



United Business Media

14 December 2007

United Business Media Plc Provides Trading Update* for Second Half of 2007

PR Newswire and global exhibitions portfolio continue to deliver strong performances; overall trading in line with market expectations

United Business Media announced today that its overall trading performance for the second half of 2007 is in line with market expectations. Revenue and EPS growth accelerated in the second half of the year in comparison with the first half, and November was UBM's most profitable month of trading in the last five years.

Key features of UBM's second half performance:

- **PR Newswire** - stronger second half revenue and profit performance
- **Global exhibitions portfolio** - performed strongly in the second half; 2008 bookings for UBM's "top 20" events more than 10% ahead of the equivalent position in 2007
- **Revenue growth** – Second half underlying revenue growth anticipated to be 6% to 7%, significantly ahead of first half
- **CMPMedica** – current year like for like revenue and profit decline; restructuring in progress
- **Acquisitions** - £49.0m invested in nine acquisitions in second half ; acquisitions continue to outperform 8% post tax cost of capital threshold
- **Return of capital & dividend** - £73.8m returned to shareholders through repurchase of 10.3m shares in second half; dividend payout to be increased

Underlying Revenue for 2007

UBM's full year underlying revenue growth is expected to be close to 5%. Excluding CMPMedica where a significant restructuring program is under way, full year underlying revenue growth is expected to be 6% to 7%.

PR Newswire – excellent second half performance

PR Newswire's second half revenue and profit performance was strongly ahead of the first half. Demand for PR Newswire's premium US1 distribution service continues to be strong, whilst in the year to date the number of new member customers has increased 18% year on year. In the USA, added value services such as *MediAtlas*, *eWatch*, *ProfNet* and *MediaSense* have shown growth of over 10% whilst *MultiVu* has achieved sales growth of over 20%.

PR Newswire's 'bolt-on' acquisitions are performing well. In the US, *Vintage Filings* and *US Newswire* are outperforming their business cases. The expansion of PR Newswire into South America has been reinforced by the acquisition in October of *Notilog* (a media monitoring service).

PR Newswire's European business has performed ahead of plan, with good profit and revenue growth. In Asia, revenue generated in China has more than doubled against 2006. Further expansion is under way with investment in new offices in Dubai, India and Scandinavia.

Global exhibitions continue to perform strongly

UBM's global portfolio of exhibitions has continued to perform strongly in the second half of the year. In aggregate, CMP Asia's biggest shows, including *Cosmoprof* (the largest beauty trade event in Asia), *Marintec* (a biennial event, Asia's largest shipping event) and *Furniture China* delivered double digit revenue growth. The Asian Jewellery exhibitions portfolio has also continued to expand, and now comprises twelve shows across Hong Kong, mainland China, Japan, Macau and India.

CPhI, the European pharmaceutical ingredients show, again generated record revenues (up more than 10% year over year) and strong profits. In the US, the New York *Interop* technology show and *Black Hat* both achieved revenue growth of more than 10%.

The quality of UBM's events portfolio is strengthened by two key factors. First, most of the business is in major trade exhibitions, which characteristically enjoy a long life cycle and strong forward bookings, unlike more "spot" conference-oriented businesses. In many instances, our major shows are the leading show in their market – the "must attend" show for both exhibitors and attendees. Contracted forward bookings for 2008 are strong: in aggregate UBM's "top 20" annual shows, which generate around £100m of revenue, are more than 10% ahead of the equivalent position last year.

Second, UBM's events portfolio is global. The spread of the portfolio, both geographically and in terms of the markets it serves, together with the leading positions many of the key events occupy in their markets, makes the portfolio resilient to weakness in individual markets. This also positions UBM strongly to further expand its successful events into new geographies.

CMP Asia

CMP Asia has traded well in the second half, delivering strong growth. *Cosmoprof* and *Marintec* both delivered record revenues ahead of expectations, whilst the *Hong Kong Jewellery and Watch Fair* delivered strong profits. Forward bookings for CMP Asia's 2008 events are ahead of the equivalent position for 2007. CMP Asia continues to manage the expansion of UBM's activities into China and India, most recently with the successful second edition of *CPhI India* which was held in Mumbai in December and the successful launch in India of the *IFSEC* security show, *Embedded Systems* (electronics) and *P-MEC* (pharmaceutical equipment), all of which took place during the second half. CMP Asia is

investing in several new shows to be held in Macau in 2008 and will also hold its first jewellery shows in India in 2008.

CMP Information

CMP Information's trading in the second half of the year has been good with particularly positive results from its international exhibitions such as *CPhi* (Europe, China, Japan and India, see www.cphi.com) and *Food Ingredients*, offset in part by declines in certain print titles. Within the Built Environment product portfolio, both display and classified advertising revenues are ahead of 2006, with particularly strong performances from the flagship title, *Property Week*. In the second half, CMP Information has purchased four events businesses – *Ithaca*, *Intermodal South America*, *Energy Solutions Expo* and *Decorex*, and integration of these businesses is progressing in line with plan. CMPi has also launched new shows in Abu Dhabi, Brazil and the UK, and will continue to invest in further new product development in 2008.

CMP Technology

CMP Technology's profits in 2007 will be well above those earned in 2006. CMP Technology's events continue to grow, and, with strong forward bookings, are well placed for further growth in 2008. As indicated in June, the restructuring of CMP Technology's print portfolio has had the effect of reducing revenues. During the second half of the year CMP Technology made two further acquisitions, *Semiconductor Insights* and *Portelligent*. These businesses both specialise in 'tear down' analysis of semiconductor technology-based products and have broadened the range of services and data products CMP Technology offers its growing customer base.

CMPMedica

In February 2007, UBM announced that it would take 18-24 months to restructure CMPMedica to enable the business to achieve sustainable profitable growth. CMPMedica has continued the disappointing performance noted at the half year, with a like for like decline in revenue and operating profit. In particular, its US business has been adversely affected in its pharmaceutical advertising and Continuing Medical Education markets. Elsewhere, repeat subscriptions for drug directory products, particularly Vidal in France, are strong. Bookings for the 2008 Medec event are ahead of 2007. The substantial restructuring programme announced at the half year is now under way. CMPMedica's US operations and certain European operations are being substantially reorganised, including a number of senior management changes. Restructuring costs of approximately £6m will be reported as an exceptional charge in 2007.

Commonwealth

Commonwealth's second half trading has been broadly in line with plan; however margins were slightly lower than expected. Commonwealth's workflow information products and specialist services have shown good organic growth. The integration of AIG and Official Airline Guide are both progressing in line with plan.

Return of capital and dividend policy

In February 2006 UBM indicated its intention to return more than £300m to shareholders by the end of 2007, subject to trading conditions. By the beginning of November 2007,

this target had been significantly exceeded, with a total of £405m returned by way of share buybacks and a special dividend. In November, UBM announced its further plans for return of capital and for its balance sheet structure to be implemented over the next two years. Subject to trading conditions, UBM expects to return £200m-£300m to shareholders by the end of 2009. Since the date of the announcement a further £29.6m has been returned to shareholders through the buyback of 4.39m shares.

Furthermore, the substantial corporate restructuring and development of UBM over the last two years has provided much greater predictability and visibility of the business's revenues and profitability. As a result the Board of UBM also announced in November 2007 that it intends to reduce dividend cover from its 2006 level of 2.43 times to approximately 2.0 times by the end of 2009. Taken together with planned investment in acquisitions, we expect UBM to move towards a net gearing level of around 3 times EBITDA by the end of 2009.

Sterling / US dollar exchange rate and the US economy

We have noted previously that "a 1 cent movement in the US dollar against sterling is approximately equivalent to a move in profit of around £400,000 to £500,000 in 2007". In H2 2006 the average Sterling/US dollar exchange rate was \$1.90. This will reduce comparative revenue for H2 2007 by approximately £11m and operating profit by approximately £3m.

UBM earns more than half of its profits in US dollars. Consequently movements in both the sterling / US dollar exchange rate and the macro performance of the US economy during the course of 2008 will influence UBM's 2008 trading results.

- Ends -

*UBM will announce its preliminary results for 2007 on 29 February 2008.

Conference call

A conference call for analysts and investors will be held at 9.30am today.

Dial-in details:

Participant dial-in: +44 (0)20 8609 0205, UK Freephone Number: 0800 358 2705

PIN Code: 693881#

Replay facility:

A replay facility will be available for seven days after the conference call.

Replay facility number: +44 (0)20 8609 0289, UK Freephone Number: 0800 358 2189,

Conference reference: 197206#

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Notes to Editors

1. About United Business Media plc

United Business Media Plc is a leading global business media company. We inform markets and bring the world's buyers and sellers together at events, online, in print, and with the information they need to do business successfully. We focus on serving professional commercial communities, from doctors to game developers, from journalists to jewellery traders, from farmers to pharmacists around the world. Our 5,000 staff in more than 30 countries are organised into specialist teams that serve these communities, helping them to do business and their markets to work effectively and efficiently.

For more information, go to www.unitedbusinessmedia.com.