



Embargoed until 7am

1 March 2011

## Solid results - Investing for growth

Results for the Year Ended 31 December 2010

- Headline revenue growth of 4.9% – underlying revenue growth of 5.6%
- Adjusted operating profit broadly flat at £171.8m reflecting higher investment in new product development, sales and IT
- Adjusted EPS of 51.0p per share (2009: 55.1p)
- Final dividend of 19.0p to give full year dividend of 25.0p (2009: 24.2p) up 3.3%
- Emerging Markets<sup>(a)</sup> now 28.6% of total adjusted operating profit, up 20.6%
- Acquisition strategy continues: 22 acquisitions with £258.0m invested during the year
- Canon integration on track; business performing well
- Cash generated from operations up 8.4% to £154.7m
- Comfortable debt maturity profile following successful \$350m bond issue

David Levin, UBM's Chief Executive Officer, commented:

“UBM has delivered a robust performance in 2010 achieving 4.9% headline revenue growth, bolstered by 20% growth in our largest Emerging Markets of China, India and Brazil which now account for a quarter of our adjusted operating profit. Our consistent strategy of developing products in winning formats, targeting attractive business communities in growing geographies, provides us with a good platform for growth. We are investing in our people, our products and services and, in addition, we made 22 acquisitions during 2010 which have strengthened our offering and geographic reach. Initial trading in 2011 is encouraging and we are cautiously optimistic about our results for the full year.”

Business performance	Full Year 2010	Full Year 2009	Change %	Change at CC %	Underlying Change <sup>(b)</sup> %
Revenue	£889.2m	£847.6m	4.9	4.5	5.6
Adjusted operating profit <sup>(c)</sup>	£171.8m	£171.2m	0.4	(0.5)	1.2
<i>Adjusted operating profit margin<sup>(e)</sup></i>	<i>19.3%</i>	<i>20.2%</i>	<i>(0.9)%pt</i>		
Adjusted EBITDA	£188.2m	£184.4m	2.1		
Adjusted PBT	£156.4m	£165.1m	(5.3)		
Adjusted EPS <sup>(d)</sup>	51.0p	55.1p	(7.4)		
Dividend per share	25.0p	24.2p	3.3		
Cash generated from Operations	£154.7m	£142.7m	8.4		

IFRS Statutory results	Full Year 2010	Full Year 2009	Change %
Revenue	£889.2m	£847.6m	4.9
Operating profit/(loss)	£132.3m	£(25.8)m	
Profit after tax	£99.4m	£81.8m	21.5
EPS	37.3p	30.9p	20.7
No. of shares in issue	243,400k	243,078k	
Net Debt	£484.6m	£226.4m	

## Operational Highlights

### **Robust performance in Events (34.8% of UBM revenue and 54.4% of UBM adjusted operating profit<sup>(c)</sup>)**

- Reported revenue growth of 7.8% with underlying revenues up 12.2%
- Strong margin<sup>(e)</sup> of 30.2% (2009: 30.3%) despite dilutive effects of biennial cycle and new launches
- £4m of revenue from new 2010 launches worldwide – breakeven in aggregate
- Four new geo-cloned exhibitions launched in India, China, Abu Dhabi and the US
- Nine events-related acquisitions contributing £16.3m to 2010 revenues – c£49.5m pro forma 2010
- Forward bookings for our 2009 Top 20 events are up 18.3% with higher confidence resulting in earlier bookings
- Good visibility: current forward bookings for 2009 Top 20 events represents 59.7% of their 2010 revenues

### **Resilient Targeting, Distribution & Monitoring (“TD&M”) revenue performance (20.4% of UBM revenues and 24.5% of UBM adjusted operating profit<sup>(c)</sup>)**

- Reported revenue growth of 12.3% at PR Newswire group, with underlying revenues up 5.6%
- Resilient US wire performance (+2.9%) with consistently solid margins
- Positive US non-wire revenue performance (+21.4%) as well as international growth (+18.8%)
- Margin<sup>(e)</sup> of 23.2% (2009: 27.8%) reflecting revenue mix and investment in new products, IT infrastructure and significantly enhanced sales force
- Five acquisitions bolster Emerging Markets exposure and enhance TD&M’s product offering
- 2011: Continued investment in IT infrastructure, sales force and new product development

### **Solid revenue performance in Data Services (“DS”) (20.8% of UBM revenues and 19.8% of UBM adjusted operating profit<sup>(c)</sup>)**

- Reported revenue growth of 3.1%
- Underlying revenue growth of 3.5% principally driven by improvements in sales to the electronics industry
- Margin<sup>(e)</sup> of 18.5% (2009: 20.8%) largely reflecting investment to expand the business into Emerging Markets plus some margin dilution from product mix
- Print data to online conversion continues with online and service revenues now 66.7% of total DS (2009: 61.4%)
- 2011: Continuing investment into new products, core database development as well as geographic expansion

### **Good revenue growth in Online - Marketing services (“Online”) (7.8% of UBM revenues and 0.8% of UBM adjusted operating profit<sup>(c)</sup>)**

- Improving advertising trends and innovations driving reported revenue growth of 28.6%
- Underlying growth of 20.2% driven principally by higher sales in the technology sector given improvements in that sector’s trading environment and UBM product innovations
- Significant investment in new products, notably virtual events – 103 virtual events hosted during 2010 (2009: 38) for communities in North America, Asia and Europe

## **Consistent Print – Magazines (“Print”) portfolio management delivering improved profit (16.2% of UBM revenues and 5.8% of UBM adjusted operating profit<sup>(c)</sup>)**

- Reported revenues declined 13.1% - driven in part by closure of 13 titles during 2010
- Underlying revenues (which exclude c£18.0m of pro-forma Canon) declined 8.1%
- c.12.9% decline including Canon pro-forma
- Margin<sup>(e)</sup> improvement to 6.9% (2009: 5.4%) reflecting cost rationalisation and title closures
- Systematic review of portfolio of titles continues
- Combined online and print revenues declined 2.9% while combined margin<sup>(e)</sup> improved to 5.3% (2009: 4.3%)

## **Strategic progress**

Our consistent strategy of developing products in winning formats, targeting attractive business communities in growing geographies, provides us with a good platform for growth. It is worth noting that our Emerging Markets<sup>(a)</sup> revenues grew 17.6% during 2010 and now account for 18.7% of UBM's revenues (2009: 16.7%) and 28.6% of total adjusted operating profit<sup>(c)</sup> (2009: 23.8%).

We have maintained our consistent strategy of building the business through organic development and acquisition. Initiatives to strengthen UBM's foundations have included; launching the 'GEM' best practice initiative during the year; investing in our technology, new product development and the sales force of our Targeting, Distribution and Monitoring (“TD&M”) business; strengthening Data Services (“DS”) through new products, core database development and geographic expansion; and, enhancing our Online - Marketing Services (“Online”), particularly in virtual events. Meanwhile our strategy of managing the contraction of the Print – Magazines (“Print”) business continues, with the portfolio now contributing just 16.2% of UBM's revenues and 5.8% of adjusted operating profits (2009: 19.6% and 5.2% respectively).

During the year we acquired full control or majority interests in 22 businesses for an aggregate consideration of £258.0m. The most notable of these was Canon Communications which provides UBM with market-leading media brands serving the medical device design and advanced manufacturing industry. Canon brings geographically diverse revenues from a community which is complementary to our existing electronics industry presence, and its events portfolio also provides an attractive base for geo-cloning. This acquisition and eight others have increased our exposure to the attractive events industry – which now accounts for 54.4% of UBM's adjusted operating profit (2009: 50.9%) – while the remaining 13 acquisitions have further strengthened the offerings and geographic reach of our TD&M, DS and Online businesses.

## **Outlook**

We expect the improved quality and shape of the business to result in sustained underlying revenue growth during 2011 broadly in line with that enjoyed in 2010. Overall we anticipate continued growth in profit largely driven by a full year of contribution from our acquisitions and continued momentum in our Events business tempered by targeted investment in Data Services, TD&M and Online.

Please see the Segmental review below for an Outlook for each of UBM's business segments.

Throughout this announcement:

- (a) Emerging Markets constituents are the non-G10 countries – most notably for UBM: China, Brazil, India, Thailand, Singapore, Indonesia, Malaysia, Philippines, Mexico and UAE.
- (b) Where quoted, underlying growth rates exclude currency movements, discontinued revenues, revenues from acquisitions and biennial events
- (c) Adjusted operating profit represents operating profit excluding amortisation of intangible assets arising on acquisitions, exceptional items and share of taxation on profit from joint ventures and associates.
- (d) Adjusted earnings per share is before amortisation of intangible assets arising on acquisitions, certain exceptional items, deferred tax on intangible assets, taxation relating to exceptional items and net financing expense – other.
- (e) All references to margin are on the adjusted operating profit basis (as defined above) – additional information on these measures has been provided after the CEO Review.

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UBM will be hosting an analyst and investor presentation at 9am at the London Stock Exchange. A live webcast of the results presentation will be made available from UBM's website from around 9.00am, 1 March 2011. To access the webcast please go to [www.ubm.com](http://www.ubm.com).

An on demand recording of the webcast will also be accessible from UBM's website, [www.ubm.com](http://www.ubm.com) after midday.

## Notes to Editors

### About UBM

UBM focuses on two principal activities: worldwide information distribution, targeting and monitoring; and the development and monetisation of B2B communities and markets. UBM's businesses inform markets and serve professional commercial communities - from doctors to game developers, from journalists to jewellery traders, from farmers to pharmacists – with integrated events, online, print and business information products. Our 6,000 staff in more than 30 countries are organised into specialist teams that serve these communities, bringing buyers and sellers together, helping them to do business and their markets to work effectively and efficiently.

For more information, go to [www.ubm.com](http://www.ubm.com)

## CEO Operational Review

£m	Full Year 2010	Full Year 2009	Change %	Change at CC %	Underlying Change* %
<b>Revenue</b>					
Events	310.0	287.5	7.8	7.0	12.2
Targeting, Distribution & Monitoring	181.2	161.4	12.3	9.0	5.6
Data Services	184.7	179.1	3.1	3.8	3.5
Online – Marketing services	69.2	53.8	28.6	27.6	20.2
<i>Data Services &amp; Online combined</i>	<i>253.9</i>	<i>232.9</i>	<i>9.0</i>		
Print – Magazines	144.1	165.8	(13.1)	(11.5)	(8.1)
<b>Total Revenue</b>	<b>889.2</b>	<b>847.6</b>	<b>4.9</b>	<b>4.5</b>	<b>5.6</b>
<b>Adjusted Operating Profit**</b>					
Events	93.5	87.2	7.2	6.2	12.0
Targeting, Distribution & Monitoring	42.1	44.8	(6.0)	(8.9)	(9.0)
Data Services	34.1	37.3	(8.6)	(7.1)	(5.8)
Online – Marketing services	1.3	0.6	116.7	96.1	(144.0)
<i>Data Services &amp; Online combined</i>	<i>35.4</i>	<i>37.9</i>	<i>(6.6)</i>		
Print – Magazines	10.0	8.9	12.4	15.8	28.4
Net Corporate costs	(9.2)	(7.6)	20.2	20.2	-
<b>Total Adjusted Operating Profit**</b>	<b>171.8</b>	<b>171.2</b>	<b>0.4</b>	<b>(0.5)</b>	<b>1.2</b>
<b>Adjusted Operating Profit** Margin</b>					
Events	30.2%	30.3%	(0.1)%pt		
Targeting, Distribution & Monitoring	23.2%	27.8%	(4.6)%pt		
Data Services	18.5%	20.8%	(2.3)%pt		
Online – Marketing services	1.9%	1.1%	0.8%pt		
Print – Magazines	6.9%	5.4%	1.5%pt		
<b>Total Adjusted Operating Profit** Margin</b>	<b>19.3%</b>	<b>20.2%</b>	<b>(0.9)%pt</b>		

\* Underlying growth rates exclude currency movements, portfolio changes and biennial events.

\*\* Adjusted operating profit is operating profit excluding amortisation of intangible assets arising on acquisitions, exceptional items and share of taxation on profit from joint ventures and associates. All references to margin are on this adjusted operating profit basis.

We are encouraged by the progress of our Events business which, notwithstanding the anticipated lower “even” year biennial revenue contribution, showed 7.8% revenue growth and a solid margin performance. The strength of our events brands has enabled us to capitalise on the gradually improving trends in corporate spending while the operational performance of the business has continued to develop. We held over 300 events in 21 countries during the year and launched four new geo-cloned events in India, China, Abu Dhabi and the US. We have also continued to enhance best practice across our entire event portfolio through our “GEM” initiative launched in June 2010.

The other important driver for events has been the continuation of our successful acquisition strategy. Today we have announced the acquisition of two leading events in India which will further strengthen our position as one of the leading commercial organisers in that country. During 2010 UBM bought outright or acquired major positions in nine event-related businesses. The most notable of these was Canon Communications, acquired for £182.9m, which is performing well and will deliver on planned geo-cloning opportunities, most notably in Brazil and India. Other events related acquisitions have provided us with further exposure to the attractive Emerging Markets<sup>(a)</sup> (which accounted for 38.7% of 2010 total events revenues), strengthened our offering to an existing community or provided access to a community we think has natural growth potential or geo-cloning opportunities.

PR Newswire, our Targeting, Distribution and Monitoring (“TD&M”) business revenues grew by 12.3% during 2010. Our US wire business saw resilient revenue growth of 2.9% with continued solid

margins, while our strategy of diversifying the revenue base is delivering strong growth in non-wire US products (including products such as multimedia news releases, where we believe we are the market leader in the US, and filing services) which grew by 21.4% and in our international business which expanded by 18.8%. During the year we successfully migrated the business's 600+ servers to an outsourced provider, substantially enhancing the robustness of the platform and providing a secure foundation for future development. This investment in IT infrastructure, the development of new products and services and the enhancement of the sales teams, coupled with product mix dilution resulted in a 4.6 percentage point decline in the margin. We also acquired five businesses which enhance the geographic reach of our PR Newswire business.

Data Services ("DS") has seen improving top line trends with revenues up 3.1%, largely driven by a good performance in products and services for the technology community. We are making good progress in migrating our print data products to the online environment with online data and service revenues now accounting for 66.7% of total DS revenues (2009: 61.4%). We are investing in the development of new products such as; trading platforms for our shipping database business; expanding our aviation cargo database; a new analytics tool for the paper industry; as well as expanding our offering geographically, particularly in Asia. This investment in DS combined with the shift in product mix resulted in the overall DS margin declining from 20.8% to 18.5%. We also made £9.0m of DS related acquisitions to bolster specific opportunities in the import/export community, maritime industry, UK Built Environment and Chinese paper industry.

The fastest revenue growth has been in our Online – Marketing Services ("Online") segment where revenues rose 28.6%, principally due to increased revenues from the Technology community where the marketing budget environment is improving and we are offering an enhanced product range with improved client engagement. Our most significant investment has been in virtual events which, rather than cannibalising the live events, are proving a complementary revenue stream that helps strengthen the associated brands. During 2010 we ran 103 virtual events worldwide, investing operating expenditure in developing this area. Enhancements in our key online brands, such as Information Week, coupled with product innovations are also having positive revenue effects and receiving recognition through industry awards.

Print – Magazines ("Print") revenues fell 13.1% during the year and now accounts for only 16.2% of UBM's total revenues. In line with our established strategy we have continued to manage our print magazine portfolio towards a smaller, more profitable and commercially sustainable set of titles, as evidenced by a 1.5 percent point increase in the margin in 2010. Adjusted operating profit for Print rose to £10.0m (2009: £8.9m). As we further rationalise our portfolio of titles we expect that in time our continuing print titles will form part of an integrated "Online and Print – Marketing Services" offering and growth will be driven by our ability to engage with an audience through a variety of channels including, more recently, mobile. It is worth noting that the combined revenues of Online and Print declined 2.9% in 2010 while combined margin improved to 5.3% (2009: 4.3%).

Total adjusted operating profits for UBM were broadly flat at £171.8m – this was owing to the operational investments in TD&M, DS and Online plus a small increase in net corporate costs. Gross corporate costs remained constant at £15.6m (2009: £15.5m) but were offset by lower sundry corporate income of £6.4m (2009: £7.9m). In 2011 we expect the gross corporate costs to increase slightly while the level of sundry corporate income continues to decline.

Finally, given the strategic emphasis we are placing on growth markets it is worth noting that 18.7% of 2010 total revenues are now generated in Emerging Markets<sup>(a)</sup>. During the year these revenues grew 17.6% with an increasing presence in both India and South America. In our largest Emerging Market of China (which now accounts for 12.6% of total revenues) we appointed Philip Chapnick, formerly CEO of our Think Services business, as Group Chief Representative in Beijing to manage and coordinate our overall Chinese relationships.

## EVENTS

	Full Year	Full Year	Change	Change at	Underlying
£m	2010	2009	%	CC	Change*
				%	%
Annual Events Revenue	290.2	257.7	12.6	11.7	12.2
Biennial Events Revenue	19.8	29.8	(33.6)	(33.8)	n/a
<b>Total Revenue</b>	<b>310.0</b>	<b>287.5</b>	<b>7.8</b>	<b>7.0</b>	<b>12.2</b>
<b>Total Adjusted Operating Profit**</b>	<b>93.5</b>	<b>87.2</b>	<b>7.2</b>	<b>6.2</b>	<b>12.0</b>
<b>Total Adjusted Operating Profit** Margin</b>	<b>30.2%</b>	<b>30.3%</b>	<b>(0.1)%pt</b>		

\* Underlying growth rates exclude currency movements, portfolio changes and biennial events.

\*\* Adjusted operating profit is operating profit excluding amortisation of intangible assets arising on acquisitions, exceptional items and share of taxation on profit from joint ventures and associates. All references to margin are on this adjusted operating profit basis.

We are encouraged by the progress of our Events business which, following good growth in revenues and a solid margin performance, now accounts for 34.8% of UBM's revenues (2009: 33.9%) and 54.4% of total adjusted operating profit (2009: 50.9%).

Over the course of the year we hosted over 300 events, including: 198 tradeshows, 78 conferences and 23 awards in 21 different countries (2009: over 300 events in 17 countries). In keeping with our strategy of increasing our emphasis on high growth countries this included six new exhibitions in India, two in China, one in Brazil and one in the Middle East. Three of these events were geo-clones into China, India and Abu Dhabi (while a fourth was geo-cloned in the US). We acquired nine further events businesses while discontinuing certain others (£19.3m of 2009 revenues have now been discontinued or sold).

A total of 36,900 exhibitors attended our annual events during the year (2009: 37,300) with square meters for our annual portfolio rising 3.3% to 925,200 and overall visitor numbers remaining broadly flat (1,220,000 vs. 1,207,000) despite discontinuing or selling a small number of paid attendee events.

Total reported revenues for events grew by 7.8% over the year to £310.0m (2009: £287.5m) impacted by a lower biennial contribution. In 2010 we hosted 16 biennial events (2009: 12 events) which contributed £19.8m of revenue. Although these exhibited 3.1% constant currency revenue growth over their 2008 editions, overall biennial revenue fell £10.0m year on year reflecting the portfolio difference between the "odd" and "even" year events. Annual event revenues grew 12.6% to £290.2m (2009: £257.7m) reflecting the improvements in the quality of the event portfolio – stand revenues rose 10.2% to £193.9m (2009: £175.9m), attendee revenues were up 24.1% to £36.8m (2009: £29.7m) and Sponsorship and other revenues rose 14.2% to £59.5m (2009: £52.1m).

During 2010 we invested a total of £229.4m buying outright or acquiring majority interests in nine events related businesses, which have already contributed £16.3m to the 2010 reported events revenue. Had they all been owned since 1 January 2010 they would have contributed approximately a further £33.2m. The most high profile acquisition was of Canon Communications while our other acquisitions provide UBM with greater exposure to Emerging Markets or to attractive high growth communities. For example the World Routes Development Forum provides UBM with a leading scheduling event in the aviation calendar while the Sign China tradeshow provides good exposure to this high growth outdoor advertising sector in an Emerging Market economy and both events now feature among our Top 20 shows. Other notable acquisitions include the Shanghai international Children-Baby-Maternity Products Expo ("CBME") and the Navalshore tradeshow and Concrete Show South America in Brazil. Since the year end we have also completed our first acquisition in Turkey, of a 65% interest in Rotaforte, the country's largest jewellery event organiser.

On an underlying basis revenues grew 12.2% during the year. This figure represents the constant currency ("CC") organic growth of our continuing annual events portfolio (stripping out biennials, discontinued activity and acquired businesses). Approximately 1.7 %pts of this increase reflects new

launches while the remainder is attributable to improvements in the events industry more generally. Of our top 20 trade shows that we owned in both 2009 and 2010, these showed revenue growth of 5.8% during the year – with our H1 events declining 2.0%, while our H2 shows exhibited 13.1% growth.

£m	Full Year 2010	Full Year 2009	Change %	Change at CC %	Underlying Change* %
<b>Annual Events Revenue</b>					
<i>Emerging Markets<sup>(a)</sup></i>	116.0	87.2	33.0	31.1	26.3
<i>N. America</i>	80.0	74.4	7.5	6.8	4.9
<i>UK</i>	48.2	49.7	(3.0)	(3.0)	2.2
<i>Europe</i>	35.1	33.2	5.7	5.9	8.1
<i>RoW<sup>(b)</sup></i>	10.9	13.2	(17.4)	(18.8)	5.8
<b>Annual Events Revenue</b>	<b>290.2</b>	<b>257.7</b>	<b>12.6</b>	<b>11.7</b>	<b>12.2</b>

\* Underlying growth rates exclude currency movements, portfolio changes and biennial events.

a) *Emerging Markets constituents are the non-G10 countries – most notably for UBM: China, Brazil, India, Thailand, Singapore, Indonesia, Malaysia, Philippines, Mexico and UAE*

b) *RoW denotes UBM's event revenues from Japan*

The table above shows the annual event revenues split by geography. Emerging Markets now account for 40.0% of our annual event revenues having risen 33.0% during the year. This increase was largely driven by acquisitions, most notably Sign China and CBME, new launches and good growth in our largest events. We ran our first ever events in the year in Vietnam and Indonesia and approved a plan to expand our ASEAN business. Underlying revenues for the region were up 26.3%.

The positive North American performance has been driven by the contribution of the acquired World Routes and Canon tradeshow, cyclical recovery of our technology events and three new exhibitions. On an underlying basis North American annual event revenues rose 4.9%, driven in particular by significant growth in attendee revenues from our Black Hat (IT security) event in July and other technology events. It is worth noting that had we owned the Canon and DesignCon businesses from 1 January 2010 they would have contributed approximately a further £23.4m to North American annual event revenues.

Revenues from our UK annual events fell 3.0% with the incremental revenue from the E Commerce Expo acquisition, positive performances at certain (largely H2 weighted) events and incremental revenues from new events, more than offset by disappointing early year performances, particularly at IFSEC and Interiors Birmingham both of which have been impacted by the continued pressure on the construction sector, and the decision to discontinue various events. Underlying UK annual event revenues rose 2.2%.

European annual revenues rose 5.7% largely because of a strong performance at ICSE and a good performance at CPhI Worldwide. On an underlying basis revenues rose 8.1% reflecting the influence of the two largest events on our European annual portfolio. The rest of world revenues refer to Japan, which has seen a 17.4% decline in annual revenues largely driven by discontinued/sold events. When excluded, underlying annual revenues grew by 5.8%.

Adjusted operating profit rose 7.2% to £93.5m (2009: £87.2m) with a broadly flat operating margin of 30.2% (2009: 30.3%). We are continuing to grow the business through a programme of investment into geo-clones and new launches which dilutes the overall margin, added to which, in aggregate, our “even” year biennial shows have a lower margin than “odd” years.

## Outlook

We expect that our Events segment will show continued good growth through 2011, which will include a full year contribution from Canon and other events acquisitions, as well as our odd year biennial shows. We are encouraged by booking trends – as at 31 January 2011 forward bookings for our 2009 Top 20 Events were up 18.3% relative to their levels a year ago, reflecting not only underlying

growth but also significantly increased business confidence and consequently earlier booking commitments. Based on current trading, market conditions and forward booking trends, we expect underlying growth across the portfolio to continue, albeit at a slower pace than in 2010 which reflected cyclical recovery trends through the year and, in particular, a sharp pickup in paid attendee revenues from the low of 2009. We expect year on year comparisons will become increasingly challenging as 2011 progresses given the timing of improvement in these markets during 2010.

We expect good margins from our 2011 biennial events (which mainly occur in the second half of the year). However, their positive impact on the total Events margin is expected to be less pronounced than usual, partly because growth in annual event revenues will dilute the relative impact of biennials, and partly as we continue to invest in the development of new markets and events.

## TARGETING, DISTRIBUTION & MONITORING

£m	Full Year 2010	Full Year 2009	Change %	Change at CC %	Underlying Change* %
<b>Revenue</b>					
<i>US wire products</i>	75.4	73.3	2.9	1.3	1.3
<i>US non-wire products</i>	52.7	43.4	21.4	19.6	12.7
<i>PR Newswire Europe</i>	13.5	12.2	10.7	10.8	4.7
<i>Other</i>	39.6	32.5	21.8	11.2	5.6
<b>Total Revenue</b>	<b>181.2</b>	<b>161.4</b>	<b>12.3</b>	<b>9.0</b>	<b>5.6</b>
<b>Total Adjusted Operating Profit**</b>	<b>42.1</b>	<b>44.8</b>	<b>(6.0)</b>	<b>(8.9)</b>	<b>(9.0)</b>
<b>Total Adjusted Operating Profit Margin**</b>	<b>23.2%</b>	<b>27.8%</b>	<b>(4.6)%pt</b>		

\* Underlying growth rates exclude currency movements and portfolio changes.

\*\* Adjusted operating profit is operating profit excluding amortisation of intangible assets arising on acquisitions, exceptional items and share of taxation on profit from joint ventures and associates. All references to margin are on this adjusted operating profit basis.

PR Newswire, our TD&M business made good progress in 2010. The business showed headline revenue growth of 12.3% to £181.2m (2009: £161.4m), part of which was currency appreciation and on a constant currency basis, revenues grew by 9.0%.

Our US wire business showed a resilient performance with revenues increasing 2.9% to £75.4m reflecting generally higher levels of corporate and marketing activity. The number of wire releases we distributed in 2010 in the US (on behalf of US and international customers) grew 4.4% to 190,700. We estimate that overall press release volumes in the US increased approximately 9.6%, with some smaller competitors gaining traction, principally with the small and medium sized enterprises. In response to this we have recently launched iReach, a streamlined lower cost distribution platform aimed at smaller businesses.

Our non-wire US products exhibited 21.4% growth to deliver £52.7m of revenues, driven by particularly strong performances at MultiVu (our multi-media new release ("MNR") production and distribution platform), from managing an increasing number of corporate and IR websites and from Vintage (our filing and printing service). Statistics for 2010 suggest we are the leader in the US MNR market, and we believe the business is well positioned to benefit from the growing popularity of MNRs as well as the increasingly widespread use of multimedia content as part of standard corporate communications practice.

We have continued to make progress in diversifying our geographic revenue base. Our non US revenues rose 18.8% to £53.1m and now account for 29.3% of total TD&M revenues (2009: 27.7%). PR Newswire Europe revenues rose 10.7% to £13.5m, principally driven by UK wire growth. Revenues generated in the other PR Newswire businesses grew 21.8% to £39.6m driven by currency appreciation, an improving wire performance in Asia and Latin America and the increasing popularity of MultiVu. The Corporate360 acquisition further bolsters our multimedia offering to Asian businesses, particularly for corporate webcasting.

During the year we strengthened PR Newswire by spending £14.3m on acquiring five complementary businesses, which contributed £2.9m of revenues to 2010, and would have contributed approximately a further £4.1m had we owned them since 1<sup>st</sup> January 2010. These acquisitions improve our international reach: Hors Antenne provides a high quality French database of contacts, Corporate360 is a Hong Kong based company which provides webcasting solutions for Asian businesses, DNA-13 allows our Canadian Newswire business to build upon its workflow solution for PR professionals, while the purchases of the remaining interests in PR Newswire do Brasil and PR Newswire Argentina enable us to capture the full upside of growth in these Emerging Markets. Excluding these acquisitions and currency impact, total underlying revenues rose 5.6% during the year.

Adjusted operating profit for TD&M fell 6.0% to £42.1m with a margin of 23.2% (2009: 27.8%). Our core US wire margins remain robust and this decline partially reflects the growth in our newer lower margin non US wire products, the integration of our acquisitions which given their small scale are also currently lower margin, as well as a significant step up in investment in the business. During the year we enhanced our IT by outsourcing our significant (600+) server infrastructure to a third party provider. This has not only improved the robustness and reliability of the platform but has improved our IT flexibility, and we are beginning to create a virtualised infrastructure based on cloud technology. We have also invested in marketing - increasing the number of personnel at the management level, "in the field" and in our call centres not only to drive wire product sales but also promote sales of our newer products such as MultiVu and Vintage. Given the broadening product offering we are investing in further development of our sales force and improving the CRM and database tools used to support their activities. A number of new products have been launched – most notably iReach and ProfNet Connect. Higher levels of capital expenditure of £7.6m (2009: £5.6m) to support our flagship press release platform and various new product developments have resulted in increased depreciation.

## **Outlook**

The outlook for revenue growth at PR Newswire is positive, with a return to solid economic expansion in the US underpinning our growth outlook in US wire and US non-wire revenues (particularly in our Vintage filings and financial printing services) complemented by solid growth in Europe and continued rapid expansion in Latin America and Asia. We are also encouraged by our progress in new product development, and expect these to begin to have an impact later in the year.

Operating profit margin at PR Newswire will continue to reflect the stepped up costs of its reinforced IT infrastructure and expenditure in the development of our editorial and sales teams and product development, as well as the lower contribution margin of Vintage. We expect the overall margin to be slightly ahead of the margin of the second half of 2010.

## DATA SERVICES

£m	Full Year 2010	Full Year 2009	Change %	Change at CC %	Underlying Change* %
<b>Revenue</b>					
Subscription & listing fees	117.2	115.1	1.8	2.8	
Consulting, content & training	49.8	42.0	18.6	17.3	
Advertising	17.7	21.9	(19.2)	(17.6)	
<b>Total Revenue</b>	<b>184.7</b>	<b>179.1</b>	<b>3.1</b>	<b>3.8</b>	<b>3.5</b>
<b>Total Adjusted Operating Profit**</b>	<b>34.1</b>	<b>37.3</b>	<b>(8.6)</b>	<b>(7.1)</b>	<b>(5.8)</b>
<b>Total Adjusted Operating Profit Margin**</b>	<b>18.5%</b>	<b>20.8%</b>	<b>(2.3)%pt</b>		

\* Underlying growth rates exclude currency movements and portfolio changes.

\*\* Adjusted operating profit is operating profit excluding amortisation of intangible assets arising on acquisitions, exceptional items and share of taxation on profit from joint ventures and associates. All references to margin are on this adjusted operating profit basis.

Data Services has seen improving performance during 2010 with revenues up 3.1% to £184.7m (2009: £179.1m). Underlying revenues rose 3.5% overall. Our core products and services are progressing well, particularly the mix of revenues and managing the migration from print data to online, while investment in new products and our core data sets is positioning us for future growth. As the table demonstrates there has been a significant variation in performance between the different types of revenue stream.

Subscription and listing fees grew 1.8% to £117.2m with the good performance of digital healthcare subscription products such as MIMS digital product in Asia/Pacific and Vidal Integrated Data Services (IDS), more than offsetting declines in the majority of print data products. It is worth noting that print related products now only account for 33.3% of total DS revenues, 5.3 percentage points less than in 2009. Consulting, content and training provide the second largest category of revenues and these rose 18.6% to £49.8m. This uplift was principally driven through our services to the Technology community, most notably by our UBM TechInsights business which is an increasingly high profile player in the electronics and semiconductor intellectual property market. Margins in this category tend to be somewhat below those in the pure data parts of the business and therefore its growth had a dilutive impact on the overall DS margin. Advertising revenues fell 19.2% to £17.7m with the majority of the shortfall in print advertising due to the Health and Trade & Transport communities, including the US rail print directories.

£1.5m of the total revenue growth is attributable to the five DS acquisitions made during the year which, if acquired at 1 January 2010, would have contributed approximately a further £2.3m of revenues. SharedVue provides marketing automation software for technology manufacturers, CenTradeX provides market intelligence tools for the global import/export community and has been fully integrated into the core PIERS offerings, the start-up JOC Exchange provides a trading platform for maritime transport container shipping capacity and has now signed its first customers, while Lead in Research provides a rich data set for our UK-based Built Environment business.

Geographically, DS activity remains weighted towards the North American and European markets - Emerging Markets currently account for only 10.5% of total DS revenues (2009: 10.6%). We continue to explore ways to increase this presence either through leveraging our current data sets (for example taking our Spanish and Portuguese healthcare services into Latin America) or acquiring complementary businesses in the region. In keeping with this strategy our fifth acquisition, UM Paper, is a Chinese paper pricing and intelligence business and we are working to expand our Data Services presence in these markets.

<b>£m</b>	<b>Full Year 2010</b>	<b>Full Year 2009</b>	<b>Change %</b>	<b>Change at CC %</b>	<b>Underlying Change %</b>
<b>Revenue</b>					
<i>Health</i>	70.4	69.4	1.4	5.3	3.2
<i>Technology &amp; IP</i>	43.7	37.0	18.1	16.6	14.6
<i>Trade &amp; Transport</i>	43.0	46.3	(7.1)	(8.5)	(5.1)
<i>Paper</i>	13.5	13.0	3.8	2.4	2.1
<i>Built Environment</i>	12.7	12.6	0.8	0.4	0.0
<i>Other</i>	1.4	0.8	75.0	89.3	89.3
<b>Total DS Revenue</b>	<b>184.7</b>	<b>179.1</b>	<b>3.1</b>	<b>3.8</b>	<b>3.5</b>

The table above highlights how the performance of our DS products and services vary between different communities. The revenues from Health rose 1.4% to £70.4m reflecting growth in our online data products and Emerging Markets, partially offset by declines in our print directory businesses and negative currency movements. Our Technology & IP related revenues grew 18.1% to £43.7m with over half the increase attributable to growth in UBM TechInsights. This business has benefitted from the ongoing mobile devices technology race and general improvements in the health of the electronics and semiconductor industry. The Trade & Transport community remains under economic pressure and this is reflected in the 7.1% decline in revenues to £43.0m driven by the discontinuation of certain legacy rail print directories and general pressure in the rail and aviation markets. The performance of our Paper related products and services rose 3.8% to £13.5m helped by our pulp & paper economic analysis product and some currency appreciation. For the UK construction community although ABI has seen improvements during 2010 this was largely offset by declines in Health and Safety and the decision to discontinue certain products serving the sector – revenues derived from products serving the Built Environment sector rose only 0.8% to £12.7m.

Adjusted operating profit for Data Services fell 8.6% to £34.1m (2009: £37.3m) and there was a corresponding decline in the margin to 18.5% (2009: 20.8%). As described in February, and reiterated by Henry Elkington at our Investor Day in November, we are investing in the DS business, to enhance the quality of the data sets, to develop new products and expand our geographic reach. We have been investing in new delivery channels and now have 10 healthcare applications for smart phones in the market generating over 170,000 downloads and 15,000 subscriptions. During the year we set up a RISI office in China, which has been enhanced with the UM Paper acquisition and we have been investing to enter the Middle Eastern and Latin American drug information markets by beginning to localise our existing content. We have also bolstered the patent brokerage business at UBM TechInsights and, following the Canon acquisition, are moving into IP related consultancy and data for the electronic medical devices industry.

## Outlook

Our expectation is that revenue from our Data Services businesses will continue growing at the solid pace demonstrated in 2010 with above average growth in our lower margin UBM TechInsights business. We expect stable revenues in Europe, exemplified by the Vidal drug prescription reference directory which has traded solidly and, in aggregate, expect that declines in traditional print data directory sales will be offset by growth in digital data products.

This progress in the business coupled with continued investment in core database development, new products and geographic expansion, together with the dilutive mix effect of UBM TechInsights, is expected to result in margins broadly in line with those of the margins in the second half of 2010.

## ONLINE – MARKETING SERVICES

£m	Full Year 2010	Full Year 2009	Change %	Change at CC %	Underlying Change* %
<b>Revenue</b>					
<i>Advertising</i>	45.5	35.9	26.7	25.3	
<i>Lead Generation &amp; other</i>	21.8	16.5	32.1	33.5	
<i>Subscriptions</i>	1.9	1.4	35.7	32.0	
<b>Total Revenue</b>	<b>69.2</b>	<b>53.8</b>	<b>28.6</b>	<b>27.6</b>	<b>20.2</b>
<b>Total Adjusted Operating Profit**</b>	<b>1.3</b>	<b>0.6</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>
<b>Total Adjusted Operating Profit** Margin</b>	<b>1.9%</b>	<b>1.1%</b>	<b>0.8%pt</b>		

\* Underlying growth rates exclude currency movements and portfolio changes.

\*\*Adjusted operating profit is operating profit excluding amortisation of intangible assets arising on acquisitions, exceptional items and share of taxation on profit from joint ventures and associates. All references to margin are on this adjusted operating profit basis.

Our Online businesses have seen very strong top line growth with revenues up 28.6% to £69.2m, aided slightly by currency appreciation. On a constant currency basis revenues rose 27.6% with underlying growth of 20.2%. The profitability of the business is still inadequate although understated as a result of our significant investment into virtual events. Evidently the online marketing industry is still relatively new and the need to invest and innovate remains high.

The growth rates of different types of revenues have varied. Advertising revenues have increased 26.7% to £45.5m driven largely by growth in our North American technology and semiconductor related businesses. As for Data Services this growth is indicative of the general improvements in the trading environment for these communities, although it has been aided by a number of important product innovations such as “EETimes Confidential” and “Internet Evolution”, increases in the number of digital issues we are publishing and incremental revenues from our Game Advertising Online (“GAO”) and Canon acquisitions. Our “Lead generation and other” revenues have increased by £5.3m to £21.8m, up 32.1%. This is largely driven by the significant increase in the number of virtual events we hosted in 2010 (103 vs 38 in 2009) coupled with growing traction of new customised products which deliver higher audience engagement. The subscription element of the business grew 35.7% albeit off a small base of £1.4m in 2009. There is still a high degree of experimentation in the online subscription market and we are closely monitoring the trends and exploring new ways of generating revenues, although the largely controlled circulation legacy makes this transition quite complex.

As mentioned above some of the growth is attributable to the three online acquisitions made during the year, which have enhanced our offerings to the US Game Developer community (GAO), the US virtual recruitment industry (Astound) and the US healthcare community (OBGYN.net). Excluding these acquisitions, which in aggregate had contributed £5.6m of revenues in 2010 (including some additional Canon and Routes online revenues), underlying revenue growth was 20.2%.

£m	Full Year 2010	Full Year 2009	Change %	Change at CC %	Underlying Change* %
<b>Revenue</b>					
<i>Technology</i>	54.6	41.1	32.9	30.9	22.6
<i>Health</i>	7.0	5.9	18.6	24.1	23.5
<i>Built Environment</i>	2.2	2.4	(8.3)	(6.3)	10.9
<i>Trade &amp; Transport</i>	1.2	1.2	-	0.5	(71.4)
<i>Other</i>	4.2	3.2	31.2	25.0	24.6
<b>Total Online Revenue</b>	<b>69.2</b>	<b>53.8</b>	<b>28.6</b>	<b>27.6</b>	<b>20.2</b>

\* Underlying growth rates exclude currency movements and portfolio changes.

As shown in the table the main driver has been the Technology community where underlying growth was 22.6% reflecting general improvements in the trading environment for technology companies coupled with good take-up of UBM's innovations. During the year we ran 103 virtual events (2009: 38) and of the 65 additional virtual events, 30 were for the Technology community. The growth in Health revenues, although relatively modest is derived from a good online performance by health in the US. The declines in Built Environment are largely driven by the challenging economic conditions prevailing in the UK construction sector which led to the decision to discontinue several related online products. Stripping these out, the remaining Built Environment revenues have grown slightly, although from a small base. The Trade & Transport performance is flattered by the online revenues from the Routes acquisition – excluding these revenues have declined. The growth in Other is principally driven by good performances in Farmers Guardian and Daltonsbusiness.com.

As referenced above the Online segment launched a number of new products during 2010. The business also made improvements in the existing product offering. For example Information Week, our largest brand, trebled the number of digital issues during the year to 27. Although adjusted operating profit for Online more than doubled to £1.3m (2009: £0.6m) as a result of this continued investment into new products which deliver higher audience engagement, the margin was 1.9% (2009: 1.1%).

## Outlook

Our outlook is for continued momentum in Online revenues, though we expect some moderation in underlying growth relative to 2010 as the effect of cyclical recovery moderates, especially in the IT and technology sectors.

Operating margins, however, will continue to reflect the dilutive effect of investment in new products, including our substantial commitment to virtual events, and we do not expect Online operating margin to improve in 2011 from 2010 levels.

As we continue to rationalise our print portfolio it is increasingly relevant to analyse operating performance of our Online and Print segments on a combined basis. On this basis, our expectation is that in 2011 combined margin will show gradual improvement.

## PRINT – MAGAZINES

	Full Year	Full Year	Change	Change	Underlying
£m	2010	2009	%	at CC	Change*
				%	%
<b>Total Revenue</b>	<b>144.1</b>	<b>165.8</b>	<b>(13.1)</b>	<b>(11.5)</b>	<b>(8.1)</b>
<b>Total Adjusted Operating Profit**</b>	<b>10.0</b>	<b>8.9</b>	<b>12.4</b>	<b>15.8</b>	<b>28.4</b>
<b>Total Adjusted Operating Profit** Margin</b>	<b>6.9%</b>	<b>5.4%</b>	<b>1.5%pt</b>		

\* Underlying growth rates exclude currency movements and portfolio changes.

\*\* Adjusted operating profit is operating profit excluding amortisation of intangible assets arising on acquisitions, exceptional items and share of taxation on profit from joint ventures and associates. All references to margin are on this adjusted operating profit basis.

The significance of Print within the overall UBM business revenue mix continues to diminish and now accounts for 16.2% of total revenues (2009: 19.6%) and 5.8% of total adjusted operating profit (2009: 5.2%).

Revenues for the year fell by 13.1% to £144.1m. This decline was magnified by the negative impact of the shift in the Euro, such that on a constant currency basis revenues declined 11.5%. We continue to manage the portfolio actively in order to mitigate the impact of the long term structural shift away from print and during 2010 we closed or exited 13 titles, which contributed to some of the

decline in revenues. On an underlying basis, excluding these titles and adjusting for currency, revenues fell 8.1%.

We believe print continues to suffer from over capacity but that there will be sufficient demand in mature markets to support one, or perhaps two, leading print titles in most verticals. We continue to review our portfolio systematically in light of this market view. It is worth noting that as part of the Canon and Children-Baby-Maternity acquisitions we have inherited 26 titles which, had we owned these since 1 January 2010, would have contributed approximately a further £18.0m revenues but would have resulted in the underlying revenues falling by 12.9% in 2010. Our systematic review is being expanded to include these acquired titles.

We are managing our print portfolio to a smaller, more commercially sustainable and profitable set of leading titles. This is evidenced by a 12.4% rise in adjusted operating profit to £10.0m (2009: £8.9m) with margins rising 1.5 percentage points to 6.9%. As we further rationalise our portfolio of titles we expect that it will form part of an integrated "Online and Print – Marketing Services" offering and growth will be driven by our ability to engage with an audience through a variety of channels including, more recently, mobile. It is worth noting that the combined revenues of Online and Print declined 2.9% in 2010 while combined margin improved to 5.3% (2009: 4.3%).

## **Outlook**

Organic decline in our Print – Magazines portfolio will in our view continue at rates similar to those across our portfolio in 2010, in which cyclical recovery moderated the pace of organic decline. We expect to continue to drive cost and portfolio rationalisation, and our expectation is that profit margin levels for the segment will gradually improve from those achieved in 2010.

## CFO Financial Review

Revenues in 2010 were £889.2m, 4.9% higher than in 2009 (2009: £847.6m) largely driven by robust underlying performance of the Events, TD&M, DS and Online businesses and the revenue contribution from acquisitions. Adjusted operating profit<sup>1</sup> for 2010 was 0.4% higher at £171.8m (2009: £171.2m). Lower margins<sup>1</sup> largely reflected higher investment particularly in our TD&M, DS and Online businesses, coupled with higher net corporate costs due to lower offsetting income at the centre. Detailed commentary on the performance of our operating segments can be found on pages 8 to 17 of the CEO – Operational Review. Our balance sheet remains strong, with net debt at 31 December 2010 of £484.6m – the equivalent of 2.6 times our 2010 adjusted EBITDA<sup>1</sup> – an increase from net debt of £226.4m at the end of 2009 as a result of the significant investment in acquisitions during the year. On a pro forma basis, adjusted to include the results of businesses acquired during the year, net debt to adjusted EBITDA<sup>1</sup> (over the last twelve months) would be approximately 2.3 times.

\*UBM uses a range of business performance indicators to help measure its development against strategy and financial objectives. All non-IFRS measures have been notated with a <sup>1</sup> and additional information on these measures has been provided at the end of this section.

### Summary of Income Statement

£m	IFRS Measures			As adjusted <sup>(b)</sup>		
	FY 2010	FY 2009	% Change	FY 2010	FY 2009	% Change
<b>Revenue</b>	889.2	847.6	4.9	889.2	847.6	4.9
Operating expenses (excluding (a) line items below)	(701.0)	(663.2)		(701.0) <sup>(b)</sup>	(663.2) <sup>(b)</sup>	
Share of tax on profit in JV & associates <sup>(a)</sup>	(0.8)	(0.7)		(b)	(b)	
Exceptional reorganisation and restructuring costs <sup>(a)</sup>	(5.8)	(16.5)		(b)	(b)	
Exceptional items relating to acquisitions <sup>(a)</sup>	(5.1)	-		(b)	(b)	
Impairment charges <sup>(a)</sup>	-	(153.0)		(b)	(b)	
<b>EBITDA</b>				<b>188.2</b>	<b>184.4</b>	<b>2.1</b>
Depreciation <sup>(a)</sup>	(16.4)	(13.2)	24.2	(16.4)	(13.2)	24.2
<b>EBITA</b>	<b>160.1</b>	<b>1.0</b>	<b>n/a</b>	<b>171.8</b> <sup>(b)</sup>	<b>171.2</b> <sup>(b)</sup>	<b>0.4</b>
Amortisation – intangible assets arising on acquisition <sup>(a)</sup>	(27.8)	(26.8)		(b)	(b)	
<b>Operating profit</b>	<b>132.3</b>	<b>(25.8)</b>	<b>n/a</b>	<b>171.8</b>	<b>171.2</b>	<b>0.4</b>
Net interest expense	(18.7)	(13.0)		(18.7)	(13.0)	
Financing income – pension schemes	3.2	2.2		3.2	2.2	
Financing income – FX gain on forward contracts	0.1	4.7		0.1 <sup>(b)</sup>	4.7 <sup>(b)</sup>	
Financing income – other	1.2	2.9		(b)	(b)	
Financing expense – other	(2.6)	(6.7)		(b)	(b)	
<b>PBT</b>	<b>115.5</b>	<b>(35.7)</b>	<b>n/a</b>	<b>156.4</b>	<b>165.1</b>	<b>(5.3)</b>
Taxation	(16.1)	(17.7)		(23.5) <sup>(b)</sup>	(24.8) <sup>(b)</sup>	
Exceptional taxation net credit	-	135.2		(b)	(b)	
<b>PAT</b>	<b>99.4</b>	<b>81.8</b>	<b>21.5</b>	<b>132.9</b>	<b>140.3</b>	<b>(5.3)</b>
Non-controlling interest	(8.6)	(6.6)		(8.6)	(6.6)	
Attributable profit	90.8	75.2		124.3	133.7	
Weighted average no. of shares (million)	243.4	243.1		243.4	243.1	
Fully diluted weighted average no. of share (million)	247.6	246.5		247.6	246.5	
<b>Earnings per share (pence)</b>	<b>37.3</b>	<b>30.9</b>	<b>20.7</b>	<b>51.0</b>	<b>55.1</b>	<b>(7.4)</b>
<b>Earnings per share (diluted) (pence)</b>	<b>36.7</b>	<b>30.5</b>	<b>20.3</b>	<b>50.2</b>	<b>54.2</b>	<b>(7.4)</b>
<b>Dividend per share (pence)</b>	<b>25.0</b>	<b>24.2</b>	<b>3.3</b>	<b>25.0</b>	<b>24.2</b>	<b>3.3</b>

(a) Expenses not included within Operating expense figure

(b) All non-IFRS measures and business performance measures have been notated with a 1 and additional information on these measures has been provided at the end of this section.

## Corporate Costs

Total corporate costs for 2010 were £15.6m (2009: £15.5m). These corporate costs are partially offset by internal cost recoveries from UBM's operating businesses and by sundry income which is not attributable to any of the UBM's operations to give a net corporate cost figure of £9.2m (2009: £7.6m).

## Exceptional items

### 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 at 31 December 2010.

### Restructuring and business reorganisation costs

During 2010 we continued to manage our product portfolio actively, closing or exiting 13 print magazine titles and reducing the frequency of 2 others. We also made further progress in planned restructuring of a number of our businesses, particularly within our Data Services segment. The exceptional charge of £5.8m includes £3.0m of redundancy costs, £1.7m relating to restructuring and business reorganisation costs and £1.1m relating to property costs. Of the amount charged, £3.2m has been incurred in 2010 and the balance is committed to be incurred in 2011.

### Exceptional items relating to acquisitions

Following the adoption of IFRS 3 (revised) from 1 January 2010, acquisition costs of £6.1m were expensed as exceptional items, rather than included in the calculation of goodwill on acquisition as previously required by the standard. Of this cost, £3.3m relates to the costs incurred in respect of the acquisition of Canon. For the year ended 31 December 2010 an exceptional credit of £1.0m has been recognised in respect of revisions made to the initial estimate of the contingent consideration payable on acquisitions made in 2010.

## Interest

Net interest expense represent interest payments on UBM's bonds and bank loans, reduced by interest receipts on our cash holdings. Net interest expense in 2010 was £18.7m, compared with £13.0m in 2009. This is mainly a result of a higher average debt for the year, higher costs from lengthening debt maturity and lower returns on cash balances. For further information relating to our capital structure see the Capital Structure section below.

Financing income includes an IAS 19 pension interest credit of £3.2m (2009: £2.2m). Financing income also includes a foreign exchange gain on forward contracts of £0.1m (2009: £4.7m).

Net financing expense – other includes a net charge of £1.4m (2009: £2.8m) taken in respect of ineffective fair value hedges and net investment hedges.

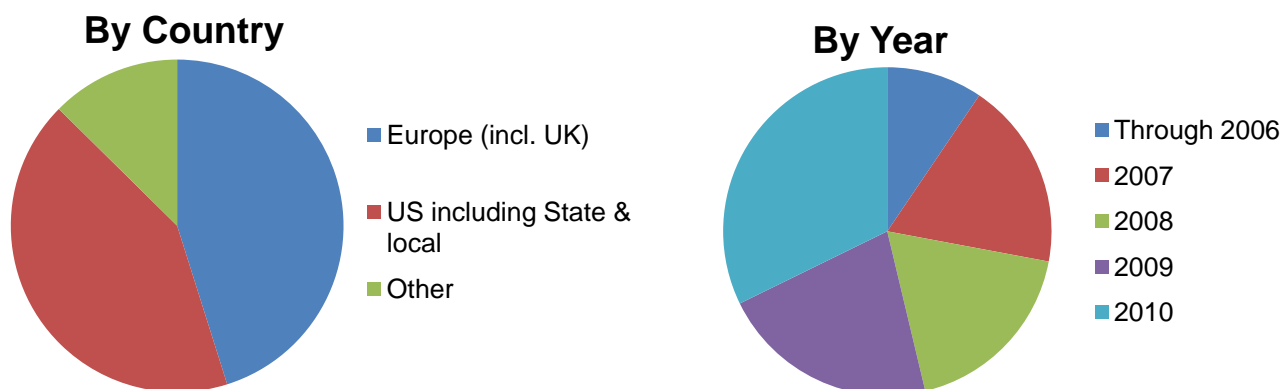
## Income tax

UBM's effective rate of taxation<sup>1</sup> for the year was 15.0% (2009: 15.0%).

In March 2010 UBM made a payment of £46.5m to the UK tax authorities in settlement of historical tax issues. Movements in our tax creditor balance during 2010 were as follows:

£m	
Current tax liability at 1 January 2010	109.0
Current tax charge	22.7
Tax paid	(62.1)
<b>Current tax liability at 31 December 2010</b>	<b>69.6</b>

Overall our current tax liability decreased from £109.0m as at 31 December 2009 to £69.6m as at 31 December 2010. The tax creditor includes provisions for tax settlements in various jurisdictions in which UBM operates. Graphs showing the tax creditor by country and year are provided below:



We have necessarily made judgements as to the outcome of tax matters not concluded. This creditor has been consistently classified as short term in line with our accounting policy. We do not expect the tax cash outflow in respect of this creditor in 2011 to exceed £10.0m. The total cash paid in respect of income taxes was £62.1m in 2010, including the settlement of £46.5m.

## Foreign Currency

Our income statement exposure to foreign currency risk is shown (by way of sensitivity to changes in exchange rates) in the foreign currency risk table below.

31 December 2010	Average exchange rate in 2010	Currency value rises/falls by	Effect on revenue + / - £m	Effect on adjusted operating profit <sup>1</sup> + / - £m
US dollar	USD1.54	1 cent	3.0	0.6
Euro	EUR1.16	1 cent	1.3	0.4

The following table outlines the currency profile of our revenues and adjusted operating profits for 2010:

2010	Revenue %	Adjusted operating profit <sup>1</sup> %
US Dollar	51.8	52.7
Euro	17.0	23.5
UK Pound Sterling	15.8	5.8
Canadian Dollar	3.7	6.2
Japanese Yen	2.8	2.4
Renminbi	2.8	4.4
Indian Rupee	1.1	0.6
Brazilian Real	1.0	1.7
Other	4.0	2.7
Total	100	100

## Capital Structure

### Balance sheet

UBM's consolidated net debt at 31 December 2010 stood at £484.6m, up from £226.4m at the end of 2009. During 2010, cash generated from operations rose to £154.7m (2009: £142.7m). UBM paid £239.6m for acquisitions (net of cash acquired) and earnout payments in relation to acquisitions made

in prior years, together with £58.9m of dividends to shareholders (excluding dividends paid to non-controlling interests) and a foreign exchange movement of £4.5m which mainly relates to exchange on cash, bonds and bank loans.

## Pensions

UBM operates a number of defined benefit and defined contribution schemes, based primarily in the UK. The most recent actuarial funding valuations for the majority of the UK scheme liabilities were carried out in 2008, and updated to 31 December 2010 using the projected unit credit method. The next triennial valuation will take place in 2011.

At 31 December 2010, the aggregate deficit under IAS 19 was £12.7m, an improvement of £13.9m compared to the deficit of £26.6m at the previous year end. The movement reflects an increase in asset returns and a reduction in the inflation rate as a result of adopting a consumer price index ('CPI') inflationary assumption rather than retail price inflation ('RPI') (following the UK Government's announcement of its intention to adopt CPI rather than RPI for statutory minimum pension revaluations/indexation from 1 January 2011) partially offset by an increase in assumed life expectancy. For US schemes, annual funding valuations are performed and therefore the results are based on the 2009 valuation.

The IAS 19 interest credit was £3.2m, representing the excess of expected asset growth during 2009 over the interest accretion on the scheme liabilities

## Debt and Liquidity

In our funding strategy, our 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 we seek to maintain a long term investment grade credit rating with Moody's (current rating Baa3 – stable outlook) and Standard & Poor's (current rating BBB – stable outlook).

At the end of 2010, we had a strong liquidity position including undrawn facilities of £304.7m and cash on hand of £125.9m. In November 2010 we issued \$350m of 5.75% bonds due November 2020. We used the net proceeds from this issuance to refinance \$287m of borrowings incurred under UBM's senior credit facility to fund the acquisition of Canon Communications LLC and for general corporate purposes. We also have £250m of sterling bonds with a November 2016 maturity and an annual interest coupon of 6.5%. We maintain a £325m multi-currency revolving credit facility from key relationship banks. The facility matures in July 2012 and allows UBM to draw and repay up to £325m provided all conditions precedent are met. At 31 December 2010, all conditions precedent were met and UBM had drawn £20.3m from the facility leaving £304.7m available. We have other long term debt and committed facilities totalling £120.5m of which UBM had drawn £120.5m at 31 December 2010.

£m	Facility	Drawn	Undrawn	Maturity	LIBOR + Margin %	Fair value hedges
Syndicated Bank Facility	325.0	20.3	304.7	Jul-12	0.325	
Bilateral Loan	45.5	45.5	0.0	Mar-12*	1.8	
Puttable Bond	75.0	75.0	0.0	Sept-11*	0.68	
£250m fixed rate sterling bond	250.0	250.0	0.0	Nov-16	6.5% fixed	Floating rate swap for £150m GBP LIBOR + 2.9%
\$350m fixed rate dollar bond	223.5	223.5	0.0	Nov-20	5.75% fixed	Floating rate swap for \$150m US\$ LIBOR + 2.63%
<b>Total</b>	<b>919.0</b>	<b>614.3</b>	<b>304.7</b>			

\* Minimum maturity, can be extended at option of bondholder

Note: Amounts drawn exclude fair value movements on the debt instruments

UBM has issued two debt instruments which include put and call options:

- In September 2008, UBM raised £75.0m through the issue of 20-year Floating Rate Reset Bonds which bear interest for the first three years at six month LIBOR plus 0.68% (currently 1.71%). Under the terms, the holder of the bonds has the option to put them back to UBM at Par (£75m) in September 2011 and every three years until maturity in September 2028.
- In March 2009, UBM raised €53.1m through two Floating Rate Reset Loans. The loans bear interest for the first three years at six month EURIBOR plus 1.80% (currently 3.48%). Under the terms, the lender has the option to put them back to UBM at Par (€53.1m) in March 2012 and every three years until maturity in March 2024.

If the bond or loans are not put then one of two events will occur:

1. The interest rate on the bond and loans are reset to 4.70% and 4.16%, respectively, plus UBM's 3 year credit spread until the next put date;
2. UBM exercises its call option and pays the fair value of the instruments at date of exercise to the current holders.

Since the onset of the 2008/2009 credit crisis, long term swap rates have fallen below the reset interest rates of 4.70% and 4.16%. This, combined with a material increase in market volatility, has increased the fair value of the bonds and loans as at 31 December 2010 to £84.0m and €57.3m respectively. If UBM exercises its call options and repays the instrument, the early unwind at the current valuation would result in a loss of £9.0m crystallising on the bond and €4.2m crystallising on the loans. Under IAS 39 the losses would be recognised as a financial expense in the income statement.

From the 31 December 2010 valuation, assuming all other variables remain constant, the fair value of the bonds increases by approximately £0.8m for a 0.1% fall in the 17 year swap rate.

From the 31 December 2010 valuation, assuming all other variables remain constant, the fair value of the loans increases by approximately €0.5m for every 0.1% fall in the 12 year swap rate.

Further detail on these facilities, including maturity profile, can be found in the Notes to the condensed consolidated financial statements. The following table summarises our estimated payment profile for contractual obligations as of 31 December 2010:

£m	2011	2012	2013	2014	Thereafter
Long-term debt	75.3	65.8	-	-	473.5
Interest payable*	32.5	30.1	29.1	29.1	109.7
Derivative financial liabilities (undiscounted)	(2.0)	3.4	-	-	30.3
Operating lease payments	34.9	27.3	21.0	18.8	11.2
Pension contributions**	3.1	3.1	3.1	-	-
Trade and other payables	86.3	1.6	-	-	-
Contingent and deferred consideration	21.6	11.6	6.7	0.4	0.7
Put options over non-controlling interests	-	1.4	-	-	7.1
<b>Total</b>	<b>251.7</b>	<b>144.3</b>	<b>59.9</b>	<b>48.3</b>	<b>632.5</b>

\* Based on current year rates.

\*\* Subject to renegotiation in 2013.

The table includes the bilateral loan and puttable bonds, redeemed at par on the earliest date the holders can redeem. The put and call option over these bonds and loans are explained above.

## Capital management

UBM maintains conservative capital ratios in order to support its businesses and maximise shareholder value. At the end of 2010, the net debt to adjusted earnings before interest, taxation, depreciation and amortisation was 2.6 times as shown below:

£m	2010	2009
Financial liabilities	610.5	385.3
Financial assets	(125.9)	(158.9)
Net debt <sup>1</sup>	484.6	226.4
Adjusted earnings before interest, taxation, depreciation and amortisation <sup>1</sup>	188.2	184.4
Net debt to EBITDA ratio <sup>*1</sup>	2.6 times	1.2 times
Net debt to EBITDA ratio <sup>1</sup> at average rates <sup>*</sup>	2.6 times	1.2 times

*\* Adjusting EBITDA to include a full year of pro forma operating profit from acquisitions made during 2010 decreases the ratio to 2.3 times.*

*1 Refer to the Explanation of UBM's business measures section below for additional information on these non-IFRS financial measures.*

Our policy is to maintain investment grade ratings from each of Moody's and Standard and Poor's. In assessing the leverage ratios of net debt to adjusted earnings before interest, taxation, depreciation and amortisation, both Moody's and Standard and Poor's take account of a number of other factors, including future operating lease obligations and any pension deficit.

## Cash flow

Cash generated from operations rose to £154.7m from £142.7m in 2009, reflecting lower restructuring payments. Cash conversion<sup>1</sup> was 97.9% of adjusted operating profit<sup>1</sup> (2009: 102.0%). Free cash flow prior to cash invested in acquisitions was £51.0m, £47.7m behind 2009, reflecting the tax payment and higher interest costs in 2010.

A reconciliation of net cash inflow from operating activities to free cash flow is shown below:

<b>£m</b>	<b>2010</b>	<b>2009</b>
Adjusted cash generated from operations <sup>1</sup>	<b>182.9</b>	189.2
Restructuring payments	<b>(24.5)</b>	(41.3)
Other adjustments	<b>(3.7)</b>	(5.2)
<b>Cash generated from operations</b>	<b>154.7</b>	142.7
Dividends from JVs and associates	<b>0.6</b>	1.5
Net interest paid	<b>(23.1)</b>	(14.5)
Taxation paid	<b>(62.1)</b>	(16.5)
Capital expenditure	<b>(19.1)</b>	(14.5)
	<b>51.0</b>	98.7
Acquisitions	<b>(240.7)</b>	(34.3)
Proceeds from sale of investments	<b>1.7</b>	3.4
<b>Free cash flow<sup>1</sup></b>	<b>(188.0)</b>	67.8
Net share issues	<b>1.9</b>	0.2
Dividends	<b>(64.8)</b>	(63.2)
	<b>(250.9)</b>	4.8
Year end net debt <sup>1</sup>	<b>484.6</b>	226.4
Year end net debt/EBITDA <sup>1</sup>	<b>2.6 times</b>	1.2 times

<sup>1</sup> Refer to the Explanation of UBM's business measures section below for additional information on these non-IFRS financial measures

We expect to continue to generate significant free cash flow in 2011 because of our business model and believe that our cash on hand, cash from our operations and available credit facilities will be sufficient to fund our cash dividends, debt service and acquisitions in the normal course of business.

### **Capital Expenditure**

Capital expenditure for the year was £19.1m, reflecting our continued investment in the business. The largest capital investments were to enhance Targeting, Distribution and Monitoring's existing products and to upgrade its IT infrastructure. We do not expect that the capital expenditure levels for 2011 will be significantly different to those of 2010.

### **Acquisitions**

We invested £224.7m of cash in the acquisition of 20 new businesses and acquired the remaining equity interest in two further businesses. These acquisitions were closely aligned to our strategic priorities and provide us with exposure to attractive communities and geographies, while being highly complementary to our existing segmental offering. Of the acquisitions made nine related to events, five (including acquisitions of the remaining equity in two businesses) relates to Targeting, Distribution and Monitoring, five to Data Services and three to Online – Marketing Services.

Our investment comprised cash of £224.7m (net of cash acquired) and expected contingent and deferred consideration of £33.3m. We also made payments in respect of earnouts relating to acquisitions made in prior years, totalling £9.4m.

<b>2010 Acquisitions</b>	<b>Initial consideration net of cash acquired £m</b>	<b>Expected Contingent and Deferred consideration £m</b>	<b>Estimated total consideration £m</b>
<b>Events</b>			
E Commerce Expo	0.4	1.2	1.6
Sign China	6.3	4.3	10.6
DesignCon	0.9	-	0.9
Sienna - Concrete show	6.5	6.8	13.3
NavalShore	1.2	0.1	1.3
Children-Baby-Maternity-Expo	6.3	4.2	10.5
The Routes Development Group	6.8	1.3	8.1
Canon Communications	182.9	-	182.9
Publishing Expo	0.2	-	0.2
<b>Targeting, Distribution &amp; Monitoring</b>			
DNA-13	4.0	0.6	4.6
PR Newswire do Brasil	0.7	0.1	0.8
PR Newswire Argentina	-	-	-
Corporate360	0.2	0.7	0.9
Hors Antenne	5.3	2.7	8.0
<b>Data Services</b>			
SharedVue	0.2	4.9	5.1
CenTradeX	0.3	0.1	0.4
UM Paper	0.1	0.2	0.3
JOC Exchange (Triton)	0.3	1.7	2.0
Lead-In Research	0.9	0.3	1.2
<b>Online - Marketing Services</b>			
Game Advertising Online	0.6	3.0	3.6
Astound	0.1	1.0	1.1
OBGYN.net	0.5	0.1	0.6
<b>Total</b>	<b>224.7</b>	<b>33.3</b>	<b>258.0</b>

<b>Contingent and deferred consideration</b>	<b>Contingent 2010 £m</b>	<b>Deferred 2010 £m</b>	<b>Total 2010 £m</b>
At 1 January 2010	24.6	0.5	25.1
Change in estimate – goodwill	(2.0)	-	(2.0)
Change in estimate – exceptional items relating to acquisition	(1.0)	-	(1.0)
Acquisitions during the year	32.0	1.3	33.3
Consideration paid	(14.4)	(0.5)	(14.9)
Foreign exchange gain	0.5	-	0.5
At 31 December 2010	39.7	1.3	41.0

The 2010 acquisitions contributed adjusted operating profit of £7.5m since acquisition and achieved a pre-tax return on investment<sup>1</sup> of 10.6% on a pro forma basis. The following table shows the performance of our acquisitions since 2008 relative to our target pre-tax cost of capital threshold of 10%:

£m	Consideration	Return on Investment <sup>1</sup>		
		2008	2009	2010
2008 acquisitions	49.9	12.4%	6.5%	7.8%
2009 acquisitions	26.5	–	14.8%	4.5% <sup>(2)</sup>
2010 acquisitions <sup>3</sup>	258.0	–	–	10.6%
Total	334.4			10.0%

<sup>1</sup> Refer to the Explanation of UBM's business measures section below for additional information on these non-IFRS financial measures.

<sup>2</sup> Performance reflects reported results for The Fuel Team which was integrated into PR Newswire in 2010. Excluding it, the pre tax return on acquisitions would have been 8.6%.

<sup>3</sup> 2010 Return on investment calculated on a full year pro forma basis.

### Return on average capital employed

The return on average capital employed for 2010 was 14.7% (2009: 15.8%). The reduction in returns reflects the initially dilutive effect on returns of the acquisitions. We expect the acquisition of Canon to deliver longer term returns well above UBM's cost of borrowing. The table below shows our performance over time:

£m	2006	2007	2008	2009	2010
Operating profit before exceptional items (£m)	133.3	145.7	146.7	143.7	143.2
Average capital employed (£m)	585.3	642.5	815.9	910.6	971.1
Return on average capital employed <sup>1</sup> (ROACE) (%)	22.8	22.7	18.0	15.8	14.7

<sup>1</sup> Refer to the Explanation of UBM's business measures section below for additional information on these non-IFRS financial measures.

The downward trend over the longer term reflects the dilutive effect of returns on acquisitions.

### Dividends

The Board has announced a second interim dividend of 19.0p (2009: 18.2p), bringing the total dividend for the year to 25.0p (2009: 24.2p), representing an increase of 3.3% in the full year dividend. The second interim dividend on ordinary shares will be paid on 19 May 2011 to shareholders on the register on 15 April 2011.

### Going concern

After making enquiries, the directors have a reasonable expectation that UBM has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

In reaching this conclusion, the directors have had due regard to the following:

- After taking account of available cash resources, committed bank facilities, short term borrowings and proceeds from the sterling bond issue in November 2009 and US dollar bond issue in November 2010, none of UBM's borrowings fall due within the next two years that require refinancing from resources not already available.

- The strong cash generated from operations, committed facilities and UBM's ability to access debt capital markets, taken together, provide confidence that UBM will be able to meet its obligations as they fall due.
- Further information on the financial position of UBM, its cash flows, financial risk management policies and available debt facilities are described in the Financial Review on the preceding pages. UBM's business activities, together with the factors likely to impact its future growth and operating performance are set out in the Operational Review.

## Explanation of UBM's business measures

Financial Measure	How we define it	Why we use it
Underlying revenue and underlying operating profit	Underlying measures are adjusted for the estimated effects of acquisitions, discontinued products, foreign exchange and biennial events.	The Group believes underlying revenue and underlying operating profit assists investors in their assessment and understanding of our underlying business trends, without distortion from the effect of acquisitions, discontinued products, biennial events and foreign currency movements during the period.
Adjusted operating profit and adjusted EBITDA  Margin	Operating profit excluding amortisation of intangible assets arising on acquisitions, exceptional items and share of taxation on joint ventures and associates.  Adjusted EBITDA is adjusted group operating profit before depreciation.  Margin relates to our adjusted operating margin. It is adjusted operating profit expressed as a percentage of revenues	The Group believes adjusted operating profit, adjusted operating margin and adjusted EBITDA assists investors in their assessment and understanding of our earnings and is also a measure commonly used by shareholders to measure our performance.
Adjusted profit before tax and EPS	Before amortisation of intangible assets on acquisitions, exceptional items, share of taxation on profit from joint ventures and associates, net financing expense – other. EPS also excludes deferred tax on the amortisation of intangible assets. Diluted EPS includes the impact of share options.	The Group believes adjusted profit before tax and adjusted EPS assists investors in their assessment and understanding of our earnings and is also a measure commonly used by shareholders to measure our performance.
Net debt	Net debt is current and non-current borrowings less cash and cash equivalents.	Provides a measure of indebtedness in excess of the current cash available to pay down debt.
Net debt to adjusted EBITDA  Net debt to LTM adjusted EBITDA	Net debt divided by adjusted EBITDA.  EBITDA adjusted to include a full year of pro forma operating profit from acquisitions made during 2010.	Provides a measure of financial leverage.
Free cash flow	Net cash provided by operating	Helps assess our ability, over the

	activities after meeting obligations for interest, tax, dividends paid to non controlling interests, capital expenditures and other investing activities.	long term, to create value for our shareholders as it represents cash available to repay debt, pay dividends and fund future acquisitions.
Adjusted operating cash flow	Adjusted to exclude non-operating movements in working-capital, such as expenditure against reorganisation and restructuring provisions.	The Group believes adjusted operating cash flow assists investors in their assessment and understanding of our operating cash flows.
Pre-tax return on Investment	Attributable adjusted operating profit divided by the cost of acquisitions. Calculated on a pro forma basis, as if the acquired business were owned throughout the year.	Helps us assess the performance of our acquisitions relative to our target pre-tax cost of capital threshold of 10%.
Estimated total consideration	Estimated total consideration includes initial consideration (net of cash acquired), the latest estimate of expected earnouts and deferred consideration.	Provides a measure of total consideration for businesses acquired.
Return on average capital employed (ROACE)	ROACE is operating profit before exceptional items divided by average capital employed. Average capital employed is the average of opening and closing total assets less current liabilities for each period.	Provides a measure of the efficiency of profitability of our capital investment.
Effective tax rate	The effective tax rate on adjusted profit before tax reflects the tax rate excluding movements on deferred tax balances on the amortisation of intangible assets.	Provides a more comparable basis to analyse our tax rate.

## SUMMARY OF RISKS & UNCERTAINTIES

The principal risk factors that the directors believe could materially affect UBM include the following:

*The risks listed do not necessarily comprise all those associated with UBM, and are not set out in any order of priority.*

### - Marketplace risk

- o In times of economic slowdown or recession, some companies spend less, particularly on advertising.
- o Ability to respond to changes in technological innovation.
- o A disaster or natural catastrophe, terrorism, political instability or disease could affect our ability to continue to do business if it renders offices unavailable or curtails travel (which will have an impact on the running of an event).

### - Mergers & Acquisitions

- o The availability of suitable acquisition candidates, obtaining regulatory approval and changes in the availability or cost of financing may affect our ability to execute on this strategy.
- o Delays in integration or unexpected costs or liabilities, as well as the risk of failing to realise operating benefits or synergies from completed transactions may mean that the financial impact is less beneficial than expected.

- **Attracting and retaining key management personnel**
- **Operational**
  - o Operations in new territories may present logistical and management challenges due to different business cultures, laws and languages.
  - o A diminished reputation for UBM's corporate or products brands may affect competitive position.
  - o The failure to manage and execute significant projects successfully could lead to increased costs, delays or erosion of UBM's competitive position.
  - o Failure or conflict with a key supplier at a critical time in the production process could result in loss of revenue or incremental costs.
  - o There are negative implications if IT system failure impacts our ability to do business.
  - o Unfavourable legislation changes may have a negative impact.
- **Financial**
  - o Liquidity issues may curtail the ability to make certain acquisitions, while local liquidity issues could have a negative reputational impact, particularly with suppliers.
  - o FX fluctuations could adversely affect earnings and the strength of the balance sheet.
  - o Fluctuations in interest rates will impact our costs of borrowing.
  - o We seek to limit interest rate and foreign exchange risk by the use of financial instruments. As a result we have an unsecured credit risk from the potential non-performance by counterparties to these financial instruments.
  - o Tax risk - failure to comply with the necessary tax legislation or challenges to legal structures.
  - o Pension fund risk – risk that asset returns are insufficient to cover changes in the schemes liabilities over time.

# Consolidated income statement

for the year ended 31 December 2010

Notes	Before exceptional items 2010 £m	Exceptional items 2010 £m	Total 2010 £m	Before exceptional items 2009 £m	Exceptional items 2009 £m	Total 2009 £m	
<b>Continuing operations</b>							
3	Revenue	889.2	-	889.2	847.6	-	847.6
	Other operating income	7.0	-	7.0	9.7	-	9.7
	Operating expenses	(728.0)	-	(728.0)	(688.8)	-	(688.8)
	Amortisation of intangible assets arising on acquisitions	(27.8)	-	(27.8)	(26.8)	-	(26.8)
4	Exceptional reorganisation and restructuring costs	-	(5.8)	(5.8)	-	(16.5)	(16.5)
4	Exceptional items relating to acquisitions	-	(5.1)	(5.1)	-	-	-
4	Impairment charge	-	-	-	-	(153.0)	(153.0)
	Share of results from joint ventures and associates (after tax)	2.8	-	2.8	2.0	-	2.0
	<b>Group operating profit/(loss)</b>	<b>143.2</b>	<b>(10.9)</b>	<b>132.3</b>	<b>143.7</b>	<b>(169.5)</b>	<b>(25.8)</b>
<b>Finance income/(expense)</b>							
5	Interest income	0.7	-	0.7	1.8	-	1.8
5	Interest expense	(19.4)	-	(19.4)	(14.8)	-	(14.8)
5	Financing income	3.3	-	3.3	6.9	-	6.9
5	Financing income – other	1.2	-	1.2	2.9	-	2.9
5	Financing expense – other	(2.6)	-	(2.6)	-	(6.7)	(6.7)
	<b>Profit/(loss) before tax</b>	<b>126.4</b>	<b>(10.9)</b>	<b>115.5</b>	<b>140.5</b>	<b>(176.2)</b>	<b>(35.7)</b>
6	Taxation	(16.1)	-	(16.1)	(17.7)	-	(17.7)
4	Exceptional taxation net credit	-	-	-	-	135.2	135.2
		(16.1)	-	(16.1)	(17.7)	135.2	117.5
	<b>Profit for the year</b>	<b>110.3</b>	<b>(10.9)</b>	<b>99.4</b>	<b>122.8</b>	<b>(41.0)</b>	<b>81.8</b>
Attributable to:							
	Equity holders of the parent entity – ordinary shares			90.8			75.2
	Non-controlling interests			8.6			6.6
				<b>99.4</b>			<b>81.8</b>
<b>Earnings per share (pence)</b>							
7	- basic			37.3p			30.9p
7	- diluted			36.7p			30.5p
<b>Adjusted Group operating profit<sup>1</sup></b>							
	Amortisation of intangible assets arising on acquisitions			171.8			171.2
				(27.8)			(26.8)
4	Exceptional reorganisation and restructuring costs			(5.8)			(16.5)
4	Exceptional items relating to acquisitions			(5.1)			-
4	Impairment charge			-			(153.0)
	Share of taxation on profit in joint ventures and associates			(0.8)			(0.7)
	<b>Group operating profit/(loss)</b>			<b>132.3</b>			<b>(25.8)</b>
<b>Dividends</b>							
				£m			£m
8	- Interim dividend of 6.00p (6.00p)			14.6			14.6
8	- Proposed second interim dividend of 19.00p (18.20p)			46.2			44.3

<sup>1</sup> Adjusted Group operating profit represents Group operating profit excluding amortisation of intangible assets arising on acquisitions, exceptional items, impairment charges and share of taxation on profit in joint ventures and associates.

# Consolidated statement of comprehensive income

for the year ended 31 December 2010

Notes	2010 £m	2009 £m
<b>Profit for the year</b>	<b>99.4</b>	81.8
<b>Other comprehensive (losses)/income:</b>		
Currency translation differences on foreign operations – Group	6.6	(45.3)
12 Net investment hedge	(14.6)	(5.0)
Cash flow hedges:		
12 Gains on cash flow hedges arising during the year	-	0.2
12 Add reclassification adjustments for losses included in profit or loss	-	7.7
	-	7.9
Actuarial gains/(losses) recognised in the pension schemes	9.0	(63.9)
Irrecoverable element of pension surplus	(2.4)	13.8
Share of other comprehensive income of joint ventures and associates:		
Currency translation differences on foreign operations	0.4	(1.5)
Movement recognised in the pension schemes of associates	-	(3.9)
	0.4	(5.4)
6 Income tax relating to components of other comprehensive income	-	-
<b>Other comprehensive losses for the year net of tax</b>	<b>(1.0)</b>	(97.9)
<b>Total comprehensive income/(losses) for the year net of tax</b>	<b>98.4</b>	(16.1)
Attributable to:		
Equity holders of the parent entity – ordinary shares	89.3	(22.6)
Non-controlling interests	9.1	6.5
	98.4	(16.1)

# Consolidated statement of financial position

at 31 December 2010

Notes		31 December 2010 £m	As restated 31 December 2009 £m
	<b>Assets</b>		
	<b>Non-current assets</b>		
9	Goodwill	1,044.1	820.7
	Intangible assets	177.4	110.6
	Property, plant and equipment	41.2	38.2
	Investments in joint ventures and associates	19.8	17.0
	Retirement benefit surplus	9.1	-
	Other investments	0.6	0.6
	Derivative financial instruments	6.8	-
		<b>1,299.0</b>	<b>987.1</b>
	<b>Current assets</b>		
	Inventories	7.8	7.7
	Trade and other receivables	208.6	169.8
	Derivative financial instruments	0.1	0.3
10	Cash and cash equivalents	125.9	158.9
		<b>342.4</b>	<b>336.7</b>
	<b>Total assets</b>	<b>1,641.4</b>	<b>1,323.8</b>
	<b>Liabilities</b>		
	<b>Current liabilities</b>		
11	Borrowings	75.3	0.3
	Derivative financial instruments	0.1	0.4
	Trade and other payables	378.4	315.6
	Provisions	12.9	23.4
6	Current tax liabilities	69.6	109.0
		<b>536.3</b>	<b>448.7</b>
	<b>Non-current liabilities</b>		
11	Borrowings	535.2	385.0
	Derivative financial instruments	34.7	10.5
	Trade and other payables	22.3	12.9
	Provisions	22.2	26.6
	Retirement benefit obligation	21.8	26.6
6	Deferred tax liabilities	49.7	27.7
		<b>685.9</b>	<b>489.3</b>
	<b>Total liabilities</b>	<b>1,222.2</b>	<b>938.0</b>
	<b>Equity attributable to owners of the parent entity</b>		
14	Share capital	24.4	24.4
	Share premium	3.1	1.2
12	Other reserves	(608.7)	(597.7)
	Retained earnings	986.7	948.4
	Put options over non-controlling interests	(8.5)	-
	<b>Total equity attributable to owners of the parent entity</b>	<b>397.0</b>	<b>376.3</b>
	Non-controlling interests	22.2	9.5
	<b>Total equity</b>	<b>419.2</b>	<b>385.8</b>
	<b>Total equity and liabilities</b>	<b>1,641.4</b>	<b>1,323.8</b>

These financial statements were approved by the Board of Directors and were signed on its behalf on 1 March 2011 by:

**Robert Gray**

Director

# Consolidated statement of changes in equity

for the year ended 31 December 2010

Notes	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Put options over non-controlling interests £m	Non-controlling interests £m	Total equity £m
At 1 January 2010	24.4	1.2	(597.7)	948.4	-	9.5	385.8
Profit for the year	-	-	-	90.8	-	8.6	99.4
Other comprehensive (losses)/income	-	-	(8.1)	6.6	-	0.5	(1.0)
12 Total comprehensive (losses)/income for the year	-	-	(8.1)	97.4	-	9.1	98.4
8 Equity dividends	-	-	-	(58.9)	-	-	(58.9)
Non-controlling interest dividends	-	-	-	-	-	(5.9)	(5.9)
13 Non-controlling interest arising on business combinations	-	-	-	-	(8.5)	9.5	1.0
Issued in respect of share option schemes and other entitlements	-	1.9	-	-	-	-	1.9
Share-based payments	-	-	-	3.2	-	-	3.2
12 Shares awarded by ESOP	-	-	3.4	(3.4)	-	-	-
12 Own shares purchased by the company	-	-	(6.3)	-	-	-	(6.3)
<b>At 31 December 2010</b>	<b>24.4</b>	<b>3.1</b>	<b>(608.7)</b>	<b>986.7</b>	<b>(8.5)</b>	<b>22.2</b>	<b>419.2</b>
At 1 January 2009	24.4	1.0	(567.5)	1,005.7	-	7.6	471.2
Profit for the year	-	-	-	75.2	-	6.6	81.8
Other comprehensive losses	-	-	(43.8)	(54.0)	-	(0.1)	(97.9)
12 Total comprehensive (losses)/income for the year	-	-	(43.8)	21.2	-	6.5	(16.1)
8 Equity dividends	-	-	-	(58.8)	-	-	(58.8)
Non-controlling interest dividends	-	-	-	-	-	(4.4)	(4.4)
13 Acquisition of non-controlling interests	-	-	-	(8.5)	-	(0.2)	(8.7)
Issued in respect of share option schemes and other entitlements	-	0.2	-	-	-	-	0.2
Share-based payments	-	-	-	2.4	-	-	2.4
12 Shares awarded by ESOP	-	-	13.6	(13.6)	-	-	-
At 31 December 2009	24.4	1.2	(597.7)	948.4	-	9.5	385.8

# Consolidated statement of cash flows

for the year ended 31 December 2010

Notes	2010 £m	2009 £m	
<b>Cash flows from operating activities</b>			
<i>Reconciliation of profit to operating cash flows</i>			
	Profit for the year	99.4	81.8
<i>Add back:</i>			
6	Taxation	16.1	(117.5)
	Depreciation	15.6	12.3
	Amortisation of website development costs	0.8	0.9
	Amortisation of intangibles arising on acquisitions	27.8	26.8
5	Interest income	(0.7)	(1.8)
5	Interest expense	19.4	14.8
5	Financing income	(3.3)	(6.9)
5	Financing income – other	(1.2)	(2.9)
5	Financing expense – other	2.6	6.7
	Share of results from joint ventures and associates (after tax)	(2.8)	(2.0)
4	Exceptional items and charges to provisions	11.9	169.5
4, 13	Fair value adjustments of contingent considerations	(1.0)	-
	Other non-cash items	3.5	2.9
		<b>188.1</b>	<b>184.6</b>
	Payments against provisions	(24.5)	(41.3)
	Pension deficit contributions	(3.1)	(3.7)
	(Increase)/decrease in inventories	(0.3)	0.9
	(Increase)/decrease in trade and other receivables	(14.0)	25.5
	Increase/(decrease) in trade and other payables	8.5	(23.3)
	Cash generated from operations	<b>154.7</b>	<b>142.7</b>
	Interest and finance income received	0.8	7.8
	Interest and finance costs paid	(23.9)	(22.3)
	Taxation paid	(62.1)	(16.5)
	Dividends received from joint ventures and associates	0.6	1.5
	<b>Net cash flows from operating activities</b>	<b>70.1</b>	<b>113.2</b>
<b>Cash flows from investing activities</b>			
13	Acquisition of interests in subsidiaries, net of cash acquired	(239.6)	(25.6)
	Purchase of interests in joint ventures and associates	(1.1)	-
	Purchase of property, plant and equipment and intangibles	(19.1)	(14.5)
	Proceeds from sale of investments	-	3.4
	Proceeds from sale of joint ventures and associates	1.7	-
	<b>Net cash flows from investing activities</b>	<b>(258.1)</b>	<b>(36.7)</b>
<b>Cash flows from financing activities</b>			
	Proceeds from issuance of ordinary share capital	1.9	0.2
13	Acquisition of non-controlling interests	-	(8.7)
8	Dividends paid to shareholders	(58.9)	(58.8)
	Dividends paid to non-controlling interests	(5.9)	(4.4)
12	Investment in own shares – ESOP	(6.3)	-
	Increase/(decrease) in borrowings	4.4	(254.5)
	Issue of £250m fixed rate sterling bonds 2016	-	247.1
	Issue of \$350m fixed rate dollar bonds 2020	214.2	-
	<b>Net cash flows from financing activities</b>	<b>149.4</b>	<b>(79.1)</b>
	<b>Net decrease in cash and cash equivalents</b>	<b>(38.6)</b>	<b>(2.6)</b>
	Net foreign exchange difference	5.6	(7.3)
10	Cash and cash equivalents at 1 January	158.8	168.7
10	<b>Cash and cash equivalents at 31 December</b>	<b>125.8</b>	<b>158.8</b>

# Notes to the consolidated financial statements

at 31 December 2010

## 1. General information

United Business Media Limited ('UBML') is a company incorporated in Jersey under the Companies (Jersey) Law 1991. The address of the registered office is Ogier House, The Esplanade, St. Helier, JE4 9WG, Jersey. UBML is tax resident in the Republic of Ireland. The nature of the Group's operations and its principal activities are set out in Note 3.

The preliminary announcement was approved by the Board of directors on 1 March 2011.

The figures and financial information for the year ended 31 December 2010 do not constitute the statutory financial statements for that year. Those financial statements have not yet been delivered to the Jersey Registrar of Companies, but include the auditor's report which was unqualified. The figures and financial information for the year ended 31 December 2009 included in the preliminary announcement do not constitute the statutory financial statements for that year. Those financial statements have been delivered to the Registrar and included the auditor's report which was unqualified.

The comparative information for the year ended 31 December 2009 has been restated for acquisition accounting adjustments which have been finalised in relation to certain acquisitions made in 2009. The comparative information has been restated in accordance with IFRS 3 'Business Combinations'. The impact of this restatement is to decrease goodwill and accruals and deferred income by £0.2m.

### Principal risks and uncertainties

Principal risks and uncertainties affecting the Group will be detailed within the Annual Report for the year ended 31 December 2010, a copy of which will be made available on the Group's website at [www.ubm.com](http://www.ubm.com).

## 2. Significant accounting policies

### Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board and IFRIC interpretations. The financial statements are prepared in compliance with the provisions of the Companies (Jersey) Law 1991.

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. The carrying values of recognised assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements for the year ended 31 December 2010.

### Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except for the adoption from 1 January 2010 of the following revised and improved IASs, IFRSs and IFRIC interpretations:

*IFRS 3 'Business Combinations' (revised 2008)* – which makes significant changes to the treatment of acquisition costs and performance-related consideration and other contingent consideration relating to an acquisition and provides an option (the 'full goodwill method') to recognise 100% of the goodwill of an acquired entity, rather than just the entity's acquired portion of goodwill, with corresponding increases to goodwill and non-controlling interests. The revised standard has been adopted prospectively to business combinations for which the acquisition date is on or after 1 January 2010. The adoption of this revised standard has resulted in acquisition costs on such business combinations being expensed in the income statement and classified as cash flows from operations in the statement of cash flows. Contingent consideration relating to acquisitions made in the year ended 31 December 2010 has been estimated at the date of acquisition; any subsequent revisions to these estimates will be recorded in the income statement. The Group policy is to present acquisition costs and changes in contingent consideration as exceptional items relating to acquisitions as they do not relate to underlying business operations. Further details of business combinations made in the year ended 31 December 2010 are given in Note 13.

*IAS 27 'Consolidated and Separate Financial Statements' (revised 2008)* – which requires non-controlling interests (formerly minority interests) to be presented within equity which has been Group policy for several years. A change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners and will not impact goodwill or give rise to any gain or loss. When there is loss of control of a subsidiary, any retained interest is remeasured to fair value, which will impact the gain or loss recognised on disposal. The revised standard also no longer restricts the allocation to non-controlling interests of losses incurred by a subsidiary to the amount of the non-controlling equity investment. The changes by the revised standard affect transactions with non-controlling interests after 1 January 2010. It has had no effect on the financial position or performance of the Group, but it may lead to changes in accounting for subsidiaries in the future.

Consequential amendments to IAS 28 'Investments in Associates' and IAS 31 'Interests in Joint Ventures' resulting from the above amendments to IFRS 3 have also been adopted by the Group from 1 January 2010.

# Notes to the consolidated financial statements

at 31 December 2010

## 2. Significant accounting policies (continued)

### Changes in accounting policies (continued)

*Improvements to IFRSs 2009* – in April 2009, the IAS issued its second omnibus of amendments to its standards, primarily to remove inconsistencies and to clarify wording. There are separate transitional provisions for each standard. The adoption of the following improvements resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Group:

- The improvement to IAS 7 'Statement of Cash Flows' states that only expenditure that results in the recognition of an asset can be classified as a cash flow from investing activities. As a result of this change (adopted from 1 January 2010) and the adoption of IFRS 3 'Business Combinations' (revised 2008), acquisition costs and payments of changes in contingent consideration on business combinations will be classified as operating cash flows, within 'Non-cash exceptional items and charges to provisions' and 'Fair value adjustments of contingent considerations' respectively. These transactions are detailed in Note 13.
- The amendment to IAS 36 'Impairment of Assets' clarifies that the largest unit permitted for allocating goodwill acquired in a business combination is the operating segment as defined in IFRS 8 before aggregation for reporting purposes. The amendment, adopted from 1 January 2010, has no impact on the Group as the annual impairment test is performed before aggregation.

Other amendments resulting from Improvements to IFRSs 2009 to the following standards did not have any impact on the accounting policies, financial position or performance of the Group:

- IFRS 2 'Share-based Payment'
- IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'
- IAS 1 'Presentation of Financial Statements'
- IAS 17 'Leases'
- IAS 38 'Intangible Assets'
- IAS 39 'Financial Instruments: Recognition and Measurement'
- IFRIC 9 'Reassessment of Embedded Derivatives'
- IFRIC 16 'Hedge of a Net Investment in a Foreign Operation'

The following standards and interpretations have also been adopted in the year ended 31 December 2010, but have had no impact on the financial position or performance of the Group or presentation of the financial statements:

- IFRS 2 'Share-based payments' – Group Cash-settled Share-based Payment Transactions (amendment), effective for financial years beginning on or after 1 January 2010. The amendment clarifies the scope and accounting for group settled share-based payment transactions.
- IAS 39 'Financial Instruments: Recognition and Measurement' – Eligible hedged items (amendment), effective for financial years beginning on or after 1 July 2009. The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The Group has not entered into any such hedges.
- IFRIC 17 'Distribution of Non-cash Assets to Owners', effective for financial years beginning on or after 1 July 2009. The interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends.

# Notes to the consolidated financial statements

at 31 December 2010

## 3. Segment information

### Operating segments

The chief operating decision maker ('CODM') for the purpose of IFRS 8 reporting is the executive management team - the Group Chief Executive Officer and the Group Chief Financial Officer. The Group operates in a number of different markets and communities and considers that presentation of financial results on a products and services basis is the most appropriate way to demonstrate the performance of the Group. For the purpose of resource allocation and assessment of performance, the CODM regularly reviews information based on the products and services at a revenue and adjusted operating profit (as defined in the footnote to the income statement) level.

During 2010, UBM continued to reshape the business towards opportunities and attractive growth prospects – creating a range of quality products and services which help specific communities to do business effectively. As a result, the Data Services and Online reportable segment has been split into two separate operating and reportable segments: 'Data Services' and 'Online – Marketing Services'. Decisions regarding resource allocation, strategy and financial performance for the Online – Marketing Services business are now distinct from those made for the Data Services business. Discrete financial information for each of Data Services and Online – Marketing Services is now regularly provided and reviewed by the CODM. The comparative information for the year ended 31 December 2009 has been restated to reflect the new operating and reportable segments.

The Group considers there to be five reportable operating segments organised around products and services:

- Events which provide face to face interaction in the form of exhibitions, trade shows, conferences and other live events;
- Targeting, Distribution & Monitoring which operates in the targeting and distribution of company information and the evaluation of its impact on targeted audiences;
- Data Services which provide a range of services including data-based workflow products, intellectual property consultancy and analytical services and sales lead generation programmes;
- Online – Marketing Services which provides website sponsorships and banner advertising as well as online directory products; and
- Print – Magazines which publishes magazines and trade press to specialist markets.

No operating segments have been aggregated to form the above reportable segments. The Group's management reporting and controlling systems use the accounting policies that are the same as those referred to in Note 2.

### Segment measures

The Group measures the performance of its operating segments through a measure of segment profit or loss which is referred to as adjusted operating profit. Adjusted operating profit represents operating profit excluding amortisation of intangible assets arising on acquisitions, exceptional items, impairment charges and share of taxation on results of joint ventures and associates. This measure is reported to the CODM for the purposes of resource allocation and assessment of performance.

Interest income, interest expense and income tax expense are not included in the adjusted operating profit measure which is reviewed by the CODM. Tax and treasury balances are managed centrally.

Segment assets and liabilities are not regularly provided to the CODM. The Group has elected, as provided under IFRS 8 'Operating segments' (amended 2009) not to disclose a measure of segment assets or liabilities where these amounts are not regularly provided to the CODM.

Intersegment revenue is recorded at values that represent estimated third-party selling prices.

With respect to geographical regions, revenue is generally allocated to countries based on the location where the products and services are provided. Non-current assets are disclosed according to the location of the businesses to which the assets relate.

# Notes to the consolidated financial statements

at 31 December 2010

## 3. Segment information (continued)

Year ended 31 December 2010

	External revenue £m	Intersegment revenue £m	Total revenue £m	Depreciation (including amortisation of website development costs) £m	Share of pre-tax results from JVs and associates £m	Segment adjusted operating profit/(loss) £m
Events	310.0	0.5	310.5	(4.5)	2.0	93.5
Targeting, Distribution & Monitoring	181.2	0.4	181.6	(5.7)	1.0	42.1
Data Services	184.7	-	184.7	(2.7)	0.3	34.1
Online – Marketing Services	69.2	-	69.2	(1.0)	-	1.3
Print – Magazines	144.1	-	144.1	(2.1)	-	10.0
<b>Total segments</b>	<b>889.2</b>	<b>0.9</b>	<b>890.1</b>	<b>(16.0)</b>	<b>3.3</b>	<b>181.0</b>
Corporate costs	-	-	-	(0.4)	0.3	(15.6)
Internal cost recoveries and sundry income	-	-	-	-	-	6.4
Eliminations	-	(0.9)	(0.9)	-	-	-
	<b>889.2</b>	<b>-</b>	<b>889.2</b>	<b>(16.4)</b>	<b>3.6</b>	<b>171.8</b>

Amortisation of intangibles arising on acquisitions	(27.8)
Exceptional reorganisation and restructuring costs	(5.8)
Exceptional items relating to acquisitions	(5.1)
Share of taxation on profit in joint ventures and associates	(0.8)
<b>Group operating profit</b>	<b>132.3</b>
Interest income	0.7
Interest expense	(19.4)
Financing income	3.3
Financing income – other	1.2
Financing expense – other	(2.6)
<b>Profit before tax</b>	<b>115.5</b>

Total corporate costs for 2010 were £15.6m (2009: £15.5m). The corporate costs are offset by internal cost recoveries from the Group's operating businesses and by sundry income which is not attributable to any of the Group's operations.

Year ended 31 December 2009

	External revenue £m	Intersegment revenue £m	Total revenue £m	Depreciation (including amortisation of website development costs) £m	Share of pre-tax results from JVs and associates £m	Segment adjusted operating profit/(loss) £m
Events	287.5	0.4	287.9	(3.6)	0.8	87.2
Targeting, Distribution & Monitoring	161.4	0.5	161.9	(4.2)	1.1	44.8
Data Services	179.1	-	179.1	(2.2)	0.1	37.3
Online – Marketing Services	53.8	-	53.8	(0.7)	-	0.6
Print – Magazines	165.8	-	165.8	(2.1)	0.2	8.9
<b>Total segments</b>	<b>847.6</b>	<b>0.9</b>	<b>848.5</b>	<b>(12.8)</b>	<b>2.2</b>	<b>178.8</b>
Corporate costs	-	-	-	(0.4)	0.5	(15.5)
Internal cost recoveries and sundry income	-	-	-	-	-	7.9
Eliminations	-	(0.9)	(0.9)	-	-	-
	<b>847.6</b>	<b>-</b>	<b>847.6</b>	<b>(13.2)</b>	<b>2.7</b>	<b>171.2</b>

Amortisation of intangibles arising on acquisitions	(26.8)
Exceptional reorganisation and restructuring costs	(16.5)
Impairment charge	(153.0)
Share of taxation on profit in joint ventures and associates	(0.7)
<b>Group operating loss</b>	<b>(25.8)</b>
Interest income	1.8
Interest expense	(14.8)
Financing income	6.9
Financing income – other	2.9
Financing expense – other	(6.7)
<b>Loss before tax</b>	<b>(35.7)</b>

# Notes to the consolidated financial statements

at 31 December 2010

## 3. Segment information (continued)

### Revenue by products and services

Revenue from external customers analysed by products and services is given in the above segment tables. The Group's reportable segments are organised around products and services provided to external customers. There are no revenues derived from a single external customer which are significant.

### Geographic information

#### Revenues from external customers

	Year ended 31 December 2010 £m	Year ended 31 December 2009 £m
United Kingdom	129.4	129.6
Foreign countries		
United States and Canada	413.8	386.7
Europe	145.7	159.4
China	112.2	101.4
Emerging markets	54.4	40.3
Rest of the world	33.7	30.2
	<b>759.8</b>	<b>718.0</b>
<b>Total revenue</b>	<b>889.2</b>	<b>847.6</b>

#### Non-current assets

	2010 £m	As restated 2009 £m
United Kingdom	262.3	236.6
Foreign countries		
United States and Canada	684.3	437.9
Europe	244.0	248.7
China	29.1	15.2
Emerging markets	56.5	42.1
Rest of the world	6.9	6.6
	<b>1,020.8</b>	<b>750.5</b>
<b>Total non-current assets*</b>	<b>1,283.1</b>	<b>987.1</b>

\* Non-current assets for this purpose consist of goodwill, intangible assets, property, plant and equipment, investments in joint ventures and associates and other investments.

# Notes to the consolidated financial statements

at 31 December 2010

## 4. Exceptional items

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

	2010 £m	2009 £m
<b>(Charged)/credited to operating profit/(loss)</b>		
Vacant property costs	(1.1)	(3.9)
Redundancy	(3.0)	(10.5)
Restructuring and business reorganisation costs	(1.7)	(2.1)
Exceptional reorganisation and restructuring costs	<b>(5.8)</b>	(16.5)
Acquisition costs on business combinations	<b>(6.1)</b>	-
Changes in estimates of contingent consideration	<b>1.0</b>	-
Exceptional items relating to acquisitions	<b>(5.1)</b>	-
Impairment of goodwill (Note 9)	-	(149.8)
Impairment of joint ventures and associates	-	(1.9)
Impairment of other investments	-	(1.3)
Impairment charge	-	(153.0)
<b>Total charged to operating profit/(loss)</b>	<b>(10.9)</b>	(169.5)
<b>Charged to profit/(loss) before tax</b>		
Fair value adjustment – early settlement of interest rate swap contracts	-	(6.7)
<b>Credited to profit after tax</b>		
Exceptional taxation net credit	-	135.2
<b>Total credited to profit after tax</b>	-	135.2
<b>Total charged to profit for the year</b>	<b>(10.9)</b>	(41.0)

### (Charged)/credited to operating profit/(loss)

#### Year ended 31 December 2010

During 2010 we continued to manage our product portfolio actively, closing or exiting 13 print magazine titles and reducing the frequency of two others. We also made further progress in the restructuring of a number of our businesses, particularly within our Data Services business. The exceptional charge of £5.8m includes £3.0m relating to redundancy, £1.7m relating to restructuring and business reorganisation costs and £1.1m relating to vacant property. Of the redundancy and restructuring costs charged, £3.2m has been incurred in 2010 and the balance is committed to be incurred in 2011. The property costs of £1.1m relate to vacant property and other property costs, which will be incurred over the remainder of the lease terms.

Following the adoption of IFRS 3 (revised) from 1 January 2010, acquisition costs of £6.1m have been expensed, rather than included in the calculation of goodwill on acquisition as previously required by the standard. Of this cost, £3.3m relates to the costs incurred in respect of the acquisition of Canon Communications LLC. For the year ended 31 December 2010 a further exceptional credit of £1.0m has been recognised. This is a net credit relating to the revision of the contingent consideration estimates for acquisitions made in 2010. Details of the acquisitions made in the year ended 31 December 2010 are given in Note 13.

#### Year ended 31 December 2009

During 2009, UBM actively managed its product portfolio. This included the closure and merging of a number of print titles, and a headcount reduction of approximately 500 people. The exceptional charge of £16.5m includes £10.5m relating to redundancy, £2.1m relating to restructuring and business reorganisation costs and £3.9m relating to vacant property. The redundancy and restructuring and business reorganisation costs were substantially incurred by 31 December 2010, and the amount relating to vacant property will be incurred over the remainder of the lease terms.

Total impairment losses of £153.0m were recognised during the year of which £149.8m relates to goodwill; details are given in Note 9. The carrying value of investments in joint ventures and associates and other investments were impaired by £1.9m and £1.3m respectively.

### Charged to profit/(loss) before tax

#### Year ended 31 December 2009

The fair value adjustment relates to early settlement of six interest rate swap contracts which were previously designated as cash flow hedges of expected payments under \$300m of borrowing from the Group's £325m variable rate multi option facility. Further details are given in Note 5.

### Credited to profit after tax

#### Year ended 31 December 2009

As a consequence of the resolution of a large number of outstanding taxation items, in various jurisdictions, there was a net exceptional tax credit of £135.2m. Further details are given in Note 6.

# Notes to the consolidated financial statements

at 31 December 2010

## 5. Finance income/(expense)

	2010 Before exceptional £m	2010 Exceptional £m	2010 Total £m	2009 Before exceptional £m	2009 Exceptional £m	2009 Total £m
<b>Interest income</b>						
Cash and cash equivalents	0.7	-	0.7	1.8	-	1.8
<b>Interest expense</b>						
Borrowings and loans	(18.2)	-	(18.2)	(13.2)	-	(13.2)
Other	(1.2)	-	(1.2)	(1.6)	-	(1.6)
Total interest expense for financial liabilities not classified at fair value through profit or loss	(19.4)	-	(19.4)	(14.8)	-	(14.8)
<b>Financing income</b>						
Pension schemes	3.2	-	3.2	2.2	-	2.2
Foreign exchange gain on forward contracts	0.1	-	0.1	4.7	-	4.7
	3.3	-	3.3	6.9	-	6.9
<b>Financing income – other</b>						
Foreign exchange gain on forward contracts	-	-	-	1.0	-	1.0
Ineffectiveness on net investment hedges	-	-	-	1.6	-	1.6
Ineffectiveness on cash flow hedges	-	-	-	0.1	-	0.1
Fair value movement on interest rate swaps	8.9	-	8.9	(1.1)	-	(1.1)
Fair value movement on £250m bond	(7.9)	-	(7.9)	1.3	-	1.3
Ineffectiveness on fair value hedges	1.0	-	1.0	0.2	-	0.2
Other fair value adjustments	0.2	-	0.2	-	-	-
	1.2	-	1.2	2.9	-	2.9
<b>Financing expense – other</b>						
Foreign exchange loss on forward contracts	(0.2)	-	(0.2)	-	-	-
Ineffectiveness on net investment hedges	(2.3)	-	(2.3)	-	-	-
Fair value movement on interest rate swaps	(3.0)	-	(3.0)	-	-	-
Fair value movement on \$350m bond	2.9	-	2.9	-	-	-
Ineffectiveness on fair value hedges	(0.1)	-	(0.1)	-	-	-
Fair value adjustments – early settlement of interest rate swap contracts	-	-	-	-	(6.7)	(6.7)
	(2.6)	-	(2.6)	-	(6.7)	(6.7)
<b>Net finance expense</b>	<b>(16.8)</b>	<b>-</b>	<b>(16.8)</b>	<b>(3.2)</b>	<b>(6.7)</b>	<b>(9.9)</b>

Foreign exchange gain on forward contracts within financing income represents realised gains on foreign currency contracts against profits of the overseas operations.

The ineffectiveness on fair value hedges represents the difference between the fair value movement of the interest rate swaps designated as hedge instruments and the fair value movement of the hedged portions of the £250m fixed rate sterling bonds and the \$350m fixed rate dollar bonds.

In December 2009, the Group settled early six interest rate swap contracts which were previously designated as cash flow hedges of expected payments under \$300m of borrowing from the Group's £325m variable rate multi option facility. Following the issue of the £250m fixed rate sterling bonds in November 2009, that \$300m of borrowings was repaid. Three of the swap contracts totaling \$150m were due to mature in January 2011 with the other three contracts totaling \$150m were due to mature in July 2012. The early settlement resulted in a loss of £6.7m which has been included as an exceptional item.

# Notes to the consolidated financial statements

at 31 December 2010

## 6. Taxation

Major components of income tax charge for the year ended 31 December 2010 are:

	2010 £m	2009 £m
<b>Consolidated income statement</b>		
Current tax:		
Current tax charge	(22.7)	(24.2)
Exceptional taxation net credit	-	135.2
Deferred tax:		
Origination and reversal of temporary differences	6.6	6.5
<b>Income tax (charge)/credit in the consolidated income statement</b>	<b>(16.1)</b>	<b>117.5</b>
<b>Consolidated statement of other comprehensive income</b>		
Current tax	-	-
Deferred tax	-	-
<b>Income tax recognised in other comprehensive income</b>	<b>-</b>	<b>-</b>

The amounts relating to current tax recognised in the statement of financial position are:

	2010 £m	2009 £m
At 1 January	109.0	237.2
Current tax charge	22.7	24.2
Exceptional tax net credit	-	(135.2)
Tax paid	(62.1)	(16.5)
Foreign exchange and other movements	-	(0.7)
<b>At 31 December</b>	<b>69.6</b>	<b>109.0</b>

The Group does not expect the tax cash outflow in respect of this creditor in 2011 to exceed £10.0m.

At 1 January 2009 the current tax liability of £237.2m included an assessment of the Group's uncertain tax positions in various jurisdictions, including the dispute with HMRC in relation to the sale of the Regional Newspapers business in 1998 where the tax in dispute was estimated at £80m. During 2009 the Group resolved a large number of outstanding items in various jurisdictions. This included:

- (i) the dispute in relation to the sale of the Regional Newspapers business, for which a payment (including interest) of £36.4m was paid in March 2010;
- (ii) other UK issues for accounting periods up to 31 December 2007 for which a payment (including interest) of £10.1m was paid in March 2010; and
- (iii) other non-UK issues for which a payment of £3.0m was made during 2009.

The £46.5m paid in March 2010 was included in the current tax liabilities at 31 December 2009.

The amounts included in the current tax liability at 1 January 2009 in relation to these issues, over and above the amounts paid and payable above, were therefore released in 2009. As a consequence there was a net exceptional tax credit of £135.2m.

### Factors affecting tax charge/(credit) for the year

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory tax rate to tax expense for the year ended 31 December 2010 is as follows:

	2010 £m	2009 £m
Profit/(loss) before tax	115.5	(35.7)
Profit/(loss) before tax multiplied by standard rate of corporation tax in Republic of Ireland of 12.5% (2009: 12.5%)	14.4	(4.5)
Effect of:		
Expenses not deductible for tax purposes	10.3	23.7
Tax effect of items not recognised in consolidated financial statements	(11.5)	(9.1)
Origination and reversal of temporary differences not recognised	(20.0)	(9.5)
Different tax rates on overseas earnings	25.3	19.3
Share of results from associates and joint ventures (after tax)	(0.7)	(0.6)
Non-taxable income	(1.7)	(1.6)
Exceptional taxation net credit	-	(135.2)
<b>Income tax charge/(credit) reported in the consolidated income statement</b>	<b>16.1</b>	<b>(117.5)</b>

The Group has assessed the impact of changes in tax rates in various jurisdictions in which it operates and has determined that the changes do not have a significant impact on the current or future tax charges.

# Notes to the consolidated financial statements

at 31 December 2010

## 6. Taxation (continued)

### Deferred tax

Deferred tax at 31 December 2010 relates to the following:

	Consolidated statement of financial position		Consolidated income statement	
	2010 £m	2009 £m	2010 £m	2009 £m
Intangible assets acquired	48.2	26.0	(6.6)	(6.4)
Other temporary differences	1.5	1.7	-	(0.1)
	<b>49.7</b>	<b>27.7</b>	<b>(6.6)</b>	<b>(6.5)</b>

At 31 December 2010, 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 £5.6bn (2009: £5.3bn). There are no income tax consequences to the Group arising from the payment of dividends by the Company to its shareholders.

The movement in the net deferred tax liability was as follows:

	2010 £m	2009 £m
Net liability at 1 January	27.7	35.2
Acquisition of subsidiaries (Note 13)	28.9	1.3
Amounts credited to net profit	(6.6)	(6.5)
Currency translation	(0.3)	(2.3)
Net liability at 31 December	<b>49.7</b>	<b>27.7</b>

The Group has unrecognised deferred tax assets of £76.8m relating to deductible temporary differences and £134.9m (of which £90.5m will expire between 2019 and 2030) relating to unused tax losses (2009: £59.2m and £105.5m (of which £63.9m will expire between 2019 and 2029) respectively). No deferred tax asset has been recognised in respect of these amounts due to the unpredictability of future taxable profit streams. The Group also has unrecognised deferred tax assets of £55.4m (2009: £52.3m) relating to unused capital losses which can only be utilised against future capital gains.

## 7. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity shareholders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options).

The Group has one category 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. The impact of dilutive securities in 2010 would be to increase weighted average shares by 4.2 million shares (2009: 3.4 million shares) for employee share options.

The weighted average number of shares excludes ordinary shares held by the Employee Share Ownership Plan (the 'ESOP') and the Qualifying Employee Share Ownership Trust (the 'QUEST').

Adjusted earnings per share is calculated on adjusted Group operating profit (net profit for the year attributable to ordinary equity shareholders, less amortisation of intangible assets arising on acquisitions, exceptional items, impairment charges, deferred tax on amortisation of intangible assets, taxation relating to exceptional items and net financing expense – other) divided by the weighted average number of ordinary shares outstanding during the year. Exceptional items, net financing expense – other, 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.

# Notes to the consolidated financial statements

at 31 December 2010

## 7. Earnings per share (continued)

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2010	2010	2010	2009	2009	2009
	Earnings	Weighted	Earnings	Earnings	Weighted	Earnings
	£m	average no.	per share	£m	average no.	per share
		of shares	pence		of shares	pence
		million			million	
Adjusted Group operating profit	171.8			171.2		
Net interest expense	(18.7)			(13.0)		
Financing income	3.3			6.9		
Adjusted profit before tax	156.4			165.1		
Taxation	(23.5)			(24.8)		
Non-controlling interests	(8.6)			(6.6)		
<b>Adjusted earnings per share</b>	<b>124.3</b>	<b>243.4</b>	<b>51.0</b>	133.7	243.1	55.1
Adjustments						
Amortisation of intangible assets arising on acquisitions	(27.8)		(11.4)	(26.8)		(11.0)
Deferred tax on amortisation of intangible assets	6.6		2.8	6.4		2.6
Adjustments in respect of non-tax exceptional items	(10.9)		(4.6)	(169.5)		(69.8)
Tax exceptional item	-		-	135.2		55.6
Net financing expense – other	(1.4)		(0.5)	(3.8)		(1.6)
<b>Basic earnings per share</b>	<b>90.8</b>	<b>243.4</b>	<b>37.3</b>	75.2	243.1	30.9
Dilution						
Options	-	4.2	(0.6)	-	3.4	(0.4)
<b>Diluted earnings per share</b>	<b>90.8</b>	<b>247.6</b>	<b>36.7</b>	75.2	246.5	30.5
<b>Adjusted earnings per share (as above)</b>	<b>124.3</b>	<b>243.4</b>	<b>51.0</b>	133.7	243.1	55.1
Options	-	4.2	(0.8)	-	3.4	(0.9)
<b>Diluted adjusted earnings per share</b>	<b>124.3</b>	<b>247.6</b>	<b>50.2</b>	133.7	246.5	54.2

## 8. Dividends

	2010	2009
	£m	£m
<b>Declared and paid during the year</b>		
Equity dividends on ordinary shares		
Second interim dividend for 2009 of 18.20p (2008 of 18.20p)	44.3	44.2
Interim dividend for 2010 of 6.00p (2009: 6.00p)	14.6	14.6
	<b>58.9</b>	<b>58.8</b>
<b>Proposed (not recognised as a liability at 31 December)</b>		
Equity dividends on ordinary shares		
Second interim dividend for 2010 of 19.00p (2009: 18.20p)	46.2	44.3

The proposed second interim dividend has not been recognised as a liability in these financial statements.

Pursuant to the Dividend Access Plan ('DAP') arrangements put in place as part of the Scheme of Arrangement, shareholders in the Company are able to elect to receive their dividends from a UK source (the 'DAP election'). Shareholders who held 50,000 or fewer shares (i) on the date of admission of the Company's shares to the London Stock Exchange and (ii) in the case of shareholders who did not own the shares at that time, on the first dividend record date after they become shareholders in the Company, unless they elect otherwise, will be deemed to have elected to receive their dividends under the DAP arrangements. Shareholders who hold more than 50,000 shares and who wish to receive their dividends from a UK source must make a DAP election. All elections remain in force indefinitely unless revoked. Unless shareholders have made a DAP election, or are deemed to have made a DAP election, dividends will be received from an Irish source and will be taxed accordingly.

# Notes to the consolidated financial statements

at 31 December 2010

## 9. Goodwill

Goodwill was historically recorded under the seven business units (UBM Technology, UBM Medica, UBM Asia, UBM Information, Commonwealth Business Media, RISI and Targeting, Distribution & Monitoring), which have comprised the Group's cash generating units (CGUs), and represented the lowest level within the Group at which goodwill was monitored for internal management purposes.

During 2008 and 2009, UBM reorganised the operations of UBM Technology, UBM Information and Commonwealth into a number of smaller business units, resulting in UBM Technology being restructured into four business units, UBM Information into three business units and Commonwealth into two. As a consequence of these actions, the Group identified 13 separate business units, of which 12 operate in a combination of Events, Data Services, Online – Marketing Services and Print – Magazines, with PR Newswire being the sole business unit involved in the Targeting, Distribution and Monitoring segment. However, during 2009, the seven historical business units remained the lowest level within the Group at which goodwill was monitored for management purposes. Goodwill was not sub-allocated to the three of the then reportable segments, being Events, Data Services and Online, and Print – Magazines. Accordingly the impairment review in 2009 was performed at the level of the seven historical business units.

During 2010, following further segregation of cashflows, each of the 13 business units was considered to comprise several individual CGUs to which goodwill is allocated and monitored by management. The goodwill previously recorded under the seven CGUs was allocated into 31 separate CGUs such that for each of the 12 business units (excluding PR Newswire), there is an allocation of goodwill across the relevant operating segments of Events, Data Services, Online – Marketing Services and Print – Magazines. It should be noted that not all business units are active in all segments. The allocation was based on an assessment of the relative fair values of the 31 CGUs to which the goodwill relates, determined using forecasted EBITA multiples that were considered appropriate for each sector and segment.

For reporting purposes, the CGUs have been aggregated into the reportable segments, as shown in the table below. The 31 CGUs have been individually tested for impairment in 2010. Goodwill and other assets held at 31 December 2009 have not been realigned to the Group's reportable segments.

### 31 December 2010

	Events £m	Targeting, Distribution & Monitoring £m	Data Services £m	Online – Marketing Services £m	Print – Magazines £m	Total £m
<b>Cost</b>						
At 1 January 2010	412.9	72.4	305.5	22.3	157.4	970.5
Acquisitions (Note 13)	141.9	15.4	4.9	40.7	16.5	219.4
Currency translation	5.7	1.7	(3.0)	0.7	0.7	5.8
<b>At 31 December 2010</b>	<b>560.5</b>	<b>89.5</b>	<b>307.4</b>	<b>63.7</b>	<b>174.6</b>	<b>1,195.7</b>
<b>Impairment</b>						
At 1 January 2010	13.7	-	11.1	-	125.0	149.8
Currency translation	0.4	-	0.2	-	1.2	1.8
<b>At 31 December 2010</b>	<b>14.1</b>	<b>-</b>	<b>11.3</b>	<b>-</b>	<b>126.2</b>	<b>151.6</b>
<b>Carrying value</b>						
At 1 January 2010	399.2	72.4	294.4	22.3	32.4	820.7
<b>At 31 December 2010</b>	<b>546.4</b>	<b>89.5</b>	<b>296.1</b>	<b>63.7</b>	<b>48.4</b>	<b>1,044.1</b>

Within the aggregate Events goodwill above, the Group considers the UBM TechWeb *Events* and UBM Live *Events* CGUs to be significant. The carrying value of goodwill attributed to these CGUs at 31 December 2010 was £168.9m and £292.5m respectively. Within the aggregate Data Services goodwill above, the Group considers the UBM Medica *Data Services* CGU to be significant. The carrying value of UBM Medica *Data Services* goodwill at 31 December 2010 was £196.0m. The Targeting, Distribution & Monitoring CGU as reported above is also considered to be significant.

### 31 December 2009 (as restated)

	UBM Technology £m	UBM Medica £m	UBM Asia £m	UBM Information £m	Commonwealth Business Media £m	RISI £m	Targeting, Distribution & Monitoring £m	Total £m
<b>Cost</b>								
At 1 January 2009	300.3	321.5	19.7	212.9	104.1	5.0	75.7	1,039.2
Acquisitions (Note 13)	(1.5)	3.4	2.5	0.4	(0.5)	-	4.1	8.4
Transfer to joint venture (Note 13)	-	-	(2.5)	-	-	-	-	(2.5)
Transfers	(0.2)	-	(4.6)	4.8	-	-	-	-
Currency translation	(29.9)	(25.0)	(1.9)	(1.5)	(8.9)	-	(7.4)	(74.6)
<b>At 31 December 2009</b>	<b>268.7</b>	<b>299.9</b>	<b>13.2</b>	<b>216.6</b>	<b>94.7</b>	<b>5.0</b>	<b>72.4</b>	<b>970.5</b>
<b>Impairment</b>								
At 1 January 2009	-	-	-	-	-	-	-	-
Charge for the year	47.0	67.0	-	-	35.8	-	-	149.8
<b>At 31 December 2009</b>	<b>47.0</b>	<b>67.0</b>	<b>-</b>	<b>-</b>	<b>35.8</b>	<b>-</b>	<b>-</b>	<b>149.8</b>
<b>Carrying value</b>								
At 1 January 2009	300.3	321.5	19.7	212.9	104.1	5.0	75.7	1,039.2
<b>At 31 December 2009</b>	<b>221.7</b>	<b>232.9</b>	<b>13.2</b>	<b>216.6</b>	<b>58.9</b>	<b>5.0</b>	<b>72.4</b>	<b>820.7</b>

The amounts shown for the year ended 31 December 2009 have been restated to reflect the finalisation of acquisition accounting adjustments relating to certain acquisitions made in 2009 (Note 1).

# Notes to the consolidated financial statements

at 31 December 2010

## 9. Goodwill (continued)

### Impairment tests for goodwill

A summary of the goodwill allocation to the Group's CGUs is given in the above tables.

Management tests goodwill annually for impairment as at 30 September each year or more frequently if there are indicators that goodwill may be impaired. The recoverable amount of a CGU is the higher of a CGU's fair value less costs to sell and its value in use. In calculating the fair value less costs to sell and value in use of its CGUs, management is assisted by the work of external advisors.

The recoverable amount of a CGU is not re-computed annually by management if all of the following criteria are met:

- The component assets and liabilities of the CGU have not changed significantly since the last recoverable amount calculation;
- The previous assessment of recoverable amount exceeded the carrying amount of the CGU by a substantial margin; and
- Based on an analysis of events that have occurred and circumstances that have changed since the most recent recoverable amount calculation, the likelihood that a current recoverable amount determination of the CGU would be less than its carrying value is remote.

#### 31 December 2010

Due to the changes in the CGUs used to determine impairment losses detailed on the previous page, the above criteria have not been applied to the financial performance and position of the new CGUs at 30 September 2010. Fair value less costs to sell testing has been performed for all of the Group's CGUs for the 2010 goodwill impairment test. Additional value in use testing has also been performed for three of the CGUs: UBM Medica *Data Services*, UBM TechWeb *Events* and UBM Aviation *Data Services*.

Following the completion of the fair value exercise ('the acquisition accounting'), goodwill of £150.4m recognised on acquisition of Canon Communications LLC has been allocated to three CGUs: UBM Live *Events* (£97.3m), UBM Electronics *Online – Marketing Services* (£37.0m) and UBM Electronics *Print – Magazines* (£16.1m). The acquisition completed on 21 October 2010 and the acquisition accounting was performed subsequent to the annual impairment testing date. A further impairment review was not performed on these three CGUs as there was significant headroom on each CGU at 30 September 2010, and there are no indicators of impairment on the goodwill attributable to Canon.

#### 31 December 2009

In 2009, management considered that three CGUs – Targeting, Distribution & Monitoring, UBM Asia and RISI – met all three of the carry forward criteria, and the results of prior year calculations of the recoverable amounts of these CGUs, based on fair value less costs to sell, were rolled forward for the purpose of the 2009 impairment test. Fair value less costs to sell testing was performed in 2009 for all other CGUs, with additional value in use testing performed for UBM Technology, UBM Medica and Commonwealth Business Media.

### Impairment charges recognised

The impairment charges in respect of goodwill recognised in the consolidated income statement as a separate line item within operating profit/(loss) are as follows:

Cash generating unit	Segment	2010 £m	2009 £m
UBM Technology	Print – Magazines	-	47.0
UBM Medica	Print – Magazines	-	53.3
UBM Medica	Events	-	13.7
			67.0
Commonwealth Business Media	Print – Magazines	-	24.7
Commonwealth Business Media	Data Services	-	11.1
			35.8
		-	149.8

In 2010, the impairment charges recognised in the year ended 31 December 2009 have been allocated to each of the reportable segments.

#### UBM Technology

During the year ended 31 December 2009, the goodwill in relation to UBM Technology was impaired by £47.0m, mainly due to the continued decline in print revenue and operating profit within the technology sector. Over the past few years, UBM has actively managed the print magazine portfolio to adapt to the long term structural shifts in the media environment. A number of titles had either been discontinued, consolidated or the frequency of publication reduced, resulting in a significant decline in print-based revenue and operating profit, further accelerated in 2009 by the difficult economic climate.

#### UBM Medica

The goodwill in relation to UBM Medica was impaired by £67.0m during the year ended 31 December 2009. This was primarily due to reduced print magazine revenue and operating profit. A number of UBM Medica titles were discontinued in 2009, resulting in a significant decline in print-based revenue and operating profit, further accelerated by the reduction in General Practitioner advertising revenue reflecting the difficult economic climate. In addition, regulatory change in the US resulted in reduced spending by the pharmaceutical companies for Continuing Medical Education, which resulted in the cancellation of a number of planned meeting series.

#### Commonwealth Business Media

During the year ended 31 December 2009, the goodwill in relation to Commonwealth Business Media was impaired by £35.8m. As with UBM Technology and UBM Medica, the charge was mainly attributable to the decline in print magazine and print directory revenue and operating profit. Both magazines and directories within the trade and transportation sector were impacted by the long term structural shift away from print media towards digital and face-to-face media. This decline was accelerated in 2009 as a result of the difficult economic environment, particularly in the US.

# Notes to the consolidated financial statements

at 31 December 2010

## 9. Goodwill (continued)

### Financial results of cash generating units

The table below shows the revenue and adjusted operating profit measures of each CGU tested for impairment in the prior year. The amounts are shown to provide additional financial information in respect of the financial performance of those CGUs and as a context for the reasons for impairment in 2009. The same measures for the Group's reportable segments of Events, Targeting, Distribution & Monitoring, Data Services, Online – Marketing Services and Print – Magazines and are set out in Note 3.

31 December 2009

	UBM Technology £m	UBM Medica £m	UBM Asia £m	UBM Information £m	Commonwealth Business Media £m	RISI £m	Targeting, Distribution & Monitoring £m	Total £m
External revenue	162.2	178.7	117.6	154.1	58.2	15.4	161.4	847.6
Inter-CGU revenue	-	-	0.4	-	-	-	0.5	0.9
Total CGU revenue	162.2	178.7	118.0	154.1	58.2	15.4	161.9	848.5
Eliminations								(0.9)
Total revenue								847.6
CGU Adjusted operating profit <sup>1</sup>	15.1	28.4	39.7	38.5	10.5	1.8	44.8	178.8
Other corporate								(7.6)
Total adjusted operating profit <sup>1</sup>								171.2

<sup>1</sup> Adjusted operating profit represents operating profit excluding amortisation of intangible assets arising on acquisitions, exceptional items, impairment charges and share of taxation on profit in joint ventures and associates.

### Value in use impairment test

The recoverable amounts for UBM Medica *Data Services*, UBM TechWeb *Events* and UBM Aviation *Data Services* were determined using value in use during 2010. The value in use tests for each CGU have been based on the estimated future cash flows which are discounted to their present value using a pre-tax discount rate that reflects management's estimate of the CGUs weighted average cost of capital. Equivalent testing was performed in 2009 for UBM Technology, UBM Medica and Commonwealth Business Media.

The following key assumptions used by management for the value in use calculation for the above mentioned CGUs are considered to be most sensitive:

#### Forecast EBITA

Forecast EBITA used in the 2010 and 2009 tests is based upon the financial projections approved by management covering a five year period. The projections are determined by using a combination of past experience, long term trends, industry forecasts and management estimates. Management's estimates and long term trends reflect the following factors:

- The continued rebalancing of the product portfolio, away from print to digital and face-to-face media.
- Margin improvements due to restructuring and business reorganisation plans, that have taken place during 2009 and 2010 within each CGU. Each restructuring programme aims to either rebalance the product portfolios to better meet the future needs of customers and audiences, or to ensure the support platforms and divisional structures are cost efficient. This was undertaken by a combination of cost reductions and investment in organic product development and acquisitions. The EBITA projections take into account these margin improvements and do not include any cash flows relating to restructuring not provided at the time of the annual impairment test.
- Margin improvements due to significant investment upgrading the IT infrastructure within the Data Services business during 2010.

Management has considered industry specific growth rates in their calculation of the five year EBITA forecast, together with expectations specific to the healthcare, trade and transportation, technology and aviation industries.

#### Discount rate

The discount rate for each CGU in 2010 is based on the risk-free rate for 20 year government bonds in the respective market, adjusted for a risk premium to reflect the increased risk of investing in equities, the systematic risk of the specific CGU and taking into account the specific territories in which the CGU operates. The increased risk of investing in equities is assessed using an equity market risk premium which reflects the increased return required over and above a risk free rate by an investor who is investing in the whole market. Management has used an equity market risk premium based on studies by independent economists and historic equity market risk premiums.

The risk adjustment for the systematic risk, beta, of each CGU reflects the specific risk relating to that CGU relative to the market as a whole. This has been determined by management using an average of the betas of comparable companies within respective sectors.

The discount rates used in the 2009 testing were determined as above but also adjusted to reflect the relative size of each CGU. In 2010, no adjustment has been made as this is already reflected in the cash flow forecasts.

# Notes to the consolidated financial statements

at 31 December 2010

## 9. Goodwill (continued)

### Perpetuity growth rates

The cash flows for each specific CGU subsequent to the approved budget period are based upon the weighted average projected real gross domestic product growth rate in 2014 of each of the territories in which the CGUs operate (2009: 2013). Growth rates for each territory have been weighted based on contribution to 2011 budgeted revenue (2009: contribution to 2010 budgeted revenue).

The key assumptions for discount rate and perpetuity growth rate used in the value in use calculations are as follows:

	2010		2009	
	Pre-tax discount rate	Perpetuity growth rate	Pre-tax discount rate	Perpetuity growth rate
UBM Medica <i>Data Services</i>	10.5%	3.5%	n/a	n/a
UBM TechWeb <i>Events</i>	11.5%	3.5%	n/a	n/a
UBM Aviation <i>Data Services</i>	11.9%	2.8%	n/a	n/a
UBM Technology	n/a	n/a	12.0%	2.5%
UBM Medica	n/a	n/a	12.6%	2.6%
Commonwealth Business Media	n/a	n/a	13.3%	2.3%

### 2010 sensitivities

The table below shows the carrying value of each CGU tested under value in use, the headroom determined and the reasonably possible changes needed in isolation in each of the above assumptions that would cause the recoverable amount of each CGU to be reduced to a level comparable with its carrying value. Other than the changes in the table below, management believes that no reasonably possible change in any of the above assumptions would reduce the headroom to nil.

	Goodwill 30 September 2010 £m	Headroom above carrying amount £m	Change needed in assumption to reduce recoverable amount to carrying value		
			EBITA five year forecast %	Pre-tax discount rate percentage points	Perpetuity growth rate percentage points
UBM Medica <i>Data Services</i>	196.3	36.2	(15.0)	2.1	(1.5)
UBM TechWeb <i>Events</i>	167.9	16.5	(9.0)	1.5	(2.0)
UBM Aviation <i>Data Services</i>	26.9	18.0	n/a	n/a	n/a

### 2009 sensitivities

Following the impairment charge recognised in 2009, the estimated recoverable amount of the UBM Technology, UBM Medica and Commonwealth Business Media CGUs were equal to their carrying value at 31 December 2009. Consequently, any adverse change in key assumption would, in isolation, cause a further impairment loss to be recognised. The table below shows the (increase)/decrease in the aggregate impairment loss of a reasonably possible change in each assumption:

	UBM Technology £m	UBM Medica £m	Commonwealth Business Media £m
EBITA forecasts			
Decrease by 10%	(19.0)	(22.9)	(7.5)
Increase by 10%	19.0	22.9	7.5
Pre-tax discount rate			
Increase by 20 basis points	(3.8)	(4.1)	(1.3)
Decrease by 20 basis points	3.9	4.3	1.3
Perpetuity growth rate			
Increase by 0.5 percentage point	7.0	7.5	2.2
Decrease by 0.5 percentage point	(6.3)	(6.8)	(2.0)

### **Fair value less costs to sell impairment test**

The recoverable amounts of all CGUs have been determined using fair value less costs to sell. 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 sold in a current transaction between willing parties. The valuation method is based on an earnings multiple approach using revenue and EBITA multiples obtained from comparable businesses and transactions in comparable businesses in the professional media sector. A discount to the multiples from the peer group has been applied due to the smaller size of the CGUs compared to the peer group. The multiples range from 0.1 to 3.3 for revenue and 0.7 to 12.3 for EBITA.

The calculation uses actual sales and EBITA results for 2010 and forecast sales and EBITA for 2011, based upon financial budgets approved by management. Costs to sell are estimated to be 3% of the value of a CGU, based on experience of prior disposals by the Group.

In the determination of fair value less costs to sell, the calculations of fair value are most sensitive to the precedent transaction multiples used. Based on the conditions at the balance sheet date, management determined that a reasonably possible change in any of the key assumptions would not cause an impairment to be recognised in respect of each CGU.

# Notes to the consolidated financial statements

at 31 December 2010

## 9. Goodwill (continued)

In 2009, an impairment test for the UBM Information CGU was performed under the fair value less costs to sell methodology, as described above. The multiples ranged from 1.6 to 2.2 for revenue and 7.5 to 9.5 for EBITA. The calculation used actual sales and EBITA results for 2009 and forecast sales and EBITA for 2010, based upon financial budgets approved by management. Costs to sell were estimated to be 3% of the value of a CGU, based on experience of prior disposals by the Group.

In the determination of fair value less costs to sell in 2009, the calculations of fair value were most sensitive to the precedent transaction multiples used. Based on the conditions at the balance sheet date, management determined that a reasonably possible change in any of the key assumptions would not cause an impairment to be recognised in respect of UBM Information.

## 10. Cash and cash equivalents

### Cash and short term deposits

	2010 £m	2009 £m
Cash at bank and in hand	37.7	61.9
Short term deposits	88.2	97.0
	<b>125.9</b>	<b>158.9</b>

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 Group classifies all its cash and short term deposits as loans and receivables.

The fair value of cash and cash equivalents at 31 December 2010 is £125.9m (2009: £158.9m).

The majority of the Group's surplus cash is deposited with major banks with rating of A (Standard and Poor's) or A2 (Moody's).

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise the following at 31 December:

	2010 £m	2009 £m
Cash at bank and in hand	37.7	61.9
Short term deposits	88.2	97.0
	<b>125.9</b>	<b>158.9</b>
Bank overdrafts (Note 11)	<b>(0.1)</b>	<b>(0.1)</b>
	<b>125.8</b>	<b>158.8</b>

## 11. Borrowings

	2010 £m	2009 £m
<b>Current</b>		
Bank overdrafts	0.1	0.1
£75m floating rate reset bonds	75.0	-
Current instalments due on bank loans	0.2	0.2
	<b>75.3</b>	<b>0.3</b>
<b>Non-current</b>		
\$350m fixed rate dollar bonds 2020	215.4	-
£250m fixed rate sterling bonds 2016	254.0	245.8
£75m floating rate reset bonds	-	75.0
Non-current instalments due on bank loans	65.8	64.2
	<b>535.2</b>	<b>385.0</b>

The Group classifies all its derivative financial instruments at fair value through profit and loss and its bank overdrafts, bank loans, fixed rate bonds and floating rate reset bonds as financial liabilities at amortised cost.

### Bonds

#### \$350m fixed rate dollar bonds due 2020

On 3 November 2010, the Group issued \$350m fixed rate dollar bonds at 98.295% of par. The bonds pay a 5.75% coupon on a semi annual basis on 3 May and 3 November until maturity in 2020. The coupon of 5.75% would be increased in the event the Group's long term credit rating were to be reduced below investment grade by either Standard and Poor's (below BBB-) or Moody's (below Baa3). The increase to the coupon would be 0.25% per 'ratings notch' per agency. The proceeds were primarily used to repay outstanding bank debt drawn to finance the acquisition of Canon. The Group entered into interest rates swaps so that \$150m of the bonds has been swapped into floating rate US Dollars, at a rate of US LIBOR plus 2.63%.

# Notes to the consolidated financial statements

at 31 December 2010

## 11. Borrowings (continued)

### *£250m fixed rate sterling bonds due 2016*

On 23 November 2009 the Group issued £250m fixed rate sterling bonds at 99.384% of par. The bonds pay an annual interest coupon of 6.5% on 23 November until maturity in 2016. The coupon of 6.5% would be increased by 1.25% in the event the Group's long term credit rating were to be reduced below investment grade by either Standard and Poor's (below BBB-) or Moody's (below Baa3). The proceeds were used to repay outstanding bank debt. The Group entered into currency and interest rate swaps so that approximately £150m has been swapped into floating rate US Dollars, at a rate of US LIBOR plus 3.14%. The group also entered into currency swaps so that approximately £100m has been swapped into fixed rate US Dollars, at a rate of 6.34%.

### *£75m floating rate reset bonds*

The bonds bear interest at six month LIBOR plus 0.68% until 26 September 2011. Thereafter the interest rate will be 4.70% plus a credit spread which will be reset every three years by auction. Bondholders may put the bonds back to the issuer, at par, on 26 September 2011 and on each triennial interest reset date thereafter. The Group may call the bonds at fair market value on interest payment dates from September 2011. If not put or called, the bonds will mature in 2028.

The £75m floating rate reset bonds and €53.1m floating rate reset loans 2012 below are subject to put and call options as described above and below. Since the onset of the 2008/2009 credit crisis, long term swap rates have fallen below the reset interest rates of 4.70% and 4.16%. This, combined with a material increase in market volatility, has increased the fair value of the bonds and loans as at 31 December 2010 to £84.0m and €57.3m respectively. If UBM exercises its call options and repays the instrument, the early unwind at the current valuation would result in a loss of £9.0m crystallising on the bond and €4.2m crystallising on the loans. Under IAS 39 the losses would be recognised as a financial expense in the income statement.

From the 31 December 2010 valuation, assuming all other variables remain constant the fair value of the bonds increases by approximately £0.8m for a 0.1% fall in the 17 year swap rate.

From the 31 December 2010 valuation, assuming all other variables remain constant, the fair value of the loans increases by approximately €0.5m for every 0.1% fall in the 12 year swap rate.

### Bank loans

	2010	2009
	£m	£m
€53.1m floating rate reset loans 2012	45.5	47.2
£325m variable rate multi option facility 2012	20.3	16.8
Other	0.2	0.4
	<b>66.0</b>	<b>64.4</b>

### *€53.1m floating rate reset loans due 2012*

These loans bear interest at six month LIBOR plus 1.80% until 16 March 2012. Thereafter the interest rate will be 4.16% plus a credit spread which will be reset every three years by auction. Lenders may put the loans back to the Group, at par, on 16 March 2012 and on each triennial interest reset date thereafter. The Group may call the loans at fair market value on interest payment dates from March 2012. If not put or called, the loans will mature in 2024.

### *£325m variable rate multi option facility due 2012*

This £325m multicurrency unsecured revolving facility is repayable on 27 July 2012 and bears interest at LIBOR plus 0.325%. Drawings under the facility are as follows:

Currency of borrowing	2010	2010	2009	2009
	m	£m	m	£m
Canadian Dollar	31.5	20.3	-	-
Japanese Yen	-	-	2,530.0	16.8
		<b>20.3</b>		<b>16.8</b>

The undrawn portion of this facility is £304.7m (2009: £308.2m).

# Notes to the consolidated financial statements

at 31 December 2010

## 12. Other reserves

	Merger reserve £m	Foreign currency translation reserve £m	ESOP reserve £m	Other reserve £m	Total other reserves £m
<b>Balance at 1 January 2009</b>	<b>(732.2)</b>	<b>66.8</b>	<b>(19.5)</b>	<b>117.4</b>	<b>(567.5)</b>
Total comprehensive losses for the year <sup>1</sup>	-	(51.7)	-	7.9	(43.8)
Shares awarded by ESOP	-	-	13.6	-	13.6
<b>Balance at 31 December 2009</b>	<b>(732.2)</b>	<b>15.1</b>	<b>(5.9)</b>	<b>125.3</b>	<b>(597.7)</b>
Total comprehensive losses for the year <sup>2</sup>	-	(8.1)	-	-	(8.1)
Shares awarded by ESOP	-	-	3.4	-	3.4
Own shares purchased by the Company	-	-	(6.3)	-	(6.3)
<b>Balance at 31 December 2010</b>	<b>(732.2)</b>	<b>7.0</b>	<b>(8.8)</b>	<b>125.3</b>	<b>(608.7)</b>

<sup>1</sup> The amount included in the foreign currency translation reserve for 2009 represents the currency translation difference on foreign operations on Group subsidiaries of £(45.2)m (excluding £(0.1)m relating to non-controlling interests), net investment hedges of £(5.0)m and on joint ventures and associates of £(1.5)m. The amount recognised in the other reserve represents the gains on cash flow hedges arising during the year of £0.2m and reclassification adjustments for amounts included in profit or loss of £7.7m.

<sup>2</sup> The amount included in the foreign currency translation reserve for 2010 represents the currency translation difference on foreign operations on Group subsidiaries of £6.1m (excluding £0.5m relating to non-controlling interests), on net investment hedges of £(14.6)m and on joint ventures and associates of £0.4m.

### Merger reserve

The merger reserve is used to record entries in relation to certain reorganisations that took place in previous accounting periods. The majority of the balance on the reserve relates to the capital reorganisation that took place in 2008 which created a new holding company which is UK-listed, incorporated in Jersey and with its tax residence in the Republic of Ireland.

### 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. During the year ended 31 December 2010, 1,200,000 shares were purchased by the ESOP (2009: nil).

# Notes to the consolidated financial statements

at 31 December 2010

## 13. Acquisitions

The Group completed 22 acquisitions during 2010 of which Canon Communications LLC ('Canon') was particularly significant. Details of all other acquisitions have been provided below by reportable segment.

The following table sets out the carrying amounts of the identifiable assets and liabilities acquired in respect of acquisitions made in 2010:

	Canon 2010 Fair value to Group £m	Other acquisitions 2010 Fair value to Group £m	All acquisitions 2010 Fair value to Group £m
Intangible assets	67.8	24.2	92.0
Property, plant and equipment	1.3	0.8	2.1
Cash and cash equivalents	1.8	3.4	5.2
Trade and other receivables	13.9	11.1	25.0
	<b>84.8</b>	<b>39.5</b>	<b>124.3</b>
Trade and other payables	(23.7)	(18.3)	(42.0)
Provisions	(1.8)	-	(1.8)
Deferred tax liability	(23.7)	(5.2)	(28.9)
	<b>(49.2)</b>	<b>(23.5)</b>	<b>(72.7)</b>
Identifiable net assets	35.6	16.0	51.6
Goodwill arising on acquisition (net of changes in estimates of pre 1 January 2010 contingent consideration of £2.0m within Other acquisitions)	150.4	69.0	219.4
Non-controlling interests	-	(9.5)	(9.5)
	<b>186.0</b>	<b>75.5</b>	<b>261.5</b>

Trade and other receivables acquired have been recognised at fair value which equates to the gross contractual amounts receivable. All amounts recognised are expected to be collected.

The total consideration paid and payable after working capital adjustments on acquisitions is shown below:

	Canon 2010 £m	Other acquisitions 2010 £m	All acquisitions 2010 £m
<b>Consideration:</b>			
Cash paid to acquire subsidiaries	186.0	43.9	229.9
Contingent consideration on acquisitions	-	32.0	32.0
Deferred consideration on acquisitions	-	1.3	1.3
Contingent consideration adjustments on pre 1 January 2010 acquisitions	-	(2.0)	(2.0)
<b>Total consideration transferred</b>	<b>186.0</b>	<b>75.2</b>	<b>261.2</b>
Fair value of previously held interests	-	0.3	0.3
	<b>186.0</b>	<b>75.5</b>	<b>261.5</b>

The Group has acquired 100% of the voting rights in all cases where acquisitions involved the purchase of companies unless otherwise stated below. All acquisitions where less than 100% of the voting rights of a company were purchased have been accounted for using the full goodwill method, as permitted by IFRS 3 (revised 2008). As none of these companies are listed, no market information is available. Therefore, the fair value of the non-controlling interest for each acquisition has been estimated using a multiples approach with assumed adjustments for the lack of control that market participants would have by reference to the purchase price paid by the Group.

Acquisition costs of £6.1m have been expensed as exceptional items in the income statement (Note 4) and are included in operating cash flows in the statement of cash flows. £3.3m of these costs relate to the acquisition of Canon.

### Canon Communications LLC

On 21 October 2010, the Group acquired Canon, a leading provider of tradeshow and related media products serving the global advanced manufacturing sector, for cash consideration of \$287.0m (£183.2m). The acquisition of Canon will complement three of the Group's reportable segments:

- Events: Canon brings UBM event leadership in the attractive, growing medical device design and manufacturing market. The company's US events expertise, databases and marketing services capabilities will augment and advance the Group's existing US tradeshow in markets such as packaging, ingredients and speciality chemicals. It will also provide the Group with the opportunity to geo-clone events in fast growing economies such as China, India and Brazil.
- Online – Marketing Services: Canon's Online – Marketing Services product portfolio complements the Group's existing position in the electronic engineering market, broadening the Group's portfolio of information products and services for the electronic design and engineering community.
- Print – Magazines: Canon's print product portfolio complements the Group's existing position in the electronic engineering market, broadening the Group's portfolio of information products and services for the electronic design and engineering community.

# Notes to the consolidated financial statements

at 31 December 2010

## 13. Acquisitions (continued)

The goodwill of £150.4m arising from the acquisition of Canon relates to the following factors:

- the acquisition provides UBM with a market leading position in the growing medical devices events market and provides growth opportunities, particularly in emerging markets, through leveraging the Group's international tradeshow infrastructure and expertise on Canon's existing business;
- management expects a high proportion of new customers; the revenue streams associated with new customers have been reflected in goodwill. The value of existing Canon customers is included in the intangible asset detailed below;
- buyer specific tax shields reflecting net operating losses and unrecognised deferred tax assets which are expected to remain within the combined UBM and Canon business; and
- acquired skilled workforce.

None of the goodwill recognised on acquisition of Canon is expected to be deductible for tax purposes.

### Other acquisitions

The goodwill of £69.0m recognised above for other acquisitions relates to certain intangible assets that cannot be individually separated. These include items such as customer loyalty, market share, skilled workforce and synergies expected to arise after the acquisition completion. Of the goodwill arising, an amount of £2.3m is expected to be deductible for tax purposes.

### Events acquisitions

On 12 February 2010, the Group acquired 70% of Sign China, an international tradeshow serving the rapidly growing Chinese outdoor advertising sign industry, for initial cash consideration of \$10.7m (£7.1m) with further performance-related consideration of up to \$3.9m (£2.6m) payable over the next three years. The acquisition of Sign China will add another industry leading event to the Group's portfolio, as well as provide a springboard for expansion into South China for the Events segment.

On 3 March 2010, the Group acquired E Commerce Expo Limited for initial cash consideration of £0.6m with further performance-related consideration of up to £1.2m payable after the October 2010 event. E Commerce Expo is a two day exhibition with an associated conference and awards ceremony dedicated to e-commerce and online retailing. The acquisition advances the presence of the Events segment in the e-commerce, internet retailing and digital marketing sectors, which are identified as offering sustainable long-term growth potential.

On 9 April 2010, the Group acquired DesignCon, an exhibition and conference serving the electronic design and semiconductor industry, for cash consideration of \$1.4m (£0.9m). DesignCon will strengthen international presence of the Events segment in the electronic design and semiconductor industry.

On 21 May 2010, the Group made the following acquisitions:

- 60% interest in Navalshore, a Brazilian shipbuilding industry tradeshow and conference for cash consideration of R\$2.9m (£1.1m). The acquisition of a majority stake in Navalshore within the Events segment gives UBM greater exposure to the Brazilian maritime industry, one of the fastest growing markets in the world. The Group has two call options, both priced at 7x EBITA, over a further 30% of the equity: 20% exercisable after 31 December 2014 (capped at R\$6m (£2.3m)) and 10% exercisable after 31 December 2018 (capped at R\$4m (£1.5m)). The vendors also have a put option over their 40% interest exercisable after 31 December 2012 and priced at 7x EBITA (capped at R\$10m (£3.8m)). The carrying value of the put option at 31 December 2010 is £1.4m, reported within non-current borrowings.
- 75% interest in Sienna Interlink, a Brazilian exhibition company based in Sao Paulo for initial cash consideration of R\$19.8m (£7.6m) with further performance-related consideration of up to R\$20.2m (£7.7m) payable over the next year. In addition to contributing profitable revenue growth and expanding the Events segment's presence in Brazil, the acquisition provides exposure to the fast-growing South American concrete market which is benefiting from significant construction activity taking place ahead of the 2014 FIFA World Cup in Brazil and the 2016 Rio de Janeiro Olympics. The Group has a call option exercisable after 31 December 2014, priced at 7x EBITA. The vendor also has a put option over their 25% interest exercisable after 31 December 2016 and priced at 7x EBITA. The carrying value of the put option at 31 December 2010 is £7.1m, reported within non-current borrowings.

On 20 July 2010, the Group acquired the Shanghai International Children-Baby-Maternity Products Expo and related businesses for initial cash consideration of \$9.7m (£6.3m) and further performance-related consideration of up to \$6.4m (£4.2m) payable over the next two years. The acquisition, mainly comprising an annual exhibition for the Chinese child and baby products market, will enable the Group to enter a dynamic new business sector within the Events segment by obtaining a profitable platform.

On 12 August 2010, the Group acquired The Route Development Group Limited for initial cash consideration of £8.0m and further performance related consideration of up to £1.3m payable over the next two years. The acquisition provides the Group's Events segment with a face to face networking event serving the Group's airline and airport customers, which is highly complementary to the Group's existing airline data and schedules business.

On 10 November 2010, the Group acquired the Publishing Expo business, a tradeshow serving the UK publishing industry, for cash consideration of £0.3m. The acquisition adds a further industry leading event to the Group and the March 2011 edition will be co-located with the Group's existing Technology For Marketing & Advertising and Online Advertising and Affiliate Expo events.

# Notes to the consolidated financial statements

at 31 December 2010

## 13. Acquisitions (continued)

### *Targeting, Distribution & Monitoring acquisitions*

On 26 April 2010 the following transactions took place:

- the Group acquired the remaining 62.03% equity interest in PR Newswire do Brasil for initial cash consideration of \$1.0m (£0.7m) with further performance-related consideration of up to \$0.2m (£0.1m), payable over the next two years. PR Newswire do Brasil was previously accounted for as an associate; no gain or loss has been recognised as a result of remeasuring the previous equity interest to fair value.
- the Group purchased the remaining 10% equity interest in PR Newswire Argentina for cash consideration of \$40,000 (£27,000). The transaction has been accounted for as an equity transaction in accordance with IAS 27 'Consolidated and Separate Financial Statements' (revised 2008) since control was held by the Group prior to the acquisition of the remaining 10% interest. Transaction balances are not included in the above tables.

On 28 April 2010, a Group subsidiary, CNW Group Limited, acquired dna13 for initial cash consideration of CAD6.1m (£4.0m) and further performance related consideration of up to CAD0.9m (£0.6m). dna13 owns unique software allowing public relations practitioners to manage, monitor and measure the success of their communications campaigns.

On 25 June 2010, the Group acquired Corporate360, a Hong Kong based corporate communications solution provider, for initial cash consideration of \$0.4m (£0.2m) with further performance-based consideration of up to \$1.0m (£0.7m) payable over the next three years. The acquisition of Corporate360 will allow expansion of the Targeting, Distribution & Monitoring segment in Asia, by expanding service delivery capability and by offering a more sophisticated and engaging set of communication tools.

On 18 October 2010, the Group acquired Hors Antenne, a leading provider of media targeting information to the European French-speaking markets, for initial cash consideration of €6.0m (£5.3m) and further performance-related consideration of up to €3.0m (£2.7m) payable over the next two years. In addition to adding profitable revenue to the Targeting, Distribution & Monitoring segment's successful European targeting business, the acquisition will enhance and expand the range of targeting and monitoring services Hors Antenne is able to offer its customers.

### *Data Services acquisitions*

On 20 April 2010, the Group acquired SharedVue, a web-based marketing business, for initial cash consideration of \$0.4m (£0.2m), with further performance-related consideration of up to \$30.0m (£19.5m) payable over the next three years. The acquisition within the Data Services segment will enhance and expand presence in the fast growing web-based marketing space.

On 5 May 2010, the Group acquired selected assets of CenTradeX Inc., a provider of market intelligence tools, for initial cash consideration of \$0.5m (£0.3m) with further performance-related consideration of up to \$0.1m (£0.1m) payable over the next two years. The acquisition will enable the Data Services segment to enhance the user interface and analytical tools for its market leading PIERS Global Intelligence product portfolio.

On 10 September 2010, the Group acquired Shanghai Leadway E-Commerce Co. Limited, trading as UM Paper, for initial cash consideration \$0.4m (£0.3m) and further performance related consideration of up to \$0.4m (£0.3m) payable over the next two years. The information and analytical services business will assist the Group in fulfilling its ambition to become the leading provider for the paper and board industry in China.

On 7 October 2010, the Group acquired certain software and intellectual property assets of Triton Works LLC ('Triton') ('JOC Exchange') for initial cash payment of \$0.5m (£0.3m) and further performance related consideration of up to \$36.0m (£23.0m), payable in each of the years 2011-15. Triton is a launch business with an objective to create electronic market places for the trading of container slots on ships. The Group intends to use the industry position, access to carrier industry companies and media assets within the Data Services segment to grow the Triton business.

On 1 November 2010, the Group acquired Lead-In Research Limited, a boutique sales lead business, for initial cash consideration of £1.2m and further performance related consideration of up to £0.3m payable at the end of 2010. The acquisition will enhance the current product offering of the Group's ABI business within the Data Services segment.

### *Online – Marketing Services acquisitions*

On 23 February 2010, the Group acquired Game Advertising Online ('GAO'), a banner advertising agency serving advertising publishers in the online video game industry, for initial cash consideration of \$0.9m (£0.6m), deferred consideration of \$0.1m (£0.1m) and further performance-related consideration of up to \$7.0m (£4.4m) payable over the next year. GAO will diversify the games industry revenue stream within the Online – Marketing Services segment and deepen business relationships with online game publishers.

On 31 August 2010, the Group acquired Astound LLC, a US virtual career fairs business, for initial cash consideration of \$0.1m (£0.1m) and further performance related consideration of up to \$3.0m (£1.9m) payable over the next three years. Astound LLC is a highly complimentary acquisition to the virtual events business, providing a new customer base and further exposure to an emerging market.

On 15 October 2010, the Group acquired OBGYN.net, a women's health website for obstetrics and gynaecology professionals and consumers, for cash consideration of \$0.8m (£0.4m). OBGYN.net has strong brand recognition as one of the leading sites focussing on women's health issues. Within the Online – Marketing Services segment, it will add to the Group's online resources for healthcare professionals.

# Notes to the consolidated financial statements

at 31 December 2010

## 13. Acquisitions (continued)

### 31 December 2009 acquisitions

The Group completed five acquisitions during 2009.

On 3 July 2009, the Group acquired Iasist S.A. for a total cash consideration of €6.4m (£5.5m). Iasist S.A. is a provider of benchmarking data and software to regional health authorities, hospitals and other health service providers, principally in Spain and Portugal. Iasist S.A. is reported within the Data Services segment.

On 3 July 2009, the Group acquired the remaining 48% of the voting rights of RISI Inc. for a total cash consideration of \$14.3m (£8.7m). This equity purchase brings UBM's total shareholding in RISI Inc. to 79% (2008: 52%), although 100% of the voting rights are now owned (2008: 52%). RISI Inc. provides online and printed market, pricing, news and analysis and benchmarking products and services on the forest product industry. RISI Inc is reported within the Data Services segment.

On 31 July 2009, the Group acquired The Fuel Team for an initial cash consideration of \$2.5m (£1.5m), with a further performance-related consideration of up to \$4.5m (£2.8m) payable over the next three years. The Fuel Team builds and hosts specialist website modules (or, microsites) for communications professional working in businesses, healthcare and not-for-profit organisations. The Fuel Team is reported within the Targeting, Distribution & Monitoring segment.

On 27 August 2009, the Group acquired a 70% interest in the China International Optoelectronic Expo ('CIOE') for a total cash consideration of \$5.0m (£3.0m). CIOE is the world's largest optoelectronics event held annually in Shenzhen. The event covers all aspects of the market, including laser and infrared applications, precision optics, optical communications and LEDs. CIOE was allocated to the Events segment and was subsequently transferred at cost to the joint venture eMedia Asia Limited on 30 December 2009.

On 14 December 2009, the Group acquired Virtual Press Office for an initial cash consideration of \$6.5m (£4.0m), with a further performance-related consideration of up to \$3.5m (£2.2m) payable over the next three years. Virtual Press Office is the market-leading provider of communications and marketing services to live event organizers, exhibitors and attendees. Virtual Press Office is reported within the Targeting, Distribution & Monitoring segment.

The Group acquired 100% of the voting rights in all cases where acquisitions involved the purchase of companies unless otherwise stated.

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 businesses (excluding RISI Inc.) during 2009:

	2009 Fair value to Group £m	2009 Acquiree's Carrying Amount £m
Intangible assets	6.3	0.1
Property, plant and equipment	0.1	0.1
Cash and cash equivalents	2.8	2.8
Trade and other receivables	4.5	4.5
	13.7	7.5
Trade and other payables	(3.3)	(4.1)
Deferred tax liability	(1.3)	-
	(4.6)	(4.1)
Fair value of net assets	9.1	
Goodwill arising on acquisition (net of changes in estimates of contingent consideration of £5.7m)	8.4	
	17.5	

The total consideration paid and payable on acquisitions is shown below:

	2009 £m
Consideration:	
Cash paid	18.3
Contingent consideration on acquisitions	4.9
Contingent consideration adjustments	(5.7)
Total consideration	17.5

As disclosed in Note 1, the acquisition accounting adjustments have been finalised in relation to certain acquisitions which were made in 2009. The amounts disclosed above have been restated in accordance with IFRS 3 'Business Combinations'. The goodwill of £8.4m recognised above for 2009 acquisitions relates to certain intangible assets that cannot be individually separated. These include items such as customer loyalty, market share and a skilled workforce.

The acquisition of RISI Inc. was accounted for using the entity concept method as control was already held by the Group on the date of the acquisition:

	2009 £m
Cash paid	8.7
Carrying amount of non-controlling interest on acquisition date	(0.4)
Remaining non-controlling interest after 3 July 2009	0.2
Recognised in equity	8.5

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## 13. Acquisitions (continued)

### Intangible assets

The intangible assets acquired as part of the acquisitions are detailed in the following table:

	Canon 2010 £m	Other businesses 2010 £m	Total 2010 £m	As restated Total 2009 £m
Brands	34.2	10.3	44.5	2.8
Software	-	3.6	3.6	1.0
Order backlog	3.0	0.1	3.1	0.7
Customer relationships	17.9	9.2	27.1	1.0
Customer contracts and relationships	20.9	9.3	30.2	1.7
Subscription lists	-	0.3	0.3	0.3
Databases	12.7	0.7	13.4	0.5
<b>Total</b>	<b>67.8</b>	<b>24.2</b>	<b>92.0</b>	<b>6.3</b>

The intangible assets acquired in the year ended 31 December 2009 have been restated to reflect the finalisation of acquisition accounting adjustments relating to certain acquisitions made in 2009.

Identification and measurement of intangible assets acquired as part of business combinations requires the use of judgments by management. For significant acquisitions, management is assisted by the work of external advisors in identifying and calculating the valuation of any intangible assets.

### Contingent and deferred consideration

The potential undiscounted amount for all future payments that the Group could be required to make under the contingent consideration arrangements are between nil and the maximum amounts disclosed by acquisition on the previous pages; £70.6m in aggregate (2009: £5.0m). The contingent consideration for each acquisition made during the year is based on the terms set out in the relevant purchase agreements. The amounts recognised in the above consideration tables as the fair values of contingent considerations have been determined by reference to the projected financial performance in relation to the specific contingent consideration criteria for each acquisition.

The movement in the contingent and deferred consideration payable during the year was:

	2010 Contingent £m	2010 Deferred £m	2010 Total £m	2009 Contingent £m	2009 Deferred £m	2009 Total £m
<b>Balance at 1 January</b>	<b>24.6</b>	<b>0.5</b>	<b>25.1</b>	37.0	1.6	38.6
Acquisitions	32.0	1.3	33.3	4.9	-	4.9
Consideration paid	(14.4)	(0.5)	(14.9)	(9.1)	(1.0)	(10.1)
Changes in estimates (goodwill)	(2.0)	-	(2.0)	(5.7)	-	(5.7)
Changes in estimates (income statement)	(1.0)	-	(1.0)	-	-	-
Currency translation	0.5	-	0.5	(2.5)	(0.1)	(2.6)
<b>Balance at 31 December</b>	<b>39.7</b>	<b>1.3</b>	<b>41.0</b>	24.6	0.5	25.1

### Acquisition performance

From the date of acquisition to 31 December 2010, Canon has contributed £(0.2)m to operating profit of the Group, £(0.2)m to profit after tax of the Group and £8.1m to revenue of the Group. From the date of acquisition to 31 December 2010, the other acquisitions made in 2010 have contributed £7.7m to operating profit of the Group and £23.4m to revenue of the Group. If all acquisitions had taken place at the beginning of the year, the acquisitions would have contributed £28.0m to operating profit and £100.2m to revenue of the Group.

Acquisitions made in 2009 contributed £2.6m of profit to operating loss and £4.8m to revenue of the Group from the date of acquisition to 31 December 2009. If the acquisitions had taken place at the beginning of that year, the acquisitions would have contributed £2.8m of profit to operating loss and £9.6m to revenue of the Group.

# Notes to the consolidated financial statements

at 31 December 2010

## 13. Acquisitions (continued)

### Cash flow effect of acquisitions

The aggregate cash flow effect of acquisitions was as follows:

	2010 £m	2009 £m
Net cash acquired with the subsidiaries	(5.2)	(2.8)
Cash paid to acquire subsidiaries	229.9	18.3
Contingent consideration on 2006 acquisitions	0.9	0.8
Contingent consideration on 2007 acquisitions	5.1	1.2
Contingent consideration on 2008 acquisitions	1.9	7.1
Contingent consideration on 2009 acquisitions	1.0	-
Contingent consideration on 2010 acquisitions	5.5	-
Deferred consideration on 2006 acquisitions	-	0.9
Deferred consideration on 2008 acquisitions	0.5	0.1
<b>Net cash outflow on acquisitions</b>	<b>239.6</b>	<b>25.6</b>

The Group paid £14.4m of contingent consideration during 2010 in relation to the 2006 acquisition of MediReach Healthcare Communication, the 2007 acquisitions of Vintage Filings LLC, Semiconductor Insights Inc and Notilog, the 2008 acquisitions of Global Games Media and Exposure Events UK Limited, the 2009 acquisition of The Fuel Team and the 2010 acquisitions of Sign China, E Commerce Expo Limited and Sienna Interlink. The Group also paid £0.5m of deferred consideration during 2010 in relation to the 2008 acquisition of Sanguine Microelectronics.

The Group paid £9.1m of contingent consideration during 2009 in relation to the 2006 acquisition of MediReach Healthcare Communication, the 2007 acquisitions of Energy Solutions Expo, Semiconductor Insights Inc, How Machines Work Corporation and Portelligent Inc and the 2008 acquisitions of Mass Event Labs, Exposure Events UK Limited, Aerostrategy's aviation data business, Next Level, Sanguine Microelectronics, the Sleep Event and the Arc Show.

The Group also paid £1.0m of deferred consideration during 2009 in relation to the 2006 acquisitions of Aviation Industry Group and Thames Gateway Forum and the 2008 acquisition of Sleep Event and the Arc Show.

Under the terms of the relevant sale and purchase agreements, additional consideration was payable if certain revenue and profit targets were met. None of the contingent or deferred consideration balances are individually material.

## 14. Share capital

<b>Authorised</b>	2010 £m	2009 £m
1,217,124,740 (2009: 1,217,124,740) ordinary shares of 10 pence each	121.7	121.7
	Ordinary shares Number	Ordinary Shares £m
<b>Issued and fully paid</b>		
At 1 January 2009	244,082,372	24.4
Issued in respect of share option schemes and other entitlements	92,116	-
At 31 December 2009	244,174,488	24.4
Issued in respect of share option schemes and other entitlements	379,118	-
At 31 December 2010	<b>244,553,606</b>	<b>24.4</b>

### Share repurchases

The Group did not repurchase nor cancel any of its own ordinary shares during the year (2009: nil).

### Company share schemes

The ESOP Trust and QUEST Trust own 0.55% (2009: 0.27%) 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.

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## 15. Events after the reporting period

On 24 January 2011, the Group completed the acquisition of a 65% stake in Rotaforte International Trade Fairs & Media ('Rotaforte'), the owner of Turkey's largest jewellery exhibitions, for initial cash consideration of \$1.7m (£1.1m) and further performance related consideration of up to \$8.1m (£5.2m) payable over the next two years. The acquisition of Rotaforte adds a further industry-leading exhibition to the Group's jewellery portfolio within the Events segment, and is in line with the Group's strategy to enhance and expand its international presence in geographic regions of significant growth.

On 6 February 2011, the Group acquired SATTE, India's largest travel and tourism exhibition, for initial cash consideration of \$4.0m (£2.5m) and further performance related consideration of up to \$3.7m (£2.3m) payable over the next three years. The SATTE event provides the Group with a leading position in the rapidly-growing Indian travel and tourism industry. The event is also supported by T3, a controlled circulation monthly publication which will be reported in the Group's Print – Magazines division.

On 25 February 2011, the Group entered into a framework agreement to acquire 60% of the Famdent dental exhibition and conference for initial cash consideration of INR 35m (£0.5m) and further performance related consideration of up to INR43m (£0.6m) payable over the next three years. The transaction is expected to complete in the next three months, subject to regulatory approvals, and will enable the Group to expand its offering in the Indian medical exhibition and conference market.

On 25 February 2011, the Group signed an agreement to dispose of its UK licensed trade portfolio for initial cash consideration of £1.5m and further performance related consideration of up to £0.2m, payable over the next year. The sale of the portfolio, expected to complete within the next month, comprises The Publican print magazine title, websites and awards event, together with the Theme and Bar Show brands.

On 28 February, the Group sold its French medical newspaper and magazine business, retaining a 37.1% equity share, for initial cash consideration of €4.4m (£3.7m) and extended vendor finance of €6.0m (£5.1m) to the management buy out team. The business publishes weekly, bi-weekly, monthly and other subscription and controlled circulation titles for the French healthcare professional community. The transaction further rationalises the Group's print portfolio and continues its progression towards a portfolio of integrated cross-media marketing services designed to serve specific commercial and professional communities.