



# United Business Media

15<sup>th</sup> December 2004

## **United Business Media Pre-close Season Update\* 2004 Second Half Trading**

### **BROAD BASED REVENUE PROGRESS AND GOOD PROFIT GROWTH**

#### **GROUP SUMMARY**

UBM has continued to make good progress in the second half of 2004. Broad based strength in exhibitions, publishing, news distribution and syndicated market research has been driving solid year on year growth in underlying operating profit. Revenue has been boosted by the success of acquisitions and by investments in new products. The overall profit performance has been towards the higher end of our expectations.

#### **OPERATING HIGHLIGHTS OF THE SECOND HALF OF 2004**

##### **PROFESSIONAL MEDIA**

Underlying revenue from the publications and events businesses in Asia and UK, is ahead of the same period last year. CMPi has continued to take display market share from its US and UK competitors. UK classified revenues are in line with last year, with increased levels of investment to develop online functionality and to boost circulation levels.

In the US, healthcare publishing and technology online are both showing strong growth and technology events and custom marketing solutions are also making good progress. Our market share of technology publishing grew, but overall technology revenues were down as US print publishing continues to lag behind the other channels.

US healthcare publishing is benefiting from a strong performance by the Oncology Group and Cliggott publishing, acquired in 2003. US medical education continues to be negatively impacted by regulatory issues, although

much of the revenue effect has been mitigated by action on costs. Multi sponsor events are performing robustly with the impact of the regulatory issues largely confined to single sponsor events.

The integration of CMPMedica (the drug information and trade press business - acquired in July of this year), is on track with sales and profits achieving the acquisition plan. CMPMedica recently invested in a joint venture in France to purchase Axilog, a leading doctors' practice management software supplier.

Throughout 2004, UBM has been highlighting a structural change in customers' allocation of their advertising and marketing budgets – especially in US technology. “Return on Investment” and lead generating strategies are driving the growth of electronic and other multi-channel platforms for marketing programmes. Since 2000, UBM has been investing in these new media channels to offer a range of multi-channel marketing solutions. UBM has increased the level of this investment in the second half of 2004 and will continue doing so in 2005. This investment is driving growth and should enable UBM to perform ahead of trend.

## **NEWS DISTRIBUTION**

PR Newswire continues to grow strongly. Year on year volumes and yields increased in the second half due to longer messages and to increasing demand for wider distribution services.

PR Newswire's wide range of media intelligence products increased revenues, with targeted contacts data lists performing particularly well.

PR Newswire's businesses outside of the US improved revenues and are expected to achieve their breakeven target in 2004.

## **MARKET RESEARCH**

Year to date, overall revenues at NOP World are growing in line with the market. In the second half of the year, NOP's syndicated and continuous businesses have again delivered strong performances but conditions in ad hoc and healthcare remaining challenging. Eurisko, acquired in 2003, has delivered a strong operating performance.

## **OPERATING EFFICIENCIES**

Following the major improvements in operating efficiencies over the last two years, the group is accelerating a major programme of offshoring and

outsourcing which is expected to improve operating margins over the next two years.

## INVESTMENTS

The acquisitions made in 2003 and 2004 are performing well and are on track to generate the returns targeted. Organic investments continue to drive revenue growth. We have increased new product investment in 2004 and plan to do so again in 2005.

## FIXED ASSET INVESTMENT

**Five** continues to perform well, delivering year on year increases in its share of advertising and its share of audience, and growing its operating profits. Notably **five's** share of market on the fastest growing platform – Freeview – is a particularly strong 9.5 per cent, compared with 9.2 per cent for Channel 4 and 17.5 per cent for ITV.

## CEO SUCCESSION

As advised in September, UBM plans to announce its next CEO before the end of December.

\*UBM is scheduled to announce its preliminary results for 2004 on 25 February 2005. This announcement is the routine update prior to entering the January and February close season associated with the preliminary results

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