



United Business Media

18 November 2008

Interim Management Statement

On Track to Deliver Another Year of Solid Performance

The management of United Business Media Limited today provides the following Interim statement:

UBM is on track to deliver revenues and earnings per share in line with market consensus. This will enable us to continue with our progressive dividend policy whilst maintaining a dividend cover substantially above our longer term goal of two times. Furthermore, we have maintained our strong balance sheet, having put in place additional committed facilities of £105m during the last quarter, and we expect UBM's net debt to EBITDA ratio to be close to one at the year end.

As growth in many countries becomes negative, interest rates fall and the value of sterling declines, many sectors across the global economy are experiencing difficult trading. This macro-economic background, when coupled with a substantial reduction in financing liquidity, is creating complex trading environments across most of the sectors in which we operate. However we have actively managed the UBM's businesses in anticipation of this economic environment and we have put this scenario at the centre of our business planning process. Specifically, we have held back our spend on acquisitions, delayed certain divisions to lower overhead costs, reduced head count and other operating expenses, whilst continuing to invest in large, fast-growing economies, particularly Brazil, India and China.

We have successfully repositioned the majority of our businesses away from volatile and declining areas of B2B markets, we have invested – and will continue to invest - to improve our revenue mix and to broaden our geographic footprint. Costs are under continuous review and the focus for 2009 will be on operational excellence.

2008 Performance

The trading and outlook statements below are based on trading up to the end of October 2008, together with management's current expectations for the remainder of the year.

B2B Events, Publications, Data Services and Workflow Solutions

- **UBM Technology businesses** – Profits for 2008 are expected to be well above those of 2007
- **CMP Asia** – Profits for 2008 will be ahead of 2007. Whilst the business has performed ahead of plan in China, its performance in Japan was disappointing in 2008; this is an area of continuing management focus.

- **CMPMedica** – Profits for 2008 will be ahead of 2007 as the majority of our turnaround plans have been successfully implemented.
- **CMPI** – Profits in 2008 will be below 2007 due to weakness in the UK economy and losses from new product development. The division has now been delayed into four separate business units.
- **Commonwealth** – Profits in 2008 will be ahead of 2007.
- **RISI** – Profits in 2008 will be ahead of 2007.

B2B News Distribution, Monitoring and Targeting

- **PR Newswire** - Profits in 2008 will be below 2007 due to the loss of market share in PR Newswire's US wire distribution business earlier in the year, combined with investment in the business's technology infrastructure, in sales and marketing, and in the business's expansion into new geographies, including the acquisition of full control over PR Newswire's business in China. (For details, see today's separate announcement)

Trading Environment

The impact of the current global economic slowdown on our businesses is broadly in line with our expectations, specifically:

1. Global market leading events remain resilient

Our industry-leading, large events such as Game Developer, CPhI (pharmaceutical ingredients), Black Hat (IT security), Furniture China, Interop (corporate IT), Web 2.0 Expo (web / IT) and our Asian Jewellery events have performed well in 2008, achieving double digit growth. Forward bookings for these events for 2009 indicate that they will continue to grow. However, a few of these events, such as Interiors (UK furniture), will find the economic environment difficult. In 2009 a number of our key biennial shows - such as Food Ingredients Europe and Marintec China - run, making 2009 a positive biennial year.

We anticipate that smaller secondary events and 'spot' conferences, representing around 15% of our events revenue in aggregate, will be affected by reductions in corporate "discretionary" expenditure, particularly on travel. Partly in response to this trend, we are rapidly expanding our virtual events programme.

In aggregate, we expect events to produce around 40% of our 2008 profits.

2. Data and Workflow products

Customer demand for our workflow data products, which include PIERS (import / export information & analysis), OAG (air transport), Vidal (healthcare), MIMS (healthcare), RISI (paper & pulp), ABI (UK built environment), Barbour Health and Safety (UK built environment), Semiconductor Insights (electronics), and Portelligent (electronics), continues to grow. These businesses now represent over 15% of our revenues and profits, and in aggregate continue to achieve good year over year growth. The challenge for these businesses in 2009 will be to maintain their high subscription renewal rates in the prevailing economic environment.

3. Print advertising

Display and classified recruitment advertising is down across many of the sectors in which we operate, in some cases by more than 20%. This reduction is attributable both to the

economic disruption and to an accelerated switch to digital and on-line platforms. This has affected our titles in a number of sectors, including those serving the UK built environment, the healthcare sector in France and the US, the IT channel (CRN) and electronic engineering (EE Times). We expect these market conditions to continue into 2009. However, there remain areas of strength where performance reflects a strong industry position and/or a robust sector. Examples include Information Week in the US where market share has increased from 23% to 29% and Farmers Guardian in the UK where revenues are showing year on year growth of 6%.

4. Online

Engagement rather than reach is becoming increasingly important as customers focus on outcome-based marketing. This has led to increasing demand from customers for lead generation through online “opt in” products and services and through face-to-face participation. Within our two primary online businesses serving technology markets, TechWeb and Everything Channel, online revenues are showing year on year growth of around 20%. We anticipate this growth will continue in 2009, albeit at a slower rate.

5. B2B Distribution, Monitoring and Targeting continue to grow

The markets for our products and services, including newswire distribution, multimedia releases, digital monitoring and audience targeting continue to show growth. As previously reported, we lost market share and margin in PR Newswire’s US wire distribution business as we implemented our bureaux reorganisation plan. Our new service hubs in Cleveland and Albuquerque are now fully operational and in the last two months overall market share has stabilised. Our increased investment in PR Newswire’s technology infrastructure platforms and in sales and marketing spend have resulted in significant new customer gains, particularly among SMEs. We have also grown our businesses and market share at MultiVu, our online video distribution business, at Vintage Filings and at MEDIAtlas. Taken together, these businesses now contribute over \$50m of revenue. However the growth in these businesses has changed our revenue mix, reducing overall margins. We are increasing our investment in new markets in Brazil, China, Dubai, India and Mexico both by acquisition and by organic expansion. The financial performance in these countries is in line with our plans, but again is serving to dilute the business’s overall margins. PR Newswire will contribute around 25% of our expected 2008 profits.

Management actions

In the context of this complex economic and financial background we have taken decisive action to:-

- continue to de-layer our organisation to create smaller, more agile operating units that have lower costs and which are better able to serve their communities, including:
 - o the delayering of CMP Technology in February 2008 into four business units; TechWeb, Think Services, Everything Channel and Tech Insights, resulting in a \$7m saving;
 - o the delayering of CMPi in June 2008 into UBM Built Environment, UBM Live Media, UBM International Media and BEAM, resulting in a £2.8m saving.
- reduce headcount by removing capacity in areas where there is no clear path to sustainable profitability. This has been achieved by closing titles, reducing frequency and by redirecting resources to profitable areas, for example, within UBM Built Environment in the UK, which will experience a decrease in profits in 2008, principally from its print titles,

of over £4m. During the second half of 2008 we will have reduced our global headcount across UBM by around 300 people.

- hold back acquisition spend, particularly in the last 12 months. We have spent £35m on acquisitions in 2008 and this investment is producing a return well above our 8% post-tax cost of capital threshold. Many media assets have been purchased at overvalued prices; we have chosen not to participate in numerous auctions. We have maintained our strong balance sheet and we have increased our available financing. We anticipate that we will be well placed to take advantage of acquisition opportunities arising from the wider economic and capital structure dislocations in our industry.
- increase our investment in large, fast-growing economies, particularly Brazil, India and China, through acquisitions (see today's announcement concerning PR Newswire China) and through geo-cloning our successful event brands, such as CPhI (pharmaceutical ingredients), IFSEC (Security), Food Ingredients and Game Developer.

Balance sheet remains strong

We have increased the amount of financing available to UBM by arranging two new committed facilities totalling £105m. Operating cash flow has been strong. We have not repurchased any shares in 2008, preferring instead to assess the opportunities to create value for Shareholders from acquisitions and from investing in the BIC economies. Although our net debt at year end will depend on the £/\$ exchange rate, we expect the net debt to EBITDA ratio to be close to one.

Tax

In common with a number of other companies, we have relocated UBM's tax domicile outside the UK, in UBM's case to Eire. This change will provide us with greater certainty both of the level of future tax charges and of our effective tax rate. In the future, profits earned in the UK are likely to represent only 10% to 15% of UBM's global profits. As previously disclosed, UBM is in dispute with HRMC with regards to a technical matter in relation to the sale of Regional Newspapers in 1998. We have recently been refused leave to appeal to the House of Lords on this matter. However the dispute with HRMC remains ongoing, both in terms of technical arguments and in terms of valuation issues.

Foreign Exchange

Over the last three years, through a combination of acquisitions, investment and disposals, UBM has significantly expanded its business outside of the UK, as a consequence less than 15% of UBM's profits are earned in sterling. The exchange rates for translating 2008 profits are approximately US\$1.86 and €1.27, these are significantly above the current spot rates of US\$1.48 and €1.19. A one cent strengthening of the US\$ is expected to increase 2009 profits by around £500,000, and a one cent strengthening of the € by around £100,000.

Next trading update

United Business Media will issue a further trading update on 12 December 2008 in advance of announcing Preliminary results for the twelve months to 31 December 2008 on 3 March 2009.

David Levin, Chief Executive Officer of United Business Media Limited said:

“Our strategy remains focused on the development and servicing of professional and commercial communities worldwide. We have anticipated challenging economic times and are actively managing our operational costs but we remain on the lookout for opportunities to continue the development of our business. Costs are under continual review and the focus for 2009 is operational excellence.”

- Ends -

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Notes to Editors

About United Business Media Limited

United Business Media Limited 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 dealers, from farmers to pharmacists around the world. Our 6,500 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.