

Publishing

The *successful*
migration *from* **print**
to **technology**
based publishing has
driven sales.





Fotini Liantou

Left:
Fotini Liantou, CEO, Informa Professional

Publishing

Publishing contributed 44% of revenue, £495.0m, in 2007. This 21% increase reflects the growing importance of this resilient revenue stream. The proportion of total Informa revenues that publishing constitutes, has increased from 39% in 2006 and is expected to increase still further in 2008 to approximately 50% of total revenues and 60% of total adjusted operating profit when a full year of Datamonitor is delivered.

Subscription sales, which now represent over 60% of publishing revenues, grew by 8% on a pro forma basis and 26% on a reported basis. Subscriptions will increase to approximately 65% of publishing revenue and 80% of publishing adjusted operating profit with a full year of Datamonitor. Books, largely in the academic sector, will account for another approximately 30% of publishing revenue.

Advertising revenues, historically minimal in Informa, remain so at just 3% of total Informa revenue.



Publishing margins continue to improve through a good combination of the yield improvements from electronic revenues and cost reductions from print on demand in our book production.

Technological advances in printing mean that Informa is able to print high quality books on demand at comparable costs to bulk printing. This print on demand capability continued to reduce cost, increase revenue and help the environment in 2007. The number of books being printed on demand increased in 2007 by over 50%. The average print run is being economically reduced by a similar percentage.

In addition, some third of our total books catalogue is now available electronically as e-books. Holding 'virtual stock' rejuvenated back lists by keeping out of print books on sale and also reduced Informa's carbon footprint.

In each of Informa's divisions, the successful migration from print to technology based publishing has driven sales growth. Revenue growth in pure digitally designed products is outstripping all other delivery media.

In Informa's Academic and Scientific markets, on-line book sales, with their ability to drive back lists, now represent 30% of total sales. Informa's own purely electronic reference and e-books produced turnover well in excess of £5m and growth in 2007 of 48%.

The successful launch in 2006 of four electronic subject based archives, based on authoritative journals content, has continued well through 2007. Informa now has rich archives in:

- Education
- Business, Management and Economics
- Chemistry
- Physics
- Mathematics & Statistics
- Geography, Planning, Urban and Environment
- Behavioural Science
- Engineering, Computing & Technology
- Health Sciences
- Politics, International Relations and Area Studies
- Strategic, Defence and Security Studies.

With still more in production, journal archive sales have more than tripled in 2007 and now include nationwide agreements in Germany and Greece.

Sales to the commercial, professional and pharmaceutical markets produced over 60% of subscription revenues in 2007.

In the Professional division, growth in subscription revenues for Informa Professional was largely driven by the take-up of on-line products. Expanding from a small base of early adopters, *i-law*, which brings together the core law report archives and in-depth analysis for the niche markets of shipping, insurance, arbitration, construction and intellectual property law, has grown significantly in 2007. Sales to existing clients migrating to the on-line repository are typically 57% higher. Market feedback has been excellent confirming that *i-law's* content depth and functionality is turning it from a research tool into a daily work aid.

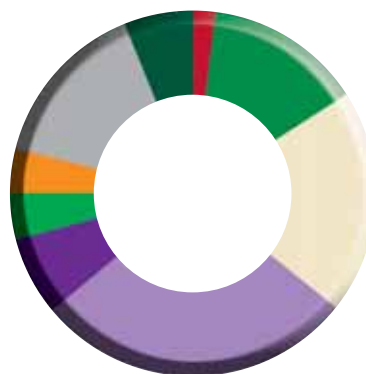
Datamonitor also delivers its business intelligence via electronic subscriptions. It was fully integrated into Informa in 2007, contributing £51.1m revenue and £17.6m to adjusted operating profit from the date of acquisition of 13 July 2007. For the year ended 31 December 2007 it achieved a 22% pro forma revenue increase and a pro forma adjusted operating profit rise of 59% on the same period a year earlier.

For the second half of 2007 Datamonitor achieved a strong adjusted operating profit margin of 33% compared to 22% in the first half of the year. The strong second half is the result of a combination of impressive drop through and cost savings from the Informa integration.

Datamonitor continues to execute on its strategy to achieve the dual objective of increasing the total number of subscribers whilst at the same time driving up the number of subscribers spending in the top quadrant of customer yields.

At the end of 2007, Datamonitor had 3,458 subscribers compared with 2,861 at the date of its purchase. In addition Datamonitor had another 3,000+ report buyers. Datamonitor's sales model is to move these single buyers up the value chain to become subscribers. Subscribers spending over £20,000 grew by 20% in 2007 on a full year pro forma basis. Overall renewals were 90%, while clients spending over £20,000 had a 100% retention rate.

Revenue by sector



Sector	% of total revenue
Energy & Utilities	2%
Finance	14%
Health and Pharmaceutical	20%
Humanities & Social Sciences	28%
Industrial	7%
Leisure and Food	4%
Tax, Law and Accounting	4%
Science & Technology	15%
Telecoms	6%

Products in all Informa publishing and market facing units are now designed to be media neutral. The flag ship maritime title *Lloyd's List* is a prime example of this. In June this year, to wide spread acclaim, it unveiled a new design as a full-colour compact broadsheet format with increased content. Maintaining the quality ethic underpinning it since 1734, the redesign was merely the front end of a significant investment in a world-leading media neutral publishing system. All transport magazines and newspapers are now migrating into the system, creating a large database of highly structured XML content to combine with Maritime's data driven products and enabling the business to re-purpose content across all titles spurring on-line revenue growth and producing significant cost efficiencies.