Tax Return ²³ %
2005	104.9	11.3
2006	163.0	11.3
2007 ²⁴	93.7	13.1

2007 acquisitions contributed operating profit of £6.8m since acquisition and achieved a return of 10.4% on a pro forma basis.

In 2007, we achieved underlying revenue growth of 5.0% (2006: 4.3%) and we aim to accelerate that growth with further investment in 2008. PR Newswire achieved underlying revenue growth of 6.9%, CMP Asia achieved 10.7%, CMP Information achieved 9.4%, CMP Technology achieved 2.4%, Commonwealth achieved 6.7% and CMPMedica suffered a 1.7% decline.

Effective rate of taxation

UBM's effective rate of taxation for the year was 17.0% (2006: 18.0%).

Impairment

We have reviewed the carrying value of our intangible assets (including goodwill) in light of current trading conditions and expectations and consider that no provision for impairment is required as at 31 December 2007.

Pensions

UBM operates a number of defined benefit and defined contribution schemes, based primarily in the UK, but with some based overseas. The most recent actuarial valuations were undertaken at various points during 2005 and updated to 31 December 2007 using the projected unit method.

At 31 December 2007 the aggregate surplus under IAS 19 was £36.2m, an improvement of £40.0m compared to the deficit of £3.8m at the previous year end, reflecting asset returns and an increase to the discount rate. For UK schemes, the 'PA92 Year of Birth' standard tables have been used. These tables allow for life expectancy to improve over time due to improvements in medical treatments and other lifestyle factors such that younger members who have not yet reached pensionable age are expected to live longer than current pension members. For current pensioner members, the tables assume that they had a life expectancy at age 65 of 19.2 years for males and 22.3 years for females. For younger members who have not yet reached pensionable age, the tables assume they will have a life expectancy when they reach age 65 of 20.6 years for males and 23.6 years for females.

²³ UBM has adopted a financial target that acquisitions should achieve an 8% post-tax return. This would equate to a pre-tax return of 10% at an assumed effective tax rate of 20%. The return is calculated by dividing operating profit by the cost of acquisitions for the total of the three prior years.

²⁴ Results of 2007 acquisitions have been included on a proforma basis to reflect full year impact, amounts invested include the current estimate of all future deferred consideration, but exclude deal costs.

Business Review

Financial Review continued

The average rate of improvement underlying the standard tables is approximately an increase of 0.7 years' life expectancy in every 10 years. For US schemes, RP 2000 tables are used.

The opening deficit has been restated from £6.9m as disclosed in the 2006 financial statements to £3.8m as a result of a change of accounting policy resulting from the adoption of IFRIC 14 which has required UBM to recognise the surplus on the UNEPS, which had previously not been recognised.

The IAS 19 interest credit was £4.5m, being the excess of expected asset growth during 2007 over the interest on the scheme liabilities.

Funding and financial risk management

UBM's central treasury is principally concerned with managing internal and external funding requirements, the monitoring of working capital and the management of key financial market risks and their impact on UBM's financial assets and liabilities, profits and cash flow. The Head of Treasury is accountable to the Finance Committee and the Board.

UBM finances its activities with a combination of funding from capital markets, bank loans, cash and short-term deposits, as disclosed in notes 20 and 21. UBM mainly borrows and invests centrally on behalf of its subsidiaries with the aim of maximising liquidity, security, flexibility and price competitiveness. UBM has established strong relationships with a number of banks and financial institutions to facilitate future funding requirements.

At the end of 2006 UBM had net cash of £130.9m. UBM paid £85.1m on acquisitions completed in 2007 (net of cash acquired) and earnout payments in relation to acquisitions made in prior years and this, together with £276.2m of capital returns made to shareholders during the year, has moved UBM to a net debt position of £157.5m.

UBM enters into derivative transactions, principally interest rate swaps, in order to manage the interest rate risk arising from UBM's operations and its sources of finance. UBM also enters into a small number of forward currency contracts to manage the currency risk of its operations. It is UBM's policy that no trading in derivatives shall be undertaken.

Financial instruments give rise to foreign currency, interest rate, credit, and liquidity risk. Information on how these risks arise is set out below, as are the objectives, policies and processes used to measure and manage each risk.

Foreign currency risk UBM has significant operations outside the UK and uses borrowings to mitigate the effect of its currency exposures by borrowing in the same functional currency as the foreign operation into which it invests. At the end of 2007 UBM had hedged approximately 30% of UBM's US dollar assets and 70% of UBM's Euro assets.

UBM does not hedge the profits of its overseas operations as they are accounting rather than cash exposures.

Due to the nature of UBM's business, the overseas operating units have only limited transactional currency exposures. Where these exposures exist, UBM's treasury policy requires that all its operating units request currency contracts to eliminate the currency exposures on any individual transactions in excess of £50,000 for which payment is anticipated more than one month after entering into a firm commitment for a sale or purchase. Forward currency contracts must be in the same currency as the hedged item and it is UBM's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximise hedge effectiveness. UBM's exposure to foreign currency risk is shown (by way of sensitivity to changes in exchange rates) in the foreign currency risk table in note 22.

Interest rate risk UBM's policy is to manage its cost of borrowing using a mix of fixed and variable rate debt. UBM enters into interest rate swaps agreed with other parties to generate the desired interest profile, in which UBM agrees to exchange, at specified intervals, the difference between fixed rate and variable interest amounts calculated by reference to an agreed-upon notional principal.

At the year end, 47% (2006: 79%) of UBM's borrowings were at fixed rates after taking account the impact of interest rate swaps. UBM's exposure to interest rate risk is shown (by way of sensitivity to changes in interest rates) in the interest rate risk table in note 22.

Credit risk The risk of financial loss due to the failure of a counterparty to honour its obligations arises principally in relation to investment of surplus cash and derivative contracts it enters into. UBM policy restricts the counterparties with whom funds can be invested and derivative contracts can be entered into, with the objective of preserving UBM's capital. At the end of 2007, investment of surplus funds and derivative contracts were held with major banks of high quality credit standing with which UBM has a lending relationship.

Concentrations of credit risk with respect to trade receivables are limited due to UBM's customer base being large and unrelated.

Liquidity risk UBM aims to mitigate liquidity risk by borrowing and investing centrally on behalf of its subsidiaries with the aim of maximising security, flexibility and price competitiveness. Investment, both in organic growth and in acquisitions, is carefully controlled with authorisation limits operating up to UBM board level and cash payback periods applied as part of the investment appraisal process. Four year cash forecasts with analysis of varying scenarios are prepared by central treasury and regularly reviewed by the Finance Committee.

In its funding strategy, UBM's objective is to maintain a balance between continuity of funding and flexibility through the use of capital markets, bank loans and overdrafts. To facilitate access to these sources of funds UBM seeks to maintain a long-term investment grade credit rating with both Moodys (Baa2) and Standard and Poors (BBB-).

Excess cash used in managing liquidity is only invested in financial instruments that are not exposed to significant risk of changes in market value, and are therefore placed on interest-bearing deposit with maturities fixed at no more than 6 months or in AAA rated money market funds.

UBM maintains a £325m multi-currency revolving credit facility from key relationship banks. The facility allows UBM to draw and repay up to £325m provided all conditions precedent are met. At 31 December 2007, all conditions precedent were met and UBM had drawn £195.8m from the facility leaving £129.2m available.

UBM has other committed bank facilities totalling £55.8m of which £53.6m was drawn at 31 December 2007. Further detail on these facilities, including maturity profile, can be found in notes 21 and 22.

Following the announcement in November 2007 on future capital structure, UBM intends, subject to market conditions, to access further sources of finance during 2008 and 2009.

Capital management UBM maintains an investment grade credit rating and conservative capital ratios in order to support its businesses and maximise shareholder value.

In November 2007, UBM announced potential changes to its capital structure, subject to market conditions, in the period to the end of 2009. In particular, it was announced that UBM would:

- continue its acquisition programme, targeting an investment of £150m to £250m per year in 2008 and 2009 on acquisitions to enhance UBM's B2B and news distribution businesses while maintaining its strict acquisition criteria, including the requirement to exceed an 8% post-tax return in the first full year of ownership;
- move towards an ongoing level of dividend cover of approximately two times for the period to the end of 2009, reducing cover from the current 2.47 times. This increased dividend reflects the improved earnings visibility and predictability arising from the changed composition of UBM's businesses;
- return between £200m and £300m of capital to shareholders by the end of 2009 subject to trading conditions. The level and timing of capital returns will be flexed relative to the progress of UBM's acquisition programme.

Through the above, UBM expects to achieve a leverage position of approximately three times net debt to earnings before interest, taxation, depreciation and amortisation by the end of 2009. At the end of 2007 the ratio was 0.9 as shown below. Since the date of the announcement, £25m of acquisitions and £30.8m of share buybacks have been undertaken against this policy.

UBM monitors capital using a leverage ratio of net debt to earnings before interest, taxation, depreciation and amortisation with a policy of keeping the ratio below three to one.

	2007 £m	2006 £m
Financial liabilities	252.5	191.1
Financial assets	(95.0)	(322.0)
Net debt/(cash)	157.5	(130.9)
Adjusted earnings before interest, taxation, depreciation and amortisation ²⁵	176.3	158.3
Leverage Ratio	0.9	*

*Not applicable.

²⁵ Adjusted earning before interest, taxation, depreciation and amortisation is adjusted operating profit as adjusted for depreciation and amortisation of website development costs.

In assessing the leverage ratios of net debt to adjusted earnings before interest, taxation, depreciation and amortisation, both Moodys and Standard and Poors take account of a number of other factors, including future operating lease obligations and any pension deficit.

Interest

Net interest paid was £0.6m compared to £8.3m net interest received in the prior year as UBM moved from a net cash position to a net debt position during the year as a result of acquisitions and capital returns. Net interest paid represents interest payments on UBM's bonds and bank loans reduced by receipts due on our cash holdings.

Going concern

Having reviewed UBM's liquid resources, borrowing facilities and cash flow forecast, the directors believe that UBM has adequate resources to continue as a going concern for the foreseeable future.

Business Review

Risks and Uncertainties

In this section we describe some of the principal risks that the directors believe could materially affect our business, revenues, operating income, net income, net assets or liquidity or capital resources. The nature of risk is such that no list can be comprehensive and it is possible that other risks may arise, or that risks not currently considered material may become so in future.

Sound risk management is an essential discipline for running the business efficiently and pursuing our strategy successfully. UBM has a business-wide risk management process, monitored by the Board, to ensure a consistent and coherent approach.

We operate in a highly competitive environment that is subject to rapid change and must continue to invest and adapt to remain competitive.

Our B2B media and news distribution businesses operate in highly competitive markets that continue to change in response to technological innovation and other factors, as discussed in 'Strategy and Performance' above. We cannot predict with certainty changes that may affect the competitiveness of the business, or whether technological innovation will render some of our existing products and services partially or wholly obsolete.

We aim to mitigate this risk through creating a balanced portfolio of products that evolves to meet the needs of our customers, investing particularly in organic initiatives that address this environment, and acquiring leading online businesses, while at the same time selling or closing titles.

Our strategy calls for acquisitions in a number of our businesses, consequently exposing us to risks associated with acquisitions.

The risks associated with such a strategy include the availability of suitable acquisition candidates, obtaining regulatory approval for any acquisition, assimilating and integrating acquired companies into UBM and changes in the availability or cost of debt financing due to the global credit crunch. In addition, potential difficulties inherent in mergers and acquisitions may adversely affect the results of an acquisition. These include delays in implementation or unexpected costs or liabilities, as well as the risk of failing to realise operating benefits or synergies from completed transactions.

We mitigate these risks by following systematic procedures for integrating acquisitions, applying strict financial criteria to any potential acquisition including the costs associated with financing the transaction, and subjecting the process to close monitoring and review by internal audit and the Board.

Our expansion into new geographic regions subjects our businesses to specific risks of operating in these regions.

As a result of acquisitions and organic growth, we have operations in many new geographic regions such as India and South America. We are a global entity but growth in these regions presents logistical and management challenges due to different business cultures, laws and languages. This results in control, operational and reputation risks which we are addressing by seeding experienced employees into new regions as part of local management teams and through review by internal audit.

Implementing our strategy depends on attracting and retaining key management personnel across all our businesses.

We operate in a number of industry segments in which there is intense competition for experienced and highly qualified individuals. During the year a number of staff have left the business to join private equity-backed venture; this is the single largest threat to our retention of key staff. As we cannot predict the future availability of good people, we place significant emphasis on succession planning and developing and retaining management talent. We have in place a number of incentive schemes, including the Executive share options, Performance Share Plan, Bonus Investment Plan and the Medium-Term Investment Plan to attract and motivate key senior managers.

PR Newswire has undertaken a project to consolidate its US editorial bureaux

PR Newswire's project to consolidate its 11 editorial bureaux to three facilities in Cleveland, Albuquerque and Washington DC was mostly completed during 2007, with the final stages of the Albuquerque move due to be completed by March 2008. As previously disclosed, the disruption of the consolidation and the demands of training of new staff caused lapses in PR Newswire's service quality, resulting in loss of customers and of market share. We cannot be sure that after the consolidation project has been completed the loss of customers will cease nor that lost customers and market share will be regained. We mitigate these risks by closely monitoring the project's completion and ensuring that PR Newswire's service quality is restored.

Several of our businesses have a strategy which is dependent upon the successful execution of major IT projects. A number of businesses within UBM are currently engaged in material projects to update critical reporting systems, restructure the business, refresh existing products, or develop new products to ensure that we remain competitive. These projects are required to secure future revenue streams and often involve a significant capital investment. Many of the projects specifically involve a heavy investment in IT, and system development in particular. The failure to manage and execute these projects successfully could lead to increased costs, delays in completion and consequent erosion of UBM's competitive position.

We seek to mitigate these project-related risks through monitoring by internal audit, assigning responsibility for projects at an executive management level within UBM and through the recent creation of a new group role of Executive Vice President of Global Technology.

We are dependent on publishing advertising for 28% of revenue

Advertising and other marketing spend tends to be cyclical. In times of economic slowdown or recession, some companies spend significantly less, particularly on advertising. There is also increasing competition for advertising revenues from competitors including search companies such as Google and Yahoo! Our advertising revenues in 2007 were 28% of UBM's total revenues (2006: 36%).

We are addressing this risk by migrating our B2B media businesses from their traditional print base to incorporate a higher proportion of event and online revenues. The increasing proportion of revenues from events in particular gives us better visibility on future earnings. We are also investing in both print and online intellectual property-based products (e.g. workflow business information products) which are less subject to the cycle of advertising spend.

Fluctuations in exchange rates may affect our reported results.

UBM's financial statements are expressed in pounds sterling and are therefore subject to fluctuating exchange rates whenever financial information is translated from other currencies.

The United States is our most important market and significant fluctuations in U.S. dollar/sterling exchange rates could affect our reported results from year to year. A one cent movement in exchange rates equates to a £400,000 to £500,000 movement in operating profit.

Future tax payments may exceed recorded liabilities.

While UBM's taxation creditor of £227.6m at the year end represents our prudent assessment of the potential tax liability for previous tax years across different tax jurisdictions worldwide, we have necessarily made judgements about the outcome of matters not yet concluded.

We seek to manage this risk by regularly assessing UBM's potential tax liability with the help of external advisors. We consider the current provision to be adequate.

The cost of providing pension benefits to existing and former employees is subject to changes in pension fund values and changing mortality.

UBM operates a number of pension plans that provide defined benefits. While the UK plans are generally closed to new employees, the U.S. plan continues, offering some of the features of a defined benefits plan. The cost of providing these benefits to existing and former employees is subject to changes in the pension fund values and changing demographics, including longer life expectancy among beneficiaries. We believe that sustained falls in equity markets and reductions in bond yields have and may continue to have a material adverse effect on the value of our pension funds. We may therefore be required to recognise additional charges to our profit and loss account to the extent that the pension fund values are less than the total anticipated liability under the plans. There is an exposure in the event that asset returns are insufficient to cover changes in the schemes' liabilities over time. This has been mitigated by active management of the investment portfolio and additional contributions have been made to the UK schemes. UBM has acted to close its defined benefit schemes to new members and neither the CEO or CFO belongs to such a scheme. At 31 December 2007 UBM's pension schemes showed a net surplus of £36.2m on an IAS 19 accounting basis.

Our businesses are required to comply with tightening and increasingly high profile legislation on data protection issues

Our operations are required to comply with growing levels of data protection and privacy legislation governing increasing areas of our businesses. The need to comply with data protection legislation is a significant control, operational and reputation risk which can affect the business in a number of ways including, for example, making it more difficult to grow and maintain marketing data and also through potential litigation relating to the alleged misuse of personal data. We are addressing these risks by legal reviews, operational reviews and staff training to raise awareness of the need for compliance in this area.

Our exhibitions businesses may be adversely affected by incidents which curtail travel, such as major terrorist attacks or outbreaks of disease, such as Avian flu or Severe Acute Respiratory Syndrome ('SARS').

UBM's exhibitions businesses contributed 30% of UBM's revenue in 2007, and over 90% of CMP Asia's revenue (on a pro forma basis). Visitors travel to these shows from around the world.

Any incident that curtails travel will have an impact on the running of an event that year. But our experience from the 2003 SARS outbreak in Asia (and earlier, following reaction to the terrorist attacks in the USA in 2001) showed that whilst revenues were affected in the year of the outbreak or event, they rebounded strongly as demand recovered or even increased to compensate for the previous year.

Changes in government legislation may affect the pharmaceutical industry.

Changes in government health policies, for example on the use of generic drugs or reimbursement prices, could adversely affect pharmaceutical companies. This could lead to reduced spending by pharmaceutical companies on advertising. This we have seen in a number of countries, notably in the US.

Regulatory pressures may also affect pharmaceutical companies' ability or willingness to sponsor ongoing medical education events. We monitor developments in public policy in all our major markets and work with our customers to ensure we can deliver the best possible media product while meeting all regulatory obligations.

Business Review

Corporate Social Responsibility

Overview

Good corporate citizenship and respect for the communities in which we operate is central to the way in which UBM does business. We believe that this philosophy is good for our business and our profits by contributing to the development of a positive culture and boosting the morale of our employees. Responsibility in demonstrating such values rests with divisional management.

In 2007 we established a steering group bringing together representatives from all UBM businesses, chaired by UBM's Chief Financial Officer and Deputy CEO, Nigel Wilson, who champions corporate social responsibility (CSR) activity at main Board level. The steering group provided a forum for our business divisions to share information on CSR initiatives and to develop best practice. It also provides the mechanism through which CSR issues are reported to UBM's board.

At the start of the year we formulated a set of objectives encompassing environmental, community, workplace and marketplace issues. As UBM continued to develop and share knowledge it became apparent that the way in which our divisions approach CSR issues varies from business to business, and accordingly it is inappropriate to seek to develop a standard methodology across the board. Divisions are therefore encouraged to prioritise CSR issues in line with their own business needs and to set their own targets, subject to the underlying principle that their approach to CSR should focus on support for the business strategy and the mitigation of risk.

It continues to be our belief that CSR should be embedded in the business culture rather than managed by a separate department, and accordingly responsibility for development and implementation of CSR initiatives rests with each division.

During 2008 we are aiming to provide further information on our CSR activity on our website www.unitedbusinessmedia.com.

Through our membership of the Media CSR Forum we are able to engage more fully with stakeholders, sharing ideas on best practice and continuing to monitor and debate issues of particular relevance to the media sector.

Governance and ethics

UBM's Statement of Business Principles governs our relationship with our customers, shareholders, employees, suppliers and the wider community and forms the basis of our corporate values. It is available on our website at www.unitedbusinessmedia.com. Our well established governance processes are described in more detail in the Corporate Governance Statement on pages 54 to 56.

Remuneration policy for senior management is aligned with stakeholders' interests and is described in the Directors' Remuneration Report on pages 46 to 53. Bonus targets for senior management include measures aimed at developing and progressing CSR activity.

Environment

The importance of observing and promoting good environmental practice has become more apparent as the debate on the effects of climate change has continued. We have identified the principal areas relevant to our environmental footprint as energy usage, waste recycling, paper sourcing and usage, and transport. Key initiatives here include the following:

- We continue to pursue policies to reduce energy usage in the workplace. During 2007 our principal UK office, Ludgate House, once again participated in the 100 Days of Carbon Clean Up campaign to reduce carbon emissions and achieved a reduction of 79 tonnes of CO₂ over the period. During the year Ludgate House also switched its electricity supply to green energy which contributed further reductions, resulting in a total saving of 353 tonnes of CO₂ in Ludgate House.
- Recycling initiatives are in place at the majority of UBM's offices. Items recycled include paper, cardboard, glass and aluminium. During 2007 we exceeded our target of recycling more than 60% of all waste at Ludgate House and our offices in Preston and Tonbridge achieved recycling rates of 75% and 57% respectively.
- "Green office" initiatives have been introduced throughout the business and staff orientation programmes include office environmental awareness training.
- Paper sourcing and usage continues to be an area of focus for our individual divisions and their suppliers. Generally, we seek to use less paper in the workplace through measured directives and introducing cultural change, for example by email reminders and double-sided document printing. CMPi's magazine titles are now printed on oxybiodegradable paper.
- Both internally and externally, we communicate increasingly by electronic means, through our website and by using webcasts. We have taken advantage of new legislation on e-communications introduced by the Companies Act 2006 and have invited our shareholders to enable us to communicate with them more quickly and effectively through electronic means rather than by paper.
- Once again UBM, in conjunction with Digital Links International, donated IT equipment to enable around 5,000 people in the developing world to access Information Technology for the first time. During 2007 the computers and IT equipment were reused to encourage Ugandan girls to study Science, to transform education in Tanzania, and to help NGOs in Kenya.



exhibition | conference | networking
www.think07.co.uk

Think 07 Al Gore, former US vice-president, addressing seminar regarding sustainability in the built environment.

Marketplace

Marketplace initiatives are gaining awareness, as evidenced by products such as CMPi's THINK conference, Working Buildings Week 2007 and CMP Asia's conference on eco fashion at their Fashion Access Exhibition in October 2007.

In 2007 CMPi, ran the first ground-breaking Think exhibition and conference about sustainability in the built environment. Think07, which featured keynote speakers such as Al Gore, former US vice-president, and HRH The Prince of Wales, dramatically reduced its carbon footprint, by being CMPi's first trade show in the UK not to use carpet, which typically is not reused and goes straight to landfill – instead the floors were painted using environmentally friendly paint; by constructing stands from re-usable and recyclable materials where possible; by encouraging all exhibitors to produce promotional literature in electronic format only and holding exhibitor workshops on greener approaches to exhibiting. In line with the sustainable ethos of Think, and in a bid to further reduce its carbon footprint, the Think press office will be going digital, using no hard copy materials at all, during 2008. CMPi is taking the lessons learned from Think07 to help reduce the carbon footprint not only of future Think events, but all CMPi events.

Workplace

UBM employs over 6,000 people around the world. Attracting, recruiting, engaging and retaining a highly skilled and diverse pool of talent remains one of UBM's highest priorities. As described on page 34, ensuring our continuing ability to attract and retain key talent is an important risk factor for UBM and our employment policies, which are described below, are designed to address and mitigate that risk.

Positive culture

Throughout 2007, we have pursued our stated aims of creating profitable growth and a positive culture at UBM. Our investment in training and development, our focus on performance management through appraisal systems, the use of engagement surveys to identify priorities and our continuing involvement in local community projects and charities, all contribute to creating a positive working environment. Reward and recognition schemes across UBM, such as the CMPi annual People and Culture Awards and the CMP Asia quarterly Staff Values Awards, also recognise the exceptional work of individuals and teams.

Employment policies

Detailed employment policies are in place across our businesses, which are constantly reviewed and adapted to meet the changing needs of the business and the workforce. Employment policies and practices cover areas such as recruitment, training, flexible working, paid leave (e.g. maternity, paternity, adoption, parental, carer and sabbatical leave), diversity, data protection, anti-malpractice ('Whistleblowing') and other policies tailored to meet, and often exceed, the requirements of local jurisdictions.

Business Review

Corporate Social Responsibility continued

In 2007, CMP Technology was ranked no. 2 in the US on the list of Top 100 adoption-friendly work places as assessed by the Dave Thomas Foundation for Adoption and was praised for giving financial assistance and paid leave to employees going through the adoption process. As detailed below, we believe that our employment policies including cutting edge flexible working policies have a significant effect on engagement and retention. The voluntary turnover rate across UBM for 2007 was 15.9% (compared to a voluntary turnover rate in the UK media and publishing sector of 18.8% and a voluntary turnover rate for the US private sector of 26.5%).

Diversity

We are a global business with employees, customers, partners and suppliers from a wide range of cultures and backgrounds. It is crucial to our success that we tap into these differences to enable us to respond to the rapidly changing business environment, to meet the diverse needs of our customer base, and to enhance creativity and personal development.

UBM aims to create a culture of diversity and inclusion, where the unique talents that every individual can bring to the business are fully recognised. We have equal opportunities policies and programmes in place to ensure employees are selected and promoted solely on the basis of their skills and ability to do the job, regardless of age, gender, race, religion, sexual orientation or disability. Employees receive training on diversity, equality and anti-harassment issues. For example, every employee in the UK undertakes diversity workbook training and completes an interactive test when they join UBM – a training tool which provides measurable results – and extensive anti-harassment training programmes take place in the United States.

Specific efforts are also made to increase the number of women and people of diverse backgrounds in senior executive roles, including training and coaching, internships, and ensuring that benefits and leave programmes encourage retention of talent. 45% of the participants in the Business Leaders Programme 2007, UBM's flagship development programme, were women. As at December 2007, 59% of the employees across UBM were women and 40% of senior executives across UBM were women.

Cutting edge flexible working policies were introduced in 2000, which were specifically designed to meet individual personal circumstances and to satisfy business needs. Since their introduction, we believe these policies have made a significant contribution to the recruitment and retention of a more diverse workforce. In 2007, CMP Technology won the Alfred P Sloan Award for Business Excellence in Workplace Flexibility, distinguishing the Company as one of the top practitioners of workplace flexibility in the US. In an employee engagement survey at PRNewswire, US employees rated PRN 15 points above the norm and UK employees, 13 points above the norm on work life balance.

Just one illustration of the success of our policies is the fact that in 2007, for the fourth consecutive year, CMP Technology received 'Best Place To Work GLBT Equality' seal from the Human

Rights Campaign Foundation, as one of America's best companies for gay, lesbian, bisexual and transgender workers. UBM was also rated silver standard in May 2007 in the Opportunity Now diversity benchmarking exercise. As at December 2007, 11.35% of the workforce in the UK who stated their ethnic background in monitoring questionnaires were of black or minority ethnic backgrounds (against a general ethnic population of 8% in the 2001 UK Census). In the US, 22.0% of the workforce is of minority ethnic background (against a general minority ethnic population of 22.9% in the 2000 US Census).

UBM recognises the specific needs of individuals and, in particular, ensures that appropriate adjustments are made to enable the employment of disabled persons. Should employees become disabled during employment, every effort is made, through appropriate training or other adjustments, to accommodate their disability and enable them to continue to pursue their career.

People development and training

UBM places a particular emphasis on the personal development of all staff to achieve their full potential. Employees across UBM participate in ongoing appraisal and assessment procedures, and within each business both internal and external training is provided, ranging from management 'boot camps', leadership development programmes, webinars and formal classroom training to individual coaching programmes. For example, in 2007, PR Newswire completely revamped and enhanced its new hire orientation programme, expanded on its 'building a better boss' initiative and launched new 'one on one' coaching to provide key management personnel with an even greater level of support. Staff are encouraged to and assisted in obtaining relevant qualifications. In addition, intra-group transfers are facilitated providing both development opportunities for staff and ensuring that their skills and expertise are applied to the most relevant parts of the business. The participants in the CMPi Leadership Development Programme are actively working with five non-governmental organisations in Brazil as part of the programme.

UBM actively seeks to attract the best talent, and development opportunities and management skills training are provided throughout the organisation. Over 90% of the 2007 graduates of the CMPi sponsored graduate recruitment programme secured permanent positions at CMPi at the end of their year on the scheme, and many participants from previous years have gone on to forge very successful careers within the organisation. We also aim to develop tomorrow's leaders through the flagship Business Leaders Programme. The 2007 programme brought together delegates from across UBM and the modular programme, spanning the year, is very successful in its aims of developing high-calibre business leaders and raising their profile within UBM, and provides a valuable tool in UBM succession planning process. Another programme is in place for 2008 with selected delegates from the various global businesses.

Reward strategies

UBM has developed policies on compensation, rewards and benefits that ensure that the best talent is recruited, retained and engaged. The objective is to ensure that all staff in all locations are treated fairly and we aim to follow best employment practices within the local markets in which we operate. We promote and reward based on merit and the individual's contribution to the business. Reward arrangements include bonus and long-term incentive schemes payable on the achievement of financial and personal objectives. A wide range of other benefits are also available including Company pension schemes, life assurance and medical facilities. In the event of redundancies, UBM makes sure that proper procedures are followed with affected staff in accordance with Company policies, and that redundant staff are treated fairly in accordance with local best practices.

Communication

UBM believes that clear and open communication with employees is fundamental to fostering a positive culture and achieving our business aims. An ongoing dialogue with employees is achieved through staff surveys (with follow up action plans), appraisals, newsletters, divisional Intranets, town hall meetings, web chats, blogging, innovative use of webinars and wikis. Regular UBM-wide e-mail updates from the CEO keep employees informed of business strategy and developments. In addition, employee consultative forums in place in UBM businesses offer a valuable vehicle for the exchange of information with management and also give employees the opportunity to meet and share views.

HR Metrics

Having conducted research into the HR Metrics that should be measured, UBM began a process in 2007 of streamlining our metrics and focused on those areas where value can be added to the business by greater understanding of people issues and trends. This included the development and implementation of appropriate performance management systems in UBM companies and measurement of levels of staff engagement across the business. Annual staff attitude and engagement surveys, already in place in some businesses, were extended to the whole of UBM, providing invaluable information to ensure that all staff are actively engaged with the business and are committed to the delivery of business objectives. At PR Newswire, a number of departmental working groups were created that reviewed the survey data in liaison with colleagues, to identify initiatives that could positively impact employee engagement.

Sharing best practice

The Company continues to work with organisations such as Opportunity Now, The Employers Forum On Age, Stonewall and The Corporate Leadership Council. Membership of these organisations affords the opportunity to identify and share best practices and to develop effective networks with other employers.

Health and safety

We recognise our responsibility to provide a safe working environment for employees, and for exhibitors and visitors to our many conferences and exhibitions. All divisional CEOs are responsible for making sure that their businesses operate in compliance with relevant health and safety legislation and procedures.

During 2007 we introduced an online health and safety reporting system to assist in fulfilling our health and safety responsibilities more effectively and efficiently and to allow us to monitor and improve our performance. During 2007 the system was implemented in all UK divisions. The system enables a series of safety checklists and assessments to be carried out on a formalised basis and provides an electronic follow up for any resulting hazard referral.

During 2008 it is proposed to roll out the reporting system to overseas jurisdictions as appropriate.

Benefits

For the past two years UBM has, through its Salary Exchange Scheme, offered a Cycle2work scheme, developed with Halfords, which enables its UK employees to take advantage of the Government's tax exemption on bicycles provided for staff to cycle to work. By the end of 2007 over 100 employees (being 6.4% of the UK workforce) had entered the scheme and were cycling to work.

Community

UBM recognises the importance of its relationship with the communities in which it operates, and aims to support and encourage charitable activities of various kinds. With the involvement of our employees UBM supports charities and not-for-profit organisations around the globe; from smaller grass-roots donations, to large long-term international projects where employees can really see UBM's money making a difference; from volunteer project support to donations in kind, tapping into the wealth of expertise of our employees and supporting their energy and enthusiasm in their charitable works.

During 2007 we continued to develop our charitable donations policy. This is administered by a central charity committee which allocates funds to each division to be expended in line with established guidelines. As a media and information group, UBM particularly supports projects which promote education and literacy, and media and communications. Whilst UBM is keen to maintain this important legacy we are also eager to assist in relieving poverty and homelessness, and promoting healthcare both in the markets we operate and in society more widely. The development of our 'offshoring' activity has opened up exciting opportunities to engage with local communities in wider geographies, most notably in India. Within the policy guidelines our businesses, through consultation with employees, are encouraged to nominate causes they feel it appropriate to assist, thus enabling employees to gain recognition and support for the causes that are important to them.

Business Review

Corporate Social Responsibility continued



Oxfam education programme renovated four schools in Mbandaka and Kinshasa, Democratic Republic of Congo.

Image © Harmonie Attwood



CARE International UK provides improved primary education to 40,000 girls in Uttar Pradesh, India.

Image © CARE, Jenny Matthews



Cleveland Boys & Girls Club Children of the Cleveland Boys & Girls Club participate in after-school arts and crafts.



Painting Pumpkins A PR Newswire employee painting pumpkins with children at the University of New Mexico Children's Hospital.

As well as supporting not-for-profit activities at a local level, donations are also made from a central fund to support major projects, often with long-term funding and resource commitments. The following are just examples of some of our larger projects:

Over the past three years UBM has donated £150,000 to an Oxfam education programme in the Democratic Republic of Congo (DRC), renovating four schools in the poorest areas of Mbandaka and Kinshasa, and facilitating the training of 25 teachers. Over 3,000 pupils, 49 teachers and 52 parent committees at these schools are now directly benefiting from this project.

Further details can be found at http://www.oxfam.org.uk/get_involved/companies/ubm.html

In 2007 UBM donated £50,000 to CARE International UK for their Girls' Education Programme ('GEP') in India, which aims to provide improved primary education to 40,000 girls from marginalised communities of Uttar Pradesh, between six and 16 years old, by 2010. UBM's donation has been directed towards primary schools in two districts of Uttar Pradesh, allowing CARE to carry out teacher training and ongoing support for 145 primary schools and have provided library books resulting in 80% of schools in the area having a regularly used library.

UBM has provided funding for a communications programme for Samraksha, an Indian charity which tackles issues related to HIV/Aids education;

In Romania UBM donated £10,000 for the building of a respite care home for Agents of Change, which provides healthcare and rehabilitation for handicapped and disabled people;

UBM has committed £150,000 to Basic Needs (www.basicneeds.org) to develop a knowledge database for mental health, which in time it is hoped will create a model for treatment of mental health.

During the year CMP Asia began a project to construct a Primary School in Meixi Village, one of the poorest villages in Yangbi, China, which will provide a safe learning environment for the students and teachers. The project is ongoing and is expect to be completed during summer 2008.

Commonwealth Business Media donated US\$25,000 to Reading Is Fundamental, which prepares and motivates children to read by delivering free books and literacy resources to those children and families who need them most. The partnership with RIF has also opened up volunteer opportunities for all its employees.

During 2007 employees at PR Newswire voted on which charities they wished to support. Future donations will now be allocated depending on the level of volunteer work undertaken by PR Newswire staff. PR Newswire also operates a Volunteer scheme whereby employees may take time off each year, with pay, to devote to the cause of their choice, such as the Cleveland Boys & Girls club and the University of New Mexico Children's Hospital.

In the US, CMP Technology operates a nationally recognised volunteer programme, Community Connection, which has long standing, established partnerships with around 70 not-for-profit organisations, and supports over 260 not-for-profit organisations through grants.

Some of the charities we have supported during the year

BasicNeeds
BasicRights

BOYS & GIRLS CLUBS
OF CLEVELAND

Long Island
Crisis Center
It's OK to ask for help

MercyFirst
where children can hope
and families can heal

Oxfam

समरक्ष
SAMRAKSHA
Adding Life To Years

UNM
CHILDREN'S HOSPITAL

LA CASA
DE LAS
MADRES
A Refuge.
An Advocate.
A Strong Voice
Against Domestic
Violence.

RIF
Riverside Foundation

RICHARD
HOUSE
Children's
Hospice

The increase in the level of donations being recommended for organisations in developing countries such as India and China reflects the expansion of UBM's businesses into the developing world. Employees at CMPi, who are engaged on an offshoring initiative, have already established a strong relationship with Manavya Orphanage in Pune, India, which has benefited from their continuing support.

UBM also operates a payroll giving scheme in the UK, whereby regular donations by employees are matched by their employer; and a separate matched giving scheme through which fundraising efforts by UBM's employees are matched on a one-off basis.

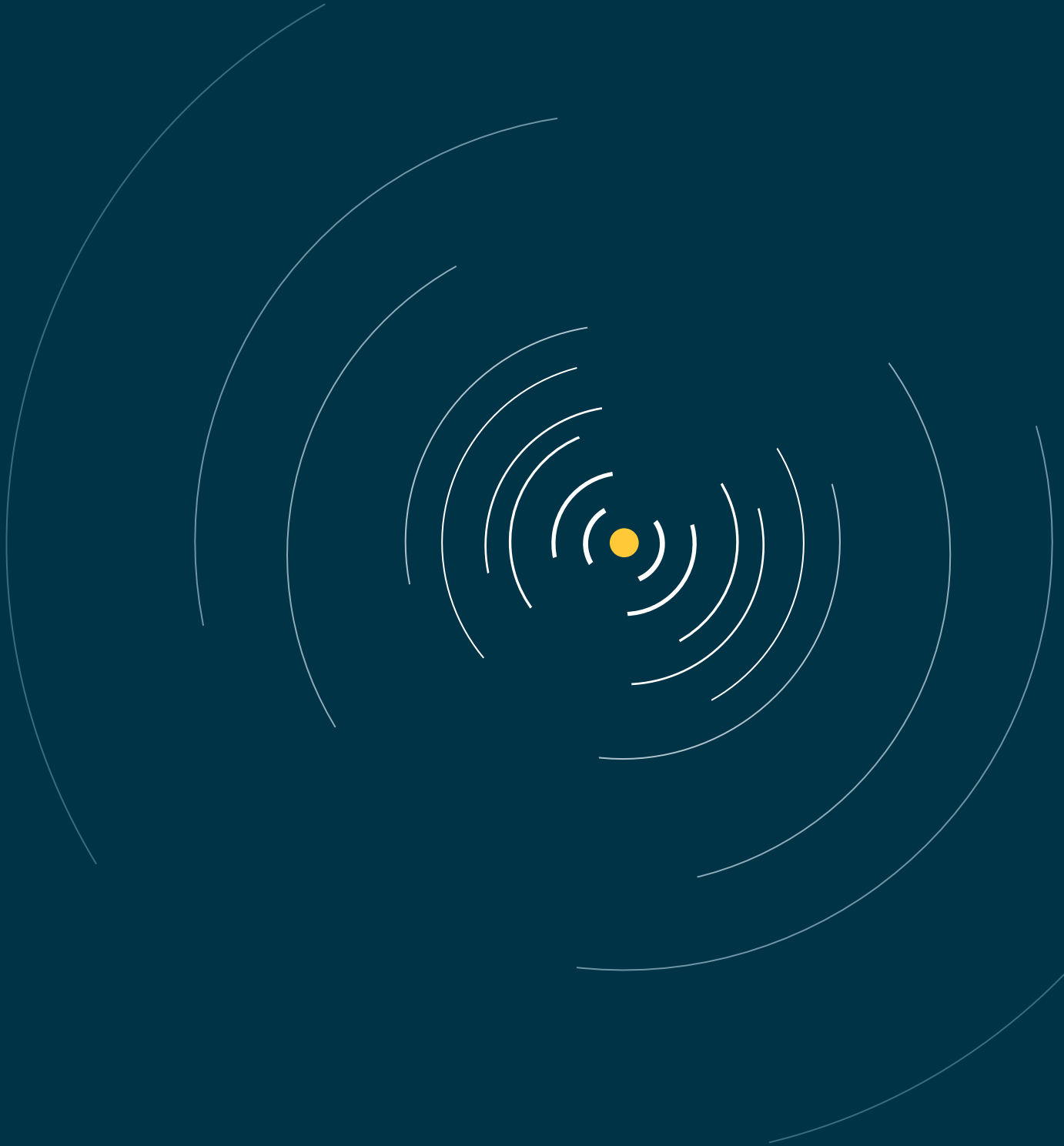
During 2007 £543,372 was donated to over 80 charities recommended by employees around UBM; this represents cash donations only and does not include pledges of future funding nor donations in kind such as employees' time nor used computer equipment.

During 2008 our aim is to standardise and expand our employee volunteering programme to ensure that as many employees as possible have the opportunity to participate in community efforts, and to enable us to evaluate more accurately the financial contribution that such efforts represent.

Many of UBM's businesses have initiatives in place to make their products and services more accessible to the voluntary sector. PR Newswire has expanded its specialist services for NGOs and not-for-profit agencies and, in times of crisis, PR Newswire has sometimes rendered its services free of charge, for example, during the 2007 California wildfires. In the UK PR Newswire has developed a link with www.askcharity.org.uk, which seeks to improve charities' access to the media.

In 2007 the CMPi Leadership Development Programme (LDP) worked with four UK charities – The Bridge Trust in Tonbridge, The Aquarius Community Centre in Manchester, CRASH in London and Thames Hospice Care in Ascot – whereby four groups of four participants worked on projects which took three months to complete. CMPi gave each group time off work to complete the projects, giving the participants the opportunity to bring business and commercial skills to help the charities concerned, helping to bring structure and support to allow them to continue the vital work that they do. During early 2008 the LDP will be culminating in the 15 participants travelling to Brazil to lead projects with four NGOs. The five groups of three senior CMPi Managers each will be spending eight days with each of the NGOs. The projects range from introducing financial and communication structures, to helping to build a centre for Doutores da Alegria (The Doctors of Joy) in the heart of São Paulo, to alleviate some of the suffering of terminally ill children and to bring a humanising element into hospital care.

During 2008 we will continue to investigate the possibility of similar opportunities for co-operation with the voluntary sector.



- 44 Board of directors
- 46 Directors' remuneration report
- 54 Corporate governance statement
- 57 Independent auditors' report to the members of United Business Media plc (consolidated financial statements)
- 58 Report of the directors

Section 2: Governance

Board of Directors



1



2



3



4



5

1. John Botts Chairman⁽²⁾⁽³⁾ Age 67

Appointed to the Board in 1997, John Botts is chairman of Botts & Company Limited, a corporate finance and private equity investment company. Other directorships include Euromoney Institutional Investor plc, Medi Capital Bank Plc, Tisbury Europe Master Fund Ltd and Convera Corporation Inc. Graduate of Williams. He succeeded Geoff Unwin as Chairman of UBM in December 2007.

2. David Levin Chief Executive Officer, Age 46

David Levin was appointed as Chief Executive Officer in April 2005, having previously been chief executive of Symbian, a mobile phone software licensing company, since April 2002. He joined Symbian from Psion plc, the handheld computing company, where he was chief executive from February 1999. Prior to that, he spent five years with the international business-publishing group Euromoney Institutional Investor, as chief operating officer and before that as president of Institutional Investor in New York. Previously he worked with the venture capital group Apax Partners and with the consultancy firm Bain and Company for five years, mostly in Asia. David has an MBA from Stanford University and an MA from Oxford. David is also a member of the finance committee of the Oxford University Press, a department of Oxford University.

3. Nigel Wilson Chief Financial Officer & Deputy Chief Executive Officer, Age 51

Nigel Wilson was appointed to the Board as Chief Financial Officer in 2001. Prior to that he was group finance director of Viridian Group plc from 1996 to 2000, and became managing director of Viridian Capital in 2000. Nigel is a non-executive director of Halfords Group PLC where he is the senior independent director and chairman of the Audit Committee. Previous appointments include group finance director at Waste Management International plc, chief executive, corporate, Guinness Peat Aviation (G.P.A.), head of corporate finance and group commercial director of Dixons Group plc, managing director of Stanhope Properties plc and a consultant at McKinsey & Co. Nigel has a PhD from the Massachusetts Institute of Technology.

4. Lord Sandy Leitch⁽¹⁾⁽³⁾ Non-Executive Director, Age 60

Appointed to the Board in January 2005, Sandy is chairman of the Remuneration Committee and senior independent director. He is chairman of Intrinsic Financial Services Ltd, BUPA and Scottish Widows plc, and a non-executive director of Lloyds TSB plc and Paternoster UK Limited. Sandy was previously chairman and chief executive of Zurich Financial Services (UK, Ireland, Southern Africa and Asia Pacific), holding senior positions at Allied Dunbar, Eagle Star and Threadneedle Asset Management. Sandy was Chairman, until January 2007, of the National Employment Panel, which advises government on employment issues, and recently chaired an independent review of skills in the UK. He is also deputy chair of the Commonwealth Education Fund and was previously chairman of The Association of British Insurers. Sandy was appointed to the House of Lords in 2004.

5. Jonathan Newcomb Non-Executive Director⁽¹⁾⁽²⁾⁽³⁾ Age 61

Jonathan Newcomb was appointed to the Board in 2001. He is a board member of Journal Communications (NYSE) and the BNA Corporation, and is currently a senior advisor at the New York based investment firm Coady Diemar. He was chairman and CEO of Simon & Schuster, one of the world's largest book publishers and providers of educational and training materials from 1994 until 2002, having been president and chief operating officer from 1991. From 2002 to 2004 he was a principal with Leeds Equity Partners, a New York based private equity firm, and between 2006 and 2007 he was President and Chief Executive Officer of Cambium Learning, an educational services provider. Previous employment included McGraw Hill (where he was responsible for Standard & Poor's and Data Resources) and Dun & Bradstreet.



6



7



8



9

6. Lord Adair Turner Non-Executive Director ⁽¹⁾⁽²⁾ Age 52

Appointed to the Board in 2000, Adair Turner is a non-executive director of Standard Chartered plc, Paternoster UK Limited and Siemens Holdings plc. He is a visiting professor at the London School of Economics, a Trustee of Save the Children UK and is a member of the advisory board of Climate Change Capital, and was recently appointed as Chair of the Government's Committee on Climate Change. He was previously vice-chairman of Merrill Lynch Europe. Prior to that he held appointments as director general of the Confederation of British Industry and as director of McKinsey & Co. In December 2002 he was appointed by the Government to chair an independent commission on pensions, and became a member of the House of Lords in 2005. Adair is chairman of the Audit Committee. He graduated from Cambridge University in 1978 with an MA in History and Economics.

7. Christopher Hyman Non-Executive Director ⁽²⁾ Age 44

Appointed to the Board in 2004, Christopher Hyman is chief executive of Serco Group plc, which he joined in 1994 and where he has served in a number of roles, including company secretary, corporate finance director, and group finance director, before becoming chief executive in 2002. Serco is one of the world's leading service companies. It provides governments and companies with management and consulting expertise across a range of sectors including civil government, science, local government, transport and defence in more than 38 countries. He is also non-executive director of Habitat for Humanity, Africa Foundation and the Borneo Tropical Rainforest Foundation. In 2007 Chris was appointed Chairman of the Prince of Wales' charity In Kind Direct and was made South East Ambassador to the Prince of Wales for Business in the Community. He is also a member of the UK Government's Honours Advisory Committee for Economy and the UK Commission for Employment and Skills (UKCES). Chris has a BCom and Phdip Acc from Natal University and qualified as a chartered accountant in South Africa.

8. Pradeep Kar Non-Executive Director ⁽¹⁾ Age 49

Appointed to the Board in August 2006, Pradeep Kar is the founder, chairman and managing director of Microland, India's leading provider of outsourced IT infrastructure management services. A serial entrepreneur, Pradeep Kar founded Planetasia.com (India's leading internet professional services company), Indya.com (India's leading portal acquired by News Corporation), Net Brahma, a telecom software company and also merged his internet media business with India's leading marketing company. Pradeep is a member of the Technology Advisory Panel to the Government of Karnataka, and the president of The IndUS Entrepreneurs (TiE), Bangalore Chapter. He sits on several boards including the Advisory Board of Leaders' Quest, an international social enterprise based in London. Pradeep holds a degree in mechanical engineering and a post-graduate degree in management.

9. Karen Thomson Non-Executive Director, Age 46

Appointed to the Board in August 2006, Karen Thomson is a director of Vodafone UK Limited. She was previously president of AOL Europe, having been chief executive and chairman of AOL UK, with responsibility for the AOL and CompuServe services in the UK. Karen was with AOL for over 11 years and under her leadership, AOL became one of the leading online content providers in the UK. Prior to AOL, Karen held roles as planning and business development director in UK advertising and marketing agencies following positions in the mobile communications industry. She holds a Master's degree in Philosophy from Aberdeen University and an honorary doctorate and MBA from Middlesex University.

⁽¹⁾ Member of the Remuneration Committee

⁽²⁾ Member of the Audit Committee

⁽³⁾ Member of the Nomination Committee

Directors' remuneration report

This report on directors' remuneration covers the following information:

- A description of the Remuneration Committee constitution and how it carries out its duties;
- A description of UBM's policy on executive remuneration for 2008 and subsequent years;
- A summary of the terms of executive directors' contracts and non-executive directors' letters of appointment;
- Details of each director's remuneration earned in 2007 and awards under long term incentive plans;
- Directors' interests in UBM shares;
- Graph illustrating UBM's total shareholder return (TSR) performance.

A resolution to approve this report will be put to shareholders at the annual general meeting on 13 May 2008.

Remuneration Committee

The Remuneration Committee is responsible for formulating and recommending policy on executive remuneration. The Committee sets the individual remuneration packages of the executive directors and chairman and also reviews the general remuneration framework for senior executives of the Group. This includes overseeing the design and operation of the Group's long term incentive plans and determining the basis on which awards are made under these plans.

The following independent non-executive directors served on the Committee throughout 2007: Sandy Leitch (chairman), Pradeep Kar, Jonathan Newcomb and Adair Turner. In accordance with changes in the Combined Code introduced in 2006, Geoff Unwin, Chairman of the Board, was a member of the Committee from January 2007 until he retired from the Board in December 2007. David Levin, CEO, usually attends meetings by invitation; neither Geoff Unwin nor David Levin were present when matters relating to their own remuneration were discussed. The Committee met formally on three occasions during 2007; details of attendance by Committee members are shown on page 54. The principal activities carried out by the Committee during 2007 were:

- Reviewing the executive directors' remuneration packages, benchmarking them against UBM's TSR comparator group and other companies of similar size to UBM;
- Reviewing executive directors' performance during 2006 and determining awards under the 2006 bonus plan;
- Setting maximum bonus award levels and targets for executive directors for 2007;
- Reviewing achievement of performance conditions for share option and other awards vesting in 2007;
- Reviewing and setting performance targets for long term incentive awards, and making such awards;
- Determining the remuneration package for the new Chairman;
- Reviewing the composition of the TSR comparator group; and
- Initiating a review of the Group's long term incentive plans which is continuing in 2008.

During 2007 the Committee was advised by Kepler Associates, independent remuneration consultants, in relation to the Group's long term incentive plans and on the benchmarking of remuneration packages. Kepler Associates were appointed by the Committee and provide no other services to the Company. Ernst & Young LLP, who are the Group's auditors, reviewed and confirmed the measurement of performance conditions under the Group's long term incentive plans. The Committee was also advised by the Company Secretary, Anne Siddell, who is secretary to the Committee, and by Jennifer Duvalier, group people and culture director, who joined UBM in September.

The Committee has written terms of reference which may be viewed on the Group's website. Copies may be obtained from the Company Secretary. The Committee's constitution and operation, and the Company's remuneration policy, are in compliance with the Combined Code on corporate governance. As part of the Board effectiveness review carried out during 2007 the Committee's performance was reviewed and considered to be satisfactory.

Remuneration policy

UBM recognises the need to attract, retain and incentivise executives with the appropriate skills and talent to manage and develop the Group's businesses in such a way as to drive the Group's strategy and deliver shareholder value. The main principles of UBM's executive remuneration policy are:

- To achieve total remuneration packages that are competitive with the sector within which the Group operates and with the market in general;
- To provide an appropriate balance between fixed and variable remuneration which rewards high levels of performance. Base salary levels are designed to be at median while variable remuneration is linked to key measures of both corporate and personal performance and rewards significant outperformance of targets; and
- To incentivise and retain management and to align their interests with those of shareholders.

Variable remuneration is delivered largely through the mechanism of share-based plans, thus linking reward to share price performance. In 2005 UBM discontinued the use of market priced share options, with a performance condition based on earnings per share (EPS), in favour of performance shares, with a TSR-based performance condition. Having reviewed the operation of the Group's long term incentive plans in 2007, the Committee consider that linkage to UBM's stated strategic objectives is best achieved through a balanced focus on earnings and absolute share price growth, and between absolute and relative performance. Accordingly, in 2008 and subsequent years the Committee proposes to use a combination of market priced EPS-based share options and TSR-based performance shares for executive directors and senior executives. The fair value of awards to be made in 2008 is expected to be no greater for each participant than the fair value of awards previously made under the Performance Share Plan, and the balance of the award between share options and performance shares will be at the discretion of the Committee.

Remuneration components

The various elements of executive directors' remuneration packages are described below.

Base salary

In determining base salaries, the Committee benchmarks salary levels for comparable roles at companies within UBM's TSR comparator group as well as other companies of similar size to UBM, and considers matters such as inflation, the individual's responsibilities, the Company's performance and the salary policy throughout the Group as a whole. Salary levels are reviewed annually. Executive directors' salaries were increased by 3% in 2007.

Bonuses

Executive directors are eligible for an annual bonus dependent on the achievement of targets which take account of corporate performance as well as individual objectives. These targets are reviewed annually and new objectives set by the Committee for each director at the start of the financial year. A substantial element of the bonus is paid in the form of shares under the Bonus Investment Plan, which is described in more detail on page 47.

Following a benchmarking review of executive directors' remuneration packages, the maximum bonus award for David Levin for 2007 was increased to 170% of salary, with 130% of salary based on financial measures (principally performance against budgeted earnings per share and underlying revenue growth) and 40% of salary relating to the achievement of personal objectives. Maximum bonus awards for other executive directors were maintained at 120% of salary, with 90% of salary based on financial measures and 30% of salary relating to the achievement of individual objectives.

UBM's strong financial performance in 2007, coupled with achievement of personal objectives, has resulted in the executive directors achieving the following bonus targets:

David Levin 138.8% of salary

Nigel Wilson 107.9% of salary

Charles Gregson 78.8% of salary

Long term incentive plans

Performance Share Plan

The Performance Share Plan supports UBM's focus on longer term incentives by providing a share-based reward which requires UBM's TSR to outperform its peers' TSR over a three-year period. Performance is measured against a peer group of companies selected by the Committee, and none of the award vests if UBM's TSR is less than the median of that group. 25% of the award vests if UBM's TSR is ranked at median position (subject to a maximum value of 25% of base salary), and 100% vests if UBM's TSR is ranked in the top decile. In between these positions, the award vests on a straight-line basis, as illustrated below.

Position	Percentage of shares that vest
1 – 3	100%
4 – 10	pro rata between 25% and 100%
11 (median)	25% (subject to maximum 25% of salary)
12 – 21	0%

The Committee considers TSR to provide an objective measure of performance and the selection of a tailored group of companies to enable measurement of UBM's performance against comparable businesses. The comparator group for awards made during 2007 comprised the following 20 companies, which were selected for their mix of business and geographic representation:

Aegis Group	CNET Networks
DMGT	Dow Jones
Emap	McGraw-Hill
Euromoney	Web MD
Johnston Press	Wolters Kluwer
Pearson	Axel Springer
Reed Elsevier	Lagardere
Reuters	APN News & Media
T&f Informa	Global Sources
Trinity Mirror	Thomson

The Committee reviews the peer group at least once a year, to confirm that it continues to represent an appropriate benchmark. Following the announcement in 2007 of the acquisition of Reuters, Dow Jones and Emap, those three companies have been removed from the comparator group for 2008 and will be replaced by WPP and Tech Target Inc.

For PSP awards to be made in 2008 and subsequent years, the TSR measure will be calibrated using a percentage outperformance rather than a ranking. Threshold vesting will occur if UBM's TSR is equal to median TSR performance of the peer group. Maximum vesting will occur if UBM's TSR outperforms the median of the peer group by 10% per annum. This is broadly equivalent to between upper quintile and upper decile performance relative

to the peer group on an historical basis. The Committee considers that this method of calibration improves the robustness of the TSR measurement process.

The Committee must also satisfy itself that the reported TSR is a genuine reflection of the Company's underlying financial performance over the three-year performance period before releasing any awards. The maximum value of an award will generally not exceed 1.5 times base salary in any financial year, although awards of up to 2 times salary may be made in exceptional circumstances. Awards made to executive directors in 2007 were 1.5 times salary. Details of awards held by directors under the Performance Share Plan are set out on page 50.

The first award made under the Performance Share Plan in 2005 will vest in 2008. Based on the Company's upper quartile TSR performance in its peer group over the three-year performance period, 89% of the award is expected to vest.

Shares that vest under the Performance Share Plan accrue dividends.

Bonus Investment Plan

The Bonus Investment Plan enables part of participants' annual bonus to be deferred into UBM shares, which must be held for three years, and provides the opportunity to earn further shares based on performance against stretching targets. 25% of any annual bonus awarded will be automatically deferred into UBM shares to be held for three years, at a price which is fixed at the start of the period over which the bonus is earned; for 2007 bonuses (to be awarded in March 2008), the relevant price is 696.18p per share. The participant may also elect to defer up to a further 25% of the bonus award into shares for the same period. At the end of three years the participant could receive up to two additional shares for every share held if the Company's earnings per share have grown in accordance with predetermined targets. The target required for awards made in 2007 was EPS growth of at least 8% per annum above UK inflation over the three-year period. A lower ratio of matching shares may be earned if earnings per share have grown by more than 3% per annum above UK inflation.

The Committee considers that a performance condition based on long term growth in earnings per share reflects the Group's financial targets and complements the TSR measure of the Performance Share Plan. The targeted growth levels were reviewed during the year to ensure that they remain appropriately stretching. It is proposed to seek shareholder approval at the Company's forthcoming Annual General Meeting to increase the potential matching share awards that may be earned to three additional shares for every bonus share held. Details of awards held by directors under the Bonus Investment Plan are set out on page 50.

Shares that vest under the Bonus Investment Plan accrue dividends.

Executive Share Option Scheme

The Company operates a shareholder approved Executive Share Option Scheme (the 'ESOS') under which options are awarded to senior employees, including executive directors, to reward past performance and to incentivise future performance. Options are granted at market value. The Committee determines the appropriate level of each grant having regard to corporate objectives, market forces and individual circumstances. Options are subject to a performance condition which requires growth in earnings per share to exceed the increase in the UK Retail Price Index (RPI) by an average of at least 3% per annum over the period of three years from the date of grant. For options granted up to and including 2006, options with a face value equal to 0.75 times salary vest at this level. In order for the whole award to vest, growth in earnings per share must exceed the increase in UK inflation by an average of at least 5% per annum over the measurement period. A sliding scale applies between these two figures.

Directors' remuneration report continued

It is proposed to make further awards under the ESOS commencing in 2008; performance conditions for these awards will require EPS growth to exceed the increase in RPI by an average of at least 8% per annum over the performance period for the whole award to vest. 25% of the award will vest at growth of 3% per annum above RPI.

No retesting is permitted of options granted under the ESOS.

Restricted shares

The Company grants restricted share awards in special circumstances to individuals, as a recruitment or retention tool. The Company intends to make an award of restricted shares with a value of £220,000 to the Chief Financial Officer and Deputy CEO, Nigel Wilson, to aid retention in the face of strong competition for his talent. The award, to be made in March 2008, will vest after two years provided that at the vesting date Mr Wilson is still employed by the Group and the Committee is satisfied as to the Group's underlying financial performance. It will not be subject to any other performance conditions.

Other long term incentive plans

Executive directors previously participated in the Medium Term Incentive Plan and Senior Executive Equity Participation Plan. A description of these plans, and details of outstanding awards under them held by executive directors, appears on pages 51 and 52.

Sharesave

Executive directors are also entitled to participate in the sharesave scheme, under which all eligible employees around the Group may acquire options over ordinary shares of the Company at a discount of up to 20% of their market price, using the proceeds of a related SAYE contract.

Pensions

All UBM's defined benefit schemes were closed to new entrants by 1996, and for employees (including executive directors) joining since then it is UBM's policy to offer defined contribution pension provision. The Company previously contributed to a personal pension for David Levin; during 2007 he joined the defined contribution section of the United Group Pension Scheme, of which Nigel Wilson is also a member. Charles Gregson was a deferred member of the United Pension Plan which is an approved defined benefit scheme; since June 2007 he has been drawing his pension under that Plan.

Performance conditions

In 2005, UBM started reporting its results in line with International Financial Reporting Standards ('IFRS'). In order to achieve consistency of measurement, the Committee retained UK GAAP as the basis for measuring performance conditions for awards which matured in 2007. This position will be reviewed for future years, as IFRS becomes more established.

Dilution limits

The use of newly issued or treasury shares to satisfy awards under the Group's long term incentive plans is limited to 10% of UBM's issued share capital. Awards made under the Performance Share Plan and Bonus Investment Plan are expected to be satisfied with market-purchased shares held by an employee benefit trust. Outstanding options under UBM's other long term incentive plans which could require shares to be issued currently account for approximately 7% of UBM's issued share capital.

Executive directors' service contracts

It is the Company's policy that all executive directors should have service contracts that are terminable on no more than one year's notice and that contracts should not have a fixed term. All executive directors' contracts provide for automatic termination at age 65.

Under David Levin and Nigel Wilson's contracts, any payments on early termination by the Company would be by reference to the unexpired period of notice, subject to a duty to mitigate.

If Charles Gregson's employment were terminated other than for cause he would be entitled to a payment, calculated by reference to his unexpired period of notice, of up to one year's salary, benefits and 50% of average bonus over the preceding three years (excluding any special bonus).

The dates on which each executive director's current service contract commenced are as follows:

David Levin	– 5 April 2005
Charles Gregson	– 2 July 2007
Nigel Wilson	– 6 July 2001

Charles Gregson ceased to be an executive director on 31 December 2007 but continues as CEO of PR Newswire.

Policy on external appointments

The Company considers that by permitting executive directors to hold office as a non-executive director of another company, they will increase their knowledge and experience, thereby benefiting UBM. The policy allows executive directors to accept not more than two outside corporate directorships, subject to board approval. Directors are entitled to retain the fees earned.

Charles Gregson is chairman of ICAP plc, for which he earned fees of £200,000 during 2007. He also earned £24,471 in respect of his directorship of Provident Financial Plc. Nigel Wilson earned £60,000 in respect of his directorship of Halfords Group PLC. David Levin is a member of the finance committee of the Oxford University Press, a department of Oxford University, and received fees of £14,000 from the University.

Non-executive directors

Policy on non-executive directors' remuneration

The Board's policy on non-executive directors' remuneration is to pay fees which reflect their responsibilities, are competitive with those of other FTSE 250 companies, and which align directors' interests with those of shareholders. The Board as a whole considers and approves the fees of the non-executive directors, with the exception of the Chairman whose fees are approved by the Remuneration Committee.

Non-executive directors receive an annual fee of £45,000, of which £30,000 is paid in cash, and the balance of £15,000 per annum (after deduction of tax) is paid in UBM shares. These shares are reflected in the table of directors' interests in shares on page 53. No additional fee is paid in respect of membership of Board Committees, nor in respect of undertaking foreign travel to meetings. An additional payment of £10,000 per annum is made to the Chairmen of the Remuneration and Audit Committees and to the senior independent director. Non-executive directors' fees were last reviewed in 2006; there has been no change in fee levels since 2004.

The Chairman, Geoff Unwin, received a fee of £200,000 per annum of which £100,000 was paid in cash and the balance of £100,000 in UBM shares. John Botts, who was appointed Chairman in December 2007, receives a fee of £250,000 per annum of which £150,000 is paid in cash and the balance of £100,000 in UBM shares.

Non-executive directors' contracts

Upon his appointment as Chairman, John Botts entered into a three-year contract which is terminable by either party on not less than 12 months' notice.

Other non-executive directors do not have a service contract with the Company but are engaged under a letter of appointment. Adair Turner has a notice period of six months while Jonathan Newcomb, Christopher Hyman, Sandy Leitch, Pradeep Kar and Karen Thomson have notice periods of three months. None of the non-executive directors' terms of appointment contain any provision for payment of compensation on early termination. Non-executive directors are not entitled to participate in the Company's share option or pension schemes. Each director's appointment (including that of the Chairman) is reviewed every three years. Set out below are the dates on which each non-executive director was first appointed to the Board and the year in which he was last re-elected by shareholders.

Director	Date of appointment	Date of election/last re-election
John Botts	8 July 1997	2007
Christopher Hyman	7 May 2004	2005
Pradeep Kar	1 August 2006	2007
Sandy Leitch	11 January 2005	2005
Jonathan Newcomb	27 September 2001	2005
Karen Thomson	1 August 2006	2007
Adair Turner	1 January 2000	2006

Performance graph



The above graph shows UBM's total shareholder return performance over the last five years since 31 December 2002 as compared to the FTSE Media Index, which has been chosen as UBM is a constituent of that index.

Directors' remuneration

In accordance with the Companies Act 1985, as amended by the Directors' Remuneration Report Regulations 2002, the following information in this report has been audited by Ernst & Young LLP.

Directors	Basic salary £	Fees ¹ £	Benefits ² £	Bonus ³ £	Compensation £	Total in 2007 £	Total in 2006 £	Employers' pension contributions (money purchase) £
David Levin	535,600		14,577	743,412		1,293,589	1,101,512	107,120
Charles Gregson	225,698		44,210	151,827		421,735	464,204	
Nigel Wilson	412,000		12,577	444,548		869,125	848,576	82,400
John Botts		60,782				60,782	55,000	
Christopher Hyman		45,000				45,000	45,000	
Pradeep Kar		45,000				45,000	15,000	
Sandy Leitch		55,000				55,000	55,000	
Jonathan Newcomb		45,000				45,000	45,000	
Karen Thomson		45,000				45,000	15,000	
Adair Turner		55,000				55,000	55,000	
Directors who retired during the year								
Geoff Unwin ⁴		190,323			62,500	252,823	200,000	
Total emoluments	1,173,298	541,105	71,364	1,339,787	62,500	3,188,054	2,899,292	189,520

Notes to directors' remuneration table

1. Non-executive directors' fees include an element which is paid in the form of ordinary shares as described on page 48.
2. Benefits are non pensionable car and cash allowances.
3. The bonus column reflects the cash value of bonuses earned in respect of 2007. At least 25% of the total bonus earned will be converted into ordinary shares and executive directors will be awarded nil cost options over these shares in 2008.
4. Geoff Unwin ceased to be Chairman on 13 December 2007 and the fees column above reflects his remuneration up to the date of leaving. The compensation figure comprises fees paid in accordance with UBM's obligations for the balance of Geoff Unwin's notice period, which would otherwise have expired on 13 March 2008.

Directors' pension provision

The tables below provide relevant disclosure in respect of Charles Gregson's entitlement under a defined benefit scheme, and contributions payable by the Company to defined contribution schemes for David Levin and Nigel Wilson.

Charles Gregson retired from the United Pension Plan and drew his benefits in full on 7 June 2007, his Normal Retirement Date. He elected to exchange part of his accrued pension under the Plan for a lump sum, in accordance with the rules. As such his final benefits payable from the Plan were a pension of £327,801 p.a. with effect from his retirement date and a one off lump sum of £800,615, which was paid shortly after his retirement date. Pensions in payment are increased at the lesser of RPI and 5% per annum. A spouse's pension of £255,319 per annum is payable in the event that he dies and leaves a surviving spouse.

Directors' remuneration report continued

The table below shows the accrued pension entitlement for Charles Gregson at his retirement date, the transfer value on his retirement date and at the prior year end and the increase in the accrued pension over the period to his retirement date in excess of inflation.

Name	Current age	Accrued pension 7.6.07 £000 pa	Increase in accrued pension during the year to 7.6.07 £000 pa	Transfer value		Increase in transfer value for year to 7.6.07 less member contributions £000	Increase in accrued pension during the year to 7.6.07 in excess of inflation £000 pa	Transfer value at 7.6.07 of increase in excess of inflation less member contributions £000
				31.12.06 £000	7.6.07 £000			
Charles Gregson	60	383	13	7,786	7,783	0	0	0

David Levin and Nigel Wilson are both members of the defined contribution section of the United Group Pension Scheme. The table below shows the total pension contributions paid by the Company during the year on behalf of each individual.

Name	Normal retirement age	Pension contribution	Company pension contribution in respect of the year £000	Company pension contribution in respect of 2006 £000
David Levin	65	20% of basic salary	107	104
Nigel Wilson	65	20% of basic salary	82	80

Awards under long term incentive plans

The tables below show details of outstanding awards held by and awards granted to executive directors in 2007, under the Group's long term incentive plans.

Directors' interests in Bonus Investment Plan

	Date of grant	Bonus options held at 1.1.07	Matching options held at 1.1.07	Bonus options exercised/ lapsed/ during 2007	Matching options exercised/ lapsed/ during 2007	Bonus options held at 31.12.07	Matching options held at 31.12.07	Exercise period from	Exercise period to	Market value at 31.12.07
David Levin	13.03.06	36,881	73,762	–	–	36,881	73,762	13.03.09	13.03.16	£479,084
	07.03.07	–	–	–	–	36,285	72,570	07.03.10	07.03.17	£471,342
Nigel Wilson	13.03.06	34,685	69,370	–	–	34,685	69,370	13.03.09	13.03.16	£450,558
	07.03.07	–	–	–	–	32,152	64,304	07.03.10	07.03.17	£417,654
Charles Gregson	13.03.06	36,952	73,904	–	–	36,952	73,904	13.03.09	13.03.16	£480,006
	07.03.07	–	–	–	–	15,336	30,672	07.03.10	07.03.17	£199,215

The Bonus Investment Plan is described on page 47.

Awards made under the BIP are in the form of nil cost options over the Company's shares, the number of shares in respect of the mandatory element to be calculated using the average share price for the month preceding the start of the relevant financial year. Participants may also elect to receive up to a further 25% of their bonus in the form of shares, the number of shares to be calculated by reference to the market value as at the date such election is made. Awards will vest on the third anniversary of the date of grant, provided the director remains in the Group's employment. Vesting of the matching shares is dependent on the performance targets being met, as described on page 47. Awards may also vest in part, subject to the performance conditions being met, if employment ceases due to redundancy, disability, injury, death, retirement or in other circumstances at the discretion of the Remuneration Committee. The cash value of the bonus option shares, calculated in accordance with the rules of the Bonus Investment Plan, was included in the directors' remuneration table in respect of the year in which they were earned. The market value of the matching option shares at 31 December 2007 is calculated at 649.5p per share, the closing mid market price on that date.

Directors' interests in Performance Share Plan

	Date of grant	Options held at 1.1.07	Exercised/ lapsed during 2007	Options held at 31.12.07	Exercise period from	Exercise period to	Market price at date of award (p)
David Levin	12.10.05	104,000	–	104,000	12.10.08	12.10.15	–
	13.03.06	118,812	–	118,812	13.03.09	13.03.16	–
	07.03.07	–	–	107,573	07.03.10	07.03.17	746.84
Nigel Wilson	12.10.05	110,395	–	110,395	12.10.08	12.10.15	–
	13.03.06	91,394	–	91,394	13.03.09	13.03.16	–
	07.03.07	–	–	82,749	07.03.10	07.03.17	746.84
Charles Gregson	12.10.05	55,198	–	55,198	12.10.08	12.10.15	–
	13.03.06	35,164	–	35,164	13.03.09	13.03.16	–
	07.03.07	–	–	26,775	07.03.10	07.03.17	746.84

The Performance Share Plan is described on page 47.

Awards will vest in whole or in part on the third anniversary of the date of grant, provided the director remains in the Group's employment, and subject to the performance conditions being met, as described on page 47. Awards may also vest in part, subject to the performance conditions being met, if employment ceases due to redundancy, disability, injury, death, retirement or in other circumstances at the discretion of the Remuneration Committee.

Directors' interests in share options

	Date of grant	Options held at 1.1.07	Exercised/ lapsed during 2007	Options held at 31.12.07	Exercise period from	Exercise period to	Exercise price (p)	Market price at date of exercise (p)	Total gain on exercise
David Levin									
United 2000 Executive Scheme	06.04.05	157,500	–	157,500	06.04.08	06.04.15	532.17		
United SAYE Scheme	24.08.06	3,238	–	3,238	01.11.11	30.05.12	497.20		
Nigel Wilson									
United 2000 Executive Scheme	05.04.04	65,000	65,000	–	05.04.07	05.04.14	500.67	802.56	£196,229
United SAYE Scheme	10.04.03	11,060	–	11,060	01.06.10	01.12.10	160.48		
Charles Gregson									
United 2000 Executive Scheme	08.05.01	52,500	–	52,500	08.05.04	08.05.11	724.80		
	08.05.01	52,500	–	52,500	08.05.05	08.05.11	724.80		
	19.12.01	75,000	–	75,000	19.12.04	19.12.11	529.00		
	19.12.01	75,000	–	75,000	19.12.05	19.12.11	529.00		
	22.08.02	125,000	–	125,000	22.08.06	22.08.12	277.20		
	09.04.03	120,000	–	120,000	09.04.06	09.04.13	247.25		
	05.04.04	65,000	–	65,000	05.04.07	05.04.14	500.67		
United SAYE Scheme	10.04.03	8,187	–	8,187	01.06.08	01.12.08	160.48		
	08.04.04	793	–	793	01.06.09	01.12.09	412.27		

The aggregate amount of gains made by directors on the exercise of options in 2006 was £2,119,077.

Directors' interests in MTIP

	Date of grant	Options held at 1.1.07	Exercised/ lapsed during 2007	Options held at 31.12.07	Exercise period from	Exercise period to	Market price at date of exercise (p)	Total gain on exercise
Nigel Wilson	25.03.04	21,321	21,321	–	01.01.06	25.03.11	801.55	£170,898
	31.03.05	32,319	16,159	16,160	01.01.07	31.03.12	801.55	£129,522
Charles Gregson	25.03.04	42,503	–	42,503	01.01.06	25.03.11		n/a
	31.03.05	40,269	–	40,269	01.01.07	31.03.12		n/a
								£300,420

The aggregate amount of gains made by directors on the exercise of MTIP options in 2006 was £154,903.

Awards made under the MTIP are in the form of nil cost options over the Company's shares, the number of shares to be calculated using the average share price for the month preceding the start of the relevant financial year. Awards made in 2005 vested as to 50% in January 2007 and the balance in January 2008. Awards will also vest if employment ceases due to redundancy, disability, injury, death, retirement at or after contractual retirement age, or in other circumstances at the discretion of the Remuneration Committee. Only purchased shares may be used to fulfil awards under the MTIP.

Executive directors are no longer eligible to participate in the MTIP.

Directors' remuneration report continued

Directors' interests in the Senior Executive Equity Participation Plan

The SEEPP, which has now been replaced by the Bonus Investment Plan, offered selected senior executives (including executive directors) the opportunity to waive part or all of their annual bonus and receive an interest in shares in the Company ('bonus shares') to the equivalent value. The executive was also granted a right to acquire further shares ('matching shares') in the Company equal in value to the gross amount of the bonus foregone.

Matching share awards will vest after four years but only to the extent that the associated bonus shares are still held on that date. Matching share awards are also subject to a performance condition which is measured over the four-year vesting period. One-third of the award may only be exercised if growth in earnings per share during that period exceeds inflation by an average of 3% per annum; a further one-third requires such growth to exceed inflation by an average of 5% per annum; the remaining one-third requires no performance condition. No re-testing of performance conditions is permitted. These conditions are in accordance with the Committee's policy as outlined above. Following the introduction of the Bonus Investment Plan, no further awards will be made under the SEEPP.

Directors' interests in SEEPP

	B shares/ options at 1.01.07+	Ordinary shares/ options at 1.01.07+	B shares/ options exercised or lapsed in 2007	Ordinary shares/ options exercised or lapsed in 2007	B shares/ options at 31.12.07+	Ordinary shares/ options at 31.12.07+	Exercisable from	Expiry date	Market price at date of exercise (p)	Gain on exercise
Nigel Wilson	–	59,796	–	59,796	–	–	11.04.07	11.04.13	801.55	£479,294
	–	66,248	–	–	–	66,248	24.03.08	24.03.14		n/a
	–	69,270	–	–	–	69,270	31.03.09	31.03.15		n/a
Charles Gregson	778	2,050*	–	–	778	2,050	03.03.04	29.06.10		n/a
	–	5,500*	–	–	–	5,500	16.04.06	16.04.12		n/a
	–	121,836*	–	–	–	121,836	11.04.07	11.04.13		n/a
	–	80,924*	–	–	–	80,924	24.03.08	24.03.14		n/a
	–	47,618*	–	–	–	47,618	31.03.09	31.03.15		n/a

The aggregate amount of gains made by directors on the exercise of SEEPP options in 2006 was £64,299.

Notes

*The directors gave up cash bonuses that would otherwise have been receivable by them in order to receive awards under the SEEPP. For Charles Gregson, the bonus was paid to his Funded Unapproved Retirement Benefit Scheme ('FURBS') and used by the FURBS Trustees to purchase shares from the SEEPP Trustees at full market value. A matching award was granted over an equal number of shares. The table shows the total bonus shares and matching awards. The bonus shares are included in Charles Gregson's beneficial interest in shares shown on page 53. The amount used to purchase the bonus shares was included in his reported remuneration for the year in which the award was made.

+The SEEPP bonus shares/options and matching awards were adjusted to reflect the capital reorganisation which took place on 23 April 2001, whereby every shareholder received 44p shares and 29 new ordinary shares in place of every 44 ordinary shares previously held.

Directors' interests in shares

The interests of the directors in ordinary shares (all of which are beneficial) are shown as at 1 January 2007 and at 31 December 2007 (or date of leaving if earlier).

Director	Ordinary shares at 01.01.07	Ordinary shares at 31.12.07	SEPP and BIP bonus shares at 01.01.07	SEPP and BIP bonus shares at 31.12.07
David Levin	45,164	43,132	36,881	73,166
Charles Gregson	289,944	349,486	36,952	52,288
Nigel Wilson	16,016	14,381	132,342	164,494
John Botts	11,250	11,258	–	–
Christopher Hyman	5,308	5,923	–	–
Pradeep Kar	209	1,344	–	–
Sandy Leitch	3,609	4,397	–	–
Jonathan Newcomb	13,049	12,874	–	–
Karen Thomson	209	1,344	–	–
Adair Turner	9,483	9,672	–	–
Geoff Unwin	57,571	59,414	–	–

On joining UBM, David Levin was conditionally awarded 28,400 ordinary shares which are included in the opening balance of shares in the table above. He became entitled to receive 50% of these shares on 6 April 2007 and on 10 April 2007 he sold 14,200 shares at a price of 802.05p per share. Provided he is still employed by UBM he will be entitled to receive the remaining 50% of these shares on 6 April 2008.

As at 31 December 2007 the Trustees of the United Business Media ESOP Trust and the Qualifying Employee Share Trust held 2,724,794 ordinary shares (2006: 3,512,246).

Changes in directors' interests since 31 December 2007

There have been no changes to the interests of directors in UBM shares nor in options over UBM shares between 31 December 2007 and 28 February 2008.

The minimum price of ordinary shares during the year was 579.5p and the maximum price was 867.0p.

Approved by the Board and signed on its behalf



Sandy Leitch
29 February 2008

Directors' interests in shares

The interests of the directors in ordinary shares (all of which are beneficial) are shown as at 1 January 2007 and at 31 December 2007 (or date of leaving if earlier).

Director	Ordinary shares at 01.01.07	Ordinary shares at 31.12.07	SEPP and BIP bonus shares at 01.01.07	SEPP and BIP bonus shares at 31.12.07
David Levin	45,164	43,132	36,881	73,166
Charles Gregson	289,944	349,486	36,952	52,288
Nigel Wilson	16,016	14,381	132,342	164,494
John Botts	11,250	11,258	–	–
Christopher Hyman	5,308	5,923	–	–
Pradeep Kar	209	1,344	–	–
Sandy Leitch	3,609	4,397	–	–
Jonathan Newcomb	13,049	12,874	–	–
Karen Thomson	209	1,344	–	–
Adair Turner	9,483	9,672	–	–
Geoff Unwin	57,571	59,414	–	–

On joining UBM, David Levin was conditionally awarded 28,400 ordinary shares which are included in the opening balance of shares in the table above. He became entitled to receive 50% of these shares on 6 April 2007 and on 10 April 2007 he sold 14,200 shares at a price of 802.05p per share. Provided he is still employed by UBM he will be entitled to receive the remaining 50% of these shares on 6 April 2008.

As at 31 December 2007 the Trustees of the United Business Media ESOP Trust and the Qualifying Employee Share Trust held 2,724,794 ordinary shares (2006: 3,512,246).

Changes in directors' interests since 31 December 2007

There have been no changes to the interests of directors in UBM shares nor in options over UBM shares between 31 December 2007 and 28 February 2008.

The minimum price of ordinary shares during the year was 579.5p and the maximum price was 867.0p.

Approved by the Board and signed on its behalf



Sandy Leitch
29 February 2008

Corporate governance statement

Introduction

This report explains UBM's approach to corporate governance, including the manner in which the Company has applied the principles of the Combined Code. The Board is committed to maintaining high standards of financial reporting, corporate governance and business integrity. The directors consider that during 2007 UBM complied with all provisions set out in Section 1 of the Combined Code, with the exception of Section A.2.2 (independence of chairman on appointment) and C.3.1 (composition of the Audit Committee). Explanation of these issues is set out in the Nomination Committee's report below and in the Audit Committee's report on page 56.

The Board

The Board has overall responsibility to shareholders for the management of the Group. The primary function of the Board is to set the Group's strategy and to oversee the effective implementation of that strategy. A formal schedule of matters to be considered by the Board is in place and is reviewed periodically. The Board meets regularly and is responsible for matters such as the annual budget (including capital expenditure), major acquisitions and disposals, succession planning, investment strategy, dividend policy, substantial property transactions, and the Group's system of internal controls. Decisions on operational matters are delegated to the executive directors. There is an established agenda of items to be considered at Board meetings, which provides regular updates on the Group's finances, operations, strategy and development. The Board also receives presentations from executive directors and from divisional management and other senior executives on specific issues. The Chairman meets separately with the Chief Executive on a regular basis and other informal meetings and discussions take place between directors as appropriate. The Board receives monthly management accounts and other financial information. The Board has seven scheduled meetings per annum and meetings may be convened at other times as and when necessary; there were eight meetings in total during 2007, including one ad hoc meeting to consider the chairmanship succession. Details of individual attendance by directors at Board and committee meetings are set out below.

	Board	Audit Committee	Remuneration Committee	Nomination Committee
		(attendance is shown only for committee members)		
Geoff Unwin	8		2 (of 2)	9
David Levin	8			
Charles Gregson	8			
Nigel Wilson	8			
John Botts	7 (of 7)	4		1 (of 1)
Pradeep Kar	8		3	
Karen Thomson	6			
Christopher Hyman	6	3		
Sandy Leitch	7		3	8 (of 9)
Jonathan Newcomb	8	4	3	8 (of 8)
Adair Turner	7	4	3	

Board committees

The Board is assisted in fulfilling its responsibilities by three principal committees, the Audit, Remuneration and Nomination Committees. Details of the activities of the Audit Committee are set out in a separate report on page 56 while those of the Remuneration Committee are set out in the Directors' Remuneration Report on pages 46 to 53.

The terms of reference for all committees may be viewed on the Company's website and copies can be obtained from the Company Secretary, who acts as secretary to all three committees.

Nomination Committee

The Nomination Committee is usually chaired by the Chairman of the Board and the other members are independent non-executive directors. In compliance with the Combined Code, Geoff Unwin remained a member of the Committee during 2007 but did not chair it during its consideration of the chairmanship succession. During 2007 the Committee was chaired by Sandy Leitch and its members were Geoff Unwin and Jonathan Newcomb. Geoff Unwin stepped down as a member of the Committee on 13 December 2007 when he retired from the Board and was succeeded by John Botts, who assumed chairmanship of the Committee. The Company Secretary and Chief Executive customarily attend the Committee's meetings.

The role of the Nomination Committee is to ensure an appropriate balance of experience and abilities on the Board, by reviewing the size and composition of the Board and recommending any proposed changes. The Committee met nine times during 2007, details of attendance at meetings are shown above. Its principal activity was to consider the appointment of a new Chairman to replace Geoff Unwin. The Committee prepared a description of the specific experience and skills needed for this appointment, appointed search consultants Odgers to identify and prepare a suitable shortlist of candidates (both internal and external) who were considered and interviewed by the Committee and by the Chief Executive. Following this process the Committee recommended to the Board the appointment of an internal candidate, John Botts. In making this recommendation the Committee had due regard to the requirements of the Combined Code, specifically paragraph A.2.2 which stipulates a chairman should be considered to be independent upon appointment. While John Botts did not fulfil this criterion, having been a member of the Board since July 1997, the Committee considered that his skill, experience and knowledge of the Group are such as to make him the most suitable candidate for the role.

The Nomination Committee's terms of reference are available on the Company's website.

Board balance and independence

For the majority of 2007 there were 11 Board members, comprising the Chairman (part-time), Chief Executive, two other executives and seven non-executive directors. Prior to his appointment as Chairman in December 2007, John Botts was the senior independent non-executive director and has been succeeded in that role by Sandy Leitch. The Board believes that a strong presence of non-executive directors is a key aspect of effective corporate governance. The Board assesses and periodically reviews the independence of its non-executive directors; in doing so it has regard to the personal qualities demonstrated by each director, particularly the nature and effectiveness of their contribution to debate at Board and committee meetings. The Board has taken particular note of those factors which are listed in the Combined Code as possibly affecting the independence of directors; these are relevant to John Botts, who had served as a director of the Company for nine years. He was re-elected to the Board at the 2007 Annual General Meeting. Biographies of all the directors currently in office are set out on pages 44 and 45 and illustrate their range of experience.

Under the Company's Articles of Association, at each Annual General Meeting any director then in office who has been appointed by the Board since the previous Annual General Meeting and any director who at the date of the notice convening the meeting had held office for more than 30 months since he was last appointed or re-appointed by the Company in general meeting shall retire from office but is eligible for re-appointment. Non-executive directors' appointments are reviewed every three years.

The roles of Chairman and Chief Executive are separate, and a summary of their respective responsibilities is set out in writing and has been approved by the Board.

The Chairman is responsible for overseeing the operation of the Board but takes no part in the day to day running of the business. Geoff Unwin is also chairman of Halma plc, Liberata plc, The Cloud Networks Limited and OmniBus Systems Limited and is a member of the advisory board of Palamon Capital Partners.

John Botts, who succeeded Geoff Unwin as Chairman in December 2007, is also chairman of Botts & Company Limited, a private equity investment company. His other directorships include Euromoney Institutional Investor Plc, Medi Capital Bank Plc and Convera Corporation Inc.

Board evaluation

During January and February 2007 the Board carried out a formal review of Board and Board committee performance and effectiveness. This review was conducted with the assistance of an external facilitator, Dr Tracy Long of Boardroom Review, and the following process was undertaken:

- A confidential questionnaire was completed by all Board directors in January 2007.
- One to one interviews were conducted with all Board directors and the Company Secretary.
- Observation of a Board meeting and review of Board papers.

The review covered the roles and processes of the Board and its main committees, as well as Board and committee dynamics and culture. The results of the review were considered by the Board in May 2007. The review concluded that the Board operates as an effective team and is considered by its members to have the range of skills needed in order to achieve its long-term objectives. Key areas for consideration addressed areas of long-term strategic development, management succession planning and Board communication.

The Chief Executive Officer, David Levin, evaluated the performance of executive directors. David Levin's performance was evaluated by the Chairman.

The performance of those non-executive directors proposed for re-election at the Annual General Meeting was evaluated by the Board as a whole.

Information and professional development

A procedure exists whereby directors may seek independent professional advice if they consider it appropriate to do so in the furtherance of their duties.

All directors have access to the advice and services of the Company Secretary, who has primary responsibility for keeping directors updated and informed of general developments which may be of relevance to their responsibilities. The Company Secretary is not a Board director. All directors are offered the opportunity to further their professional development by means of attendance at seminars and briefings. An induction process is in place for all directors on appointment; this includes discussions with the Chairman and Chief Executive as well as one to one briefings and presentations from other directors and senior management on matters relating to the Group's businesses and procedures. Non-executive directors are encouraged to meet with members of senior management on an individual basis and to visit the Group's operations.

Relations with shareholders

The Company's shareholders are kept informed about the activities and progress of the Group primarily by means of the annual and interim reports, and by the publication of updated trading information prior to the start of each close period and at the Annual General Meeting. Financial and other information about the Company is published on its website, which has links to the websites of other businesses in the Group.

In November UBM held an investor day, which enabled institutional investors and analysts to receive presentations from the executive management team about the Group's businesses.

The Company also maintains an ongoing dialogue with its major institutional shareholders by means of a scheduled programme of meetings, which are generally undertaken by the Chief Executive and Chief Financial Officer, and may be attended if appropriate by the Chairman or senior independent director. The Chairman is responsible for ensuring that the views of shareholders are communicated to other directors. Feedback from investor meetings is provided to all directors, as are analysts and brokers' reports.

Consultation is undertaken with major investors and with bodies representing shareholders' interests on matters which the Company considers appropriate. All shareholders are welcome at the Annual General Meeting where they have the opportunity to ask questions of all the directors, including the chairman, as well as the chairmen of the Audit and Remuneration Committees.

Corporate governance statement continued

Internal control

The Board is responsible for maintaining the effectiveness of the Group's system of internal controls and for reviewing the effectiveness of such systems. The system is intended to enable the Group to identify and manage the risks inherent in its business and accordingly can provide only reasonable and not absolute assurance against material mis-statement or loss.

A formal process is in place for identifying, evaluating and managing the key financial, operating and compliance risks faced by the Group. This risk mapping process, which was in place throughout 2007 and continues in force, accords with the Turnbull guidance issued in September 1999 and is reviewed annually by the Board. The process, which is undertaken at a divisional level, aims to identify and evaluate risks which are specific to each of the Group's businesses. The results are co-ordinated by the internal audit department, reviewed centrally by senior management, and considered by the Audit Committee, which in turn reports to the Board. The process established for the Group includes the following:

- All staff are required to comply with a formal system of delegated authorities which is in place for all divisions and head office.
- Further guidance on Group policies and procedures is set out in various manuals including the financial policies and procedures manual, Group policy manual and employee handbooks.
- An anti-malpractice policy is in place throughout the Group which provides a mechanism for confidential reporting by staff of possible concerns about financial or other matters.
- Treasury operations and taxation matters are considered by the Finance Committee, a management committee which operates within specified delegated authorities and reports to the Board. Meetings are customarily attended by the Chief Executive, Chief Financial Officer, deputy CFO, Company Secretary, Head of Taxation and Head of Treasury.
- The Group has a comprehensive financial reporting system, with the annual budget being approved by the Board and monthly trading results, balance sheets and cashflow summaries recorded against corresponding figures for the budget and the previous year.
- The Chief Executive and Chief Financial Officer are responsible for certifying the Company's annual financial statements, which process is supported by certification for the individual businesses from divisional CEOs and finance directors.
- Established procedures are in place for the evaluation of potential acquisitions and their integration into the Group, including the provision of detailed business plans and monitoring of post-acquisition performance against such plans.
- The internal audit department undertakes periodic reviews of individual businesses to assess their control status and makes recommendations to the Audit Committee. The work of the internal audit department is prioritised to concentrate on the areas of greatest risk as identified through the Group risk management process. The Head of Internal Audit attends meetings of the Audit Committee, which oversees the role and structure of the internal audit department and makes recommendations to management.

Audit Committee

The Audit Committee is chaired by Adair Turner and its other members are John Botts, Jonathan Newcomb and Christopher Hyman, all of whom are non-executive directors. John Botts is not considered to be independent under the Combined Code as he has been a member of the Board for more than nine years. However, in view of his financial skills and experience it is considered appropriate that he should be a member of the Committee. Following his appointment as Chairman of the Board John Botts has remained on the Committee pending a review of Board and committee membership to be carried out during 2008. Members of the Committee have broad financial experience which has been gained in a variety of disciplines, and which the Board considers appropriate to enable the Committee to carry out its responsibilities. The Committee meets at least four times a year; it met on four occasions during 2007 and details of individual attendance are set out in the table on page 54. The Chairman of the Audit Committee provides a verbal report to the Board following each Committee meeting and the minutes of Committee meetings are made available to other Board members. The Company Secretary is secretary to the Committee and others invited to attend Committee meetings include the Chief Financial Officer, deputy CFO, Head of Internal Audit, Head of Taxation and external auditors. The Committee also meets at least once a year with external auditors without management present.

The Committee operates within written terms of reference, which are reviewed periodically. These terms of reference may be viewed on the Company's website.

To assist in ensuring auditor objectivity and independence, the Audit Committee has established a formal procedure regarding the undertaking of non-audit services by the external auditor, which identifies a number of categories of work where the auditors will not normally be employed, including financial due diligence on potential acquisitions and financial systems consultancy. Appointment of the external auditor for other non-audit services may only be made with the prior approval of the Audit Committee. Approval for projects with anticipated fees not exceeding specified limits is delegated to the Chief Financial Officer or deputy CFO and is reported to the Committee.

During 2007, the Audit Committee reviewed draft interim and annual reports, focusing on key issues of accounting policy and judgement; reviewed the Operating and Financial Review section of the 2006 annual report with specific reference to the description of key performance indicators and principal risks and uncertainties affecting the Group; reviewed the Group's risk mapping process and considered specific areas of commercial risk identified through that process; received reports from the internal audit department; considered post acquisition reviews conducted in respect of businesses acquired by the Group; and reviewed the status of a number of major projects being implemented within the Group's divisions.

Independent auditors' report to the members of United Business Media plc

We have audited the Group financial statements of United Business Media plc for the year ended 31 December 2007 which comprise the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Recognised Income and Expense and the related notes 1 to 36. These Group financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the parent company financial statements of United Business Media plc for the year ended 31 December 2007 and on the information in the Directors' Remuneration Report that is described as having been audited.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

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

We report to you our opinion as to whether the Group financial statements give a true and fair view and whether the Group financial statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Business Review that is cross referred from the Business Review section of the Directors' Report.

In addition we report to you if, in our opinion, we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the 2006 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited Group financial statements. The other information comprises only the Chairman's Review, the Chief Executive's Review, the Business Review, the unaudited part of the Directors' Remuneration Report, the Corporate Governance Statement, the Directors' Report and the Five Year Financial Summary. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Group financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

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

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

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 31 December 2007 and of its profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation; and
- the information given in the Directors' Report is consistent with the Group financial statements.

Ernst & Young LLP

Registered auditor
London

29 February 2008

Notes:

1. The maintenance and integrity of the United Business Media plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Report of the directors

The directors present their report and the audited financial statements for the year ended 31 December 2007.

Business review

During 2007 the Group's principal activities were in the areas of news distribution and professional media. The review of the Group's business and the description of the principal risks and uncertainties facing the Group, prepared in accordance with the requirements of the Companies Act 1985, comprises the sections entitled 'Strategy and Performance', 'UBM Divisional Performance' and 'Risks and Uncertainties' which form part of the Operating and Financial Review on pages 6 to 41.

Results for the year and dividends

The results for the year are set out in the Group income statement on page 62. The balance to be transferred to reserves is £114.0m. The directors recommend a final dividend of 16.76p per share for the year ended 31 December 2007 to be paid on 22 May 2008 to those shareholders on the register on 14 March 2008. An interim dividend of 4.84p per share was paid on 18 October 2007, making a total for the year of 21.60p (2006: 18.00p).

A dividend of 10p per B share will be paid on 24 April 2008 to holders of B shares on the register on 25 March 2008.

Directors and their interests

Biographical details of the directors in office as at 29 February 2008 are set out on pages 44 and 45. The following directors held office during the year:

Geoff Unwin (resigned 13 December 2007), David Levin, John Botts, Charles Gregson (resigned 31 December 2007), Christopher Hyman, Pradeep Kar, Sandy Leitch, Jonathan Newcomb, Karen Thomson, Adair Turner and Nigel Wilson.

David Levin, Nigel Wilson, Christopher Hyman, Sandy Leitch and Jonathan Newcomb will retire from the Board in accordance with the Company's Articles of Association at the Annual General Meeting; all are eligible for re-election. David Levin and Nigel Wilson each have a service contract which is terminable by either party on 12 months' notice. Christopher Hyman, Sandy Leitch and Jonathan Newcomb do not have service contracts; all are considered by the Company to be independent.

The interests of the directors in office at 31 December 2007 in the shares of the Company and its subsidiary undertakings are set out in the Directors' Remuneration Report on pages 46 to 53.

No director had a material interest in any contract other than a service contract with the Company or any subsidiary at any time during the year.

Changes in share capital

On 19 March 2007, the 281,591,877 ordinary shares of 30³/₄p then in issue were converted into 252,858,012 new ordinary shares of 33⁷/₈p per share.

During the year the Company repurchased a total of 10,727,793 ordinary shares with a nominal value of £3.6m for consideration of £75.9m, being 4.22% of the issued ordinary share capital, and 323,838 B shares with a nominal value of £0.03m for consideration of £0.8m. All repurchased shares were cancelled under the provisions of the Companies Act 1985.

As at 31 December 2007, the Company held valid authorities from shareholders to purchase up to 25,285,801 ordinary shares and up to 4,133,770 B shares. These authorities will expire at the conclusion of the Annual General Meeting to be held on 13 May 2008. Resolutions to renew them will be put to shareholders at that meeting.

e-communications

At the Annual General Meeting of the Company on 10 May 2007 shareholders passed a resolution to enable the Company to send documents or information to members by making them available on the website or by electronic means.

Deregistration from US listing

On 6 February 2006 the Company notified the US Securities and Exchange Commission ('SEC') of the cancellation of the registration of its shares under the US Securities and Exchange Act of 1934, and termination of the Company's SEC registration took effect on 7 May 2006. Under the rules then in force, there were certain circumstances whereby the deregistration might not become permanent and re-commencement of SEC reporting requirements could be triggered. Following a change in the SEC's rules, on 7 August 2007 a Form 15F was filed with the SEC to give permanent effect to the Company's deregistration in the USA. This took effect on 5 November 2007.

Statement of directors' responsibilities for the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards as adopted by the European Union.

The directors are required to prepare financial statements for each financial year which present fairly the financial position of the Group and the financial performance and cash flows of the Group for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Present information, including accounting policies, in a manner that provides relevant, reliable comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- State that the Group has complied with IFRS, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 1985 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements are also published on the United Business Media website; the maintenance and integrity of the website is the responsibility of the directors. Legislation in the United Kingdom governing the preparation and the dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Substantial shareholdings

As at 29 February 2008 the Company had been notified of the following interests of 3% or more in its issued ordinary share capital:

Aviva	8.11%
Lloyds TSB Group plc	7.93%
Legal & General	6.98%
Resolution Asset Management	4.99%
Hermes	3.92%

All information disclosed is in accordance with DTR5.

Creditor payment policy

In view of the diversity of its businesses the Group does not offer or operate a uniform timetable for payment of suppliers. Each operating company is responsible for agreeing with its own suppliers the terms and conditions on which it will transact business with them, including payment terms. The Group's policy is to pay suppliers in accordance with these agreed terms. The Company has no trade creditors.

Donations

In 2007 the Group donated £543,372 to charitable organisations (2006: £600,138). The Group made no political donations during 2007 (2006: £nil). At the Annual General Meeting held on 10 May 2007 shareholders approved a resolution allowing the Company to make EU political donations and expenditure as defined in the Companies Act totalling in aggregate up to £50,000. No such expenditure or donations were made during the year. A resolution to renew this authority will be proposed at this year's Annual General Meeting.

Annual General Meeting

The annual general meeting of the Company will be held on 13 May 2008. The notice of meeting and a description of the business to be transacted is contained in the accompanying document.

Auditors

Ernst & Young LLP have indicated their willingness to continue in office and a resolution for their re-appointment and on their remuneration will be proposed at the Annual General Meeting.

Takeover Directive

The company's articles of association may only be amended by a special resolution at a general meeting of the shareholders. Directors are reappointed by ordinary resolution at a general meeting of the shareholders. Under the company's Articles of Association, at each Annual General Meeting any director then in office who has been appointed by the board since the previous annual general meeting and any director who at the date of the notice convening the meeting had held office for more than thirty months since he was last appointed or re-appointed by the company in general meeting shall retire from office but is eligible for re-appointment. Non-executive directors' appointments are reviewed every three years.

Change of Control

The Company is not party to any significant agreements which take effect, alter or terminate upon a change of control of the Company following a takeover bid.

There are no agreements between the Company and its directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid. The Company is party to a number of banking arrangements which upon a change of control of the Company are terminable by the bank upon the provision of 28 days notice

Other information

Other information relevant to and forming part of the Directors' Report is to be found in the following sections of the Annual Report:

Information	Location in Annual Report
Business Review	Operating and Financial Review – Strategy and Performance (pages 6 to 13) UBM Divisional Performance (pages 14 to 29) Risks and Uncertainties (pages 34 and 35)
Corporate Social Responsibility	Operating and Financial Review (pages 36 to 41) Corporate Governance Statement (pages 54 to 56)
Events since 31 December 2007	Note 35 to the Financial Statements (page 122)
Share capital	Note 26 to the Financial Statements (page 108)
Treasury Policy	Operating and Financial Review (pages 32 to 33)

The Directors' Report of United Business Media plc for the year ended 31 December 2007 comprises pages 58 and 59 of this Annual Report and the other sections listed above, which are incorporated into the Directors' Report by reference.

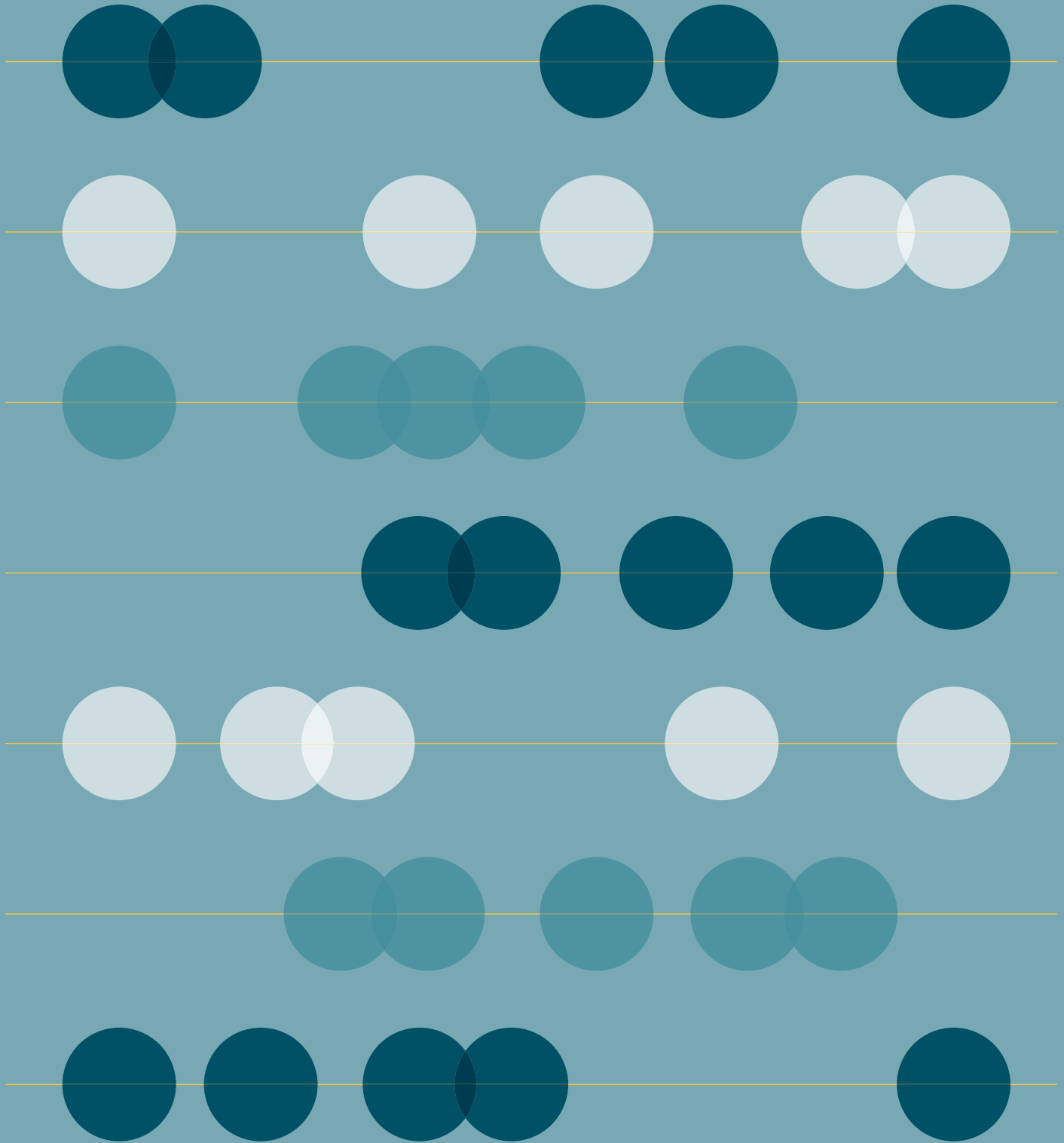
By order of the Board

Anne Siddell
Company Secretary

29 February 2008



Registered office:
Ludgate House
245 Blackfriars Road
London
SE1 9UY



62	Consolidated income statement
63	Consolidated balance sheet
64	Consolidated cash flow statement
65	Consolidated statement of recognised income and expense
66	Notes to the consolidated financial statements
124	Five year financial summary
125	Independent auditors' report to the members of United Business Media plc (parent company)
126	Statement of directors' responsibilities
127	Parent company balance sheet
128	Notes to the parent company financial statements
<hr/>	
132	Shareholder information
<hr/>	
133	Financial calendar 2008
<hr/>	
133	Cautionary statement

Section 3: Financial statements

Consolidated income statement for the year ended 31 December 2007

Notes	Before exceptional items 2007 £m	Exceptional items 2007 £m	Total 2007 £m	Before exceptional items 2006 £m	Exceptional items 2006 £m	Total 2006 £m	
Continuing operations							
3	Revenue	801.6	–	801.6	739.1	–	739.1
4	Other operating income	11.4	–	11.4	12.5	–	12.5
5	Operating expenses	(649.5)	–	(649.5)	(607.0)	–	(607.0)
13	Amortisation of intangible assets arising on acquisitions	(20.0)	–	(20.0)	(15.0)	–	(15.0)
7	Exceptional reorganisation and restructuring costs	–	(19.6)	(19.6)	–	(14.9)	(14.9)
16	Share of results from joint ventures and associates (after tax)	2.2	–	2.2	3.7	–	3.7
	Group operating profit	145.7	(19.6)	126.1	133.3	(14.9)	118.4
Exceptional items							
7	Profit on disposal of property, plant and equipment	–	–	–	–	4.3	4.3
		–	–	–	–	4.3	4.3
	Earnings before interest and taxes ("EBIT")	145.7	(19.6)	126.1	133.3	(10.6)	122.7
Finance income/(costs)							
8	Interest income	6.7	–	6.7	14.9	–	14.9
8	Interest cost	(7.3)	–	(7.3)	(6.6)	–	(6.6)
8	Financing income – other than interest	–	–	–	1.0	0.4	1.4
8	Financing cost – other than interest	(0.5)	–	(0.5)	(0.7)	(20.7)	(21.4)
8	Financing income – pension schemes	4.5	–	4.5	2.5	–	2.5
	Profit before tax	149.1	(19.6)	129.5	144.4	(30.9)	113.5
7,9	Taxation	(23.3)	1.8	(21.5)	(24.0)	35.9	11.9
	Profit for the year from continuing operations	125.8	(17.8)	108.0	120.4	5.0	125.4
Discontinued operations							
7,31	Profit for the year from discontinued operations (after tax)	–	6.0	6.0	–	21.0	21.0
	Profit for the year	125.8	(11.8)	114.0	120.4	26.0	146.4
Attributable to:							
	Equity shareholders – ordinary			108.5			141.5
	Equity shareholders – B shares			0.3			0.4
	Minority interests			5.2			4.5
				114.0			146.4
Earnings per share – from continuing operations (pence)							
10	– basic			40.3p			43.2p
10	– diluted			39.5p			42.4p
Earnings per share – continuing and discontinued operations (pence)							
10	– basic			42.7p			50.7p
10	– diluted			41.8p			49.8p

	£m	£m
Adjusted Group operating profit¹	166.1	149.7
Amortisation of intangible assets arising on acquisitions	(20.0)	(15.0)
Exceptional reorganisation and restructuring costs	(19.6)	(14.9)
Share of taxation on profit in joint ventures and associates	(0.4)	(0.7)
Operating profit from discontinued operations (before tax)	–	(0.7)
Group operating profit from continuing operations	126.1	118.4

	£m	£m	
Dividends			
11	– Interim dividend of 4.84p (4.40p)	12.0	12.3
11	– Special dividend of 72.00p (nil)	200.3	–
11	– Proposed special dividend of nil (72.00p)	–	200.3
11	– Proposed year end dividend of 16.76p (13.60p)	40.4	34.1

¹ Adjusted Group operating profit represents Group operating profit excluding amortisation of intangible assets arising on acquisitions, exceptional items, share of taxation on profit in joint ventures and associates, and adjusted for operating profit from discontinued operations.

Consolidated balance sheet at 31 December 2007

Notes		31 December 2007 £m	As restated 31 December 2006 £m
	Assets		
	Non-current assets		
12	Goodwill	783.2	690.8
13	Intangible assets	120.4	109.1
14	Property, plant and equipment	29.1	30.2
16	Investments in joint ventures and associates	24.6	23.9
25	Retirement benefit surplus	40.3	–
17	Other investments	1.6	2.7
		999.2	856.7
	Current assets		
18	Inventories	7.1	6.7
19	Trade and other receivables	176.6	171.9
20	Derivative financial assets	4.6	5.8
20	Cash and cash equivalents	95.0	316.2
		283.3	500.6
15	Assets classified as held for sale	–	3.4
	Total assets	1,282.5	1,360.7
	Liabilities		
	Current liabilities		
21	Borrowings	39.3	188.0
23	Trade and other payables	298.8	332.2
21	Derivative financial liabilities	0.2	0.2
24	Provisions	27.3	24.8
	Current tax liabilities	227.6	205.7
		593.2	750.9
	Non-current liabilities		
21	Borrowings	213.2	2.9
25	Retirement benefit obligation	4.1	3.8
23	Trade and other payables	18.8	4.0
24	Provisions	42.2	28.1
9	Deferred tax liabilities	44.5	30.2
		322.8	69.0
	Total liabilities	916.0	819.9
	Shareholders' equity		
26	Share capital	82.7	85.9
27	Share premium	361.3	354.6
29	Other reserves	217.7	205.8
29	Retained earnings	(300.9)	(110.3)
	Total shareholders' equity	360.8	536.0
29	Minority interest in equity	5.7	4.8
	Total equity	366.5	540.8
	Total equity and liabilities	1,282.5	1,360.7

These financial statements were approved by a duly appointed and authorised committee of the Board of Directors on 29 February 2008 and were signed on its behalf by:

David Levin Director
Nigel Wilson Director

Consolidated cash flow statement for the year ended 31 December 2007

Notes	2007 £m	2006 £m
Cash flows from operating activities		
Reconciliation of profit to operating cash flows		
Profit for the period	114.0	146.4
Add back:		
Taxation	21.9	(11.0)
Depreciation	9.8	8.6
Amortisation of website development costs	0.4	–
Amortisation of intangibles arising on acquisitions	20.0	15.0
Interest income	(6.7)	(14.9)
Interest expense	7.3	6.6
Net financing income – pension schemes	(4.5)	(2.5)
Net financing costs – other than interest	0.5	20.0
Other non-cash items	7.5	5.7
Share in profits from associates and joint ventures	(2.6)	(4.4)
Additional profit on prior year disposal	(6.0)	–
Profit on disposal	–	(24.8)
Exceptional reorganisation and restructuring costs	19.6	14.9
	181.2	159.6
Payments against provisions	(32.2)	(27.9)
Additional pension contributions	(1.7)	(7.3)
Decrease/(increase) in inventories	0.1	(0.7)
Decrease in trade and other receivables	15.0	0.9
Decrease in trade and other payables	(23.7)	(32.0)
Cash generated from operations	138.7	92.6
Interest received	7.5	15.1
Interest paid	(6.3)	(4.9)
Taxation paid	(5.3)	(6.2)
Dividends received from joint ventures and associates	0.8	5.1
Net cash flows from operating activities	135.4	101.7
Cash flows from investing activities		
Acquisition of interests in subsidiaries, net of cash acquired	(82.4)	(155.8)
Sale of discontinued operations	–	44.4
Purchase of property, plant and equipment and intangibles	(12.6)	(13.1)
Proceeds of sale of property and equipment	7.7	16.9
Purchase of interest in joint ventures and associates	(2.7)	(4.1)
Purchase of other investments	–	(0.6)
Proceeds from sale of investments	1.1	0.3
Net cash flows from investing activities	(88.9)	(112.0)
Cash flows from financing activities		
Proceeds from issuance of ordinary share capital	7.2	29.1
Return of capital to shareholders (including costs)	(76.7)	(95.4)
Dividend paid to shareholders	(246.7)	(44.6)
Dividend paid to minority interests	(3.9)	(4.5)
Investment in own shares – ESOP	(0.2)	(13.9)
Increase in borrowings	55.2	45.8
Repurchase of bonds	–	(68.1)
Net cash flows from financing activities	(265.1)	(151.6)
Net decrease in cash and cash equivalents	(218.6)	(161.9)
Net foreign exchange difference	0.5	(7.9)
20 Cash and cash equivalents at 1 January	312.8	482.6
20 Cash and cash equivalents at 31 December	94.7	312.8

Consolidated statement of recognised income and expense for the year ended 31 December 2007

	2007 £m	As restated 2006 £m
Profit for the financial year	114.0	146.4
Currency translation differences on foreign operations:		
Group	1.0	(38.6)
Associates and joint ventures	(0.1)	(0.7)
Gains on cash flow hedges taken to equity	4.1	–
Actuarial gain recognised in the pension schemes	34.8	30.1
Deferred tax recognised on the pension surplus	(13.7)	–
	26.1	(9.2)
Total recognised income	140.1	137.2
Attributable to:		
Equity shareholders	134.3	133.2
Minority interests	5.8	4.0
	140.1	137.2
Effects of changes in accounting policy		
Effect of adopting IFRIC 14 (refer to accounting policies in Note 2 and Note 25)	–	(2.4)
Attributable to:		
Equity shareholders	–	(2.4)
Minority interests	–	–
	–	(2.4)

Notes to the consolidated financial statements at 31 December 2007

1. General information

United Business Media plc ('UBM') is a company incorporated in the United Kingdom under the Companies Act 1985. The address of the registered office is Ludgate House, 245 Blackfriars Road, London SE1 9UY. The nature of the Group's operations and its principal activities are set out in Note 3.

The Group's financial statements for the year ended 31 December 2007 were authorised for issue on behalf of the Board of Directors and signed on the Board's behalf by David Levin and Nigel Wilson on 29 February 2008.

These financial statements are presented in pounds sterling and all amounts are rounded to the nearest £0.1m. Foreign operations are included in accordance with the policies set out in Note 2.

The comparative information for the year ended 31 December 2006 has been restated as follows:

- Following the transfer of certain operations between segments, the segmental results have been restated. The impact is disclosed in Note 3.
- Acquisition accounting adjustments have been finalised in relation to certain acquisitions which were made in 2006. The comparative information has been restated in accordance with IFRS 3 'Business Combinations'. The impact of this restatement is to increase intangible assets, provisions, other payables and deferred tax liabilities by £3.3m, £0.7m, £0.4m and £1.3m respectively with a corresponding reduction to trade and other receivables of £0.2m and goodwill of £0.7m.
- Following the adoption of IFRIC 14, a surplus of £3.1m on one of the Group's pensions schemes, which previously had been treated as irrecoverable, has been recognised. The impact of this restatement is to reduce the retirement benefit obligation by £3.1m with a corresponding increase to shareholders' equity.

Changes to composition of Group

Following the acquisition of an additional 2% of the voting rights of RISI, Inc. ('RISI'), the Group has consolidated its 52% controlling interest in RISI. Previously the Group equity accounted its 50% share of the results and net assets of RISI. RISI continues to be reported in the Corporate operations segment. The impact of the consolidation of RISI is to increase Corporate operations revenue by £12.3m, operating expenses by £11.1m, minority interest in the income statement by £0.6m, total assets by £8.3m, total liabilities by £8.1m and total equity and reserves by £0.2m.

The Group has made a number of acquisitions in the year as disclosed in Note 30.

2. Significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union and as applied in accordance with the provisions of the Companies Act 1985.

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value.

Basis of consolidation

(a) Subsidiaries

The consolidated financial statements include the financial statements of UBM plc and its subsidiaries as at 31 December each year. The financial statements of subsidiaries are prepared to the same reporting date as the parent company, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intragroup transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The Group uses the purchase method of accounting to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

(b) Associates

The Group's investments in its associates are accounted for under the equity method of accounting. These are entities in which the Group has the power to participate in the financial and operating policy decisions of the investee and which are neither subsidiaries nor joint ventures. The financial statements of the associates are used by the Group to apply the equity method. The reporting dates of the associates and the Group are identical and the accounts are prepared on the basis of consistent accounting policies.

Under the equity method, the income statement reflects the share of the results of operations of the associates. Where there has been a change recognised directly in the associates' equity, the Group recognises its share of any changes.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

2. Significant accounting policies *continued*

(c) Joint ventures

The Group has a number of contractual arrangements with other parties which represent joint ventures. The Group's interests in its joint ventures are accounted for using the equity method of accounting. These are entities over which the Group has entered into an agreement with a third party to share control. The financial statements of the joint ventures are used by the Group to apply the equity method. The reporting dates of the joint ventures and the Group are identical and the accounts are prepared on the basis of consistent accounting policies.

Under the equity method, the income statement reflects the share of the results of operations of the joint ventures. Where there has been a change recognised directly in the joint ventures' equity, the Group recognises its share of any changes.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Group has adopted the following new and amended IFRS and IFRIC interpretations during the year. Adoption of these revised standards and interpretations, with the exception of IFRIC 14, did not have any effect on the financial statements of the Group. Some did however give rise to additional disclosures:

- IFRS 7 Financial instruments: Disclosures
- IFRIC 7 Applying the Restatement Approach under IAS Financial Reporting in Hyperinflationary Economies
- IFRIC 9 Re-assessment of embedded derivatives
- IFRIC 10 Interim Financial Reporting and Impairment
- IFRIC 11 IFRS 2 – Group and Treasury Share Transactions
- IFRIC 12* Service Concession Arrangements
- IFRIC 13* Customer Loyalty Programmes
- IFRIC 14* The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

*These interpretations are yet to be adopted by the European Union, however the Group has early adopted them because they provide guidance on the application of existing standards which have been endorsed for use in the EU via the EU Endorsement mechanism.

The principal effects of these changes are as follows:

IFRS 7 Financial instruments: Disclosures

The Group adopted this standard on 1 January 2007. This requires the Group to make disclosures to enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments. These new disclosures are included throughout the financial statements.

IFRIC 7 Applying the Restatement Approach under IAS Financial Reporting in Hyperinflationary Economies

As of 1 January 2007, the Group adopted this interpretation which requires the application of IAS 29 in the reporting period in which an entity first identifies the existence of hyperinflation in the economy of its functional currency as if the economy had always been hyperinflationary. Since the Group does not have operations in any country with hyperinflationary conditions, the change has no impact as at 31 December 2007 or 31 December 2006.

IFRIC 9 Re-assessment of embedded derivatives

The Group adopted IFRIC Interpretation 9 as of 1 January 2007, which establishes that the existence of an embedded derivative should be determined at the date an entity first becomes party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. This change in accounting policy did not have an effect on the financial statements of the Group.

IFRIC 10 Interim Financial Reporting and Impairment

The Group adopted IFRIC Interpretation 10 as of 1 January 2007, which requires that an entity must not reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or financial asset carried at cost. As the Group had no impairment losses recognised at the interim in either 2007 or 2006, the interpretation had no effect on the financial statements of the Group.

IFRIC 11 – IFRS 2 – Group and Treasury Share Transactions

The Group adopted IFRIC Interpretation 11 as of 1 January 2007, insofar as it applies to consolidated financial statements. This interpretation requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity-settled scheme, even if the entity buys the instruments from another party, or the shareholders provide the equity instruments needed. This change in accounting policy did not have an effect on the financial statements of the Group.

Notes to the consolidated financial statements continued at 31 December 2007

2. Significant accounting policies continued

IFRIC 12 Service Concession Arrangements

The Group adopted IFRIC Interpretation 12 as of 1 January 2007, which outlines an approach to account for contractual arrangements arising from entities providing public services. This change in accounting policy did not have an effect on the financial statements of the Group because the Group does not enter into such arrangements.

IFRIC 13 Customer Loyalty Programmes

The Group early adopted IFRIC Interpretation 13 as of 1 January 2007, which requires that entities which grant loyalty award credits to customers should allocate some of the proceeds of the initial sale as a liability, being its obligation to provide the awards. The amount allocated to the award credits is measured at fair value, that is, the amount for which the award credits could have been sold separately. The deferred portion of the proceeds shall be recognised as revenue only when the entity has fulfilled its obligations by supplying the awards. This change in accounting policy did not have a material impact on the financial statements of the Group.

IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The Group early adopted IFRIC Interpretation 14 as of 1 January 2007, which sets out when refunds or reductions in future contributions should be regarded as available in accordance with IAS 19 'Employee Benefits', how a minimum funding requirement might affect the availability of reductions in future contributions and when a minimum funding requirement might give rise to a liability. This change in accounting policy has led to the Group recognising a surplus of £3.1m on one of its defined benefit pension schemes that had previously been treated as irrecoverable. This adjustment has been recognised in retained earnings at 1 January 2006.

Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Management continually evaluate these estimates, assumptions and judgements based on available information and experience. The areas involving a higher degree of judgement or complexity are described below.

Impairment of goodwill

The Group determines whether goodwill is impaired on at least an annual basis. This requires an estimation of the higher of fair value less costs to sell and value in use of the cash generating units ('CGUs') to which goodwill is allocated. Estimating the fair value less costs to sell is based on the best information available, and refers to the amount at which the CGU could be bought or sold in a current transaction between willing parties. The valuation methods are based on an earnings multiple approach. The earnings multiple approach uses precedent transaction multiples, obtained from comparable businesses in the media sector. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects management's estimate of return on capital employed required in each CGU which is subject to a value in use calculation. The Group uses external advisors to calculate the fair value less costs to sell and value in use of its CGU. The carrying amount of goodwill at 31 December 2007 was £783.2m (2006: £690.8m) which the directors do not consider is impaired. Further details are given in Note 12.

Intangible assets

The Group recognises intangible assets acquired as part of business combinations at fair value at the date of acquisition. The determination of these fair values is based upon management's judgement and includes assumptions on the timing and amount of future incremental cash flows generated by the assets and the selection of an appropriate cost of capital. Furthermore, management must estimate the expected useful lives of intangible assets and charge amortisation on these assets accordingly. The Group uses external advisors to calculate the fair value of intangibles acquired as part of business combinations.

Deferred tax assets

Significant management judgement is required to determine the amount of deferred tax assets arising from unused tax losses that can be recognised. Management reassesses unrecognised deferred tax assets at each balance sheet date. Based upon the likely timing and level of future taxable profits together with future tax planning strategies, management has concluded that no deferred tax assets should be recognised at either 31 December 2007 or 31 December 2006. The amount of unrecognised tax losses at 31 December 2007 was £49.2m (2006: £30.3m). Management will closely monitor the opportunities for the recoverability of these tax losses and will reassess the need to recognise unrecognised deferred tax assets at subsequent balance sheet dates. Further details are given in Note 9.

Current tax liabilities

The Group has an accrual for tax liabilities which is measured at the directors' prudent estimate of corporate tax that may become payable. These tax provisions are estimates and the actual amounts and timing of future cash flows are dependent on future events. Any difference between expectations and the actual future liability will be accounted for in the period such determination is made.

Retirement benefit obligations

The cost of defined benefit pension plans is determined using actuarial valuations prepared by independent firms of actuaries. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. The assumptions and the resulting estimates are reviewed annually and, when appropriate, changes are made which affect the actuarial valuations and, hence, the amounts of retirement benefit expense recognised in profit and loss and the amounts of actuarial gains and losses recognised in the statement of recognised income and expenses. The carrying amount of retirement benefit obligations at 31 December 2007 was a surplus of £36.2m (2006: deficit of £3.8m). Further details are given in Note 25.

Provision for bad and doubtful debts

The Group provides services and sells goods to a large number of businesses, mainly on credit terms. Management knows that certain debts due to us will not be paid through the default of a small number of our customers. Estimates are used in determining the level of debts that management believes will not be collected. These estimates reflect such factors as the current state of the local economies, particular industry issues and past experience of payment history.

2. Significant accounting policies *continued*

Provisions

The Group recognises provisions for onerous property leases, reorganisation and restructuring costs and other obligations which exist at the balance sheet date and obligations arising from businesses or assets disposed of on or before the balance sheet date. These provisions are estimates and the actual cost and timing of future cash flows are dependent on future events. Management reassesses the amounts of these provisions at each balance sheet date in order to ensure that they are measured at the current best estimate of the expenditure required to settle the obligation at the balance sheet date. Any difference between the amounts previously recognised and the current estimates is recognised immediately in the consolidated income statement.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

Interest and other income

(a) Interest income

Income is recognised as the interest accrues using the effective interest rate method; that is, the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

(b) Dividend income

Dividend income is recognised when the right to receive the payment is established.

(c) Rental Income

Rental income is recognised on a straight-line basis over the lease terms on ongoing leases.

Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, net of trade discounts, VAT, other sales related taxes, and after eliminating sales within the Group. Revenue is recognised as follows:

(a) Sales of services

Revenue is recognised in the accounting period in which the services are rendered by reference to stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Publishing: advertising revenue is recognised on issue of the publication. Revenue from subscriptions is recognised over the life of the subscription.

Exhibitions: revenue is recognised when the show has been completed. Deposits received in advance are recorded as deferred income in the balance sheet.

News distribution: revenue is recognised on message delivery. Revenue from subscriptions is recognised over the life of the subscription.

Directories: advertising revenue is recognised on issue of the directory and copy sales revenue is recognised on the sale of the directory.

Online: revenue is recognised at the point of delivery or fulfilment for single/discrete services and over the life of subscriptions for subscription services.

Data/services: revenue from data subscriptions is recognised over the life of the subscription. Revenue from data projects for immediate delivery is recognised on delivery of the data. Revenue from data projects for future delivery is recognised on a percentage completion basis over the life of the project.

(b) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

Property, plant and equipment

Property, plant and equipment is stated at cost less any depreciation and any impairment losses. Depreciation is provided on all items except freehold land. Depreciation rates are calculated so that assets are written down to residual value in equal annual instalments over their expected useful lives, which are as follows:

Freehold buildings and long leasehold property	Up to 70 years
Leasehold improvements	Term of lease
General plant, machinery and equipment	5–20 years
Computer equipment	3–5 years
Motor vehicles	3–5 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognised.

The assets residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Notes to the consolidated financial statements continued at 31 December 2007

2. Significant accounting policies continued

Goodwill and intangible assets

(a) Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination including directly related professional fees over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.

As at the acquisition date, any goodwill acquired is allocated to the relevant cash-generating unit ('CGU'). Impairment is determined by assessing the recoverable amount of the CGU to which the goodwill relates. The recoverable amount of a CGU is the higher of the CGU's fair value less costs to sell and its value in use. Where the recoverable amount of the CGU is less than the carrying amount, an impairment is recognised. Where goodwill forms part of a CGU and part of the CGU is disposed of, the goodwill associated with the disposal is included in the net assets attributed to the disposal when determining the gain or loss on disposal.

(b) Intangible assets

Internally generated intangible assets, including internally generated software, are recognised as an expense in the year in which the expenditure is incurred except for website development costs relating to the application and infrastructure development, graphical design and content development stages incurred with third parties which are recognised as assets and measured at cost.

Intangible assets acquired in a business combination are measured at fair value at the date of acquisition.

Following initial recognition, intangible assets are measured at cost or fair value at the date of acquisition less any amortisation and any impairment losses.

Intangible assets are amortised over their useful lives as follows:

	Useful lives	Method
Brands	10 years	Straight line
Software	5–6 years	Straight line
Customer contracts and relationships	1–10 years	Straight line
Subscription lists	2–5 years	Straight line
Trademarks	10 years	Straight line
Databases	2–10 years	Straight line
Website development costs	3 years	Straight line

Useful lives are also examined on an annual basis and adjustments, where applicable are made on a prospective basis.

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

Impairment of assets

Property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For purposes of assessing impairment, assets that do not individually generate cash flows are assessed as part of the cash generating unit to which they belong. Cash generating units are the lowest levels for which there are cash flows that are largely independent of the cash flows from other assets or groups of assets.

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.

Inventories

Inventories and work in progress are valued on the first in first out basis at the lower of cost and net realisable value. Cost comprises materials and directly attributable production costs.

2. Significant accounting policies *continued*

Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases.

The Group does not have any finance leases. The Group is also not involved in any arrangements which fall within the scope of IFRIC 4 Determining Whether an Arrangement Contains a Lease.

Group as a lessee

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Group as a lessor

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

Trade and other receivables

Trade receivables, which generally have 30–90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, deposits and short-term deposits with an original maturity of three months or less.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are shown within borrowings.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects, as appropriate, the risks specific to the liability.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Foreign currencies

Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement, except where hedge accounting is applied and for differences on monetary assets and liabilities that form part of the Group's net investment in a foreign operation. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

The assets and liabilities of foreign operations are translated into sterling at the rate of exchange ruling at the balance sheet date. Income and expenses are translated at weighted average exchange rates for the year. The resulting exchange differences are taken directly to a separate component of equity, which was set to zero on first time adoption of IFRS. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

Share capital

Ordinary shares

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

B shares

The Group's existing B shares of 8²³/₄₄p each are classified as equity.

Treasury shares

Where any Group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Notes to the consolidated financial statements continued at 31 December 2007

2. Significant accounting policies continued

Pension costs

The Group sponsors a number of defined benefit schemes and defined contribution schemes.

For the defined contribution schemes, the contributions payable to the scheme in respect of employee service rendered during the accounting period is recognised as an expense in that period.

For the defined benefit pension schemes, the liability for the benefits earned by employees in return for service rendered in the current and prior periods is determined using the projected unit credit method. The discount rate used is the current rate of return on an AA corporate bonds of equivalent term and currency to the liabilities. Plan assets are measured at their market value at the balance sheet date. The extent to which the schemes' assets exceed the liability is shown as a surplus in the balance sheet only to the extent that a surplus is recoverable by the Group.

The following is charged to operating profit:

- the increase in the present value of pension scheme liabilities arising from employee service in the current period;
- the increase in the present value of pension scheme liabilities as a result of benefit improvements over the period during which such improvements vest; and
- gains and losses arising on settlements/curtailments.

A credit in respect of the expected return on the schemes' assets and a charge in respect of the increase during the period in the present value of the schemes' liabilities because the benefits are one period closer to settlement are shown in the income statement as 'financing income – pension schemes'.

Actuarial gains and losses are recognised in full in the period in which they occur. They are recognised outside profit or loss and presented in the consolidated statement of recognised income and expense.

Defined benefit pension surpluses are recognised where scheme rules indicate that such surpluses are available to the Group in the form of either an unconditional right to refund if the scheme were to be wound up or reductions in future contributions.

Borrowing costs

Borrowing costs are recognised as an expense when incurred.

Share-based payment transactions

Employees (including directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

Equity-settled transactions

The Group has applied the requirements of IFRS 2 Share-based Payments to all grants of equity instruments made after 7 November 2002 that were unvested at 1 January 2005.

The cost of equity settled transactions with employees is measured by reference to the fair value at the grant date of the equity instruments granted. The fair value is determined by an external valuer using the Black Scholes or Monte Carlo methods as appropriate.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the periods in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date'). At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest or, in the case of an instrument subject to a market condition, be treated as vesting as described below. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

No expense or increase in equity is recognised for awards that do not ultimately vest. Awards where vesting is conditional upon a market condition are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Financial instruments

Financial assets in the scope of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. Financial liabilities within the scope of IAS 39 are classified as either financial liabilities at fair value through profit and loss (derivative financial liabilities) or financial liabilities at amortised cost (borrowings and trade and other payables).

When financial instruments are recognised initially, they are measured at fair value, and in the case of investments not at fair value through profit or loss, after taking account of directly attributable transaction costs.

2. Significant accounting policies *continued*

Derivative financial instruments

Derivative financial instruments are measured at fair value at each balance sheet date. The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market rates of interest.

For the purpose of hedge accounting, hedges are classified as either fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability; or as cash flow hedges where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecast transaction.

Changes in the fair value of derivative financial instruments that are designated and effective as cash flow hedges of forecast transactions are recognised directly in equity. Amounts deferred in this way are recognised in the income statement in the same period in which the hedged firm commitments or forecast transactions are recognised in the income statement.

In relation to fair value hedges which meet the conditions for hedge accounting, any gain or loss from remeasuring the hedging instrument at fair value is recognised in the income statement. Any gain or loss on the hedged item attributable to the hedged risk is adjusted against the carrying amount of the hedged item and recognised in the income statement.

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

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gains or losses on the hedging instrument recognised in equity are retained until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the income statement for the period.

Other financial assets

The Group classifies its other financial assets as available-for-sale financial assets. Management determines the classification of its investments at initial recognition.

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Listed and unlisted investments are stated at fair value, except where there is no market value in an active market and where the fair value cannot be reliably measured, in which case they are measured at cost. Gains and losses on remeasurement to fair value are included in equity until the investment is disposed of or deemed to be impaired when they are transferred to profit or loss.

Convertible bond

The convertible bond is split into two components: a debt component and a component representing the embedded derivatives in the bond. The debt component represents the Group's liability for future interest coupon payments and the redemption amount. The embedded derivatives represent the value of the option that bondholders have to convert into ordinary shares of the Company. As the debt is denominated in US dollars and the ordinary shares are denominated in UK sterling, the embedded derivative is a liability rather than an equity instrument.

The debt component of the convertible bond is measured at amortised cost and therefore increases as the present value of the interest coupon payments and redemption amount increases, with a corresponding charge to finance cost – other than interest. The debt component decreases by the cash interest coupon payments made. The embedded derivatives are measured at fair value at each balance sheet date, and the change in the fair value is recognised in the income statement. The remaining convertible bond was either repurchased and cancelled or converted to ordinary shares during 2006. No convertible bond remains outstanding.

Borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowings. After initial recognition, loans and borrowings are subsequently measured at amortised cost, and any difference between the proceeds and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Notes to the consolidated financial statements continued at 31 December 2007

2. Significant accounting policies continued

Derecognition of financial assets and liabilities

Financial assets

A financial asset is derecognised where:

- the rights to receive cash flows from the asset have expired; or
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to pay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled of similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and recognition of a new liability, and the difference between the carrying amounts of the original liability and the fair value of the new liability is recognised in the income statement.

Future changes in accounting policies

The following IAS and IFRS have been issued but are not effective for the year ended 31 December 2007:

- *IAS 1 – Presentation of Financial Statements (revised)* – which makes a number of changes to the presentation of the primary statements, including the requirement to present a new statement of comprehensive income which may be presented alongside a separate income statement as a separate primary statement or combined with the income statement as a single statement. The revised standard becomes effective for financial years beginning on or after 1 January 2009. The adoption will necessitate changes to the way in which the Group currently presents its financial statements;
- *IAS 23 – Borrowing Costs (revised)* – which removes the option to expense borrowing costs and requires them to be capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. The revised standard becomes effective for financial years beginning on or after 1 January 2009. The adoption is not expected to have an impact on the Group's financial statements when implemented;
- *IFRS 2 – Share-Based Payment (amendment)* – which specifies that only service and performance conditions are vesting conditions. All other features of a share-based payment, for example market-related vesting conditions, are not vesting conditions and so should be included in the grant date fair value of the share-based payment. All cancellations, whether by the Group or by other parties, should result in an acceleration of the vesting period. The revised standard becomes effective for financial years beginning on or after 1 January 2009. The adoption is not expected to have an impact on the Group's financial statements when implemented;
- *IFRS 3 – Business Combinations (revised)* – which makes a number of significant changes to the treatment of acquisition costs and contingent consideration relating to an acquisition and provides an option ('the full goodwill method') to recognise 100% of the goodwill of an acquired entity not just the acquiring entity's portion of the goodwill, with corresponding increases to goodwill and minority interests. This revised standard becomes effective for financial years beginning on or after 1 July 2009 and so the Group will apply it prospectively to all business combinations on or after 1 January 2010. The impact of the revised standard is expected to lead to changes in the Group's accounting treatment of acquisition costs, which are currently included within goodwill, but will need to be expensed. The standard will also require the Group to estimate contingent consideration at the date of acquisition and include that amount in the cost of acquisition and, hence, effect goodwill. Any revisions to estimates of contingent consideration are currently reflected with a corresponding entry to goodwill. However, on adoption of the revised standard, changes resulting from post-acquisition events, such as meeting revenue and earnings targets, will be recorded in the income statement;
- *IAS 27 – Consolidated and Separate Financial Statements (revised)* – which no longer restricts the allocation to minority interest of losses incurred by a subsidiary to the amount of the non-controlling equity investment in the subsidiary. A partial disposal of equity interest in a subsidiary that does not result in a loss of control will be accounted for as an equity transaction and will have no impact on goodwill nor will it give rise to any gain or loss. Where there is loss of control of a subsidiary, any retained interest will have to be remeasured to fair value, which will impact the gain or loss recognised on disposal. This revised standard applies retrospectively for annual periods beginning on or after 1 January 2010. The adoption is not expected to have a significant impact on the Group's financial statements when implemented;
- *IFRS 8 – Operating Segments* – which requires segmental disclosures that reflect the segments that management uses internally for evaluating the performance of operating segments and allocating resources to those segments. This standard was issued in November 2006 and becomes effective for financial years beginning on or after 1 January 2009. The adoption will result in additional disclosure, but is not expected to impact the segments for which the Group currently presents information.

3. Segment information

Business segments

At 31 December 2007, the Group is organised into six main business segments – News Distribution, CMP Asia, CMP Information, CMP Technology, CMPMedica and Commonwealth Business Media. These segments are the basis on which the Group reports its primary segment information.

The News Distribution segment operates in the distribution, targeting and evaluation of company information. The main activities of CMP Asia, CMP Information, CMP Technology, CMPMedica and Commonwealth Business Media are the production and provision of magazines, trade press, directories, business information, events and websites.

During 2006, the Group disposed of a number of its UK classified titles within CMP Information and its US entertainment titles within CMP Technology. The operating profit attributable to these titles are disclosed as discontinued operations (refer to Note 31).

The following tables present the revenue and profit information and certain asset and liability information for the Group's business segments for the year ended 31 December 2007 and 31 December 2006.

Year ended 31 December 2007

	Revenue from external customers £m	Revenue from other segments £m	Total revenue £m	Segment result £m	Share of results from JVs and associates £m	Segment result including JVs and associates £m
Continuing operations						
Segments						
News distribution	141.1	–	141.1	47.5	0.7	48.2
CMP Asia	76.6	1.4	78.0	20.4	0.1	20.5
CMP Information	192.2	–	192.2	44.5	–	44.5
CMP Technology	160.5	–	160.5	14.9	1.2	16.1
CMPMedica	161.8	–	161.8	3.3	–	3.3
Commonwealth Business Media	57.1	–	57.1	(3.6)	–	(3.6)
Corporate operations ²	12.3	–	12.3	(3.1)	0.2	(2.9)
	801.6	1.4	803.0	123.9	2.2	126.1
Eliminations	–	(1.4)	(1.4)	–	–	–
	801.6	–	801.6	123.9	2.2	126.1
Continuing operations						
Finance income/(cost)						
Interest income						6.7
Interest cost						(7.3)
Financing cost – other than interest						(0.5)
Financing income – pension schemes						4.5
						129.5
Taxation						(21.5)
Discontinued operations (see Note 31)						
Taxation						–
Profit from disposal of discontinued operations (see Note 31)						6.0
Profit for the year from continuing and discontinued operations						114.0

1 Adjusted Group operating profit represents Group operating profit excluding amortisation of intangible assets arising on acquisitions, exceptional items, share of taxation on profit in joint ventures and associates, and adjusted for operating profit from discontinued operations.

2 Corporate operations comprises net central operating costs, together with RISI Inc and those equity accounted investments which do not form part of one of the Group's operating divisions.

Notes to the consolidated financial statements continued at 31 December 2007

3. Segment information continued

Year ended 31 December 2007

	Adjusted operating profit ¹ £m	Share of tax on profit from JVs and associates £m	Exceptional items £m	Amortisation of intangibles £m	Segment result including JVs and associates £m
Continuing operations					
Segments					
News distribution	49.1	–	–	(0.9)	48.2
CMP Asia	21.0	–	–	(0.5)	20.5
CMP Information	47.6	–	–	(3.1)	44.5
CMP Technology	25.2	–	(6.2)	(2.9)	16.1
CMPMedica	18.5	–	(5.7)	(9.5)	3.3
Commonwealth Business Media	7.2	–	(7.7)	(3.1)	(3.6)
Corporate operations ²	(2.5)	(0.4)	–	–	(2.9)
	166.1	(0.4)	(19.6)	(20.0)	126.1

	Share of results from JVs and associates (pre interest and tax) £m	Interest from JVs and associates £m	Tax from JVs and associates £m	Share of results from JVs and associates £m
Continuing operations				
Segments				
News distribution	0.7	–	–	0.7
CMP Asia	0.1	–	–	0.1
CMP Information	–	–	–	–
CMP Technology	1.1	0.1	–	1.2
CMPMedica	–	–	–	–
Commonwealth Business Media	–	–	–	–
Corporate operations ²	0.6	–	(0.4)	0.2
	2.5	0.1	(0.4)	2.2

1 Adjusted Group operating profit represents Group operating profit excluding amortisation of intangible assets arising on acquisitions, exceptional items, share of taxation on profit in joint ventures and associates, and adjusted for operating profit from discontinued operations.

2 Corporate operations comprises net central operating costs, together with RISI Inc and those equity accounted investments which do not form part of one of the Group's operating divisions.

3. Segment information continued

Year ended 31 December 2007

	Adjusted Group operating profit ¹ (before equity accounted investments) £m	Share of results from JVs and associates (before tax and amortisation) £m	Adjusted Group operating profit ¹ as reported £m		
Continuing operations					
Segments					
News distribution	48.4	0.7	49.1		
CMP Asia	20.9	0.1	21.0		
CMP Information	47.6	–	47.6		
CMP Technology	24.0	1.2	25.2		
CMPMedica	18.5	–	18.5		
Commonwealth Business Media	7.2	–	7.2		
Corporate operations ²	(3.1)	0.6	(2.5)		
	163.5	2.6	166.1		
	Segment assets £m	Investments in JVs and associates £m	Total £m	Segment liabilities £m	Total net assets £m
Continuing operations					
Segments					
News distribution	77.9	2.0	79.9	(41.2)	38.7
CMP Asia	52.5	1.7	54.2	(37.6)	16.6
CMP Information	268.7	–	268.7	(76.7)	192.0
CMP Technology	251.8	9.6	261.4	(86.7)	174.7
CMPMedica	353.9	1.4	355.3	(112.4)	242.9
Commonwealth Business Media	123.0	–	123.0	(26.7)	96.3
Corporate operations ²	130.1	9.9	140.0	(262.6)	(122.6)
	1,257.9	24.6	1,282.5	(643.9)	638.6
Unallocated liabilities	–	–	–	(272.1)	(272.1)
	1,257.9	24.6	1,282.5	(916.0)	366.5

Unallocated liabilities comprise the current tax liability of £227.6m and deferred tax liabilities of £44.5m.

- Adjusted Group operating profit represents Group operating profit excluding amortisation of intangible assets arising on acquisitions, exceptional items, share of taxation on profit in joint ventures and associates, and adjusted for operating profit from discontinued operations.
- Corporate operations comprises net central operating costs, together with RISI Inc and those equity accounted investments which do not form part of one of the Group's operating divisions.

Notes to the consolidated financial statements continued at 31 December 2007

3. Segment information continued

Year ended 31 December 2007

	Capital expenditure (acquisition of businesses) £m	Capital expenditure (property, plant and equipment) £m	Capital expenditure (website development costs) £m	Depreciation (including amortisation of website development costs) £m	Other non-cash expenses £m
Continuing operations					
Segments					
News distribution	34.3	3.4	–	2.6	1.0
CMP Asia	1.8	0.2	–	0.3	0.4
CMP Information	27.1	0.6	2.0	1.7	0.9
CMP Technology	24.1	1.2	–	2.2	0.9
CMPMedica	9.6	0.8	–	1.2	0.6
Commonwealth Business Media	1.3	3.6	–	1.6	0.2
Corporate operations ²	0.8	0.8	–	0.6	3.5
	99.0	10.6	2.0	10.2	7.5

Capital expenditure relating to the acquisition of businesses of £99.0m represents gross cash paid of £80.7m, plus accrued expected future deferred consideration payments. The cash outflow on acquisitions of businesses during the year comprises cash paid net of cash acquired of £76.9m plus £8.2m of deferred consideration payments on prior year acquisitions.

Geographical segments

Year ended 31 December 2007

	Segment revenue £m	Segment assets £m	Capital expenditure (acquisition of businesses) £m	Capital expenditure (property, plant and equipment) £m	Capital expenditure (website development costs) £m
Continuing operations					
Segments					
United Kingdom	187.4	403.1	24.5	3.7	2.0
North America	365.5	485.2	71.9	5.8	–
Europe and Middle East	128.6	316.4	0.3	0.3	–
Pacific	120.1	53.2	2.3	0.8	–
	801.6	1,257.9	99.0	10.6	2.0

1 Adjusted Group operating profit represents Group operating profit excluding amortisation of intangible assets arising on acquisitions, exceptional items, share of taxation on profit in joint ventures and associates, and adjusted for operating profit from discontinued operations.

2 Corporate operations comprises net central operating costs, together with RISI Inc and those equity accounted investments which do not form part of one of the Group's operating divisions.

3. Segment information continued

Year ended 31 December 2006

	As restated Revenue from external customers £m	As restated Revenue from other segments £m	As restated Total revenue £m	As restated Segment result £m	As restated Share of results from JVs and associates £m	As restated Segment result including JVs and associates £m
Continuing operations						
Segments						
News distribution	129.9	–	129.9	41.2	0.6	41.8
CMP Asia	73.8	–	73.8	19.2	–	19.2
CMP Information	169.8	–	169.8	38.3	–	38.3
CMP Technology	179.2	–	179.2	2.7	1.6	4.3
CMPMedica	169.5	–	169.5	14.1	–	14.1
Commonwealth Business Media	16.9	–	16.9	2.2	–	2.2
Corporate operations ²	–	–	–	(3.0)	1.5	(1.5)
	739.1	–	739.1	114.7	3.7	118.4
Exceptional items – corporate operations ³	–	–	–	–	–	4.3
EBIT	–	–	–	–	–	122.7
Discontinued operations (see Note 31)						
CMP Technology	14.7	–	14.7	–	–	–
CMP Information	5.1	–	5.1	0.7	–	0.7
	19.8	–	19.8	0.7	–	0.7
Eliminations	–	–	–	–	–	–
	758.9	–	758.9	115.4	3.7	123.4
Continuing operations						
Finance income/(cost)						
Interest income						14.9
Interest cost						(6.6)
Financing income – other than interest						1.4
Financing cost – other than interest						(21.4)
Financing cost – pension schemes						2.5
						114.2
Taxation						11.9
Discontinued operations (see Note 31)						
Taxation						(0.2)
Profit from disposal of discontinued operations (see Note 31)						20.5
Profit for the year from continuing and discontinued operations						146.4

1 Adjusted Group operating profit represents Group operating profit excluding amortisation of intangible assets arising on acquisitions, exceptional items, share of taxation on profit in joint ventures and associates, and adjusted for operating profit from discontinued operations.

2 Corporate operations comprises net central operating costs, together with those operations and equity accounted investments which do not form part of one of the Group's operating divisions.

3 Exceptional items include the profit on sale of property.

Notes to the consolidated financial statements continued at 31 December 2007

3. Segment information continued

Year ended 31 December 2006

	As restated Adjusted operating profit ¹ £m	As restated Share of tax on profit from equity accounted investments £m	As restated Exceptional items £m	As restated Amortisation of intangibles £m	As restated Segment result including JVs and associates £m
Continuing operations					
Segments					
News distribution	41.9	–	–	(0.1)	41.8
CMP Asia	19.7	–	–	(0.5)	19.2
CMP Information	40.8	–	–	(2.5)	38.3
CMP Technology	21.2	–	(14.9)	(2.0)	4.3
CMPMedica	22.8	–	–	(8.7)	14.1
Commonwealth Business Media	3.4	–	–	(1.2)	2.2
Corporate operations ²	(0.8)	(0.7)	–	–	(1.5)
	149.0	(0.7)	(14.9)	(15.0)	118.4
Exceptional items – corporate operations ³	–	–	4.3	–	4.3
EBIT	149.0	(0.7)	(10.6)	(15.0)	122.7
Discontinued operations (see Note 31)					
CMP Technology	–	–	–	–	–
CMP Information	0.7	–	–	–	0.7
	0.7	–	–	–	0.7
	149.7	(0.7)	(10.6)	(15.0)	123.4

	Share of results from JVs and associates (pre interest and tax) £m	Interest from JVs and associates £m	Tax from JVs and associates £m	Share of results from JVs and associates £m
Continuing operations				
Segments				
News distribution	0.6	–	–	0.6
CMP Asia	–	–	–	–
CMP Information	–	–	–	–
CMP Technology	1.6	–	–	1.6
CMPMedica	–	–	–	–
Commonwealth Business Media	–	–	–	–
Corporate operations ²	2.2	–	(0.7)	1.5
	4.4	–	(0.7)	3.7
Discontinued operations (see Note 31)				
CMP Technology	–	–	–	–
CMP Information	–	–	–	–
	–	–	–	–
	4.4	–	(0.7)	3.7

1 Adjusted Group operating profit represents Group operating profit excluding amortisation of intangible assets arising on acquisitions, exceptional items, share of taxation on profit in joint ventures and associates, and adjusted for operating profit from discontinued operations.

2 Corporate operations comprises net central operating costs, together with those operations and equity accounted investments which do not form part of one of the Group's operating divisions.

3 Exceptional items include the profit on sale of property.

3. Segment information continued

Year ended 31 December 2006

	As restated Adjusted Group operating profit ¹ (before equity accounted investments) £m	As restated Share of results from equity investments (before tax and amortisation) £m	As restated Adjusted Group operating profit ¹ as reported £m
Continuing operations			
Segments			
News distribution	41.3	0.6	41.9
CMP Asia	19.7	–	19.7
CMP Information	40.8	–	40.8
CMP Technology	19.6	1.6	21.2
CMPMedica	22.8	–	22.8
Commonwealth Business Media	3.4	–	3.4
Corporate operations ²	(3.0)	2.2	(0.8)
	144.6	4.4	149.0
Discontinued operations (see Note 31)			
CMP Technology	–	–	–
CMP Information	0.7	–	0.7
	0.7	–	0.7
	145.3	4.4	149.7

	As restated Segment assets £m	As restated Investments in JVs and associates £m	As restated Total £m	As restated Segment liabilities £m	As restated Total net assets £m
Continuing operations					
Segments					
News distribution	45.7	1.8	47.5	(44.9)	2.6
CMP Asia	46.8	–	46.8	(29.7)	17.1
CMP Information	242.6	–	242.6	(71.4)	171.2
CMP Technology	236.1	7.6	243.7	(76.9)	166.8
CMPMedica	332.3	1.2	333.5	(94.4)	239.1
Commonwealth Business Media	139.7	–	139.7	(28.8)	110.9
Corporate operations ²	293.6	13.3	306.9	(237.9)	69.0
	1,336.8	23.9	1,360.7	(584.0)	776.7
Discontinued operations (see Note 31)					
CMP Technology	–	–	–	–	–
CMP Information	–	–	–	–	–
	–	–	–	–	–
Unallocated liabilities	–	–	–	(235.9)	(235.9)
	1,336.8	23.9	1,360.7	(819.9)	540.8

Unallocated liabilities comprise the current tax liability of £205.7m and deferred tax liabilities of £30.2m.

- Adjusted Group operating profit represents Group operating profit excluding amortisation of intangible assets arising on acquisitions, exceptional items, share of taxation on profit in joint ventures and associates, and adjusted for operating profit from discontinued operations.
- Corporate operations comprises net central operating costs, together with those operations and equity accounted investments which do not form part of one of the Group's operating divisions.
- Exceptional items include the profit on sale of property.

Notes to the consolidated financial statements continued at 31 December 2007

3. Segment information continued

Year ended 31 December 2006

	As restated Capital expenditure (acquisition of businesses) £m	As restated Capital expenditure (property, plant and equipment) £m	As restated Capital expenditure (website development costs) £m	As restated Depreciation (including amortisation of website development costs) £m	As restated Other non-cash expenses £m
Continuing operations					
Segments					
News distribution	12.4	3.5	–	2.6	0.5
CMP Asia	5.6	0.5	–	0.2	0.4
CMP Information	4.8	3.1	0.7	1.5	0.8
CMP Technology	44.8	2.9	–	2.2	0.7
CMPMedica	4.1	1.4	–	1.1	0.4
Commonwealth Business Media	91.3	0.2	–	0.6	–
Corporate operations ²	–	0.8	–	0.4	2.9
	163.0	12.4	0.7	8.6	5.7
Discontinued operations (see Note 31)					
CMP Technology	–	–	–	–	–
CMP Information	–	–	–	–	–
	–	–	–	–	–
	163.0	12.4	0.7	8.6	5.7

Capital expenditure relating to the acquisition of businesses of £163.0m represents gross cash paid of £158.2m, plus accrued expected future deferred consideration payments. The cash outflow on acquisitions of businesses during the year comprises cash paid net of cash acquired of £152.9m plus £2.9m of deferred consideration payments on prior year acquisitions.

Geographical segments

Year ended 31 December 2006

	As restated Segment revenue £m	As restated Segment assets £m	As restated Capital expenditure (acquisition of businesses) £m	As restated Capital expenditure (property, plant and equipment) £m	As restated Capital expenditure (website development costs) £m
Continuing operations					
Segments					
United Kingdom	158.9	554.7	14.2	3.7	0.7
North America	348.3	431.3	134.1	6.6	–
Europe and Middle East	124.7	300.6	2.0	1.6	–
Pacific	107.2	50.2	12.7	0.5	–
	739.1	1,336.8	163.0	12.4	0.7
Discontinued operations (see Note 31)					
United Kingdom	5.1	–	–	–	–
North America	14.7	–	–	–	–
	19.8	–	–	–	–
	758.9	1,336.8	163.0	12.4	0.7

1 Adjusted Group operating profit represents Group operating profit excluding amortisation of intangible assets arising on acquisitions, exceptional items, share of taxation on profit in joint ventures and associates, and adjusted for operating profit from discontinued operations.

2 Corporate operations comprises net central operating costs, together with those operations and equity accounted investments which do not form part of one of the Group's operating divisions.

3 Exceptional items include the profit on sale of property.

3. Segment information *continued*

The amounts shown for the year ended 31 December 2006 have been restated to reflect the intragroup transfer of MediaLive Japan from CMP Technology to CMP Asia. As a result, for the year ended 31 December 2006, £7.0m of revenue, £1.2m of operating profit, £0.2m of amortisation of acquired intangibles, £5.6m of capital expenditure on acquisition of subsidiaries and £1.4m of assets have been transferred from CMP Technology to CMP Asia.

As stated in Note 1, the Group has consolidated its 52% controlling interest in RISI Inc ('RISI') from 1 January 2007 following the acquisition of an additional 2% of the voting rights. Previously the Group equity accounted its 50% share in the results and net assets of RISI. RISI continues to be reported in the Corporate operations segment.

The impact of the consolidation of RISI is to increase Corporate operations revenue by £12.3m, operating expenses by £11.1m, minority interest in the income statement by £0.6m, total assets by £8.3m, total liabilities by £8.1m and total equity and reserves by £0.2m.

4. Other operating income

	2007 £m	2006 £m
Rental income	4.5	3.9
Other income	6.9	8.6
	11.4	12.5

5. Operating expenses

	2007 £m	2006 £m
Amortisation of website development costs (see Note 13)	0.4	–
Depreciation of property, plant and equipment (see Note 14)	9.8	8.6
Employee costs (see Note 6)	280.2	256.0
Cost of inventories recognised as expense	12.7	15.1
Operating lease rentals	17.3	16.9
Auditor's remuneration	1.8	2.0
Other cost of sales and administration costs	327.3	308.4
	649.5	607.0

Included within continuing other cost of sales and administration costs is a charge of £2.0m (2006: £2.8m) in relation to the provisions for irrecoverability of trade receivables.

Auditor's remuneration

	2007 £m	2006 £m
Continuing operations		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	0.4	0.4
Fees payable to the Company's auditor and its associates for other services:		
Audit of the Company's subsidiaries pursuant to legislation	1.0	1.0
Other services pursuant to legislation	0.1	0.2
Tax services	0.3	0.4
Fees in respect of pension schemes:		
Audit	–	–
Other services pursuant to legislation	–	–
	1.8	2.0
Discontinued operations		
Fees payable to the Company's auditor and its associates for other services:		
Audit of the company's subsidiaries pursuant to legislation	–	–
Other services pursuant to legislation	–	0.1
	–	0.1

The Audit Committee has established policy guidelines on the nature of non-audit work which may be undertaken by the auditors. These guidelines identify a number of categories of work where the auditors will not normally be employed, including financial due diligence assignments on potential acquisitions and financial systems consultancy. The Audit Committee has also put in place procedures for the pre-approval of any fees payable to the auditors for those non-audit services which fall within the policy guidelines.

Professional firms are selected to provide advisory services on the basis of their relevant experience and expertise. For major projects, it is the Group's policy to undertake a competitive tendering process. In certain circumstances, for example reasons of confidentiality or knowledge of the Group's businesses and structures, it is appropriate to employ the Group's auditors to provide such services without a competitive tender being undertaken.

Notes to the consolidated financial statements continued at 31 December 2007

6. Employee costs

	2007 £m	2006 £m
Wages and salaries	226.6	208.3
Social security costs	38.5	35.4
Share options granted to directors and employees	7.5	7.5
Pension costs – defined contribution plans	4.6	4.3
Pension costs – defined benefit plans (see Note 25)	3.0	0.5
	280.2	256.0

Employee numbers

The average number of persons employed in the Group, including directors, during the year was as follows:

	2007 Number	2006 Number
Location		
United Kingdom	1,544	1,513
North America	2,979	2,591
Europe and Middle East	735	819
Pacific	1,218	1,030
	6,476	5,953
Business segment		
Continuing operations		
News distribution	1,228	995
CMP Asia	529	463
CMP Information	1,158	1,333
CMP Technology	1,099	1,187
CMPMedica	1,473	1,454
Commonwealth Business Media	693	273
Corporate operations	296	115
Discontinued operations		
CMP Information	–	12
CMP Technology	–	121
	6,476	5,953

Directors' emoluments

	2007 £m	2006 £m
Fees	0.6	0.5
Remuneration and benefits in kind	1.2	1.2
Bonuses (including MTIP)	1.3	1.2
Contributions to pension schemes	0.2	0.2
	3.3	3.1

Details of executive and non-executive directors' emoluments and their interest in shares and options of the Company are shown within the directors' remuneration report in the sections 'Directors' pension provision', 'Directors' remuneration', 'Directors' interests in shares' and 'Directors' interests in share options'.

7. Exceptional items

Exceptional items are presented separately as, due to their nature and for the infrequency of the events giving rise to them, this allows shareholders to understand better the elements of financial performance for the year, so as to facilitate comparison with prior periods and to assess better the trends of financial performance.

	2007 £m	2006 £m
Charged to operating profit		
Vacant property costs	(3.9)	(13.7)
Redundancy	(12.1)	(1.2)
Restructuring and business reorganisation costs	(3.6)	–
Total charged to operating profit	(19.6)	(14.9)
Credited to EBIT		
Profit on disposal of property, plant and equipment	–	4.3
Total (charged)/credited to EBIT	(19.6)	(10.6)
Charged to profit before tax		
Net finance costs – bond buybacks (see Note 8)	–	(20.3)
Total (charged)/credited to profit before tax	(19.6)	(30.9)
Credited to profit after tax		
Taxation relating to exceptional items	1.8	–
Exceptional taxation credit	–	35.9
Total (charged)/credited to profit after tax	(17.8)	5.0
Credited to discontinued operations		
Profit on disposal of discontinued operations (see Note 31)	–	20.5
Additional profit on prior years disposal (see Note 31)	6.0	–
Profit from discontinued operations (see Note 31)	–	0.5
(Loss)/profit for the year after discontinued operations	(11.8)	26.0

Charged to operating profit

During the year, CMP Technology announced a restructuring to align its product portfolio and organisational structure to the changing needs of its customers, and to better position the business to take advantage of growth opportunities in events, online and data. This involved the closure and merging of some print titles and a headcount reduction of over 200 people. The exceptional charge of £6.2m includes £3.3m relating to redundancy, £2.2m relating to vacant property and £0.7m to restructuring and business reorganisation costs. The redundancy and restructuring and business reorganisation costs have been substantially incurred at the year end and the amount relating to vacant property will be incurred over the remainder of the lease term.

In 2006, CMP Technology downsized its existing operations based in Long Island, New York, together with the offshoring of certain functions. The costs of £14.9m represent the expected vacant property costs arising, together with certain related redundancies already incurred.

Following the acquisition of the Official Airlines Guide (OAG) in December 2006, the Group announced a restructuring plan to integrate OAG into the Commonwealth business and to enable it to serve its global customers more effectively. The exceptional charge of £7.7m includes £6.0m relating to the redundancy of 120 people, £0.5m relating to vacant property and £1.2m of restructuring costs. The redundancy and restructuring costs have been substantially incurred at the year end and the amount relating to vacant property will be incurred over the remainder of the lease term.

During the year, CMPMedica commenced a restructuring programme to rebalance the business to enable them to better meet the changing customer requirements, to position them in growth markets and to improve profitability. The exceptional charge of £5.7m includes £2.8m relating to the redundancy of 60 people, £1.2m of vacant property costs and £1.7m of other reorganisation costs. Of the amount charged, £1.3m has been spent in 2007 and the balance is expected to be incurred in 2008.

Credited to EBIT

During 2006, the Group also sold its freehold interest in a property which was no longer in use within the business giving rise to an exceptional profit on disposal of £4.3m.

Credited to profit after tax

There is a £1.8m tax credit in relation to the £6.0m redundancy provision associated with the restructuring of OAG.

In 2006, the Group resolved a number of outstanding items as a consequence of which there was a net exceptional tax credit of £35.9m.

Notes to the consolidated financial statements continued at 31 December 2007

7. Exceptional items continued

Credited to discontinued operations

The additional profit on prior years disposal represents additional consideration receivable from GfK following the settlement of certain outstanding items relating to the sale of NOP World in 2005, together with a release of amounts held for certain potential warranty and other claims which are now no longer required.

During 2006, the Group disposed of a number of titles, including the majority of its remaining UK classified titles, together with the US based Music and Entertainment portfolio. The aggregate profits on disposal, which have been shown as an exceptional item in the Group's profit and loss account, amount to £20.5m. The operating results for these disposed businesses have been included within discontinued activities.

8. Finance income/(cost)

	Recurring 2007 £m	Exceptional 2007 £m	Total 2007 £m	Recurring 2006 £m	Exceptional 2006 £m	Total 2006 £m
Interest income						
Cash and cash equivalents	6.7	–	6.7	14.9	–	14.9
Interest cost						
Borrowings and loans	(5.6)	–	(5.6)	(5.1)	–	(5.1)
Other	(1.7)	–	(1.7)	(1.5)	–	(1.5)
	(7.3)	–	(7.3)	(6.6)	–	(6.6)
Financing income – other than interest						
Buyback of bonds (c)	–	–	–	–	0.4	0.4
Net foreign exchange gain (a)	–	–	–	1.0	–	1.0
	–	–	–	1.0	0.4	1.4
Financing cost – other than interest						
Fair value loss on embedded derivative (b)	–	–	–	–	(20.7)	(20.7)
Net foreign exchange loss	(0.2)	–	(0.2)	–	–	–
Other fair value adjustments	(0.3)	–	(0.3)	–	–	–
Convertible bond (d)	–	–	–	(0.7)	–	(0.7)
	(0.5)	–	(0.5)	(0.7)	(20.7)	(21.4)
Financing income – pension schemes (see Note 25)	4.5	–	4.5	2.5	–	2.5
Net finance income/(cost)	3.4	–	3.4	11.1	(20.3)	(9.2)

(a) Foreign exchange gain in 2006 related to US dollar denominated balances held in UK accounts.

(b) Under IAS 32 and IAS 39, UBM's US Dollar convertible bond contains an embedded derivative (the option to convert USD denominated debt into GBP equity), which is measured at fair value with changes in fair value included in the income statement until conversion or repurchase. The fair value loss in 2006 of £20.7m reported as exceptional relates to the portion of the bond that was repurchased/converted during the year.

(c) In 2006, UBM repurchased the majority of its US Dollar convertible bond. This credit reflects the debt settlement gain.

(d) The convertible bond is separated into fixed rate debt and an equity derivative. This charge reflects the accretion of the debt to the value at maturity.

9. Taxation

Major components of income tax expense for the year ended 31 December 2007 are:

	2007 £m	2006 £m
Consolidated income statement		
Current tax:		
Current tax charge	27.2	27.9
Deferred tax:		
Origination and reversal of temporary differences	(5.7)	(3.7)
Income tax expense in the consolidated income statement	21.5	24.2
Less: income tax expense for discontinued operations	–	(0.2)
Income tax expense for continuing operations	21.5	24.0

Factors affecting tax charge for the year

A reconciliation of income tax expense before exceptional tax credit applicable to accounting profit before tax at the statutory tax rate to tax expense for the year ended 31 December 2007 is as follows:

	2007 £m	2006 £m
Profit before tax from continuing operations	129.5	113.5
Profit before tax attributable to discontinued operations (see Note 31)	6.0	21.2
Profit before tax	135.5	134.7
Profit before tax multiplied by standard rate of corporation tax in UK of 30% (2006: 30%)	40.7	40.4
Effect of:		
Expenses not deductible for tax purposes	7.7	1.4
Tax effect of items not recognised in consolidated financial statements	(11.7)	3.6
Origination and reversal of temporary differences not recognised	(7.8)	(8.5)
Different tax rates on overseas earnings	(0.4)	(0.4)
Foreign exchange gains	–	(0.3)
Share of results from associates and joint ventures (after tax)	(0.7)	(1.2)
Profit on sale of discontinued operations and equity accounted investments	(1.8)	(6.8)
Non-taxable income	(4.5)	(4.0)
	21.5	24.2
Income tax expense reported in the consolidated income statement	21.5	24.0
Income tax attributable to discontinued operations (see Note 31)	–	0.2
	21.5	24.2

In 2006, the Group resolved a number of outstanding items as a consequence of which there was a net exceptional tax credit of £35.9m.

Notes to the consolidated financial statements continued at 31 December 2007

9. Taxation continued

Deferred income tax

Deferred income tax at 31 December relates to the following:

	Consolidated balance sheet		Consolidated income statement	
	2007 £m	As restated 2006 £m	2007 £m	2006 £m
Deferred tax				
Fair value adjustments on acquisitions	29.6	28.5	(5.2)	(4.0)
Defined benefit pension surplus	13.7	–	–	–
Other temporary differences	1.2	1.7	(0.5)	0.3
	44.5	30.2	(5.7)	(3.7)

At 31 December 2007, there was no recognised deferred tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries as the Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future.

The temporary differences associated with investments in subsidiaries for which a deferred tax liability has not been recognised amount in aggregate to £3.1bn (2006: £1.7bn). There are no income tax consequences to the Group attaching to the payment of dividends by the Company to its shareholders.

	2007 £m	As restated 2006 £m
The movement in the net deferred tax liability was as follows:		
Net liability at 1 January	30.2	24.0
Transfers (see Note 13)	–	(0.1)
Acquisition of subsidiaries (see Note 30)	5.4	11.1
Amounts credited to net profit	(5.7)	(3.7)
Amounts charged to consolidated statement of recognised income and expense	13.7	–
Currency translation	0.9	(1.1)
Net liability at 31 December	44.5	30.2

The Group has unrecognised deferred tax assets of £63.4m relating to deductible temporary differences and £49.2m (of which £35.2m will expire between 2018 and 2027) relating to unused tax losses (2006: £65.6m and £30.3m of which £25.9m will expire within 2020 and 2027 respectively). No deferred tax asset has been recognised in respect of these amounts due to the unpredictability of future taxable profit streams.

The amounts shown for the year ended 31 December 2006 have been restated to reflect the finalisation of acquisition accounting adjustments relating to certain acquisitions made in 2006 (see Note 1).

10. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity shareholders by the weighted average number of ordinary shares outstanding during the year (reflecting the movements set out in Note 26).

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary shareholders (after deducting/(adding) interest and the other income/expenses relating to the convertible bond) by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options and dilutive convertible bond).

Adjusted earnings per share is calculated on the net profit for the year attributable to ordinary equity shareholders, less amortisation of intangible assets arising on acquisitions, certain exceptional items, deferred tax on amortisation of intangible assets, taxation relating to exceptional items and net financing cost – other than interest, divided by the weighted average number of ordinary shares outstanding during the year. Certain exceptional items, net financing costs – other than interest, taxation related to exceptional items and deferred tax on amortisation of intangible assets are excluded from this calculation, as due to their nature and the infrequency of the events giving rise to them, separate presentation allows shareholders to understand better the elements of financial performance for the year, so as to facilitate comparison with prior periods and to assess better the trends of financial performance.

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	Earnings 2007 £m	Weighted average no. of shares 2007 million	Earnings per share 2007 (p)	Earnings 2006 £m	Weighted average no. of shares 2006 million	Earnings per share 2006 (p)
From continuing and discontinued operations						
Adjusted Group operating profit	166.1			149.7		
Net interest (expense)/income	(0.6)			8.3		
Financing income – pension schemes	4.5			2.5		
Adjusted profit before tax	170.0			160.5		
Taxation	(28.9)			(28.9)		
Minority interests	(5.2)			(4.5)		
B share dividend	(0.3)			(0.4)		
Adjusted earnings per share	135.6	254.0	53.4	126.7	278.7	45.5
Adjustments						
Amortisation of intangible assets arising on acquisitions	(20.0)		(7.9)	(15.0)		(5.4)
Deferred tax on amortisation of intangible assets	5.2		2.0	4.0		1.4
Adjustments in respect of exceptional items	(13.6)		(5.3)	45.8		16.4
Taxation relating to exceptional items	1.8		0.7	–		–
Net financing cost – other than interest	(0.5)		(0.2)	(20.0)		(7.2)
Basic earnings per share	108.5	254.0	42.7	141.5	278.7	50.7
Dilution						
Options	–	5.5	(0.9)	–	5.2	(0.9)
Convertible bond	–	–	–	–	–	–
Diluted earnings per share	108.5	259.5	41.8	141.5	283.9	49.8
Adjusted earnings per share (as above)	135.6	254.0	53.4	126.7	278.7	45.5
Options	–	5.5	(1.1)	–	5.2	(0.8)
Convertible bond	–	–	–	0.2	6.0	(0.9)
Diluted adjusted earnings per share	135.6	259.5	52.3	126.9	289.9	43.8

The convertible bond is earnings enhancing in 2006 and therefore its impact has been excluded from the diluted earnings per share calculation.

Notes to the consolidated financial statements continued at 31 December 2007

10. Earnings per share continued

	Earnings 2007 £m	Weighted average no. of shares 2007 million	Earnings per share 2007 (p)	Earnings 2006 £m	Weighted average no. of shares 2006 million	Earnings per share 2006 (p)
From continuing operations						
Adjusted Group operating profit	166.1			149.7		
Operating profit from discontinued operations	–			(0.7)		
Net interest (expense)/income	(0.6)			8.3		
Financing income – pension schemes	4.5			2.5		
Adjusted profit before tax	170.0			159.8		
Taxation	(28.9)			(28.7)		
Minority interests	(5.2)			(4.5)		
B share dividend	(0.3)			(0.4)		
Adjusted earnings per share	135.6	254.0	53.4	126.2	278.7	45.3
Adjustments						
Amortisation of intangible assets arising on acquisitions	(20.0)		(7.9)	(15.0)		(5.4)
Deferred tax on amortisation of intangible assets	5.2		2.0	4.0		1.4
Adjustments in respect of exceptional items	(19.6)		(7.7)	25.3		9.1
Taxation relating to exceptional items	1.8		0.7	–		–
Net financing cost – other than interest	(0.5)		(0.2)	(20.0)		(7.2)
Basic earnings per share	102.5	254.0	40.3	120.5	278.7	43.2
Dilution						
Options	–	5.5	(0.8)	–	5.2	(0.8)
Convertible bond	–	–	–	–	–	–
Diluted earnings per share	102.5	259.5	39.5	120.5	283.9	42.4
Adjusted earnings per share (as above)	135.6	254.0	53.4	126.2	278.7	45.3
Options	–	5.5	(1.1)	–	5.2	(0.8)
Convertible bond	–	–	–	0.2	6.0	(0.9)
Diluted adjusted earnings per share	135.6	259.5	52.3	126.4	289.9	43.6

The convertible bond is earnings enhancing in 2006 and therefore its impact has been excluded from the diluted earnings per share calculation.

The Group has two categories of dilutive potential ordinary shares: those share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year, and shares attributable to convertible debt. The impact of dilutive securities in 2007 would be to increase the profit by £nil (2006: £21.2m) for convertible debt and to increase weighted average shares by 5.5 million shares (2006: 5.2 million shares) for employee share options and nil million shares (2006: 6.0 million shares) for convertible debt.

The weighted average number of shares excludes ordinary shares held by the ESOP and the QUEST. The weighted average number of shares was affected by the share consolidation which accompanied the special dividend paid on 27 March 2007, where 49 existing ordinary shares were converted to 44 new ordinary shares (refer to Note 26).

11. Dividends

	2007 £m	2006 £m
Declared and paid during the year		
Equity dividends on ordinary shares		
Final dividend for 2006 of 13.60p (2005: 11.00p)	34.1	31.9
Special dividend of 72.00p (2006: nil)	200.3	–
Interim dividend for 2007 of 4.84p (2006: 4.40p)	12.0	12.3
Equity dividends – B shares	0.3	0.4
	246.7	44.6
Proposed (not recognised as a liability at 31 December)		
Equity dividends on ordinary shares		
Special dividend for 2007 of nil (2006: 72.00p)	–	200.3
Final dividend for 2007 of 16.76p (2006: 13.60p)	40.4	34.1

The proposed final dividend is subject to approval and has not been recognised as a liability in these financial statements.

The B shares have a fixed coupon, and the dividends of £0.3m owing as at 31 December 2007 have been accrued for accordingly.

12. Goodwill

	2007 £m	As restated 2006 £m
Cost		
At 1 January	690.8	590.6
Acquisitions (see Note 30)	76.0	142.5
Disposals (see Note 31)	–	(6.6)
Transfers (see Note 13)	–	0.7
Other reclassifications	4.3	4.6
Currency translation	12.1	(41.0)
At 31 December	783.2	690.8

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to business segment.

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

A segment-level summary of the goodwill allocation is shown as follows:

	2007 £m	As restated 2006 £m
News distribution	51.4	23.5
CMP Asia	14.8	15.1
CMP Information	199.9	177.8
CMP Technology	188.2	173.7
CMPMedica	243.9	220.8
Commonwealth Business Media	80.0	79.9
Corporate operations	5.0	–
	783.2	690.8

The amounts shown for the year ended 31 December 2006 have been restated to reflect the finalisation of acquisition accounting adjustments relating to certain acquisitions made in 2006 (see Note 1).

Management tests goodwill annually for impairment, or more frequently if there are indicators that goodwill might be impaired. The Group generally uses fair value less costs to sell as the basis of its annual impairment review, with additional consideration being given to the value in use of each CGU.

Notes to the consolidated financial statements continued at 31 December 2007

12. Goodwill continued

The recoverable amount of a CGU is the higher of a CGU's fair value less costs to sell and its value in use. The estimate of fair value less costs to sell is based on the best information available, and refers to the amount at which the CGU could be bought or sold in a current transaction between willing parties. The valuation methods are based on an earnings multiple approach. The earnings multiple approach uses precedent transaction multiples, obtained from comparable businesses in the media sector. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects management's estimate of return on capital employed required in each CGU which is subject to a value in use calculation. The Group uses external advisors to calculate the fair value less costs to sell and value in use of its CGUs.

In determination of fair value less costs to sell, the calculation of fair value is most sensitive to the precedent transaction multiples used. Where value in use is considered as a part of the annual impairment review, the key assumptions which are considered to be most sensitive are the forecast cash flows generated from the CGU into perpetuity and the pre-tax discount rate derived from the Group's post-tax cost of capital of 8%.

Management does not re-compute the fair value of each CGU annually if all of the following criteria are met:

- The component assets and liabilities of the CGU have not changed since the last fair value calculation;
- The previous fair value amount exceeded the carrying amount of the CGU by a substantial margin;
- No evidence exists to indicate that the current fair value of the CGU would be less than its current carrying amount.

13. Intangible assets

31 December 2007

	Brands £m	Software £m	Customer contracts & relationships £m	Subscription lists £m	Trade marks £m	Databases £m	Website development costs £m	Total £m
Cost								
At 1 January 2007	72.0	1.1	48.4	1.2	1.8	12.3	0.7	137.5
Acquisitions (see Note 30)	13.3	2.1	9.9	–	–	1.4	–	26.7
Additions	–	–	–	–	–	–	2.0	2.0
Transfers	–	–	–	–	–	–	–	–
Currency translation	3.2	0.1	2.0	0.1	–	(0.1)	–	5.3
At 31 December 2007	88.5	3.3	60.3	1.3	1.8	13.6	2.7	171.5
Amortisation								
At 1 January 2007	12.3	0.5	14.0	0.4	0.4	0.8	–	28.4
Charge for the year	7.8	0.4	9.8	0.4	0.2	1.4	0.4	20.4
Currency translation	1.0	0.1	1.2	–	–	–	–	2.3
At 31 December 2007	21.1	1.0	25.0	0.8	0.6	2.2	0.4	51.1
Carrying value								
At 1 January 2007	59.7	0.6	34.4	0.8	1.4	11.5	0.7	109.1
At 31 December 2007	67.4	2.3	35.3	0.5	1.2	11.4	2.3	120.4

13. Intangible assets continued**31 December 2006 (as restated)**

	Brands £m	Software £m	Customer contracts & relationships £m	Subscription lists £m	Trade marks £m	Databases £m	Website development costs £m	Total £m
Cost								
At 1 January 2006	52.0	1.3	36.3	0.8	2.1	1.4	–	93.9
Acquisitions (see Note 30)	22.2	–	15.2	0.6	–	11.5	–	49.5
Additions	–	–	–	–	–	–	0.7	0.7
Transfers	0.9	(0.2)	(0.9)	(0.1)	(0.3)	(0.2)	–	(0.8)
Currency translation	(3.1)	–	(2.2)	(0.1)	–	(0.4)	–	(5.8)
At 31 December 2006	72.0	1.1	48.4	1.2	1.8	12.3	0.7	137.5
Amortisation								
At 1 January 2006	6.1	0.3	7.0	0.2	0.2	0.2	–	14.0
Charge for the year	6.5	0.2	7.3	0.2	0.2	0.6	–	15.0
Currency translation	(0.3)	–	(0.3)	–	–	–	–	(0.6)
At 31 December 2006	12.3	0.5	14.0	0.4	0.4	0.8	–	28.4
Carrying value								
At 1 January 2006	45.9	1.0	29.3	0.6	1.9	1.2	–	79.9
At 31 December 2006	59.7	0.6	34.4	0.8	1.4	11.5	0.7	109.1

Amortisation charges in relation to website development costs have been charged through operating expenses (see Note 5). All other intangible asset captions are intangible assets arising on acquisitions and the associated amortisation charge is included in a separate line item in the income statement since these charges do not form part of adjusted Group operating profit.

The average remaining useful lives for the brands and customer contracts and relationships intangible assets is nine years and four years respectively. The average remaining useful lives for the other classes of intangible assets is four years.

The amounts shown for the year ended 31 December 2006 have been restated to reflect the finalisation of acquisition accounting adjustments relating to certain acquisitions made in 2006 (see Note 1).

14. Property, plant and equipment**31 December 2007**

	Land and buildings £m	Plant, machinery and vehicles £m	Total £m
Cost			
At 1 January 2007	46.3	82.5	128.8
Additions	1.2	9.4	10.6
Acquisitions of subsidiary undertakings and businesses (see Note 30)	0.4	1.6	2.0
Consolidation of entity previously equity accounted	–	0.3	0.3
Disposals	(10.9)	(12.1)	(23.0)
Currency translation	(0.1)	0.7	0.6
At 31 December 2007	36.9	82.4	119.3
Depreciation			
At 1 January 2007	28.0	70.6	98.6
Charge for the year	1.6	8.2	9.8
Disposals	(6.6)	(12.1)	(18.7)
Currency translation	(0.1)	0.6	0.5
At 31 December 2007	22.9	67.3	90.2
Carrying value			
At 1 January 2007	18.3	11.9	30.2
At 31 December 2007	14.0	15.1	29.1

Notes to the consolidated financial statements continued at 31 December 2007

14. Property, plant and equipment continued

31 December 2006

	Land and buildings £m	Plant, machinery and vehicles £m	Total £m
Cost			
At 1 January 2006	61.5	76.2	137.7
Additions	2.5	9.9	12.4
Acquisitions of subsidiary undertakings and businesses (see Note 30)	0.3	4.1	4.4
Consolidation of entity previously equity accounted	0.6	1.4	2.0
Disposals	(12.3)	(3.4)	(15.7)
Transfer of assets classified as held for sale	(3.9)	–	(3.9)
Currency translation	(2.4)	(5.7)	(8.1)
At 31 December 2006	46.3	82.5	128.8
Depreciation			
At 1 January 2006	30.3	70.7	101.0
Charge for the year	1.8	6.8	8.6
Disposals	(2.0)	(3.0)	(5.0)
Transfer of assets classified as held for sale	(0.5)	–	(0.5)
Currency translation	(1.6)	(3.9)	(5.5)
At 31 December 2006	28.0	70.6	98.6
Carrying value			
At 1 January 2006	31.2	5.5	36.7
At 31 December 2006	18.3	11.9	30.2
		2007	2006
		£m	£m
Land and buildings at net book amount comprise:			
Freehold		0.7	1.6
Long leasehold		1.1	1.3
Leasehold improvements		12.2	15.4
Carrying value		14.0	18.3

15. Assets classified as held for sale

As at 31 December 2007, there were no non-current assets classified as held for sale.

As at 31 December 2006, freehold property with a carrying amount of £3.4m was classified as held for sale. The property was being actively marketed before 31 December 2006 and a sale was completed during 2007.

16. Investments in joint ventures and associates

	Joint ventures 2007 £m	Associates 2007 £m	Total 2007 £m	Joint ventures 2006 £m	Associates 2006 £m	Total 2006 £m
(a) Carrying amount						
At 1 January	9.3	14.6	23.9	10.7	11.5	22.2
Share of profit after tax	2.1	0.1	2.2	2.4	1.3	3.7
Additions	1.6	1.1	2.7	4.1	–	4.1
Currency translation	(0.2)	0.1	(0.1)	(0.5)	(0.2)	(0.7)
Dividends received	(0.6)	(0.2)	(0.8)	(4.2)	(0.9)	(5.1)
Investment previously treated as fixed asset investment	–	–	–	–	2.9	2.9
Entity now consolidated as a subsidiary	–	(3.3)	(3.3)	(3.2)	–	(3.2)
At 31 December	12.2	12.4	24.6	9.3	14.6	23.9

Investments in joint ventures and associates at 31 December 2007 include goodwill of £8.5m and £6.4m respectively (2006: £6.9m and £8.4m respectively). Investments in joint ventures include amortisation of intangible assets of £nil (2006: £nil).

Share of profit after tax for joint ventures does not include cumulative losses of £0.4m (2006: £0.3m) in relation to a joint venture that has a carrying value of £nil.

	2007 £m	2006 £m
(b) Joint ventures		
The following represents the aggregate amount of the Group's interests in joint ventures' assets, liabilities, income and expenses:		
Current assets	6.8	4.3
Non-current assets	0.1	0.1
Current liabilities	3.6	2.3
Non-current liabilities	–	–
Income	12.4	12.3
Expenses	10.4	10.2

The principal joint ventures at 31 December 2007 are as follows:

Company	Division	Type of business	Country of incorporation and operation	Class of shares held	Share holding/interest	Accounting year end
ANP Pers Support BV	News Distribution	News Distribution	Netherlands	Ordinary	50.0%	31 December
CMP Weka Verlag GmbH	CMP Technology	Publications	Germany	Ordinary	50.0%	31 December
Cybermedia	CMP Technology	Publications	India	Ordinary	50.0%	31 December
EMedia Asia Limited	CMP Technology	Exhibition and publications	Barbados/Asia	Ordinary	39.9%	31 December
Guangzhou Beauty Fair	CMP Asia	Exhibitions	China	Ordinary	27.5%	31 December

Notes to the consolidated financial statements continued at 31 December 2007

16. Investments in joint ventures and associates continued

	2007 £m	2006 £m
(c) Associates		
The following represents the aggregate amount of the Group's interests in associated companies' assets, liabilities, income and expenses:		
Current assets	10.5	8.9
Non-current assets	9.4	10.1
Current liabilities	12.1	11.1
Non-current liabilities	1.8	1.7
Income	34.9	36.2
Expenses	34.8	34.9

The following represents the summarised gross financial information of the Group's associated companies' assets, liabilities, income and expenses:

Current assets	54.1	42.1
Non-current assets	50.6	50.9
Current liabilities	62.6	51.5
Non-current liabilities	9.8	9.5
Income	185.3	182.0
Expenses	184.9	175.7

Details of the Group's associates at 31 December 2007 are as follows:

Company	Division	Type of business	Country of incorporation/registration	Class of shares held	Share holding/interest	Accounting year end
Axillog S.A.	CMPMedica	Publications	France	Ordinary	25.1%	31 December
eXalt Solutions Inc	CMP Technology	Online services	United States	'A' preferred	25.0%	31 December
Independent Television News Limited	Corporate operations	Broadcasting	Great Britain	Ordinary	20.0%	31 December
PA Group Limited	Corporate operations	News distribution	Great Britain	Ordinary	17.0%	31 December
PR Newswire do Brasil	News distribution	News distribution	Brazil	Ordinary	38.0%	31 December

17. Other Investments

	2007 £m	2006 £m
Unlisted shares	1.6	2.7

The unlisted investments are measured at cost as there is no market value in an active market for these investments and their fair values cannot be reliably measured. The Group classifies its other investments as available for sale.

18. Inventories

	2007 £m	2006 £m
Raw materials and consumables – paper stock	2.9	2.9
Work in progress	4.0	3.6
Finished goods and goods for resale	0.2	0.2
Total inventories	7.1	6.7

The cost of inventories recognised as an expense and included in cost of sales amounted to £12.7m (2006: £17.4m).

The total write-down of inventories included in cost of sales is £nil (2006: £nil).

19. Trade and other receivables

	2007 £m	As restated 2006 £m
Trade receivables	127.2	121.8
Less: provision for impairment on receivables	(4.2)	(4.2)
Trade receivables – net	123.0	117.6
Other receivables	23.9	23.7
Prepayments and accrued income	27.2	27.8
Pension prepayments – defined contribution schemes	2.5	2.8
	176.6	171.9

Concentrations of credit risk with respect to trade receivables are limited due to the Group's customer base being large and unrelated. The maximum credit risk associated with the Group's trade receivables is equal to their carrying value.

Movements on the Group provision for impairment of trade receivables are as follows:

	2007 £m	2006 £m
At 1 January	(4.2)	(4.1)
Provision for receivables impairment	(2.0)	(2.8)
Receivables written off during the year as uncollectible	1.8	3.7
Acquisitions	(0.8)	(2.1)
Currency translation	1.0	1.1
At 31 December	(4.2)	(4.2)

The creation and release of provision for impaired receivables have been included in 'other cost of sales and administration costs' in the income statement (see Note 5). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

As of 31 December 2007, trade receivables of £4.2m (2006: £4.2m) were impaired. The amount of the provision was £4.2m at the balance sheet date (2006: £4.2m). The ageing of these receivables is as follows:

	2007 £m	2006 £m
Under 3 months	1.1	0.3
Over 3 months	3.1	3.9
	4.2	4.2

As of 31 December 2007, trade receivables of £63.1m (2006: £56.0m) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2007 £m	2006 £m
Under 3 months	55.5	47.9
Over 3 months	7.6	8.1
	63.1	56.0

Notes to the consolidated financial statements continued at 31 December 2007

20. Financial assets

	2007 £m	2006 £m
Financial assets – non-current		
Available for sale financial assets	1.6	2.7
Other financial assets – current		
Forward currency hedging contracts	0.3	–
Interest rate swaps	4.3	5.8
	4.6	5.8

The Group classifies all its derivative financial instruments as fair value through profit and loss. The purpose of the interest rate swaps and the cash flow hedge accounting used is described in Note 22. The value of the derivatives are calculated by the external counterparties to the contracts and verified using present value of future cash flows implied by the forward curve. The Group only enters into derivative contracts with major banks of high quality credit standing with which it has a lending relationship.

Cash and short term deposits

	2007 £m	2006 £m
Cash at bank and in hand	35.5	56.3
Short term deposits	59.5	259.9
	95.0	316.2

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months and earn interest at the respective short-term deposit rates.

The fair value of cash and cash equivalents at 31 December 2007 is £95.0m (2006: £316.2m).

The Group only deposits surplus cash with major banks of high quality credit standing with which is has a lending relationship.

The Group classifies all its cash and short-term deposits as loans and receivables.

For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise the following at 31 December:

	2007 £m	2006 £m
Cash at bank and in hand	35.5	56.3
Short-term deposits	59.5	259.9
	95.0	316.2
Bank overdrafts (see Note 21)	(0.3)	(3.4)
	94.7	312.8

21. Financial liabilities

	2007 £m	2006 £m
Current		
Bank overdrafts	0.3	3.4
Interest rate swaps	0.2	0.2
Current instalments due on bank loans	39.0	184.6
	39.5	188.2
Non-current		
Non-current instalments due on bank loans	210.3	–
7.75% US bonds	2.9	2.9
	213.2	2.9

The Group classifies all its derivative financial instruments as fair value through profit and loss and its bank overdrafts, bank loans and 7.75% US bonds as financial liabilities at amortised cost. The purpose of the interest rate swaps and the cash flow hedge accounting used is described in Note 22.

21. Financial liabilities continued

	2007 £m	2006 £m
Bank loans		
€53.1m variable rates loan 2008	39.0	35.8
CAD26.0m variable rates loan 2010	13.2	–
£325m variable rate multi-option facility due 2010	–	148.2
CAD6.0m variable rate multi-option facility due 2010	0.8	–
£325m variable rate multi-option facility due 2012	195.8	–
Other	0.5	0.6
	249.3	184.6

31 December 2007

€53.1m variable rates loan 2008

This unsecured loan is repayable on 16 December 2008 and bears interest at LIBOR plus 0.325%.

CAD26.0m variable rates loan 2010

This unsecured loan is repayable on 27 May 2010 and bears interest at LIBOR plus 0.3%

CAD6.0m variable rate multi-option facility due 2010

This unsecured revolving facility is repayable on 27 May 2010 and bears interest at LIBOR plus 0.3%. At 31 December 2007, CAD1.7m of this loan was drawn leaving CAD4.3m undrawn.

£325m variable rate multi-option facility due 2012

This £325m multi-currency unsecured revolving facility is repayable on 27 July 2012 and bears interest at LIBOR plus 0.325%. Drawings from the facility are as follows:

	Currency of borrowing	£m
Euro	145.0	106.5
US dollar	150.0	75.4
Japanese Yen	3,100.0	13.9
		195.8

The undrawn portion of this facility is £129.2m.

31 December 2006

€53.1m variable rates loan 2007

This unsecured loan is repayable on 19 December 2007 and bears interest at LIBOR plus 0.325%.

£325m variable rate multi-option facility due 2010

This unsecured revolving facility is repayable on 27 May 2010 and bears interest at LIBOR plus 0.325%.

	Currency of borrowing	£m
Euro	198.0	139.2
Japanese Yen	2,100.0	9.0
		148.2

The undrawn portion of this facility is £182.6m.

Notes to the consolidated financial statements continued at 31 December 2007

22. Financial instruments

An explanation of the Group's financial instrument risk management objectives, policies and strategies and the Group's policies on capital management are set out in the discussion of Treasury policies on pages 32 and 33 in the Operating and Financial Review.

Fair values

The table below compares the carrying amounts and fair values of all the Group's financial instruments.

	Carrying amount 2007 £m	Fair value 2007 £m	Carrying amount 2006 £m	Fair value 2006 £m
Financial assets				
Cash and cash equivalents	95.0	95.0	316.2	316.2
Available for sale investments	1.6	1.6	2.7	2.7
Interest rate swaps	4.3	4.3	5.8	5.8
Forward currency contracts	0.3	0.3	–	–
	101.2	101.2	324.7	324.7
Financial liabilities				
7.75% US bonds	(2.9)	(3.0)	(2.9)	(3.0)
Bank overdrafts	(0.3)	(0.3)	(3.4)	(3.4)
€53.1m variable rates loan 2008	(39.0)	(39.0)	(35.8)	(35.8)
CAD26.0m variable rates loan 2010	(13.2)	(13.2)	–	–
£325m variable rate multi-option facility due 2010	–	–	(148.2)	(148.2)
CAD6.0m variable rate multi-option facility due 2010	(0.8)	(0.8)	–	–
£325m variable rate multi-option facility due 2012	(195.8)	(195.8)	–	–
Other	(0.5)	(0.5)	(0.6)	(0.6)
Interest rate swaps	(0.2)	(0.2)	(0.2)	(0.2)
	(252.7)	(252.8)	(191.1)	(191.2)

The variable rate multi-option facility due 2012 of €145m is subject to the hedging disclosed below.

Market values have been used to calculate the value of the \$5.7m of 7.75% US bonds.

The fair value of derivatives is calculated by the external counterparties to the contracts and verified using present value of future cash flows implied by the forward curve.

The fair value of cash at bank and deposits approximates to their book value due to their short maturity. Listed investments are valued at market rate. For all other financial assets and liabilities the carrying amount has been used.

Hedges

Cash flow hedges

	2007 £m	2006 £m
Interest rate swaps derivative financial assets	4.3	–
Interest rate swaps derivative financial liabilities	(0.2)	–
Forward currency contracts	–	–
	4.1	–

At 31 December 2007 the Group held five interest rate swap contracts designated as hedges of expected payments under €145m of borrowing from the Group's variable rate multi-option facility. The swap contracts mature in May 2010. The Group also held an interest rate swap contract designated as a hedge of expected payments under JPY2,100m of borrowing from the Group's variable rate multi-option facility. These hedges were assessed to be highly effective at 31 December 2007.

At 31 December 2007, the Group held a number of forward currency contracts as follows:

- Three contracts designated as hedges of \$1.2m expected future customer US dollar receipts in a subsidiary undertaking with a sterling functional currency. The forward currency contracts, which mature at various points before the end of February 2008 are being used to hedge the foreign currency risk of the firm commitments and have been negotiated to match the terms of those commitments. These hedges were assessed to be highly effective at 31 December 2007. The fair value of these derivatives at 31 December 2007 was less than £0.1m.

22. Financial instruments continued

Net investment in foreign operations

Included in borrowings at 31 December 2007 was a borrowing of €145.0m with a fair value of €150.6, which has been designated as a hedge of the net investment in the European operations within the Group's CMPMedica division, and is being used to hedge the Group's exposure to foreign exchange risk on these investments.

Included in borrowings at 31 December 2007 was a borrowing of \$150m which has been designated as a hedge of the net investment in the US division, CMP Technology and is being used to hedge the Group's exposure to foreign exchange risk on these investments.

Included in borrowings at 31 December 2007 was a borrowing of JPY3,100m of which JPY1,500m has been designated as a hedge of the net investment in the Japanese subsidiary CMP Japan and is being used to hedge the Group's exposure to foreign exchange risk on these investments.

Gains or losses on the retranslation of these borrowings are transferred to equity to offset any gains or losses on translation of the net investment in these subsidiaries. These hedges were assessed to be highly effective at 31 December 2007.

Interest rate risk

The following tables set out the carrying amount, by maturity, of the Group's financial instruments that are exposed to interest rate risk:

31 December 2007

	Within 1 year £m	Between 1 – 2 years £m	Between 2 – 3 years £m	Between 3 – 4 years £m	Between 4 – 5 years £m	Over 5 years £m	Total £m
Fixed rate							
£325m variable rate multi-option facility due 2012	–	–	–	–	(115.9)	–	(115.9)
Interest rate swaps	–	–	4.1	–	–	–	4.1
7.75% US bonds	–	(2.9)	–	–	–	–	(2.9)
	–	(2.9)	4.1	–	(115.9)	–	(114.7)
Floating rate							
Cash	95.0	–	–	–	–	–	95.0
Bank overdraft	(0.3)	–	–	–	–	–	(0.3)
€53.1m variable rates loan 2008	(39.0)	–	–	–	–	–	(39.0)
CAD26.0m variable rates loan 2010	–	–	(13.2)	–	–	–	(13.2)
CAD6.0m variable rate multi-option facility due 2010	–	–	(0.8)	–	–	–	(0.8)
£325m variable rate multi-option facility due 2012	–	–	–	–	(79.9)	–	(79.9)
Other	–	–	(0.5)	–	–	–	(0.5)
	55.7	–	(14.5)	–	(79.9)	–	(38.7)

31 December 2006

	Within 1 year £m	Between 1 – 2 years £m	Between 2 – 3 years £m	Between 3 – 4 years £m	Between 4 – 5 years £m	Over 5 years £m	Total £m
Fixed rate							
£325m variable rate multi-option facility due 2010	(148.2)	–	–	–	–	–	(148.2)
Interest rate swaps	–	–	–	5.6	–	–	5.6
7.75% US bonds	–	–	(2.9)	–	–	–	(2.9)
	(148.2)	–	(2.9)	5.6	–	–	(145.5)
Floating rate							
Cash	316.2	–	–	–	–	–	316.2
Bank overdraft	(3.4)	–	–	–	–	–	(3.4)
€53.1m variable rates loan 2008	(35.8)	–	–	–	–	–	(35.8)
Other	–	–	–	(0.6)	–	–	(0.6)
	277.0	–	–	(0.6)	–	–	276.4

Interest on financial instruments classified as floating rate is repriced at set intervals of less than one year. The effect of the interest rate swaps is discussed below.

Notes to the consolidated financial statements continued at 31 December 2007

22. Financial instruments continued

Interest rate risk continued

The following table demonstrates the impact on the Group's profit before tax of possible changes in interest rates, with all other variables held constant.

2007	Increase in basis points	Effect on profit before tax £m	Impact on equity £m
Sterling	100	0.5	–
US dollar	200	0.1	–
Euro	100	(0.1)	1.9
Japanese yen	25	–	–
Canadian dollar	100	0.1	–

Cash flow interest rate hedges remove some of the exposure to interest rates from the floating rate borrowings. At 31 December 2007, the Group had cash flow hedges in relation to €145m of the amount borrowed from the £325m revolving credit facility. The impact of the cash flow hedges was to fix euro floating rate borrowings at a rate of 2.97%. The Group did not have material Canadian dollar interest rate exposure until September 2007, when the Group acquired Semiconductor Insights.

2006	Increase in basis points	Effect on profit before tax £m
Sterling		100 (0.2)
US dollar		200 0.9
Euro		100 0.2
Japanese yen		25 –

Credit risk

The Group's following financial instruments are exposed to credit risk:

	2007 £m	2006 £m
Cash at bank and in hand	35.5	56.3
Short-term deposits	59.5	259.9
Interest rate swaps	4.3	5.8
	99.3	322.0

The Group only deposits surplus cash with major banks of high quality credit standing with which it has a lending relationship. The Group only enters into derivative contracts with major banks of high quality credit standing.

Foreign currency risk

The following table demonstrates the sensitivity to a possible change in the US dollar, euro and Japanese yen exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities and forward currency contracts) and the Group's equity (due to changes in the fair value of forward currency hedges and net investment hedges).

31 December 2007

	Currency depreciates by	Effect on profit before tax £m	Effect on equity £m
US dollar	5%	–	(1.8)
Euro	5%	0.1	(4.9)
Japanese yen	5%	(0.2)	(0.5)

31 December 2006

	Currency depreciates by	Effect on profit before tax £m	Effect on equity £m
US dollar	5%	(0.1)	–
Euro	5%	0.1	(6.6)
Japanese yen	5%	–	(0.5)

22. Financial instruments continued

Liquidity risk

The tables below summarise the maturity profile of the Group's financial liabilities at 31 December 2007 and 31 December 2006.

31 December 2007

	On demand £m	Due within 1 year £m	Due between 1 and 5 years £m	Due 5 years and beyond £m	Total £m
7.75% US bonds	–	(0.2)	(3.1)	–	(3.3)
Bank overdrafts	(0.3)	–	–	–	(0.3)
€53.1m variable rates loan 2008	–	(41.0)	–	–	(41.0)
CAD26.0m variable rates loan 2010	–	(0.6)	(14.1)	–	(14.7)
CAD6.0m variable rate multi-option facility due 2010	–	–	(0.9)	–	(0.9)
£325m variable rate multi-option facility due 2012	–	(8.9)	(226.3)	–	(235.2)
Other	–	–	(0.6)	–	(0.6)
Derivative financial liabilities	–	(0.2)	–	–	(0.2)
Trade payables	–	(60.2)	–	–	(60.2)
Deferred consideration	–	(7.1)	(16.0)	–	(23.1)
	(0.3)	(118.2)	(261.0)	–	(379.5)

31 December 2006

	On demand £m	Due within 1 year £m	Due between 1 and 5 years £m	Due 5 years and beyond £m	Total £m
7.75% US bonds	–	(0.2)	(3.3)	–	(3.5)
Bank overdrafts	(3.4)	–	–	–	(3.4)
€53.1m variable rates loan 2008	–	(37.4)	–	–	(37.4)
£325m variable rate multi-option facility due 2010	–	(168.8)	–	–	(168.8)
Other	–	–	(0.8)	–	(0.8)
Derivative financial liabilities	–	(0.2)	–	–	(0.2)
Trade payables	–	(59.4)	–	–	(59.4)
Deferred consideration	–	(8.7)	(1.2)	–	(9.9)
	(3.4)	(274.7)	(5.3)	–	(283.4)

The above tables include an estimate of interest on the Group's financial liabilities based on the forward interest rate curve and assume the liabilities are in place until their maturity dates.

23. Trade and other payables

	2007 £m	As restated 2006 £m
Current		
Trade payables	60.2	59.4
Other payables	31.1	28.7
Deferred consideration	7.1	8.7
Other taxes and social security	15.6	13.4
Accruals and deferred income	184.8	222.0
	298.8	332.2
Non-current		
Other creditors	2.7	1.7
Deferred consideration	16.0	1.2
Accruals and deferred income	0.1	1.1
	18.8	4.0

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The directors consider that the carrying amount of trade payables approximates to their fair value.

Notes to the consolidated financial statements continued at 31 December 2007

24. Provisions

	Reorganisation and restructuring £m	Property £m	Former financial services £m	Prior period disposals £m	Total £m
At 1 January 2007 – as restated	7.1	44.9	0.9	–	52.9
Arising during the year	15.8	3.8	–	–	19.6
Transfer from accruals	–	9.7	–	22.0	31.7
Utilised in the year	(17.0)	(11.2)	(0.1)	(3.9)	(32.2)
Released in the year	–	–	–	(2.0)	(2.0)
Currency translation	–	(0.5)	–	–	(0.5)
At 31 December 2007	5.9	46.7	0.8	16.1	69.5
Current	5.9	19.4	–	2.0	27.3
Non-current	–	27.3	0.8	14.1	42.2
At 31 December 2007	5.9	46.7	0.8	16.1	69.5

	Reorganisation and restructuring £m	As restated Property £m	Former Financial Services £m	Prior period disposals £m	As restated Total £m
At 1 January 2006	22.1	47.0	0.9	–	70.0
Arising during the year	–	13.7	–	–	13.7
Acquisitions	–	0.7	–	–	0.7
Utilised in the year	(17.3)	(10.6)	–	–	(27.9)
Transfer	3.2	(3.2)	–	–	–
Currency translation	(0.9)	(2.7)	–	–	(3.6)
At 31 December 2006	7.1	44.9	0.9	–	52.9
Current	6.7	18.0	0.1	–	24.8
Non-current	0.4	26.9	0.8	–	28.1
At 31 December 2006	7.1	44.9	0.9	–	52.9

Certain liabilities previously held within accruals have been reclassified as provisions during the year, as it is considered that this classification is more appropriate given the nature of the balances. The amounts transferred represented £9.7m in respect of future obligations for vacant property and £22.0m in respect of disposals made in prior years.

Liabilities for reorganisation and restructuring

As discussed in Note 7, the Group has implemented a number of reorganisation and restructuring projects during 2007.

CMP Technology announced a restructuring to align its product portfolio and organisational structure to the changing needs of its customers, and to better position the business to take advantage of growth opportunities in events, online and data. This involved the closure and merging of some print titles and a headcount reduction of over 200 people. The exceptional charge of £6.2m includes £3.3m relating to redundancy, £2.2m relating to vacant property and £0.7m to restructuring and business reorganisation costs. The redundancy and reorganisation and restructuring costs have been substantially incurred at the year end and the amount relating to vacant property will be incurred over the remainder of the lease term.

Following the acquisition of the Official Airlines Guide (OAG) in December 2006, the Group announced a restructuring plan to integrate OAG into the Commonwealth business and to enable it to serve its global customers more effectively. The exceptional charge of £7.7m includes £6.0m relating to the redundancy of 120 people, £0.5m relating to vacant property and £1.2m of restructuring costs. The redundancy and restructuring costs have been substantially incurred at the year end and the amount relating to vacant property will be incurred over the remainder of the lease term.

During the year, CMPMedica commenced a restructuring programme to rebalance the business to enable them to better meet the changing customer requirements, to position them in growth markets and to improve profitability. The exceptional charge of £5.7m includes £2.8m relating to the costs of redundancy of 60 people, £1.2m of vacant property costs and £1.7m of other reorganisation costs. Of the amount charged, £1.3m has been spent in 2007 and the balance is expected to be incurred in 2008.

Liabilities on property

The Group has lease obligations in respect of the continuing costs of vacant property, the quantification of which depends upon the ability to exit the leases early or sublet the properties, and for dilapidations on certain leasehold properties which are dependent principally on actual reinstatement costs on expiry of the leases. The provision in respect of these obligations at 31 December 2007 has been determined following external professional advice and will be utilised over the period of the leases in question, which range from one to 14 years. The provision is discounted at an appropriate cost of capital.

The amounts discussed under liabilities for reorganisation and restructuring relating to vacant property have been included within liabilities on property.

24. Provisions continued

Liabilities arising from former financial services activities

A subsidiary of the Group was formerly engaged in the selling of personal pensions prior to 1996. As a result of the industry-wide review into pension misselling by the Personal Investment Authority, the Group is exposed to actual and potential future claims by investors in respect of policies found to have been missold. Although work continues to progress with respect to the identification and review of all pension policies sold, the number and amount of such claims cannot be finally determined until all potential compensation costs have been agreed. The amount of the provisions at 31 December 2007 has been determined on the basis of independent financial advice.

Disposal provisions

The Group has made a number of disposals of businesses in prior years. Warranty and other claims may be brought against the Group in relation to these disposed businesses generally over periods of up to seven years after the date of disposal. The provision in respect of these items has been determined based upon the contract terms of each disposal and are reassessed on an annual basis over the period during which claims may be brought against the Group.

25. Retirement benefit obligation

The Group operates a number of funded defined benefit and defined contribution pension schemes in the UK and overseas. The charge for the year in relation to defined contribution schemes was £4.6m (2006: £4.3m).

In 2007, the defined benefit pension schemes included in the calculations were the United Pension Plan, the United Magazines Final Salary Scheme, the defined benefit section of the United Group Pension Scheme, The Builder Group Pension Scheme, the CMP Media LLC Cash Balance Retirement Plan, the United News Executive Pension Scheme, CMP Post Retirement Medical Plan and the OAG Pension Scheme.

The most recent actuarial valuations were carried out at various dates in 2005 and updated to 31 December 2007 by independent qualified actuaries using the projected unit method.

The amounts recognised in the balance sheet are determined as follows:

	UK Schemes 2007 £m	Other Schemes 2007 £m	Total 2007 £m	As restated UK Schemes 2006 £m	Other Schemes 2006 £m	As restated Total 2006 £m
Fair value of plan assets	455.9	24.9	480.8	445.0	28.3	473.3
Benefit obligation	(415.6)	(29.0)	(444.6)	(445.2)	(31.9)	(477.1)
Asset/(liability) in the balance sheet	40.3	(4.1)	36.2	(0.2)	(3.6)	(3.8)

Pension plan assets include equities, bonds, insurance policies and cash.

The amounts recognised in the income statement are as follows:

	UK Schemes 2007 £m	Other Schemes 2007 £m	Total 2007 £m	UK Schemes 2006 £m	Other Schemes 2006 £m	Total 2006 £m
Current service cost	1.1	2.1	3.2	0.6	2.9	3.5
Past service cost	–	–	–	(2.5)	–	(2.5)
Curtailements	(0.3)	–	(0.3)	(0.5)	–	(0.5)
Settlement	–	0.1	0.1	–	–	–
	0.8	2.2	3.0	(2.4)	2.9	0.5
Interest cost	22.5	1.4	23.9	21.5	1.5	23.0
Expected return on plan assets	(26.5)	(1.9)	(28.4)	(23.6)	(1.9)	(25.5)
	(4.0)	(0.5)	(4.5)	(2.1)	(0.4)	(2.5)
Total pension (credit)/charge	(3.2)	1.7	(1.5)	(4.5)	2.5	(2.0)

Of the total (credit)/charge, £3.0m charge and £4.5m credit (2006: £0.5m charge and £2.5m credit) were included in 'Operating expenses' and 'Financing income – pension schemes' respectively.

The actual return on plan assets was £29.5m (2006: £34.5m).

The expected return on plan assets reflects the investments currently held to provide for the pension benefit obligations as at 31 December 2007. Plan assets chiefly consist of equity instruments and fixed income investments. The expected rate of return on equities was based on expected long-term out-performance of equities over government bonds of 3.5% p.a. (2006: 3.5%).

For UK schemes, the 'PA92 Year of Birth' standard tables have been used. These tables allow for life expectancy to improve over time due to improvements in medical treatments and other lifestyle factors such that younger members who have not yet reached pensionable age are expected to live longer than current pensioner members.

For current pensioner members, the tables assume that they had a life expectancy at age 65 of 19.2 years for males and 22.3 years for females. For younger members who have not yet reached pensionable age, the tables assume they will have a life expectancy when they reach age 65 of 20.6 years for males and 23.6 years for females. The average rate of improvement underlying the standard tables is approximately an increase of 0.7 years' life expectancy in every 10 years.

In the US, RP 2000 tables are used in both years. For US schemes, the life expectancy for a 65-year-old male is 18.8 years and a 65-year-old female is 20.8 years.

Notes to the consolidated financial statements continued at 31 December 2007

25. Retirement benefit obligation continued

In March 2006, the Group agreed to make special contributions to the UK pension schemes over the next 10 years of £1.7m p.a. and to arrange letters of credit to be issued to the scheme trustees from one or more of the Company's bankers to make up the difference between the valuation and 100% while this funding takes effect. The value of the letters of credit issued to the scheme trustees in 2006 was £23.5m. The main conditions under which these letters of credit could be drawn relate to events which would imperil the interests of the scheme, such as insolvency, or the Group failing to make agreed payments.

Additional pension contributions of £1.7m (2006: £6.5m) were made to the UK schemes during the year and £nil (2006: £0.8m) were made to other schemes during the year, and the total service cost for 2008 is currently expected to be £4.0m (2007: £3.2m).

The movement in the asset/(liability) recognised in the balance sheet is as follows:

	UK Schemes 2007 £m	Other Schemes 2007 £m	Total 2007 £m	As restated UK Schemes 2006 £m	Other Schemes 2006 £m	As restated Total 2006 £m
At 1 January	(0.2)	(3.6)	(3.8)	(42.0)	(4.8)	(46.8)
Total income/(expenses) recognised in the income statement	3.2	(1.7)	1.5	4.5	(2.5)	2.0
Net actuarial gains recognised in the year	34.3	0.5	34.8	32.6	(0.1)	32.5
Net actuarial losses recognised due to the adoption of IFRIC 14	–	–	–	(2.4)	–	(2.4)
Contributions paid by UBM	3.0	1.0	4.0	7.1	3.7	10.8
Currency translation	–	(0.3)	(0.3)	–	0.1	0.1
At 31 December	40.3	(4.1)	36.2	(0.2)	(3.6)	(3.8)

The principal actuarial assumptions used in determining pension obligations for the Group's plan are shown below:

	UK Schemes 2007 %	Other Schemes 2007 %	UK Schemes 2006 %	Other Schemes 2006 %
Discount rate	5.80	5.67	5.20	5.62
Expected return on plan assets	6.44	7.44	6.31	7.21
Future salary increases	3.75	3.39	3.90	3.41
Future pension increases	3.10	n/a	2.90	n/a
Inflation assumption	3.10	2.48	2.90	2.46

It has been assumed that between 66-80% of retirees will exchange 32% of pension for cash.

The assumed discount rate, salary increases and mortality all have a significant effect on the IAS 19 accounting valuation. The following table shows the sensitivity of the valuation to changes in these assumptions.

	Impact on surplus increase/ (decrease) £m
0.25 percentage point increase to:	
– discount rate	19.0
– pension increases linked to inflation	(7.0)
– inflation	(6.0)
Additional one year increase to life expectancy	(12.0)

The UK schemes are generally closed to new members, hence under the projected unit credit method, the current service cost (expressed as a percentage of the salaries of the remaining members) will increase as the members of the scheme approach retirement.

25. Retirement benefit obligation *continued*

The reconciliation of the defined benefit obligation is as follows:

	UK Schemes 2007 £m	Other Schemes 2007 £m	Total 2007 £m	UK Schemes 2006 £m	Other Schemes 2006 £m	Total 2006 £m
Defined benefit obligation at 1 January	445.2	31.9	477.1	453.2	32.2	485.4
Service cost	1.1	2.1	3.2	0.6	2.9	3.5
Interest cost	22.5	1.4	23.9	21.5	1.5	23.0
Employee contributions	0.3	–	0.3	0.3	–	0.3
Curtailement gain	(0.3)	–	(0.3)	(0.5)	–	(0.5)
Settlement	–	(0.6)	(0.6)	–	–	–
Benefit payments	(20.4)	(4.8)	(25.2)	(17.5)	(2.3)	(19.8)
Acquisitions	–	–	–	12.4	–	12.4
Past service cost	–	–	–	(2.5)	–	(2.5)
Actuarial (gain)/loss on liabilities	(32.8)	(0.9)	(33.7)	(22.3)	1.2	(21.1)
Exchange rate gain	–	(0.1)	(0.1)	–	(3.6)	(3.6)
Defined benefit obligation at 31 December	415.6	29.0	444.6	445.2	31.9	477.1

The reconciliation of the plan assets is as follows:

	UK Schemes 2007 £m	Other Schemes 2007 £m	Total 2007 £m	UK Schemes 2006 £m	Other Schemes 2006 £m	Total 2006 £m
Assets at 1 January	445.0	28.3	473.3	411.2	27.4	438.6
Employer contributions	3.0	1.0	4.0	7.1	3.7	10.8
Employee contributions	0.3	–	0.3	0.3	–	0.3
Settlement	–	(0.7)	(0.7)	–	–	–
Acquisitions	–	–	–	12.4	–	12.4
Disposals	–	–	–	–	–	–
Benefit payments	(20.4)	(4.8)	(25.2)	(17.5)	(2.3)	(19.8)
Actual return on assets	28.0	1.5	29.5	31.5	3.0	34.5
Exchange rate (gain)/loss	–	(0.4)	(0.4)	–	(3.5)	(3.5)
	455.9	24.9	480.8	445.0	28.3	473.3

Statement of recognised income and expenses during 2007:

	UK Schemes 2007 £m	Other Schemes 2007 £m	Total 2007 £m	UK Schemes 2006 £m	Other Schemes 2006 £m	Total 2006 £m
Experience losses/(gains) on plan liabilities	4.2	(0.7)	3.5	2.2	2.0	4.2
Actuarial gains on plan liabilities due to assumptions	(37.0)	(0.2)	(37.2)	(24.5)	(0.8)	(25.3)
Experience (gains)/losses on plan assets	(1.5)	0.4	(1.1)	(7.9)	(1.1)	(9.0)
Total (gain)/loss	(34.3)	(0.5)	(34.8)	(30.2)	0.1	(30.1)

The cumulative amount of actuarial gains recognised in the statement of recognised income and expenses is £80.5m (2006 as restated: £45.7m).

	UK Schemes 2007 %	Other Schemes 2007 %	Total 2007 %	UK Schemes 2006 %	Other Schemes 2006 %	Total 2006 %
Experience losses/(gains) on plan liabilities	1.0	(2.4)	0.8	0.5	6.3	0.9
Experience (gains)/losses on plan assets	(0.3)	1.6	(0.2)	(1.8)	(3.9)	(1.9)

Notes to the consolidated financial statements continued at 31 December 2007

25. Retirement benefit obligation continued

The asset categories are as follows:

	UK Schemes 2007 %	Other Schemes 2007 %	Total 2007 %	UK Schemes 2006 %	Other Schemes 2006 %	Total 2006 %
Equity	53.0	56.0	53.0	54.0	59.0	54.0
Bonds	44.0	42.0	44.0	45.0	39.0	45.0
Cash	–	2.0	–	–	2.0	–
Annuity contracts	3.0	–	3.0	1.0	–	1.0
	100.0	100.0	100.0	100.0	100.0	100.0

The plan assets do not include any shares in UBM or any property occupied by the Group.

History of experience gains and losses:

	UK Schemes 2007 £m	UK Schemes As restated 2006 £m	UK Schemes As restated 2005 £m	Other Schemes 2007 £m	Other Schemes 2006 £m	Other Schemes 2005 £m
Defined benefit obligation	(415.6)	(445.2)	(453.2)	(29.0)	(31.9)	(32.2)
Plan assets	455.9	445.0	411.2	24.9	28.3	27.4
Surplus/(deficit) in balance sheet	40.3	(0.2)	(42.0)	(4.1)	(3.6)	(4.8)
Experience gains/(losses) on plan liabilities	(4.2)	(2.2)	22.8	0.7	(2.0)	0.2
Experience gains/(losses) on plan assets	1.5	7.9	37.0	(0.4)	1.1	0.1

Experience gains/(losses) on plan assets:

	UK Schemes 2007 £m	Other Schemes 2007 £m	Total 2007 £m	UK Schemes 2006 £m	Other Schemes 2006 £m	Total 2006 £m
Expected return on assets	(26.5)	(1.9)	(28.4)	(23.6)	(1.9)	(25.5)
Actual return on assets	28.0	1.5	29.5	31.5	3.0	34.5
	1.5	(0.4)	1.1	7.9	1.1	9.0

26. Share capital

	2007 £m	2006 £m
Authorised		
360,024,734 ordinary shares of 33 ² / ₁₀₀ p each (2006: 400,936,636 ordinary shares of 30 ³ / ₁₀₀ p each)	121.7	121.7
375,417,690 (2006: 375,417,690) B shares of 8 ²³ / ₁₀₀ p each	32.0	32.0
	153.7	153.7

	Ordinary shares Number	Ordinary shares £m	B shares Number	B shares £m	Total £m
Issued and fully paid					
At 1 January 2006	278,222,120	84.5	4,830,923	0.4	84.9
Issued in respect of share option schemes and other entitlements	7,179,010	2.2	–	–	2.2
Shares repurchased and cancelled	(14,055,000)	(4.3)	–	–	(4.3)
Issued on conversion of bond	10,196,753	3.1	–	–	3.1
B shares purchased by the Company	–	–	(697,153)	–	–
At 1 January 2007	281,542,883	85.5	4,133,770	0.4	85.9
Issued in respect of share option schemes and other entitlements	308,994	0.1	–	–	0.1
Shares repurchased and cancelled	(260,000)	(0.1)	–	–	(0.1)
At 27 March 2007 (pre share consolidation)	281,591,877	85.5	4,133,770	0.4	85.9
Share consolidation	(28,733,865)	–	–	–	–
Issued in respect of share option schemes and other entitlements	1,152,290	0.4	–	–	0.4
Shares repurchased and cancelled	(10,467,793)	(3.5)	–	–	(3.5)
B shares purchased by the Company	–	–	(323,838)	(0.1)	(0.1)
At 31 December 2007	243,542,509	82.4	3,809,932	0.3	82.7

26. Share capital continued

Share repurchases

The Group repurchased and cancelled 10,727,793 of its own ordinary shares during the year at an average price of 705.8p (2006: 14,055,000 ordinary shares at an average price of 663.3p). The total amount paid to acquire the ordinary shares was £75.9m, and £0.8m was paid to acquire B shares (2006: £93.2m for ordinary shares and £1.7m for B shares).

Ordinary shares

During 2006, the holders of \$85.3m convertible bonds converted their bonds into 10,196,753 ordinary shares in the Company.

On 19 March 2007, in conjunction with the special dividend of 72.0p per share, a share consolidation was carried out to convert 49 existing ordinary shares with a nominal value of 30³/₄p each to 44 new ordinary shares with a nominal value of 33⁷/₈₈p each. The share consolidation converted the 281,591,877 existing issued and fully paid ordinary shares into 252,858,012 new issued and fully paid ordinary shares. The weighted average number of shares used in the calculation of earnings per share reflects the share consolidation (refer to Note 10).

There are no restrictions on the transfer of ordinary shares in the Company other than:

- Certain restrictions may from time to time be imposed by laws and regulations (for example, insider trading laws and market requirements relating to close periods); and
- Pursuant to the Listing Rules of the Financial Services Authority whereby certain employees of the Company require the approval of the Company to deal in the Company's securities.

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities or on voting rights.

The return of capital to shareholders undertaken in 2001 took the form of a subdivision and consolidation of the existing Company ordinary shares. On 23 April 2001, each of the existing 507,901,885 ordinary shares of 25p then in issue were sub-divided into one share of 8²³/₄₄p (B shares) and one share of 16²/₄₄p and immediately following such sub-division every issued share of 16²/₄₄p was sub-divided into 29 shares of ²⁵/₄₄p. Every 44 shares of ²⁵/₄₄p each resulting from such sub-division were then consolidated into one ordinary share of 25p. The subdivision created a class of B shares with a total value of approximately £1.25bn. UK shareholders had the option to sell these shares back to the Company for 245p per share, to receive a single dividend of 245p per share, or to retain the B shares and receive a continuing dividend linked to LIBOR. During the year ended 31 December 2007, 323,838 B shares were purchased by the company for consideration of £0.8m. Cumulatively to 31 December 2007, 371,607,758 B shares have been purchased by the Company for consideration of £910.4m. At 31 December 2007, 3,809,932 B shares remain in issue (31 December 2006: 4,133,770 B shares).

The B shares are irredeemable. However, the Company has the authority to convert into ordinary shares, at its option, all remaining B shares in issue after 23 April 2011, if the number is less than 125m. The conversion into ordinary shares will be based on the market price of ordinary shares at the time of the conversion.

B shares

B shareholders are entitled to a non-cumulative preference dividend. On winding up, the B shareholders are entitled to 245p per share and the relevant proportion of the dividends outstanding. B shareholders do not have any voting entitlements except in a resolution relating to a winding up of the Company or if the B share dividend has been outstanding for more than six months.

Company share schemes

The ESOP Trust and QUEST Trust (see Note 28) own 1.07% (2006: 1.26%) of the issued share capital of the Company in trust for the benefit of employees of the Group and their dependents. The voting rights in relation to these shares are exercised by the trustees.

27. Share premium

	2007 £m	2006 £m
In issue at 1 January	354.6	327.7
Premium on shares issued, net of costs	6.7	26.9
In issue at 31 December	361.3	354.6

The Company received £7.2m (2006: £29.1m) on the issue of shares in respect of the exercise of options awarded under various share option plans.

Notes to the consolidated financial statements continued at 31 December 2007

28. Share-based payments

An Employee Share Ownership Plan (the 'ESOP') was established by the company on 24 June 1996. The ESOP has purchased in the open market Company shares which are held on trust for employees participating in the plans listed below. The purchase of shares in the open market is financed through contributions in cash by the Company and, for awards under the Bonus Investment Plan, through bonuses sacrificed by senior executives. The Group also has a Qualifying Employee Share Ownership Trust (the 'QUEST'), which is a discretionary trust for the benefit of UK employees (including executive directors) of the Group in connection with the exercise of SAYE options.

The Group maintains seven share-based payment arrangements: 2000 Executive Share Option Scheme, 2000 Senior Executive Equity Participation Plan, UK Save As You Earn Option Scheme, International Save As You Earn Scheme, Medium Term Incentive Plan, Performance Share Plan and Bonus Investment Plan.

As at 31 December the holdings over the ESOP and the QUEST were as follows:

	Number of shares 2007	Number of shares 2006
ESOP		
Ordinary shares	2,713,430	3,452,210
QUEST		
Ordinary shares	11,364	60,036

2000 Executive Share Option Scheme

On 18 April 2000 the Group established a share option programme for full-time directors and certain employees. All participants in the 2000 Executive Share Option Scheme (the 'Executive scheme') must be employed by United Business Media or one of its subsidiaries at the time of granting the options. The number of options granted to a participant under the Executive scheme is at the discretion of the Remuneration Committee, being the committee established by the Board of Directors as such.

The number of ordinary shares which may be placed under option under the Executive scheme in any year may not be more than 25,264,262 shares (being 5% of the ordinary share capital on issue at the date of establishment of the Executive scheme). The exercise price to be paid by a participant when exercising options granted will be determined by the Remuneration Committee. The price shall not be lower than the closing middle market price of shares of that class as listed on the London Stock Exchange Daily Official List on the day prior to the grant date or the average closing middle market price of shares of that class on the three days prior to the grant date (if so decided by the Remuneration Committee).

Options may be exercised after the third anniversary of the grant date subject to satisfactory completion of performance conditions. Options must normally be exercised before the expiry of 10 years from the date of the grant. Options may be exercised earlier in the event of death.

Share options outstanding at the end of the year have the following exercise prices:

Exercise price (p)	Weighted average remaining life (years) 2007	Number of shares 2007	Weighted average remaining life (years) 2006	Number of shares 2006
247.3 – 277.2	5.1	355,000	6.1	532,002
449.3 – 595.7	6.8	2,866,557	7.3	5,077,066
658.5 – 753.0	5.2	855,000	5.9	1,010,000
754.5 – 867.2	2.2	373,711	3.1	422,658

2000 Senior Executive Equity Participation Plan

On 18 April 2000 the Group established a share option programme for certain directors and employees. All participants in the 2000 Senior Executive Equity Participation Plan ('SEEP') must be employed by United Business Media or one of its subsidiaries at the time of granting the options. Shares are purchased on the open market and financed through bonuses sacrificed by senior executives (the 'Bonus Option') under the terms of SEEP. The number of options granted to a participant under SEEP is dependent on the level of the annual bonus awarded. The Remuneration Committee may then exercise its discretion to grant an equal number of shares (the 'Matching Option') as granted under the Bonus Option.

The number of ordinary shares which may be placed under option under SEEP in any year may not be more than 50,528,525 shares, being 10% of the ordinary share capital on issue at the date of establishment of the plan. There is no monetary consideration payable for the options granted under the plan to directors and employees, these are granted by Deed only. The Remuneration Committee is also able to grant shares or options to the Trustees of the ESOP. If shares of the class issued are listed on the London Stock Exchange, the exercise price shall not be lower than the closing middle market price of shares of that class as listed on the London Stock Exchange Daily Official List on the day prior to the date that the options are granted or on the date of issue of shares.

Options may be exercised after the fourth anniversary of the grant date subject to satisfactory completion of performance conditions. One-third of Matching options vest subject to adjusted earnings per share ('EPS') – see Note 10 – growth exceeding retail price index ('RPI') growth plus 3%; one-third of options vest subject to adjusted EPS growth exceeding RPI growth plus 5% per annum over 4 years; the final third is not subject to performance criteria. Options must normally be exercised before the expiry of 10 years from the date of the grant. Options may be exercised earlier in the event of death.

Share options outstanding at the end of the year were 0.3 million which have an exercise price of nil, and an average weighted remaining life of six years.

The SEEP has now been closed and no further grants will be made under the scheme.

28. Share-based payments *continued*

Save As You Earn Option Schemes

On 6 May 2004, the Group established the Sharesave Scheme ('SAYE') for directors and certain employees. Under these schemes all participants in the SAYE scheme must be employed by United Business Media or one of its subsidiaries at the time of granting the options. The number of options granted to a participant under the SAYE scheme is at the discretion of the Board of Directors.

The number of ordinary shares which may be placed under option under the SAYE scheme in any year may not be more than 10% of the ordinary share capital on issue at the time of granting options. The exercise price to be paid by a participant when exercising options granted will be determined by the directors and shall not be less than the greater of 80% of market value of the shares at the date of invitation to enter the SAYE scheme or the nominal value of unissued shares.

Options may be exercised after either the third, fifth or seventh anniversary of the grant date in accordance with each employee's Savings Contract. Options must normally be exercised within six months of the date the options are exercisable or within 12 months in the case of death. Options may be exercised earlier in the event of death, or ceasing to be employed due to retirement, injury, disability or, at the absolute discretion of the Board, redundancy.

Share options outstanding at the end of the year have the following exercise prices:

Exercise price (p)	Weighted average remaining life (years) 2007	Number of shares 2007	Weighted average remaining life (years) 2006	Number of shares 2006
160.5	1.3	257,638	2.7	313,530
412.3 – 497.2	2.4	338,822	2.5	488,653
640.1	3.4	550,224	–	–

Medium Term Incentive Plan

Medium Term Incentive Plan ('MTIP') participants must be employed by United Business Media or one of its subsidiaries at the time of granting the options. The number of options granted to a participant under the MTIP is at the discretion of the Remuneration Committee.

Only market-purchased shares may be used for awards under the MTIP. The value of the MTIP award is based on a percentage of salary as determined by the Remuneration Committee each year, following assessment of the employee/company performance over the prior financial year (the performance year). The number granted is based on dividing the value of the award by the average share price in December preceding the performance year. There is no monetary consideration payable for the options granted (and shares subsequently acquired) under the plan to directors and employees, these are granted by Deed only.

Options may be exercised in two stages: 50% of options may be exercised in January of the second financial year after the year in which they were granted; the remaining 50% may be exercised in January of the third financial year after the options were granted. Options may only be granted subject to satisfactory completion of performance conditions. Options must normally be exercised before the expiry of seven years from the date of the grant. Options may be exercised earlier in the event of death or ceasing to be employed due to retirement, injury, disability or redundancy.

The exercise price of the share options outstanding as at 31 December 2007 is nil (2006: nil), and the weighted average life of the share options is four years.

Awards outstanding at the end of the year expiring on 25 March 2011, 31 March 2012, 3 April 2013 and 4 April 2014 were 0.1 million (2006: 0.2 million), 0.2 million (2006: 0.3 million), 0.1 million (2006: 0.1 million) and 0.1 million (2006: nil) respectively.

Performance Share Plan

In 2005 the Group established an incentive plan for full-time directors and senior executives. All participants in the Performance Share Plan ('PSP') must be employed by United Business Media or one of its subsidiaries at the time of granting the awards. The value of awards granted to a participant under the PSP is at the discretion of the Remuneration Committee, but may not exceed 1.5 times base salary, save that in exceptional circumstances awards of up to two times base salary may be made.

During 2006 grants were made under the PSP to full-time directors and senior executives, which requires United Business Media's total shareholder return ('TSR') to outperform a comparator group of companies over a three year period. 25% of the award will vest if TSR is at median position (subject to a maximum value of 25% of base salary) and 100% if TSR is in the top decile. In between these positions, the award will vest on a straight line basis.

During 2006 grants were also made under the PSP to certain employees, excluding full-time directors and senior executives and in place of grants under the 2000 Executive Share Option Scheme, which requires United Business Media's adjusted earnings per share ('EPS') to grow by at least 7% per annum above UK inflation over a three year period. A lower proportion of the shares shall vest provided adjusted EPS grows by over 3% per annum above UK inflation over the period.

The awards are made in the form of options exercisable on payment of a nominal value of £1.

The number of ordinary shares over which an award is made is calculated by dividing the monetary value of the award by the price of UBM ordinary shares at the time of grant.

The number of ordinary shares over which awards may be granted under the Performance Plan may not result in more than 10% of the ordinary share capital being issued or issuable under the company's incentive plans in any ten year period. It is expected that market purchased shares will generally be used to satisfy awards under the PSP.

Awards outstanding at the end of the year expiring on 12 October 2015, 7 November 2015, 13 March 2016, 31 July 2016, 7 March 2017 and 27 March 2017 were 0.4 million (2006: 0.4 million), 0.3 million (2006: 0.4 million), 0.5 million (2006: 0.5 million), 0.7 million (2006: 0.8 million), 0.6 million (2006: nil) and 0.5 million (2006: nil) respectively.

Notes to the consolidated financial statements continued at 31 December 2007

28. Share-based payment continued

Bonus Investment Plan

On 26 September 2005 the Group established the Bonus Incentive Plan (BIP), which replaced the SEEPP. This enables participants to defer part of their annual bonus into United Business Media ordinary shares and provides the opportunity to earn further shares. 25% of any annual bonus award will be automatically be deferred into shares to be held for three years, and the participant may also elect to defer up to a further 25% into shares for the same period. At the end of three years if the employee remains in service with the company then the participant could receive a matching award of up to two additional shares for every share held if the Company's adjusted earnings per share have grown by more than an average of at least 7% per annum above UK retail price index growth over the three year period. A lower ratio of matching shares may be earned if earnings per share have grown by more than 3% per annum above UK retail price index growth.

Awards are made in the form of options which are exercisable on payment of a nominal £1.

The number of ordinary shares which may be placed under option under the BIP depends on the monetary value of the bonus awarded to an employee during the year. The amount of bonus depends upon employee/company performance over the prior financial year (the year of performance measurement). For the element which is mandatorily paid in shares, the number is calculated by dividing 25% of the monetary value of the bonus by the average December share price in the year preceding the year of performance measurement. For any further element which the employee elects to defer into shares, the number is calculated by dividing the relevant monetary value by the share price at the time of the award.

Options, once vested, must normally be exercised before the expiry of 10 years from the date of grant. Options may be exercised earlier in the event of death, or ceasing to be employed due to retirement, injury, disability or redundancy.

Awards outstanding at the end of the year expiring on 13 March 2016 and 7 March 2017 were 0.5 million (2006: 0.5 million) and 0.5 million (2006: nil) respectively.

A reconciliation of option movements over the year for all plans is as follows:

	2007 2000 Executive		2007 2000 SEEPP		2007 SAYE	
	Number of options million	Weighted average exercise price (p)	Number of options million	Weighted average exercise price (p)	Number of options million	Weighted average exercise price (p)
At 1 January	7.1	559.2	0.5	–	0.8	338.6
Granted	–	–	–	–	0.6	640.1
Forfeited	–	–	–	–	(0.1)	295.3
Exercised	(2.3)	501.8	(0.2)	–	(0.1)	371.4
Expired	(0.3)	669.6	–	–	(0.1)	582.1
	4.5	582.4	0.3	–	1.1	479.4

Exercisable at 31 December 2007

2.5 572.6 0.1 – – –

	2007 MTIP		2007 PSP		2007 BIP	
	Number of options million	Weighted average exercise price (p)	Number of options million	Weighted average exercise price (p)	Number of options million	Weighted average exercise price (p)
At 1 January	0.6	–	2.1	–	0.5	–
Granted	0.1	–	1.2	–	0.5	–
Forfeited	–	–	(0.3)	–	–	–
Exercised	(0.2)	–	–	–	–	–
Expired	–	–	–	–	–	–
	0.5	–	3.0	–	1.0	–

Exercisable at 31 December 2007

0.2 – – – – –

There are periodic share option exercises throughout the year and the average UBM share price in 2007 was 748.0p (2006: 663.8p).

28. Share-based payment continued

	2006 2000 Executive		2006 2000 SEEPP		2006 SAYE	
	Number of options million	Weighted average exercise price (p)	Number of options million	Weighted average exercise price (p)	Number of options million	Weighted average exercise price (p)
At 1 January	16.3	539.8	0.5	–	2.0	223.9
Granted	0.3	734.0	–	–	0.2	497.2
Forfeited	–	–	–	–	(0.3)	270.8
Exercised	(6.5)	428.5	–	–	(1.0)	175.0
Expired	(3.0)	754.8	–	–	(0.1)	377.1
	7.1	559.2	0.5	–	0.8	338.6
Exercisable at 31 December 2006	2.8	581.8	–	–	–	–

	2006 MTIP		2006 PSP		2006 BIP	
	Number of options million	Weighted average exercise price (p)	Number of options million	Weighted average exercise price (p)	Number of options million	Weighted average exercise price (p)
At 1 January	0.7	–	0.8	–	–	–
Granted	0.1	–	1.3	–	0.5	–
Forfeited	–	–	–	–	–	–
Exercised	(0.2)	–	–	–	–	–
Expired	–	–	–	–	–	–
	0.6	–	2.1	–	0.5	–
Exercisable at 31 December 2006	–	–	–	–	–	–

Valuation of share-based payments

Options were valued using the Black-Scholes or Monte Carlo option-pricing models. The following table provides the most significant assumptions made during the year ended 31 December 2007:

	2007	2006
Dividend yield	3.5%	2.2%
Expected volatility	20.0%	20.0%
Risk-free rate	5.3%	4.6%
Forfeiture assumptions:		
2000 Executive scheme, 2000 SEEPP scheme, MTIP, BIP, PSP and ERP	5.0%	5.0%
SAYE	10.0%	10.0%
Weighted average share price at grant date:		
Options	800p	683p
Nil cost options/share awards without TSR condition	737p	597p
Nil cost options/share awards with TSR condition	782p	656p
Weighted average fair value at grant date:		
Options	223p	131p
Nil cost options/share awards without TSR condition	655p	556p
Nil cost options/share awards with TSR condition	414p	336p
Expected life	Equal to vesting period	Equal to vesting period

The expected volatility is based on historic trends. The expected life is the average expected period to exercise. The risk free rate of return is the yield on zero-coupon UK government bonds of a term consistent with the assumed option life.

The Monte Carlo simulation model used for valuing PSP awards with a TSR performance condition requires additional assumptions. A single co-efficient assumption of 19% (based on historical analysis) has been used in the current and comparative year, representing the level of correlation of growth in TSR between each of the 17 (2006: 21) companies being simulated in the model. The three year historical volatility for each company in the comparator group at the grant date in 2007 has been analysed and this historical volatility has been used in the simulation model to project TSR for each company. The average of these volatilities is 25% (2006: 31%).

The total charge for the year relating to the employee share-based payment plans was £7.5m (2006: £7.5m). £6.9m (2006: £7.0m) related to equity-settled share-based payment transactions. £0.6m (2006: £0.5m) represents that 25% of bonus which may be deferred for shares under the BIP at the option of the employee and this is treated as cash-settled until the actual deferral amount is known. At 31 December 2007, the cash-settled liability was £0.6m (2006: £0.5m). There are no cash alternatives for the schemes.

Notes to the consolidated financial statements continued at 31 December 2007

28. Share-based payment continued

The total charge for the year relating to the employee share-based payment plans includes an amount in relation to 0.8 million nil cost MTIP and BIP options that it is expected may be granted in 2008. The weighted average fair value for these awards is 558p and the awards are expensed over four years starting in January 2007. The expense will be adjusted in 2008 to allow for the actual number of awards granted and fair value at grant date. In the 2006 total charge for the year it was expected that 0.5 million nil cost MTIP and BIP options were to be granted with a weighted average fair value of 611p and the awards are expensed over four years starting in January 2006.

The Group has adopted the exemption in IFRS 2 'Share-based payments' to fair value options granted from 7 November 2002 onwards.

29. Other reserves

	Merger reserve £m	Capital redemption reserve £m	Foreign currency translation reserve £m	ESOP reserve £m	Other reserve £m	Total other reserves £m	Retained earnings £m	Minority interests £m	Total £m
Balance at 1 January 2006 as previously stated	31.3	43.8	(1.8)	(19.3)	125.0	179.0	(149.9)	2.7	31.8
Change in accounting policy relating to adoption of IFRIC 14	–	–	–	–	–	–	5.5	–	5.5
Restated balance at 1 January 2006	31.3	43.8	(1.8)	(19.3)	125.0	179.0	(144.4)	2.7	37.3
Total recognised income and expense for the year	–	–	(38.8)	–	–	(38.8)	172.0	4.0	137.2
Shares repurchased and cancelled by the Company (including costs)	–	4.3	–	–	–	4.3	(95.4)	–	(91.1)
Share-based payment	–	–	–	–	–	–	2.1	–	2.1
Equity dividend	–	–	–	–	–	–	(44.6)	–	(44.6)
Minority interest dividend	–	–	–	–	–	–	–	(4.5)	(4.5)
Consolidation of entity previously equity accounted	–	–	–	–	–	–	–	2.6	2.6
Issue of ordinary shares	69.8	–	–	–	–	69.8	–	–	69.8
Shares awarded by ESOP	–	–	–	5.4	–	5.4	–	–	5.4
Own shares purchased by the Company	–	–	–	(13.9)	–	(13.9)	–	–	(13.9)
Restated balance at 31 December 2006	101.1	48.1	(40.6)	(27.8)	125.0	205.8	(110.3)	4.8	100.3
Total recognised income and expense for the year	–	–	0.3	–	4.1	4.4	129.9	5.8	140.1
Shares repurchased and cancelled by the Company (including costs)	–	3.7	–	–	–	3.7	(76.7)	–	(73.0)
Share-based payment	–	–	–	–	–	–	2.9	–	2.9
Equity dividend	–	–	–	–	–	–	(246.7)	–	(246.7)
Minority interest dividend	–	–	–	–	–	–	–	(3.9)	(3.9)
Consolidation of entity previously equity accounted	–	–	–	–	–	–	–	(1.0)	(1.0)
Shares awarded by ESOP	–	–	–	4.0	–	4.0	–	–	4.0
Own shares purchased by the Company	–	–	–	(0.2)	–	(0.2)	–	–	(0.2)
Balance at 31 December 2007	101.1	51.8	(40.3)	(24.0)	129.1	217.7	(300.9)	5.7	(77.5)

Merger relief

In 2006, the Group applied the provisions of section 131 of the Companies Act 1985 and obtained merger relief on the issue of 10,196,753 ordinary shares which were exchanged on conversion by the holders of \$85.3m convertible bonds in place of preference shares in United Business Media (Jersey) Limited, a wholly owned subsidiary of the Company. As a result the issue of the shares have been recorded at nominal value and a merger relief reserve created.

Capital redemption reserve

Entries are made to the capital redemption reserve to ensure there is no reduction in capital when the Group repurchases its own shares in accordance with the Companies Act 1985.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the effect of hedging net investments of foreign operations.

Other reserve

This reserve includes the unrealised gains and losses reserve which records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

ESOP reserve

The ESOP reserve records ordinary shares held by the ESOP to satisfy future share awards. The shares are recorded at cost.

30. Acquisitions and disposals

The Group completed 17 acquisitions during 2007.

On 4 January 2007, the Group acquired Quest Media Limited for cash consideration of £5.0m. The transaction adds six award events, three conferences and an associated magazine.

On 17 January 2007, the Group acquired an additional 2% of the voting rights of RISI, Inc. ('RISI') for cash consideration of \$1.0m. This equity purchase brings UBM's total shareholding in RISI to 52%, giving UBM a controlling interest in the company.

On 1 March 2007, the Group's majority-owned subsidiary, RISI, acquired EU Consulting for cash consideration of €0.4m.

On 7 March 2007, the Group acquired a 25% equity holding in eXalt Solutions Inc ('eXalt'), a leading provider of on-demand web-based services for IT solution sales, for cash consideration of \$2.0m. The Group also has an option to purchase an additional 15% equity holding in eXalt. The Group accounts for eXalt Solutions Inc as an associate.

On 17 April 2007, the Group acquired Vintage Filings, LLC, a leading US Edgar filing business, for initial cash consideration of \$38.0m. A further performance-dependent consideration of up to \$15.0m will be payable over the next four years.

On 26 April 2007, the Group acquired Physicians Practice, LLC for cash consideration of \$17.5m, with a further performance-dependent consideration of \$0.5m.

On 25 May 2007, the Group along with its joint venture partner, BolognaFiere, completed the acquisition of a 55% interest in the Guangzhou Beauty Fair. The Group's share of the purchase consideration was \$3.0m and UBM has a 27.5% effective holding in the fair, which it accounts for as a joint venture.

On 2 July 2007, the Group acquired How Machines Work Corporation for an initial cash consideration of \$1.2m and a further performance-dependent consideration payable of up to \$0.6m.

On 26 July 2007, the Group completed the following acquisitions:

- Semiconductor Insights Inc for an initial cash consideration of \$26.0m. A further performance-dependent consideration of up to \$8.0m will be payable over the next three years;
- Notilog, a leading Latin American news monitoring service, for an initial cash consideration of \$4.0m. A further performance-dependent consideration of up to \$5.0m will be payable over the next two years;
- Australia Prescription Products Guide for a total cash consideration of A\$1.0m.

On 13 September 2007, the Group acquired Ithaca Holdings, a UK events business, for a total cash consideration of £14.3m.

On 21 September 2007, the Group acquired the Decorex tradeshow for total cash consideration of £2.2m.

On 9 October 2007, the Group acquired the Energy Solutions Expo for total cash consideration of £1.0m.

On 9 November 2007, the Group acquired Portelligent, Inc. for an initial cash consideration of \$8.0m. A further performance-dependent consideration of up to \$4.0m will be payable over the next three years.

On 21 December 2007, the Group completed the acquisition of the Intermodal South America trade show for a total cash consideration of £3.4m.

On 31 December 2007, the Group completed the acquisition of HispaniMark, LLC for an initial cash consideration of \$5.5m, with a further performance-related consideration of up to \$3.0m payable over the next three years.

The Group acquired 100% of the voting rights in all cases where acquisitions involved the purchase of companies unless where otherwise stated.

The acquisition accounting for Portelligent, Inc, Intermodal South America trade show and HispaniMark, LLC has been determined on a preliminary basis as the valuation exercise at the date of the acquisition is ongoing.

Notes to the consolidated financial statements continued at 31 December 2007

30. Acquisitions and disposals continued

The following table sets out the carrying amounts of the identifiable assets and liabilities acquired and their fair value in respect of the acquisition of Vintage Filings, LLC:

	Vintage Filings	
	Fair value to Group 2007 £m	Acquiree's carrying amount 2007 £m
Intangible assets	5.2	–
Property, plant and equipment	0.1	0.2
Trade receivables and other current assets	1.3	1.7
	6.6	1.9
Trade payables and other current liabilities	(1.2)	(0.6)
Fair value of net assets	5.4	
Goodwill arising on acquisition	21.0	
	26.4	

2007
£m

Consideration:

Cash paid	18.9
Deferred consideration	7.5
Total consideration	26.4

The following table sets out the carrying amounts of the identifiable assets and liabilities acquired and their fair value in respect of the acquisition of other businesses during 2007:

	Fair value to Group 2007 £m	Acquiree's carrying amount 2007 £m
	Intangible assets	21.5
Property, plant and equipment	1.9	2.3
Cash and cash equivalents	2.2	2.2
Trade receivables and other current assets	9.2	6.4
Associates and joint ventures	2.7	–
	37.5	11.6
Trade payables and other current liabilities	(11.2)	(6.6)
Deferred tax liability	(5.4)	–
Non-current liabilities	(0.2)	(0.2)
	(16.8)	(6.8)
Fair value of net assets	20.7	
Goodwill arising on acquisition	55.0	
	75.7	

2007
£m

Consideration:

Cash paid	61.8
Deferred consideration	13.9
Total consideration	75.7

30. Acquisitions and disposals *continued*

The total consideration paid and payable on acquisitions is shown below:

	2007 £m
Consideration:	
Cash paid	80.7
Deferred consideration	21.4
Total consideration	102.1

The Group completed 18 acquisitions during 2006.

On 11 January 2006, the Group acquired MediaLive International, Inc. ('MediaLive') for a cash consideration of \$65.0m. The transaction adds more than 20 IT and telecoms-related events in the US, Japan, and Europe.

On 11 January 2006, the Group acquired Shorecliff Communications LLC, a US events business, for a cash consideration of \$12.3m plus performance-related consideration of up to \$1.4m. Shorecliff's four principal events focus on the high growth technology markets of radio frequency identification, broadband services, wireless infrastructure and telecoms television/internet protocol television.

On 13 March 2006 the Group acquired ownership of a set of assets from Mediworld Publications, an Indian medical publisher, for £0.4m plus performance-related consideration of up to £0.3m.

On 4 April 2006 the Group acquired ownership of the National Venue Show for £1.5m.

On 1 June 2006, the Group acquired Cable Digital News Inc, an online B2B media business providing news and analysis of the North American cable industry, for a total cash consideration of \$0.3m.

On 30 June 2006, the Group acquired MeXi Solutions, a secure communication and data access solutions provider to the Belgian healthcare industry, for a total cash consideration of €2.6m.

On 30 June 2006, the Group acquired ownership of the Thames Gateway Forum for £3.0m plus performance-related consideration of up to £0.2m.

On 19 July 2006, the Group acquired Commonwealth Business Media, Inc. ('Commonwealth') for a cash consideration of \$152.0m. Commonwealth is a leading specialist business intelligence provider to the international trade and transportation industry with comprehensive proprietary data, news and analytical content.

On 2 October 2006, the Group acquired US Newswire, a leading news distribution business focused on government and public interest sectors, for an initial cash consideration of \$19.0m plus performance-related consideration of up to \$4.0m.

On 6 October 2006, the Group acquired ownership of The Care Show for £0.4m plus performance-related consideration of £0.3m.

On 6 October 2006, the Group also acquired ownership of the ATC (Air Traffic Control) Maastricht Conference for a total cash consideration of £0.1m.

On 9 October 2006, the Group acquired The Austin Game Initiative LLC, a producer of conferences and events targeting game industry professionals for a total cash consideration of \$1.1m.

On 5 December 2006, the Group acquired ownership of the Software 2007 conference for an initial cash consideration of \$5.5m plus performance-related consideration of up to \$3.5m.

On 6 December 2006, the Group acquired OAG Holdings Limited ('OAG'), an information provider to the global aviation industry, for a total cash consideration of £2.5m.

On 6 December 2006, the UBM's subsidiary, CNW Group Limited, acquired Health Response Communications, a news distribution business focused on the healthcare industry, for cash consideration of CAD1.5m.

On 15 December 2006, the Group acquired MediReach Healthcare Communication, a provider of medical and pharmaceutical marketing consultancy services, for an initial cash consideration of \$1.1m plus performance-related consideration of up to \$2.75m.

On 21 December 2006, the Group acquired Aviation Industry Group Limited, an information provider to the global aviation industry with a portfolio of events, print titles and websites, for initial cash consideration of £6.0m plus performance-related consideration of £1.0m.

On 21 December 2006, the Group also acquired Customer Contact Center Standard for a total cash consideration of \$0.4m.

The Group acquired 100% of the voting rights in all cases where acquisitions involved the purchase of companies.

Notes to the consolidated financial statements continued at 31 December 2007

30. Acquisitions and disposals continued

The following table sets out the carrying amounts of the identifiable assets and liabilities acquired and their fair value in respect of the MediaLive and Commonwealth acquisitions:

	MediaLive		Commonwealth	
	Fair value to Group 2006 £m	Acquiree's carrying amount 2006 £m	As restated Fair value to Group 2006 £m	Acquiree's carrying amount 2006 £m
Intangible assets	9.5	–	23.2	–
Property, plant and equipment	0.4	0.4	2.4	3.1
Cash and cash equivalents	3.3	3.3	0.3	0.3
Trade receivables and other current assets	3.3	3.3	4.8	5.8
	16.5	7.0	30.7	9.2
Trade payables and other current liabilities	(8.2)	(8.2)	(2.2)	(1.6)
Deferred tax liability	–	–	(8.1)	–
Non-current liabilities	–	–	(7.7)	(7.7)
	(8.2)	(8.2)	(18.0)	(9.3)
Fair value of net assets	8.3		12.7	
Goodwill arising on acquisition	28.6		70.0	
	36.9		82.7	

	2006 £m	2006 £m
Consideration:		
Cash paid	36.9	82.7
Deferred consideration	–	–
Total consideration	36.9	82.7

The following table sets out the carrying amounts of the identifiable assets and liabilities acquired and their fair value in respect of the acquisition of other businesses during 2006:

	As restated Fair value to Group 2006 £m	Acquiree's carrying amount 2006 £m
Intangible assets	16.8	2.4
Property, plant and equipment	1.6	5.3
Cash and cash equivalents	1.7	1.7
Inventories	0.1	0.1
Trade receivables and other current assets	5.2	5.2
	25.4	14.7
Trade payables and other current liabilities	(20.0)	(16.1)
Deferred tax liability	(3.0)	–
	(23.0)	(16.1)
Fair value of net assets	2.4	
Goodwill arising on acquisition	43.9	
	46.3	

	2006 £m
Consideration:	
Cash paid	38.6
Deferred consideration	7.7
Total consideration	46.3

30. Acquisitions and disposals *continued*

The total consideration paid and payable on acquisitions is shown below:

	2006 £m
Consideration:	
Cash paid	158.2
Deferred consideration	7.7
Total consideration	165.9

As disclosed in Note 1, the acquisition accounting adjustments have been finalised in relation to certain acquisitions which were made in 2006. The amounts disclosed above have been restated in accordance with IFRS 3 'Business Combinations'.

From the date of acquisition to 31 December 2007, the acquisitions made in 2007 have contributed £6.8m to the operating profit and £38.9m to revenue of the Group. If the acquisitions had taken place at the beginning of the year, the acquisitions would have contributed £11.1m to the operating profit of the Group, and £61.9m to revenue.

The goodwill of £76.0m (2006: £142.5m) recognised above relates to certain intangible assets that cannot be individually separated and reliably measured from the acquiree due to their nature. These items include customer loyalty and a skilled workforce.

The aggregate cash flow effect of acquisitions was as follows:

	2007 £m	2006 £m
Net cash acquired with the subsidiaries	(2.2)	(5.3)
Net cash in entity previously equity accounted	(1.6)	–
Cash paid to acquire subsidiaries	78.0	158.2
Cash paid to acquire interests in associates and joint ventures	2.7	–
Deferred consideration on 2005 acquisitions	5.4	2.9
Deferred consideration on 2006 acquisitions	2.8	–
Net cash outflow on acquisitions	85.1	155.8

The Group paid £8.2m of deferred consideration during 2007 in relation to the 2005 acquisitions of ICMI, Tech Online, Light Reading Inc. and Black Hat and the 2006 acquisitions of US Newswire, Shorecliff Communications LLC and the 2007 Software conference. Under terms of the relevant sale and purchase agreements, additional consideration was payable if certain revenue and profit targets were met.

The Group paid £2.9m of deferred consideration during 2006 in relation to the 2005 acquisitions of ICMI, Tech Online and Light Reading Inc. Under terms of the relevant sale and purchase agreements, additional consideration was payable if certain revenue and profit targets were met.

The intangible assets acquired as part of the acquisitions can be analysed as follows:

	2007 £m	As restated 2006 £m
Brands	13.3	22.2
Customer contracts and relationships	9.9	15.2
Subscription lists	–	0.6
Databases	1.4	11.5
Software	2.1	–
Total	26.7	49.5

Disposals

On 10 April 2006, the Group completed the sale of its Culverhouse Cross site for a total consideration of £15.8m. A profit of £4.3m arose on the sale, being the proceeds of disposal less the carrying value of the property and costs of disposal.

Notes to the consolidated financial statements continued at 31 December 2007

31. Discontinued operations

The £6.0m additional profit on prior years disposal represents additional consideration receivable from GfK following the settlement of certain outstanding items relating to the sale of NOP World in 2005, together with a release of amounts held for certain potential warranty and other claims which are now no longer required.

	Earnings £m	Weighted average no. of shares million	Earnings per share (p)
Earnings per share for discontinued operations			
Basic	6.0	254.0	2.4p
Diluted	6.0	259.5	2.3p

On 15 May 2006, the Group announced the sale of a portfolio of UK classified titles which were reported within CMP Information for an aggregate cash consideration of £16.7m. After accruals for related costs of disposal a profit of £8.0m arose on the sale of these publications.

On 14 September 2006, the Group announced the sale of a portfolio of US entertainment titles which were reported within CMP Technology for an aggregate cash consideration of \$51.3m. After accruals for related costs of disposal a profit of £12.5m arose on the sale of these publications.

The results of the discontinued operations which have been included in the consolidated income statement were as follows:

	UK classified titles 2006 £m	US entertainment titles 2006 £m	Total 2006 £m
Revenue	5.1	14.7	19.8
Operating expenses	(4.4)	(14.7)	(19.1)
Profit before tax attributable to discontinued operations	0.7	–	0.7
Attributable taxation	(0.2)	–	(0.2)
Profit after tax attributable to discontinued operations	0.5	–	0.5
Profit from disposal of discontinued operations	8.0	12.5	20.5
Attributable tax expense	–	–	–
Net profit attributable to discontinued operations	8.5	12.5	21.0

	Earnings £m	Weighted average no. of shares million	Earnings per share (p)
Earnings per share for discontinued operations			
Basic	21.0	278.7	7.5p
Diluted	21.0	283.9	7.4p

Included in operating expenses is employee costs of £7.0m, cost of inventories recognised as an expense of £2.3m, auditors' remuneration of £0.1m and other cost of sales and administration costs of £9.7m.

	UK classified titles At date of disposal £m	US entertainment titles At date of disposal £m	Total At date of disposal £m
Goodwill	3.3	3.3	6.6
Trade and other receivables	–	5.2	5.2
Inventories	–	3.0	3.0
	3.3	11.5	14.8
Trade and other payables	–	(2.5)	(2.5)
	–	(2.5)	(2.5)
Net assets attributable to discontinued operations	3.3	9.0	12.3

31. Discontinued operations *continued*

	UK classified titles At date of disposal £m	US entertainment titles At date of disposal £m	Total At date of disposal £m
Net cash flows from operating activities	0.7	0.5	1.2
Net cash flows from investing activities	–	–	–
Net cash flows from financing activities	–	–	–
Net cash flows attributable to discontinued operations	0.7	0.5	1.2

32. Commitments**Operating lease commitments – Group as lessee**

The Group has entered into commercial property and machinery leases under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payments payable under non-cancellable property operating leases are as follows:

	Land and buildings 2007 £m	Land and buildings 2006 £m
Within 1 year	28.1	27.8
Later than 1 year and not later than 5 years	67.4	79.1
Later than 5 years	29.2	40.5
	124.7	147.4

The future minimum lease payments payable under non-cancellable other operating leases are as follows:

	Other 2007 £m	Other 2006 £m
Within 1 year	0.2	0.2
Later than 1 year and not later than 5 years	–	–
Later than 5 years	–	–
	0.2	0.2

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2007 £m	2006 £m
Within 1 year	5.3	6.0
Later than 1 year and not later than 5 years	14.3	14.3
Later than 5 years	4.6	6.1
	24.2	26.4

Capital commitments

Capital expenditure contracted for but not provided in the financial statements amounts to £3.2m (2006: £2.0m).

Notes to the consolidated financial statements continued at 31 December 2007

33. Contingent liabilities

As previously disclosed, the Group is in dispute with HMRC with regards to a technical matter arising in relation to the sale of our Regional Newspapers business in 1998. The tax in dispute is estimated at £80m. The Group's appeal was heard at the High Court on 22 February 2007. The decision of the High Court went against the Group and the Group lodged an appeal with the Court of Appeal. The appeal was heard on 26 February 2008 and we are awaiting the outcome. Whilst it is likely that the matter will not be resolved until 2009 it is possible that the matter could be resolved during the current year.

Due to the uncertainty of litigation the Group continues to make a prudent assessment of the potential liability in its accounts for this and other matters and has recognised the full amount of tax in dispute as a liability in current tax liabilities.

34. Principal subsidiaries

The consolidated financial statements include the financial statements of United Business Media plc and the principal subsidiaries listed on the table below.

The directors consider that to give full particulars of all subsidiary undertakings would lead to a statement of excessive length. The following information relates to those subsidiary undertakings the results or financial position of which, in the opinion of the directors, principally contribute to the Group.

	Country of incorporation and operation	Percentage interest at 31 December 2007
CMP Asia Limited	Hong Kong	100
CMP Europe Limited	Great Britain	100
CMP Information Limited	Great Britain	100
CMPi Group Limited	Great Britain	100
CMP Media, LLC	USA	100
CMPMedica Asia Pte Limited	Singapore	100
CNW Group Limited	Canada	50
Commonwealth Business Media Inc	USA	100
Expoconsult B.V.	Netherlands	100
Light Reading, Inc.	USA	100
Medizinische Medien Informations GmbH	Germany	100
PR Newswire Association, Inc.	USA	100
PR Newswire Europe Limited	Great Britain	100
Société d'Éditions Scientifiques et Culturelles SA	France	100
United Business Media Finance, Inc.	USA	100
United Business Media Group Limited	Great Britain	100
United Business Media (Jersey) Limited	Jersey	100
United Finance Limited	Great Britain	100
VIDAL S.A.	France	100

All companies stated as being incorporated in Great Britain are registered in England and Wales. None of the above subsidiaries are held directly by the company, with the exception of United Business Media (Jersey) Limited.

35. Post balance sheet events

On 3 January 2008, the Group announced the acquisition of Mass Event Labs for an initial cash consideration of \$1.2m, with a further performance-related consideration of up to \$3.8m payable over the next four years.

On 23 January 2008, the Group announced the acquisition of Think Service, Inc for an initial cash consideration of \$24.5m, with a further performance-related consideration of up to \$5.0m payable over the next year.

On 8 February 2008, the Group announced the acquisition of Exposure Events UK Limited, for an initial cash consideration of £0.6m, with a further performance-related consideration of up to £1.9m payable over the next two years.

On 21 February 2008, the Group announced the acquisition of Vision Events for a total cash consideration of \$11.4m.

On 26 February 2008, the Group announced the acquisition of AeroStrategy's aviation data business for an initial cash consideration of \$0.9m, with a further performance-related consideration of up to \$1.2m payable over the next three years.

36. Related party transactions

The Group entered into the following transactions with related parties during the year:

Transactions with related parties	Nature of relationship	Nature of transactions	Balances (owed by)/ due to the Group at 31 December 2007 £m	Value of transactions 2007 £m	Balances (owed by)/ due to the Group at 31 December 2006 £m	Value of transactions 2006 £m
Asia Pacific Leather Fair	Subsidiary < 90%	Loans and management fees	–	1.7	0.2	1.9
CMP Weka Verlag	Joint venture	Licensing revenue	0.2	0.2	0.1	0.2
Cosmoprof Asia Limited	Subsidiary < 90%	Commission and management fees	0.5	1.4	0.7	1.6
Shanghai CMP SinoExpo International Exhibitions Limited	Subsidiary < 90%	Commission and management fees	–	(0.5)	–	(0.6)
CNW Group Limited	Subsidiary < 90%	News wire service	0.1	2.1	–	–
PR Newswire do Brasil	Associate	News wire service	–	0.1	–	–
CMP Media (Thailand)	Subsidiary < 90%	Commission	0.4	(0.4)	0.6	(0.3)

Merrill Lynch is one of the company's stockbrokers and also provides treasury services. Adair Turner, a non-executive director of the UBM, was vice chairman of Merrill Lynch Europe plc until 31 July 2006.

Leaders Quest, a non-profit organisation, organised various management conferences for the Group during the year for a fee of £10,500 (2006: £26,000). Lindsay Levin, wife of David Levin, is a partner of Leaders Quest.

LongAcre Partners Limited, a corporate finance firm, were engaged to assist with the disposal of certain of the Group's UK classified titles in 2006, for a fee of £167,000. John Botts was chairman of LongAcre until 25 May 2007.

Convera Corporation Inc, an IT consultancy specialising in search technologies, has entered into a five year contract with the Group with minimum payments to Convera of \$4.1m. Convera will receive a share of revenue should specified thresholds be achieved. Payments under this contract in 2007 were \$786,000 (2006: \$75,000) during the year. John Botts is a director of Convera.

Microland, an IT infrastructure management outsourcing services provider, has provided services to the group for fees of £161,904 (2006: £510,626) during the year. Pradeep Kar, a non-executive director of UBM, is founder, chairman and managing director of Microland.

Global Consultants Inc (GCI), an information technology consulting firm, has provided services to the Group for fees of £358,412 (2006: £295,970) during the year. Pradeep Kar was a director of GCI until 30 June 2007.

IQ Resource, a strategic outsourcing company specialising in business media and information services, provides services to the Group for which the Group paid fees of \$293,250 (2006: \$228,440). Jonathan Newcomb, a non-executive director of UBM, holds an option over equity shares in IQ Resource.

Vodafone, the mobile telecommunications company, provides services to the Group, Karen Thomson, a non-executive director of UBM became a director of Vodafone UK Limited on 30 April 2007.

Transactions with related parties are made at arm's length. Outstanding balances at year-end are unsecured and settlement occurs in cash. There are no bad debt provisions for related party balances as at 31 December 2007, and no related party transactions have been written off during the year.

Compensation of key management personnel of the Group

Key management personnel include the directors, CEOs of each division and a small number of key head office management. The following is the aggregate compensation of directors and key management:

	2007 £m	2006 £m
Short-term employee benefits	6.1	5.5
Share-based payments	3.4	3.5
	9.5	9.0

Five year financial summary

	IFRS 2007 £m	IFRS 2006 £m	IFRS 2005 £m	IFRS 2004 £m	UK GAAP 2003 £m
Profit and loss account					
Revenue ¹	801.6	758.9	774.2	809.6	746.7
Adjusted profit before tax ²	170.0	160.5	152.1	141.9	103.3
Profit/(loss) before tax ¹	135.9	135.4	503.3	145.2	(18.4)
Earnings/(loss) per share					
Adjusted	53.4p	45.5p	40.9p	32.9p	23.9p
Basic	42.7p	50.7p	157.1p	70.4p	(12.5)p
Ordinary dividends (paid and proposed)	21.6p	18.0p	15.0p	12.0p	9.0p

1 Including continuing and discontinued operations

2 Before amortisation of goodwill and intangible assets acquired on acquisitions, net finance cost – other than interest, and exceptional items, and including discontinued operations.

Independent auditor's report to the members of United Business Media plc

We have audited the parent company financial statements of United Business Media plc for the year ended 31 December 2007 which comprise the Balance Sheet and the related notes 1 to 11. These parent company financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

We have reported separately on the Group financial statements of United Business Media plc for the year ended 31 December 2007.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Our responsibility is to audit the parent company financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the parent company financial statements give a true and fair view and whether the parent company financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the parent company Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Business Review that is cross referred from the Business Review section of the Directors' Report.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited parent company financial statements. The other information comprises only the Directors' Report, the unaudited part of the Directors' Remuneration Report, the Chairman's Statement and the Business Review. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the parent company financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

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

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

Opinion

In our opinion:

- the parent company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007;
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the parent company financial statements.

Ernst & Young LLP

Registered auditor
London

29 February 2008

Notes:

1. The maintenance and integrity of the United Business Media plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of directors' responsibilities for the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Parent company balance sheet at 31 December 2007

Notes		UK GAAP	UK GAAP
		31 December 2007 £m	31 December 2006 £m As restated
	Fixed assets		
4	Investments in subsidiary undertakings	3,680.5	3,640.4
		3,680.5	3,640.4
	Current assets		
5	Debtors	65.2	68.0
	Cash at bank and in hand	0.2	3.5
		65.4	71.5
6	Creditors: amounts falling due within one year	(2.4)	(4.5)
	Net current assets	63.0	67.0
	Creditors: amounts falling due after more than one year		
7	Bank and other loans	(2.9)	(2.9)
8	Other creditors	(2,562.1)	(2,143.3)
		(2,565.0)	(2,146.2)
	Net assets	1,178.5	1,561.2
	Capital and reserves		
9	Called up share capital	82.7	85.9
10	Share premium account	361.3	354.6
10	Other reserves	155.3	144.8
10	Profit and loss account	579.2	975.9
	Capital employed	1,178.5	1,561.2
	Equity shareholders – ordinary	1,178.2	1,560.8
	Equity shareholders – B shares	0.3	0.4
	Shareholders' funds	1,178.5	1,561.2

These financial statements were approved by a duly appointed and authorised committee of the Board of Directors on 29 February 2008 and were signed on its behalf by:

David Levin Director
Nigel Wilson Director

Notes to the parent company financial statements at 31 December 2007

1. Basis of preparation

The separate financial statements of the Company are presented as required by the Companies Act 1985. They have been prepared under the historical cost convention and in accordance with United Kingdom Accounting Standards and law.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2007, except for the adoption of FRS 29 'Financial Instruments: Disclosures' and UITF 44 'FRS 20 – Group and Treasury Share Transactions'.

The adoption of FRS 29 did not have an impact on the Company's financial statements due to the exemption provided in paragraph 2D of FRS 29 which states that disclosure of financial instruments is not required in parent company financial statements.

The adoption of UITF 44 has resulted in a prior year adjustment to show the equity-settled share based payments charge of £13.4m as an increase in the Company's investment in its subsidiaries with a corresponding increase to reserves.

The principal accounting policies are summarised below.

2. Significant accounting policies

Investments

Investments in subsidiaries are stated at cost or nominal value of shares issued where merger relief is taken, less any provision for impairment. Where the recoverable amount of the investment is less than the carrying amount, an impairment is recognised.

Foreign currencies

Foreign currency transactions arising from operating activities are translated from local currency into pounds sterling at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are translated at the period end exchange rate. Foreign currency gains or losses are credited or charged to the profit and loss account as they arise.

Financial instruments

Financial instruments in the scope of FRS 26 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial instruments are recognised initially, they are measured at fair value, and in the case of investments not at fair value through profit or loss, after taking account of directly attributable transaction costs.

The Company has taken advantage of the exemptions provided in paragraph 2D of FRS 29 which states that disclosure of financial instruments is not required in parent company financial statements.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for taxable gains arising from the revaluation (and similar fair value adjustments) of fixed assets that have been rolled over into replacement assets, only to the extent that there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable; and
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the period on which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Share based payments

Where a parent company grants rights to its equity instruments to employees of a subsidiary, and such share based compensation is accounted for as equity-settled in the consolidated financial statements of the parent, the subsidiary is required to record an expense for such compensation in accordance with FRS 20 'Share based payments', with a corresponding increase recognised in equity as a contribution from the parent. Consequently, in the financial statements of the parent (United Business Media plc), the Company has recognised an addition to fixed asset investments of the aggregate amount of these contributions of £6.9m (2006: £7.0m) with a credit to equity for the same amount.

This represents a change in accounting policy and therefore the comparative figures have been adjusted to reflect additions to fixed asset investments of £13.4m, being the equity-settled share based payments charge for the accounting periods since FRS 20 became effective.

Cash flow statement

The Company has utilised the exemptions provided under FRS 1 (Revised) and has not presented a cash flow statement. A consolidated cash flow statement has been presented in the Group financial statements of United Business Media plc.

Related party transactions

The Company has taken advantage of the exemptions in paragraph 3 of FRS 8 which states that disclosure of related party transactions is not required in parent company financial statements when those statements are presented together with its consolidated financial statements.

3. Profit for the year

As permitted by section 230 of the Companies Act 1985 the company has elected not to present its own profit and loss account for the year. United Business Media plc reported a loss for the financial year ended 31 December 2007 of £73.4m (2006: £81.3m).

The auditors' remuneration for audit services to the Company was £10,000 (2006: £10,000). Fees paid to Ernst & Young LLP and its associates for non-audit services to the Company are not disclosed in the individual accounts of United Business Media plc because Group financial statements are prepared which are required to disclose such fees on a consolidated basis.

Details of executive and non-executive directors' emoluments and their interest in share and options of the Company are shown within the directors' remuneration report in the sections 'Directors' pension provision', 'Directors' remuneration', 'Directors' interests in shares' and 'Directors' interests in share options'.

4. Investments in subsidiary undertakings

	Shares in Group companies £m	Loans to Group companies £m	Total £m
Cost			
At 1 January 2007 as previously stated	3,195.7	1,122.7	4,318.4
Change in accounting policy relating to the adoption of UITF 44	13.4	–	13.4
At 1 January 2007 as restated	3,209.1	1,122.7	4,331.8
Movement in loans	–	61.8	61.8
Additions	6.9	–	6.9
Disposals	(3.1)	–	(3.1)
At 31 December 2007	3,212.9	1,184.5	4,397.4
Provision against investments			
At 1 January 2007	(691.4)	–	(691.4)
Charged for the year	(25.5)	–	(25.5)
At 31 December 2007	(716.9)	–	(716.9)
Net book amount			
At 31 December 2007	2,496.0	1,184.5	3,680.5
At 31 December 2006 as restated	2,517.7	1,122.7	3,640.4

The investments in subsidiary undertakings relate to the following companies:

Name	Country of incorporation and operation	Class of shares held	% of shares held	Activity
Blessmyth Limited	England and Wales	Ordinary	100%	Holding company
UN (Overseas) Limited	England and Wales	Ordinary	100%	Holding company
United Jersey Holdings Limited	England and Wales	Ordinary	92.7%	Holding company
United Business Media (Jersey) Limited	England and Wales	Ordinary	100%	Financing company
United Business Media Shelfco No.4 Limited	England and Wales	Ordinary	100%	Holding company
Miller Freeman Worldwide Limited	England and Wales	Ordinary	100%	Holding company
Nebulamart Limited	England and Wales	Ordinary	100%	Holding company

5. Debtors

	2007 £m	2006 £m
Amounts falling due within one year:		
Prepayments and accrued income	1.6	8.2
Group tax relief receivable	63.6	59.8
	65.2	68.0

6. Creditors: amounts falling due within one year

	2007 £m	2006 £m
Accruals and deferred income	1.1	1.3
Other creditors	1.1	3.0
B share dividends – Group	0.2	0.2
	2.4	4.5

Notes to the parent company financial statements continued at 31 December 2007

7. Bank and other loans due after more than one year

	2007 £m	2006 £m
7.75% US bonds	2.9	2.9

At the end of 2007 the Company had in issue \$5.7m (2006: \$5.7m) of US dollar fixed rate senior unsecured notes.

8. Other creditors due after more than one year

	2007 £m	2006 £m
Amounts owed to group companies	2,562.1	2,143.3

9. Called up share capital

	2007 £m	2006 £m
Authorised		
360,024,734 ordinary shares of 33 ⁷¹ / ₈₈ p each (2006: 400,936,636 ordinary shares of 30 ⁵ / ₁₄ p each)	121.7	121.7
375,417,690 (2006: 375,417,690) B shares of 8 ²³ / ₄₄ p each	32.0	32.0
	153.7	153.7

	Ordinary shares number	B shares number
Allotted and fully paid		
At 1 January 2006	278,222,120	4,830,923
Issued in respect of share option schemes and other entitlements	7,179,010	–
Shares repurchased and cancelled	(14,055,000)	–
Issued on conversion of bond	10,196,753	–
B shares purchased by the Company	–	(697,153)
At 1 January 2007	281,542,883	4,133,770
Issued in respect of share options schemes and other entitlements	308,994	–
Shares repurchased and cancelled	(260,000)	–
At 27 March 2007 (pre share consolidation)	281,591,877	4,133,770
Share consolidation	(28,733,865)	–
Issued in respect of share option schemes and other entitlements	1,152,290	–
Shares repurchased and cancelled	(10,467,793)	–
B shares purchased by the Company	–	(323,838)
In issue at 31 December 2007	243,542,509	3,809,932

	Ordinary shares £m	B shares £m	Total £m
Issued and fully paid			
At 1 January 2006	84.5	0.4	84.9
Issued in respect of share option schemes and other entitlements	2.2	–	2.2
Shares repurchased and cancelled	(4.3)	–	(4.3)
Issued in respect of conversion of bond	3.1	–	3.1
B shares purchased by the Company	–	–	–
At 1 January 2007	85.5	0.4	85.9
Issued in respect of share option schemes and other entitlements	0.5	–	0.5
Shares repurchased and cancelled	(3.6)	–	(3.6)
B shares purchased by the Company	–	(0.1)	(0.1)
In issue at 31 December 2007	82.4	0.3	82.7

Share repurchases

The Group repurchased and cancelled 10,727,793 of its own ordinary shares during the year at an average price of 705.8p (2006: 14,055,000 ordinary shares at an average price of 663.3p). The total amount paid to acquire the ordinary shares was £75.9m, and £0.8m was paid to acquire B shares (2006: £93.2m for ordinary shares and £1.7m for B shares).

9. Called up share capital *continued*

Ordinary shares

During 2006, the holders of \$85.3m convertible bonds converted their bonds into 10,196,753 ordinary shares in the company.

On 19 March 2007, in conjunction with the special dividend of 72.0p per share, a share consolidation was carried out to convert 49 existing ordinary shares with a nominal value of 30³/₄p each to 44 new ordinary shares with a nominal value of 33⁷/₈₈p each. The share consolidation converted the 281,591,877 existing issued and fully paid ordinary shares into 252,858,012 new issued and fully paid ordinary shares. The weighted average number of shares used in the calculation of earnings per share reflects the share consolidation (refer to Note 10).

There are no restrictions on the transfer of ordinary shares in the Company other than:

- Certain restrictions may from time to time be imposed by laws and regulations (for example, insider trading laws and market requirements relating to close periods); and
- Pursuant to the Listing Rules of the Financial Services Authority whereby certain employees of the Company require the approval of the Company to deal in the Company's securities.

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities or on voting rights.

The return of capital to shareholders undertaken in 2001 took the form of a subdivision and consolidation of the existing ordinary shares. On 23 April 2001, each of the existing 507,901,885 ordinary shares of 25p then in issue were sub-divided into one share of 8²/₄₄p (B shares) and one share of 16²/₄₄p and immediately following such sub-division every issued share of 16²/₄₄p was sub-divided into 29 shares of ²⁵/₄₄p. Every 44 shares of ²⁵/₄₄p each resulting from such sub-division were then consolidated into one ordinary share of 25p. The subdivision created a class of B shares with a total value of approximately £1.25bn. UK shareholders had the option to sell these shares back to the Company for 245p per share, to receive a single dividend of 245p per share, or to retain the B shares and receive a continuing dividend linked to LIBOR. During the year ended 31 December 2007, 323,838 B shares were purchased by the Company for consideration of £0.8m. Cumulatively to 31 December 2007, 371,607,758 B shares have been purchased by the Company for consideration of £910.4m. At 31 December 2007, 3,809,932 B shares remain in issue (31 December 2006: 4,133,770 B shares).

The B shares are irredeemable however, the company has the authority to convert into ordinary shares, at its option, all remaining B shares in issue after 23 April 2011, if the number is less than 125 million. The conversion into ordinary shares will be based on the market price of ordinary shares at the time of the conversion.

B shares

B shareholders are entitled to a non-cumulative preference dividend. On winding up, the B shareholders are entitled to 245p per share and the relevant proportion of the dividends outstanding. B shareholders do not have any voting entitlements except in a resolution relating to a winding up of the company or if the B share dividend has been outstanding for more than six months.

Company share schemes

The ESOP Trust and QUEST Trust (see Note 28) own 1.12% (2006: 1.25%) of the issued share capital of the Company in trust for the benefit of employees of the Group and their dependents. The voting rights in relation to these shares are exercised by the trustees.

10. Share premium account and reserves

	Share premium account £m	Capital redemption reserve £m	Other reserves £m	Total other reserves £m	Profit and loss account £m	Total £m
At 1 January 2007 as previously stated	354.6	48.1	83.3	131.4	975.9	1,461.9
Change in accounting policy relating to adoption of UITF 44	–	–	13.4	13.4	–	13.4
At 1 January 2007 as restated	354.6	48.1	96.7	144.8	975.9	1,475.3
Retained loss for the year	–	–	–	–	(320.1)	(320.1)
Premium on shares issued	6.7	–	–	–	–	6.7
Shares repurchased and cancelled	–	3.7	–	3.7	(76.7)	(73.0)
Equity granted to employees of subsidiaries	–	–	6.9	6.9	–	6.9
At 31 December 2007	361.3	51.8	103.6	155.4	579.1	1,095.8
Non-distributable	361.3	51.8	103.6	155.4	–	516.7
Distributable	–	–	–	–	579.1	579.1

Exercise of options

The Company received £7.2m (2006: £29.1m) on the issue of shares in respect of the exercise of options awarded under various share option plans.

11. Contingent liabilities

The Company acts as guarantor over a net overdraft facility of £60m that is available to subsidiary undertakings (2006: £60m). The Company also acts as guarantor over the fixed interest payable on interest rate swaps taken out by a subsidiary undertaking and on foreign exchange transactions undertaken by a subsidiary undertaking.

Shareholder information

Registered office and registered number

Ludgate House
245 Blackfriars Road
London
SE1 9UY

Registered Number 152298

Registrars

All enquiries regarding shareholder administration including dividends, lost share certificates or changes of address should be communicated in writing, quoting United Business Media's company reference number 0239 to the following address:

Equiniti
The Causeway
Worthing
West Sussex
BN99 6DA

Tel: 0871 384 2239*

Shareholders can also view their shareholdings online by registering at www.shareview.co.uk.

Investor relations and general enquiries

For all investor relations and general enquiries about the Company, please contact our Group communications department at the registered office as shown above or telephone 020 7921 5000.

The Company website also allows you to keep up-to-date with all the latest news and events of your company, simply by registering with our Alerting Service, which can be found at www.unitedbusinessmedia.com/ubm/sitertools/alert. Just select the information of interest to you, such as company results, news releases, shareholder meetings or regulatory updates, and you will then be notified by email when this information is available to view on our website.

Some other useful features that we have added to the investor relations section of the site include a full section on our share price performance at www.unitedbusinessmedia.com/ubm/ir/sharepriceinfo/price/ and also a chart of UBM's performance relative to the other companies in the sector at www.unitedbusinessmedia.com/ubm/ir/sharepriceinfo/chart.

Requests for further copies of our Annual Report and Accounts can be made via our website www.unitedbusinessmedia.com – or by telephoning the Company Secretary's office on the number given above.

Capital Gains Tax

The market value of United Business Media plc's shares on 31 March 1982 was 165p. The adjusted market value for shares acquired prior to 31 March 1982 which participated in the rights issues of November 1983 and June 1993 is 232.5p. The market quotations of the Company's ordinary shares and ICAP plc (previously Garban plc) ordinary shares for 17 November 1998, being the first day of dealing following ICAP's demerger from the Company, were as follows:

United Business Media plc ordinary shares of 25p – 638p

ICAP plc ordinary shares of 50p – 217p

The market values of United Business Media plc's ordinary shares of 25p and B shares on 23 April 2001 following the capital reorganisation were as follows:

Ordinary shares of 25p – 693p.

B shares – 245p.

The market value of United Business Media plc's ordinary shares of 30³/₄p on 21 June 2005 following the share consolidation was 511.25p.

The market value of United Business Media plc's ordinary shares of 33⁷/₈p on 20 March 2007 following the share consolidation was 805.0p.

*Calls to this number are charged at 8p per minute from a BT landline. Other telephone provider costs may vary.

Share listings

The ordinary and B shares are listed on The London Stock Exchange. The symbols are, respectively UBM and UBMb.

Shareholder profile as at 31 December 2007

Holdings	No. of holders	% of holders	No. of shares	% of issued share capital
1 – 1,000	7,468	76.77	2,290,520	0.94
1,001 – 5,000	1,588	16.32	3,137,949	1.29
5,001 – 50,000	389	4.00	6,704,966	2.75
50,001 – 1,000,000	232	2.39	64,231,204	26.37
Over 1,000,001	51	0.52	167,177,870	68.65
Totals	9,728	100.00	243,542,509	100.00

Financial Calendar

Record date for 2007 final dividend	14 March 2008
Annual General Meeting	13 May 2008
Final dividend payment date	22 May 2008
Announcement of interim results	29 July 2008

Cautionary statement

This Annual Report has been prepared for, and only for, the members of United Business Media plc (the company), as a body, and no other persons. The company, its directors, employees, agents or advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed. By their nature, the statements concerning the risks and uncertainties facing the Group in this Annual Report involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this Annual Report and the company undertakes no obligation to update these forward-looking statements. Nothing in this Annual Report should be construed as a profit forecast.



This report has been printed on Take 2 silk which is FSC certified and contains 75% recycled and de-inked pulp from post consumer waste and 25% ECF (Elemental Chlorine Free) virgin pulp. This report was printed by an FSC and ISO 14001 certified printer using vegetable oil and soya based inks. It is 100% recyclable.

Designed and produced by **Radley Yeldar**



United Business Media

United Business Media plc
Ludgate House
245 Blackfriars Road
London SE1 9UY

020 7921 5000

www.unitedbusinessmedia.com