27 February 2017

Ascential plc

Audited results for the year ended 31 December 2016

Successful first year as a listed company with strong organic revenue and profits growth
Continuing portfolio optimisation

London: Ascential plc (LSE: ASCL.L), the global, business-to-business media company with a focused portfolio of market-leading events and information services brands, today announces its results for the year ended 31 December 2016.

Highlights

- 2016 results in line with Group expectations
- Another year of strong Organic revenue growth and successful new product launches
    - Revenue from continuing operations of £299.6m (2015: £256.6m) a constant currency Organic growth rate of 9.5% (a reported growth of 16.8%)
    - Total revenue, including discontinued operations, of £357.5m (2015: £319.1m) a constant currency Organic growth rate of 5.6% (a reported growth of 12.0%)
- Robust Organic Adjusted EBITDA growth and margin expansion
    - Adjusted EBITDA from continuing operations of £95.9m (2015: £76.6m) a constant currency Organic growth rate of 11.5% with expansion of margin to 32.0% (2015: 29.9%)
    - Total Adjusted EBITDA, including discontinued operations, of £107.5m (2015: £90.9m) a constant currency Organic growth rate of 6.5% with expansion of margin to 30.1% (2015: 28.5%)
- Reported operating profit from continuing operations growth of 32.1% to £32.1m (2015: £24.3m)
    - Adjusted operating profit from continuing operations growth of 36.5% to £83.0m (2015: £60.8m)
- Adjusted proforma earnings per share of 15.5p up 47.6% (2015: 10.5p)
- Recommended final dividend of 3.2p, making a total dividend of 4.7p for the year, representing a 30% payout ratio in line with our stated dividend policy
- Substantial progress on evolving the portfolio towards higher growth products with:
    - Heritage Brands held for sale in a separate operating entity and discontinued (with HSJ sold after the year end)
    - Acquisition of One Click Retail
    - Announced the acquisition of MediaLink after the year end
- Strong cash generation with free cash flow after tax and capex of £90.9m (2015: £79.9m), combined with IPO proceeds of £183m, resulting in closing external debt leverage of 2.1x (2015: 4.2x) despite continued business and M&A investment.

Duncan Painter, Chief Executive Officer, commented:

"2016 was a good year with strong Organic growth for Ascential. We grew both revenues and profits driven by our focus on our leading brands and on customer retention. The launch of new products such as WGSN Insight, Money20/20 Europe and Lions Entertainment were contributors to our 2016 success.

We also made substantial progress to reshape the Group towards higher organic growth through the acquisition of US-based One Click Retail in August 2016 and the acquisition of MediaLink announced in February 2017, as well as the proposed sale of the Group's Heritage Brands. Our active portfolio management continues to drive our growth rate and geographically diversify the business.

The new financial year has started well. Since the year end, Spring Fair, Bett London and Pure Spring have taken place and performed overall in line with our expectations. While still early in 2017, we are encouraged by the current level of forward bookings and are confident of another good year of growth for the Group."

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Ascential will host a presentation for analysts and investors at 9.00am on 27 February 2017 at the offices of Numis Securities at The London Stock Exchange Building, 10 Paternoster Square, London EC4M 7LT.

The presentation will also be webcast live at 9.00am from www.ascential.com, allowing the slides to be viewed. A recording of the webcast will also be available on-demand from our website in due course.

References to non-GAAP alternative performance measures ("APMs") are explained further below.

Financial Highlights

	Year ended 31 December 2016 £m	2015 £m	Growth Reported %	Organic[1] %
Revenue from continuing operations				
Exhibitions & Festivals	180.0	150.4	19.7%	12.3%
Information Services	119.6	106.2	12.6%	5.4%
	299.6	**256.6**	**16.8%**	**9.5%**
Adjusted EBITDA from continuing operations[2]				
Exhibitions & Festivals	73.5	56.9	29.2%	17.5%
Margin	*40.8%*	*37.8%*		
Information Services	35.1	29.7	18.2%	4.7%
Margin	*29.3%*	*28.0%*		
Central costs	(12.7)	(10.0)		
	95.9	**76.6**	**25.2%**	**11.5%**
Group Margin	*32.0%*	*29.9%*		
Adjusted operating profit from continuing operations[3]	**83.0**	**60.8**	**36.5%**	
Operating profit from continuing operations	**32.1**	**24.3**	**32.1%**	
Loss before tax from continuing operations	**(1.8)**	**(43.6)**		
Free cash flow[4]	**90.9**	**79.9**		
Free cash flow conversion	*85%*	*88%*		
Net debt	**(223.7)**	**(382.3)**		
Leverage[5]	*2.1x*	*4.2x*		

[1] "Organic" growth is calculated to provide a more meaningful analysis of underlying performance. The following adjustments are made: (a) constant currency (restating FY15 at FY16 exchange rates), (b) event timing differences between periods (if any) (c) excluding the part-year impact of acquisitions (of RNG and OCR) and disposals (of MBI). There were no event timing differences in 2015 or 2016. See the reconciliation below.

[2] Adjusted EBITDA is IFRS operating profit before expensing (a) depreciation of tangible fixed assets and amortisation of software, (b) exceptional items, (c) amortisation of acquired intangible assets (d) impairment of tangible fixed assets and software intangibles and (e) share-based payments.

[3] Adjusted operating profit is IFRS operating profit before expensing (a) exceptional items, (b) amortisation of acquired intangible assets (c) impairment of tangible fixed assets and software intangibles and (d) share-based payments.

[4] Free cash flow is cash generated from operations before exceptional items, less capital expenditure and tax paid. Free cash flow conversion is this measure of free cash flow divided by Adjusted EBITDA from both Continuing and Discontinued Operations. See the reconciliation below.

[5] Leverage is Net debt divided by Adjusted EBITDA from both Continuing and Discontinued Operations

Operating and financial highlights

Exhibitions & Festivals

- Strong Organic revenue growth of 12.3% to £180.0m.
- Adjusted EBITDA of £73.5m grew 17.5% on an Organic basis
- Adjusted EBITDA margin of 40.8% (2015: 37.8%) reflecting currency impacts and drop through from the exceptional revenue growth.
- Top brand performance:
    - Cannes Lions grew revenue 18% on an Organic basis, attracting over 10,000 paying delegates and over 43,000 entries, including strong growth from the third year of Lions Health and second year of Lions Innovation.
    - Money20/20 increased revenues by 60% on an Organic basis. The launch of Money20/20 Europe produced revenue of £7.8m, attracting more than 3,000 paying delegates to Copenhagen. Money20/20 USA grew by 17% in its fifth year with delegates up 10% and exhibition space and meeting rooms up 27%.
    - Spring and Autumn Fair grew revenue by 3% including the positive benefits from the introduction of location-based pricing offset by a decline in exhibitor numbers.

Information Services

- Organic revenue growth of 5.4% to £119.6m.
- Adjusted EBITDA grew 4.7% on an Organic basis to £35.1m
- Adjusted EBITDA margin increased from 28.0% to 29.3% reflecting operating leverage supported by a positive currency impact.
- Top brand performance:
    - WGSN grew its revenues by 6% and billings by 6% on an Organic basis despite recessionary headwinds in Latin America. Retention rates remained strong at 92%.
    - Groundsure increased its revenues by 8% driven by a strong first half boosted in the first quarter by volumes driven by changes to stamp duty regulations and a successful market share programme deployed through H2.
- Continued evolution of the portfolio with the acquisition of One Click Retail in August 2016 and the acquisition of MediaLink in February 2017.

Discontinued operations: Heritage Brands

- Organic revenue decline of 10.2% to £57.9m driven by continued poor economic conditions in the Middle East and the expected decline in print advertising of 36%.
- EBITDA decline of 19.7% to £11.6m adjusted for that element of allocated overhead that has not been discontinued.
- Continued portfolio management with the Heritage Brands now held for sale with sale of the first of them, Health Service Journal, to Wilmington plc shortly after the year end.

Chairman's Statement

As Chairman, it is my pleasure to report full-year results which demonstrate a strong performance for the year ended 31 December 2016.

The hallmark of this past year has been rapid, assured and continual progress against all of our priority goals. The IPO served as catalyst for the seamless evolution of our focused portfolio of events and information services brands into a more integrated and customer-centric group.

Our larger, market-leading and scalable brands continued to lead the way with the development of new products and delivered strong organic growth. We augmented our capabilities with enhanced, data-driven, forecasting and digital tools that enable more engagement with our customer communities. The acquisition of One Click Retail in August 2016 strengthened our e-commerce analytics offering across the fashion and consumer product industries and our most recent announcement - the transaction with Cannes Lions' long-time partner MediaLink announced in February 2017 - reinforces our digital advisory expertise to sectors not limited to the branded communication industry. Both of these high-growth acquisitions improve the diversification of Ascential's footprint outside of the UK.

The Company continues to refine its portfolio and after year end, announced the planned disposal of 13 publishing-led Heritage Brands, the first of which, Health Service Journal, was sold in January 2017.

Credit for this year's performance is squarely placed with our talented and energetic management team who have been open to advice from a newly-formed plc Board. Our Board was fully code-compliant shortly after the IPO with a broad range of relevant capabilities and a gender diversity that was recognised to be the best amongst the 350 most valuable FTSE companies with 57% female representation - a profile that is reflective of our broader employee base.

Our former principal shareholders participated in an orderly disposal of the majority of their shares resulting in a diversified share register of quality institutional investors. We are grateful to have been the beneficiaries of sound guidance received from former Chairman, Tom Hall of Apax, and non-executive director David Pemsel of Guardian Media Group, both of whom stepped down from the Board in September 2016 with our thanks for their contributions.

Continual customer engagement and a commitment to improve our proposition by our 1,600+ talented employees have led to admirable accomplishments in 2016. On behalf of the Board, I would like to take this opportunity to thank all our employees and customers for what has been a very successful year.

Group performance

The 2016 financial year was another successful one. Reported revenues from continuing operations grew by 16.8% including the beneficial impacts of both acquisitions and currency. Revenue from continuing operations grew 9.5% on an Organic basis, Adjusted EBITDA was up 11.5% to £95.9m, margins expanded from 29.9% to 32.0% and free cash flow conversion was 85%. As these results show, we place a premium on organic growth. We are also committed to enhancing our proposition and capabilities through selective acquisitions.

Dividend
Ascential plc was incorporated in January 2016 and, as indicated at the time of the IPO, the Board targets a dividend pay-out ratio of 30% of adjusted profit after tax. Consequently, the Board is recommending a final dividend of 3.2p per share to be paid on 15 June 2017 to shareholders on the register on 19 May 2017 which, together with the Company's maiden interim dividend of 1.5p paid in November 2016, makes a total dividend for the 2016 financial year of 4.7p.

Outlook
While still early in 2017, we are encouraged by the current level of forward bookings and solid performances at events that have already taken place. The market is very dynamic and the Board is confident about our prospects for continued success in 2017.

Chief Executive's review

2016 was another year of strong organic growth as we grew both revenues and profits driven by our focus on our top brands and customer retention as well as the innovative and creative nature of our organisation. The launch of new products such as WGSN Insight, Money20/20 Europe and Lions Entertainment made a significant contribution to our 2016 success and we also made substantial progress in reshaping our portfolio of market leading brands towards those with higher organic growth.

Track record of growth, high margins and good cash generation

We delivered a strong operating performance in 2016 with a 9.5% Organic growth in revenue from continuing operations to £299.6m and an 11.9% Organic growth in Adjusted EBITDA from continuing operations to £95.9m with an expansion in margin from 29.9% in 2015 to 32.0% in 2016.

We also continued to generate good cash flow with free cash flow of £90.9m (2015: £79.9m) representing free cash conversion of 85% (2015: 88%). This cash generation, in combination with the net proceeds of the IPO, has enabled us to invest in the business whilst also acquiring high quality growth companies, managing our balance sheet and returning capital to shareholders through dividends.

Clear organic growth strategy

We continue to deploy multiple initiatives for growth across our brands with the aim of firstly retaining existing customers, secondly increasing the number of new customers and thirdly growing the average revenue per customer. Our 2016 growth initiatives built on those deployed over recent years and included the launch of new digital products (such as WGSN Insight and a newly expanded and upgraded version of WGSN Instock), geographical expansion of our events (such as Bett Middle East and Money20/20 Europe) and show extensions (such as Lions Entertainment).

Focused portfolio of market-leading brands underpinned by diversified and recurring revenue streams

Brand portfolio

Following our decision to separate and hold the Group's 13 Heritage Brands for sale and our acquisitions of One Click Retail and, after the year end, the acquisition of MediaLink, we will now operate a focused portfolio of 20 market-leading brands. 16 of these hold clear number one positions in their respective markets. We firmly believe that our focus of management time on a smaller group of market-leading brands is a key driver of our continued organic growth success.

Our top five brands, by Adjusted EBITDA, are:

- in Information Services: WGSN and Groundsure; and
- in Exhibitions & Festivals: Cannes Lions, Spring and Autumn Fair and Money20/20.

These top brands remain our primary focus for capital allocation. Through this focus together they grow faster than our other brands and their contribution is an increasing proportion of the Group's revenues and profits. In 2016, our top five brands represented 69% of the Group's revenue from continuing operations (2015: 66%) and 81% of our Adjusted EBITDA (2015: 75%).

Revenue by type

The Group benefits from diverse revenue streams, the majority of which have recurring characteristics. Following the treatment of the Heritage Brands as discontinued, the most significant change over the last year has been a reduction in print advertising which now represents less than 1% of Group revenue (2015: 4%).

Revenue by geography
Ascential is growing strongly in international markets. The majority of our brands serve a global customer base. Accelerated by our acquisition of One Click Retail and the treatment of the Heritage Brands as discontinued, our share of revenue from overseas markets increased again and now just 38% of revenues come from customers based in the UK (2015: 48%). The recently announced acquisition of MediaLink will further reduce the dependence on UK markets.

The proportion of revenues from the Americas grew to 29% despite recessionary headwinds in Brazil driven by the performance of Money20/20, WGSN and Cannes Lions and the acquisition of One Click Retail. Asia Pacific, Middle East and Africa and other Europe contributed 11%, 4% and 18% respectively.

Disciplined operational approach
The foundation of our growth is, and will continue to be, our focus on customer retention. There is no better way to judge the quality of our products than to measure how many customers choose to renew their contracts with us each year and we spend considerable time reviewing those customers who do churn. Retention rates have again performed well across our top brands. We have also seen our broader Net Promoter Scores and product usage statistics increasing.

Portfolio management
We regularly adjust and optimise our portfolio of brands. We continue to assess both a range of bolt-on acquisition opportunities as well as the potential disposal of certain lower growth or sub-scale elements of our portfolio.

Joint venture in China
We were pleased to see WGSN's long-anticipated Chinese joint venture with CTIC start trading in April 2016 and have now further solidified our relationship and funded the joint venture with an investment of £4.5m to develop a specific product for the Chinese domestic and international markets.

One Click Retail
In August 2016 we acquired One Click Retail, a fast growing US-based provider of analytics that helps major brands optimise their e-commerce activities. Customers include consumer products companies such as Procter & Gamble, HP, Unilever, Hamilton Beach, Nestle and Panasonic. Revenue is generated predominantly through recurring annual subscriptions to the company's Dashboard product, which provides insights to help customers drive sales through Amazon and other eCommerce retailers - an increasingly important channel for many of them. The insights focus on product market share, its drivers, and the actions that can be taken to increase sales. We introduced analysts and investors to the product in detail during our November Capital Markets Day. One Click Retail more than doubled its revenues in 2016.

Heritage Brands
As part of our growth strategy to focus our resources and investment on our largest brands and those with the highest growth potential, after the year end, in January 2017 we announced that we had separated 13 Heritage Brands into a separate operating entity that is held for sale. The Heritage Brands are Health Service Journal, MEED, Drapers, Nursing Times, Local Government Chronicle, Construction News, New Civil Engineer, Ground Engineering, H&V News and RAC, Retail Jeweller, Materials Recycling World and the architecture titles including Architects' Journal, The Architectural Review and the associated World Architecture Festival. Each provides essential content to the loyal subscribers and industries they serve across three platforms - digital, events and print. The Heritage Brands generated revenue of £57.9m in 2016 (2015: £62.5m) and £11.6m of Adjusted EBITDA (2015: £14.3m), constant currency declines of 10.2% and 19.7% respectively.

Consistent with the evolution of our internal management reporting structure during 2016, we have reported the Heritage Brands as a separate segment. As a result of on-going discussions, the Board now considers a sale of the segment to be highly probable and has therefore classified it as a discontinued operation.

In January 2017, we were pleased to announce the sale of the first of the Heritage Brands, Health Service Journal, to Wilmington plc. This was the first key milestone in finding the right future home for these brands and highlighted their attractiveness to new owners.

MediaLink
After the year end, in February 2017, we announced the acquisition of US-based MediaLink. MediaLink provides advisory and business services to media platforms and brands seeking to drive growth through better marketing. Serving the consumer goods and services segment, it has worked with Cannes Lions' customers since 2011 where it hosts content and client-oriented meetings and events as part of the official Festival fringe. MediaLink fits Ascential's strategy to own market-leading brands in selected complementary marketplaces that offer trusted information and valuable connections to businesses.

Management
Effective 1 August 2016, the two operating companies in the Exhibitions & Festivals segment were combined under the leadership of Philip Thomas, formerly CEO of the Lions Festivals operating company. Mark Shashoua, formerly CEO of i2i Events, left the Company to pursue other opportunities with our sincere thanks for his achievements. We are delighted that Jose Papa, formerly CEO of WGSN, accepted the leadership of Cannes Lions and that Kevin Silk, formerly COO of WGSN, assumed the leadership of WGSN, with Natasha Christie-Miller remaining as CEO of Plexus.

Our former Strategy Director, Michael Lisowski, has taken on an expanded role as Chief Operating Officer for Ascential. His new position covers proposition development, customer insight and research and product management and is a critical investment in skills and capabilities to assist our brand teams to continue our growth and also to raise the bar on the quality and ambition of the products we create.

We were also pleased to welcome Stephen Martincic to the Group as Chief Brand and Marketing Officer from FCB, the global, fully-integrated marketing communications company, where he was responsible for building FCB's brand across the globe. Stephen has taken on a critical new role for the Group to ensure we are truly focussing on the fast changing needs of our customers and honing how we position and message our capabilities to maximise customer engagement and our organic growth objectives.

These changes illustrate the strength and depth of our management team and we are delighted that our succession planning has allowed us to be able to promote from within the Company as well as attract exciting new talent.

Strategic priorities for 2017
Our strategy and priorities for 2017 are on track – we will continue to focus most of our efforts on organic growth opportunities underpinned by customer retention as well as leveraging the competencies of newly-acquired companies. Throughout 2017 we expect to benefit from the increasing convergence of event products that connect our customers and information services that inform them.

Outlook
The new financial year has started well. Since the year end, Spring Fair, Bett London and Pure Spring have taken place and performed overall in line with our expectations. While still early in 2017, we are encouraged by the current level of forward bookings and are confident of another good year of growth for the Group.

Our customers and our people

Our continued strong performance and results would simply not have been possible without the dedication and commitment of our teams across the business and their passion to serve our long, loyal and valued customers.

I want to thank our customers and our teams for continuing to be at the heart of Ascential's continued success.

Financial Review

Overview

These results for 2016 are the first for Ascential plc following its IPO in February. Immediately prior to the offering, the Group underwent a pre-IPO reorganisation as part of which Ascential plc was incorporated and acquired the Group. The basis of preparation note below describes how the pre-IPO reorganisation has been accounted for under the principles of "reverse acquisition accounting" such that these financial statements are presented as if the Company had always owned the Group.

In 2015 the Group had two reportable trading segments – Exhibitions & Festivals and Information Services. During 2016, and consistent with the evolution of its internal management reporting structures, the Group has reported the Heritage Brands referred to above as a separate, third, trading segment. As a result of on-going discussions, the Board now considers a sale of the segment to be highly probable and has therefore reclassified it as a discontinued operation. This means that the results of the Heritage Brands for both 2016 and 2015 are included as a single line item within profit after tax on the face of the income statement. This Financial Review therefore firstly addresses the key trends in continuing operations and then, as a separate section, discontinued operations.

The results for the year are set out in the consolidated profit and loss statement and show, for continuing operations, revenue of £299.6m (2015: £256.6m), an Organic growth of 9.5%, and reported operating profit of £32.1m (2015: £24.3m). Adjusted EBITDA was £95.9m (2015: £76.6m) an Organic growth of 11.5%. The Group also delivered strong cash flow in 2016 with free cash flow of £90.9m (2015: £79.9m) a conversion of 85% (2015: 88%).

A core KPI and strategic goal of the Group is Organic revenue growth as this is the most efficient method of growth that measures the underlying health of the business and is a key driver of shareholder value creation. Organic revenue growth eliminates the distorting impact of acquisitions and disposals and that element of growth which is driven by changes in foreign exchange rates. It is an alternative performance measure and is discussed in more detail below.

Adjusted EBITDA is also an alternative performance measure discussed in detail on page X. It is used in the day-to-day management of the Group in order to aid comparisons with peer group companies, manage banking covenants and provide a reference point for assessing the operational cash generation of the Group. It eliminates items arising from portfolio investment and divestment decisions, and from changes to capital structure. Such items arise from events which are non-recurring or intermittent, and while they may generate substantial income statement amounts, do not relate to the ongoing operational performance that underpins long-term value generation.

The Group monitors its operational balance sheet efficiency with reference to operational cash conversion, defined as Free Cash Flow as a percentage of Adjusted EBITDA. The section on alternative performance measures below also defines these terms.

Segmental results

A summary of the operational performance of the Group across the three segments is given in the table below.

£'m	Exhibitions & Festivals	Information Services	Central costs	**Continuing operations**	Discontinued operation Heritage Brands	Total
2016						
Revenue	180.0	119.6	-	**299.6**	57.9	357.5
*Revenue growth**	*12.3%*	*5.4%*	-	***9.5%***	*(10.2%)*	*5.6%*
Adjusted EBITDA	73.5	35.1	(12.7)	**95.9**	11.6	107.5
*Adjusted EBITDA growth**	*17.5%*	*4.7%*		***11.5%***	*(19.7)%*	*6.5%*
Adjusted EBITDA margin	*40.8%*	*29.3%*		***32.0%***	*20.0%*	*30.1%*
Depreciation	(3.3)	(5.7)	(3.9)	**(12.9)**	(1.8)	(14.7)
Adjusted operating profit	70.2	29.4	(16.6)	**83.0**	9.8	92.8
Amortisation				**(28.8)**	(2.5)	(31.3)
Exceptional items				**(20.7)**	(1.9)	(22.6)
Share-based payments				**(1.4)**	(0.1)	(1.5)
Operating profit				**32.1**	5.3	37.4
2015						
Revenue	150.4	106.2	-	**256.6**	62.5	319.1
Adjusted EBITDA	56.9	29.7	(10.0)	**76.6**	14.3	90.9
Adjusted EBITDA margin	*37.8%*	*28.0%*		***29.9%***	*22.9%*	*28.5%*
Depreciation	(2.2)	(5.4)	(8.2)	**(15.8)**	(1.7)	(17.5)
Adjusted operating profit	54.7	24.3	(18.2)	**60.8**	12.6	73.4
Amortisation				**(26.6)**	(2.9)	(29.5)
Exceptional items				**(9.4)**	(1.7)	(11.1)
Share-based payments				**(0.5)**	-	(0.5)
Operating profit				**24.3**	8.0	32.3

*Growth is presented on an Organic, constant currency, basis, which excludes the impact of acquisitions and disposals and movements in foreign exchange rates as further described below.

CONTINUING OPERATIONS

Revenue

Revenues from continuing operations in 2016 grew to £299.6m (2015: £256.6m), an increase of £43.0m. However, direct comparability was affected by the disposal of the MBI business in January 2015, the acquisition of RetailNet Group in June 2015, the establishment of WGSN's 49% joint venture with CTIC whereby revenue of the joint venture is no longer consolidated, the acquisition of One Click Retail in August 2016 and movements in exchange rates between the two years. Adjusting for these factors, Organic growth in revenue from continuing operations was as follows:

Year-on-year Organic revenue growth	**2016**	**2015**
Exhibitions & Festivals	+12.3%	+13.1%
Information Services	+5.4%	+3.6%
Continuing operations	+9.5%	+9.0%

Adjusted EBITDA

Adjusted EBITDA from continuing operations increased to £95.9m (2015: £76.6m) an increase of £19.3m on a reported basis and an expansion in Adjusted EBITDA margin of 2.1 percentage points to 32.0%. The reported growth in Adjusted EBITDA was impacted by the same factors described above. On an Organic basis Group Adjusted EBITDA grew by 11.5%, with Exhibitions & Festivals growing at 17.5% and Information Services growing at 4.7%.

Foreign currency translation impact

Following the Group's acquisition of One Click Retail and the growth of Cannes Lions and Money20/20, the Group's reported performance is increasingly sensitive to movements in both the euro and US dollar against pounds sterling. In 2016, Sterling weakened substantially against both the US dollar and euro compared to 2015 as can be seen in the table below:

Currency	Weighted average rate			Closing rate		
	2016	2015	Change	**2016**	2015	Change
Euro	**1.25**	1.40	10%	**1.17**	1.36	14%
US dollar	**1.30**	1.53	14%	**1.23**	1.48	17%

When comparing 2016 and 2015, changes in currency exchange rates had a favourable impact of £13.7m on Group revenue and £7.7m on Group Adjusted EBITDA. On a segmental basis, the favourable impact of changes in foreign currency exchange rates was as follows:

- *Exhibitions & Festivals:* £9.9m impact on revenue and £5.7m impact on Adjusted EBITDA.
- *Information Services:* £3.8m impact on revenue and £2.0m impact on Adjusted EBITDA.

In 2016, on a continuing basis, the Group:

- received approximately 29% of its revenue, incurred 9% of its costs and generated 70% of its Adjusted EBITDA in euros; and
- received approximately 22% of its revenue, incurred 14% of its costs and generated 37% of its Adjusted EBITDA in US dollars.

The Group's external borrowings are denominated 50% in euros with the balance split between US dollars and pounds sterling. Following the Group's recent US acquisitions and planned disposal of the Heritage Brands, in 2017 the Group will review the denomination of the currency of its external borrowings.

Amortisation and impairment

Amortisation of intangible assets acquired through business combinations was £28.8m in 2016 (2015: £26.6m) with the increase of £2.2m due to the acquisition of One Click Retail as well as the impact of the strength of the US Dollar against sterling in respect of the Group's US intangibles. The Group undertakes a periodic review of the carrying value of its intangible assets and as a result of this review there was no impairment recognised in the current or prior year relating to intangible assets acquired through business combinations.

Share-based payments

The charge for share-based payments of £1.4m for Continuing operations (2015: £0.5m) incorporates the Share Incentive Plan, the SAYE and the Performance Share Plan as well as a small charge for the pre-IPO Long Term Incentive Plan ("LTIP").

Exceptional items

The following table sets out the exceptional items incurred by the Group that have been excluded from Adjusted EBITDA. As further explained below, the Group considers that separately identifying such items improves comparability of the financial results.

Exceptional items (£'m)	2016	2015
IPO expenditure	3.6	1.7
Deferred consideration		
- Acquisition-related contingent employment costs (One Click Retail)	5.3	-
- Acquisition-related contingent employment costs (Money20/20)	4.4	5.5
- Adjustment to deferred consideration on prior year acquisitions (Money20/20)	6.2	-
- Adjustment to deferred consideration on prior year acquisitions (other)	(0.6)	-
Expenses related to acquisition and disposal activities	1.6	0.9
Acquisition integration costs	0.1	0.9
Expenses of previous holding company structure	0.1	0.1
Professional fees on capital restructuring	-	0.3
Exceptional items relating to continuing operations	**20.7**	**9.4**

The acquisition-related contingent employment costs relate primarily to deferred consideration on the acquisition of Money20/20 and of One Click Retail which, absent the link to continued employment, would have been treated as consideration. Under the sale and purchase agreements approximately half the deferred consideration is contingent on both (i) the results of the business in the post-acquisition period and (ii) the continued employment of the founders. In accordance with IFRS, this element of the deferred consideration is treated as an expense recognised over the contractual service periods. In 2016 this expense amounted to £9.7m (2015: £5.5m) and further exceptional expense is expected in 2017-2019 in respect of these two acquisitions.

In addition, an adjustment to deferred consideration of £7.8m arose in respect of the initial recognition of the deferred consideration as capital as a result of the excellent performance of Money20/20 Europe in 2016 which was significantly better than original expectations.

Net finance costs

The Group's net finance expense (net finance cost less net finance income) for the year was £33.8m (2015: £72.7m) with the substantial reduction driven by the reduction in external leverage and borrowing costs and the repayment of shareholder debt on IPO.

The non-recurring costs of the shareholder debt that existed prior to the IPO of £5.3m (2015: £43.9m) and the write off of unamortised loan arrangement fees that occurred on refinancing of £10.7m (2015: £4.3m) have been treated as adjusting items. The adjusted net finance expense after eliminating these non-recurring items was as follows:

Adjusted net finance expense (£'m)	2016	2015
Interest payable on external debt	(10.1)	(28.3)
Interest receivable	0.1	0.1
Amortisation of loan arrangement fees	(1.4)	(2.4)
Other finance charges	(2.9)	(2.3)
Foreign exchange and derivatives (loss) / gain	(3.5)	8.4
	17.8	**24.5**

The interest expense on the Group's borrowings was £10.1m (2015: £28.3m) with the reduction driven by the repayment of debt as well as the reduced rate of interest payable following the Group's IPO in mid-February 2016.

Taxation

The Group's tax charge on profit from continuing operations was a credit of £13.4m (2015: £11.3m) and was made up of a current tax charge of £4.1m (2015: £0.3m) and a deferred tax credit of £17.5m (2015: £11.6m). This comprised:

- an adjusted tax charge of £10.9m up from £4.6m in the prior year being an effective tax rate of 17% (2015: 13%); and
- a tax credit of £24.3m (2015: £15.9m) on loss on adjusting items of £66.9m (2015: £79.9m), primarily relating to the credit on the unwind of the deferred tax liability relating to acquired intangibles

The effective tax rate of 17% on adjusted profit before tax benefitted from £8.3m (2015: £5.8m) of further recognition of US tax losses as a deferred asset following a later than expected change of control restriction and an increase in the value of the US group at the point of that change of control. Absent this further loss recognition, the effective tax rate on adjusted profit before tax would have been 29%.

Cash tax paid was a small cash outflow of £3.5m (2015: £1.2m) as the Group continued to benefit by £8.7m (2015: £1.7m) from the utilisation of historic tax losses in the UK and US which are expected to benefit the Group's cash flow over the medium term.

The Group has a total deferred tax asset of £54.9m (2015: £40.2m) relating to UK and US losses, accelerated capital allowances and US acquired intangibles and deferred consideration and this is expected to convert into cash savings over the next 15 years. Its deferred tax liability amounted to £30.3m (2015: £40.7m) and related to acquired intangibles.

As described in detail below, the recognition of deferred tax assets on US losses requires considerable judgements to be made including overall future trading performance of the US Group, assessment of future earn-outs payable and valuation of the US Group at the point of change of control. In total a net deferred tax asset of £17.4m (2015: £11.5m) has been recognised in respect of US taxes. It is notable that each 1% change in the US Federal Tax Rate by the US tax authorities would impact the balance sheet and tax charge by £0.7m.

DISCONTINUED OPERATIONS

Revenue from discontinued operations in 2016 was £57.9m (2015: £62.5m) a reduction of £4.6m or 10.2% on an Organic basis. The key driver of the reduction was the performance of the MEED brand where, despite a strong performance from its high value digital subscriptions product MEED Projects, revenue fell by £1.9m mainly attributable to the conferences line of revenue. In addition, print advertising revenue in the UK brands fell by £3.1m.

Adjusted EBITDA was £11.6m down by £2.7m from the £14.3m in the prior year as the business was only able to partially mitigate the £4.6m revenue drop. In discontinued operations, the Group also incurred £1.9m of exceptional costs in preparing the Heritage Brands for sale including vendor diligence, legal fees, separation costs and write off of leasehold improvements. In the prior year, the Group had incurred exceptional costs of £1.7m as a result of the creation of the Plexus operating company from the combination of EMAP, MEED, 4C Group and Planet Retail.

The Adjusted tax charge attributable to discontinued operations was £1.8m (2015: £2.1m) being an adjusted effective tax rate of 18.4% (2015: 16.7%).

Capital structure and the IPO refinancing

On 12 February 2016, in order to achieve an opening leverage ratio of c.2.5x, the Group refinanced its borrowing facilities and entered into new post-IPO term loan facilities of £66m, €171m and $96m as well as a revolving credit facility of £95m. Together with the net proceeds of the IPO of £183m the Group used the new term loan facilities to repay all amounts under the Group's existing senior facilities and to cancel certain related hedging arrangements.

The facilities mature in February 2021, have an initial rate of interest of 2.25% over LIBOR and are subject to a net leverage ratio covenant of 4.5x which is measured at December 2016 and then semi-annually thereafter. The covenant ratio falls to 4.0x in December 2017. Arrangement fees of £5.3m were incurred and will be amortised over the term of the facility.

The Group's strong operating cash flow was partially deployed on the acquisition of One Click Retail, and after accounting for adverse foreign exchange and derivatives movements of £32.6m during the year, the Group's leverage ratio reduced to 2.1x at 31 December 2016 from 2.5x immediately following the IPO and 4.2x at the end of the prior year. The Group's leverage target is 1.5-2.0x to allow a healthy mix of dividends and cash for investment in bolt-on acquisitions.

Acquisitions and disposals

As part of the management of its focused portfolio of products, Ascential regularly assesses opportunities to acquire high-growth products operating in sectors with the potential for scale that may benefit from Ascential's know-how and infrastructure. The Group actively managed its portfolio of product brands in 2016 and 2017 to date.

One Click Retail

In August 2016, the Group acquired 100% of US-based e-commerce analytics provider Oneclickretail.com LLC ("One Click Retail") for initial cash consideration of $44m plus future earn outs expected to total $85m. The future earn outs are based on multiples of adjusted EBITDA of the business for the four years 2016 to 2019 payable in cash or, for certain elements, shares at Ascential's option. A portion of the earn-out payments is also subject to founders remaining in employment with the company. The total aggregate consideration, including initial consideration and earn out payments, is capped at $225m in the event that stretching profit targets are reached, and will be paid over the period to February 2020. The Group incurred £0.9m of professional fees on the acquisition which it recorded as an exceptional cost and the business contributed £3.1m of revenue and £2.2m of Adjusted EBITDA to the Group's 2016 results.

Heritage Brands

As part of its growth strategy to focus its resources and investment on its largest brands and those with the highest growth potential, after the year end, in January 2017 the Group announced that it had separated 13 Heritage Brands into a separate operating entity that is held for sale. Consistent with the evolution of its internal management reporting structure during 2016, the Group has reported the Heritage Brands as a separate segment. As a result of on-going discussions, the Board now considers a sale of the segment to be highly probable and has therefore reclassified it as a discontinued operation. The Heritage Brands generated revenue of £57.9m in 2016 (2015: £62.5m) and £11.6m of Adjusted EBITDA (2015: £14.3m).

Also in January 2017, the Group announced the sale of the first of the Heritage Brands, Health Service Journal to Wilmington plc for a consideration of £19m, payable in cash subject to normal working capital adjustments at completion. In 2016 HSJ generated revenue of £10m and EBITDA of £2.8m.

MediaLink

In February 2017, the Group announced that, subject to customary regulatory approvals, it had agreed to acquire 100% of US-based media advisory and business services provider MediaLink for an initial cash consideration of $69m plus future earnouts expected to total between $42m and $62m payable in cash or, for certain elements, shares at Ascential's option. A portion of the earn-out payments is subject to founders remaining in employment with the company. MediaLink is growing rapidly and delivered unaudited revenue of $54m and adjusted PBT of $14m in 2016, with year-on-year growth of 29% and 24% respectively.

Cash flow

The Group's cash flow statement and net debt position can be summarised as follows:

(£ million)	2016	2015
Adjusted EBITDA	**107.5**	**90.9**
Working capital movements	-	1.1
Adjusted cash generated from operations	**107.5**	**92.0**
Capital expenditure	(13.1)	(10.9)
Tax paid	(3.5)	(1.2)
Free cash flow	**90.9**	**79.9**
% Free cash flow conversion	*85%*	*88%*
Exceptional costs paid	(11.6)	(12.1)
Loan to joint venture	(4.5)	(0.1)
Acquisition consideration paid	(39.4)	(19.6)
Disposal proceeds received	0.2	10.6
Cash flow before financing activities	**35.6**	**58.7**
Net interest paid	(20.8)	(37.9)
Dividends paid	(6.0)	-
Proceeds of issue of shares net of expenses	188.5	0.2
Debt (repayments) / drawdown	(189.4)	0.9
Net cash flow	**7.9**	**21.9**
Opening cash balance	**44.4**	**21.7**
FX movements	9.6	0.8
Closing cash balance	**61.9**	**44.4**
Borrowings	(290.3)	(436.1)
Capitalised arrangement fees	4.3	10.5
Derivative financial instruments	0.4	(1.1)
Net Debt	**(223.7)**	**(382.3)**

The Group generated Adjusted operating cash flow of £107.5m (2015: £92.0m) an increase of 17%, due to the strong operational performance of the business.

A major feature of the Group's cash flow in 2016 was the IPO which generated proceeds of £200.0m or £188.5m net of expenses which was used to reduce the Group's indebtedness. Capex was slightly ahead of 2015 at £13.1m (2015: £10.9m) reflecting a fit out of the Group's Paddington offices to accommodate the entire Exhibitions & Festivals business following the combination of the i2i and Lions operating companies under a single leadership.

The Group therefore generated free cash flow of £90.9m (2015: £79.9m) an increase of 14%, which was used to fund interest payments, acquisition costs and exceptional items with the balance reducing net indebtedness.

Earnings per share

Earnings per share has been presented on both a statutory and Proforma basis. The Proforma basis is based on the 400.0m shares in issue upon IPO (as opposed than those in issue at part way through the IPO restructuring) and is therefore more relevant to ongoing shareholders of the Group.

Adjusted diluted Proforma EPS of 15.5 pence per share is 48% ahead of the 10.5 pence per share recorded for 2015 and total diluted Proforma EPS of 3.9 pence per share is substantially ahead of the prior year loss per share of 6.3 pence.

Capital reduction

Ascential plc was incorporated in January 2016 and acquired the Group's business operations in February 2016. As part of the IPO restructuring, the Company completed a reduction of its share capital, whereby:

(i) the entire amount standing to the credit of the Company's share premium account was cancelled;
(ii) 876m deferred shares (which were issued by way of a bonus issue for the purpose of capitalising the Company's capital reserve) were cancelled; and
(iii) the nominal value of each issued ordinary share in the capital of the Company was reduced from £0.10 to £0.01 each (the "Capital Reduction").

Following the Capital Reduction, as at 8 June 2016, the issued share capital of the Company consists of 400,542,500 ordinary shares of £0.01 each. The distributable reserves created by the Capital Reduction amount to £476.2m.

Dividends

Ascential plc was incorporated in January 2016 and, as indicated at the time of the IPO, the Board targets a dividend pay-out ratio of 30% of adjusted profit after tax. Consequently, the Board is recommending a final dividend of 3.2p per share to holders on the register on 19 May 2017 which, together with the Company's maiden interim dividend of 1.5p paid in November 2016, makes a total dividend for the 2016 financial year of 4.7p.

Segmental review: Exhibitions & Festivals

The Exhibitions & Festivals segment comprises large-scale exhibitions, congresses and festivals that bring communities together to connect and trade; to be inspired, to learn and to celebrate. In 2016, the Exhibitions & Festivals segment delivered revenues of £180.0m, (2015: £150.4m), up 19.7% or 12.3% on an Organic basis driven by the launch of Money20/20 Europe and continuing strong performance from Cannes Lions.

The division continued to invest in its key products, ensuring that content at each event is relevant and valuable to its customers and the quality of visitors remains high. The division also continued to benefit from initiatives introduced in prior years, including on-site rebooking for the following year's event and location-based exhibition stand pricing.

Ascential's events are broadly divided into three product types:

1. Those of significant scale, which define the markets they serve and deliver multiple streams of revenue. At these high-growth events, which include Cannes Lions and Money20/20, content for the audience is critical and requires constant innovation and investment.

2. Global, market-leading, exhibition brands - such as CWIEME and Bett, which have both delivered several successful new editions in additional geographies over recent years. Content is becoming increasingly important at these events, and great care is taken to improve all elements of the shows to ensure the events remain valued and relevant to both visitors and exhibitors.

3. UK-based exhibition brands, with loyal followings with many exhibitors returning year after year. This segment includes Spring and Autumn Fair, the UK's largest trade fair. All products in this segment deliver large audiences and are trusted barometers of the industries they serve. All would be difficult to geo-clone internationally, but offer strong cash flow and a large repeat business.

The top five events of this segment are Cannes Lions, Money20/20, Spring/Autumn Fair, Bett and CWIEME. These products contributed 83% of the segment's revenue.

Cannes Lions
Cannes Lions serves the branded communications industry and is the largest creative community for networking, inspiration, learning and celebration. Each year, more agencies, media owners and clients attend the week-long Cannes Lions Festival of International Creativity as the centrepiece of a year-round campaign for creativity. In 2016, Cannes again received a record number of award entries, up 8% over 2015 to more than 43,000 and grew paying delegates by 5% to more than 10,000. Overall, revenues for Cannes Lions increased to £55.5m in 2016 (2015: £42.5m), up 18% on an Organic basis.

Cannes Lions has taken steps to strengthen brand advocacy by both improving customer experience across both live and digital touch-points, and by putting creativity first:

- A key aim for 2016 was to improve the customer experience with the launch of online accommodation booking, a new VIP welcome experience, dramatically reduced waiting time for badge collection, improved event signposting and content navigation. The improvements made resulted in a net improvement of overall event NPS of 4% points to 47%.

- An ambitious content-led campaign, “Thank you Creativity”, was developed by the Cannes Lions in-house team which delivered 55,500 sessions on its own microsite, 291,000 video views and 6.8m media impressions.

As a result of these and other initiatives, delegate engagement grew significantly. More than 16,000 people attended 23 Official Fringe events, while the official app was downloaded 12,500 times and there were 762,000 swipes on the new networking app.

To maintain its relevance in its core sectors, and deepen the Festival’s appeal to new and associated industries, the Lions – the awards presented at the Festival – and the format of the event itself are under constant review. As a result, Cannes Lions has launched adjacent festivals events, all of which have performed well.

- Lions Health was launched in 2014, meeting the unique needs of the healthcare industry. In its third year, Lions Health grew 77% to deliver revenue of £2.5m. It received over 2,000 entries for the Pharma and Health & Wellness Lions, an increase of 40% compared to the previous year.

- Now in its second year, Lions Innovation grew 19% to deliver revenues of £1.8m, attracted more than 1,000 entries to the Creative Data and Innovation Lions, up 30% versus 2015.

- 2016 saw the launch of Cannes Lions’ third adjacent festival in as many years, which delivered first year revenues of £1.4m. Lions Entertainment brought together creative power-players from the music, film, gaming, sports and television industries. Across two days delegates enjoyed live content on four stages. From more than 600 entries, the inaugural Grand Prix in the new Entertainment Lions for Music went to the music video of “Formation” by Beyoncé, made by Prettybird Culver City.

These events underpin the strategy of Cannes Lions, as it seeks to expand its customer base across the full spectrum of the branded communications industry, and retain its long-standing reputation as the barometer of excellence in creativity.

Money20/20

Money20/20, the world’s leading FinTech event, is well positioned in a strong market. It delivered revenues of £34.7m in 2016 (2015: £18.7m), up 60% over a year earlier. Founded five years ago, Money20/20 has grown very strongly and the volume of paying delegates now stands at more than 13,000. Over the same period, volume of exhibitors rose from 77 in 2012 to 562 in 2016.

Money20/20 revenue by show £’m	2016	2015	Organic growth
Las Vegas, USA	26.9	18.7	17%
Copenhagen, Europe	7.8	-	n/a
Total	34.7	18.7	60%

In its third year of Ascential ownership, Money20/20 welcomed more than 10,700 attendees (2015: 10,400) at the most recent US edition, held in Las Vegas in October 2016. The event also continued to attract increasing numbers of CEOs and C-suite executives, with more than 1,700 attending. In total, more than 3,100 companies were represented, from 85 countries around the world. The event ran four distinct content streams and welcomed over 500 speakers including Jack Dorsey of Twitter and Square and Douglas Feagin of Ant Financial Group, the financial services arm of Alibaba.

Following discussions with customers, April 2016 saw the launch of Money20/20 Europe, created to specifically address the unique needs and challenge of the European markets. In its first year, the event welcomed 3,700 attendees, 420 industry-leading speakers, 200 sponsors, 100 media partners and C-level executives from 75 countries. This was a significant 2015 investment, and delivered revenues of £7.8m. It was Ascential's biggest launch to date and a superb example of getting a launch right.

Following the success of Money20/20 Europe, we further assessed the global FinTech market and announced the launch of Money20/20 Asia to be held in March 2018 in Singapore. This will provide the platform for pan-Asian and global companies to join forces and explore the unique opportunities fuelling the growth of the Asia Pacific payments landscape.

Spring and Autumn Fair

Spring Fair is the UK's largest trade exhibition and is amongst Europe's biggest home and gift events. Together with its Autumn edition, it is the gateway to UK retailing and attracts around 60,000 UK and international visitors from independent and major multiple retailers to e-commerce specialists and department stores. The show covers 13 key buying sections which are regularly evolved in line with the evolution of UK retail generally. Locations of each section are also reviewed to ensure each one is working to best effect for those attending the event and to allocate the most space to those sections with the highest demand.

All revenue at Spring and Autumn Fairs is derived from exhibitors as the events are free to attend for visitors. 2016 revenues were £34.3m up 3% (2015 £33.1m). On-site rebooking, enabling customers to secure their stand location a year ahead, continues to be a major focus. In 2016, Spring and Autumn Fairs achieved contracted bookings of over 70% of stand revenue within three months of the previous year's event. This feature gives good forward visibility and enables the sales team to focus on customer service and new business sales.

Location based pricing (differentiating stand price based on position in the hall and stand design) improved yield overall by 5%. It is important to deliver return on investment for exhibitors and visitors alike and operational excellence – driving retention through relevance and value – remains the overall focus at the event.

Bett

Bett is the leading educational technology series of global events and leadership summits. Bett brings together people, ideas, practices and technologies so that educators and learners can fulfil their potential. Across the global series, Bett welcomed almost 50,000 visitors from 139 countries in 2016, including 80 Ministries of Education. It delivered revenues of £15.7m, up 9% on the prior year (despite challenging economic conditions for its Brazilian edition) and deepened its strategic partnerships with both Microsoft and TES.

Since 2012, Bett has expanded beyond the UK and now has a presence in five key geographies - Brazil, Mexico, Middle East, Malaysia and the UK. The main edition is held in London each January and attracts leading industry speakers, educationalists, major sponsorship partners, education bodies and Government Ministers who have chosen this platform to announce changes to Government education policy. In 2016 Bett held its inaugural event in the Middle East in Abu Dhabi and successfully rolled out value based pricing in London across four pricing zones aligned to stand location.

CWIEME
CWIEME serves the automotive, consumer electronics and power generation sectors. In 2016, CWIEME delivered revenues of £8.8m (2015: £8.9m) up 2% in local currency.

Berlin is the main CWIEME event connecting engineers with suppliers for electric motors and transformers. The event has also several regional editions: Istanbul in Europe; Chicago in the US and Shanghai, China. As Berlin continues to mature, CWIEME works closely with its customers worldwide to ensure all the shows remain relevant, with appropriate content at all events. This enables it to continually improve its proposition thereby driving retention. CWIEME is also evolving regional and trade partnerships, particularly in the US and China.

Other Exhibitions & Festivals product performance
Beyond the top five products in this segment, revenues at our smaller products declined by 9% to £31.0m (2015: £32.8m). The main element of the £1.8m decline was a £2.2m decline in revenues from the service we supply to UK Trade and Investment following delays stemming from a departmental restructuring.

The other brands or products within the Exhibitions & Festivals segment are:

- Pure (trend-inspired fashion trade shows)
- Lions Regionals (Eurobest, Lynx, Spikes and Tanagrams)
- RWM (resource efficiency trade show)
- World Retail Congress (global retail congress held in Dubai)
- Glee (garden and outdoor living trade show)
- UKTI (exporter introduction services)
- Broadcast Video Expo (broadcast and video trade show)
- Naidex (disability aids trade show – sold in July 2016)

Industry awards
To be acknowledged by our peers is a great source of pride and industry awards are always hard-fought. At the recent AEO Excellence Awards we were delighted that Money20/20 won in three categories: the Innovation Award, Best Marketing Campaign and, for the second year in a row, Best Tradeshow Exhibition Overseas. At the Conference Awards in July, Bett topped the podium in the Best Conference Series category, and Money20/20 took the Best Marketing Award and Overseas Conference of the Year Award. At the Exhibition News Awards, CWIEME Istanbul was recognised as the best brand expansion and Giovanni Musio was awarded the Best Organiser Marketer Award.

Looking ahead
Over recent years, the Exhibitions and Festivals segment has created a fast-growing business with market-leading, international products. It aims to deliver market-defining customer engagement and harness technology to further improve digital experiences around the events. This shift will deliver year round access to the event and its content, by bringing the digital space closer to the physical attendee experience. In 2017 Ascential's Exhibitions and Festivals division aims to offer more customer-focused, data-led products that bring the membership communities of each event together year round.

Segmental review: Information Services

Ascential's Information Services segment provides high-quality, industry-specific business intelligence and forecasting with high customer engagement and retention. The division delivered revenues of £119.6m in 2016 (2015 £106.2m), up 12.6% or 5.4% on an Organic basis.

Brands within Information Services are WGSN, Groundsure, Glenigan, DeHavilland, Planet Retail/RetailNet Group and Retail Week. Following its acquisition in August 2016, we also welcomed One Click Retail to the Information Services segment.

All products within the Information Services' division serve customers with must-have information through multiple digital formats. They are targeted to specific job roles and often embedded in customer workflows making them more difficult to disrupt. Expert content teams on each brand craft and curate answers to important questions to help customers make smarter business decisions and succeed.

75% of Information Services revenues are derived from subscriptions, with transactional revenues contributing 13%. The balance of revenues relate to advisory services (5%), conferences and awards (5%) and digital and other marketing solutions (2%). We have continued to migrate towards a digital-only business and, following the discontinuance of the Heritage Brands, print advertising revenue now represents less than 1% of Group revenue.

Dynamics of digital products
Our digital products have the following characteristics:

- Answers or insights we provide are important to our customers' decisions
- Unique or critical insights that are hard to replicate. Built on strong historical information assets that, in the main, cannot be easily recreated
- Continuously leverage these unique assets to create new valuable information products
- Track record of delivery of accurate projections or insights
- Industry-leading customer retention is underpinned by their trust and confidence

Multiple levers of growth
Within Information Services the Group uses multiple levers to drive its future growth:

- Expansion into adjacent markets
- Geographic expansion
- New Product development
- Expansion across the functional areas of the customer

WGSN
WGSN is the clear global leader for market intelligence, insight and trend forecasts to the fashion industry and design-led companies around the world. It is Ascential's largest product, representing 22% of the business. It delivered revenues of £67.4m in 2016 (2015: £60.5m), up 6% on an Organic basis.

WGSN serves more than 6,000 customer organisations and enjoys a customer value retention rate of 92%. Many years ahead of a WGSN global trend forecast launch, WGSN filters global influences through its experts to determine trend direction. Insights are supplemented by big data analytics and WGSN produces reports in six languages, as well as an extensive images library.

Its strategy is to deliver multiple products to help designers, buyers, merchandisers and marketers plan as well as trade their product lines more effectively.

In April 2016, WGSN launched its new single subscription platform, which unites all its services onto one platform. Customers can now access all WGSN products with a single sign on. This is the first time customers have been able to seamlessly navigate all products and instantly get access to fashion; lifestyle design; consultancy and other WGSN products. This visibility has helped deliver an increase in average product holding from 1.13 in 2015 to 1.19 in 2016.

Also in April 2016, the first of WGSN's joint ventures with CTIC started trading which marked a major milestone towards growing and developing the Chinese market for WGSN's products.

In today's fast fashion marketplace, it is vital for retailers to understand trend adoption and offer the right product, at the right time, at the right price. Businesses cannot rely on intuition alone. To meet this need and mitigate pressure on margins, WGSN launched Instock in 2013 and today there are more than 200 retailers tracked in Instock every day. In October 2016, WGSN launched WGSN Insight, offering customers deeper insight into fast changing consumer behaviours to enable them to discover the future consumer with the best in class consumer, marketing and retail insights customers.

Groundsure

Groundsure, a transactional business, is a market-leading provider of environmental risk data. It addresses the needs of conveyancers, architects, engineers and other participants in the UK residential and commercial property industry. Groundsure assesses risk related to flood, contaminated land, ground stability, planning and other environmental matters.

Mainly operating through resellers, the business delivered £15.3m in 2016 (2015: £14.2m), up 8% year on year. Revenue was up 14% in the first half and up 3% in the second half performing somewhat better than the overall market in which residential transactions in England and Wales in the first half grew by 11% and declined by 8% in the second half driven in part by changes to the stamp duty regulations.

One Click Retail

Ascential regularly assesses opportunities to acquire high-growth products operating in sectors with the potential for scale that may benefit from its know-how and infrastructure. Information services to the e-commerce industry was identified as an attractive part of the retail vertical and as a result, Ascential acquired One Click Retail, a leading e-commerce data analytics service provider, to help accelerate it globally through, for example, cross-selling their products to existing clients of Ascential.

One Click Retail's customers include Procter & Gamble, HP, Unilever, Hamilton Beach, Nestle and Panasonic. Revenue is generated predominantly through recurring annual subscriptions to the company's Dashboard product which provides insights to help customers drive sales through e-commerce, including Amazon and Walmart, the two largest on line retailers in the world.

One Click Retail grew revenues to £7.4m in 2016 a growth of 103% with a 142% customer value retention rate. £3.1m of this revenue was delivered in the four months following its acquisition. As a high-growth, globally scalable subscription information service product, One Click Retail fits with Ascential's strategy of owning scalable, global, market-leading products with synergy potential with existing brands.

Other Information Services products
Planet Retail helps consumer goods companies identify and execute sales and new market opportunities with retailers utilising its global retailer distribution model. The business also provides a leading executive education programme and successful advisory service.

Retail Week was established in 1988 and has more than 8,000 subscribers. With an attractive revenue mix, Retail Week is transitioning to a corporate subscriptions model, with more than 40% of subscribers now on a corporate subscription. Retail Week Prospect, launched in 2015 is the brand's high-value data product extension.

Glenigan helps clients identify and win construction contracts and leads. During the year, it has continued its migration to a single interface, with enhanced search functionality, deliverable across all media devices. Glenigan grew its revenues in 2016 by 11%. Finally DeHavilland, our online political intelligence service grew revenues by 10% in 2016.

Industry awards
Many of our talented individuals and leading information services brands were award winners in 2016. Retail Week, (the PPA's "Business Media Brand of the Year") which sits at the very heart of the UK retail industry, and its MD Chris Brook-Carter were rewarded by the UK Government Equalities Office (Women's Business Council's "Men as Agents of Change") and Victoria Hart, Retail Week's Head of Operations – Conferences & Bespoke Events was also recognised (PPA's Connect Awards "Events Leader of the Year").

Also acknowledged last year were WGSN (the "Stackmaster Marketo Award" winner, which recognises the power of marketing technology and its use in enhancing marketing effectiveness), Glenigan (the PPA's "Digital Innovation of the Year" – the award that was won by HSJ Intelligence in 2015) and Nursing Times, (PPA's "Business Editor of the Year" for Jenni Middleton and British Media Award's "Website of the Year"). The digital success of Nursing Times, Glenigan and Retail Week led to Plexus being named as PPA's Digital Publisher of the Year (Business Media).

Cautionary statement

Certain statements in this announcement constitute, or may be deemed to constitute, forward looking statements (including beliefs or opinions). Any statement in this announcement that is not a statement of historical fact including, without limitation those regarding the Group's future expectations, operations, financial performance, financial condition and business is a forward looking statement. Such forward looking statements are subject to risks and uncertainties that may cause actual results to differ materially. These risks and uncertainties include, among other factors, changing economic, financial, business or other market conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this announcement. As a result you are cautioned not to place reliance on such forward looking statements. Except as is required by the Listing Rules, Disclosure and Transparency Rules and applicable laws, no undertaking is given to update the forward-looking statements contained in this announcement, whether as a result of new information, future events or otherwise.

Nothing in this announcement should be construed as a profit forecast. This announcement has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Ascential plc and its subsidiary undertakings when viewed as a whole.

Alternative Performance Measures

The Group aims to maximise shareholder value by optimising potential for return on capital through strategic portfolio investment and divestment, by ensuring the Group's capital structure is managed to support both strategic and operational requirements, and by delivering returns through a focus on organic growth and operational discipline. The Board considers that it is helpful to provide, where practicable, performance measures that distinguish between these different factors – these are also the measures that the Board uses to assess the performance of the Group. Accordingly, the annual report presents the following non-GAAP measures alongside standard accounting terms as prescribed by IFRS and the Companies Act, in order to provide this useful additional information.

Adjusted Profit Measures

The Group uses Adjusted profit measures to assist readers in understanding underlying operational performance. These measures exclude income statement items arising from portfolio investment and divestment decisions, and from changes to capital structure. Such items arise from events which are non-recurring or intermittent, and while they may generate substantial income statement amounts, do not relates to the ongoing operational performance that underpins long-term value generation. The income statement items that are excluded from Adjusted profit measures are referred to as Adjusting items.

Both Adjusted profit measures and Adjusting items are presented together with statutory measures on the face of the income statement. In addition, the Group presents a non-GAAP profit measure, Adjusted EBITDA, in order to aid comparisons with peer group companies and provide a reference point for assessing the operational cash generation of the Group. Adjusted EBITDA is defined as Adjusted Operating Profit before depreciation. The Group measures operational profit margins with reference to Adjusted EBITDA.

Adjusting items are not a defined term under IFRS, so may not be comparable to similar terminology used in other financial statements. Details of the charges and credits presented as Adjusting items are set out in note 7 to the financial statements.

The basis for treating these items as Adjusting is as follows:

Exceptional items

Exceptional items are recorded in accordance with the Group's policy set out in note 1 to the financial statements. They arise from both portfolio investment and divestment decisions, and from changes to the Group's capital structure, and so do not reflect current operational performance.

Amortisation of intangible assets acquired through business combinations

Charges for amortisation of acquired intangibles arise from the purchase consideration of a number separate acquisitions. These acquisitions are portfolio investment decisions that took place at different times over several years, and so the associated amortisation does not reflect current operational performance.

Share based payments

As a result of the IPO a number of employee share schemes have been introduced, as set out in note 10 to the financial statements. As a result, there is a lack of comparability between periods in respect of share scheme costs. As this arises from a change triggered by the IPO change in capital structure, these costs have been treated as Adjusting items.

Gain on disposal
Gains on disposal of businesses arise from divestment decisions that are part of strategic portfolio management, and do not reflect current operational performance.

Finance costs
Certain elements of finance costs incurred as a result of debt refinancing and are therefore a result of changes to the Group's capital structure. In addition, as part of the IPO Shareholder debt was converted to equity, and as a result there is a lack of comparability between periods in respect of the interest previously incurred on this Shareholder debt. As this arises from a change triggered by the IPO change in capital structure, these costs have been treated as Adjusting items.

Tax related to adjusting items
The elements of the overall group tax charge relating to the above Adjusting items are also treated as Adjusting. These elements of the tax charge are calculated with reference to the specific tax treatment of each individual Adjusting item, taking into account its tax deductibility, the tax jurisdiction concerned, and any previously recognised tax assets or liabilities.

Adjusted Cash Flow Measures
The Group uses Adjusted cash flow measures for the same purpose as Adjusted profit measures, in order to assist readers of the accounts in understanding the ongoing operational performance of the group. The two measures used are Adjusted Cash Generated from Operations, and Free Cash Flow. These are reconciled to IFRS measures as follows:

(£ million)	2016	2015
Cash generated from operations	95.9	79.9
Add back: acquisition-related contingent employment cash flow	4.0	-
Add back: other exceptional cash flow	7.6	12.1
Adjusted cash generated from operations	107.5	92.0

(£ million)	2016	2015
Net cash from operating activities	92.4	78.7
Add back: acquisition-related contingent employment cash flow	4.0	-
Add back: other exceptional cash flow	7.6	12.1
Less: capital expenditure	(13.1)	(10.9)
Free cash flow	90.9	79.9

The Group monitors its operational balance sheet efficiency with reference to operational cash conversion, defined as Free Cash Flow as a percentage of Adjusted EBITDA.

Organic Growth Measures

In order to assess whether the Group is achieving its strategic goal of driving organic growth it is helpful to compare like-for-like operational results between periods. Reported income statement measures, both Adjusted and statutory, can be significantly affected by the following factors which mask like-for-like comparability.

- Acquisitions and disposals of businesses lead to a lack of comparability between periods due to consolidation of only part of a year's results for these businesses.
- Changes in exchange rates used to record the results of non-sterling businesses results in a lack of comparability between periods as equivalent local currency amounts are recorded at different sterling amounts in different periods
- Event timing differences between periods. The Group has no significant biennial events, but when annual events are held at different times of year this can affect the comparability of half-year results

The Group therefore defines Organic growth measures, which are calculated with the following adjustments:

- Results of acquired and disposed businesses are excluded where the Group results include only part-year results in either current or prior periods
- Prior year consolidated results are restated at current year exchange rates for non-sterling businesses
- Prior year results are adjusted such that comparative results of events that have been held at different times of year are included in the same period as the current year results

Organic growth is calculated as follows:

£'m	Exhibitions & Festivals	Information Services	Central costs	Continuing operations	Discontinued operation Heritage Brands	Total
Revenue						
2016 - reported	180.0	119.6	-	299.6	57.9	357.5
Exclude acquisitions and disposals	-	(7.6)	-	(7.6)	-	(7.6)
2016 – Organic basis	180.0	112.0	-	292.0	57.9	349.9
Organic revenue growth	*12.3%*	*5.4%*	-	*9.5%*	*(10.2%)*	*5.6%*
2015 - reported	150.4	106.2	-	256.6	62.5	319.1
Exclude acquisitions and disposals	-	(3.8)	-	(3.8)	-	(3.8)
Currency adjustment	9.9	3.8	-	13.7	2.0	15.7
2015 – Organic basis	160.3	106.2	-	266.5	64.5	331.0
Adjusted EBITDA						
2016 - reported	73.5	35.1	(12.7)	95.9	11.6	107.5
Exclude acquisitions and disposals	-	(3.8)	-	(3.8)	-	(3.8)
2016 – Organic basis	73.5	31.3	(12.7)	92.1	11.6	103.6
Organic EBITDA growth	*17.5%*	*4.7%*		*11.5%*	*(19.7)%*	*6.5%*
2015 - reported	56.9	29.7	(10.0)	76.6	14.3	90.9
Exclude acquisitions and disposals	-	(1.8)	-	(1.8)	-	(1.8)
Currency adjustment	5.7	2.0	-	7.7	0.2	8.0
2015 – Organic basis	62.6	29.9	(10.0)	82.5	14.5	97.1

Proforma EPS

Changes to the Group's capital structure affecting the number of shares in issue will affect the comparability of earnings per share between periods. In order to present a consistent measure of earnings between periods, the Group presents Proforma measures of EPS in which major changes to the number of shares in issue are presented as if they had occurred on the first day of the comparative period. In presenting the 2016 financial statements, the IPO which completed on 12 February 2016 is treated as such a major change, and so accordingly Proforma EPS is calculated using a weighted average number of shares as if the IPO had occurred at the beginning of the 2015 financial year. Details are set out in note 14 of the financial statements.

Glossary of Alternative Performance Measures

Term	Description
Adjusted EBITDA	Adjusted operating profit excluding depreciation
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of Revenue
Adjusted effective tax rate	Adjusted tax charge expressed as a percentage of Adjusted profit before tax
Adjusted EPS	EPS calculated with reference to Adjusted Profit for the year
Adjusted operating profit	Operating profit excluding Adjusting Items
Adjusted profit before tax	Profit before tax excluding Adjusting Items
Adjusted tax charge	Tax charge excluding Adjusting Items
Cash conversion	Free cash flow expressed as a percentage of Adjusted EBITDA
Effective tax rate	Tax charge expressed as a percentage of Profit before tax
Exceptional items	Items within Operating profit separately identified in accordance with Group accounting policies
Free cash flow	Cash flows before exceptionals, portfolio investments and divestments, and financing
Net debt leverage	The ratio of Net debt to Adjusted EBITDA
Organic revenue growth	Revenue growth on a like-for-like basis
Organic EBITDA growth	Adjusted EBITDA growth on a like-for-like basis
Proforma Adjusted EPS	Adjusted EPS calculated using a proforma number of shares, as if the IPO had occurred at the beginning of 2015
Proforma EPS	EPS calculated using a proforma number of shares, as if the IPO had occurred at the beginning of 2015

ASCENTIAL

Consolidated Statement of Profit and Loss
For the year ended 31 December

(£ million)	Note	2016 Adjusted Results	2016 Adjusting Items (Note 3)	2016 Total	2015 Adjusted Results	2015 Adjusting Items (Note 3)	2015 Total
Continuing operations							
Revenue	1	**299.6**	**–**	**299.6**	256.6	–	256.6
Cost of sales		**(102.0)**	**–**	**(102.0)**	(86.3)	–	(86.3)
Sales, marketing and administrative expenses		**(114.6)**	**(50.9)**	**(165.5)**	(109.5)	(36.5)	(146.0)
Operating profit	1	**83.0**	**(50.9)**	**32.1**	60.8	(36.5)	24.3
Adjusted EBITDA	1	**95.9**	**–**	**95.9**	76.6	–	76.6
Depreciation and amortisation	1	**(12.9)**	**(28.8)**	**(41.7)**	(15.8)	(26.6)	(42.4)
Exceptional items		**–**	**(20.7)**	**(20.7)**	–	(9.4)	(9.4)
Share-based payments		**–**	**(1.4)**	**(1.4)**	–	(0.5)	(0.5)
Operating profit	1	**83.0**	**(50.9)**	**32.1**	60.8	(36.5)	24.3
Gain on disposal		**–**	**–**	**–**	–	4.8	4.8
Share of loss in equity-accounted investees, net of tax		**(0.1)**	**–**	**(0.1)**	–	–	–
Finance costs	4	**(28.0)**	**(16.0)**	**(44.0)**	(33.0)	(48.2)	(81.2)
Finance income	4	**10.2**	**–**	**10.2**	8.5	–	8.5
Profit/(loss) before taxation		**65.1**	**(66.9)**	**(1.8)**	36.3	(79.9)	(43.6)
Taxation	5	**(10.9)**	**24.3**	**13.4**	(4.6)	15.9	11.3
Profit/(loss) from continuing operations		**54.2**	**(42.6)**	**11.6**	31.7	(64.0)	(32.3)
Discontinued operation							
Profit from discontinued operation, net of tax	2	**8.0**	**(4.0)**	**4.0**	10.5	(3.5)	7.0
Profit/(loss) for the year		**62.2**	**(46.6)**	**15.6**	42.2	(67.5)	(25.3)
Attributable to:							
Equity holders of the parent		**62.2**	**(46.6)**	**15.6**	42.2	(67.5)	(25.3)
Earnings per share (pence)							
– Basic	7	**17.1**	**(12.8)**	**4.3**	54.0	(86.4)	(32.4)
– Diluted	7	**17.1**	**(12.8)**	**4.3**	54.0	(86.4)	(32.4)
Proforma earnings per share (pence)							
– Basic	7	**15.6**	**(11.7)**	**3.9**	10.5	(16.9)	(6.3)
– Diluted	7	**15.5**	**(11.6)**	**3.9**	10.5	(16.9)	(6.3)

Consolidated Statement of Other Comprehensive Income
For the year ended 31 December

(£ million)	Note	**2016** Adjusted Results	**2016** Adjusting Items (Note 3)	**2016** Total	2015 Adjusted Results	2015 Adjusting Items (Note 3)	2015 Total
Profit/(loss) for the year		**62.2**	**(46.6)**	**15.6**	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		**(10.6)**	**–**	**(10.6)**	(2.7)	–	(2.7)
Total comprehensive income for the year		**51.6**	**(46.6)**	**5.0**	39.5	(67.5)	(28.0)
Attributable to:							
Equity holders of the parent		**51.6**	**(46.6)**	**5.0**	39.5	(67.5)	(28.0)

Consolidated Statement of Financial Position
As at 31 December

(£ million)	Note	2016	2015
Assets			
Non-current assets			
Intangible assets and goodwill		**651.6**	658.7
Property, plant and equipment		**11.4**	10.2
Investments		**5.0**	0.7
Other receivables		**0.6**	–
Deferred tax assets	6	**54.9**	40.2
Derivative financial assets	10	**0.1**	0.6
		723.6	710.4
Current assets			
Inventories		**16.9**	17.6
Trade and other receivables		**59.6**	65.3
Derivative financial assets	10	**0.3**	0.4
Cash and cash equivalents	10	**61.9**	44.4
		138.7	127.7
Assets of disposal group classified as held for sale	2	**72.0**	–
Current assets		**210.7**	127.7
Total assets		**934.3**	838.1
Liabilities			
Current liabilities			
Trade and other payables		**173.0**	173.9
External borrowings	10	**–**	2.4
Provisions		**1.7**	2.3
Current tax liabilities		**6.9**	5.2
Derivative financial liabilities	10	**–**	0.4
		181.6	184.2
Liabilities of disposal group classified as held for sale	2	**23.7**	–
Current liabilities		**205.3**	184.2
Non-current liabilities			
External borrowings	10	**286.0**	423.2
Shareholder debt		**–**	436.7
Provisions		**1.6**	0.2
Deferred tax liabilities	6	**30.3**	40.7
Derivative financial liabilities	10	**-**	1.7
Other non-current liabilities		**49.7**	20.6
Total non-current liabilities		**367.6**	923.1
Total liabilities		**572.9**	1,107.3
Net assets/(liabilities)		**361.4**	(269.2)
Equity			
Share capital	11	**4.0**	7.9
Merger reserve		**9.2**	9.2
Group restructure reserve		**157.9**	–
Translation reserve		**(17.4)**	(6.8)
Retained earnings		**207.7**	(279.5)
Total equity		**361.4**	(269.2)

Consolidated Statement of Changes in Equity
For the year ended 31 December

(£ million)	Share Capital(i)	Share Premium	Merger Reserve(i)	Capital Reserve	Group Restructure Reserve	Translation Reserve	Retained Earnings	Total Equity
At 1 January 2015	7.7	–	9.2	–	–	(4.1)	(254.2)	(241.4)
Loss for the year	–	–	–	–	–	–	(25.3)	(25.3)
Foreign exchange translation differences recognised in equity	–	–	–	–	–	(2.7)	–	(2.7)
Issue of shares(ii)	0.2	–	–	–	–	–	–	0.2
At 31 December 2015	7.9	–	9.2	–	–	(6.8)	(279.5)	(269.2)
At 1 January 2016	**7.9**	**–**	**9.2**	**–**	**–**	**(6.8)**	**(279.5)**	**(269.2)**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**15.6**	**15.6**
Foreign exchange translation differences recognised in equity	**–**	**–**	**–**	**–**	**–**	**(10.6)**	**–**	**(10.6)**
Share-based payments	**–**	**–**	**–**	**–**	**–**	**–**	**1.5**	**1.5**
Group restructure(iii)	**22.1**	**252.9**	**–**	**8.8**	**157.9**	**–**	**–**	**441.7**
Issue of shares(iv)	**10.0**	**190.0**	**–**	**–**	**–**	**–**		**200.0**
Share issue costs(iv)	**–**	**(11.6)**	**–**	**–**	**–**	**–**	**–**	**(11.6)**
Issue of shares(v)	**0.1**	**–**	**–**	**–**	**–**	**–**	**(0.1)**	**–**
Capital reduction(vi)	**(36.1)**	**(431.3)**	**–**	**(8.8)**	**–**	**–**	**476.2**	**–**
Dividends	**–**	**–**	**–**	**–**	**–**	**–**	**(6.0)**	**(6.0)**
At 31 December 2016	**4.0**	**–**	**9.2**	**–**	**157.9**	**(17.4)**	**207.7**	**361.4**

(i) Share capital and merger reserve at 1 January 2015 and 31 December 2015 reflect the statutory share capital and merger reserve of Ascential plc on 8 February 2016, when a restructure of the Group took place. Refer to Note 14 for further details.

(ii) The £0.2 million issue of shares relates to shares issued under management incentive plans in the year ended 31 December 2015.

(iii) The restructure of the Group between 8 and 12 February 2016 resulted in the Company issuing 300,000,000 ordinary £0.10 shares to become the ultimate parent of the Group, and to convert existing shareholder debt to equity. This resulted in the recognition of £252.9 million in share premium, £8.8 million in the capital reserve and £157.9 million in a group restructure reserve. Refer to Note 14 for further details.

(iv) At IPO 100,000,000 additional ordinary £0.10 shares were allotted and issued at a price of £2.00 per share, representing a premium of £1.90 per share. £11.6 million of share issue costs were incurred. The premium was recorded in the Company's share premium account.

(v) On 8 March 2016, 542,500 ordinary £0.10 shares were issued to employees under the Share Incentive Plan ("SIP").

(vi) On 8 June 2016, the Company completed a reduction of its share capital, whereby its nominal share capital was reduced to approximately £4.0 million, the amount standing to the share premium account was cancelled, and 876,266,690 deferred shares of £0.01 each which were issued by way of a bonus issue on 7 June 2016 for the purpose of capitalising the Company's capital reserve were cancelled. These steps resulted in distributable reserves of approximately £476.2 million. Refer to Note 14 for further details.

Consolidated Statement of Cash Flows
For the year ended 31 December

(£ million)	Note	2016	2015
Cash flows from operating activities			
Profit/(loss) before taxation		**3.5**	(35.6)
Adjustments for:			
Amortisation of intangible assets acquired through business combinations		**31.3**	29.5
Amortisation of software intangible fixed assets		**10.2**	12.9
Depreciation of tangible fixed assets		**4.5**	4.6
Gain on disposal of business operations and investments		**–**	(4.8)
Acquisition-related contingent employment costs and revaluation of contingent consideration		**15.3**	5.5
Share-based payments		**1.5**	–
Share of loss in equity-accounted investees, net of tax		**0.1**	–
Finance costs	4	**44.0**	81.2
Finance income	4	**(10.2)**	(8.5)
Cash generated from operations before changes in working capital and provisions		**100.2**	84.8
Changes in:			
Inventories		**1.3**	(3.0)
Receivables		**0.2**	(12.6)
Payables, net of interest payable		**(5.5)**	11.5
Provisions		**(0.3)**	(0.8)
Cash generated from operations		**95.9**	79.9
Adjusted cash generated from operations		**107.5**	92.0
Cash outflows for acquisition-related contingent employment costs		**(4.0)**	–
Cash outflows for other exceptional operating items		**(7.6)**	(12.1)
Cash generated from operations		**95.9**	79.9
Income tax paid		**(3.5)**	(1.2)
Net cash from operating activities		**92.4**	78.7
Cash flow from investing activities			
Acquisition of businesses, net of cash acquired		**(39.4)**	(19.6)
Acquisition of investments		**(4.5)**	(0.1)
Acquisition of software intangible fixed assets and tangible fixed assets		**(13.1)**	(10.9)
Disposal of business operations and investments		**0.2**	10.6
Net cash used in investing activities		**(56.8)**	(20.0)
Cash flows from financing activities			
Proceeds from external borrowings	10	**265.2**	440.7
Repayment of external borrowings	10	**(454.6)**	(439.3)
Repayment of Shareholder debt	10	**–**	(0.5)
Proceeds from issue of shares		**200.0**	0.2
Transaction costs related to issue of shares		**(11.5)**	–
Interest paid		**(20.8)**	(37.9)
Dividends paid	12	**(6.0)**	–
Net cash used in financing activities		**(27.7)**	(36.8)
Net increase in cash and cash equivalents		**7.9**	21.9
Cash and cash equivalents at 1 January		**44.4**	21.7
Effect of exchange rate fluctuations		**9.6**	0.8
Cash and cash equivalents at 31 December		**61.9**	44.4

1. Operating Segments

The Group has three reportable segments under IFRS 8 Operating Segments. In addition, there is a Group corporate function providing central services including 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.
- Discontinued operation: The disposal group of 13 "Heritage Brands" previously formed part of the Information Services segment before it was separately classified as held for sale and a discontinued operation. Given the different growth trajectories and risks of the Heritage Brands and the change in internal management reporting presented to the Board, the disposal group is separated into a third reportable segment. Refer to Note 2 for further details on the discontinued operation.

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. Total assets and liabilities for each reportable segment are not disclosed because they are not provided to the Board on a regular basis. Total assets and liabilities are internally reviewed on a Group basis.

Year ended 31 December 2016

(£ million)	Exhibitions & Festivals	Information Services	Group Costs	Continuing Operations Total	Discontinued Operation	Total
Revenue	180.0	119.6	–	299.6	57.9	357.5
Adjusted EBITDA	73.5	35.1	(12.7)	95.9	11.6	107.5
Depreciation and amortisation of tangible fixed assets and software intangibles	(3.3)	(5.7)	(3.9)	(12.9)	(1.8)	(14.7)
Adjusted operating profit	70.2	29.4	(16.6)	83.0	9.8	92.8
Amortisation of intangible assets acquired through business combinations				(28.8)	(2.5)	(31.3)
Exceptional items				(20.7)	(1.9)	(22.6)
Share-based payments				(1.4)	(0.1)	(1.5)
Operating profit				32.1	5.3	37.4
Share of loss in equity-accounted investee, net of tax				(0.1)	–	(0.1)
Net finance costs				(33.8)	–	(33.8)
Profit before tax/(loss)				(1.8)	5.3	3.5
Total assets				862.3	72.0	934.3

Year ended 31 December 2015

(£ million)	Exhibitions & Festivals	Information Services	Group Costs	Continuing Operations Total	Discontinued Operation	Total
Revenue	150.4	106.2	–	256.6	62.5	319.1
Adjusted EBITDA	56.9	29.7	(10.0)	76.6	14.3	90.9
Depreciation and amortisation of tangible fixed assets and software intangibles	(2.2)	(5.4)	(8.2)	(15.8)	(1.7)	(17.5)
Adjusted operating profit	54.7	24.3	(18.2)	60.8	12.6	73.4
Amortisation of intangible assets acquired through business combinations				(26.6)	(2.9)	(29.5)
Exceptional items				(9.4)	(1.7)	(11.1)
Share-based payments				(0.5)	–	(0.5)
Operating profit				24.3	8.0	32.3
Share of loss in equity-accounted investee, net of tax				4.8	–	4.8
Net finance costs				(72.7)	–	(72.7)
Profit before tax/(loss)				(43.6)	8.0	(35.6)
Total assets				838.1	-	838.1

Exceptional items of £22.6 million (2015: £11.1 million) include £10.4 million, £6.1 million, £1.9 million (2015: £5.7 million, £1.1 million and £1.7 million) which are attributable to Exhibitions & Festivals, Information Services and discontinued operation respectively.

Finance costs and finance income are not allocated to segments, as these types of activity are driven by the Group corporate function.

An analysis of the Group's non-current assets (excluding deferred tax, financial instruments and assets classified as held for sale) by geographical location is as follows:

(£ million)	2016	2015
United Kingdom	**446.7**	490.7
Other Europe	**17.4**	18.4
United States and Canada	**193.8**	118.1
Asia Pacific	**4.7**	0.4
Middle East and Africa	-	36.0
Latin America	**6.0**	6.0
Total	**668.6**	669.6

2. Discontinued Operation and Disposal Group Held for Sale

During 2016, the Board committed to a plan to sell 13 Heritage Brands within the Information Services reportable segment. The Heritage Brands are Health Services Journal, MEED, Drapers, Nursing Times, Local Government Chronicle, Construction News, New Civil Engineer, Ground Engineering, H&V News and RAC, Retail Jeweller, Materials Recycling World and the architecture titles including Architects' Journal, The Architectural Review and the associated World Architecture Festival. Each provides content to subscribers and industries across three platforms - digital, events and print.

The 13 Heritage Brands were not previously classified as held for sale or as a discontinued operation. The comparative consolidated statement of profit and loss has been restated to show the discontinued operation separately from continuing operations.

Results of discontinued operation

(£ million)	Note	2016 Adjusted Results	2016 Adjusting Items	2016 Total	2015 Adjusted Results	2015 Adjusting Items	2015 Total
Revenue		**57.9**	**–**	**57.9**	62.5	–	62.5
Cost of sales		**(24.1)**	**–**	**(24.1)**	(25.7)	–	(25.7)
Sales, marketing and administrative expenses		**(24.0)**	**(4.5)**	**(28.5)**	(24.2)	(4.6)	(28.8)
Operating profit		**9.8**	**(4.5)**	**5.3**	12.6	(4.6)	8.0
Adjusted EBITDA		**11.6**	**–**	**11.6**	14.3	–	14.3
Depreciation and amortisation		**(1.8)**	**(2.5)**	**(4.3)**	(1.7)	(2.9)	(4.6)
Exceptional items		**–**	**(1.9)**	**(1.9)**	–	(1.7)	(1.7)
Share-based payments		**–**	**(0.1)**	**(0.1)**	–	–	–
Operating profit		**9.8**	**(4.5)**	**5.3**	12.6	(4.6)	8.0
Taxation	5	**(1.8)**	**0.5**	**(1.3)**	(2.1)	1.1	(1.0)
Profit from discontinued operation, net of tax		**8.0**	**(4.0)**	**4.0**	10.5	(3.5)	7.0
Proforma earnings per share (pence)							
– Basic	7	**2.0**	**(1.0)**	**1.0**	2.5	(0.9)	1.8
– Diluted	7	**2.0**	**(1.0)**	**1.0**	2.5	(0.9)	1.8
Earnings per share (pence)							
– Basic	7	**2.2**	**(1.1)**	**1.1**	13.4	(4.5)	9.0
– Diluted	7	**2.2**	**(1.1)**	**1.1**	13.4	(4.5)	9.0

The profit from the discontinued operation of £4.0 million (2015: £7.0 million) is attributable entirely to the equity holders of the parent company.

Cash flows from/(used in) discontinued operation

(£ million)	2016	2015
Net cash generated from operating activities	**11.7**	12.4
Net cash used in investing activities	**(0.9)**	(1.4)
Net cash inflows for the year	**10.8**	11.0

Disposal group held for sale

A. Assets and liabilities of disposal group held for sale

At 31 December 2016, the disposal group was stated at carrying value and comprised the following assets and liabilities.

(£ million)	2016
Intangible assets and goodwill	**61.0**
Property, plant and equipment	**1.5**
Deferred tax assets	**0.4**
Trade and other receivables	**9.1**
Assets held for sale	**72.0**
Trade and other payables	**18.0**
Provisions	**1.3**
Deferred tax liabilities	**4.4**
Liabilities held for sale	**23.7**

B. Cumulative income or expenses included in other comprehensive income

Foreign exchange translation differences of £5.2 million (2015: £1.2 million) recognised in equity relating to the disposal group are included in other comprehensive income.

3. Adjusting items

Adjusting items and exceptional 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 7) provides additional useful information to the users of the financial statements. The following charges / (credits) were presented as adjusting items of the continuing operations:

(£ million)	Note	2016	2015
Exceptional Items:			
Acquisition-related contingent employment costs - OCR		**5.3**	–
Acquisition-related contingent employment costs- Money20/20		**4.4**	5.5
Revaluation of contingent consideration - Money20/20		**6.2**	–
Revaluation of contingent consideration - other		**(0.6)**	–
Expenses related to acquisition and disposal activities		**1.6**	0.9
Acquisition integration costs		**0.1**	0.9
IPO expenditure		**3.6**	1.7
Professional fees relating to capital restructuring		**–**	0.3
Expenses of previous holdings company structure		**0.1**	0.1
		20.7	9.4
Amortisation of intangible assets acquired through business combinations		**28.8**	26.6
Share-based payments		**1.4**	0.5
Gain on disposal of MBI		**–**	(4.8)
Finance costs	4	**16.0**	48.2
Total adjusting items before tax		**66.9**	79.9
Tax credit related to adjusting items		**(24.3)**	(15.9)
Total adjusting items after tax		**42.6**	64.0

The principal adjustments made are in respect of:

- Revaluation of contingent consideration – relates to the acquisition of Money20/20 in 2014. Certain of the Group's business combinations include, under their respective sale and purchase agreements, an element of deferred consideration which is contingent on the results of the business in future years, refer also to Note 8. In 2016, Money20/20's actual results and the forecast result for 2017 lead to an increase in the estimated capital element of the deferred consideration payable in 2017 and 2018. The total expense resulting from the revaluation amounted to £6.2 million (2015: £nil).

- Acquisition-related contingent employment costs – relate to the acquisitions of OCR in 2016 and Money20/20 in 2014. Under the sale and purchase agreements for both acquisitions, an element of the deferred consideration is contingent on both (i) the results of the business in future years 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 contractual period. In 2016, the total expense amounted to £5.3 million and £4.4 million (2015: £nil and £5.5 million) for OCR and Money20/20 respectively. Refer also to Note 8.

- Expenses related to acquisitions and disposals – the Group recognised an exceptional expense related to acquisition and disposal activities of £1.6 million in 2016 (2015: £0.9 million). A further charge of £0.1 million (2015: £0.9 million) was incurred relating to post-acquisition integration costs. These principally related to the acquisition of Oneclickretail.com in 2016 and RetailNet Group ("RNG") in 2015.

- IPO expenditure – exceptional items relating to the IPO of £3.6 million were expensed in 2016 (2015: £1.7 million).

- 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.

- Finance costs – the Group incurred interest on the Shareholder debt that was subsequently converted into equity as part of the restructure. In 2016, this amounted to £5.3 million (2015: £43.9 million). The Group also refinanced its external debt as part of the IPO process incurring £10.7 million in 2016 relating to the accelerated amortisation of debt fees. A previous refinancing of external debt led to a charge of £4.3 million in accelerated amortisation of debt fees and break costs in 2015.

4. Finance costs and finance income

(£ million)	2016	2015
Interest payable on external borrowings	**(10.1)**	(28.3)
Foreign exchange loss on borrowings	**(13.4)**	–
Amortisation of loan arrangement fees	**(1.4)**	(2.4)
Fair value loss on derivatives	**(0.2)**	–
Other finance charges	**(2.9)**	(2.3)
Finance costs – Adjusted results	**(28.0)**	(33.0)
Interest payable on Shareholder debt	**(5.3)**	(43.9)
Break fees and write-off of loan arrangement fees on debt refinancing	**(10.7)**	(4.3)
Finance costs – Adjusting items (Note 3)	**(16.0)**	(48.2)
Finance costs	**(44.0)**	(81.2)
Interest on bank deposits	**0.1**	0.1
Foreign exchange gain on borrowings	**–**	3.4
Foreign exchange gain on cash and cash equivalents	**7.4**	0.8
Fair value gain on derivatives	**2.7**	4.2
Finance income	**10.2**	8.5
Net finance costs	**(33.8)**	(72.7)

5. Tax on profit on ordinary activities

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

(£ million)	2016	2015
Current tax		
UK corporation tax		
Current tax charge on income for the year at 20.00% (2015: 20.25%)	**1.7**	(2.1)
Adjustments in respect of prior years	**0.6**	0.2
Foreign tax		
Current tax charge on income for the year	**1.6**	2.0
Adjustments in respect of prior years	**0.2**	0.2
Total current tax charge	**4.1**	0.3
Deferred tax		
Current year	**(15.2)**	(9.8)
Adjustments in respect of prior years	**(1.5)**	(0.9)
Impact of rate changes on opening deferred tax balances	**(0.8)**	(0.9)
Total deferred tax credit	**(17.5)**	(11.6)
Total tax credit	**(13.4)**	(11.3)

The difference between the tax as credited in the consolidated profit and loss statement for the continuing operations and tax at the UK standard rate is explained below:

(£ million)	2016	2015
Loss before tax	**(1.8)**	(43.6)
Expected tax credit at the UK standard rate of 20.00% (2015: 20.25%)	**(0.4)**	(8.8)
Principal differences		
Impact of rate changes	**(0.6)**	(1.0)
Impact of higher overseas tax rates	-	(0.4)
Recognition of previously unrecognised trading losses	**(10.1)**	(5.8)
Recognition of previously unrecognised capital losses	**(3.6)**	–
Other non-deductible items including interest on Shareholder debt	**1.8**	7.2
Non-taxable exchange gains and losses	**0.2**	(1.0)
Non-taxable disposal gains	**–**	(1.0)
Adjustments in respect of prior years	**(0.7)**	(0.5)
Difference	**(13.0)**	(2.5)
Total tax credit for the year	**(13.4)**	(11.3)

The Group's effective tax rate is lower than the UK statutory tax rate in the main due to the recognition of previously unrecognised tax US losses as a result of increasing certainty over future taxable profits against which these tax assets can be recovered.

The Group is subject to many different forms of taxation, including but not limited to income and corporation tax, withholding tax and value added and sales taxes. The Group has operations in 15 countries and multiple states in the US and sells its products and services into around 150 countries. Furthermore, the Group renders and receives cross-border supplies and services in respect of affiliated entities. Due to these factors the Group is exposed to tax risk and, in particular, with regard to transfer pricing rules that apply in many jurisdictions.

Tax law and administration is complex and often requires subjective determinations. In addition, tax audits, by their nature, can take a significant period of time to be agreed with the tax authorities. Therefore, Management is required to apply judgment to determine the level of provisions required in respect of its tax liabilities. The Directors' estimates of the level of risk arising from tax audit may change in the next year as a result of changes in legislation or tax authority practice or correspondence with tax authorities during specific tax audits. It is not possible to quantify the impact that such future developments may have on the Group's tax positions. Actual outcomes and settlements may differ from the estimates recorded in these Consolidated Financial Statements. The Group currently anticipates that the outcome of these uncertainties will only be resolved in greater than one year.

Other factors that may affect future tax charges:

The 2016 Budget announcement included a proposal to reduce the main rate of UK corporation tax to 17% from 1 April 2020. As the reductions was substantively enacted, by the consolidated statement of financial position date, the deferred tax assets and liabilities have been measured at the reduced rates applicable when the assets and liabilities are forecast to reverse. The rate of writing down allowances on the main pool of plant and machinery and on the special rate pool remain unchanged at 18% and 8% respectively.

On 24 June 2016, the US House of Congress Republicans released a 'Blueprint' on tax reform which is currently being debated through the US legislative system. The Blueprint proposes a number of changes to the US tax system. The proposal which would have the most significant impact on the Group's tax position is the reduction of the Federal corporate tax rate from 35% to 20%. President Trump's announced tax plan suggested this rate could become as low as 15%. In addition to reducing the rate at which the Group pays tax on its future US profits, each 1% change in the US Federal Tax Rate would reduce the Group's net deferred tax asset on US tax items by £0.7 million.

6. Deferred tax

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

(£ million)	Tax losses	Depreciation vs. tax allowances	Other temporary differences	Intangible assets	Total
At 1 January 2015	26.0	9.6	0.1	(49.9)	(14.2)
Credit to the consolidated profit and loss statement for the year	(1.3)	3.2	3.0	5.5	10.4
Adjustments in respect of prior years	(0.1)	(0.1)	1.1	–	0.9
Impact of rate changes	(0.7)	(0.9)	–	3.0	1.4
Foreign exchange movements	0.7	(0.1)	(0.2)	0.1	0.5
Disposals	–	(0.1)	–	0.6	0.5
At 31 December 2015	24.6	11.6	4.0	(40.7)	(0.5)
Credit to the consolidated profit and loss statement for the year	3.2	(0.9)	7.8	5.4	15.5
Adjustments in respect of prior years	1.8	–	–	(0.3)	1.5
Impact of rate changes	–	(0.5)	–	1.6	1.1
Foreign exchange movements	2.6	0.1	1.0	(0.7)	3.0
Reclassification to assets and liabilities held for sale	-	(0.4)	–	4.4	4.0
At 31 December 2016	32.2	9.9	12.8	(30.3)	24.6

The following is the analysis of the deferred tax balances for consolidated statement of financial position purposes:

(£ million)	2016	2015
Deferred tax assets – non-current	**54.9**	40.2
Deferred tax liabilities – non-current	**(30.3)**	(40.7)
Total	**24.6**	(0.5)

In presenting its deferred tax balances, the Group does not offset assets and liabilities as the Group has no legally enforceable right to set off the arising current tax liabilities and assets when those deferred tax balances reverse.

Other temporary differences include the impact of the difference in timing between tax and book amortisation for certain acquired intangible assets in the US as well as expected deferred consideration payments on US acquisitions.

At 31 December 2016, the Group has net deferred tax assets provided across the categories set out above totalling £24.6 million (2015: £0.5 million liability), of which £1.2 million is payable by the Group (2015: £2.3 million receivable by the Group) within one year and £23.4 million (2015: £1.8 million) payable by the Group after more than one year. The increase in the net asset position in the year arises from the increased level of recognition of tax assets in respect of tax losses as well as the continued amortisation of intangible assets and the associated deferred tax liability.

The Group has tax losses in the US totalling £209.9 million carried forward at 31 December 2016 (2015: £193.9 million). It has been agreed with the US tax authorities that these losses are available for offset against taxable profits. However, these losses are subject to change of ownership restrictions following the listing of Ascential plc described in Note 14. A deferred tax asset of £17.4 million (2015: £11.5 million) has been recognised in respect of £49.7 million (2015: £28.9 million) of losses which represents the expected recoverable value of losses taking into account the expected impact of these restrictions. The restriction of losses is dependent on the valuation of the US business which will need to be agreed with the US tax authorities and, as such, is uncertain. The deferred tax asset recognised is based on management's best estimate of the valuation.

The Group has not recognised a deferred tax asset on the remaining US tax losses at 31 December 2016 totalling £160.2 million (2015: £165.0 million) which have varying expiry dates from 2017 to 2025 and are expected to expire before they can be utilised.

The Group has non-trading tax losses in the UK totalling £59.7 million carried forward at 31 December 2016 (2015: £68.3 million) which are likely to be fully utilised. Therefore a deferred tax asset of £11.2 million (2015: £13.1 million) has been recognised in respect of the full amount of these losses.

The Group has not recognised a deferred tax asset on UK capital losses at 31 December 2016 totalling £127.8 million (2015: £146.3 million) which can be carried forward indefinitely. Following the disposal of Health Services Journal in January 2017, refer to Note 13, the Group expects to utilise £18.5 million of capital losses in 2017. Therefore the Group has recognised a deferred tax asset of £3.6 million in respect of the capital losses expected to be utilised.

Deferred tax is not recognised on the unremitted earnings of subsidiaries and joint ventures as the Group is able to control the timing of the remittance and it is probable that there will be no remittance in the foreseeable future which will give rise to a tax liability.

7. Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year 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 years ended 31 December 2016 and 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 14 for further details.

Both proforma and statutory earnings per share have been calculated with respect to the net profit for the year for the Group, the continuing operations and the discontinued operation (Note 2).

	2016			2015		
	Adjusted Results	**Adjusting Items**	**Total**	**Adjusted Results**	**Adjusting Items**	**Total**
Profit attributable to equity shareholders of the Parent						
Profit for the year – continuing operations (£ million)	54.2	(42.6)	11.6	31.7	(64.0)	(32.3)
Profit for the year – discontinued operation (£ million)	8.0	(4.0)	4.0	10.5	(3.5)	7.0
	62.2	(46.6)	15.6	42.2	(67.5)	(25.3)
Proforma earnings per share						
Basic weighted average number of shares (million)	400.0	400.0	400.0	400.0	400.0	400.0
Dilutive potential ordinary shares (million)	0.6	0.6	0.6	—	—	—
Diluted weighted average number of shares (million)	400.6	400.6	400.6	400.0	400.0	400.0
Basic earnings per share (pence)	15.6	(11.7)	3.9	10.5	(16.9)	(6.3)
Diluted earnings per share (pence)	15.5	(11.6)	3.9	10.5	(16.9)	(6.3)
Basic earnings per share (pence) – continuing operations	13.6	(10.7)	2.9	7.9	(16.0)	(8.1)
Diluted earnings per share (pence) – continuing operations	13.5	(10.6)	2.9	7.9	(16.0)	(8.1)
Basic earnings per share (pence) – discontinued operation	2.0	(1.0)	1.0	2.5	(0.9)	1.8
Diluted earnings per share (pence) – discontinued operation	2.0	(1.0)	1.0	2.5	(0.9)	1.8
Earnings per share						
Basic weighted average number of shares (million)	362.9	362.9	362.9	78.2	78.2	78.2
Dilutive potential ordinary shares (million)	0.6	0.6	0.6	–	–	–
Diluted weighted average number of shares (million)	363.5	363.5	363.5	78.2	78.2	78.2
Basic earnings per share (pence)	17.1	(12.8)	4.3	54.0	(86.4)	(32.4)
Diluted earnings per share (pence)	17.1	(12.8)	4.3	54.0	(86.4)	(32.4)
Basic earnings per share (pence) – continuing operations	14.9	(11.7)	3.2	40.6	(81.9)	(41.3)
Diluted earnings per share (pence) – continuing operations	14.9	(11.7)	3.2	40.6	(81.9)	(41.3)
Basic earnings per share (pence) – discontinued operation	2.2	(1.1)	1.1	13.4	(4.5)	9.0
Diluted earnings per share (pence) – discontinued operation	2.2	(1.1)	1.1	13.4	(4.5)	9.0

8. Business combinations

2016 – acquisition of One Click Retail

On 31 August 2016, the Group acquired 100% of the shares in Oneclickretail.com LLC ("OCR"), an unlisted company based in the United States whose primary activity is the provision of e-commerce data analytics. The company forms part of the Information Services segment.

The purchase price is expected to total £61.8 million, which comprises:

- £33.7 million (net of cash acquired) paid in 2016;
- £0.3 million working capital adjustment receivable in future years; and
- consideration contingent on the results of the 2016, 2017, 2018 and 2019 financial years payable in 2017 to 2020 and estimated to total £34.0 million which has been discounted to present value of £28.0 million using a discount rate relevant to the acquired business.

In addition to the contingent consideration described above, and subject to continued employment, certain vendors also receive employment income contingent on the results of the 2017 and 2018 financial years payable in 2018 to 2019, estimated to total £32.1 million. To determine the contingent consideration, the Directors are required to make a judgement regarding the current and future results.

This acquisition-related contingent employment cost is being accrued over a contractually defined period and £5.3 million was recorded as an exceptional cost in the year ended 31 December 2016.

There is a maximum limit of $225.0 million on the total consideration payable including acquisition-related employment costs, there is no minimum limit.

(a) Identifiable assets acquired and liabilities assumed

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

(£ million)	**Fair value**
Customer relationships and databases	**26.4**
Brand and trademarks	**7.0**
Development platform	**2.0**
Trade and other receivables	**1.6**
Accrued income	**0.6**
Cash	**0.4**
Trade and other payables	**(0.1)**
Deferred income	**(2.5)**
Total identifiable net assets at fair value	**35.4**
Initial cash consideration relating to business combination	**33.4**
Deferred and contingent consideration payable in 2017	**3.7**
Deferred and contingent consideration payable in 2018 to 2020	**24.3**
Consideration for cash acquired	**0.4**
Total consideration	**61.8**
Goodwill on acquisition	**26.4**

The goodwill is attributable mainly to the workforce and anticipated future growth in the customer base of the acquired business. All goodwill recognised for the acquisition of OCR is deductible for tax purposes.

Additional information needs to be compiled in order to refine the calculations of the intangible assets, this includes revenue forecasts by customer and similar information. As a consequence, the intangible assets noted above are provisionally valued until this information has been obtained.

(b) Acquisition-related costs

The Group incurred acquisition-related costs of £0.9 million related to external legal fees and due diligence costs. These costs have been included within exceptional items in the consolidated statement of profit and loss.

(c) Results contribution in the year ended 31 December 2016

From the date of acquisition, OCR contributed £3.1 million revenue and a profit before tax of £2.2 million to the Group in the year ended 31 December 2016. If the acquisition had taken place at the beginning of 2016, revenue from continuing operations would have been £7.4 million and the profit before tax from continuing operations for the Group would have been £5.2 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 2016.

2015 – acquisition of RetailNet Group, LLC
On 22 June 2015, the Group acquired 100% of the shares in RetailNet Group LLC ("RNG"), an unlisted company based in the United States 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)	**Fair value**
Brands, customer relationships and databases	**2.8**
Trade and other receivables	**0.8**
Cash	**0.6**
Trade and other payables	**(0.2)**
Deferred income	**(1.1)**
Total identifiable net assets at fair value	**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.

(b) Acquisition-related costs
In 2015, 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 comparative 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.

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Reconciliation of cash outflows relating to business combinations

(£ million)	2016
Analysis of cash outflow in the Consolidated Statement of Cash Flows	
Total consideration in respect of the 2016 acquisition	**61.8**
Cash acquired in the 2016 acquisition	**(0.4)**
Deferred and contingent consideration on the 2016 acquisition to be paid in future years	**(28.0)**
Working capital adjustment receivable in future years	**0.3**
Cash paid in 2016 in respect of the 2016 acquisition	**33.7**
Acquisitions prior to 2016	
Cash payments of deferred and contingent consideration in relation to prior years' acquisitions	
- Money20/20 contingent consideration	**4.0**
- Other	**1.7**
Cash paid in 2016 in respect of prior years' acquisitions	**5.7**
Net cash outflows relating to acquisition of businesses, net of cash acquired	**39.4**

Reconciliation of movement in deferred and contingent consideration
The Group has liabilities in respect of deferred consideration payments under various business acquisition contracts. These earn-out payments are generally contingent on the post-acquisition performance of the acquired business. Where that is the only dependency, the liability is initially recorded at acquisition, based on the expected payments discounted by a pre-tax discount rate specific to the business. Subsequently, the discount unwinds by way of a charge to finance costs, and any subsequent change in estimated pay-out is recorded in exceptional items. Where payments are also contingent on continued employment, the estimated payments are accrued over the period of related service, as a charge to exceptional items.

The contracted terms of the earn-outs in respect of acquisitions in the current and comparative periods are outlined above. The other material earn-out liabilities are in respect of Money20/20 LLC ("Money20/20"), acquired in 2014.

On 29 August 2014, the Group acquired 100% of the shares in Money20/20, an unlisted company based in the US whose primary activity is the organisation of global events on payments and financial services innovation.

The purchase price included deferred consideration contingent on the results of 2015, 2016 and 2017 financial years payable in 2016 to 2018, recorded initially as a liability on acquisition, discounted to present value. In addition, and subject to continued employment, certain vendors are also entitled to payments contingent on the results of 2015, 2016 and 2017 financial years and payable in 2016 to 2018, recorded as acquisition-related contingent employment cost accrued over the relevant contractual service period. There is no maximum or minimum limit on the combined total of the contingent consideration element and the acquisition-related contingent employment cost element of the contractual earn-out liabilities payable, however there is a cap on the total amount paid as employment cost.

To determine the contingent consideration, the Board is required to make a judgement regarding the current and future results. For the year ended 31 December 2015 the earn-out was expected to give rise to payments of £28.2 million. During 2016, Money20/20 outperformed expectations for the year, in particular due to the successful launch of Money20/20 Europe. As a result, total payments under the earn-out provisions are now expected to total £41.1 million. As a result, the liability for deferred consideration was revalued giving rise to a £6.2 million charge.

The amounts recorded as a liability, and the movements during the year, are as follows:

(£ million)	Note	Money 20/20	OCR	Other	Total
At 1 January 2015		30.3	–	3.2	33.5
Additions		–	–	2.6	2.6
Acquisition related contingent employment costs accrued in the year	3	5.5	–	–	5.5
Discount unwind in the year		2.0	–	0.3	2.3
Deferred and contingent consideration cash paid in the year		(16.7)	–	(0.4)	(17.1)
Effect of movements in exchange rates		1.0	–	(0.9)	0.1
At 31 December 2015		**22.1**	**–**	**4.8**	**26.9**
Additions		–	28.0	–	28.0
Acquisition-related contingent employment costs accrued in the year	3	4.4	5.3	–	9.7
Revaluation of contingent consideration recognised in the profit and loss statement	3	6.2	–	(0.6)	5.6
Discount unwind in the year		1.9	0.8	0.3	3.0
Deferred and contingent consideration cash paid in the year		(8.0)	–	(1.7)	(9.7)
Effect of movements in exchange rates		4.0	2.1	1.2	7.3
At 31 December 2016		**30.6**	**36.2**	**4.0**	**70.8**

Deferred and contingent consideration- current		7.9	4.0	4.0	15.9
Acquisition-related contingent employment costs- current		8.1	-	-	8.1
Deferred and contingent consideration- non-current		9.4	26.8	-	36.2
Acquisition-related contingent employment costs- non-current		5.2	5.4	–	10.6
Total at 31 December 2016		**30.6**	**36.2**	**4.0**	**70.8**

9. Borrowings

The maturity profile of the Group's borrowings, all of which are secured loans, was as follows:

(£ million)	2016	2015
Current – within one year	–	2.4
Non-current:		
– In the second year	–	2.4
– Two to five years	286.0	7.2
– After more than five years	–	413.6
	286.0	423.2
Total borrowings	**286.0**	425.6

On 12 February 2016, the Company raised gross proceeds of £200 million as a result of the IPO. It also entered into the New Facilities Agreement at IPO, which comprise new term loan facilities of £66 million, €171 million and $96 million which mature in February 2021 and a revolving credit facility of £95 million. The New Facilities Agreement is available to the Company and certain of its subsidiaries. The Company used the proceeds of the IPO, the funds from the New Facilities Agreement and existing available cash to repay all amounts outstanding under the Group's previous senior facilities agreement, consisting of a $321 million and a €299 million term loan maturing in April 2022 and to cancel certain hedging arrangements.

£5.3 million issue costs for the new loan and credit facilities were capitalised during the year ended 31 December 2016 and are being amortised over the term of the respective loans.

The Group's borrowings at 31 December 2016 were in pounds sterling: £66 million, US dollars: $96 million and euros: €171 million (2015: US dollars: $321 million and euros: €299 million) and are shown net of unamortised issue costs of £4.3 million (2015: £10.5 million). The carrying amounts of borrowings approximate their fair value.

Each 1% movement in the euro to pounds sterling exchange rate has a circa £1.5 million (2015: £2.2 million) impact on the carrying value of borrowings. Each 1% movement in the US dollar to pounds sterling exchange rate has a circa £0.8 million impact on the carrying value of borrowings (2015: £2.2 million, offset by a circa £1.1 million impact on the carrying value of derivative financial instruments in respect of cross-currency swaps).

The effective annual interest rate at 31 December 2016 was 2.3% (2015: 6.0%).

10. Reconciliation of movement in net debt

(£ million)	Cash	Short-term deposits	Interest rate swaps	Interest rate cap	Cross currency swaps	Borrowings	Net debt
At 1 January 2015	20.5	1.2	(2.8)	–	–	(425.3)	(406.4)
Exchange differences	0.9	(0.1)	–	–	–	(3.8)	(3.0)
External debt drawdown	440.7	–	–	–	–	(440.7)	–
External debt repayment	(439.3)	–	–		–	439.3	–
Shareholder debt repayment	(0.5)	–	–	–	–	–	(0.5)
Fair value movements	–	–	1.4	0.3	2.5	–	4.2
Non-cash movements	–	–	(1.8)	–	(0.5)	(8.4)	(10.7)
Net cash movement	12.9	8.1	3.2	0.7	(4.1)	13.3	34.1
At 31 December 2015	35.2	9.2	–	1.0	(2.1)	(425.6)	(382.3)
Exchange differences	**8.1**	**1.6**	**–**	**–**	**–**	**(43.8)**	**(34.1)**
External debt drawdown	**(454.6)**	**–**	**–**	**–**	**–**	**454.6**	**–**
External debt repayment	**265.2**	**–**	**–**	**–**	**–**	**(265.2)**	**–**
Fair value movements	**–**	**–**	**–**	**(0.2)**	**2.7**	**–**	**2.5**
Non-cash movements	**–**	**–**	**–**	**(0.4)**	**–**	**(11.6)**	**(12.0)**
Net cash movement	**189.6**	**7.6**	**–**	**–**	**(0.6)**	**5.6**	**202.2**
At 31 December 2016	**43.5**	**18.4**	**–**	**0.4**	**–**	**(286.0)**	**(223.7)**

11. Share capital

(£ million)	2016	2015
400,542,500 ordinary shares of £0.01 each	4.0	–
Ordinary shares of £0.1 each	–	7.7
"F" Ordinary shares of £0.1 each	–	0.2
Total	**4.0**	7.9

During the restructure of the Group between 8 and 12 February 2016, the Company issued 300,000,000 ordinary £0.10 shares to become the ultimate parent of the Group, and to convert existing shareholder debt to equity. At IPO, 100,000,000 additional ordinary £0.10 shares were allotted and issued at a price of £2.00 per share.

On 8 March 2016, 542,500 ordinary £0.10 shares were issued to employees under the Share Incentive Plan ("SIP"). On 8 June 2016, the Company completed a reduction of its share capital, whereby the nominal value of each issued ordinary share was reduced from £0.10 to £0.01 each.

Share capital at 31 December 2015 reflects the statutory share capital of Ascential plc on 8 February 2016. Refer to Note 14 for further details.

12. Dividends

Amounts recognised and paid as distributions to ordinary shareholders in the year comprise:

(£ million)	2016	2015
Interim dividend	6.0	–
Total	**6.0**	–

For the year ended 31 December 2016, an interim dividend of 1.5p per ordinary share was declared and paid by the Company.

After the reporting date, the board of directors proposed a final dividend of 3.2p per ordinary share from distributable reserves, resulting in a total dividend of 4.7p per ordinary share for the year ended 31 December 2016. The final dividend is subject to approval by shareholders at the Annual General Meeting and hence has not been recognised as a liability in the financial statements at 31 December 2016.

13. Events after the reporting date

Since 31 December 2016 the following events have taken place:

On 5 January 2017, the Company announced that it has separated 13 Heritage Brands into a separate operating entity. The Heritage Brands will develop an independent business strategy while new owners are sought. These brands are reported as a separate segment in the consolidated financial statements for the year ended 31 December 2016. As a result of on-going discussions, the Board considered a sale of the segment to be highly probable and has therefore classified it as a discontinued operation.

Following on from this the Company announced on 19 January 2017 that it has agreed the sale of Health Service Journal to Wilmington plc for a consideration of £19.0 million. This marks the first sale in the Heritage Brand sale process.

On 7 February 2017, the Company announced it has agreed to acquire 100% of US-based media advisory and business services provider MediaLink for an initial cash consideration of $69.0 million plus future earn-outs.

After the reporting date, the Board of Directors proposed a final dividend of 3.2p per ordinary share for the year ended 31 December 2016, refer to Note 12.

There were no other reportable events after 31 December 2016.

14. Basis of Preparation and Principal Accounting Policies

Basis of preparation

Reporting Entity

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 consolidated financial statements as at and for the year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as “the Group”). Information relating to the financial years ended 31 December 2015 and 2016 have been prepared and presented in accordance with the reverse acquisition principles discussed below.

On 12 February 2016, the Company’s 400,000,000 ordinary shares were admitted to unconditional trading on the London Stock Exchange and to the premium listing segment of the Official List of the Financial Conduct Authority (the “IPO”). In preparation for the 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 financial statements.

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, head of the Operating Group presented in the prospectus dated 12 February 2016. 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.

In 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 had always owned the Group. The consolidated reserves of the Group reflect the statutory share capital and share premium 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 Company was formed on 4 January 2016 and, as such, these financial statements for the year ended 31 December 2016 are its first full set of statutory accounts. The Company has not, therefore, prepared statutory accounts for the year ended 31 December 2015. Neither Eden 2 & Cie S.C.A. nor the Company have previously prepared financial statements in accordance with International Financial Reporting Standards (“IFRS”). In preparing those consolidated financial statements, the Company measures the assets and liabilities of Ascential Holdings Limited on the same basis as in the prospectus dated 12 February 2016, as well as measuring the assets and liabilities of Eden 2 & Cie S.C.A. on an IFRS basis.

These consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union (“EU”), IFRS Interpretation Committee (“IFRS IC”), certain interpretations as adopted by the EU, and the Companies Act 2006 applicable to companies reporting under IFRS.

The IPO restructure

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 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. 50,000 of these ordinary £0.10 shares were issued outside of the underwriting agreements in place for the IPO, but for the purpose of these financial statements these shares and their proceeds are presented as part of the IPO.

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

- Share capital and share premium reflect the capital structure of the Company on 8 February 2016, being the date, part way through the restructure, on which the Company became the ultimate holding company of the Group. Preference shares and PECs in issue at that date are classified as debt instruments and so are not included in equity.
- A merger reserve is recognised, reflecting the difference between the share capital and share premium of the Company on 8 February 2016, and the share capital, share premium and non-distributable reserves of Eden 2 & Cie S.C.A. as at the same date.

The acquisition of preference shares in Eden 2 & Cie S.C.A. was accounted for under the provisions of CA s615 whereby the shares issued by Ascential plc were recorded at nominal value of £17.5 million. The preference shares in Eden 2 & Cie S.C.A. were a financial asset recorded at their fair value of £175.4 million. This exchange gives rise to an unrealised gain of £157.9 million which is recorded as a separate "group restructure" reserve within total equity.

On 8 June 2016, the Company completed a reduction of its share capital, as contemplated in the IPO prospectus, whereby (i) the entire amount standing to the credit of the Company's share premium account was cancelled, (ii) 876,266,690 deferred shares (which were issued by way of a bonus issue for the purpose of capitalising the Company's capital reserve) were cancelled, and (iii) the nominal value of each issued ordinary share in the capital of the Company was reduced from £0.10 to £0.01 each. The distributable reserves created by the reduction of capital amount to approximately £476.2 million.

Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis with the exception of items that are required by IFRS to be measured at fair value, principally certain financial instruments. 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. On 12 February 2016, the Company's 400,000,000 ordinary shares were admitted to unconditional trading on the main market of the London Stock Exchange on 12 February 2016 and to the Official List of the Financial Conduct Authority. The gross proceeds raised by the IPO were £200 million.

On 12 February 2016, the Company used the proceeds of the IPO, the new bank facilities under the New Facilities Agreement (as defined below) and existing available cash to repay all amounts outstanding under the Group's existing senior facilities agreement and cancel certain hedging arrangements. In addition, the Company used the proceeds of the IPO to redeem in full certain instruments held on behalf of certain current and former employees (all 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 the dates of senior debt and interest payments 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 millions of pounds sterling, which is the Company's functional currency, and have been rounded to the nearest one decimal place except where otherwise indicated.

Basis of consolidation
The Group's financial statements consolidate the accounts of Ascential plc and its subsidiary undertakings. A subsidiary is an entity (including special purpose entities) over which the Group has the power to direct the relevant activities, exposure to variable returns from its involvement with the investee and there is a link between power and returns. The results of each subsidiary are included from the date that control transferred to the Group and are adjusted to align accounting policies with the Group's accounting policies. Subsidiaries are no longer consolidated from the date that control ceases. All intercompany balances and transactions are eliminated in full.

Foreign currency translation
The functional currency of subsidiaries, associates and joint ventures is the currency of the primary economic environment in which they operate. Transactions in currencies other than the functional currency are initially recorded at the functional currency rate applicable at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange in force at the reporting date.

All differences are taken to the consolidated profit and loss statement except for those on foreign currency borrowings that provide a hedge against an investment in a foreign entity. These are taken directly to equity until the disposal of the investment, at which time they are recognised in the consolidated profit and loss statement. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in equity. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate in force at the date of the initial transaction.

As at the reporting date, the assets and liabilities of overseas subsidiaries are translated into pounds sterling at the rate of exchange applicable at the reporting date and their consolidated profit and loss statements are translated at the average exchange rates for the period. The exchange differences arising from the retranslation of foreign operations are taken directly to a separate component of equity. On disposal of a foreign operation, the cumulative amount recognised in equity relating to that operation is recognised in the consolidated profit and loss statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate at the reporting date.

Standards issued but not yet effective
The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. An initial assessment of the impact of IFRS 15 indicates the impact of adopting this standard will have limited effect. The Group has commenced an assessment of the impact of IFRS 16 which was issued on 13 January 2016. None of the other standards are expected to materially impact the consolidated statements upon adoption.

- IFRS 9 Financial Instruments (Amendment)
- IFRS 15 Revenue from Contracts with Customers
- IFRS 16 Leases

Principal accounting policies

The following summarises the principal accounting policies adopted by the Directors, which have been adopted consistently:

a) Revenue

Revenue for goods sold is recognised when the significant risks and rewards of ownership have been transferred to a third party. Revenue for services provided is recognised at the point when it is probable that the economic benefits will flow to the Group and when the amount of revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received, net of discounts, customs duties and sales taxes. Revenue is only recognised for barter transactions which are considered dissimilar to each other in nature, and a corresponding amount is included in operating costs.

The following recognition criteria also apply in specific cases:
Events revenue is recognised when the event takes place. Data and online subscription revenues are recognised in the consolidated profit and loss statement evenly over the life of the subscription. Magazine subscriptions and advertising revenues are recognised according to the dispatch date of the publication. Pre-paid subscription and event revenues are shown as deferred income and released to the consolidated profit and loss statement in accordance with the revenue recognition criteria above.

b) Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under cash bonus schemes if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

ii. Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

iii. Share-based payments

Equity-settled awards are valued at the grant date, and the fair value is charged as an expense in the consolidated profit and loss statement spread over the vesting period. The credit side of the entry is recorded in equity. Cash-settled awards are revalued at each reporting date with the change in fair value of the award charged to the profit and loss account and the credit side of the entry recognised as a liability.

iv. Pension and other post-employment benefits

The Group operates defined contribution pension scheme in certain countries. Contributions payable are charged to the consolidated profit and loss statement and included in staff costs as an operating expense as incurred.

c) Adjusted EBITDA and exceptional items

The consolidated financial statements include Adjusted EBITDA as a measure of profitability in order to provide a better understanding of the trading performance of the Group. Adjusted EBITDA is a non-IFRS measure, defined as the Group's operating profit before expensing depreciation of tangible fixed assets and amortisation of software, exceptional items, amortisation of acquired intangible assets, impairment of tangible fixed assets and software intangibles and share-based payments.

The Group defines exceptional items as costs incurred by the Group in acquisitions & disposals, integration, non-recurring business restructuring and capital restructuring. These are disclosed separately to provide additional useful information to the users of the financial statements.

d) Finance costs and income

Finance costs are recognised on an effective yield basis. Finance income is recognised on the accruals basis.

e) Income tax

The Group is primarily subject to corporation tax in the UK, the US, Brazil and China, and judgement and estimates of future profitability are required to determine the Group's deferred tax position. If the final tax outcome is different to that assumed, resulting changes will be reflected in the consolidated profit and loss statement, unless the tax relates to an item charged to equity, in which case the changes in tax estimates on those items will be reflected in equity.

Income tax on the profit or loss for the period comprises current tax and deferred tax. Income tax is recognised in the consolidated profit and loss statement, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is tax payable based on taxable profits for the period, using tax rates that have been enacted or substantively enacted at the reporting date along with any adjustment relating to tax payable in previous years. Taxable profit differs from net profit in the consolidated profit and loss statement in that income or expense items that are taxable or deductible in other years are excluded, as are items that are never taxable or deductible. Current tax assets relate to payments on account not yet allocated against current tax liabilities or to refunds due from tax authorities on overpayments in respect of prior years.

Using the liability method, deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except for the following temporary differences:

- goodwill that is not deductible for tax purposes; and
- the initial recognition of assets or liabilities in a transaction that is not a business combination and which will affect neither accounting nor taxable profit.

Deferred tax assets are recognised to the extent that it is probable that sufficient future taxable profits will be available to allow all or part of the deferred tax asset to be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year in which the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. The deferred tax assets and liabilities are only offset where they relate to the same taxing authority and the Group has a legal right to offset.

f) Assets held for sale

Where the Group expects to recover the carrying amount of a group of assets through a sale transaction rather than through continuing use, and a sale is considered to be highly probable at the reporting date, the assets are classified as held for sale and measured at the lower of cost and fair value less costs to sell. No depreciation or amortisation is charged in respect of non-current assets classified as held for sale.

g) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or

- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative statement of profit and loss and is re-presented as if the operation had been discontinued from the start of the comparative year.

h) Business combinations and intangible assets
Acquisitions are accounted for using the purchase method of accounting. The cost of an acquisition is the cash paid together with the fair value of other assets given, equity instruments issued and liabilities incurred or assumed.

Any deferred contingent consideration is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, is recognised either in the profit and loss account or in other comprehensive income, in accordance with IAS 39. Any amounts payable by the Group directly contingent on the continuing employment of the vendors are treated as remuneration and recognised as an expense in the profit and loss account. Deferred and contingent consideration amounts payable after more than 12 months are discounted to present value.

Costs directly attributable to acquisitions are expensed as exceptional items. The acquired identifiable assets, liabilities and contingent liabilities are measured at their fair values at the date of acquisition, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of net assets assumed is recorded as goodwill.

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment either annually or more frequently if events or changes in circumstances indicate a possible decline in the carrying value. Impairment is determined by comparing the recoverable amount of the cash-generating unit or group of cash-generating units ("CGU") which are expected to benefit from the acquisition in which the goodwill arose, to the carrying value of the CGU. The recoverable amount is the greater of an asset's value-in-use and its fair value less costs to sell. Value-in-use is calculated by discounting the future cash flows expected to be derived from the asset or group of assets in a cash-generating unit at the Group's cost of capital, adjusted for risk in a specific market if relevant. Where the recoverable amount is less than the carrying value, the goodwill is considered impaired and is written down through the consolidated profit and loss statement to its recoverable amount. The carrying amount of goodwill allocated to a cash-generating unit is taken into account when determining the gain or loss on the disposal of the unit or operation within it.

Intangible assets acquired as part of a business combination are capitalised at fair value at the date of acquisition. Intangible assets purchased separately are capitalised at cost. After initial recognition, all intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible fixed assets which have been assigned a finite life are amortised and tested for impairment if events or changes in circumstances indicate that the carrying value may have declined. This is done on a similar basis to the testing of goodwill, either for individual assets or at the level of a cash-generating unit. Useful lives are examined every year and adjustments are made, where applicable, on a prospective basis. Amortisation is charged on assets with finite lives on a systematic basis over the asset's useful life, which in all cases is a maximum period of 30 years.

Where an intangible asset has been assigned an indefinite useful life, it is not amortised and is reviewed for impairment either annually or more frequently if events or changes in circumstances indicate a possible decline in the carrying value.

Purchases of software or direct costs relating to internal development of software are capitalised and amortised over their anticipated useful lives. Capitalisation of these costs ceases no later than the point at which the software is substantially complete and ready for its intended use. The useful life of software ranges from two to five years.

Website development costs relating to websites which are revenue generating are capitalised and amortised over three to five years. Development costs relating to websites which are not revenue generating are taken immediately to the consolidated profit and loss statement.

i) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated to write-off the cost of an asset, less its residual value, on a straight-line basis over its estimated useful life as follows:

- short leasehold property – over the period of the lease; and
- office equipment – two to five years.

Estimated useful lives and residual values are reviewed at each reporting date. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate these values may not be recoverable. If there is an indication that impairment does exist the carrying values are compared to the estimated recoverable amounts of the assets concerned. The recoverable amount is the greater of an asset's value-in-use and its fair value less the cost of selling it. Value-in-use is calculated by discounting the future cash flows expected to be derived from the asset. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the consolidated profit and loss statement.

An item of property, plant or equipment is written off either on disposal or when there is no expected future economic benefit from its continued use. Any gain or loss on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated profit and loss statement in the year the item is derecognised.

j) Leases

Assets held by the Group under leases which transfer to the Group substantially all of the risks and rewards of the ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's consolidated statement of financial position. Operating lease payments are recognised as an expense in the consolidated profit and loss statement on a straight-line basis over the lease term. The benefit of any lease incentives is recognised as a reduction in rental expense on a straight-line basis over the life of the lease.

k) Investments

Investments are held at cost less provision for impairment. Initial recognition of investments is at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed.

Investments in associates and joint ventures

An associate is an entity over which the Group is in a position to exercise significant influence but not control, generally accompanying a shareholding of between 20% to 50% of the voting rights. A joint venture is an entity over which the Group exercises joint control, usually through a contractual arrangement. The Group's investments in associates and joint ventures are recognised using the equity method of accounting.

Investments in associates and joint ventures are initially recognised at cost and thereafter are carried in the consolidated statement of financial position at cost less any impairment in value. The consolidated profit and loss statement reflects the Group's share of an associate or joint venture's profit after tax. Where the Group's share of losses in an associate or joint venture exceeds its investment, the Group ceases to recognise further losses unless an obligation exists for the Group to fund the losses. Where a change in net assets has been recognised directly in the associate or joint venture's equity, the Group recognises its share of those changes in the statement of changes in equity when applicable.

Adjustments are made to align the accounting policies of the associate or joint venture with the Group's and to eliminate the Group's share of unrealised gains and losses on transactions between the Group and its associates and joint ventures.

l) Inventories
Inventories are stated at the lower of cost and net realisable value. Cost represents purchase cost, including attributable overheads, and is determined using a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs necessary to make the sale.

Costs relating to future exhibitions, festivals and congresses are deferred within inventories at the lower of cost or net realisable value. These costs are charged to the consolidated profit and loss statement when the exhibition takes place.

m) Trade and other receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Specific provisions are made and charged to the consolidated profit and loss statement when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms. Collective provisions are made based on estimated losses inherent within receivables, based on the overall level of receivables past due. These provisions are developed over time based on the review of aged debt, the type of debt and experience.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated profit and loss statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the consolidated profit and loss statement.

n) Cash and cash equivalents
Cash and cash equivalents includes cash, short-term deposits and other short-term highly liquid investments with an original maturity of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents are as defined, net of outstanding bank overdrafts.

o) Borrowings
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated profit and loss statement over the period of the borrowings using the effective interest method, with the exception of debt repurchases which are recognised in the consolidated profit and loss statement in the year of the repurchase.

p) Derivatives and other financial instruments
Derivatives, including currency options and swaps, forward exchange contracts, and interest rate swaps and caps, are initially recognised and subsequently measured at fair value at each reporting date. Derivatives that do not qualify for hedge accounting are classified as a separate asset or liability. The fair value is determined by using market data and the use of established estimation techniques such as discounted cash flow and option valuation models. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged as described below. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the consolidated profit and loss statement as they arise.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

q) Hedging activities

The Group's operations and funding give rise to foreign exchange risk and interest rate risk. The Group may structure its borrowings or utilise derivative financial instruments to manage the economic impact of these risks. The Group does not use derivative contracts for speculative purposes.

The Group may also formally designate certain derivatives or borrowings as hedging instruments and will at the point of inception document the relationship between the hedge instrument and hedged item, together with the risk management objective and strategy for undertaking the hedging transaction. In addition, at inception and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Hedge instruments are accounted for as either:

- hedges of a change of fair value of recognised assets and liabilities or firm commitments (fair value hedges);
- hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
- hedges of a net investment in a foreign operation (net investment hedge).

i. Fair value hedges

Changes in the fair value of fair value hedge instruments are recorded in the consolidated statement of profit and loss, immediately, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk, with these changes in fair value being recognised in the line of the consolidated profit and loss statement relating to the hedged item.

ii. Cash flow hedges

The effective portion of changes in the fair value of cash flow hedges is recognised in other comprehensive income. The gains or losses relating to the ineffective portion are recognised immediately in the consolidated profit and loss statement. The cumulative amount recognised in other comprehensive income is reclassified to consolidated profit and loss statement in the periods when the hedged item is recognised in the consolidated profit and loss statement in the same line of the consolidated profit and loss statement as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the cumulative amount recognised in other comprehensive income is transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

iii. Hedges of net investment in foreign operations

The effective portion of changes in the fair value of hedges of net investment in foreign operations is recognised in other comprehensive income and accumulated in the foreign currency translation reserve. The gains or losses relating to the ineffective portion are recognised immediately in the consolidated profit and loss statement. Gains and losses on the hedging instrument accumulated in the foreign currency translation reserve are reclassified to consolidated profit and loss statement when the hedged item is disposed of.

Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gains or losses on the hedging instrument recognised in equity are retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the consolidated profit and loss statement in the period.

r) Provisions
Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised only when it is virtually certain. The expense relating to any provision is presented in the consolidated profit and loss statement net of any reimbursement. If the time value of money has a material effect on quantifying the provision, the provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance charge.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

s) Shares held by the Employee Benefit Trust
The Employee Benefit Trust ("EBT") provides for the issue of shares to Group employees under share incentive schemes. The Company has control of the EBT and accounts for the EBT as an extension to the Company in the consolidated financial statements. Accordingly, shares in the Company held by the EBT are included in the balance sheet at cost as a deduction from equity.

15. Company information

The financial information included in the full year results announcement does not constitute statutory accounts of the Company for the years ended 31 December 2016 and 2015. Statutory accounts for the year ended 31 December 2015 have been reported on by the Company's auditor and delivered to the Registrar of Companies. Statutory accounts for the year ended 31 December 2016 have been audited and will be delivered to the Registrar of Companies following the Company's Annual General Meeting. The report of the auditors for both years was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.