



Dear fellow shareholders,  
I'm delighted to be writing to you following a very successful year for Informa in 1999. The merger between IBC and LLP was finalised in December 1998 and so 1999 was our first full year as one entity.



It was certainly an exciting and eventful year. Our results were excellent. Pre-tax profits before goodwill amortisation and exceptional items were £32.7million, an increase of 19% over 1998 (£27.4million after adjustment for MBO interest) on turnover up 12% at £227.8million. Adjusted earnings per share increased from 16.34p to 18.79p. In addition, our underlying operating profit margin rose from 14.3% to 15.7% as we began to achieve some of the merger benefits. Accordingly, we have decided to recommend that a final dividend of 4.67p be paid which, together with the interim dividend of 2.33p paid in November, makes a total of 7p for 1999 (6.6p for IBC shareholders and 5.845p for LLP shareholders in 1998).

It was our intention right at the outset to create one single company based on market facing lines rather than two or more divisions dictated by format. The first stage of achieving this was to create one head office, which we did straight away, so that everyone could see complete unanimity at the top.

Following from this, we have been working towards establishing market facing groups right across the company which focus on our content and the information needs of our customers. These divisions will emphasise product clustering, cross-selling and up-selling in each of our sectors. So far, we have established a division for Telecoms and Media, our biggest single market and one for our Commodities businesses. During the remainder of this year all of our businesses will be organised this way. With a market approach, we can seamlessly turn our customers' information requirements into products, be they traditional hard copy publications, conferences, web-based electronic services, or even bespoke packages.

During 1999 we were able to take advantage of the merger to streamline some of the businesses and achieve operational efficiencies and cost savings. We put together the separate businesses we had in Australia, Asia and Dubai and closed the South African companies which we felt were unlikely to make a significant contribution to Informa's profits in the foreseeable future. We also consolidated our UK based activities, thus allowing us to take full advantage of efficiencies in business systems, purchasing and distribution.

Although the merger was primarily about building top line growth and, more importantly, profitability, we also reviewed our portfolio and disposed of two small non-core businesses – Political Risk Services and Marcus Bohn Associates – to their respective managements.

We have also been active on the acquisitions front and completed a total of 11 acquisitions for £67million during the year. One highlight was the acquisition last spring of Washington Policy & Analysis which provides a high level energy consultancy to, amongst others, the Japanese utility companies and the American Gas Association. This has proved to be a good acquisition as it fits in well with existing publications such as Energy Day and our worldwide conference business.

Towards the end of the year in three separate deals we acquired titles from EMAP, Financial Times and Baskerville Communications. These acquisitions, which are in the media, finance, telecommunications, pharmaceutical, commodities, insurance, and maritime, trade and transport sectors, fit well and complement our existing portfolio. The deal with the FT also included the important website address [www.telecoms.com](http://www.telecoms.com). The transactions bring in further leading brands such as Containerisation International, Television Business International and Global Mobile which enable us to build our business in these sectors. Interestingly, some of our competitors are switching out of niche information products. This should continue to provide us with opportunities to absorb more of these highly profitable and well regarded titles.

Going forward we would expect to continue to be acquisitive. Our targets will be international information products in our market sectors with high level of proprietorial content, high readership retention and where we believe Informa can add value through brand extension.

The internet provides a major opportunity and challenge for Informa. We already have about 100 products of which 50 are web-based. We have launched 30 new internet services in the last year. Our range now includes established password controlled subscription services such as Lloyd's List and Insurance Day and new sites such as iMoneynet.com for the US banking market and e-searchwireless.com, our on-line telecoms data and analysis product. Already electronic services account for 13% of underlying operating profit.

Informa's view of its position in relation to the internet is simple. We are content providers not carriers and the great majority of the content we publish is proprietorial to the group. Our internet investment is currently of the order of £3.0 million per annum and is aimed at delivering added value to our customers and providing a foreseeable profitable return on investment.

Much of our investment is aimed at providing an efficient transaction system to allow ordering, payment and product fulfilment and a content management system for internet delivery. This will allow us not only to deliver existing products electronically but also create new products through merging text and data files. It will also give us the means to allow customers to begin to personalise their information purchases on a pay as you go basis.

Following the merger of LLP and IBC we amalgamated the two boards while the integration process was being completed. Towards the end of 1999, we created a smaller plc board and a separate operational board.

This format is working well as it allows the main board to concentrate on corporate issues and the operational board on day-to-day management. Stuart Wallis and Lord William Rees-Mogg, the former chairmen of LLP and IBC, left the board following this restructuring.

At the end of December, John Haines, who founded IBC over thirty years ago, retired. He was extremely well-liked and supportive of everybody he came into contact with. Best wishes to John and his wife Annie and many thanks.

The new year has started encouragingly and trading has been in line with expectations. Our flagship GSM World Congress, which was held in early February, saw a 31% increase in delegate attendance to over 5,500 delegates. We are looking forward to another good year.

I'd like to close by thanking all of my colleagues at Informa for their support and hard work not only in achieving such a fine result but also for embracing the merger so fully and making it work so well.

**Peter Rigby**  
Chairman