29 June 2016

Ascential plc

Notice of 2016 interim results
Prior year interim results to 30 June 2015

Notice of 2016 interim results

Ascential plc ("the Company" or "the Group" / LSE: ASC.L), the international, business-to-business media company with a focused portfolio of market-leading events and information services products, will announce its interim results to 30 June 2016 on Monday 1 August 2016.

A presentation to analysts and investors hosted by Duncan Painter, Chief Executive Officer, and Mandy Gradden, Chief Financial Officer, will be held on 1 August 2016 at 10.30am BST at the offices of Numis Securities, The London Stock Exchange Building, 10 Paternoster Square, London, EC4M 7LT.

Prior year interim results

Introduction

Ahead of the announcement of its 2016 interim results, Ascential plc today issues unaudited condensed interim financial statements for the comparative six month period ended 30 June 2015 which have not previously been in the public domain. This release today does not constitute new information about recent or current trading of the business, and is provided solely for the purposes of providing familiarity with the comparative information for the prior year period ahead of announcement of interim results for the current year.

Background

Ascential plc undertook an Initial Public Offering ("IPO") in February 2016. Shortly after its incorporation, and before the IPO occurred, Ascential plc acquired the ultimate holding company of the Ascential Holdings Limited operating group, Eden 2 & Cie S.C.A. The holding company structure that existed between Eden 2 & Cie S.C.A. and Ascential Holdings Limited was reorganised on IPO, and all Shareholder debt was converted into equity. The Eden 2 & Cie S.C.A. group has not previously reported 2015 interim or full year results.

For further information please contact:

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About Ascential

Ascential plc is a leading international media company that informs and connects business professionals in 150 countries through market-leading Exhibitions & Festivals and Information Services.

Ascential product brands include the prestigious Cannes Lions festival for the branded communications industry, the world's premier payments and financial services congress Money20/20, Spring Fair/Autumn Fair, the global number one fashion trend forecasting service WGSN and environmental risk data business Groundsure. 23 of Ascential's 32 product lines are market-leading and occupy number one positions.

Ascential exists to provide customers with world class content and connections empowering their businesses to be the best informed and best connected. Our products enable focus, growth and value

Condensed Consolidated Income Statement

(£ million)	Note	Six months to 30 June 2015 Unaudited Adjusted Results	Adjusting Items	Total	Year to 31 December 2015 Unaudited Adjusted Results	Adjusting Items	Total
Revenue		178.4	—	178.4	319.1	—	319.1
Cost of sales		(61.4)	—	(61.4)	(112.0)	—	(112.0)
Sales, marketing and administrative expenses		(70.1)	(18.4)	(88.5)	(133.7)	(41.1)	(174.8)
Operating profit		**46.9**	**(18.4)**	**28.5**	**73.4**	**(41.1)**	**32.3**
Adjusted earnings before interest, tax, depreciation and amortisation, exceptional items, and share-based payments (Adjusted EBITDA)		55.4	—	55.4	90.9	—	90.9
Depreciation and amortisation		(8.5)	(14.8)	(23.3)	(17.5)	(29.5)	(47.0)
Exceptional items		—	(3.6)	(3.6)	—	(11.1)	(11.1)
Share-based payments		—	—	—	—	(0.5)	(0.5)
Operating profit		**46.9**	**(18.4)**	**28.5**	**73.4**	**(41.1)**	**32.3**
Gain on disposal	6	—	4.8	4.8	—	4.8	4.8
Finance costs	7	(22.0)	(25.7)	(47.7)	(33.0)	(48.2)	(81.2)
Finance income	7	13.6	—	13.6	8.5	—	8.5
Profit/(loss) before taxation		**38.5**	**(39.3)**	**(0.8)**	**48.9**	**(84.5)**	**(35.6)**
Taxation	8	(5.7)	8.5	2.8	(6.7)	17.0	10.3
Retained profit for the year		**32.8**	**(30.8)**	**2.0**	**42.2**	**(67.5)**	**(25.3)**
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss:							
Foreign exchange translation differences recognised in equity		3.2	—	3.2	(2.7)	—	(2.7)
Total comprehensive income for the year		**36.0**	**(30.8)**	**5.2**	**39.5**	**(67.5)**	**(28.0)**
Attributable to:							
Equity holders of the parent		36.0	(30.8)	5.2	39.5	(67.5)	(28.0)
Proforma earnings per share (pence)							
- Basic	4	8.2	(7.7)	0.5	10.5	(16.9)	(6.3)
- Diluted	4	8.2	(7.7)	0.5	10.5	(16.9)	(6.3)
Earnings per share (pence)							
- Basic	4	42.5	(39.9)	2.6	54.0	(86.4)	(32.4)
- Diluted	4	42.5	(39.9)	2.6	54.0	(86.4)	(32.4)

All results relate to continuing operations. Adjusting items are detailed in note 3. Proforma earnings per share reflects the number of shares in issue on Initial Public Offering as further described in note 4.

Condensed Consolidated Statement of Financial Position

(£ million)	Note	30 June 2015 Unaudited	31 December 2015 Unaudited
Assets			
Non-current assets			
Intangible assets		667.9	658.7
Property, plant and equipment		12.0	10.2
Investments		0.6	0.7
Derivative financial assets	9	0.8	0.6
Deferred tax assets	11	37.2	40.2
		718.5	**710.4**
Current assets			
Inventories		11.1	17.6
Trade and other receivables		64.4	65.3
Derivative financial assets	9	0.5	0.4
Cash and cash equivalents	9	37.2	44.4
		113.2	**127.7**
Liabilities			
Current liabilities			
Trade and other payables		170.5	179.1
External borrowings	9	4.4	2.4
Provisions		3.1	2.3
Derivative financial liabilities	9	—	0.4
		178.0	**184.2**
Non-current liabilities			
External borrowings	9	402.5	423.2
Shareholder debt	10	414.3	436.7
Provisions		0.2	0.2
Deferred tax liabilities	11	44.9	40.7
Derivative financial liabilities	9	9.9	1.7
Other non-current liabilities		17.9	20.6
		889.7	**923.1**
Net liabilities		**(236.0)**	**(269.2)**
Capital and reserves			
Share capital	12	7.9	7.9
Merger reserve		9.2	9.2
Translation reserve		(0.9)	(6.8)
Retained earnings		(252.2)	(279.5)
Total equity		**(236.0)**	**(269.2)**

Condensed Consolidated Statement of Changes in Equity

	Share capital[i]	Merger reserve[i]	Translation reserve	Retained earnings	Total
(£ million)					
At 1 January 2015 Unaudited	**7.7**	**9.2**	**(4.1)**	**(254.2)**	**(241.4)**
Profit for the period	—	—	—	2.0	2.0
Issue of shares	0.2	—	—	—	0.2
Foreign exchange translation differences recognised in equity	—	—	3.2	—	3.2
At 30 June 2015 Unaudited	**7.9**	**9.2**	**(0.9)**	**(252.2)**	**(236.0)**
At 1 January 2015 Unaudited	**7.7**	**9.2**	**(4.1)**	**(254.2)**	**(241.4)**
Loss for the year	—	—	—	(25.3)	(25.3)
Issue of shares	0.2	—	—	—	0.2
Foreign exchange translation differences recognised in equity	—	—	(2.7)	—	(2.7)
At 31 December 2015 Unaudited	**7.9**	**9.2**	**(6.8)**	**(279.5)**	**(269.2)**

[i] Share capital and Merger reserve at 30 June 2015 and 31 December 2015 reflect the statutory Share capital and Merger reserve of Ascential plc on 8 February 2016, when a group restructure took place. The £0.2 million issue of shares relates to shares issued to staff under management incentive plans in the six months to 30 June 2015. Refer to Note 1 for further details.

Condensed Consolidated Statement of Cash Flows

(£ million)	Note	Six months to 30 June 2015 Unaudited	Year to 31 December 2015 Unaudited
Cash flow from operating activities			
Profit before taxation		(0.8)	(35.6)
Adjustments for:			
Amortisation of intangible assets acquired through business combinations	3	14.8	29.5
Amortisation of software intangible fixed assets		6.5	12.9
Depreciation of tangible fixed assets		2.0	4.6
Gain on disposal	6	(4.8)	(4.8)
Acquisition-related contingent employment costs	3	2.7	5.5
Finance costs	7	47.7	81.2
Finance income	7	(13.6)	(8.5)
		54.5	84.8
Changes in:			
Inventories		3.5	(3.0)
Receivables		(11.7)	(12.6)
Payables, net of interest payable		5.1	11.5
Provisions		—	(0.8)
Cash generated from operations		**51.4**	**79.9**

(£ million)	Note	Six months to 30 June 2015 Unaudited	Year to 31 December 2015 Unaudited
Cash generated from operations before exceptional operating items		55.9	92.0
Cash flows from exceptional operating items		(4.5)	(12.1)
Cash generated from operations		**51.4**	**79.9**

(£ million)	Note	Six months to 30 June 2015 Unaudited	Year to 31 December 2015 Unaudited
Income tax paid		(0.8)	(1.2)
Net cash generated from operating activities		**50.6**	**78.7**
Cash flow from investing activities			
Acquisition of business, net of cash acquired		(19.2)	(19.6)
Acquisition of investments		—	(0.1)
Acquisition of software and property, plant and equipment		(5.7)	(10.9)
Disposal of business operations	6	10.6	10.6
Net cash used in investing activities		**(14.3)**	**(20.0)**
Cash flow from financing activities			
Proceeds from external borrowings	9	440.7	440.7
Repayment of external borrowings	9	(437.1)	(439.3)
Repayment of Shareholder debt	10	(0.5)	(0.5)
Proceeds from issue of shares	12	0.2	0.2
Interest paid		(24.3)	(37.9)
Net cash used in financing activities		**(21.0)**	**(36.8)**
Net increase in cash and cash equivalents		**15.3**	**21.9**
Cash and cash equivalents at the beginning of the year		21.7	21.7
Effect of exchange rate fluctuations		0.2	0.8
Cash and cash equivalents at the end of the year		**37.2**	**44.4**

Notes to the Condensed Consolidated Interim Financial Statements

1. Principal accounting policies

Basis of preparation
Ascential plc (the "Company") is a company incorporated in the United Kingdom and its registered office is The Prow, 1 Wilder Walk, London W1B 5AP. These condensed consolidated interim financial statements ("interim financial statements") as at and for the six months ended 30 June 2015 comprise the Company and its subsidiaries (together referred to as "the Group"). Information relating to the financial year ended 31 December 2015 has been prepared and presented in accordance with the reverse acquisition principles discussed below.

On 12 February 2016, the Group listed its shares on the London Stock Exchange. In preparation for the Initial Public Offering ("IPO") the Group was restructured between 8 and 12 February 2016. The restructure has impacted a number of the primary financial statements and notes for the periods presented in these interim financial statements.

The key steps in the restructure were:

- On 8 February 2016, the Company became the ultimate parent undertaking of the Group by acquiring the entire issued share capital of and voting beneficiary certificates in Eden 2 & Cie S.C.A., via a share for share exchange. All the ordinary shares in Eden 2 & Cie S.C.A were exchanged for 77,215,918 ordinary £0.10 shares and 1,824,766 F ordinary £0.10 shares issued by the Company. The Company also acquired preference shares held by management and other shareholders in exchange for £175.5 million of new preference shares issued by the Company. Preferred Equity Certificates ("PECs") held by shareholders were also exchanged for £100.4 million of new PECs issued by the Company.

- On 9 February 2016, a shareholder transferred its shareholder loan receivable to the Company in exchange for £165.5 million of new PECs issued by the Company.

- On 12 February 2016, the Company's F ordinary shares and new preference shares were converted into 89,665,977 ordinary £0.10 shares and the new PECs were capitalised through the issue of 133,118,105 ordinary £0.10 shares, thereby retiring all Shareholder debt.

- On 12 February 2016, the Company issued 100,000,000 ordinary £0.10 shares at an offer price of £2.00, generating proceeds of £200 million and bringing the total number of ordinary shares to 400,000,000.

The steps to restructure the Group had the effect of the Company being inserted above Eden 2 & Cie S.C.A., (which was the ultimate parent of Ascential Holdings Limited). For the consolidated financial statements of the Group, prepared under IFRS, the principles of reverse acquisition accounting under IFRS 3 "Business Combinations" have been applied.

By applying the principles of reverse acquisition accounting, the consolidated financial statements have been presented as a continuation of the Eden 2 & Cie S.C.A. business and the Group is presented as if the Company has always owned the Group. The consolidated reserves of the Group are adjusted to reflect the statutory share capital, share premium and merger reserve of the Company as if it had always existed, adjusted for movements in the underlying Eden 2 & Cie S.C.A. share capital and reserves until the share for share exchange.

The impact on the comparatives in the primary consolidated financial statements is as follows:

- Equity reflects the capital structure of the Company on 8 February 2016, the date, part way through the restructure, on which it obtained ownership of the group. Preference shares and PECs in issue at that date are classified as debt instruments under IFRS and so are not included in equity.

- A merger reserve is created. This reflects the difference between the Company equity on 8 February 2016 and the equity of Eden 2 & Cie S.C.A. at the same date.

These interim financial statements have been prepared as if IAS 34 Interim Financial Reporting as adopted by the EU applies. These consolidated financial statements are unaudited and they do not include all of the information required for full annual financial statements. They should be read in conjunction with the audited non-statutory consolidated financial statements of Ascential Holdings Limited and its subsidiaries as at and for the year ended 31 December 2015, prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and International Financial Reporting Interpretations Committee's interpretations as adopted by the European Union ("EU").

Basis of measurement
The consolidated financial statements have been prepared on the historical cost basis with the exception of financial instruments which are stated in accordance with IAS 39 Financial Instruments: Recognition and Measurement. Accounting policies have been applied consistently to both periods presented.

Going concern basis of accounting
On 8 February 2016 the Company became the ultimate parent undertaking of the Group. The Company was admitted to trade on the main market for the listing securities on the London Stock Exchange on 12 February 2016 and the associated Offer for Shares raised gross proceeds of £200 million.

On 12 February 2016, the Company used proceeds of the Offer, together with the new bank facilities under the New Facilities Agreement and existing available cash to repay all amounts outstanding under the Group's existing senior facilities agreement and to cancel certain hedging arrangements. In addition, the Company used the proceeds of the Offer to redeem in full certain instruments held on behalf of certain current and former employees (which instruments were cancelled).

On 12 February 2016, the Company entered into new term loan facilities of £66 million, €171 million and $96 million and a revolving credit facility of £95 million ("New Facilities Agreement"), which were made available to the Company and certain of its subsidiaries.

The Group's forecasts, impact assessment of various downside scenarios, and senior debt and interest repayments falling due, show that the Group is expected to be able to operate within the level of its current facilities and meet its covenant requirements for a period of at least 12 months from the date of approval of these financial statements.

After reviewing the above, taking into account current and future developments and principal risks and uncertainties, and making appropriate enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly they are satisfied that the consolidated financial statements should be prepared on a going concern basis.

Functional and presentation currency
The consolidated financial statements are presented in pounds sterling, which is the Company's functional currency, and have been rounded to the nearest hundred thousand except where otherwise indicated.

Critical accounting assumptions and judgements
The preparation of financial statements under IFRS requires the use of certain critical accounting assumptions, and requires management to exercise its judgement and to make estimates in the process of applying the Group's accounting policies. The areas requiring a higher degree of judgement, or areas where assumptions and estimates are significant to the consolidated financial statements are discussed below.

(a) Use of estimates
The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates, particularly for acquisition-related contingent consideration and acquisition-related contingent employment cost where the amounts payable are contingent on the future results of the acquired business.

(b) Business combinations

Accounting for a business on acquisition requires an assessment of the existence and fair value of separable intangible assets at the date of acquisition. These fair values are based on assumptions regarding the expected future cash flows attributable to the separable intangible assets at the point of acquisition. If subsequent actual and forecast performance indicates these cash flows are adverse to the estimates used, an impairment may be triggered at that point, or a reduction in useful economic life may be required.

(c) Intangible assets

The Group uses forecast cash flow information and estimates of future growth to both value acquired intangible assets and goodwill and to assess whether goodwill and intangible assets are impaired, and to determine the useful economic lives of its intangible assets. If the results of operations in a future period are adverse to the estimates used for impairment testing, an impairment may be triggered at that point, or a reduction in useful economic life may be required.

(d) Income taxes

In recognising income tax assets and liabilities estimates have to be made of the likely outcome of decisions by tax authorities on transactions and events whose treatment for tax purposes is uncertain. In recognising deferred tax assets in respect of unused tax losses, judgement is required to establish the expected availability of losses and the likely timing and level of future taxable profits.

Principal accounting policies

The accounting policies, presentation and method of computations applied by the Group in the interim financial statements are consistent with those applied in the non-statutory consolidated financial statements of Ascential Holdings Limited and its subsidiaries as at and for the year ended 31 December 2015, with the exception of reverse acquisition accounting described above.

2. Operating segments

The Group has two reportable segments under IFRS 8 Operating Segments. In addition, there is a Group corporate function providing finance, management and IT services to the Group's reportable segments. The reportable segments offer different products and services, and are managed separately because they require different capabilities, technology and marketing strategies. For each of the reportable segments, the Board (the chief operating decision maker) reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- Exhibitions & Festivals: organiser of market-leading exhibitions, congresses and festivals.
- Information Services: produces intelligence, analysis and forecasting tools, subscription content including real-time online resources, live events and awards, across a number of industry sectors including fashion, retail, property, construction and politics.

Information regarding the results of each reportable segment is included below. Reportable segment profits are measured at an adjusted operating profit level, representing reportable segment Adjusted EBITDA, less depreciation costs and amortisation in respect of software intangibles, without allocation of central Group costs. This is the measure included in the internal management reports that are reviewed by the Board. Reportable segment Adjusted EBITDA and reportable segment Adjusted operating profit are used to measure performance as management believes that such information is the most relevant in evaluating the results of certain reportable segments relative to other comparable entities.

(£ million) Six months ended 30 June 2015 Unaudited	Exhibitions & Festivals	Information Services	Group	Total
Revenue	97.1	81.3	—	178.4
Adjusted EBITDA	42.0	17.9	(4.5)	55.4
Depreciation and amortisation of tangible fixed assets and software intangibles	(0.9)	(3.2)	(4.4)	(8.5)
Adjusted operating profit/ (loss)	41.1	14.7	(8.9)	46.9
Amortisation and impairment of intangible assets acquired through business combinations				(14.8)
Exceptional items				(3.6)
Operating profit				28.5
Gain on disposal				4.8
Net finance costs				(34.1)
Loss before tax				**(0.8)**
Total assets				**831.7**

Exceptional items of £3.6 million include £2.9 million and £0.8 million which are attributable to Exhibitions & Festivals and Information Services respectively.

(£ million) Year ended 31 December 2015 Unaudited	Exhibitions & Festivals	Information Services	Group	Total
Revenue	150.4	168.7	—	319.1
Adjusted EBITDA	56.9	42.8	(8.8)	90.9
Depreciation and amortisation of tangible fixed assets and software intangibles	(2.2)	(7.1)	(8.2)	(17.5)
Adjusted operating profit/ (loss)	54.7	35.7	(17.0)	73.4
Amortisation and impairment of intangible assets acquired through business combinations				(29.5)
Exceptional items				(11.1)
Share-based payments				(0.5)
Operating profit				32.3
Gain on disposal				4.8
Net finance costs				(72.7)
Loss before tax				**(35.6)**
Total assets				**838.1**

Exceptional items of £11.1 million include £5.7 million and £3.3 million which are attributable to Exhibitions & Festivals and Information Services respectively.

3. Adjusting items

Adjusting items are not a defined term under IFRS, so may not be comparable to similar terminology used in other financial statements. The Board believes that reporting adjusted results and adjusted earnings per share (note 4) provides additional useful information to the users of the financial statements. The following charges / (credits) were presented as adjusting items:

(£ million)	Six months to 30 June 2015 Unaudited	Year to 31 December 2015 Unaudited
Exceptional items:		
Acquisition-related contingent employment costs	2.7	5.5
Expenses related to acquisition and disposal activities	0.8	0.9
Acquisition integration costs	0.1	0.9
IPO expenditure	—	1.7
Business restructuring	—	1.7
Professional fees relating to capital restructuring	—	0.3
Expenses of previous holding company structure	—	0.1
Exceptional items	3.6	11.1
Amortisation of intangible assets acquired through business combinations	14.8	29.5
Share-based payments	—	0.5
Gain on disposal	(4.8)	(4.8)
Finance costs	25.7	48.2
Total	**39.3**	**84.5**
Tax credit related to adjusting items	(8.5)	(17.0)
	30.8	**67.5**

The principal adjustments made are in respect of:

- Acquisition-related contingent employment costs – relating to the acquisition of Money20/20 in 2014 (note 5). Under the sale and purchase agreement an element of the deferred consideration is contingent on both (i) the results of the business in 2015-17 and (ii) the continued employment of certain of the vendors. In accordance with IFRS, this element of the deferred consideration is treated as an expense and expensed over the service lives of those vendors. In 2015 this expense amounted to £2.7 million for the six months to 30 June 2015 and £5.5 million for the year to 31 December 2015.

- Expenses related to acquisitions and disposals – the Group incurred exceptional costs related to acquisition and disposal activity of £0.9 million in 2015 (six months to 30 June 2015: £0.8 million), with a further charge of £0.9 million (six months to 30 June 2015: £0.1 million) related to post-acquisition integration costs. These principally relate to the acquisition of RetailNet Group ("RNG").

- IPO expenditure - exceptional costs relating to the IPO of £1.7 million were expensed in 2015, with the remainder of the IPO-related cost to be expensed in 2016 either as a further exceptional item or as an offset against the share premium reserve.

- Business restructuring - exceptional costs of £1.7 million were incurred during the second half of 2015 as a result of the creation of the Plexus operating company from the combination of EMAP, MEED, 4C Group and Planet Retail.

- Gain on disposal – the Group made a gain when it sold MBI on 30 January 2015 (note 6).

- Finance costs – the Group incurred interest on the Shareholder debt that was subsequently retired as part of the restructure. In 2015, this amounted to £21.4 million in the six months to 30 June 2015 and £43.9 million for the year to 31 December 2015. The Group also refinanced its external debt in the six months to 30 June 2015 and incurred £4.3 million in accelerated amortisation of debt fees and break costs.

4. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

For the purpose of proforma earnings per share for the six months to 30 June 2015 and year to 31 December 2015, the weighted average number of ordinary shares is stated as if the IPO completed on 12 February 2016 had occurred at the beginning of the 2015 financial year. For the purpose of statutory earnings per share, the weighted average number of ordinary shares is stated as if only the group restructure steps completed on 8 February 2016 had occurred at the beginning of 2015. Refer to Note 1 for further details.

	Six months to 30 June 2015 Unaudited			**Year to 31 December 2015 Unaudited**		
	Adjusted Results	**Adjusting Items**	**Total**	**Adjusted Results**	**Adjusting Items**	**Total**
Profit attributable to equity shareholders of the Parent (£ million)	32.8	(30.8)	2.0	42.2	(67.5)	(25.3)
Proforma earnings per share						
Basic weighted average number of shares (million)	400	400	400	400	400	400
Dilutive potential ordinary shares (million)	—	—	—	—	—	—
Diluted weighted average number of shares (million)	400	400	400	400	400	400
Basic earnings per share (pence)	8.2	(7.7)	0.5	10.5	(16.9)	(6.3)
Diluted earnings per share (pence)	8.2	(7.7)	0.5	10.5	(16.9)	(6.3)
Earnings per share						
Basic weighted average number of shares (million)	77	77	77	78	78	78
Dilutive potential ordinary shares (million)	—	—	—	—	—	—
Diluted weighted average number of shares (million)	77	77	77	78	78	78
Basic earnings per share (pence)	42.5	(39.9)	2.6	54.0	(86.4)	(32.4)
Diluted earnings per share (pence)	42.5	(39.9)	2.6	54.0	(86.4)	(32.4)

5. Business combinations

2015 – acquisition of RetailNet Group, LLC

On 22 June 2015, the Group acquired 100% of the shares in RetailNet Group, LLC, an unlisted company based in the US whose primary activity is the provision of forecasting and analytics, consulting and executive education services across the retail, fast-moving consumer goods, professional services and technology sectors.

(a) Identifiable assets acquired and liabilities assumed

The fair values of the identifiable assets purchased and liabilities assumed of RNG as at the date of acquisition were as follows:

(£ million)	Book value	Fair value
Brands, Customer Relationships and Databases	—	2.8
Trade and other receivables	0.8	0.8
Cash	0.6	0.6
Trade and other payables	(0.2)	(0.2)
Deferred income	(1.1)	(1.1)
Total identifiable net assets at fair value	**0.1**	**2.9**
Initial cash consideration relating to business combination		3.1
Deferred consideration payable in 2018		2.6
Total consideration		**5.7**
Goodwill on acquisition		**2.8**

The goodwill is attributable mainly to the workforce and anticipated future growth in the customer base of the acquired business.

If new information obtained within one year from the acquisition date, about facts and circumstances that existed at the acquisition date, identifies adjustments to the above amounts or any additional provisions that existed at the acquisition date, then the acquisition accounting will be revised.

(b) Acquisition-related costs

The Group incurred acquisition-related costs of £0.5 million related to external legal fees and due diligence costs. These costs have been included within exceptional items in the consolidated profit and loss statement.

(c) Results contribution in the year ended 31 December 2015

From the date of acquisition, RNG contributed £1.8 million revenue and a profit before tax from continuing operations of £0.4 million to the Group in the year ended 31 December 2015. If the combination had taken place at the beginning of 2015, revenue from continuing operations would have been £3.5 million and the profit before tax from continuing operations for the Group would have been £0.6 million. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of the acquisition would have been the same if the acquisition occurred on 1 January 2015.

6. Disposal of business operations

2015 – disposal of Media Business Insight Limited ("MBI")

On 30 January 2015, the Group sold MBI. Up to the date of disposal, MBI contributed £0.7 million of revenue and £0.0 million to the profit before tax from continuing operations of the Group for the year ended 31 December 2015. The consolidated profit and loss statement does not present the disposed operation separately from continuing operations. The gain on was £4.8 million.

Effect of disposal on the financial position of the Group

(£ million)	**2015**
Consideration received, satisfied in cash	11.0
Cash and cash equivalents disposed of	(0.2)
Gross cash inflow	10.8
Transaction costs	(0.2)
Net cash inflow	**10.6**
Goodwill	(4.5)
Brands, Customer Relationships and Databases	(2.9)
Tangible fixed assets	(0.4)
Trade and other receivables	(2.2)
Trade and other payables	1.1
Deferred income	2.6
Deferred tax liability on disposed intangibles	0.5
Net assets and liabilities disposed	**(5.8)**
Gain on disposal	**4.8**

7. Finance costs and finance income

(£ million)	**Six months to 30 June 2015 Unaudited**	**Year to 31 December 2015 Unaudited**
Interest payable on external borrowings	(14.0)	(28.3)
Fair value loss on cross currency swaps	(5.4)	—
Amortisation of loan arrangement fees	(1.6)	(2.4)
Other finance charges	(1.0)	(2.3)
Finance costs – Adjusted results	**(22.0)**	**(33.0)**
Interest payable on Shareholder debt	(21.4)	(43.9)
Break fees and write-off of loan arrangement fees on debt refinancing	(4.3)	(4.3)
Finance costs - Adjusting items	**(25.7)**	**(48.2)**
Finance costs	**(47.7)**	**(81.2)**
Interest on bank deposits	—	0.1
Foreign exchange gain on borrowings	11.0	3.4
Foreign exchange gain on cash and cash equivalents	0.5	0.8
Fair value gain on derivatives	2.1	4.2
Finance income	**13.6**	**8.5**
Net finance costs	**(34.1)**	**(72.7)**

8. Tax on profit on ordinary activities

The tax credited in the consolidated profit and loss statement is analysed as follows:

(£ million)	Six months to 30 June 2015 Unaudited	Year to 31 December 2015 Unaudited
Current tax		
UK corporation tax		
Current tax charge on income for the year	1.2	—
Adjustments in respect of prior years	—	0.2
Foreign tax		
Current tax charge on income for the year	2.0	2.0
Adjustments in respect of prior years	—	0.2
Total current tax charge	**3.2**	**2.4**
Deferred tax		
Current year	(5.8)	(10.4)
Adjustments in respect of prior years	—	(0.9)
Impact of rate changes on opening deferred tax balances	(0.2)	(1.4)
Total deferred tax credit	**(6.0)**	**(12.7)**
Total tax credit	**(2.8)**	**(10.3)**

The tax charge for the six months to 30 June 2015 has been accrued using an average effective tax rate on adjusted profit of 14.8%, based on the weighted average tax rate on adjusted profit for the year ended 31 December 2015, and the tax attributable to adjusting items.

9. External net debt

(£ million)	Cash	Short-term deposits	Interest rate swaps	Interest rate cap	Cross currency swaps	External Borrowings	External net debt
At 1 January 2015 Unaudited	20.5	1.2	(2.8)	—	—	(425.3)	(406.4)
Exchange differences	0.3	(0.1)	—	—	—	16.3	16.5
External debt drawdown	440.7	—	—	—	—	(440.7)	—
External debt repayment	(437.1)	—	—	—	—	437.1	—
Shareholder debt repayment	(0.5)	—	—	—	—	—	(0.5)
Fair value movements	—	—	1.4	0.6	(5.0)	—	(3.0)
Non-cash movements	—	—	(1.8)	—	(0.3)	(7.6)	(9.7)
Net cash movement	2.7	9.5	3.2	0.7	(4.6)	13.3	24.8
At 30 June 2015 Unaudited	**26.6**	**10.6**	**—**	**1.3**	**(9.9)**	**(406.9)**	**(378.3)**
Exchange differences	0.6	—	—	—	—	(20.1)	(19.5)
Debt drawdown	—	—	—	—	—	—	—
Debt repayment	(2.2)	—	—	—	—	2.2	—
Fair value movements	—	—	—	(0.3)	7.5	—	7.2
Non-cash movements	—	—	—	—	(0.2)	(0.8)	(1.0)
Net cash movement	10.2	(1.4)	—	—	0.5	—	9.3
At 31 December 2015 Unaudited	**35.2**	**9.2**	**—**	**1.0**	**(2.1)**	**(425.6)**	**(382.3)**

In January 2015, the Group raised £15.0 million of short-term debt consisting of a £6.0 million pounds sterling term loan and a £9.0 million multi-currency revolving credit. The term on each of these facilities was 6 months. The facility was repaid and cancelled in April 2015. In April 2015, the Group completed a refinancing of its borrowings to improve terms and extend maturities. The existing senior, mezzanine and facilities and short-term debt facilities referred to above were repaid in full and new facilities put in place comprising a $323 million and a €300 million term loan maturing in April 2022 and a £75 million revolving credit facility maturing in April 2021.
The Group's borrowings at 30 June 2015 were US dollars: $323 million and euros: €300 million (at 31 December 2015 were in US dollars: $321 million and euros: €299 million) and are shown net of unamortised issue costs. The carrying amounts of borrowings approximate their fair value.

The Group had cross-currency swaps (level 2) at 30 June 2015 of £9.9 million included within non-current liabilities (31 December 2015: £2.1 million of which £1.7 million is included within non-current liabilities), and interest rate caps (level 2) at 30 June 2015 of £0.6 million included within non-current assets (31 December 2015: £1.0 million of which £0.6 million is included within non-current assets). The cross-currency swaps were used to maintain an appropriate currency mix of the Group's borrowings reflecting the Group's mix of underlying cash flows.

The interest rate caps are used to cap an element of the Group's external borrowings which all bear interest at floating rate. As at 31 December 2015, the total notional amount of outstanding interest rate caps to which the Group is committed is £231.2 million.

10. Shareholder debt

As at 30 June 2015 and 31 December 2015, the Group had Shareholder debt amounting to £414.3 million (£436.7 million) consisting of:

- Preference shares;
- Preferred equity certificates ("PECs"); and
- Shareholder loans.

Dividends and interests were accrued on these preference shares, PECs and loans at rates ranging from 11% to 15% per annum.

In February 2016 as part of the restructure, the Shareholder debt was retired by the issue of 222,784,082 new ordinary £0.10 shares by the Company. Refer to Note 1 for further details.

11. Deferred tax

The major deferred tax assets and liabilities recognised by the Group, and the movements in the year, are set out below:

(£ million)	Tax losses	Depreciation vs. tax allowances	Other temporary differences	Intangible assets	Total
At 1 January 2015 Unaudited	26.0	9.6	0.1	(60.6)	(24.9)
Credit to the consolidated profit and loss statement for the period	(1.0)	2.5	1.4	2.9	5.8
Impact of rate changes	(0.6)	(0.7)	—	1.5	0.2
Acquisitions	—	—	—	10.7	10.7
Disposals	—	(0.1)	—	0.6	0.5
At 30 June 2015 Unaudited	**24.4**	**11.3**	**1.5**	**(44.9)**	**(7.7)**
Credit to the consolidated profit and loss statement for the year	(0.3)	0.7	1.6	2.6	4.6
Adjustments in respect of prior years	(0.1)	(0.1)	1.1	—	0.9
Impact of rate changes	(0.1)	(0.2)	—	1.5	1.2
Foreign exchange movements	0.7	(0.1)	(0.2)	0.1	0.5
At 31 December 2015 Unaudited	**24.6**	**11.6**	**4.0**	**(40.7)**	**(0.5)**

12. Share capital

(£ million)	30 June 2015 Unaudited	31 December 2015 Unaudited
Ordinary shares of £0.1 each	7.7	7.7
"F" Ordinary shares of £0.1 each	0.2	0.2
	7.9	**7.9**

Share capital at 30 June 2015 and 31 December 2015 reflects the statutory Share capital of Ascential plc on 8 February 2016, when a group restructure took place. Refer to Note 1 for further details.