THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or from another appropriately authorised independent financial adviser in a territory outside the United Kingdom.

If you have sold or otherwise transferred all your Informa Shares or your Taylor & Francis Shares (as the case may be), please forward this document, together with the accompanying documents, at once to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or transferred only part of your holding of Informa Shares or Taylor & Francis Shares (as the case may be), you should retain these documents. The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Applications have been made to the UK Listing Authority for the new Informa Shares to be admitted to the Official List and to the London Stock Exchange for such shares to be admitted to trading on its market for listed securities. It is expected that admission of the new Informa Shares to the Official List will become effective and that dealings on the London Stock Exchange (for normal settlement) will commence at 8.00 a.m. (London time) on the Effective Date which, subject to the satisfaction of certain conditions and the sanction of the Scheme by the Court, is expected to occur on 10 May 2004.

Listing Particulars relating to the issue of
up to 150,139,903 ordinary shares of 10 pence each in

Informa Group plc

(to be renamed T&F Informa plc)

in connection with its recommended merger with

Taylor & Francis Group plc

by means of a Scheme of Arrangement under section 425 of the Companies Act 1985

A copy of this document, which comprises Listing Particulars relating to Informa which have been prepared in accordance with the Listing Rules made under section 74 of the Financial Services and Markets Act 2000, has been delivered to the Registrar of Companies in England and Wales for registration in accordance with section 83 of that Act.

Greenhill & Co. International LLP, which is regulated in the United Kingdom by the Financial Services Authority, is acting for Informa in connection with the Merger and will not be responsible to anyone other than Informa for providing the protections afforded to clients of Greenhill & Co. International LLP or for providing advice in relation to the Merger.

Trillium Partners Limited is acting for Informa and no-one else in connection with the Merger and will not be responsible to anyone other than Informa for providing the protections afforded to clients of Trillium Partners Limited or for providing advice in relation to the Merger.

UBS Limited is acting for Informa in connection with the Merger and will not be responsible to anyone other than Informa for providing the protection afforded to clients of UBS Limited or for providing advice in relation to the Merger.

Deutsche Bank AG London, which is regulated by the Financial Services Authority for the conduct of designated investment business in the United Kingdom, is acting for Taylor & Francis and no-one else in connection with the Merger and will not be responsible to anyone other than Taylor & Francis for providing the protections to clients of Deutsche Bank AG London or for providing advice in relation to the Merger.

The new Informa Shares to be issued to Taylor & Francis Shareholders under the Scheme have not been and will not be registered under the US Securities Act of 1933, as amended. The new Informa Shares will be issued in reliance upon the exemption from the registration requirements of that Act provided by section 3(a)(10) thereof. Taylor & Francis Shareholders who are or will be "affiliates" of Taylor & Francis or Informa prior to, or of Informa after, the Effective Date will be subject to certain US transfer restrictions relating to new Informa Shares received under the Scheme.

The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; and the new Informa Shares have not been, nor will they be, registered under or offered in compliance with applicable securities laws of any state, province, territory or jurisdiction of Canada, Australia or Japan. Accordingly, the new Informa Shares may not (unless an exemption under relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into the United States, Canada, Australia or Japan or any other jurisdiction as to do so may constitute a violation of the relevant laws of, or require registration thereof in, such jurisdiction or to, or for the account or benefit of, any US, Canadian, Australian or Japanese person.

This document contains certain statements that are or may be forward-looking. These statements typically contain words such as "intends", "expects", "anticipates", "estimates" and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, factors identified elsewhere in this document as well as the following possibilities: future revenues are lower than expected; costs or difficulties relating to the integration of the businesses of Informa and Taylor & Francis, or of other future acquisitions, are greater than expected; expected cost savings from the transaction or from other future acquisitions are not fully realised or are not realised within the expected time frame; competitive pressures in the industry increase; general economic conditions or conditions affecting the relevant industries, whether internationally or in the places Informa and Taylor & Francis do business, are less favourable than expected; and/or conditions in the securities market are less favourable than expected.

The new Informa Shares have not been approved or disapproved by the US Securities and Exchange Commission nor has such Commission or any US state securities commission passed upon the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

TABLE OF CONTENTS

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	*Time and/or date* *2004*
Latest time for lodging blue Forms of Proxy for the Taylor & Francis Court Meeting	**10.00 a.m. on 12 April**(1)
Latest time for lodging pink Forms of Proxy for the Taylor & Francis EGM	**10.05 a.m. on 12 April**
Latest time for lodging Forms of Proxy for the Informa EGM	**11.00 a.m. on 12 April**
Taylor & Francis Voting Record Time	6.00 p.m. on 12 April
Taylor & Francis Court Meeting	10.00 a.m. on 14 April
Taylor & Francis EGM	**10.05 a.m. on 14 April**(2)
Informa EGM (*inter alia*, to approve the Merger)	**11.00 a.m. on 14 April**
Hearing Record Time	6.00 p.m. on 5 May(3)
Hearing Date	6 May(3)
Last day of dealings in Taylor & Francis Shares	7 May(3)
Scheme Record Time	6.00 p.m. on 7 May(3)
Effective Date of Scheme	**10 May**(3)
Delisting of Taylor & Francis Shares	8.00 a.m. on 10 May(3)
Commencement of dealings on the London Stock Exchange in new Informa Shares	8.00 a.m. on 10 May(3)
Crediting of new Informa Shares to CREST accounts	8.00 a.m. on 10 May(3)
Latest date for despatch of new Informa Share certificates	17 May(3)

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(1) If the blue Form of Proxy is not lodged by then it may be handed to Taylor & Francis' registrars on behalf of the Chairman of the Taylor & Francis Court Meeting before the taking of the poll.

(2) The Taylor & Francis EGM will commence at 10.05 a.m. on 14 April 2004 or, if later, as soon as the Taylor & Francis Court Meeting has been concluded or adjourned.

(3) These dates are indicative only and will depend, *inter alia*, on the dates upon which the Conditions are either satisfied or waived, the Court sanctions the Scheme and confirms the associated reduction of capital, and the Court Order sanctioning the Scheme and confirming the reduction of capital is delivered to the Registrar of Companies and, in respect of the reduction of capital, is registered by the Registrar of Companies.

Part I

INFORMATION ON THE MERGER

1. Introduction

On 2 March 2004, the boards of Informa and Taylor & Francis announced a proposed merger to create T&F Informa, a new international force in the provision of specialist information through its combined publishing and events businesses. The proposed merger will be implemented by a scheme of arrangement under section 425 of the Companies Act. Upon completion of the Merger, Informa, which will be the holding company of the Enlarged Group, will be renamed T&F Informa plc.

The Merger is expected to result in the issue of approximately 146 million new Informa Shares. This document comprises listing particulars which are required to be published under the Listing Rules as a pre-condition to the Admission of the new Informa Shares.

Shareholders should read the whole of this document and not just rely on the key and summarised information included in this Part I and in other parts of the document.

2. Summary of the terms of the Recommended Merger

The Merger will be effected by way of the Scheme of Arrangement between Taylor & Francis and Taylor & Francis Shareholders and is expected to become effective on 10 May 2004. The Merger is subject to satisfaction of the Conditions (all of which are set out in Part V of this document), including approval of the Merger and related matters by the Informa Shareholders and the Taylor & Francis Shareholders. Under the terms of the Merger, Informa Shareholders will retain their shares in Informa and Taylor & Francis Shareholders who are on the register of members of Taylor & Francis at the Scheme Record Time (currently expected to be 6.00 p.m. on 7 May 2004) will receive from Informa:

for every 10 Taylor & Francis Shares **17 new Informa Shares**

and so in proportion for any other number of Taylor & Francis Shares held.

Based upon the issued share capital of Taylor & Francis and the share price of Informa as at 18 March 2004 (being the latest practicable date before the publication of this document), the terms of the Merger place a value of £509 million on the entire issued share capital of Taylor & Francis.

Fractional entitlements to new Informa Shares will not be issued to Taylor & Francis Shareholders and will be disregarded.

On the Scheme becoming effective, it will be binding on all holders of Taylor & Francis Shares, including any holders who did not vote to approve the Scheme or who voted against the Scheme.

Subject to the requisite approvals being given by the shareholders of both Informa and Taylor & Francis to the Merger and the Scheme and the Court sanctioning the Scheme and confirming the associated reduction of capital, the Informa Directors and the Taylor & Francis Directors expect that the Conditions will be satisfied or, where relevant, waived by the Hearing Date (save for Condition 2(e) relating to Admission).

The Merger is expected to result in the issue of approximately 146 million new Informa Shares. Following the Merger, on the assumption that no further Taylor & Francis Shares or Informa Shares are issued on or after 18 March 2004 (being the latest practicable date before the publication of this document), the issued share capital of the Enlarged Group will comprise approximately 298 million ordinary shares of 10 pence each. Upon completion of the Merger, and on the basis of the same assumption, Taylor & Francis Shareholders will hold approximately 49 per cent. of the then issued ordinary share capital of Informa.

Further details of the principal terms and structure of the Merger are set out in paragraph 9 below.

3. Background to and reasons for the Merger

Since the merger in 1998 of IBC and LLP, Informa has been developing a leading international professional and business information group delivering high value, specialist information through a wide range of media. Informa has developed market-leading positions in most of the specialist niche markets in which it operates. Informa has exploited the benefits of its strong brands in publishing and events to maximise revenue opportunities across six international market sectors and its target customer base of business practitioners and professionals. As an international market leader in event organisation, Informa has developed event businesses across a wide number of markets and geographies, as well as utilising well-known branded publications such as Lloyd's List to create events. It has also developed publications such as Bioprocess International by leveraging off its leading event brands. Informa has also made a number of complementary acquisitions, principally subscription based publishing businesses such as MCM, MMS, Biotechniques and PJB, and has built and is continuing to build additional revenue opportunities from these acquisitions by disseminating high value content in a range of new media formats.

Since its flotation in 1998, Taylor & Francis has shown consistent growth, driven both organically and through strategic acquisitions. In November 1998, Taylor & Francis acquired Routledge to develop significantly its books business alongside an already strong journals division. Taylor & Francis has continued to enhance the group's consistent organic growth with bolt-on acquisitions to both divisions. More recently, Taylor & Francis has further developed its North America-based business with the acquisitions of the CRC Press group of companies (Florida-based academic, scientific and professional publisher) in April 2003 and Marcel Dekker (New York-based science and pharmaceutical publisher) in January 2004. Following the integration of these two businesses with the existing North American activities, Taylor & Francis will have established a major strategic presence in the world's largest publishing market. In addition, Taylor & Francis has continued to build on its strong European presence through a number of company and asset portfolio acquisitions including Bios (UK – January 2003), Frank Cass (UK – July 2003) and Swets & Zeitlinger (Netherlands – November 2003).

The Merger of Informa and Taylor & Francis represents a logical continuation of the strategies of the two companies and will create a new international force in the provision of specialist information through T&F Informa's publishing, events and data businesses.

Informa and Taylor & Francis have common processes across their business operations which will enable T&F Informa to generate scale benefits. These processes include content origination; print, design and production; fulfilment, electronic delivery and customer service; marketing databases and direct mail; and warehousing and distribution. Furthermore, the two groups have a shared focus and culture. Both are research-led organisations providing niche information to specialist communities and are focused on market leading brands.

T&F Informa will be a leading provider of high value specialist information to Informa and Taylor & Francis' overlapping academic, scientific, professional and commercial customer communities. Its geographic, customer and product presence and enhanced financial strength will enable it to drive both organic and acquisition-led growth.

4. Benefits of the Merger

T&F Informa will drive growth by benefiting from:

- strong momentum and prospects for both Informa and Taylor & Francis;
- enhanced revenue opportunities;
- cross-over demand for information;
- well balanced and robust portfolio of assets;
- increased operational and financial scale and geographic reach; and
- cost savings.

Strong momentum and prospects for both Informa and Taylor & Francis

On 2 March 2004, both companies announced strong results for the year ended 31 December 2003 and a positive outlook for 2004, demonstrating that Informa and Taylor & Francis are merging from a position of strength to create a high quality information company, which will benefit from the existing momentum of the two companies and their good growth prospects.

Enhanced revenue opportunities

T&F Informa will target the existing complementary customer bases of Informa and Taylor & Francis and will utilise the expertise of each business in its media delivery formats to drive new products and brand extensions across all its markets. This should enable T&F Informa to generate attractive revenue synergies:

- T&F Informa will link researchers, practitioners and service providers across publication and event formats such as the 3GSM World Congress and mobile telecoms community;
- T&F Informa will use Informa's expertise to introduce branded meetings, training and learning products to Taylor & Francis' existing customers previously serviced only by books and journals. Similarly, T&F Informa will leverage Taylor & Francis' publishing capabilities to intensify publication output to certain key markets such as the legal, insurance and commodity markets using Taylor & Francis' book and journal engine;
- T&F Informa will drive advertising, sponsorship and exhibition revenue opportunities in Taylor & Francis' science, technical and medical niches; and
- T&F Informa will widen the distribution of existing product to relevant audiences at minimal further cost such as by exploiting Informa's 800,000 name Life Sciences database and by physically showcasing Taylor & Francis' publications at Informa conferences.

T&F Informa will be able to broaden and deepen its combined product portfolio supported by the combination of the two businesses' worldwide networks of staff, customer and marketing databases, expert authors, editors, contributors and conference speakers.

Cross-over demand for information

There is cross-over demand for information in the academic, scientific, professional and commercial communities. The application of scientific and technical research is being utilised by the professional and commercial markets and this will enable T&F Informa to leverage its expertise across these markets.

Well balanced and robust portfolio

T&F Informa will have a well balanced and robust portfolio of assets which should demonstrate attractive growth characteristics during periods of economic upturn through its operationally geared professional and commercial operations, while exhibiting a high degree of profit resilience through its academic and scientific publishing businesses in times of economic slowdown.

	Pro forma for the year ended 31 December 2003		
	Informa(1)	*Taylor & Francis*(2)	*T&F Informa*
Revenue by media delivery format			
Subscriptions	40%	46%	42%
Copy sales	5%	54%	24%
Advertising	11%	–	7%
Events	41%	–	25%
Other	3%	–	2%
	100%	100%	100%

(1) Informa includes PJB for the year ended 31 August 2003.

(2) Taylor & Francis includes Marcel Dekker for the year ended 31 December 2002.

The summary financial information set out above is extracted, without material adjustment, from the pro forma financial information set out in Part IV of this document. Shareholders should read the whole of this document and not just rely on the key and summarised information included in this Part I and in other parts of the document.

Informa and Taylor & Francis have highly complementary media delivery formats, which will generate new product opportunities across the portfolio of assets. Taylor & Francis' information is delivered predominantly through hardcopy and electronic journals, books and newsletters and Informa's through journals, electronic data, conferences, courses and exhibitions.

Increased operational and financial scale and geographic reach

T&F Informa will have enhanced financial strength, increased scale and geographic reach to drive both organic and acquisition-led growth and to invest and compete more effectively in its core markets.

T&F Informa will be strongly represented in the principal markets of the UK, North America, Continental Europe and the Asia Pacific region. T&F Informa will have a more complete international sales network and greater scope to invest in new markets.

	Pro forma for the year ended 31 December 2003		
	Informa(1)	*Taylor & Francis*(2)	*T&F Informa*
Revenue by destination			
UK	21%	20%	21%
North America	27%	43%	33%
Continental Europe	40%	17%	31%
Rest of the world	12%	20%	15%
	100%	100%	100%

(1) Informa includes PJB for the year ended 31 August 2003.

(2) Taylor & Francis includes Marcel Dekker for the year ended 31 December 2002.

The summary financial information set out above is extracted, without material adjustment, from the pro forma financial information set out in Part IV of this document. Shareholders should read the whole of this document and not just rely on the key and summarised information included in this Part I and in other parts of the document.

T&F Informa will publish approximately 2,500 subscription based products and services, will have a book backlist of over 35,000 volumes, will organise some 2,800 events worldwide each year and will have databases of approaching 10 million names. T&F Informa will have 3,789 employees (excluding Marcel Dekker).

Cost savings

The boards of Informa and Taylor & Francis believe that annual pre-tax cost savings will amount to at least £4.6 million by the beginning of 2005*. The one-off cost of achieving these savings is estimated at £1.3 million in 2004. These savings will be achieved through operational efficiencies and reducing central overheads in areas such as IT, distribution and printing, property and corporate and back office.

The summary financial information set out above is extracted, without material adjustment, from the pro forma financial information set out in Part IV of this document. Shareholders should read the whole of this document and not just rely on the key and summarised information included in this Part I and in other parts of the document.

* The expected pre-tax cost savings have been calculated on the basis of the existing cost and operating structures of the companies and by reference to current prices and exchange rates and the current regulatory environment. These statements of pre-tax cost savings and costs for achieving them relate to future actions and circumstances which, by their nature, involve risks, uncertainties and other factors. Because of this, the cost savings referred to may not be achieved, or those achieved could be materially different from those estimated. This statement should not be interpreted to mean that the earnings per share in the financial year of the Merger, or in any subsequent period, would necessarily match or be greater than those for the relevant preceding financial period.

5. Business Profile of T&F Informa

T&F Informa will provide specialist, high quality information to global academic, scientific, professional and commercial markets. The group will continue to serve its broad customer base in the fields of science, technical, medical, finance & insurance, law & tax, telecoms & media, maritime trade & transport and commodities & energy.

T&F Informa will disseminate its information through a wide range of media including hardcopy and electronic journals, books, electronic data, news publications, conferences, courses and exhibitions.

The following pro forma information indicates the scale of T&F Informa assuming the Merger had taken place on 1 January 2003 and had incorporated the most recently available audited results of PJB and Marcel Dekker as if they had been consolidated for a full year:

Year ended 31 December 2003 (pro forma)

Sales	£490.9 million
EBIT before amortisation and exceptionals†	£91.6 million
Net assets	£152.1 million
Net debt	£356.5 million

†Stated before loss on sale and termination of operations

T&F Informa will be a highly cash generative business with Informa and Taylor & Francis converting 109 per cent. and 108 per cent. of profits before interest, tax, exceptional items and amortisation into operating cashflow respectively in the year ended 31 December 2003.

T&F Informa is expected to operate through three market-focused divisions:

- Academic and Scientific (pro forma revenue: £199 million);
- Professional (pro forma revenue: £170 million); and
- Commercial (pro forma revenue: £122 million).

The summary financial information set out above is extracted, without material adjustment, from the pro forma financial information set out in Part IV of this document. Shareholders should read the whole of this document and not just rely on the key and summarised information included in this Part I and in other parts of the document.

6. Information on Informa

Informa originates and supplies high value business and professional information to niches within six major international markets using a range of media formats. The major markets are finance & insurance, life sciences, telecommunications & media, law & tax, maritime trade & transport and commodities & energy. The information is delivered in a wide range of formats, both traditional and electronic. Among the delivery formats used are newspapers, electronic online services (including internet delivery), magazines, journals, newsletters, books, conferences, courses and exhibitions.

Informa produces more than 1,500 publishing products and services and 2,800 conferences. The publishing products are sold to more than 80,000 subscribers annually and more than 100,000 paying delegates attend the conferences annually. There is a high level of repeat business across subscribers, publications and events. Informa products and services are sold in 180 countries from a base of 49 offices in 18 countries covering the UK, Continental Europe, North and South America, Middle East, Asia and Australia.

For the year ended 31 December 2003, the Informa Group reported turnover of £268 million (2002: £283 million); profit before tax, amortisation and exceptional items of £32 million (2002: £30 million) and basic earnings per share before amortisation and exceptional items of 17.2 pence (2002: 16.4 pence).

The summary financial information set out above is extracted, without material adjustment, from the financial information set out in Part II of this document. Shareholders should read the whole of this document and not just rely on the key and summarised information included in this Part I and in other parts of the document.

7. Information on Taylor & Francis

Taylor & Francis is a leading international group of companies publishing specialist academic, scientific and professional information via hardcopy and electronic journals, books and newsletters. Taylor & Francis' current portfolio includes over 1,000 journals and a book backlist in excess of 35,000 titles. Each year, Taylor & Francis publishes over 20 new journals and circa 2,700 new books. The group's publications supply the academic and industrial research, undergraduate, post-graduate and professional markets. Publications cover a range of subjects including: bioscience, business and management, construction, education, engineering, the environment, humanities, medicine and healthcare, physical sciences, psychology, reference and social and political science. Publications are available in paper based and electronic formats. The group has a significant presence in the major international markets of the UK, Continental Europe and North America.

For the year ended 31 December 2003, Taylor & Francis reported turnover of £174 million (2002: £147 million); profit before tax, amortisation and exceptional items of £40 million (2002: £33 million) and diluted earnings per share before amortisation and exceptional items of 34.2 pence (2002: 27.0 pence).

The summary information set out above is extracted, without material adjustment, from the financial information set out in Part III of this document. Shareholders should read the whole of this document and not just rely on the key and summarised information included in this Part I and in other parts of the document.

8. T&F Informa Board and Employees

The T&F Informa board will reflect the complementary skills and experience of the senior management of the two groups. The combined management team has broad experience of successful acquisitions, business integration and organic growth delivery, both in the UK and internationally, across the academic, scientific, professional and commercial markets. The executive directors will have clearly defined roles within the organisation. The board will comprise:

David Smith, Chairman (Taylor & Francis)
Peter Rigby, Chief Executive (Informa)
David Gilbertson, Managing Director (Informa)
Anthony Foye, Finance Director (Taylor & Francis)
Richard Hooper, Non-executive Director (Informa)†
Don Cruickshank, Non-executive Director (Taylor & Francis)
Sean Watson, Non-executive Director (Informa)
Derek Mapp, Non-executive Director (Taylor & Francis)

†Senior non-executive director

An additional independent non-executive director will be appointed to the board of T&F Informa, giving a total of five non-executives.

The boards of Informa and Taylor & Francis believe the career prospects for the Enlarged Group's employees will be enhanced by the greater opportunities afforded by being part of a larger group. The boards of Informa and Taylor & Francis have confirmed that the existing employment rights, including pension rights, of the employees of the Enlarged Group will be fully safeguarded.

9. Further details concerning the new Informa Shares and the Scheme

The new Informa Shares, which will be issued pursuant to the Merger, will be issued credited as fully paid, will be listed on the Official List and will be admitted to trading on the London Stock Exchange and will rank *pari passu* in all respects with the existing Informa Shares, including the right to receive and retain in full all future dividends and distributions (if any) declared, made or paid after 2 March 2004 (the date of the announcement of the Merger) other than the second interim dividend of 4.94 pence (net) per Informa Share announced by the Informa Directors on 2 March 2004 in respect of the year ended 31 December 2003. Fractional entitlements to new Informa Shares will not be issued to Taylor & Francis Shareholders and will be disregarded.

The new Informa Shares, when issued, will be in registered form and will be capable of being held in certificated or uncertificated form. Pending the issue of definitive certificates for the new Informa Shares, transfers of new Informa Shares in certificated form will be certified against the register. No temporary documents of title in respect of the new Informa Shares will be issued.

Taylor & Francis Shareholder approvals

The Merger is subject to the approval of Taylor & Francis Shareholders at the Taylor & Francis Court Meeting and the approval of holders of Taylor & Francis Shares at the Taylor & Francis EGM, both of which will be held on 14 April 2004. The Taylor & Francis Court Meeting is being held at the direction of the Court to seek the approval of Taylor & Francis Shareholders to the Scheme. The Taylor & Francis EGM is being convened for the purposes described below.

(i) *The Taylor & Francis Court Meeting*

The Taylor & Francis Court Meeting, which has been convened for 14 April 2004 at 10.00 a.m., is being held at the direction of the Court to seek the approval of the Taylor & Francis Shareholders to the Scheme. At the Taylor & Francis Court Meeting, voting will be by poll and not a show of hands and each member present in person or by proxy will be entitled to one vote for each Taylor & Francis Share held. The approval required at the Taylor & Francis Court Meeting is a majority in number of the Taylor & Francis Shareholders who vote, representing three-fourths or more in value of the Taylor & Francis Shares voted, either in person or by proxy, at the Taylor & Francis Court Meeting.

(ii) *The Taylor & Francis EGM*

The Taylor & Francis EGM has been convened for the same date as the Taylor & Francis Court Meeting at 10.05 a.m. (or as soon thereafter as the Taylor & Francis Court Meeting is concluded or adjourned) to consider and, if thought fit, to pass a special resolution (which requires a vote in favour of not less than 75 per cent. of the votes cast) to approve:

(i) the Scheme;

(ii) the reduction of capital and the issue of new Taylor & Francis Shares to Informa provided for in the Scheme; and

(iii) amendments to the Taylor & Francis Articles in accordance with the Scheme and as described below.

It is proposed, as part of the special resolution to be proposed at the Taylor & Francis EGM, to amend the Taylor & Francis Articles to ensure that any Taylor & Francis Shares issued at or before the Hearing Record Time will also be subject to the Scheme. It is also proposed to amend the Taylor & Francis Articles so that any Taylor & Francis Shares issued to any person, other than Informa (or its nominees) after the Hearing Record Time will be automatically exchanged for new Informa Shares on the same terms as under the Scheme, in order to ensure that no one (other than Informa (or its nominees)) is left with any Taylor & Francis Shares after the date and time on which dealings in them have ceased on the London Stock Exchange and because the Scheme will apply only to Taylor & Francis Shares in issue before the Hearing Record Time.

Informa Extraordinary General Meeting

The Merger is also conditional upon the passing by Informa Shareholders of ordinary resolutions to be proposed at the Informa Extraordinary General Meeting to be held at 11.00 a.m. on 14 April 2004 to approve the Merger, to increase the authorised share capital of Informa and to grant the requisite authority for the issue of new Informa Shares required in connection with the Merger. Special resolutions are also being proposed to grant a limited disapplication of the statutory pre-emption rights in relation to the enlarged authorised but unissued share capital (this will give the Informa Directors the power to allot a limited number of new shares for cash without first having to offer them to existing shareholders), to change the name of Informa to T&F Informa plc and to authorise Informa to repurchase its shares in accordance with the Companies Act and Informa's articles of association.

Court Hearing

At the Court Hearing (scheduled for 6 May 2004), the Court will hear the petition to sanction the Scheme and confirm the reduction of Taylor & Francis' share capital. All Taylor & Francis Shareholders are entitled to attend the Court Hearing in person or to be represented by counsel to support or oppose the sanctioning of the Scheme.

Conditions to the Merger and the Scheme

The Conditions to the Merger are set out in full in Part V of this document. The Merger is conditional, *inter alia*, upon:

- the Scheme becoming effective by no later than 31 May 2004 or such later date as Taylor & Francis and Informa may agree and the Court may allow, failing which the Scheme shall never become effective;
- the approval by a majority in number of Taylor & Francis Shareholders who vote, representing three-fourths or more in value of the Taylor & Francis Shares voted, either in person or by proxy, at the Taylor & Francis Court Meeting;
- the passing of the special resolution required to implement the Scheme at the Taylor & Francis EGM;
- the passing of the resolutions required to approve and implement the Merger at the Informa Extraordinary General Meeting;
- the sanction of the Scheme (with or without any modifications reasonably acceptable to Taylor & Francis and Informa) and confirmation of the reduction of capital involved therein by the Court and the delivery of an office copy of the Court Order to the Registrar of Companies and, in respect of the reduction of capital, the registration of such Court Order by the Registrar of Companies;
- the Conditions, which are not otherwise identified above, being satisfied or (where applicable) waived.

Implementation Agreement

Informa and Taylor & Francis entered into an Implementation Agreement on 1 March 2004 governing the conduct of the Scheme. Further details of the Implementation Agreement are set out in paragraph 11 of Part VI of this document.

10. Dividends

The board of Informa announced on 2 March 2004 a second dividend in respect of the year ended 31 December 2003 of 4.94 pence (net) per share, to be paid on 20 May 2004 to Informa Shareholders on the register at the close of business on 23 April 2004. This should be paid as a second interim dividend rather than as a final dividend.

Taylor & Francis announced on 2 March 2004 a final dividend in respect of the year ended 31 December 2003 of 3.23 pence (net) per share, to be paid on 11 June 2004 to Taylor & Francis Shareholders on the register at the close of business on 12 March 2004, which they will be entitled to receive and retain. However, as the Merger is expected to become effective prior to the annual general meeting of Taylor & Francis at which such dividend of Taylor & Francis would otherwise have been approved by Taylor & Francis Shareholders (and to which they would have been entitled), provision has been made in the Scheme for the payment of a dividend of 3.23 pence (net) per share instead of the final dividend. This dividend is conditional on the Scheme becoming effective prior to the earlier of 11 June 2004 and the annual general meeting of Taylor & Francis to be held in 2004.

If this condition is not satisfied then it is expected that a second interim dividend of 3.23 pence (net) per share will instead be paid to Taylor & Francis Shareholders on the register at the close of business on 12 March 2004.

The board of T&F Informa intends to continue with Informa's current dividend policy in 2004. Thereafter, T&F Informa intends to maintain a progressive dividend policy while seeking to grow dividend cover so that consolidated profit for the last year attributable to shareholders covers dividends by approximately 3.0 times.

11. Current trading and prospects

Informa and Taylor & Francis separately announced on 2 March 2004 their results for the year ended 31 December 2003. The following statements in respect of current trading were made by both companies in their announcements of their results for the year ended 31 December 2003 and they remain current and valid.

Taylor & Francis' current trading

In the results for the year ended 31 December 2003, Taylor & Francis announced that in 2003 the group has seen good growth from many markets, and posted a strong underlying performance. Taylor & Francis' markets have and continue to experience funding pressures although this appears to be easing in 2004. The group has strong niche products and operates in global markets, which enables it to balance the effect of localised market conditions. The Group will also benefit from a full year contribution from the acquisitions made during 2003 to help sustain growth into 2004.

Taylor & Francis continues to monitor the ongoing debate regarding the subject of alternative journal business models. Taylor & Francis, being flexible in its approach, has been able to respond to market changes appropriately in the past and views any changes associated with open access as an opportunity to strengthen its relationship with the academic community and will monitor trends carefully and respond as necessary.

Informa's current trading

Informa saw an improvement in trading conditions in the last quarter of 2003 which has continued into 2004. An improvement in the fortunes of mobile telecommunications companies allied with Informa's new agreement with the GSM Association should begin to drive growth in its Telecoms business. Similarly, improved freight rates are expected to benefit its maritime business and a more settled Middle East political situation allied with high oil prices will boost its energy revenues.

The acquisitions Informa made in the Finance, Life Sciences and Commodities areas during 2003 will boost these divisions within which it also anticipates organic growth. With an encouraging performance at the start of 2004 the outlook looks more positive than in recent years.

The boards of Informa and Taylor & Francis believe that, taking into account the expected benefits of the Merger noted in section 4 of this Part I, the Enlarged Group is well positioned for continuing growth and success in the current financial year and in the years ahead.

12. Inducement fee

Informa and Taylor & Francis have signed an agreement as an inducement to both companies to complete the Merger. Under this agreement, Taylor & Francis will pay an inducement fee of £4 million to Informa in the event that the Merger lapses or is withdrawn following an announcement of any proposals involving a change of control of Taylor & Francis by a third party which proposal, or any other proposal, subsequently becomes unconditional. Similarly, Informa will pay an inducement fee of £4 million to Taylor & Francis in the event that the Merger lapses or is withdrawn following announcement of any proposal involving a change of control of Informa by a third party which proposal, or any other proposal, subsequently becomes unconditional.

13. Effect of the Merger on the Taylor & Francis Share Schemes

Participants under the Taylor & Francis Share Option Schemes (other than those resident in the US) will shortly be sent further details of the actions they can take in respect of their outstanding options. The position of US participants under the Taylor & Francis Share Schemes is yet to be finalised and they will separately be sent further details of the actions they can take. It is anticipated that the proposals made to US participants will not be out of line with those made to UK participants, subject to the rules of the relevant scheme(s) so permitting, and that such differences as there may be would result from the different regulatory regime.

The proposals, shortly to be sent to participants other than those in the US, will allow participants in the Taylor & Francis Share Option Schemes to exercise their options conditional on the Court's sanction of the Scheme of Arrangement or to roll-over their options over Taylor & Francis Shares into equivalent options over Informa Shares on the Scheme of Arrangement becoming effective on terms agreed (where appropriate) with the Inland Revenue. All options outstanding under the Taylor & Francis Group plc Approved Discretionary Share Option Scheme are already exercisable. Options granted under the Taylor & Francis Group plc Unapproved Discretionary Share Option Scheme, the exercise of which is subject to the achievement of performance criteria set when such options were granted, will become exercisable following the Court's sanction of the Scheme of Arrangement on a pro-rated basis by reference to the number of complete financial years which have elapsed since the date of grant, expressed as a fraction of the entire performance period of three financial years.

The directors of Taylor & Francis intend where permitted under the rules of the relevant scheme, to roll over their options over Taylor & Francis Shares into equivalent options over Informa Shares.

The Merger will not affect share options and awards granted under the Informa Share Schemes.

Both Informa and Taylor & Francis intend, subject to remuneration committee approval, to continue to grant share options to executive directors and other employees, pursuant to existing share option schemes, in the ordinary course of business. In the case of Taylor & Francis, a maximum grant is intended for 2004 of one time's salary under the Taylor & Francis Group plc Unapproved Discretionary Share Option Scheme and the relevant performance condition is intended to be normalised, inflation-adjusted earnings per share growth of at least three per cent. per annum over the three years ending 31 December 2006.

14. Settlement, listing and dealings

Settlement of the consideration to which any Taylor & Francis Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free of any liens, right of set off, counter claims or other analogous rights to which Informa may otherwise be, or claim to be, entitled against such Taylor & Francis Shareholder.

Applications have been made to the UK Listing Authority for the new Informa Shares to be admitted to the Official List and to the London Stock Exchange for such shares to be admitted to trading on the London Stock Exchange's market for listed securities. It is expected that Admission will become effective and that dealings on the London Stock Exchange, for normal settlement, will commence on the Effective Date.

The London Stock Exchange and the UK Listing Authority will be requested respectively to cancel the trading in Taylor & Francis Shares on the London Stock Exchange's market for listed securities with effect from the close of business on the Business Day immediately prior to the Effective Date and the listing of Taylor & Francis Shares from the Official List with effect from 8.00 a.m. on the Effective Date. The last day of dealings in Taylor & Francis Shares on the London Stock Exchange is expected to be 7 May 2004 (being the Business Day immediately prior to the Effective Date) and no transfers of Taylor & Francis Shares will be registered after 6.00 p.m. on that date. On the Effective Date, share certificates in respect of Taylor & Francis Shares will cease to be valid and should, if so requested by Taylor & Francis, be sent to Taylor & Francis. In addition, entitlements to Taylor & Francis Shares held within the CREST system will be cancelled on the Effective Date.

Subject to the Scheme becoming effective, currently expected to take place on 10 May 2004, (and except as provided in paragraph 15 below in relation to overseas Taylor & Francis Shareholders), settlement of the consideration to which any Taylor & Francis Shareholder is entitled under the Merger will be effected in the following manner:

(i) Taylor & Francis Shares in uncertificated form (that is, in CREST)

Where at the Scheme Record Time, a Taylor & Francis Shareholder holds Taylor & Francis Shares in uncertificated form, the new Informa Shares to which such Taylor & Francis Shareholder is entitled will be issued to such person in uncertificated form through CREST. Informa shall procure that CRESTCo is instructed to credit the appropriate stock account in CREST of such Taylor & Francis Shareholder with such shareholder's entitlement to new Informa Shares at the commencement of dealings in the new Informa Shares.

Informa reserves the right to issue new Informa Shares in certificated form in the manner referred to in paragraph (ii) below if, for any reason, it wishes to do so.

(ii) Taylor & Francis Shares in certificated form

Where at the Scheme Record Time, a Taylor & Francis Shareholder holds Taylor & Francis Shares in certificated form, the new Informa Shares to which such Taylor & Francis Shareholder is entitled will be issued in certificated form. Definitive certificates for new Informa Shares will be despatched by first-class post (or by such other method as approved by the Panel) to Taylor & Francis Shareholders within seven days of the Effective Date to the address appearing on the register of members of Taylor & Francis (or, in the case of joint holders, at the address of that joint holder whose name stands first in the said register in respect of such joint holding).

Temporary documents of title will not be issued pending the despatch by post of new definitive share certificates. Holders wishing to register transfers of the new Informa Shares prior to the issue of the new share certificates will be required to produce their existing certificates for Taylor & Francis Shares to Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6DA. On the issue of definitive share certificates for the new Informa Shares, the certificates for the old Taylor & Francis Shares will cease to be of value. Every holder of Taylor & Francis Shares who has not already produced his or her existing certificate(s) to Lloyds TSB Registrars will be bound on the request of Taylor & Francis to deliver up to Taylor & Francis, or to any person appointed by Taylor & Francis, the existing certificate(s) for cancellation. Existing Informa share certificates will continue to be valid.

(iii) General

All documents and remittances sent to Taylor & Francis Shareholders will be despatched at their own risk.

All mandates, instructions and other instruments in force relating to holdings in Taylor & Francis Shares will, unless and until amended or revoked, continue in force and be deemed as from the Effective Date to be a valid and effective mandate or instruction to Informa in respect of new Informa Shares. If a Taylor & Francis Shareholder holds existing Informa Shares, the mandates, instructions and instruments in force for Informa Shares shall supersede the mandates, instructions and instruments of the Taylor & Francis Shares.

(iv) Fractional entitlements

Fractional entitlements to new Informa Shares will not be issued to Taylor & Francis Shareholders and will be disregarded.

15. Overseas Taylor & Francis Shareholders

(i) General

The availability of the proposed Merger and the Scheme to persons resident in, or citizens of, jurisdictions outside the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements. It is the responsibility of each of the overseas shareholders to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

This document has been prepared for the purposes of complying with English law and the City Code and the information disclosed may be different from that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

(ii) US Securities Laws

Any securities to be issued under the Scheme in the United States have not been and will not be registered under the US Securities Act, but will be issued in reliance on the exemption from the registration requirements of the US Securities Act, provided by Section 3(a)(10) thereof. For the purpose of qualifying for the exemption from the registration requirements of the US Securities Act provided by Section 3(a) (10) thereof, Taylor & Francis will advise the Court that its sanctioning of the

Scheme will be relied on by Taylor & Francis as an approval of the Scheme following a hearing on its fairness to Taylor & Francis Shareholders, at which Court hearing all holders of Taylor & Francis Shares are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all such holders.

Neither the US Securities and Exchange Commission nor any state securities commission has approved or disapproved the new Informa Shares or passed upon the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Except for the circumstances described below, the new Informa Shares issued to Taylor & Francis Shareholders pursuant to the Scheme (i) should not be treated as "restricted securities" within the meaning of Rule 144(a)(3) of the US Securities Act and (ii) may be resold by former shareholders of Taylor & Francis (other than restricted affiliates described below) without regard to Rules 144 or 145 under the US Securities Act.

Under US securities laws, a Taylor & Francis Shareholder (whether or not a US Person) who is deemed to be an affiliate of Informa or of Taylor & Francis prior to, or of Informa after, the Effective Date ("restricted affiliates") may not resell new Informa Shares received pursuant to the Scheme without registration under the US Securities Act, except pursuant to the applicable resale provisions of Rule 145(d) promulgated under the US Securities Act or another applicable exemption from the registration requirements of that Act, or in a transaction not subject to such requirements (including a transaction that satisfies the applicable requirements of Regulation S under the US Securities Act relating to offers and sales outside the United States). "Affiliates" of a company are generally defined as persons who directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, that company. Whether a person is an affiliate of a company for such purposes depends upon the circumstances, but affiliates of a company can include certain officers, directors and significant shareholders.

16. Further information

Your attention is also drawn to the remaining parts of this document, which contain further information on Informa, Taylor & Francis, the Enlarged Group and the new Informa Shares. Shareholders should read the whole of this document and not just rely on the key and summarised information included in this Part I and in other parts of the document.

Part II

FINANCIAL INFORMATION RELATING TO INFORMA

Informa financial information for the three years ended 31 December 2003

The consolidated financial information below for the years ended 31 December 2001, 2002 and 2003 has been extracted from Informa's audited consolidated financial statements for the years ended 31 December 2001, 2002 and 2003 without material adjustment. KPMG Audit Plc has issued unqualified audit opinions on each of the three years. The financial information is presented under UK GAAP.

Consolidated profit and loss account

	Notes	2003 £'000	2002 £'000	2001 (As restated note 21) £'000
Turnover		267,997	283,442	322,853
Operating profit before exceptional items and goodwill amortisation		37,482	37,255	38,091
Exceptional items	4	(8,543)	(6,454)	–
Operating profit before goodwill amortisation		28,939	30,801	38,091
Goodwill amortisation		(11,534)	(10,992)	(9,959)
Goodwill impairment		–	–	(4,288)
		(11,534)	(10,992)	(14,247)
Operating Profit		17,405	19,809	23,844
Loss on disposal of subsidiary undertaking	4	(3,822)	(525)	(838)
Profit on ordinary activities before interest		13,583	19,284	23,006
Interest	5	(5,847)	(7,200)	(7,977)
Profit on ordinary activities before tax	6	7,736	12,084	15,029
Tax on profit on ordinary activities	9	(6,793)	(7,258)	(9,838)
Profit on ordinary activities after tax		943	4,826	5,191
Minority interests – equity	23	(84)	(59)	(96)
Profit for the year attributable to the shareholders	10	859	4,767	5,095
Equity dividends paid and proposed	11	(11,089)	(9,692)	(10,184)
Loss for the year		(10,230)	(4,925)	(5,089)
Earnings per share (basic)	12	0.65p	3.74p	4.07p
Earnings per share (diluted)	12	0.65p	3.74p	4.03p
Adjusted basic earnings per share	12	17.23p	16.36p	16.12p

A note on historical cost profits and losses has not been included as part of these accounts as the results as disclosed in the profit and loss account are prepared on an unmodified historical cost basis.

All results are derived from continuing operations.

Acquisitions made during 2003 contributed revenue of £9,596,000 which is included in the figures shown above. It is not possible to separately identify the profit from these operations as they have been integrated upon acquisition. The Directors do not believe this profit is material.

Consolidated statement of total recognised gains and losses

	Notes	2003 £'000	2002 £'000	2001 (As restated note 21) £'000
Profit for the financial year		859	4,767	5,095
Currency translation differences on foreign currency net investments and borrowings	25	(2,358)	(3,809)	17
Total gains and losses recognised in the year		(1,499)	958	5,112
Prior year adjustment	21	–	–	–
Total gains and losses recognised since last annual report		(1,499)	958	5,112

Consolidated cash flow statement

	Notes	£'000	2003 £'000	£'000	2002 £'000	£'000	2001 £'000
Cash inflow from operating activities	28		34,174		46,510		41,076
Returns on investments and servicing of finance							
Interest received		1,395		1,010		1,804	
Interest paid		(7,419)		(7,494)		(8,375)	
Interest elements of finance lease rental payments		(1)		(8)		(10)	
			(6,025)		(6,492)		(6,581)
Taxation			(4,149)		(1,667)		(11,145)
Capital expenditure							
Purchase of tangible fixed assets		(2,687)		(5,037)		(15,778)	
Sale of tangible fixed assets		220		2,914		289	
			(2,467)		(2,123)		(15, 489)
Acquisitions and disposals							
Purchase of subsidiary undertakings	30	(166,501)		(3,232)		(59,332)	
Net cash acquired with subsidiary undertakings	30	23,236		–		–	
Purchase of businesses	31	(210)		(815)		(130)	
Purchase of fixed asset investment		(2,105)		(679)		200	
Disposal of subsidiary undertakings and businesses	4	1,045		150			
			(144,535)		(4,576)		(59,262)
Equity dividends paid			(9,943)		(9,674)		(9,825)
Cash inflow/(outflow) before financing			(132,945)		21,978		(61,226)
Financing							
Issue of ordinary share capital		53,124		–		54,503	
Issue costs		(1,553)		–		(624)	
Exercise of share options		441		806		602	
Investment in own shares		–		–		(1,400)	
Increase in amounts borrowed		153,236		49,185		117,595	
Repayment of amounts borrowed		(66,302)		(68,983)		(109,202)	
Capital element of finance lease rental payments		(54)		(35)		(20)	
			138,892		(19,027)		61,454
Increase in cash in the year	29		5,947		2,951		228

Reconciliation of net cash flow to movement in net debt

	Notes	2003 £'000	2002 £'000	2001 £'000
Increase in cash in the year		5,947	2,951	228
Cash outflow/(inflow) from decrease/(increase) in debt financing		(86,880)	19,798	(8,393)
Change in net debt resulting from cash flows		(80,933)	22,749	(8,165)
Translation differences		(1,623)	554	714
Non-cash movements		(114)	–	–
Movement in net debt in the year	29	(82,670)	23,303	(7,451)
Net debt at 1 January		(95,529)	(118,832)	(111,381)
Net debt at 31 December	29	(178,199)	(95,529)	(118,832)

Consolidated balance sheet

	Notes	£'000	2003 £'000	£'000	2002 £'000	£'000	2001 (As restated note 21) £'000
Fixed assets							
Intangible assets	13		306,131		159,639		174,396
Tangible assets	14		27,262		23,080		28,292
Investments	15		6,893		4,788		4,109
			340,286		187,507		206,797
Current assets							
Stocks and work in progress	16	7,419		6,212		6,558	
Debtors	17	56,164		51,734		61,274	
Cash at bank and in hand		10,454		5,195		4,102	
		74,037		63,141		71,934	
Creditors: amounts falling due within one year	18	(142,732)		(117,876)		(126,309)	
Net current liabilities			(68,695)		(54,735)		(54,375)
Total assets less current liabilities			271,591		132,772		152,422
Creditors: amounts falling due after more than one year							
Bank loans	19	(177,245)		(98,288)		(116,181)	
Other creditors	20	(5,923)		(855)		(1,011)	
			(183,168)		(99,143)		(117,192)
Provisions for liabilities and charges	21		(10,903)		(7,028)		(828)
			77,520		26,601		34,402
Minority interests	23		(79)		(334)		(206)
Net assets			77,441		26,267		34,196
Capital and reserves							
Called up share capital	24		15,195		12,824		12,787
Share premium account	26		184,494		123,103		122,334
Special reserve	26		1		1		2
Other reserve	26		37,398		37,398		37,398
Profit and loss account	26		(159,647)		(147,059)		(138,325)
Surplus on shareholders' funds – equity			77,441		26,267		34,196

NOTES TO THE ACCOUNTS

1. Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable UK accounting standards. The accounts are prepared on a going concern basis. The principal accounting policies have been applied consistently in dealing with items which are considered material to the Group's financial statements. Following the announcement that implementation of 'FRS 17:Retirement Benefits' has been deferred until 2005. The Group continues to prepare its accounts based on SSAP 24 and to provide the additional information required by FRS 17 (as revised).

Basis of consolidation

The consolidated accounts include the accounts of the Company and its subsidiary undertakings made up to 31 December. The acquisition method of accounting has been adopted. Under this method the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition up to the date of disposal.

Goodwill and publishing rights

Purchased goodwill (both positive and negative) arising on consolidation of acquisitions (representing the excess of the fair value of the Consideration given over the fair value of the separable net assets acquired) before 1 January 1998, when 'FRS 10: Goodwill and intangible assets' was adopted, was written off to reserves in the year of acquisition. When a subsequent disposal occurs any related goodwill previously written off to reserves is written back through the profit and loss account as part of the profit and loss on disposal.

Purchased goodwill arising on consolidation in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life which, in the case of the majority of acquisitions to date, is estimated to be 20 years.

Impairment reviews are carried out in accordance with FRS 11 to ensure that goodwill is not carried at above its recoverable amount. All amortisation and any impairment of goodwill is charged to the profit and loss account.

On the subsequent disposal or termination of a business acquired since 1 January 1998, the profit or loss on disposal or termination is calculated after charging the unamortised amount of any related goodwill.

No value is attributed to publishing rights acquired as the Group consider this cannot be reliably measured.

In the Company's financial statements, investments in subsidiary undertakings are stated at cost less provision for permanent impairment, if any.

Turnover

Turnover represents the amount receivable, excluding sales taxes, for products and services supplied to customers and is stated after deduction of trade discounts and provisions for subscription returns and cancellations. Subscription income is deferred and recognised over the period of the subscription. Conference income is recognised when the conference is held.

Currency translation

Company

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Group

Trading results denominated in foreign currencies are translated at the average monthly exchange rate. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on retranslation of opening net assets of overseas subsidiary undertakings is taken directly to reserves. Differences on foreign currency borrowings, which are used to finance or provide a hedge against Group equity investments in foreign enterprises, are taken directly to reserves so far as they offset the exchange differences on the net investment in these enterprises. The exchange differences arising on the retranslation of the profit and loss account at the year end rate are taken to reserves. All other translation differences are taken to the profit and loss account.

Financial instruments

The Group uses interest rate and currency swaps to manage its exposure to interest rate and currency fluctuations. These instruments are accounted for as hedges if designated as such at the inception of contracts. The swaps are not revalued to fair value in the Group balance sheet at the year end but are disclosed in the fair value table in note 32. Interest differentials are recognised by accruing the net interest receivable or payable. Gains or losses arising on hedging instruments which are cancelled due to the termination of underlying exposure are taken to the profit and loss account immediately. Finance costs associated with debt issuance are charged to the profit and loss account over the life of the instruments.

Depreciation and amortisation

The cost of tangible fixed assets less their estimated residual value is depreciated on a straight line basis over their estimated useful lives as follows:

	Annual rate
Freehold buildings	2%
Short leasehold properties and property improvements	Over life of lease
Equipment, fixtures and fittings	10% – 33.3%
Motor vehicles	20% – 25%

Freehold and short leasehold properties and property improvements are carried at cost less depreciation and provisions for impairment in value. Freehold land is not depreciated.

Fixed assets acquired on acquisition of a subsidiary undertaking are included at the original cost less depreciation to the acquired business except to the extent that their fair value is considered to be different in which case the accumulated depreciation is adjusted accordingly.

Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value. Conference costs in advance represent costs incurred for conferences planned to be held after the balance sheet date.

Deferred promotional expenditure

Promotional expenditure incurred during the year is matched against revenue generated by that expenditure. Deferred promotional expenditure included in the balance sheet represents expenditure incurred during the year in respect of revenue which is expected to arise after the balance sheet date.

Deferred tax

The charge for taxation is based on the profit for the year and takes into account taxation deferred because or timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is provided in Full for timing differences. except as otherwise required by FRS 19. Deferred tax assets are only recognised to the extent that they are considered recoverable in the short term. Deferred tax balances are not discounted.

Leased assets

Assets held under finance leases are capitalised with the corresponding obligation to pay future rentals being included in creditors. A finance lease is a lease that transfers substantially all the risks and rewards of ownership of an asset to the lessee. The assets are valued at the equivalent purchase price and are depreciated over the shorter of their estimated useful lives or the unexpired portion of the lease. The excess of the lease payments over the value of the lease obligations is treated as a finance charge and is allocated to accounting periods over the duration of the lease to approximate to a constant periodic rate of charge on the remaining balance.

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

Pension costs

Certain subsidiaries operate pension schemes for employees which are defined contribution schemes. The assets of the schemes are held separately from the individual companies. The pension cost charge associated with these schemes represents contributions payable.

The Group also operates a funded defined benefit scheme for employees. The expected cost of pensions of the defined benefit pension scheme is charged to the profit and loss account so as to spread the cost over the service lives of employees in the scheme. Variations from regular cost are spread over the remaining service lives of current employees in the schemes.

The pension cost associated with this scheme is addressed in accordance with the advice of qualified actuaries.

FRS 17: Retirement Benefits will require a market rather than actuarial valuation of defined benefit schemes. This will result in a greater volatility of the pension scheme surplus as the market valuation will be taken at each balance sheet date and be reflective of a particular point in time. At 31 December 2003, the Group had adopted the transitional disclosure requirements of FRS 17 (as set out in note 22).

2. Analysis of operating activities

	Continuing operations 2003 £'000	*Continuing operations 2002 £'000*	*Continuing operations 2001 £'000*
Turnover	267,997	283,442	322,853
Cost of sales	(112,279)	(119,651)	(143,707)
Gross profit	155,718	163,791	179,146
Administrative expenses			
Ordinary	(129,770)	(137,528)	(155,302)
Exceptional	(8,543)	(6,454)	–
Total administrative expenses	(138,313)	(143,982)	(155,302)
Operating profit	17,405	19,809	23,844

3. Segmental analysis

Analysis by market sector

	Turnover 2003 £'000	2002 £'000	2001 £'000	*Underlying operating profit** 2003 £'000	2002 £'000	2001 £'000	*Profit before interest* 2003 £'000	2002 £'000	2001 £'000
Finance and Insurance	79,649	79,442	82,621	12,900	12,135	10,347	5,797	7,098	6,487
Telecoms and Media	44,050	52,575	73,866	8,389	9,301	10,910	4,461	5,968	7,458
Law and Tax	39,218	45,097	54,328	6,209	4,737	5,283	2,712	1,877	2,744
Maritime, Trade and Transport	45,053	46,705	52,484	2,679	2,379	4,531	(1,338)	(582)	2,079
Life Sciences	27,629	27,492	26,515	4,059	5,308	3,846	1,595	3,565	2,607
Commodities and Energy	30,414	31,226	31,880	2,947	3,615	3,717	234	1,636	2,227
Other	1,984	905	1,159	299	(220)	(543)	122	(278)	(596)
	267,997	283,442	322,853	37,482	37,255	38,091	13,583	19,284	23,006

Analysis by geographical location of business

	Turnover 2003 £'000	2002 £'000	2001 £'000	*Underlying operating profit** 2003 £'000	2002 £'000	2001 £'000	*Profit before interest* 2003 £'000	2002 £'000	2001 £'000
United Kingdom	128,466	139,650	163,399	17,206	16,331	19,888	5,750	7,477	12,254
Continental Europe	63,840	67,313	79,240	8,532	7,802	8,119	2,839	3,534	4,417
United States	60,371	62,927	63,222	9,465	11,874	9,381	4,081	7,884	6,427
Asia Pacific	11,279	9,391	12.195	1,367	782	946	361	186	377
Other	4,041	4,161	4,797	912	466	(243)	552	203	(469)
	267,997	283,442	322,853	37,482	37,255	38,091	13,583	19,284	23,006

Turnover by geographical location of customer

	2003 £'000	2002 £'000	2001 £'000
United Kingdom	51,593	58,748	80,508
Continental Europe	109,855	112,952	134,158
United States	74,139	79,005	76,507
Asia Pacific	18,638	17,170	21,757
Other	13,772	15,567	9,923
	267,997	283,442	322,853

* Underlying operating profit in the segmental analyses excludes the amortisation of goodwill and operating and non-operating exceptional items.

The Group interest expense is arranged centrally and is not attributable to individual markets or geographical locations. Trading between segments is not significant.

3. Segmental analysis (continued)

Capital employed – At 31 December Analysis by market sector	2003 £'000	2002 £'000	(As restated) 2001 £'000
Finance and Insurance	81,186	38,338	41,597
Telecoms and Media	44,900	25,372	37,189
Law and Tax	39,975	21,763	27,352
Maritime, Trade and Transport	45,923	22,539	26,424
Life Sciences	28,163	13,267	13,349
Commodities and Energy	31,001	15,070	16,050
Other	2,082	437	584
	273,230	136,786	162,545

Capital employed – At 31 December Analysis by geographical location	2003 £'000	2002 £'000	(As restated) 2001 £'000
United Kingdom	130,946	67,394	82,265
Continental Europe	65,072	32,484	39,894
United States	61,536	30,368	31,830
Asia Pacific	11,497	4,532	6,140
Other	4,179	2,008	2,416
	273,230	136,786	162,545

Reconciliation of capital employed	2003 £'000	2002 £'000	(As restated) 2001 £'000
Capital employed	273,230	136,786	162,545
Net debt	(178,199)	(95,529)	(118,832)
Unallocated tax liabilities	(17,511)	(14,656)	(9,311)
Net assets before minority interest	77,520	26,601	34,402

4. Exceptional items

(1) Operating costs

The £8,543,000 shown in the profit and loss account in 2003 is in respect of the following:

(a) prepaid bank loan facility fees now expensed as the facility was replaced in the year (£874,000) due to the acquisition of PJB Publications Limited;

(b) restructuring costs related to integrating the acquisitions (£7,669,000).

The £6,454,000 shown in the profit and loss account in 2002 is in respect of the following:

(c) an estimate for future costs on properties not used by the Group from 1 January 2003 onwards (£4,173,000);

(d) redundancy costs relating to restructuring of the senior operating board (£2,281,000).

(2) Loss on sale and termination of operations

The charge in 2003 represents the expected net cost arising on the disposal of certain publications and the sale of one subsidiary. The loss on disposal of a subsidiary undertaking in 2002 represents the net cost arising from the closure of a Dutch subsidiary. Details of the related goodwill written off are given in note 13. The loss on disposal of a subsidiary undertaking in 2001 represents the write-off of amounts due from the purchaser of a subsidiary sold in 2000, which are unlikely to be received.

5. Net interest payable and other charges

	2003 £'000	2002 £'000	2001 £'000
Interest payable on bank loans and overdrafts	(7,241)	(8,202)	(9,771)
Finance lease charges	(1)	(8)	(10)
	(7,242)	(8,210)	(9,781)
Other interest receivable	1,395	1,010	1,804
	(5,847)	(7,200)	(7,977)

6. Profit on ordinary activities before tax

	2003	2002	2001
Is stated after charging	£'000	£'000	£'000
Depreciation and amortisation			
Depreciation on owned assets	6,494	7,295	5,746
Depreciation on assets under finance leases	30	62	52
Amortisation of goodwill and impairment	11,534	10,992	14,247
(Profit)/Loss on sale of tangible fixed assets	(25)	(23)	17
Auditors' remuneration			
Audit services	500	551	597
Other fees paid to the auditors and their associates	1,085	710	614
Operating leases:			
Plant and machinery	170	110	179
Other	8,929	9,211	6,382
Exchange losses/(gains)	394	18	(16)

Within other fees paid to auditors in 2003, £511,000 relates to corporation and indirect tax advice, £554,000 relates to advisory work on group restructuring and £20,000 is for other services.

In addition to other fees paid to the auditors, £856,000 (2002: £nil; 2001: £138,000) was paid relating to assistance with acquisitions and has been included in goodwill. This related to the acquisition of PJB Publications Limited as the Audit Committee felt that the auditors were best placed to perform this work cost effectively.

7. Remuneration of Directors (including pension contributions paid on their behalf)

	2003 £'000	2002 £'000	2001 £'000
Salaries and benefits in kind	884	847	804
Performance related emoluments	467	89	–
Aggregate emoluments	1,351	936	804
Payments to third parties for services of Directors	85	70	70
Pension contributions	524	253	190

Directors' profit on exercise of share options during the year was £1,086 (2002: £20,442; 2001: £nil).

8. Staff costs

	2003 *£'000*	*2002* *£'000*	*2001* *£'000*
Wages and salaries	83,808	82,795	94,549
Social security costs	9,453	9,520	10,427
Redundancy costs	5,023	4,236	3,637
Pension costs	2,815	2,895	3,024
	101,099	99,446	111,637

The average number of employees of the Group during the year was:

By market sector	*2003* *Number*	*2002* *Number*	*2001* *Number*
Finance and Insurance	681	683	745
Telecoms and Media	357	407	527
Life Sciences	239	201	199
Maritime, Trade and Transport	424	448	493
Law and Tax	392	381	482
Commodities and Energy	339	335	343
Other	41	113	156
	2,473	2,568	2,945

9. Tax on profit on ordinary activities

	2003 *£'000*	*2002* *£'000*	*2001* *(As restated)* *£'000*
United Kingdom corporation tax at 30% (2002: 30%; 2001: 33%)	1,689	1,514	5,562
Less: double taxation relief	–	–	(216)
	1,689	1,514	5,346
Overseas tax	3,269	5,046	4,139
Current Tax	4,958	6,560	9,485
Deferred tax (note 21)	1,835	698	353
	6,793	7,258	9,838

9. Tax on profit on ordinary activities (continued)

Factors affecting the tax charge for the current year

A reconciliation of the notional current tax charge based on average standard rates of tax (weighted in proportion to accounting profits) to the actual current tax charge is set out below:

	2003 *£'000*	*2002* *£'000*	*2001* *£'000*
Current tax reconciliation			
Profit on ordinary activities before tax	7,736	12,084	15,029
Current tax at average standard rates	2,708	4,713	5,110
Effects of:			
Tax depreciation in excess of amortisation	130	690	(2,299)
Utilisation of tax losses	(1,895)	28	(80)
Unrecognised tax credits in respect of overseas losses	86	–	940
Expenses not deductible for tax purposes	4,351	1,157	6,812
Goodwill impairment not deductible for tax purposes	–	–	1,458
Timing differences	(419)	302	(1,964)
Differences in tax rates	(3)	(330)	320
Other	–	–	(812)
Total current tax charge	4,958	6,560	9,485

10. Results of Informa Group plc

Of the profit for the financial year, £91,421,000 (2002: £986,000 loss; 2001: £20,375,000 profit) before the payment of dividends is dealt with in the accounts of the Company. Pursuant to section 230 of the Companies Act 1985 the Company's own profit and loss account is not included in these accounts.

11. Dividends

	2003 *£'000*	*2002* *£'000*	*2001* *£'000*
Interim dividend 2.66 pence per share (2002: 2.66 pence; 2001: 2.66 pence)	3,651	3,412	3,886
Proposed second interim dividend 4.94 pence per share (2002: 4.94 pence; 2001: 4.94 pence)	7,480	6,335	6,317
Waiver of dividend by share trusts	(42)	(55)	(19)
	11,089	9,692	10,184

12. Earnings and adjusted earnings per share

In order to show results from operating activities on a comparable basis, an adjusted earnings per share has been calculated which excludes amortisation of goodwill and exceptional items.

	2003	*2002*	*2001 (As restated)*
	£'000	*£'000*	*£'000*
Profit for the year – basic and diluted earnings	859	4,767	5,095
Adjustments:			
Amortisation of goodwill and impairment	11,534	10,992	14,247
Exceptional items	10,300	5,070	838
Adjusted earnings	22,693	20,829	20,180
Weighted average number of equity shares – for basic and adjusted earnings	131,695,549	127,294,855	125,174,819
Effect of dilutive share options	99,492	4,888	1,110,519
Weighted average number of equity shares – for diluted earnings	131,795,041	127,299,743	126,285,338

	2003	*2002*	*2001 (As restated)*
Basic earnings per equity share	0.65p	3.74p	4.07p
Diluted earnings per equity share	0.65p	3.74p	4.03p
Adjusted earnings per equity share	17.23p	16.36p	16.12p

13. Intangible fixed assets – goodwill

	£'000
Cost or valuation:	
At 1 January 2002	197,323
Exchange differences	(5,238)
Additions	1,101
At 31 December 2002	193,186
Exchange differences	(735)
Additions	163,121
Additions from new subsidiaries	1,579
Disposals	(6,215)
At 31 December 2003	350,936
Amortisation:	
At 1 January 2002	22,927
Exchange differences	(372)
Charge for year	10,992
At 31 December 2002	33,547
Exchange differences	69
Additions from new subsidiaries	1,003
Charge for year	11,534
Disposals	(1,348)
At 31 December 2003	44,805
Net book value:	
At 31 December 2003	306,131
At 31 December 2002	159,639
At 1 January 2002	174,396

Goodwill arising on acquisitions since 1 January 1998 has been capitalised as an intangible asset in accordance with FRS 10 and will be amortised over its estimated useful life. In the case of most acquisitions the estimated useful life is 20 years. Event acquisitions will be amortised over 3 years (relevant to two Group acquisitions) and in one exceptional case a Group acquisition is written down over 4 years. Details of the acquisitions are given in notes 30 and 31.

Details of the disposals are given in note 4.

14. Tangible fixed assets

	Freehold, land and buildings £'000	*Short leasehold property £'000*	*Equipment, fixtures and fittings £'000*	*Motor vehicles £'000*	*Total £'000*
Cost or valuation:					
At 1 January 2002	3,743	3,080	41,912	991	49,726
Exchange differences	142	(136)	(626)	13	(607)
Transfers	–	220	(220)	–	–
Additions	–	156	4,760	121	5,037
Disposals	(2,552)	–	(1,562)	(312)	(4,426)
At 31 December 2002	1,333	3,320	44,264	813	49,730
Exchange differences	–	(127)	(173)	29	(271)
Transfers	–	–	–	–	–
Additions	–	198	2,428	61	2,687
Additions from new subsidiaries	7,268	215	5,140	175	12,798
Disposals	–	(59)	(6,033)	(337)	(6,429)
At 31 December 2003	8,601	3,547	45,626	741	58,515
Depreciation:					
At 1 January 2002	153	1,024	19,786	471	21,434
Exchange differences	5	(60)	(556)	5	(606)
Transfers	–	16	(16)	–	–
Charge for year	58	258	6,862	179	7,357
Disposals	(141)	–	(1,235)	(159)	(1,535)
At 31 December 2002	75	1,238	24,841	496	26,650
Exchange differences	–	(65)	(76)	30	(111)
Transfers	–	–	–	–	–
Additions from new subsidiaries	930	8	3,321	165	4,424
Charge for year	22	353	6,036	113	6,524
Disposals	–	(32)	(5,929)	(273)	(6,234)
At 31 December 2003	1,027	1,502	28,193	531	31,253
Net book value:					
At 31 December 2003	7,574	2,045	17,433	210	27,262
At 31 December 2002	1,258	2,082	19,423	317	23,080
At 1 January 2002	3,590	2,056	22,126	520	28,292

Depreciable assets at cost total £57,540,000 at 31 December 2003 (2002: £48,755,000; 2001: £47,902,000).

The net book value of assets held under finance leases and hire purchase contracts included in tangible fixed assets in the Group was £83,000 (2002: £149,000; 2001: £207,000). The depreciation charge on these assets in the year was £30,000 (2002: £62,000; 2001: £52,000).

15. Investments

	Investment in own shares £'000	*Other investments £'000*	*Total £'000*
Cost and net book value:			
At 1 January 2002	3,641	468	4,109
Additions	–	679	679
At 31 December 2002	3,641	1,147	4,788
Additions	–	2,105	2,105
At 31 December 2003	3,641	3,252	6,893

The investment in own shares is the Informa Employee Share Trust ("IEST") which holds shares to satisfy the future exercise of executive options. These are held in trust until such time as they may be transferred to the executives. The trustees have waived the right to receive dividends. All professional fees relating to the establishment of the trust and the loss arising from the difference between cost and the option price have been charged to the profit and loss account. The Trust held 632,775 shares at 31 December 2003 (2002: 632,775 shares; 2001: 632,775 shares). The market value of the holding stood at £2,028,044 at 31 December 2003 (2002: £1,059,898; 2001: £1,689,504). The shares held are under option at 401p, 825p and 581p as detailed in note 24.

The addition in 2003 represents the Group's investment in Expomedia Group plc and an increase in the investment in Xinhua Financial Network Ltd. The market value of the holding in Expomedia Group plc at 31 December 2003 was £2,355,000 compared to the net book value of £2,040,000.

The addition in 2002 represents the Group's investment in Xinhua Financial Network Ltd.

The listing below shows the principal subsidiary undertakings at 31 December 2003. All of these companies are included in the consolidated financial statements and are wholly owned within the Group except where indicated they are incorporated in England and Wales. The Group also controls the Informa Employee Share Trust, an independently administered employee share ownership plan.

Informa Limited and Barham Reorganisations Limited have an accounting reference date of 25 July, whilst PJB Publications Limited has an accounting reference date of 31 August.

Name of subsidiary	*Nature of business*
Agra Europe (London) Limited	Conference organisation and publishing
Euroforum BV (Incorporated in the Netherlands)(1)	Conference organisation and publishing
Euroforum Deutschland GmbH (Incorporated in Germany)(2)	Conference organisation and publishing
IBC Asia (S) Pte Limited (Incorporated in Singapore)(3)	Conference organisation
Informa USA Inc. (Incorporated in USA)(4)	Conference organisation and publishing
Informa UK Limited	Conference organisation and publishing
Informa QUEST Limited	Qualifying employee share trust
Informa Limited	Holding company
PJB Publications Limited	Publishing

(1) Registered office is Emmasingel 33, 5611 A2 Eindhoven, Holland.

(2) Registered office is Prinzenallee 3, 40549 Dusseldorf, Post Code 11 12 34, Germany.

(3) Registered office is 1 Grange Road, #08-02 Orchard Building, Singapore 239693.

(4) Registered office is Informa USA Inc., One Research Drive, PO Box 5193, Westborough, MA 01581.

Unless stated otherwise, the registered office of each of the above is Mortimer House, 37-41 Mortimer Street, London WIT 3JH.

Of the above, only Informa Limited, PJB Publications Limited and Informa QUEST Limited are directly owned by Informa Group plc.

16. Stocks and work in progress

	2003 £'000	2002 £'000
Conference costs in advance	6,463	5,034
Marketing and publication stocks	956	1,178
	7,419	6,212

17. Debtors

	Note	2003 £'000	2002 £'000
Falling due within one year:			
Trade debtors		35,568	32,807
Other debtors		7,264	5,767
Prepayments and accrued income		12,318	11,356
Deferred tax	21	730	968
		55,880	50,898
Falling due after more than one year:			
Deferred tax	21	284	836
		56,163	51,734

18. Creditors: amounts failing due within one year

	Note	2003 £'000	2002 £'000
Bank overdrafts	19	1,271	2,062
Short term bank loans	19	4,201	374
Net obligations under finance leases		40	55
Trade creditors		8,756	8,232
Corporation tax payable		14,625	13,605
Other taxes and social security costs		3,408	2,678
Deferred income and payments received on account		61,103	52,159
Other creditors and accruals		40,933	32,124
Deferred consideration payable for purchase of subsidiary undertakings and businesses		915	252
Proposed dividend		7,480	6,335
		142,732	117,876

19. Bank loans and overdrafts

	Note	*2003* *£'000*	*2002* *£'000*
Bank loans and overdrafts:			
Payments due after five years		15,842	35,673
Payments due between two and five years		116,122	62,615
Payments due between one and two years		45,281	–
		177,245	98,288
Payments due within one year	18	5,472	2,436
		182,717	100,724

	2003 *£'000*	*2002* *£'000*
These are secured as follows:		
Amounts falling due within one year:		
Secured by guarantees from certain subsidiary companies	5,472	2,436
Amounts falling due after more than one year:		
Secured by guarantees from certain subsidiary companies	177,245	98,288
	182,717	100,724

In 2003, the Group cancelled a £150 million facility that had been reduced from £200 million in 2002. In December 2003 the Group arranged a new £140 million multi-currency revolving facility with an expiry date in December 2008. The Group also arranged a £40 million multi-currency revolving facility with an expiry date in June 2005.

In 2001 the Group raised US$50 million on the US private placement market. The 7.35% Guaranteed Senior Unsecured Notes are due in seven equal annual terms from 15 August 2005 to 15 August 2011.

Rates of interest are determined by current market rates. Further details of borrowings and financial liabilities are given in note 32.

20. Creditors: amounts falling due after more than one year – other creditors

	2003 *£'000*	*2002* *£'000*
Deferred consideration payable for purchase of subsidiary undertakings and businesses	5,903	169
Net obligations under finance leases	20	59
Other long term creditors	–	627
	5,923	855

Obligations under finance leases are due between two and three years.

21. Provisions for liabilities and charges

	Property Lease £'000	*Deferred Tax £'000*	*Restructuring £'000*	*Total £'000*
At 1 January 2002	475	–	–	475
Adjustment to opening balances	–	353	–	353
1 January 2002 restated	475	353	–	828
Provided in year	4,173	2,502	–	6,675
Utilised in year	(475)	–	–	(475)
At 31 December 2002	4,173	2,855	–	7,028
Provided in year	–	1,045	8,543	9,588
Utilised in year	(1,424)	–	(4,289)	(5,713)
At 31 December 2003	2,749	3,900	4,254	10,903

The property lease provision represents the estimated excess of rent payable by the Group on surplus property leases, less rent received via sub-leases, and dilapidation provisions where these exist. These liabilities fall due within two years.

Deferred Tax

The elements of deferred tax are as follows:

	2003 £'000	*2002 £'000*
Difference between accumulated depreciation/amortisation and tax depreciation	4,412	2,966
Tax losses	(512)	(111)
Undiscounted deferred tax liability	3,900	2,855

The movements on deferred tax are as follows:

	Asset £'000	*Liability £'000*
At 1 January 2002	–	(353)
Credit/(charge) to profit and loss account	1,804	(2,502)
At 31 December 2002	1,804	(2,855)
Credit/(charge) to profit and loss account	(790)	(1,045)
At 31 December 2003	1,014	(3,900)

At 31 December 2003, in addition to the deferred tax balances recognised above, the Group had potential deferred tax assets of £16,037,000 (2002: £1,957,000; 2001: £1,927,000) in relation to allowable tax losses. These assets have not been recognised in the financial statements as, in the opinion of the directors, there is insufficient evidence that they will be recoverable. These assets may become recoverable if trading entities to which the tax losses relate to realise taxable profits. The deferred tax asset recognised represents timing differences with regard to the exceptional items as disclosed in note 4.

22. Pensions

The Group operates, for their employees, a number of defined contribution schemes and a defined benefit scheme designed to provide benefits based on final pensionable salary. Details of these are given below. The assets of all schemes are held separately from those of Group companies.

A pension cost charge of £1,798,000 (2002: £1,737,000; 2001: £1,833,000) represents contributions payable on all defined contribution schemes held by the combined Group.

The total pension cost for the funded defined benefit pension scheme was £1,017,000 (2002: £1,158,000; 2001: £1,191,000). The pension cost is assessed on the basis of triennial valuations in accordance with the advice of an independent qualified actuary, using the attained age method. The latest formal actuarial valuation of the scheme was at 31 March 2002. The market value of the scheme's assets at that date was £16,944,000. The funding level of the scheme on a discounted cashflow valuation basis was 76% at the date of the valuation. This deficiency is to be made good by additional contributions spread forward over future working lifetimes. The assumptions that have the most significant effect on the valuation are those relating to the rate of return on investments and the rates of increases in salaries and pensions. It was assumed that the real rate of return on investments would be 1.5% above index-linked gilt real yield per annum, that salary increases would average 4.2% per annum and that present and future pensions would increase in line with price inflation at 2.7% per annum. From 1 April 2003 the employee's contribution increased to 10% from 6% and the Group's contribution increased to 18.9% from 15.9% following a valuation recommended by the Actuary for the scheme. The next formal actuarial valuation of this scheme is due to be carried out as at 1 April 2005.

The actuarial valuation of the scheme was updated to 31 December 2003 by a qualified actuary, using a set of assumptions consistent with those required under FRS 17.

The major assumptions used by the actuary were:

	31 December 2003	*31 December 2002*
Rate of increase in pensionable salaries	4.2%	3.9%
Rate of increase in pensions in payment	2.7%	2.4%
Discount rate	5.3%	5.5%
Inflation assumption	2.7%	2.4%

The Group's share of the net pension liability which would be recognised in the Group's balance sheet if FRS17 had been adopted in full would be as follows:

	Rate of Return	*2003 £'000*	*Rate of Return*	*2002 £'000*
Equities	7%	14,707	7%	11,275
Bonds	5%	2,029	5%	2,522
Cash	4%	1,253	4%	777
Total market value of assets		17,989		14,574
Present value of liabilities		(31,883)		(25,328)
Deficit in the scheme		(13,894)		(10,754)
Related deferred tax asset		4,168		3,226
Net pension liability		(9,726)		(7,528)

The amount of this net pension liability would also be included in the Group's profit and loss account reserve.

22. Pensions (continued)

The following performance statement disclosures relating to the defined benefit scheme are required under the transitional arrangements of FRS 17.

	2003	*2002*
	£'000	*£'000*
Analysis of the amount charged to operating profit		
Service cost	(852)	(924)
Past service cost	(165)	(234)
Total operating charge	(1,017)	(1,158)
Analysis of the amount debited to other finance income		
Interest cost	(1,423)	(1,284)
Return on assets	988	1,205
Other finance cost	(435)	(79)
Analysis of amount recognised in the Consolidated Statement of Recognised Gains and Losses		
Actual less Expected Return on Scheme Assets	1,118	(4,026)
Experience gain	–	860
Change in basis	(4,030)	(2,982)
Actuarial loss	(2,912)	(6,148)
Movement in deficit during the year		
Deficit at start	(10,754)	(4,643)
Movement:		
Current service cost	(852)	(924)
Contributions	1,224	1,274
Past Service cost	(165)	(234)
Other finance cost	(435)	(79)
Actuarial loss	(2,912)	(6,148)
Deficit at end	(13,894)	(10,754)
History of experience gains and losses		
Difference between the actual and expected return on scheme assets	1,118	(4,026)
% of scheme assets	6%	(28%)
Experience gains and losses on scheme liabilities	–	860
% of scheme liabilities	0%	3%
Total amount recognised in the statement of recognised gains and losses	(2,912)	(6,148)
% of scheme liabilities	(9%)	(24%)

23. Minority interest

The minority interest in 2003 is composed entirely of equity interests and represents the minority shares of the Euroforum HandelsZeitung Konferenz AG and Agra CEAS. In 2002 it also represented an equity minority interest in MCM Asia Pacific Company Limited which has been purchased during 2003 (note 30).

24. Called up share capital

	2003 £'000	2002 £'000
Authorised:		
180,000,000 ordinary shares of 10p each	18,000	18,000
Allotted, called up and fully paid:		
151,944,860 (2002: 128,235,399) ordinary shares of 10p each	15,195	12,824

Shares with nominal value £82,000 (2002: £85,000) are held by Informa QUEST Limited and the Informa Employee Share Trust.

Movements in share capital

During 2003 the Company issued 199,228 shares with a nominal value of £20,000 as a result of the exercise of share options. The share premium arising on this was £421,000. In addition the Company issued 23,510,233 shares, with a nominal value of £2,351,000 as follows:

(i) Cash and vendor placings of, in total, 9,700,000 shares at a price of 270 pence per share in connection with the acquisition of MMS Group Holdings Limited. The placement price represented a discount of 7% to the closing share price on the day of acquisition. The shares placed a nominal value of £970,000. The share premium arising net of costs of £524,000, was £24,696,000.

(ii) A further placing of 13,280,000 shares at 280 pence per share in connection with the acquisition of PJB Publications Limited (PJB). The placement price represented a discount of 8% to the closing share price on the day of acquisition. The shares placed had a nominal value of £1,328,000. The share premium arising net of costs of £1,029,000 was £34,827,000; and

(iii) The issue of 530,233 shares with a nominal value of £53,000, being part of the consideration for the acquisition of PJB. The share premium arising was £1,447,000.

The Group has share option schemes under which options have been granted to certain employees.

At 31 December 2003 the following options to Informa employees and Directors were outstanding:

Executive Share Options *Number of ordinary shares (options)*		*Date of grant*	*Price per share*	*Period of exercise*
6,400		Dec 96	0.639p	Dec 99 to Dec 06
14,400		Apr 97	10.94p	Apr 00 to Apr 07
11,680		May 97	10.94p	May 00 to May 07
77,128		Apr 97	201.5p	Apr 00 to Apr 07
4,000		Sep 97	18.75p	Sep 00 to Sep 07
1,600		Oct 97	18.75p	Oct 00 to Oct 07
120,240		Apr 98	273.05p	Apr 01 to Apr 08
365,000		Aug 98	219p	Aug 01 to Aug 08
101,602		Oct 98	241.02p	Oct 01 to Sep 08
88,440		Apr 99	310.5p	Apr 02 to Apr 09
290,558	(259,974 owned by the Informa Employee Share Trust)	Oct 99	401 p	Oct 02 to Sep 09
145,544	(All owned by the Informa Employee Share Trust)	Mar 00	825p	Mar 03 to Mar 10
1,450,000		Apr 00	632.5p	Apr 03 to Apr 10
151,000		Nov 00	753.3p	Nov 03 to Nov 10
259,257	(227,257 owned by the Informa Employee Share Trust)	Mar 01	581p	Mar 04 to Mar 11
1,257,597		Mar 02	282.67p	Mar 05 to Mar 12
125,000		Mar 02	282.67p	Mar 05 to Mar 07
4,469,446				

24. Called up share capital (continued)

SAYE Share Options

Number of ordinary shares (options)	*Date of grant*	*Price per share*	*Period of exercise*
5,111	May 98	270p	Jul 03 to Dec 03
10,741	Apr 00	559p	Jul 05 to Dec 05
309,359	Apr 02	240.3p	Jul 05 to Dec 05
139,376	Apr 02	240.3p	Jul 07 to Dec 07
464,587			

25. Reconciliations of movements in shareholders' funds

	2003 *£'000*	*2002* *£'000*
Profit for the year	859	4,767
Dividends	(11,089)	(9,692)
Other recognised losses relating to the year	(2,358)	(3,809)
New share capital subscribed in Informa	63,762	805
Net additions to shareholders' funds	51,174	(7,929)
Opening shareholders' funds	26,267	34,196
Closing shareholders' funds	77,441	26,267

Of the new share capital subscribed in the Group, £441,000 was for cash on the exercise of options.

26. Reserves

	Share premium account *£'000*	*Special reserve* *£'000*	*Other reserve* *£'000*	*Profit and loss account* *£'000*
At 1 January 2002	122,334	2	37,398	(137,972)
Adjustment to opening balances	–	–	–	(353)
1 January 2002 restated	122,334	2	37,398	(138,325)
Exchange differences	–	–	–	(3,809)
Retained loss for the year	–	–	–	(4,925)
Issue of share capital	769	(1)	–	–
At 31 December 2002	123,103	1	37,398	(147,059)
Exchange differences	–	–	–	(2,358)
Retained loss for the year	–	–	–	(10,230)
Issue of share capital	61,391	–	–	–
At 31 December 2003	184,494	1	37,398	(159,647)

The aggregate amount of goodwill written off against Group reserves in respect of acquisitions prior to 1 January 1998, when 'FRS 10; Goodwill and intangible assets' was adopted, amounts to £41,298,000 (2002: £41,298,000).

27. Contingent liabilities and financial commitments

The Group had no contingent liabilities at 31 December 2003 (31 December 2002 and 2001: £nil). Annual commitments in respect of operating leases are as follows:

	2003 Land and buildings £'000	*2003 Other £'000*	*2002 Land and buildings £'000*	*2002 Other £'000*
Leases which expire:				
Within one year	979	291	629	80
Between one and five years	2,830	330	2,284	479
After five years	4,982	5	5,437	254
	8,791	626	8,350	813

	2003 £'000	*2002 £'000*
Outstanding contracts placed	194	83

28. Reconciliation of operating profit to net cash inflow from operating activities

	2003 £'000	*2002 £'000*	*2001 £'000*
Operating profit	17,405	19,809	23,844
Depreciation charges	6,524	7,357	5,798
Amortisation of goodwill	11,534	10,992	14,247
(Profit)/loss on sale of tangible fixed assets	(25)	(23)	17
(Increase)/decrease in stocks	(829)	219	1,197
(Increase)/decrease in debtors	(127)	10,393	16,336
(Decrease)/increase in creditors	(282)	(2,457)	(20,279)
Other operating items	(26)	220	(84)
Net cash inflow from operating activities	34,174	46,510	41,076

Included in net cash inflow from operating activities are payments of £5,884,000 (2002: £539,000; 2001: £nil) relating to exceptional costs. Excluding these costs the operating cash inflow is £40,058,000 (2002: £47,049,000; 2001: £41,076,000).

29. Analysis of changes in net debt

	2002 At 1 Jan £'000	*Cash flow £'000*	*Exchange movement £'000*	*2002 At 31 Dec £'000*	*Non-cash movement £'000*	*Cash flow £'000*	*Exchange movement £'000*	*2003 At 31 Dec £'000*
Cash at bank and in hand	4,102	1,174	(81)	5,195	–	5,127	132	10,454
Overdrafts	(3,815)	1,777	(24)	(2,062)	–	820	(29)	(1,271)
	287	2,951	(105)	3,133	–	5,947	103	9,183
Bank loans due in less than one year	(2,500)	2,126	–	(374)	–	(3,827)	–	(4,201)
Loan notes due in less than one year	(438)	438	–	–	–	–	–	–
Finance leases due in less than one year	–	–	–	–	(94)	54	–	(40)
Bank loans due after one year	(116,181)	17,234	659	(98,288)	–	(77,231)	(1,726)	(177,245)
Loan notes due after one year	–	–	–	–	–	(5,876)	–	(5,876)
Finance leases due after one year	–	–	–	–	(20)	–	–	(20)
Total	(118,832)	22,749	554	(95,529)	(114)	(80,933)	–	(178,199)

30. Purchase of subsidiary undertakings

	2003	*2002*
	£'000	*£'000*
Net Assets Acquired:		
Intangible fixed assets	7,729	–
Tangible fixed assets	8,474	–
Deferred income provision	(11,773)	–
Net other current assets	(1,300)	–
Net cash balances acquired	23,236	–
	26,366	–
Fair value adjustments	(7,843)	(80)
	18,523	(80)
Goodwill	163,128	67
Vendor placing of shares	(11,750)	–
Accrual acquisition expenses	(2,684)	–
Total consideration payable	167,217	(13)
Movement on provision for deferred consideration	(756)	76
Satisfied by cash	166,461	63
Less: cash acquired	(23,236)	–
Net cash consideration	143,225	63
Deferred consideration paid	–	3,169
Cash paid on purchase of subsidiary undertakings	143,225	3,232

The acquisitions in 2003 were PJB Publications Limited (PJB) (acquired 22 December 2003), MMS Group Holdings Limited (MMS), (11 September 2003), AAK GmbH Sparks Companies Inc. (5 December 2003), NetDecide Corporation (1 September 2003) and Barry Leeds and Associates Inc (17 November 2003). The Group also bought out the minority interest in its subsidiary MCM Asia Pacific Company Limited.

30. Purchase of subsidiary undertakings (continued)

	Book value £'000	*Accounting Policy Alignment(iii) £'000*	*Revaluations £'000*	*Other fair value adjustments £'000*	*Fair value to Group £'000*
Significant 2003 acquisitions					
PJB					
Intangible assets	576	–	–	–	576
Tangible fixed assets	6,728	–	–	–	6,728
Stock	57	–	–	–	57
Debtors	1,289	–	–	–	1,289
Cash	21,363	–	–	–	21,363
Creditors	(9,515)	–	–	–	(9,515)
	20,498	–	–	–	20,498
MMS					
Intangible assets(i)	7,113	–	(7,113)	–	–
Tangible fixed assets(ii)	1,331	–	(100)	–	1,231
Debtors	3,227	(217)	–	(246)	2,764
Cash	501	–	–	–	501
Creditors	(6,080)	–	–	–	(6,080)
	6,092	(217)	(7,213)	(246)	(1,584)
Other 2003 acquisitions					
Intangible assets(i)	40	–	(40)	–	–
Tangible fixed assets	415	–	–	–	415
Stock	55	–	–	–	55
Debtors	1,258	(108)	–	11	1,161
Cash	1,372	–	–	–	1,372
Creditors	(3,364)	–	–	(30)	(3,394)
	(224)	(108)	(40)	(19)	(391)

The following fair value adjustments have been made. These have been prepared on a provisional basis.

(i) Write down of goodwill to record as at this acquisition date.

(ii) Revaluation of computer equipment to replacement value.

(iii) Adoption of the Group's policy on reviewing bad debt provisioning.

30. Purchase of subsidiary undertakings (continued)

	PJB	*MMS*	*Other*	*Total*
	£'000	*£'000*	*£'000*	*£'000*
Fair Value of Net Assets acquired	20,498	(1,584)	(391)	18,523
Goodwill	123,969	26,209	12,950	163,128
Vendor placing of shares	(1,500)	(10,250)	–	(11,750)
Accrued acquisition expenses	(2,684)	–	–	(2,684)
Total consideration payable	140,283	14,375	12,559	167,217
Movement on provision of deferred consideration	–	–	(756)	(756)
Satisfied by Cash	140,283	14,375	11,803	166,461
Less: Cash acquired	(21,363)	(501)	(1,372)	(23,236)
Cash paid on purchase of subsidiary undertakings	118,920	13,874	10,431	143,225

The results of PJB Publications Limited prior to its acquisition on 22 December 2003 were as follows:

	Period ended 22 December 2003	*Year ended 31 August 2003*
	£'000	*£'000*
Turnover	6,965	23,386
Operating Profit	3,404	9,072
Net interest receivable and similar income	230	803
Profit on ordinary activities before taxation	3,634	9,875
Tax on profit on ordinary activities	(1,222)	(3,115)
Profit for the period	2,412	6,760

31. Purchase of businesses

	2003 £'000	2002 £'000
Net (liabilities) assumed:		
Net other current assets	–	(13)
	–	(13)
Fair value adjustments	–	–
	–	(13)
Goodwill	10	1,034
Accrued acquisition expenses	–	(6)
Total consideration payable	10	1,015
Movement on provision for deferred consideration	–	(200)
Satisfied by cash	–	815
Less: Cash acquired	–	–
Net cash consideration	10	815
Deferred consideration paid	200	–
Cash paid on purchase of subsidiary undertakings	210	815

No businesses were purchased in the year.

Costs paid relating to 2002 were legal fees relating to the Legal IT Forum event acquired in 2002.

The deferred consideration paid was also in relation to that acquisition.

32. Financial Risk Management

Treasury Policy

The Board sets the Group's treasury policy to ensure that it has adequate financial resources to develop the Group's businesses and to manage the currency and interest risks to which the Group is exposed. The Group's policy is not to enter into speculative transactions.

Group Treasury acts as a service centre operating under the clearly defined regulation of the Board.

Funding and deposit management: The Group primarily borrows at short term variable rates under its multi-currency revolving loan facilities. In December 2003 the Group arranged a new £140 million 5 year facility and a new £40 million 18 month facility. In 2001, the group raised US$50 million on the US private placement market. The 7.35% Guaranteed Senior Unsecured Notes due in 7 equal annual terms from 15 August 2005 to 15 August 2011, are diversifying and consolidating funding outside the bank market. The US dollars received have been swapped into floating GB sterling, US dollar and Euro loans. In order to minimise interest costs, foreign currency borrowings are utilised to the extent that they can be hedged internally to the Group. Cash pooling arrangements have been made in GB sterling, Euros, Japanese Yen and US dollars to maximise the interest receivable on surplus working capital. The Group monitors the distribution of its cash assets, borrowings and facilities so as to control exposure to the relative performance of any particular territory, currency or institution.

Currency risk management: Foreign currency borrowings are hedged against foreign currency investments. The revenue and expenditure of the Group's business units is generally matched in the local currency, limiting such exposure.

Interest rate risk management: The Group policy allows the fixing of that proportion of debt that is deemed to be sufficiently certain in the long term. At 31 December 2003, £147,322,000 of debt was fixed under interest rate swap agreements lasting up to December 2010. The gains or losses on these derivative instruments are taken as and when they occur and yielded a loss of £1,412,000 in 2003 (2002: loss £847,000; 2001: profit £130,000) which is dealt with as a component of interest payable. The net unrecognised loss on derivative instruments is £1,177,000 (2002: loss £1,646,000; 2001: £305,000).

32. Financial Risk Management (continued)

Short-term debtors and creditors that meet the definition of a financial asset or liability under FRS 13 have been excluded from all numerical disclosures in this note except for the analysis of net currency exposure.

(i) Fair values of financial instruments used for risk management

The fair value is defined as the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties, and is calculated by reference to market rates discounted to current value. Where market values are not available, fair values have been calculated by discounting cash flows at prevailing interest rates.

The fair value of financial instruments at 31 December was:

	2003 Book value £'000	*2003 Fair value £'000*	*2002 Book value £'000*	*2002 Fair value £'000*
Primary financial instruments held or issued to finance the Group's operations				
Overdrafts	(1,271)	(1,271)	(2,062)	(2,062)
Short-term borrowings and current portion of long-term borrowings	(4,201)	(4,201)	(374)	(374)
Long-term borrowings	(183,123)	(183,123)	(98,288)	(98,288)
Cash deposits	10,454	10,454	5,195	5,195
Other financial assets	3,253	3,253	1,147	1,147
Other financial liabilities	(20)	(18)	(228)	(210)
Derivative financial instruments held to manage profile				
Interest rate swaps and similar instruments	(877)	(2,585)	(651)	(2,564)
Forward rate agreements and similar instruments	–	–	–	(40)
Forward exchange deals and similar instruments	–	532	–	307

Included in the above borrowings is £5,876,000 of loan notes (2002: £nil; 2001: £438,000).

The carrying value of primary financial instruments approximates to fair value due to the short maturity of the instruments or because they bear interest at rates approximate to market. The book value of fixed asset investments approximates to the fair value, being the estimated sale proceeds.

32. Financial Risk Management (continued)

(ii) Interest rate exposure of financial assets and liabilities

The interest rate exposure of the financial assets and liabilities of the Group as at 31 December 2003 was:

	Financial assets			*Financial liabilities*				
At 31 December 2003	*Floating Rate £'000*	*Non-interest bearing £'000*	*Total £'000*	*Fixed rate £'000*	*Floating rate £'000*	*Non-interest bearing £'000*	*Total £'000*	*Net financial assets/ (liabilities) Total £'000*
Sterling	6,260	117	6,377	(58,443)	(34,937)	–	(93,380)	(87,003)
US Dollar	1,106	162	1,268	(39,284)	(259)	–	(39,543)	(38,275)
Euro	1,018	23	1,041	(49,974)	4,183	–	(45,791)	(44,750)
Other European currencies	395	96	491	–	(177)	–	(177)	314
Other worldwide currencies	803	3,727	4,530	(10,594)	(5)	–	(10,599)	(6,069)
	9,582	4,125	13,707	(158,295)	(31,195)	–	(189,490)	(175,783)
Of which:								
Cash and deposits			10,454				–	10,455
Gross borrowings			–				(188,593)	(188,593)
Derivative financial instruments			–				(877)	(877)
Other financial assets			3,253				–	3,253
Other financial liabilities			–				(20)	(20)
			13,707				(189,490)	(175,783)

The interest rate exposure of the financial assets and liabilities of the Group as at 31 December 2002 was:

	Financial assets			*Financial liabilities*				
At 31 December 2002	*Floating Rate £'000*	*Non-interest bearing £'000*	*Total £'000*	*Fixed rate £'000*	*Floating rate £'000*	*Non-interest bearing £'000*	*Total £'000*	*Net financial assets/ (liabilities) Total £'000*
Sterling	289	168	457	(30,094)	(2,433)	–	(32,527)	(32,070)
US Dollar	822	70	892	(19,637)	(13,262)	–	(32,899)	(32,007)
Euro	2,029	14	2,043	(25,724)	(10,141)	(169)	(36,034)	(33,991)
Other European currencies	271	183	454	–	(143)	–	(143)	311
Other worldwide currencies	1,181	1,315	2,496	–	–	–	–	2,496
	4,592	1,750	6,342	(75,455)	(25,979)	(169)	(101,603)	(95,261)
Of which:								
Cash and deposits			5,195				–	5,195
Gross borrowings			–				(100,724)	(100,724)
Derivative financial instruments			–				(651)	(651)
Other financial assets			1,147				–	1,147
Other financial liabilities			–				(228)	(228)
			6,342				(101,603)	(95,261)

Floating rate financial assets attract interest based on relevant national LIBID equivalents. Cash deposits include deposits on money markets at daily and monthly rates. The period until maturity for cash balances on which no interest is received fluctuates daily reflecting working capital requirements. The non-interest bearing financial assets comprise fixed asset investments, of which the Group does not currently intend to dispose. There are no financial assets attracting a fixed rate of interest.

32. Financial Risk Management (continued)

The interest rate profile of fixed rate financial liabilities and the weighted average maturity period of interest-free financial liabilities are analysed below:

	2003			2002		
	Weighted average interest rate of fixed rate liabilities	*Weighted average years for which rate is fixed*	*Weighted average years to maturity for non-interest liabilities*	*Weighted average interest rate of fixed rate liabilities*	*Weighted average years for which rate is fixed*	*Weighted average years to maturity for non-interest liabilities*
	%	*years*	*years*	*%*	*years*	*years*
Sterling	4.87	4.21	–	6.18	2.23	–
US Dollar	2.98	2.65	–	4.25	3.65	–
Euro	3.68	2.77	1.00	5.71	1.55	2.00
Yen	1.87	2.42	–	–	–	–
Weighted average	3.79	3.23	1.00	5.78	2.36	2.00

The floating rate borrowings bear interest at relevant national LIBOR equivalents.

(iii) Currency exposure of financial assets and liabilities

The table below shows the net unhedged monetary assets and liabilities of Group companies at 31 December that are not denominated in their functional currency and therefore give rise to exchange gains and losses in the profit and loss account.

Net foreign currency monetary assets/(liabilities)

	Sterling	*US Dollar*	*Euro*	*Other*	*2003 £'000 Total*	*Sterling*	*US Dollar*	*Euro*	*Other*	*2002 £'000 Total*
Functional currency of Group operation										
Sterling	–	2,367	598	106	3,071	–	311	139	(2)	448
US Dollar	(1,472)	–	2,030	815	1,373	(8)	–	13	19	24
Euro	(3,741)	(1,849)	–	–	(5,590)	3	1		–	4
Other	(2)	512	–	3	513	57	474	–	(18)	513
	(5,215)	1,030	2,628	924	(633)	52	786	152	(1)	989

(iv) Maturity of financial liabilities

The maturity profile of the Group's financial liabilities at 31 December was as follows:

	2003 £'000	*2002 £'000*
In one year or less, or on demand	(5,332)	(2,436)
In more than one year but not more than two years	(51,308)	(805)
In more than two years but not more than five years	(116,949)	(62,689)
In more than five years	(15,901)	(35,673)
	(189,490)	(101,603)

32. Financial Risk Management (continued)

(v) Borrowing facilities

The undrawn committed facilities available at 31 December in respect of which all conditions precedent had been met at that date were as follows:

	2003	*2002*
	£'000	*£'000*
Expiring in one year or less	3,067	7,122
Expiring in more than one year but not more than two years	–	–
Expiring in more than two years	39,721	87,385
	42,788	94,507

Part III

FINANCIAL INFORMATION RELATING TO TAYLOR & FRANCIS

Taylor & Francis financial information for the three years ended 31 December 2003

The consolidated financial information below for the years ended 31 December 2001, 2002 and 2003 has been extracted from Taylor & Francis' audited consolidated financial statements for the years ended 31 December 2001, 2002 and 2003 without material adjustment. Deloitte & Touche LLP has issued unqualified audit opinions on each of the three years. The financial information is presented under UK GAAP.

Consolidated Profit and Loss Account

	Note	*2003* *£'000*	*2002* *£'000*	*2001* *£'000*
Turnover				
Continuing operations		147,108	147,365	127,112
Acquisitions		26,571	–	10,214
Total turnover	2	173,679	147,365	137,326
Operating costs	3	(130,569)	(111,622)	(106,746)
Operating profit before exceptional items and goodwill amortisation		43,110	35,743	30,580
Exceptional items	5	(3,286)	(2,581)	(1,034)
Operating profit before goodwill amortisation		39,824	33,162	29,546
Goodwill amortisation	11	(9,776)	(7,251)	(7,250)
Operating profit				
Continuing operations		27,594	25,911	22,844
Acquisitions		2,454	–	(548)
Total operating profit	3	30,048	25,911	22,296
Interest receivable and similar income	6	95	166	218
Interest payable and similar charges	7	(3,620)	(2,980)	(4,039)
Profit on ordinary activities before taxation		26,523	23,097	18,475
Tax on profit on ordinary activities	8	(9,750)	(9,420)	(7,579)
Profit on ordinary activities after taxation		16,773	13,677	10,896
Dividends	9	(4,114)	(3,761)	(3,341)
Profit for the financial year transferred to reserves		12,659	9,916	7,555
Earnings per ordinary share				
Diluted (normalised) (p)	10	34.19	26.97	22.00
Diluted (p)	10	19.55	15.96	12.70
Basic (p)	10	19.69	16.12	13.09

Consolidated Statement of Total Recognised Gains and Losses

	2003 *£'000*	*2002* *£'000*	*2001* *£'000*
Profit attributable to shareholders	16,773	13,677	10,896
Currency translation differences on foreign currency net investments	(1,444)	(5,121)	373
Total recognised gains and losses since last annual report	15,329	8,556	11,269

Group Balance Sheet

	Note	2003 £'000	2002 £'000	*As restated** 2001 £'000
Fixed assets				
Intangible assets	11	177,054	109,658	119,466
Tangible assets	12	6,194	4,565	3,415
Investments	13	6,705	–	–
		189,953	114,223	122,881
Current assets				
Stocks	14	34,995	31,098	28,835
Debtors due within one year	15(a)	38,194	34,754	34,523
Debtors due after more than one year	15(b)/18	500	1,028	1,583
Investments	16	–	11,988	5,501
Cash at bank and in hand		13,132	6,070	8,163
		86,821	84,938	78,605
Creditors: amounts falling due within one year	17(a)	(19,173)	(63,188)	(57,042)
Net current assets		67,648	21,750	21,563
Total assets less current liabilities		257,601	135,973	144,444
Creditors: amounts falling due after more than one year	17(b)	(95,099)	–	(16,514)
Accruals and deferred income	20	(72,835)	(58,089)	(54,348)
		89,667	77,884	73,582
Capital and reserves				
Called up share capital	21	4,293	4,284	4,227
Share premium account	22	44,842	44,283	43,989
Reserve for own shares	23	1,267	1,267	2,111
Profit and loss account	24	39,265	28,050	23,255
Equity shareholders' funds		89,667	77,884	73,582

* The consolidated balance sheet for the year ended 31 December 2001 has been restated for the adoption of FRS 19.

Consolidated Cashflow Statement

	Note	*2003* *£'000*	*2002* *£'000*	*2001* *£'000*
Net cash inflow from operating activities	26	44,891	31,008	32,234
Returns on investments and servicing of finance				
Interest received		95	166	187
Interest paid		(3,353)	(3,112)	(4,707)
Net cash outflow from returns on investments and servicing of finance		(3,258)	(2,946)	(4,520)
Taxation				
Corporation tax paid		(7,479)	(5,088)	(5,317)
Overseas taxes paid		(1,557)	(1,008)	(18)
Tax paid		(9,036)	(6,096)	(5,335)
Capital expenditure and financial investment				
Purchase of publishing goodwill	11	(3,469)	(571)	(459)
Tangible fixed assets acquired	12	(3,002)	(2,820)	(1,154)
Tangible fixed assets sold		47	113	51
Purchase of unlisted investments	13	(6,705)	–	–
Net cash outflow from investing activities		(13,129)	(3,278)	(1,562)
Acquisitions				
Purchase of businesses/subsidiary undertakings (net of cash and overdrafts acquired)	34	(82,379)	(2,946)	(18,688)
Net cash outflow from acquisitions		(82,379)	(2,946)	(18,688)
Equity dividends paid		(3,844)	(3,484)	(3,078)
Net cash (outflow)/inflow before use of liquid resources and financing		(66,755)	12,258	(949)
Management of liquid resources	28	11,988	(6,487)	13,178
Financing				
Net loans drawn/(repaid)		61,602	(4,790)	(8,943)
Proceeds (net) from share issues		568	351	214
Payment of deferred consideration		–	(844)	–
Net cash inflow/(outflow) from financing		62,170	(5,283)	(8,729)
Increase in cash	27	7,403	488	3,500

NOTES TO THE ACCOUNTS

1. Accounting Policies

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements.

Basis of Preparation

The financial statements have been prepared under the historical cost convention. Certain comparative information in 2001 has been restated to reflect consistent presentation with the current year.

Prior Period Adjustment

The adoption of Financial Reporting Standard (FRS) 19 – Deferred Tax has necessitated changes in the basis of accounting for deferred tax. As a result of the change in accounting policy comparative figures in 2001 have been restated as disclosed in note 24.

Basis of Consolidation

The consolidated financial statements incorporate the accounts of the Company and all of its subsidiaries. The results of subsidiaries acquired are included in the consolidated financial statements under the acquisition method from the date of acquisition and those disposed of up to the date of disposal.

Intangible Fixed Assets

Publishing goodwill, comprising intellectual property rights on individual titles acquired, is valued at cost less provision for impairment and is written off on a straight line basis over 20 years.

Goodwill arising on the acquisition of subsidiary companies and businesses is calculated as the excess of the purchase consideration over the fair value of the net identifiable assets and liabilities acquired and is then written off over its estimated useful life (normally 20 years) on a straight line basis. The Board carries out a full impairment review on each acquired subsidiary or business after the first full year following its acquisition or where a change in circumstances warrants a further review.

Tangible Fixed Assets

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Freehold property	–	80 years
Leasehold property	–	over the remaining term of lease
Plant and machinery	–	3 to 15 years

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value. Those held as current assets are stated at the lower of cost and net realisable value. Investments held by the Company in subsidiaries denominated in foreign currencies are translated at rates of exchange ruling at the balance sheet date.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials and direct labour appropriate to the relevant stage of production. Net realisable value is based on estimated sales price less all further costs to completion and all relevant marketing, selling and distribution costs.

Foreign Currencies

Unhedged monetary assets and liabilities of UK companies denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are recorded at the rates of exchange ruling in the period in which the amounts are transacted, unless matching forward foreign exchange contracts have been entered into, in which case the rate specified in the relevant contract is used. Exchange adjustments arising from the translation of the opening net investment in the Group's foreign subsidiaries are taken to reserves as are exchange adjustments arising on the translation of foreign currency borrowings used to fund the acquisition of foreign subsidiaries, to the extent that they can be matched with exchange adjustments in the relevant net equity investment. All other exchange differences are reflected in the profit and loss account.

Operating Leases

Rental charges under operating leases are charged to the profit and loss account in equal amounts over the lease term.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pension Costs

The Group operates five main pension schemes.

In the UK the Group operates four schemes. The first provides benefits based on final pensionable pay (the "Final Salary Scheme") and the other three provide benefits on the basis of contributions made. The assets of the schemes are held separately from those of the Group, being invested with insurance companies. Contributions to the Final Salary Scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the Group. Contributions to the remaining three schemes are charged to the profit and loss account in the period in which they are payable.

In the US the Group also operates a pension scheme, the benefits of which are based on contributions made. Contributions to the scheme are charged to the profit and loss account in the period in which they are payable.

Financial Instruments

Derivative instruments utilised by the Group are interest rate swaps and forward foreign exchange contracts. The Group does not enter into speculative derivative contracts. All derivative instruments are used for hedging purposes to alter the risk profile of an existing underlying exposure of the Group in line with the Group's risk management policies. Amounts payable or receivable in respect of interest rate swaps are recognised as adjustments to interest expense over the period of the contracts.

Any termination payments are taken to the profit and loss account.

2. Analysis of Turnover

Geographical analysis of turnover by destination	*2003* *£'000*	*2002* *£'000*	*2001* *£'000*
United Kingdom	39,542	32,171	27,188
North America	68,891	62,196	60,728
Europe	31,100	24,854	22,197
Rest of the world	34,146	28,144	27,213
	173,679	147,365	137,326

The above analysis shows turnover by geographical location of the customer or agent through whom orders are placed.

Geographical analysis of turnover by origin	*2003* *£'000*	*2002* *£'000*	*2001* *£'000*
United Kingdom	112,238	106,677	100,605
United States of America	54,134	34,324	30,685
Europe	7,307	6,364	6,036
	173,679	147,365	137,326

Analysis of turnover by class of business	*2003* *£'000*	*2002* *£'000*	*2001* *£'000*
Journals	77,225	70,998	63,739
Books	96,454	76,367	73,587
	173,679	147,365	137,326

The directors have not provided additional segmental information in respect of profit before tax and net assets as they believe this could be seriously prejudicial to the business.

The acquisition of CRC Press (see note 34) contributed £20.5 million to books turnover and £2.9 million to journals turnover during the year ended 31 December 2003. £17.5 million of CRC Press turnover originated in the United States of America and £5.9 million in the United Kingdom.

The geographical analysis of the turnover of CRC Press by destination was as follows:

Geographical analysis of turnover by destination CRC Press	*£ million*
United Kingdom	2.6
North America	15.4
Europe	3.0
Rest of the world	2.4
	23.4

3. Operating Profit

Net operating costs	*2003* *£'000*	*2002* *£'000*	*2001* *£'000*
Increase in stock of finished goods and work in progress	(1,428)	(807)	(2,392)
Raw materials and consumables	50,196	39,446	38,277
Depreciation of tangible and intangible fixed assets	11,938	8,743	8,597
Staff costs in total (note 4)	31,356	24,711	22,519
Other operating charges (including exceptional items (note 5))	51,665	49,367	48,048
Other operating income	(96)	(6)	(19)
	143,631	121,454	115,030

The only acquisition to have a material impact on operating costs was CRC Press in 2003. The operating costs of CRC Press comprise £56,000 increase in stock of finished goods and work in progress, £3,579,000 raw materials and consumables, £295,000 depreciation of tangible and intangible fixed assets, £6,927,000 staff costs, £68,000 exchange loss and £7,699 other operating charges.

Operating profit is stated after charging:	*2003* *£'000*	*2002* *£'000*	*2001* *£'000*
Auditors' remuneration:			
Audit – Group	330	285	307
Audit – Company	25	25	25
Taxation compliance and advisory – Group	272	181	198
Other – Group and Company	144	480	–
Depreciation and other amounts written off tangible fixed assets owned	2,162	1,492	1,347
Exceptional items (note 5)	3,286	2,581	1,034
Goodwill amortisation	9,776	7,251	7,250
Hire of plant and machinery: rentals payable under operating leases	230	299	298
Hire of other assets: rentals payable under operating leases	3,128	2,503	1,915
Exchange (gains)/losses	(3,572)	439	1,506

Included within "Other – Group and Company" is an amount of £127,000 (2002: £480,000; 2001: £nil) paid to the Group's auditors in their capacity as reporting accountants in the attempted acquisition of the BertelsmannSpringer Science and Business Media business. (2002: Kluwer Academic Publishers).

In addition the Group's auditors acted for the Company in connection with a number of successful acquisitions during 2003. Total fees for their work for their assignments were £326,000 (2002: £nil; 2001: £110,000). Such costs have been included within the cost of investments.

After crediting:	*2003* *£'000*	*2002* *£'000*	*2001* *£'000*
Rents receivable from property	96	6	19

4. Staff Numbers and Costs

The average number of persons employed by the Group (including directors) during the period, analysed by category, was as follows:

	Number of employees		
	2003	*2002*	*2001*
Management and administration	198	152	152
Publishing and distribution	844	679	656
	1,042	831	808

The aggregate payroll costs of these persons were as follows:

	2003	*2002*	*2001*
	£'000	*£'000*	*£'000*
Wages and salaries	27,562	21,195	19,397
Social security costs	2,730	1,912	1,888
Other pension costs (note 32)	1,064	1,604	1,234
	31,356	24,711	22,519

5. Exceptional Items

	2003	*2002*	*2001*
	£'000	*£'000*	*£'000*
Reorganisation and relocation of US book publishing operations	1,705	–	–
Cost of attempted acquisition of BertelsmannSpringer	1,581	–	–
Cost of attempted acquisition of Kluwer Academic Publishers, net of costs recovered	–	1,250	–
Re-organisation and relocation of journal publishing operations	–	1,331	–
Reorganisation following the acquisition of the Gordon and Breach business	–	–	1,034
	3,286	2,581	1,034

The estimated tax effect of exceptional items is to reduce the overall tax charge by £511,000 (2002: £399,000; 2001: £310,000).

6. Interest Receivable and Similar Income

	2003	*2002*	*2001*
	£'000	*£'000*	*£'000*
Bank interest	95	166	218

7. Interest Payable and Similar Charges

	2003	*2002*	*2001*
	£'000	*£'000*	*£'000*
Bank loans and loan notes	3,248	2,788	3,845
Amortisation of loan premium	372	192	194
	3,620	2,980	4,039

8. Tax on Profit on Ordinary Activities

The tax charge comprises:

	2003 £'000	2002 £'000	2001 £'000
Current tax			
UK corporation tax at 30% (2002: 30%; 2001: 30%)	8,862	7,397	6,248
Adjustments in respect of prior years	(856)	72	(342)
Foreign tax	1,392	1,396	1,620
Total current tax	9,398	8,865	7,526
Deferred tax			
Origination and reversal of timing differences	252	635	53
Adjustments in respect of prior years	100	(80)	–
Total deferred tax (note 18)	352	555	53
Total tax on profit on ordinary activities	9,750	9,420	7,579

The current effective tax rate of 35% is higher than that resulting from applying the standard rate of corporation tax in the UK. The difference is explained below:

	2003 %	2002 %	2001 %
Tax on Group profit on ordinary activities at standard UK corporation tax rate	(30)	(30)	(30)
Effects of:			
Expenses not deductible for tax purposes	–	(2)	(2)
Movement in short term timing differences	1	2	–
Other deferred tax movements	–	1	–
Higher tax rates on overseas earnings	(1)	(2)	(3)
Goodwill amortisation	(7)	(5)	(7)
Exceptional items	(2)	(2)	–
Prior year adjustments	4	–	1
Group current tax charge for period	(35)	(38)	(41)

9. Dividends

	2003 £'000	2002 £'000	2001 £'000
Ordinary equity shares			
Interim 1.60p (2002: 1.45p; 2001: 1.32p) per share	1,359	1,242	1,099
Final* 3.23p (2002: 2.94p; 2001: 2.67p) per share	2,755	2,519	2,242
	4,114	3,761	3,341

* In certain circumstances, as described in paragraph 10 of Part I of this document, this may alternatively be paid either pursuant to the Scheme of Arrangement or by the directors as a second interim dividend.

Holders of 562,500 ordinary shares of 5p each have waived their rights to receive dividends.

10. Earnings Per Share

Basic

The basic earnings per share calculation is based on profit on ordinary activities after taxation of £16,773,000 (2002: £13,677,000; 2001: £10,896,000). This profit on ordinary activities after taxation is then divided by the weighted average number of shares in issue less those non-vested shares held by an employee share ownership trust, which is 85,175,000 (2002: 84,823,000; 2001: 83,230,000).

Diluted

The diluted earnings per share calculation is based on the basic earnings per share calculation above except that the weighted average number of shares includes all dilutive options granted by the balance sheet date as if those options had been exercised on the first day of the accounting period or the date of the grant, if later, giving a weighted average of 85,770,000 (2002: 85,697,000; 2001: 85,781,000). In accordance with FRS 14 the weighted average number of shares includes the estimated maximum number of shares payable to the vendors of Routledge Publishing Holdings Limited assuming that there are no claims for compensation by the Group that will reduce this deferred consideration and assuming that the Company does not exercise its option to pay the balance of deferred consideration in cash. The deferred consideration shares are also assumed for the purposes of this calculation to have been issued on 1 January 2003 at the closing mid-market share price on 31 December 2003 of 509p, making 249,000 (2002: 280,000; 2001: 368,000) ordinary shares potentially issued.

Diluted (normalised)

The diluted earnings per share (normalised) calculation has been made to allow shareholders to gain a better understanding of the trading performance of the Group. It is based on the diluted earnings per share calculation above except profits are adjusted for goodwill amortisation and the after tax effect of exceptional items as follows:

	2003	*2002*	*2001*
	£'000	*£'000*	*£'000*
Profit on ordinary activities after taxation	16,773	13,677	10,896
Goodwill amortisation	9,776	7,251	7,250
Exceptional items after tax	2,775	2,182	724
Normalised profit on ordinary activities after taxation	29,324	23,110	18,870

The table below sets out the adjustments in respect of diluted potential ordinary shares:

	2003	*2002*	*2001*
	No. '000	*No. '000*	*No. '000*
Weighted average number of shares used in basic earnings per share calculation	85,175	84,823	83,230
Share options	346	594	2,183
Shares potentially to be issued or allotted	249	280	368
Weighted average number of shares used in diluted earnings per share calculation	85,770	85,697	85,781

11. Intangible Fixed Assets

	Publishing goodwill £'000	*Goodwill arising on acquisitions £'000*	*Total £'000*
Cost			
At 1 January 2002	2,245	135,005	137,250
Additions	571	1,809	2,380
Exchange adjustment	(173)	(5,453)	(5,626)
At 31 December 2002	2,643	131,361	134,004
Additions	3,469	82,523	85,992
Exchange adjustment	(226)	(10,147)	(10,373)
At 31 December 2003	5,886	203,737	209,623
Amortisation			
At 1 January 2002	456	17,328	17,784
Charge for the year	141	7,110	7,251
Exchange adjustment	(35)	(654)	(689)
At 31 December 2002	562	23,784	24,346
Charge for the year	294	9,482	9,776
Exchange adjustment	(40)	(1,513)	(1,553)
At 31 December 2003	816	31,753	32,569
Net book value			
At 31 December 2003	5,070	171,984	177,054
At 31 December 2002	2,081	107,577	109,658
At 31 December 2001	1,789	117,677	119,466

12. Tangible Fixed Assets

	Freehold property £'000	Long Leasehold property £'000	Plant & Machinery £'000	Total £'000
Cost				
At 1 January 2002	182	1,273	7,055	8,510
Additions	–	–	2,820	2,820
Disposals	–	–	(338)	(338)
Exchange adjustment	–	–	(171)	(171)
At 31 December 2002	182	1,273	9,366	10,821
Arising from acquisitions	–	–	931	931
Additions	–	–	3,002	3,002
Disposals	–	–	(1,011)	(1,011)
Exchange adjustment	–	–	(329)	(329)
At 31 December 2003	182	1,273	11,959	13,414
Depreciation				
At 1 January 2002	80	466	4,549	5,095
Charge for the year	7	22	1,463	1,492
Disposals	–	–	(225)	(225)
Exchange adjustment	–	–	(106)	(106)
At 31 December 2002	87	488	5,681	6,256
Charge for the year	8	22	2,132	2,162
Disposals	–	–	(964)	(964)
Exchange adjustment	–	–	(234)	(234)
At 31 December 2003	95	510	6,615	7,220
Net book value				
At 31 December 2003	87	763	5,344	6,194
At 31 December 2002	95	785	3,685	4,565
At 31 December 2001	102	807	2,506	3,415

13. Investments Held as Fixed Assets

	2003	*2002*
	£'000	*£'000*
At 1 January	–	–
Additions during year	6,705	–
At 31 December	6,705	–

The addition during the year represents the purchase of an unlisted investment.

The companies in which the Company's interest is more than 10 per cent. are as follows:

Company	*Country of registration and operation*	*Principal activity*	*Ordinary shares held*
Afterhurst Limited*	England	Distribution of books	100%
Bios Scientific Publishers Limited*	England	Publishing of books	100%
CRC Press LLC*	USA	Publishing of books	100%
Carfax Publishing Limited*	England	Dormant	100%
Curzon Press Limited*	England	Dormant	100%
Europa Publications Limited	England	Dormant	100%
Falmer Press Limited*	England	Dormant	100%
Parthenon Publishing Group Limited*	England	Medical publishing and communications	100%
Martin Dunitz Limited	England	Publishing of medical books and journals	100%
Frank Cass & Co Limited	England	Publishing of books and journals	100%
Psychology Press Limited	England	Publishing of psychology books and journals	100%
Primal Pictures Limited	England	Production of film, compact disc and multimedia	16%
Routledge Publishing Holdings Limited	England	Holding Company	100%
Scandinavian University Press (UK) Limited*	England	Dormant	100%
Taylor & Francis AB*	Sweden	Provision of publishing services	100%
Taylor & Francis AS*	Norway	Publishing of journals	100%
Taylor & Francis Books Inc.*	USA	Publishing of books	100%
Taylor & Francis Books Limited*	England	Publishing of books	100%
Taylor & Francis Inc.*	USA	Publishing and distribution of books and journals	100%
Taylor & Francis Limited	England	Publishing and distribution of journals	100%
Taylor & Francis (Publishers) Inc.	USA	Holding company	100%
Taylor & Francis Publishing Services Limited	England	Provision of publishing services	100%
Tonterton Limited	Jersey	Holding company	100%
UCL Press Limited*	England	Publishing of books	100%

In the opinion of the directors the investments in and amounts due from the Company's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet. Details of other non-trading subsidiaries are available from the Company's registered office.

* These companies are indirect subsidiaries of Taylor & Francis Group plc.

14. Stocks

	2003 £'000	2002 £'000
Raw materials	603	557
Work in progress	5,761	6,018
Finished goods and goods for sale	28,631	24,523
	34,995	31,098

15(a). Debtors due within one year

	2003 £'000	2002 £'000
Trade debtors	30,240	28,122
Amounts owed by subsidiary undertakings	–	–
Other debtors	6,036	5,173
Prepayments and accrued income	1,918	1,459
	38,194	34,754

15(b). Debtors after more than one year

	2003 £'000	2002 £'000
Deferred taxation (see note 18)	500	1,028

16. Investments Held as Current Assets

	2003 £'000	2002 £'000
Short term bank deposits	–	11,988

17(a). Creditors: Amounts Falling Due Within One Year

	2003 £'000	2002 £'000
Bank loans and overdrafts	574	42,494
Loan notes	455	511
Trade creditors	4,005	7,637
Amounts owed to subsidiary undertakings	–	–
Corporation tax	8,970	9,288
Other taxes and social security	686	319
Other creditors	1,730	420
Dividends proposed	2,753	2,519
	19,173	63,188

17(b). Creditors: Amounts Falling Due After More Than One Year

	2003	2002
	£'000	£'000
Bank loans (secured)	95,099	–

The bank loans are secured on the shares held in all material subsidiaries by the Company.

An analysis of the maturity of debt is given in note 19(a).

Loan notes comprise £412,000 (2002: £452,000; 2001; £508,000) and £43,000 (2002: £59,000; 2001: £975,000) of loan notes payable to the management vendors of Routledge Publishing Holdings Limited and Curzon Press Limited, respectively. These notes are redeemable up to 1 January 2009 and 4 December 2006, respectively, at the holders' option and interest is payable at 0.5 per cent. below LIBOR and 1.0 per cent. below LIBOR, respectively.

18. Deferred Taxation

	2003	2002
	£'000	£'000
Deferred taxation asset	500	1,028

The movements during the year were as follows:

	2003	2002
	£'000	£'000
At 1 January	1,028	1,583
Current year charge	(252)	(635)
Prior year (charge)/credit	(100)	80
Reclassification of overseas Corporation Tax	(251)	–
Exchange difference	75	–
At 31 December	500	1,028

The deferred tax asset consists of the following amounts:

	2003	2002
	£'000	£'000
Depreciation in excess of capital allowances	198	399
Other timing differences	302	629
	500	1,028

A deferred tax asset of £500,000 has been recognised as at 31 December 2003, in accordance with FRS 19. This asset relates mainly to tax deductible expenses in overseas subsidiaries for which relief has yet to be obtained. The value of this asset is dependant upon future profits from those overseas subsidiaries and based on forecasts the directors are of the opinion that sufficient profits will be realised in due course to ensure that the asset is recoverable.

19. Financial Instruments

The Group's policies as regards derivatives and financial instruments are set out in the accounting policies and form part of these audited financial statements. The Group does not trade in financial instruments.

Short term debtors and creditors have been omitted from all disclosures other than the currency profile.

19(a). Maturity Profile of Group Financial Liabilities

	2003 *£'000*	*2002* *£'000*
Within one year or less or on demand	1,029	43,185
More than two years but not more than five years	95,794	–
	96,823	43,185
Unamortised element of loan premium	(695)	(180)
	96,128	43,005

The Group had the following committed undrawn borrowing facilities at 31 December:

Expiry date	*2003* *£'000*	*2002* *£'000*
In one year or less	3,000	16,800
In more than two years but not more than five years	69,206	–
	72,206	16,800

19(b). Interest Rate Profile

The following interest rate and currency profile of the Group's financial liabilities and assets is after taking into account any interest rate swaps entered into by the Group.

Financial Liabilities

				Fixed rate financial liabilities	
Currency	*Total* *£'000*	*Floating rate financial liabilities* *£'000*	*Fixed rate financial liabilities* *£'000*	*Weighted average interest rate* *%*	*Weighted average period for which the rate is fixed* *Years*
At 31 December 2003					
GBP	53,529	38,529	15,000	5.19	1.9
USD	43,294	15,363	27,931	3.04	1.9
Gross financial liabilities	96,823	53,892	42,931	4.22	1.9
At 31 December 2002					
GBP	30,826	27,626	3,200	6.33	1.0
USD	12,359	–	12,359	5.92	1.0
Gross financial liabilities	43,185	27,626	15,559	6.00	1.0

Interest on floating rate liabilities is based on the relevant national inter bank rates.

19. Financial Instruments (continued)

19(b). Interest Rate Profile (continued)

Financial Assets

Currency	*Total £'000*	*Floating rate financial assets £'000*	*Fixed rate financial assets £'000*	*Non-interest bearing assets £'000*
At 31 December 2003				
GBP	2,889	2,497	–	392
USD	9,170	8,085	–	1,085
AUD	44	24	–	20
CAD	72	–	–	72
SGD	32	–	–	32
MLR	15	–	–	15
NOK	88	88	–	–
SEK	61	61	–	–
INR	17	–	–	17
EUR	744	35	–	709
Gross financial assets	13,132	10,790	–	2,342

	Total £'000	*Floating rate financial assets £'000*	*Fixed rate financial assets £'000*	*Non-interest bearing assets £'000*
At 31 December 2002				
GBP	1,963	267	–	1,696
USD	15,430	2,761	11,988	681
AUD	156	142	–	14
CAD	12	–	–	12
SGD	112	–	–	112
MLR	8	–	–	8
NOK	123	123	–	–
SEK	76	76	–	–
INR	6	–	–	6
EUR	172	172	–	–
Gross financial assets	18,058	3,541	11,988	2,529

Financial assets comprise cash at bank and in hand of £13,132,000 (2002: £6,070,000; 2001: £8,163,000) and current asset investments of £nil (2002: £11,988,000; 2001: £5,501,000). Non-interest bearing assets are fully liquid and have no maturity period.

Interest on floating rate bank deposits is based on the relevant national inter bank rate and may be fixed in advance for up to one month. There were no fixed rate deposits as at 31 December 2003 or 2002.

19. Financial Instruments (continued)

19(c). Fair Values of Financial Assets and Liabilities

The fair values of the Group's financial assets and liabilities are not materially different from their carrying values as at 31 December 2003 and 2002.

Based on market values, the fair values as at 31 December 2003 of derivative financial instruments held to manage the interest rate and currency profile were as follows:

	Carrying amount 2003 £'000	*Estimated fair value 2003 £'000*	*Carrying amount 2002 £'000*	*Estimated fair value 2002 £'000*
Interest rate swaps	–	(66)	–	(479)
Forward foreign exchange contracts	–	3,045	–	2,708

19(d). Hedging

The Group's policy is to hedge the following exposures:

- interest rate risk – using interest swaps as appropriate; and
- currency exposures on the projected net surplus US dollar income – using forward foreign currency contracts.

Gains and losses on instruments used for hedging are not recognised until the exposure that is being hedged is itself recognised. As at 31 December 2003 and 2002 there were no other unrecognised gains or losses on instruments used for interest rate or currency hedging save as disclosed in note 19(c) above.

19(e). Currency Profile

The main functional currencies of the Group are sterling and the US dollar. After taking into account foreign currency borrowings (£43,294,000; 2002: £12,359,000; 2001: £25,063,000) used to hedge against net investments in foreign subsidiaries, the remaining monetary assets and liabilities are in the same currency as the functional currency of the operations involved.

20. Accruals and Deferred Income

	2003 £'000	*2002 £'000*
Subscriptions received in advance	49,065	42,414
Accruals	23,770	15,675
	72,835	58,089

21. Share Capital

Group and Company	*2003* *£'000*	*2002* *£'000*
Authorised		
125,000,000 (2002: 115,000,000) ordinary shares of 5p each	6,250	5,750

During the year an additional 10 million ordinary shares of 5p each were authorised.

Allotted, called up and fully paid		
85,850,668 ordinary shares of 5p each (2002: 85,670,426 of 5p each)	4,293	4,284

	2003 *£'000*	*2002* *£'000*
At 1 January	4,284	4,227
Options exercised	9	57
At 31 December	4,293	4,284

During the period options to purchase 180,242 ordinary 5p shares were exercised for a consideration of £568,000.

As at 31 December 2003, outstanding options to subscribe for ordinary shares of 5p were as follows:

Number	*Exercise price per share*	*Exercise period*
241,550	13.33p	06.11.00 to 05.11.04
15,672	381.50p	25.06.02 to 24.06.06
51,655	427.50p	04.11.02 to 03.11.06
49,805	427.50p	04.11.02 to 03.11.09
15,176	615.00p	08.06.03 to 07.06.07
12,619	591.38p	01.01.04 to 30.06.04
488,511	585.00p	26.04.04 to 25.04.08
47,058	510.00p	01.11.04 to 31.10.08
20,506	479.75p	01.01.05 to 30.06.05
16,143	575.50p	05.12.04 to 04.12.08
414,301	619.00p	26.04.05 to 25.04.09
140,392	672.50p	27.05.05 to 26.05.09
1,597	579.50p	01.08.04
116,959	427.50p	03.10.05 to 02.10.09
19,244	470.25p	01.01.06 to 30.06.06
751,833	432.50p	30.04.06 to 29.04.06
46,158	415.00p	01.08.05
12,063	444.00p	10.07.06 to 09.07.10
13,415	503.50p	01.01.07 to 30.06.07
57,391	517.50p	18.11.06 to 17.11.10
2,532,048		

22. Share Premium Account

	£'000
At 1 January 2002	43,989
Premium arising on	
– Options exercised during period	294
At 31 December 2002	44,283
Premium arising on	
– Options exercised during period	559
At 31 December 2003	44,842

23. Reserve for Own Shares

	£'000
At 1 January 2002	2,111
Deferred consideration settled in cash during the year	(844)
At 31 December 2002 and 31 December 2003	1,267

The balance at 31 December 2003 represents deferred consideration payable to the vendors of Routledge Publishing Holdings Limited if no claims are made against warranties given on the sale of that company. The balance is payable on 30 November 2005 and can be paid in either cash or shares at the Company's option.

24. Reserves

	2003	*2002*	*2001 As restated*
	£'000	*£'000*	*£'000*
Profit and loss account			
At 1 January as previously reported	28,050	23,255	13,348
Prior year adjustment	–	–	1,979
At 1 January as restated	28,050	23,255	15,327
Profit on ordinary activities after taxation	16,773	13,677	10,896
Dividend payable	(4,114)	(3,761)	(3,341)
Currency translation difference on foreign currency net investments	(1,444)	(5,121)	373
At 31 December	39,265	28,050	23,255

In accordance with the transitional provisions of FRS 17, Retirement Benefits, the following additional reconciliation is provided showing Group profit and loss account reserves if FRS 17 were to be adopted in full:

	2003	*2002*
	£'000	*£'000*
Profit and loss account excluding pension liability	39,265	28,050
Pension liability (note 33)	(2,943)	(2,291)
Profit and loss account after deducting pension liability	36,322	25,759

25. Reconciliation of Movements in Consolidated Shareholders' Funds

	2003 £'000	2002 £'000
Profit for the year	16,773	13,677
Dividends	(4,114)	(3,761)
Retained profit for the year	12,659	9,916
Currency translation difference on foreign currency net investments	(1,444)	(5,121)
Proceeds of new share issues (net)	568	351
Decrease in reserve for own shares	–	(844)
	11,783	4,302
Opening shareholders' funds – as previously reported	77,884	73,582
Closing shareholders' funds	89,667	77,884

26. Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	2003 £'000	2002 £'000	2001 £'000
Operating profit	30,048	25,911	22,296
Depreciation and amortisation	11,938	8,743	8,597
Decrease/(increase) in stocks	159	(807)	(2,392)
Decrease/(increase) in debtors	4,213	(29)	(5,146)
(Decrease)/increase in creditors	(1,467)	(2,810)	8,879
Net cash inflow from operating activities	44,891	31,008	32,234

CRC Press (see note 34) contributed £1,990,000 to the net cash inflow from operating activities during the year ended 31 December 2003.

27. Reconciliation of Net Cash Flow to Movement in Net Debt

	2003 £'000	2002 £'000	2001 £'000
Increase in cash net of overdrafts in the period	7,403	488	3,500
(Increase)/decrease in bank loans and loan notes	(61,602)	4,790	8,943
Cash flow from (decrease)/increase in liquid resources	(11,988)	6,487	(13,178)
Change in net debt resulting from cash flows	(66,187)	11,765	(735)
Foreign exchange translation difference	8,138	2,010	(974)
Movement in net debt during the period	(58,049)	13,775	(1,709)
Opening net debt	(24,947)	(38,722)	(37,013)
Closing net debt (note 29)	(82,996)	(24,947)	(38,722)

28. Management of Liquid Resources

	2003 £'000	2002 £'000	2001 £'000
Cash withdrawn from/(invested in) from deposit accounts	11,988	(6,487)	13,178
Cash flow from decrease/(increase) in liquid resources	11,988	(6,487)	13,178

29. Analysis of Net Debt

	At January 2002 £'000	*Cash flow £'000*	*Exchange Movement £'000*	*At 31 December 2002 £'000*	*Cash flow £'000*	*Exchange movement £'000*	*At 31 December 2003 £'000*
Cash at bank and in hand	8,163	(2,093)	–	6,070	7,062	–	13,132
Overdrafts	(3,496)	2,581	–	(915)	341	–	(574)
Net cash	4,667	488	–	5,155	7,403	–	12,558
Bank loans and loan notes	(48,890)	4,790	2,010	(42,090)	(61,602)	8,138	(95,554)
Current asset investments	5,501	6,487	–	11,988	(11,988)	–	–
Total (note 27)	(38,722)	11,765	2,010	(24,947)	(66,187)	8,138	(82,996)

30. Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2003		*2002*	
	Land & buildings £'000	*Other £'000*	*Land & buildings £'000*	*Other £'000*
Operating leases which expire:				
– Within one year	1,494	141	359	75
– Within two to five years	919	148	1,401	196
– After five years	722	–	494	20
	3,135	289	2,254	291

The Group had capital commitments at 31 December 2003 of £517,000 (2002: £130,000; 2001: £nil).

31. Contingent Liabilities

The Company has guaranteed the overdrafts of certain of its UK subsidiaries, up to a combined maximum of £3 million.

The Company has also guaranteed £43,000 of loan notes outstanding and issued by its indirect subsidiary, Taylor & Francis Books Limited.

The Company has also guaranteed the lease commitments of certain of its US subsidiaries which amount annually to $255,000.

As at 31 December 2003 the Company has entered into forward exchange contracts for a total of $40.0 million to be converted into sterling, as follows during 2004:

January 2004	$30.0 million @ $1.584
February 2004	$10.0 million @ $1.550

32. Pension Schemes

As explained in the accounting policies, in the UK the Group operates a pension scheme for eligible UK employees providing benefits based on final pensionable pay (the "Scheme''). Contributions are charged to the profit and loss account so as to spread the cost of contributions over employees' working lives with the Group. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 30 September 2002. This does not take into account any impact of the general fall in stock markets since that date. Any such impact will be reflected in the next valuation. The assumptions which have the most significant effect on the results of the valuation are those relating to the growth rate of the fund and the rates of increase in salaries. A growth rate of 9 per cent. for the fund, a 6.5 per cent. salary increase per annum, an increase in pensions of 4.5 per cent. per annum and dividend growth of 5.0 per cent. per annum have been assumed.

The most recent actuarial valuation showed that the market value of the Scheme's assets was £4,271,000 and that the actuarial value of those assets represented 66 per cent. of the benefits that had accrued to members, assuming all members were to leave the Scheme at the valuation date with an entitlement to normal leaving service benefit.

The most recent actuarial valuation also showed that the deficit of the Scheme's liabilities over assets on an on-going basis was £2,248,000. In order to address this deficit an additional provision of £554,000 was made in 2002 (2001: £250,000) to reflect recent concerns about returns generated by equities, which form the largest part of the Scheme assets.

The pension charge in the profit and loss account (before the additional provision of £554,000 in 2002 (2001: £250,000) referred to above) for the Scheme amounted to £241,000 (2002: £353,000; 2001: £371,000), which is not materially different from the regular pension cost.

As a result of the actuarial valuation as at 30 September 2002, the Company has increased contributions from 10.7 per cent. to 33.6 per cent. of pensionable salaries from 1 January 2004 until 30 September 2006 and 21.4 per cent. thereafter. The Scheme is closed to new entrants and so this contribution rate is likely to increase as the membership ages.

The Group also operates three defined contribution schemes in the UK. Contributions during the year were £370,000 (2002: £283,000; 2001: £242,000).

In the US the Group operates a pension scheme providing benefits based on the value of contributions paid. £453,000 (2002: £414,000; 2001: £371,000) was paid in respect of the US defined contributions scheme.

33. Additional FRS 17 Retirement Benefit Disclosures

A full valuation of the Group's Final Salary Scheme was undertaken as at 30 September 2002 and updated to 31 December 2003 by a qualified independent actuary. The major assumptions used by the actuary were as follows:

	At 31 December 2003	*At 31 December 2002*	*At 31 December 2001*
Rate of increase in salaries	3.75% p.a.	3.30% p.a.	3.50% p.a.
Limited price indexation pension increases	2.75% p.a.	2.30% p.a.	2.50% p.a.
Discount rate	5.40% p.a.	5.75% p.a.	6.00% p.a.
Inflation assumption	2.75% p.a.	2.30% p.a.	2.50% p.a.

The assets of the Scheme are held in managed funds and cash funds operated by Henderson Investment Managers.

33. Additional FRS 17 Retirement Benefit Disclosures (continued)

The fair value of the assets held and the expected rates of return assumed are as follows:

	Expected rate of return year commencing 31 December 2003 %	*Value at 31 December 2003 £'000*	*Expected rate of return year commencing 31 December 2002 %*	*Value at 31 December 2002 £'000*	*Expected rate of return year commencing 1 December 2001 %*	*Value at 31 December 2001 £'000*
Equities and property	7.80	2,938	7.50	2,620	8.00	4,573
Bonds	5.10	347	4.75	346	5.25	742
Cash	3.75	1,408	4.00	1,472	4.00	59
		4,693		4,438		5,374

The funding position was as follows:

	At 31 December 2003 £'000	*At 31 December 2002 £'000*	*At 31 December 2001 £'000*
Total market value of assets	4,693	4,438	5,374
Present value of Scheme liabilities	(8,898)	(7,711)	(5,925)
Deficit in the Scheme	(4,205)	(3,273)	(551)
Related deferred tax credit	1,262	982	165
Net pension liability	(2,943)	(2,291)	(386)

Analysis of amount chargeable to operating profit if FRS 17 were to be adopted:

	Year ended 31 December 2003 £'000	*Year ended 31 December 2002 £'000*
Current service cost	349	296
Past service cost	–	–
Total operating charge	349	296

Analysis of amount to be credited to other finance income if FRS 17 were to be adopted:

	Year ended 31 December 2003 £'000	*Year ended 31 December 2002 £'000*
Expected cost return on pension scheme assets	263	418
Interest cost on pension scheme liabilities	(420)	(354)
Net finance (cost)/return	(157)	64

33. Additional FRS 17 Retirement Benefit Disclosures (continued)

Analysis of amount recognisable in consolidated Statement of Total Recognised Gains and Losses (STRGL) if FRS 17 were to be adopted:

	Year ended 31 December 2003 £'000	*Year ended 31 December 2002 £'000*
Actual return less expected return on pension scheme assets	279	(1,632)
Experience gains and losses arising on scheme liabilities	225	(713)
Effect of changes in assumptions underlying present value of scheme liabilities	(1,151)	(419)
Total actuarial loss recognised in STRGL	(647)	(2,764)

Movement in deficit during the year:

	Year ended 31 December 2003 £'000	*Year ended 31 December 2002 £'000*
Deficit in Scheme at beginning of year	(3,273)	(551)
Current service cost	(349)	(296)
Contributions	221	274
Other finance (costs)/income	(157)	64
Actuarial loss	(647)	(2,764)
Deficit in Scheme at end of year	(4,205)	(3,273)

History of experience gains and losses:

	Year ended 31 December 2003 £'000	*Year ended 31 December 2002 £'000*
Difference between expected and actual return on Scheme assets:		
Amount (£'000)	279	(1,632)
Percentage of Scheme assets	6%	(37)%
Experience gain and losses on Scheme liabilities:		
Amount (£'000)	225	(713)
Percentage of present value in Scheme liabilities	3%	(9)%
Total amount recognised in STRGL:		
Amount (£'000)	(647)	(2,764)
Percentage of present value of Scheme liabilities	(7)%	(36)%

34. Acquisitions

The following tables show the book values and adjustments made to arrive at the fair values of the major categories of assets and liabilities acquired and included in the consolidated financial statements at the respective dates of acquisition. The acquisitions have been accounted for by the acquisition method of accounting.

Cash outflow in respect of acquisitions was £82,379,000 (net of £1,611,000 cash acquired) (2002: £2,946,000; 2001: £18,688,000 (net of dividend of £122,000 cash acquired)).

(1) ***Praxton Limited (including Bios Scientific Publishers Limited)***

Business acquired 31 January 2003	*Book value £'000*	*Fair value adjustments £'000*	*Fair value £'000*
Tangible Fixed Assets	136	(90)	46
Stocks	438	(173)	265
Debtors	586	(196)	390
Cash at bank and in hand	(460)	–	(460)
Creditors and provisions	(1,123)	30	(1,093)
Net liabilities	(423)	(429)	(852)
Goodwill			4,063
			3,211
Discharged by cash			3,211

Fair value adjustments have been made to provide for slow moving stock lines, irrecoverable debts and write off obsolete tangible fixed assets.

During the post acquisition period ended 31 December 2003 the Praxton Group (including Bios Scientific Publishers Limited) contributed £713,000 to Group turnover and £89,000 to profit after tax.

The profit after tax for the Praxton Group (including Bios Scientific Publishers Limited) prior to acquisition was not significant for the period 1 January 2003 to acquisition on 31 January 2003. For the year ended 31 December 2002 the Group made a loss of £35,000.

(2) ***Frank Cass and Co. Limited***

Business acquired 28 July 2003	*Book value £'000*	*Fair value adjustments £'000*	*Fair value £'000*
Fixed Assets	165	(38)	127
Stocks	542	(200)	342
Debtors	718	(264)	454
Cash at bank and in hand	2,029	–	2,029
Creditors and provisions	(2,033)	(379)	(2,412)
Net assets	1,421	(881)	540
Provisional goodwill			10,420
			10,960
Discharged by cash			10,610
Deferred consideration			350
			10,960

34. Acquisitions (continued)

(2) Frank Cass and Co. Limited (continued)

Fair value adjustments have been made to provide for slow moving stock lines, returns and unrecoverable debts.

The payment of the deferred consideration is contingent on the future sales performance of the business acquired.

During the post acquisition period ended 31 December 2003 Frank Cass & Co. Limited contributed £1,779,000 to Group turnover and £280,000 to profit after tax.

The goodwill figure is provisional pending the finalisation of completion accounts.

The profit after tax for Frank Cass & Co. Limited prior to acquisition for the period from 30 June 2003 to acquisition was *de minimus* and was £309,000 for the year ended 30 June 2002.

(3) ***Swets & Zeitlinger Publishers (SZP)***

Business acquired 31 October 2003	*Book value £'000*	*Fair value adjustments £'000*	*Fair value £'000*
Fixed Assets	66	–	66
Stocks	650	(548)	102
Debtors	500	–	500
Creditors and provisions	(577)	(205)	(782)
Net assets	639	(753)	(114)
Provisional goodwill			11,705
			11,591
Discharged by cash			11,591

Fair value adjustments have been made to provide for unrecorded liabilities and obsolete and slow moving stock. The goodwill figure is provisional pending the finalisation of completion accounts.

During the post acquisition period ended 31 December 2003 SZP contributed £651,000 to Group turnover and £108,000 to profit after tax.

It is not practical to identify the pre acquisition profit after tax of the SZP business acquired as it formed part of a larger divisional entity.

34. Acquisitions (continued)

(4) *CRC Press (including Parthenon Publishing Group Limited)*

Business acquired 7 April 2003	*Book value* £'000	*Fair value adjustments* *Revaluations* £'000	*Fair value adjustments* *Accounting Policy Changes* £'000	*Fair value* £'000
Fixed Assets	1,805	–	(607)	1,198
Stocks	8,386	(577)	(4,127)	3,682
Debtors	6,743	(433)	–	6,310
Cash at bank and in hand	42	–	–	42
Creditors	(7,979)	(675)	–	(8,654)
Net assets	8,997	(1,685)	(4,734)	2,578
Goodwill				56,000
				58,578
Discharged by cash				58,578

Fair value adjustments have been made to bring accounting policies for stock valuation and the capitalisation of costs into line with Group policy as well as providing for slow moving stock lines, unrecoverable debts and additional liabilities.

During the post acquisition period CRC Press (including Parthenon Publishing Group Limited) contributed £23,428,000 to Group turnover and £1,679,000 to profit after tax.

The results of the acquired CRC Press business (including Parthenon Publishing Group Limited) prior to acquisition were as follows:

	1 January 2003 to 7 April 2003 £'000	*Year ended 31 December 2002* £'000
Turnover	7,173	34,493
Operating (loss)/profit	(24)	4,581
Net interest payable	21	103
(Loss)/profit before tax	(45)	4,478
Tax	25	143
(Loss)/profit after tax	(70)	4,335

In addition to the (loss)/profit for the periods the business also recorded gains related to currency translation differences of £94,000 for the period from 1 January 2003 to 7 April 2003 and £237,000 for the year ended 31 December 2002.

34. Acquisitions (continued)

(5) *Fitzroy Dearborn*

Assets acquired 9 September 2002	*Book value* *£'000*	*Fair value adjustments* *£'000*	*Fair value* *£'000*
Stocks	1,756	(300)	1,456
Creditors and provisions	(319)	–	(319)
Net assets	1,437	(300)	1,137
Goodwill as disclosed in 2002 Annual Report			1,809
Discharged by cash			2,946

The fair value adjustment has been made to provide for slow moving stock lines.

An increase of £335,000 has been recorded in 2003 in the goodwill of £1,809,000 arising from the Fitzroy Dearborn acquisition. The increase in goodwill relates to a further adjustment being required to the valuation of stock. The total goodwill recorded for the Fitzroy Dearborn acquisition is now £2,144,000.

(6) Post year end acquisition

On 2 January 2004 the business and certain assets and liabilities of Marcel Dekker were acquired for a consideration of £79.3 million. In the year ended 31 December 2002 Dekker's sales were US$42.0 million (£24.9 million) and its operating profit before exceptional items and shareholders' costs was US$5.1 million (£3.0 million).

Part IV

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following unaudited pro forma financial information has been prepared, for illustrative purposes only, to show the effects of the Merger on the profit and loss account and the combined net assets of the Enlarged Group.

The unaudited pro forma profit and loss account for the year ended 31 December 2003 has been prepared as if the Merger had taken place on 1 January 2003. The unaudited pro forma statement of combined net assets as at 31 December 2003 has been prepared as if the Merger had occurred on that date.

The unaudited pro forma financial information also shows the effect of the acquisition of PJB Publications Limited which was completed by Informa on 23 December 2003. The pro forma profit and loss account reflects this transaction as if it had occurred immediately prior to 1 January 2003. The consolidated Informa profit and loss account for the year ended 31 December 2003 includes the results of PJB for the period from the date of acquisition to 31 December 2003. The impact of not adjusting for the results already included in the consolidated Informa profit and loss account is not considered to be material to the unaudited pro forma profit and loss account. The acquisition had completed prior to 31 December 2003 and consequently its effect is already reflected in the Informa balance sheet at that date.

The unaudited pro forma financial information also shows the effect of the acquisition of the business and substantially all of the assets and liabilities of Marcel Dekker and its subsidiary undertakings which was completed by Taylor & Francis after 1 January 2004. The pro forma profit and loss account reflects this transaction as if it had occurred immediately prior to 1 January 2003 and the pro forma balance sheet reflects this transaction as if it had occurred on 31 December 2003.

Although the adjustments for the acquisitions of PJB and Marcel Dekker are not directly related to the Merger, the Directors of Informa believe it would be misleading not to include them.

The unaudited pro forma financial information has been prepared for illustrative purposes only and, because of its nature, may not give a true picture of the financial position of the Enlarged Group following the completion of the Merger.

Unaudited pro forma Profit and Loss Account

		Adjustments				
	Informa 31 December 2003 £'000	*Taylor & Francis 31 December 2003 £'000*	*PJB 31 August 2003 £'000*	*Marcel Dekker 31 December 2002 £'000*	*Other 31 December 2003 £'000*	*Pro forma Enlarged Group 31 December 2003 £'000*
Turnover	267,997	173,679	23,386	25,816	–	490,878
Operating costs (excluding exceptional items)	(230,515)	(130,569)	(14,314)	(23,831)	–	(399,229)
Operating profit before exceptional items and goodwill amortisaion	37,482	43,110	9,072	1,985	–	91,649
Exceptional items	(8,543)	(3,286)	–	–	–	(11,829)
Operating profit before goodwill amortisation	28,939	39,824	9,072	1,985	–	79,820
Goodwill amortisation	(11,534)	(9,776)	–	–	(10,224)	(31,534)
Operating profit	17,405	30,048	9,072	1,985	(10,224)	48,286
Loss on sale and termination of operations	(3,822)	–	–	–	–	(3,822)
Profit on ordinary activities before interest	13,583	30,048	9,072	1,985	(10,224)	44,464
Net interest payable and similar charges	(5,847)	(3,525)	803	(44)	–	(8,613)
Profit on ordinary activities before taxation	7,736	26,523	9,875	1,941	(10,224)	35,851
Tax on profit on ordinary activities	(6,793)	(9,750)	(3,115)	(83)	–	(19,741)
Profit on ordinary activities after taxation	943	16,773	6,760	1,858	(10,224)	16,110
Minority interests – equity	(84)	–	–	–	–	(84)
Profit for the year attributable to shareholders	859	16,773	6,760	1,858	(10,224)	16,026
Dividends	(11,089)	(4,114)	(5,204)	(2,356)	–	(22,763)
Retained profit/(loss) for the year	(10,230)	12,659	1,556	(498)	(10,224)	(6,737)

Unaudited pro forma statement of combined net assets

		Adjustments			
	Informa 31 December 2003 £'000	*Taylor & Francis 31 December 2003 £'000*	*Marcel Dekker 31 December 2002 £'000*	*Other £'000*	*Pro forma Enlarged Group 31 December 2003 £'000*
Fixed assets					
Intangible assets	306,131	177,054	–	80,507	563,692
Tangible assets	27,262	6,194	1,554	–	35,010
Investments	6,893	6,705	128	–	13,726
	340,286	189,953	1,682	80,507	612,428
Current assets					
Stocks	7,419	34,995	6,484	–	48,898
Debtors	56,163	38,694	2,030	–	96,887
Cash at bank and in hand	10,455	13,132	–	(15,000)	8,587
	74,037	86,821	8,514	(15,000)	154,372
Creditors: amounts falling due within one year	(142,732)	(19,173)	(10,197)	–	(172,102)
Net current (liabilities)/ assets	(68,695)	67,648	(1,683)	(15,000)	(17,730)
Total assets less current liabilities	271,591	257,601	(1)	65,507	594,698
Creditors: amounts falling due after more than one year	(183,168)	(167,934)	(225)	(80,281)	(431,608)
Provisions for liabilities and charges	(10,903)	–	–	–	(10,903)
Minority interests	(79)	–	–	–	(79)
Net assets	77,441	89,667	(226)	(14,774)	152,108

Notes to the pro forma consolidated financial information on the Enlarged Group

1. Basis of preparation

The unaudited pro forma financial information has been prepared on a basis consistent with the accounting policies of Informa.

Informa

Financial information in respect of Informa for the year ended 31 December 2003 has been extracted without material adjustment from the annual report and accounts for the year ended 31 December 2003. Informa financial information for the year ended 31 December 2003 is included in Part II of this document.

Taylor & Francis

Financial information in respect of Taylor & Francis for the year ended 31 December 2003 has been extracted without material adjustment from the annual report and accounts for the year ended 31 December 2003. Taylor & Francis financial information for the year ended 31 December 2003 is included in Part III of this document.

PJB

Financial information in respect of PJB for the year ended 31 August 2003 has been extracted without material adjustment from the annual report and financial statements for the year ended 31 August 2003.

Marcel Dekker

Financial information in respect of the Marcel Dekker business has been extracted without material adjustment except as set out below from the financial statements of Marcel Dekker, Inc. and its subsidiary undertakings for the year ended 31 December 2002. Adjustments have been made to eliminate cash of $4.1 million and marketable securities of $7.0 million as these assets were retained by the sellers and to deduct an amount of $1.2 million from fixed assets representing the net book value of certain other assets retained by the sellers. The consolidated financial statements of Marcel Dekker, Inc. and its subsidiary undertakings for the year ended 31 December 2002 were prepared in US dollars. The Marcel Dekker profit and loss account for the year ended 31 December 2002 has been translated into sterling using Informa's average exchange rate for the year ended 31 December 2003. The Marcel Dekker balance sheet as at 31 December 2002 has been translated into sterling using the exchange rate ruling at 31 December 2003, as used in the preparation in the Informa's audited consolidated financial statements for the year ended 31 December 2003.

2. Adjustments to the unaudited pro forma profit and loss account

The adjustments to the unaudited pro forma profit and loss account represent one year's amortisation of the goodwill arising on the acquisitions of each of PJB and the Marcel Dekker business. No goodwill arises as a result of the Merger, which is intended to be accounted for using the principles of merger accounting.

3. Adjustments to the unaudited pro forma statement of combined net assets

Adjustments have been made to the pro forma balance sheet to reflect:

(a) The consideration payable in respect of the Marcel Dekker business, being a cash payment of $122.0 million, $1.6 million of loan notes and a further cash payment at completion of $18.4 million. The total estimated consideration of £80.3 million has been included as an adjustment to creditor accounts falling due after more than one year.

(b) Goodwill arising on the acquisition of the Marcel Dekker business of £80.5 million representing the difference between the estimated consideration of £80,281,000 and the adjusted net liabilities of £226,000 as at 31 December 2002.

(c) The estimated costs of the Merger of £15 million.

4. Segmental analysis

The following unaudited pro forma segmental information has been prepared, for illustrative purposes only, to show the effects of the Merger on the turnover of the Enlarged Group.

Turnover by sector

		Adjustments				
	Informa 31 December 2003 £'000	*Taylor & Francis 31 December 2003 £'000*	*PJB 31 August 2003 £'000*	*Marcel Dekker 31 December 2002 £'000*	*Other 31 December 2003 £'000*	*Pro forma Enlarged Group 31 December 2003 £'000*
Academic	–	173,679	–	25,816	–	199,495
Professional	146,496	–	23,386	–	–	169,882
Commercial	121,501	–	–	–	–	121,501
	267,997	173,679	23,386	25,816	–	490,878

The unaudited pro forma segmental information presented above is taken from the following sources:

Informa – the information is extracted without material adjustment from accounting records in respect of the year ended 31 December 2003.

Taylor & Francis – the information is extracted without material adjustment from accounting records in respect of the year ended 31 December 2003.

PJB – the information is extracted without material adjustment from accounting records in respect of the year ended 31 August 2003.

Marcel Dekker – the information is extracted without material adjustment from accounting records in respect of the year ended 31 December 2002.

Turnover by media delivery format

		Adjustments				
	Informa 31 December 2003 £'000	*Taylor & Francis 31 December 2003 £'000*	*PJB 31 August 2003 £'000*	*Marcel Dekker 31 December 2002 £'000*	*Other 31 December 2003 £'000*	*Pro forma Enlarged Group 31 December 2003 £'000*
Subscriptions	98,550	77,225	17,392	14,934	–	208,101
Copy sales	10,813	96,454	3,124	10,882	–	121,273
Advertising	29,242	–	2,870	–	–	32,112
Events	121,455	–	–	–	–	121,455
Other	7,937	–	–	–	–	7,937
	267,997	173,679	23,386	25,816	–	490,878

4. Segmental analysis (continued)

	Informa[1] *31 December 2003*	*Taylor & Francis*[2] *31 December 2003*	*Pro forma Enlarged Group 31 December 2003*
Subscriptions	40%	46%	42%
Copy sales	5%	54%	24%
Advertising	11%	–	7%
Events	41%	–	25%
Other	3%	–	2%
	100%	100%	100%

(1) Informa includes PJB for the year ended 31 August 2003

(2) Taylor & Francis includes Marcel Dekker for the year ended 31 December 2002.

The unaudited pro forma segmental information presented above is taken from the following sources:

Informa – the information is extracted without material adjustment from accounting records in respect of the year ended 31 December 2003.

Taylor & Francis – the information is extracted without material adjustment from accounting records in respect of the year ended 31 December 2003.

PJB – the information is extracted without material adjustment from accounting records in respect of the year ended 31 August 2003.

Marcel Dekker – the information is extracted without material adjustment from accounting records in respect of the year ended 31 December 2002.

Turnover by geographical location of customer

		Adjustments				
	Informa 31 December 2003 £'000	*Taylor & Francis 31 December 2003 £'000*	*PJB 31 August 2003 £'000*	*Marcel Dekker 31 December 2002 £'000*	*Other 31 December 2003 £'000*	*Pro forma Enlarged Group 31 December 2003 £'000*
UK	51,593	39,542	9,974	707	–	101,816
North America	74,139	68,891	4,947	17,532	–	165,509
Continental Europe	109,855	31,100	6,470	3,317	–	150,742
Rest of the World	32,410	34,146	1,995	4,260	–	72,811
	267,997	173,679	23,386	25,816	–	490,878

4. Segmental analysis (continued)

Revenue by destination	*Informa*[1] *31 December 2003*	*Taylor & Francis*[2] *31 December 2003*	*Pro forma Enlarged Group 31 December 2003*
UK	21%	20%	21%
North America	27%	43%	33%
Continental Europe	40%	17%	31%
Rest of the world	12%	20%	15%
	100%	100%	100%

(1) Informa includes PJB for the year ended 31 August 2003

(2) Taylor & Francis includes Marcel Dekker for the year ended 31 December 2002.

The unaudited pro forma segmental information presented above is taken from the following sources:

Informa – the information is extracted without material adjustment from the notes to the annual report and accounts for the year ended 31 December 2003.

Taylor & Francis – the information is extracted without material adjustment from the notes to the annual report and accounts for the year ended 31 December 2003.

PJB – the information is extracted without material adjustment from accounting records in respect of the year ended 31 August 2003.

Marcel Dekker – the information is extracted without material adjustment from accounting records in respect of the year ended 31 December 2002.

5. Net debt

The following unaudited pro forma net debt information has been prepared, for illustrative purposes only, to show the effects of the Merger on the net debt of the Enlarged Group.

		Adjustments			
	Informa 31 December 2003 £'000	*Taylor & Francis 31 December 2003 £'000*	*Marcel Dekker 31 December 2002 £'000*	*Other £'000*	*Pro forma Enlarged Group 31 December 2003 £'000*
Current assets					
Cash at bank and in hand	10,455	13,132	–	(15,000)	8,587
Creditors: amounts falling due within one year					
Bank loans and overdrafts	(5,472)	(574)	–	–	(6,046)
Loan notes	–	(455)	–	–	(455)
Finance leases	(40)	–	–	–	(40)
Creditors: amounts falling due after more than one year					
Bank loans	(177,245)	(95,099)	–	(80,281)	(352,625)
Loan notes	(5,877)	–	–	–	(5,877)
Finance leases	(20)	–	–	–	(20)
Net debt	(178,199)	(82,996)	–	(80,281)	(356,476)

The pro forma net debt information presented above is taken from the following sources:

Informa – the information is extracted without material adjustment from the notes to the annual report and accounts for the year ended 31 December 2003.

Taylor & Francis – the information is extracted without material adjustment from the notes to the annual report and accounts for the year ended 31 December 2003.

Marcel Dekker – the information is extracted without material adjustment from the notes to the financial statements of Marcel Dekker, Inc. and its subsidiary undertakings for the year ended 31 December 2002. Adjustment has been made to eliminate cash and marketable securities as these assets were retained by the sellers.

6. Post balance sheet trading

No account has been taken of trading since 31 December 2003 or, in the case of PJB, 31 August 2003 or, in the case of Marcel Dekker, 31 December 2002.

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19 March 2004

Dear Sirs

Informa Group plc

We report on the pro forma financial information set out in Part IV of the Listing Particulars dated 19 March 2004 which has been prepared, for illustrative purposes only, to provide information about how the Merger might have affected the financial information presented.

Responsibilities

It is the responsibility solely of the Directors and Proposed Directors of Informa Group plc to prepare the pro forma financial information in accordance with paragraph 12.29 of the Listing Rules of the UK Listing Authority.

It is our responsibility to form an opinion, as required by the Listing Rules of the UK Listing Authority, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards and Bulletin 1998/8 "Reporting on pro forma financial information pursuant to the Listing Rules" issued by the Auditing Practices Board of the United Kingdom. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the pro forma financial information with the Directors and Proposed Directors of Informa Group plc.

Opinion

In our opinion:

- the pro forma financial information has been properly compiled on the basis stated;
- such basis is consistent with the accounting policies of Informa Group plc; and
- the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 12.29 of the Listing Rules of the UK Listing Authority.

Yours faithfully
KPMG Audit Plc

Part V

CONDITIONS TO THE MERGER AND THE IMPLEMENTATION OF THE SCHEME

1. The Merger is conditional upon the Scheme becoming unconditional and becoming effective, subject to the City Code, by not later than 31 May 2004 or such later date (if any) as Taylor & Francis and Informa may agree and the Court may allow.

2. The Scheme is conditional upon:

   (a) the passing at the Informa Extraordinary General Meeting, or at any adjournment of such extraordinary general meeting, of any resolution or resolutions which are necessary or, in the opinion of Informa, desirable to approve, fund, effect and implement the Merger and the acquisition of Taylor & Francis and of any Taylor & Francis Shares;

   (b) the approval of the Scheme by a majority in number of Taylor & Francis Shareholders, representing 75 per cent. or more in value present and voting, either in person or by proxy, at the Taylor & Francis Court Meeting, or at the adjournment of such Taylor & Francis Court Meeting;

   (c) any resolutions required to approve and implement the Scheme being duly passed by the requisite majority at the Taylor & Francis Extraordinary General Meeting, or at any adjournment of such extraordinary general meeting;

   (d) the sanction (with or without modifications, on terms reasonably acceptable to Informa and Taylor & Francis) of the Scheme and confirmation of the reduction of capital involved therein by the Court and an office copy of the Court Order being delivered by Taylor & Francis to the Registrar of Companies in England and Wales and registration of the Court Order confirming the reduction of capital involved in the Scheme by the Registrar of Companies in England and Wales; and

   (e) the admission to the Official List of the new Informa Shares becoming effective in accordance with the Listing Rules and the admission of such shares to the London Stock Exchange's market for listed securities becoming effective or (if determined by Informa and Taylor & Francis and subject to the consent of the Panel) the UK Listing Authority agreeing or confirming its decision to admit such shares to the Official List and the London Stock Exchange agreeing to admit such shares to trading subject only to (i) the allotment of such shares and/or (ii) the Scheme becoming unconditional in all respects.

3. Taylor & Francis and Informa have agreed that, subject as stated in paragraph 4 below, the Merger is also conditional upon (and accordingly the necessary action to make the Scheme effective will not be taken unless the following conditions are satisfied or, where relevant, waived as referred to below prior to the Scheme being sanctioned by the Court):

   (a) in relation to the United Kingdom, the Office of Fair Trading indicating in terms satisfactory to Informa and Taylor & Francis either:

      (i) that the proposed transaction does not constitute a relevant merger situation in accordance with section 23 of the Enterprise Act 2002; or

      (ii) that the Office of Fair Trading does not intend to refer the Merger or any part of the Merger or any matter arising therefrom to the Competition Commission and has not made a request to the European Commission under Article 22(3) of the Regulation that the Merger or any part of the Merger or any matter arising therefrom be reviewed by the European Commission; or

      (iii) that the Office of Fair Trading, having previously announced to Informa and Taylor & Francis its intention to refer the Merger to the Competition Commission unless Informa or Taylor & Francis enters into certain undertakings, has accepted undertakings agreed by

Informa and Taylor & Francis in lieu of reference of the Merger to the Competition Commission under section 73 of the Enterprise Act 2002;

(b) all filings (if any) in connection with the Merger and matters arising therefrom having been made under the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended) and the regulations made thereunder, all or any appropriate waiting and other time periods (including extensions thereof) having expired, lapsed or been terminated;

(c) in relation to Germany, consent to the transaction by the Bundeskartellamt (German Federal Cartel Office) being obtained by way of:

  (i) an explicit clearance decision within the one month period (the "Period") referred to in section 40 (1) GWB (German Act Against Restraints of Competition);

  (ii) a tacit clearance pursuant to section 40 (1) GWB whereby during the Period the Bundeskartellamt has neither issued an explicit clearance nor indicated that it has initiated main examination proceedings;

  (iii) an explicit clearance decision pursuant to section 40 (2) sentence 1 GWB;

  (iv) a deemed clearance pursuant to section 40 (2) sentence 2 GWB; or

  (v) a clearance decision subject to conditions and obligations pursuant to section 40 (3) GWB provided that the conditions and obligations are reasonably satisfactory to Informa and Taylor & Francis;

(d) the obtaining, in form and substance satisfactory to Informa and Taylor & Francis, of all such other consents or clearances (including deemed consents and clearances) as are agreed between Informa and Taylor & Francis to be appropriate in respect of the Merger, or any matters arising therefrom, under the merger control rules of any state or jurisdiction;

(e) no central bank, government or governmental, quasi-governmental, supranational, statutory or regulatory body, or any court, institution, investigative body, competition authority, association, trade agency or professional or environmental body or (without prejudice to the generality of the foregoing) any other person or body in any jurisdiction (each, a "Relevant Authority") having decided to take, instituted, implemented or threatened any action, proceedings, suit, investigation or enquiry or enacted, made or proposed any statute, regulation or order or otherwise taken any other step or done any thing, and there not being outstanding any statute, legislation or order, that would or might:

  (i) make the Merger void, illegal or unenforceable in or under the laws of any jurisdiction, or otherwise directly or indirectly restrain, prevent, prohibit, restrict or delay the same or impose additional conditions or obligations with respect to the Merger or otherwise materially impede, challenge or interfere with the Merger or the implementation of the same (or any matter arising therefrom) or require amendment or alteration to the terms of the Merger;

  (ii) restrict, restrain, prohibit, impose additional conditions or obligations with respect to, or otherwise materially interfere with or delay the implementation of, the Merger or the acquisition of any Taylor & Francis Shares by Informa or any matters arising therefrom;

  (iii) require, prevent, delay or alter the terms envisaged for any proposed divestiture or otherwise affect the divestiture by Informa or any of its subsidiaries, subsidiary undertakings or associated undertakings (including any company of which 20 per cent. or more of the voting capital is held by the Informa Group or any partnership, joint venture, firm or company in which any of them may be interested) (together the "wider Informa Group") or Taylor & Francis or any of its subsidiaries, subsidiary undertakings or associated undertakings (including any company of which 20 per cent. or more of the voting capital is held by the Taylor & Francis Group or any partnership, joint venture, firm or company in which any of them may be interested) (together the "wider Taylor & Francis Group") of all or any portion of their respective businesses, assets or property or of any Taylor & Francis Shares or other securities in Taylor & Francis or impose any limitation on the ability of any of them to conduct their respective businesses or exercise management control over any member of the wider Informa Group or the wider Taylor & Francis Group, as the case may be, or own their respective assets or properties or any part thereof which is material to the Informa Group or the Taylor & Francis Group;

(iv) require any member of the wider Informa Group or the wider Taylor & Francis Group to offer to acquire any shares or other securities or rights thereover in any member of the wider Taylor & Francis Group owned by any third party (other than in the implementation of the Merger);

(v) impose any material limitation on the ability of any member of the wider Informa Group or any member of the wider Taylor & Francis Group to conduct, integrate or co-ordinate its business, or any part of it, with the business of any other member of the wider Informa Group or any other member of the wider Taylor & Francis Group;

(vi) result in any member of the wider Taylor & Francis Group or any member of the wider Informa Group ceasing to be able to carry on business under any name under which it presently does so, to an extent which is material to the Informa Group or the Taylor & Francis Group, as the case may be, each such Group taken as a whole; or

(vii) otherwise adversely affect any or all of the businesses, assets, profits, financial or trading position or prospects of any member of the wider Informa Group or the wider Taylor & Francis Group or the exercise of rights of shares of any company in the Taylor & Francis Group in a way which is material in the context of the Informa Group or the Taylor & Francis Group, as the case may be, each such Group taken as a whole,

and all applicable waiting periods during which such Relevant Authority could take, institute, implement or threaten any such action, proceeding, suit, investigation or enquiry or otherwise intervene having expired, lapsed or been terminated;

(f) all authorisations, orders, grants, consents, clearances, licences, permissions and approvals, in any jurisdiction, necessary or appropriate for or in respect of the Merger or the carrying on of the business of any member of the wider Taylor & Francis Group or the wider Informa Group, the issue of the new Informa Shares or any matters arising therefrom, being obtained in a form and on terms reasonably satisfactory to Informa and Taylor & Francis from all appropriate Relevant Authorities or (without prejudice to the generality of the foregoing) from any persons or bodies with whom any members of the wider Taylor & Francis Group or the wider Informa Group has entered into contractual arrangements and such authorisations, orders, grants, consents, clearances, licences, permissions and approvals remaining in full force and effect and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew the same; and all necessary or appropriate notification filings in connection with the Merger having been made, all waiting and other time periods (including extensions thereto) under any applicable legislation and regulations in any jurisdiction having expired, lapsed or been terminated (as appropriate) and all necessary statutory or regulatory obligations in any jurisdiction in respect of the Merger or any matters arising therefrom having been complied with, in each case where the direct consequence of a failure to make such a notification or filing or to wait for the expiry, termination or lapsing of any waiting period or to comply with any such obligation or obtain any necessary authorisation would have a material adverse effect on the Informa Group or the Taylor & Francis Group, as the case may be, each such Group taken as a whole;

(g) except as publicly announced by Informa or Taylor & Francis (by the delivery of an announcement to a Regulatory Information Service) prior to 2 March 2004 (being the date of announcement of the Merger) or as fairly disclosed in writing to Informa by or on behalf of Taylor & Francis or to Taylor & Francis by or on behalf of Informa prior to 2 March 2004, there being no provision of any agreement, instrument, permit, lease or other instrument, licence or other arrangement to which any member of the wider Taylor & Francis Group or wider Informa Group is a party or by or to which any such member or any of its assets may be bound or subject which, as a consequence of the Merger, or the implementation of the same, or because of a change in the control or management of Taylor & Francis or Informa or any member of the wider Taylor & Francis Group or Informa Group (or any matters arising therefrom) or otherwise, could or might reasonably be expected to result in, to an extent which is material in the context of the wider Informa Group or wider Taylor & Francis Group, each such Group taken as a whole:

(i) any monies borrowed by, or other indebtedness or liabilities (actual or contingent), of any member of the wider Taylor & Francis Group or wider Informa Group being or becoming repayable, or capable of being declared repayable immediately or prior to the repayment date stated in such agreement, instrument or other arrangement or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or materially adversely affected;

(ii) any mortgage, charge or other security interest being created over the whole or any part of the business, property, assets or interests of any member of the wider Taylor & Francis Group or wider Informa Group or any such security (whenever arising) becoming enforceable;

(iii) any such agreement, instrument, permit, licence or other arrangement, or any right, interest, liability or obligation of any member of the wider Taylor & Francis Group or wider Informa Group therein, being terminated or adversely modified or affected or any adverse action being taken or any onerous obligation arising thereunder;

(iv) the financial or trading position, prospects or value of any member of the wider Taylor & Francis Group being prejudiced or adversely affected in a way;

(v) any asset(s) or interest(s) of, or any asset the use of which is enjoyed by, any member of the wider Informa Group or the wider Taylor & Francis Group being or falling to be disposed of or ceasing to be available to any member of the wider Informa Group or the wider Taylor & Francis Group or any right arising under which any such asset or interest could be required to be disposed of or could cease to be available to any member of the wider Informa Group or the wider Taylor & Francis Group otherwise than in the ordinary course of business;

(vi) the rights, liabilities, obligations, interests or business of any member of the wider Taylor & Francis Group or wider Informa Group under any such agreement, instrument or other arrangement in or with any other person, firm or company (or any arrangements relating to such interest or business) being terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder in any way; or

(vii) any member of the wider Taylor & Francis Group or wider Informa Group ceasing to be able to carry on business under any name which it currently does so,

and no event having occurred which, under any provision of any such arrangement, agreement, licence, permit or other instrument, could result in any of the events or circumstances which are referred to in paragraphs (i) to (vii) of this Condition (g);

(h) since 31 December 2002 and except as disclosed in Informa or Taylor & Francis' annual report and accounts for the respective year then ended or as otherwise publicly announced by Informa or Taylor & Francis (by the delivery of an announcement to a Regulatory Information Service) prior to 2 March 2004 (being the date of announcement of the Merger) or as otherwise fairly disclosed in writing to Informa by or on behalf of Taylor & Francis or to Taylor & Francis by or on behalf of Informa prior to 2 March 2004, no member of the wider Informa Group or the wider Taylor & Francis Group having:

(i) issued or agreed to issue, or authorised or proposed the issue of, additional shares of any class, or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities other than as between Informa and wholly-owned subsidiaries of Informa or between Taylor & Francis and wholly-owned subsidiaries of Taylor & Francis and other than any options granted as disclosed by Informa to Taylor & Francis or by Taylor & Francis to Informa prior to 2 March 2004 and any shares issued upon the exercise of any options granted under any of the Informa Share Schemes or the Taylor & Francis Share Option Schemes as disclosed by Informa or Taylor & Francis;

(ii) purchased or redeemed or repaid or proposed the purchase, redemption or repayment of any of its own shares or other securities or reduced or made any other change to any part of its share capital;

(iii) recommended, declared, paid or made (or proposed to recommend, declare, pay or make) any bonus, dividend or other distribution whether payable in cash or otherwise (other than, in the case of the wider Informa Group, to Informa or a wholly-owned subsidiary of Informa or, in the case of the wider Taylor & Francis Group, to Taylor & Francis or a wholly-owned subsidiary of Taylor & Francis);

(iv) other than pursuant to the Merger, made or authorised or proposed or announced an intention to propose any change in its share or loan capital;

(v) other than pursuant to the Merger and other than any acquisition or disposal in the ordinary course of business or a transaction between Informa and a wholly-owned subsidiary of Informa or between Taylor & Francis and a wholly-owned subsidiary of Taylor & Francis, merged with or demerged or acquired any body corporate, partnership or business or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any assets (including shares and trade investments) or authorised, proposed or announced the same which, in any such case, involves or could involve an obligation of a nature or magnitude which is material in the context of the Merger;

(vi) issued, authorised or proposed the issue of, or made any change in or to, any debentures or (save as between Informa and a wholly-owned subsidiary of Informa or between Taylor & Francis and a wholly-owned subsidiary of Taylor & Francis) incurred or increased any indebtedness or liability (actual or contingent) of an aggregate amount which might materially and adversely affect the financial or trading position or the prospects of the wider Informa Group or the wider Taylor & Francis Group, as the case may be;

(vii) entered into, varied, or announced its intention to enter into or vary, or authorised any agreement, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) (otherwise than in the ordinary course of business) which:

(A) is of a long-term, onerous or unusual nature or magnitude or which involves or could involve an obligation of such nature or magnitude; or

(B) could or is likely to materially restrict the business of the wider Informa Group or the wider Taylor & Francis Group, as the case may be, each such Group taken as a whole;

(viii) (other than transactions between one wholly-owned member of the Informa Group or the Taylor & Francis Group and another such member and other than pursuant to the Merger or in the ordinary course of business) entered into, implemented, effected or authorised or announced its intention to propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or other transaction or arrangement of a material nature to the Informa Group or the Taylor & Francis Group, as the case may be, each such Group taken as a whole, in respect of itself or another member of the wider Informa Group or the wider Taylor & Francis Group;

(ix) entered into or varied the terms of any contract, agreement or arrangement with any of the directors or senior executives of any member of the wider Informa Group or the wider Taylor & Francis Group;

(x) (other than in respect of a member of the wider Informa Group or the wider Taylor & Francis Group which is dormant and was solvent at the relevant time) taken or proposed any corporate action or had any legal proceedings instituted or threatened against it or petition presented or order made for its winding-up (voluntarily or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any material part of its assets and revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction;

(xi) been unable, or admitted that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;

(xii) waived or compromised any claim which is material in the context of the Informa Group or the Taylor & Francis Group, as the case may be, each such Group taken as a whole, other than in the ordinary course of business;

(xiii) made any material alteration or, in the case of Taylor & Francis only, any alteration to its memorandum or articles of association (or equivalent constitutional documents in respect of overseas jurisdictions of incorporation);

(xiv) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme, or other benefit relating to the employment or termination of employment of any employee of the wider Taylor & Francis Group or the wider Informa Group, which is material in the context of the wider Taylor & Francis Group or the wider Informa Group taken as a whole;

(xv) made or agreed or consented to any significant change to the terms of the trust deeds constituting the pension schemes established for its directors, employees or their dependants or the benefits which accrue, or to the pensions which are payable, thereunder, or to the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined or to the basis on which the liabilities (including pensions) of such pension schemes are funded or made, or agreed or consented to any change to the trustees involving the appointment of a trust corporation; or

(xvi) entered into any contract, agreement, commitment or arrangement or passed any resolution or made any offer (which remains open for acceptance) or proposed or announced any intention with respect to any of the transactions, matters or events referred to in this Condition (h);

(i) since 31 December 2002 and except as disclosed in Informa or Taylor & Francis' annual report and accounts for the respective year then ended or as otherwise publicly announced by Informa or Taylor & Francis (by the delivery of an announcement to a Regulatory Information Service) prior to 2 March 2004 (being the date of announcement of the Merger) or as otherwise fairly disclosed to Informa by or on behalf of Taylor & Francis or to Taylor & Francis by or on behalf of Informa prior to 2 March 2004:

(i) no litigation, arbitration, prosecution or other legal proceedings having been instituted, announced or threatened or become pending or remained outstanding by or against any member of the wider Taylor & Francis Group or the wider Informa Group or to which any member of the wider Taylor & Francis Group or the wider Informa Group is or may become a party (whether as claimant, defendant or otherwise);

(ii) no adverse change having occurred or deterioration in the business, assets, financial or trading position, profits or prospects of any member of the wider Taylor & Francis Group or the wider Informa Group;

(iii) no enquiry or investigation by or complaint or reference to, any Relevant Authority having been threatened, announced, implemented or instituted or remaining outstanding against or in respect of any member of the wider Informa Group or the wider Taylor & Francis Group; or

(iv) no contingent or other liability of any member of the wider Informa Group or the wider Taylor & Francis Group having arisen or become apparent or increased,

and which, in each case, adversely affects the Informa Group or the Taylor & Francis Group, as the case may be, to an extent, which is material to the Informa Group or the Taylor & Francis Group as the case may be, each such Group taken as a whole;

(j) except as disclosed to Informa in writing prior to 2 March 2004 (being the date of announcement of the Merger), Informa not having discovered:

(i) that any financial, business or other information concerning the wider Taylor & Francis Group disclosed at any time by or on behalf of any member of the wider Taylor & Francis Group, whether publicly, to any member of the wider Informa Group or otherwise, is misleading or contains misrepresentation of fact or omits to state a fact necessary to make any information contained therein not misleading where this misrepresentation or omission is material in the context of the Merger;

(ii) that any member of the wider Taylor & Francis Group is subject to any liability (actual or contingent) which is not disclosed in Taylor & Francis' annual report and accounts for the financial year ended 31 December 2002 and which is material in the context of the Taylor & Francis Group taken as a whole;

(iii) any information which materially affects the import of any material information disclosed to Informa at any time by or on behalf of any member of the wider Taylor & Francis Group;

(iv) that any past or present member of the wider Taylor & Francis Group has not complied with any applicable legislation or regulations of any jurisdiction with regard to the use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health, or otherwise relating to environmental matters or the health and safety of any person, or that there has otherwise been any such use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission (whether or not this constituted a non-compliance by any person with any legislation or regulations and wherever the same may have taken place) which, in any case, would be likely to give rise to any material liability (whether actual or contingent) or cost on the part of the wider Taylor & Francis Group; or

(v) that circumstances exist (whether as a result of the Merger or otherwise) which might lead to any Relevant Authority instituting or any member of the wider Taylor & Francis Group or the wider Informa Group might be required to institute, an environmental audit or take any other steps which in any such case might result in any material actual or contingent liability to improve or install new plant or equipment or make good, repair, re-instate or clean up any land or other asset now or previously owned, occupied or made use of by any member of the wider Taylor & Francis Group which is material in the context of the wider Taylor & Francis Group;

(k) except as disclosed to Taylor & Francis in writing prior to 2 March 2004 (being the date of announcement of the Merger), Taylor & Francis not having discovered:

(i) that any financial, business or other information concerning the wider Informa Group disclosed at any time by or on behalf of any member of the wider Informa Group, whether publicly, to any member of the wider Taylor & Francis Group or otherwise, is misleading or contains any misrepresentation of fact or omits to state a fact necessary to make any information contained therein not misleading where this misrepresentation or omission is material in the context of the Merger;

(ii) that any member of the wider Informa Group is subject to any liability (actual or contingent) which is not disclosed in Informa's annual report and accounts for the financial year ended 31 December 2002 and which is material in the context of the Informa Group taken as a whole;

(iii) any information which materially affects the import of any material information disclosed to Taylor & Francis at any time by or on behalf of any member of the wider Informa Group;

(iv) that any past or present member of the wider Informa Group has not complied with any applicable legislation or regulations of any jurisdiction with regard to the use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health, or otherwise relating to environmental matters or the health and safety of any person, or that there has otherwise been any such use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission (whether or not this constituted a non-compliance by any person with any legislation or regulations and wherever the same may have taken place) which, in any case, would be likely to give rise to any material liability (whether actual or contingent) or cost on the part of the wider Informa Group; or

(v) that circumstances exist (whether as a result of the Merger or otherwise) which might lead to any Relevant Authority instituting or any member of the wider Informa Group or the wider Taylor & Francis Group might be required to institute, an environmental audit or take any other steps which in any such case might result in any material actual or contingent liability to improve or install new plant or equipment or make good, repair, re-instate or clean up any land or other asset now or previously owned, occupied or made use of by any member of the wider Informa Group which is material in the context of the wider Informa Group.

4. Subject to the requirements of the Panel, Taylor & Francis and Informa, acting together, may waive all or any of the conditions contained in paragraphs 3(a), (b), (c), (d), (e) and (f). Informa reserves the right to waive in whole or in part, all or any of the conditions in paragraph 3(g), (h) and (i), so far as they relate to Taylor & Francis, and in paragraph 3(j) above, and Taylor & Francis reserves the right to waive in whole or in part, all or any of the conditions in paragraph 3(g), (h) and (i) above, so far as they relate to Informa, and in paragraph 3(k) above, for the purposes of the Merger and the Scheme.

5. Save with the consent of the Panel, the Merger will lapse and the Scheme will not proceed if, before the date of the Court Meeting(s), there is a reference to the UK Competition Commission.

6. The Merger and the Scheme will be governed by English law and be subject to the jurisdiction of the English courts to the conditions set out above and in this document. The Rules contained in the City Code, so far as they are appropriate, apply to the Merger and to the Scheme.

Part VI

ADDITIONAL INFORMATION

1. Responsibility

The Informa Directors, whose names appear in paragraph 3(a) below, and the Proposed Informa Directors, whose names are set out in paragraph 3(c) below, accept responsibility for the information contained in this document other than that relating to the Taylor & Francis Group and the Taylor & Francis Directors and their immediate families and persons connected with them (within the meaning of section 346 of the Companies Act). To the best of the knowledge and belief of the Informa Directors and the Proposed Informa Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Taylor & Francis Directors, who include the Proposed Informa Directors, and whose names appear in paragraph 3(b) below, accept responsibility for the information contained in this document relating to the Taylor & Francis Group and the Taylor & Francis Directors and their immediate families and persons connected with them (within the meaning of section 346 of the Companies Act). To the best of the knowledge and belief of the Taylor & Francis Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Incorporation and business

Informa was incorporated on 6 September 1995 in England and Wales (with registered number 3099067) under the Companies Act 1985 as a company limited by shares under the name Studiodemo Limited. On 8 January 1996, it changed its name to Cotton Investments Limited and again, on 10 February 1998, to LLP Group Limited. On 18 March 1998 the Company re-registered as a public limited company, and, following its merger with IBC, changed its name on 21 December 1998 to Informa Group plc. Its registered and head office and principal place of business in the United Kingdom is at Mortimer House, 37-41 Mortimer Street, London W1T 3JH. The Company's principal activity is the provision of business information and education through multiple distribution channels.

3. Directors

(a) The Informa Directors and their respective roles are:

Peter Stephen Rigby	*Chairman*
David Stuart Gilbertson	*Chief Executive*
James Henry Wilkinson	*Finance Director*
Richard Hooper	*Non-Executive Director*
Eric Anthony Barton	*Non-Executive Director*
Sean Michael Watson	*Non-Executive Director*

Brief biographical details of each of the Informa Directors are set out below:

Peter Stephen Rigby (Age 48). Joined Stonehart Publications in 1983 and became Finance Director of the combined group (being Stonehart and IBC) following the acquisition of Stonehart by IBC in 1986. He was appointed Deputy Chief Executive and later Chief Executive of IBC, and led the expansion of the group into North America, Asia and Australia. He became Chairman of Informa at the inception of the Company following the merger of IBC and LLP in 1998. He is also a director of What Doctors Don't Tell You plc and Electric Word plc.

David Stuart Gilbertson (Age 47). Joined the board of LLP in 1992 as part of the management buy-out team which bought LLP from Lloyds of London in 1995. He became Chief Executive in 1997 and took the company to the London Stock Exchange in early 1998, becoming Chief Executive of Informa following the merger of IBC and LLP in 1998.

James Henry Wilkinson (Age 38). Joined IBC in 1994 as Financial Controller of IBC's UK publishing division, subsequently becoming responsible for the group's operations in South Africa, Singapore and Australia. He was appointed Deputy Finance Director in 1997 and Finance Director in 1998.

Richard Hooper (Age 64). Joined the board of LLP in December 1997 as a non-executive director and became the Senior Non-Executive Director on the Informa board following the merger of LLP and IBC. He is Chairman of the Remuneration Committee of Informa. He is also Deputy Chairman of the newly established UK Communications regulator, Ofcom and Chairman of its Content Board. He is a director of Alec Court Management Company Limited and is a member of the advisory board of Terra Firma Capital Partners.

Eric Anthony Barton (Age 58). Joined the board of LLP in 1995 as a non-executive director and continued as a non-executive director of Informa following the merger of LLP and IBC. He was a director of 3i plc from 1986 to 1999 and is currently a non-executive director of Morse plc, Telecity plc and Acal plc and an executive director of Lancedale Limited.

Sean Michael Watson (Age 55). A solicitor and senior corporate finance partner at CMS Cameron McKenna, he has extensive experience in all areas of corporate law. He was appointed to the Informa board in May 2000.

The current business address of each of the Informa Directors is Mortimer House, 37-41 Mortimer Street, London W1T 3JH.

(b) The Taylor & Francis Directors and their respective roles are:

Don Cruickshank	*Non-Executive Chairman*
David John Smith	*Chief Executive*
Anthony Martin Foye	*Group Finance Director*
Roger Graham Horton	*Executive Director*
Jonathan James Garnham Conibear	*Executive Director*
David John Banister	*Non-Executive Director*
Derek Mapp	*Non-Executive Director*
David James Wallace	*Non-Executive Director*
Nicholas Mark Berwin	*Non-Executive Director*

The current business address of each of the Taylor & Francis Directors is 11 New Fetter Lane, London EC4P 4EE.

(c) The directors of Informa following completion of the Merger and their respective roles will be:

David John Smith*	*Chairman*
Peter Stephen Rigby	*Chief Executive*
David Stuart Gilbertson	*Managing Director*
Anthony Martin Foye*	*Finance Director*
Richard Hooper	*Senior Non-executive Director*
Don Cruickshank*	*Non-executive Director*
Sean Watson	*Non-executive Director*
Derek Mapp*	*Non-executive Director*

*Proposed Informa Director

Brief biographical details of each of the Proposed Informa Directors are set out below:

David John Smith (Age 54) David Smith was appointed as Chief Executive of Taylor & Francis from 8 April 2002. In the previous ten years he held senior management positions at the international publishing and information group Wolters Kluwer and was latterly Chief Executive of their European Education and Legal, Tax and Business divisions.

Anthony Martin Foye BA, ACA (Age 41) Anthony Foye joined Taylor & Francis in 1987 as Group Chief Accountant after qualifying as a Chartered Accountant with Haines Watts. He was appointed Finance Director in 1994. Anthony is responsible for the Taylor & Francis Group's finance functions and is Managing Director of Taylor & Francis Publishing Services Limited.

Don Cruickshank (Age 62) Don Cruickshank joined the board of Taylor & Francis as a non-executive director and was appointed Chairman on 1 March 2004. Don was previously Chairman of the London Stock Exchange and is currently Chairman of SMG plc. Prior to this he held a number of senior positions including Director General of the Office of Telecommunications (OFTEL) as well as Managing Director roles at both Pearson Longman plc and Virgin Group plc.

Derek Mapp (Age 53) Derek Mapp joined the board of Taylor & Francis as a non-executive director in 1998. He is Executive Chairman of Leapfrog Day Nurseries Limited and Chairman of the East Midlands Development Agency, as well as having a number of other private business interests. Derek was formerly Managing Director of Tom Cobleigh plc.

(d) As at the date of this document, no Informa Director or Proposed Informa Director:

(i) except as disclosed in sub-paragraphs 3(a), 3(c) and 15(d) of this Part VI, has been at any time in the five years prior to the date of this document, a director or partner of any companies or partnerships other than directorships or partnerships of any member of the Informa Group from time to time; or

(ii) has any unspent convictions in relation to indictable offences; or

(iii) has been adjudged bankrupt or been a party to a deed of arrangement or any form of voluntary arrangement; or

(iv) except as disclosed in sub-paragraph 15(e) of this Part VI, has been a director with an executive function of any company which, while he was such a director or within 12 months after his ceasing to be such a director, was put into receivership or compulsory liquidation or creditors' voluntary liquidation or company voluntary arrangement or has had an administrator or an administrative or other receiver appointed or entered into any composition or arrangement with its creditors generally or any class of its creditors; or

(v) has been a partner in any partnership which, while he was a partner, or within 12 months after his ceasing to be a partner, was put into compulsory liquidation, administration, or partnership voluntary arrangement; or

(vi) has had an administrative or other receiver appointed in respect of any asset belonging to him or her or to a partnership of which he was a partner at the time of such event or within 12 months after his or her ceasing to be such a partner; or

(vii) has received any public criticism by any statutory or regulatory authorities, including designated professional bodies, or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

(e) No Informa Director or Proposed Informa Director has, or has had, any interest in any transaction effected by Informa or any of its subsidiaries which is or was unusual in its nature or conditions or significant to the business of the Informa Group and (in any such case) was effected during the current or immediately preceding financial year of Informa or during an earlier financial year and remains in any respect outstanding or unperformed.

(f) There are no outstanding loans or guarantees granted or provided by any member of the Informa Group to or for the benefit of any Informa Director.

(g) Save as disclosed in sub-paragraph 8(e) of this Part VI, the emoluments of the current Informa Directors will not be affected as a consequence of the Merger or by any other associated transaction.

4. Share capital

(a) The following table shows the authorised and issued and fully paid share capital of Informa as at 18 March 2004 (being the latest practicable date before the publication of this document).

	Authorised		*Issued and fully paid*	
	Nominal Value	*Number*	*Nominal Value*	*Number*
Informa Shares	£18,000,000	180,000,000	£15,201,032	152,010,322

The Informa Shares are admitted to trading on the London Stock Exchange's market for listed securities and are listed on the Official List.

As at 18 March 2004 (being the latest practicable date before the publication of this document), Informa did not hold any treasury shares.

There are no rights of pre-emption in respect of the new Informa Shares.

(b) In the three years immediately preceding the date of this document, the following allotments of Informa Shares have been made:

(i) a total of 486,360 Informa Shares have been issued in connection with the exercise of options granted pursuant to the Informa Share Schemes;

(ii) 258,108 Informa Shares were issued to Informa QUEST Limited on 9 May 2002 at a price of 266.5 pence per Informa Share;

(iii) 9,700,000 Informa Shares were issued to various institutional investors on 11 September 2003 at a price of 270 pence per Informa Share pursuant to a placing undertaken by UBS in connection with the acquisition by the Company of the entire issued share capital of MMS;

(iv) 13,280,000 Informa Shares were issued to various institutional investors on 5 December 2003 at a price of 280 pence per Informa Share pursuant to a placing undertaken by UBS in connection with the acquisition by the Company of the entire issued share capital of PJB; and

(v) 530,233 Informa Shares were issued to Dr P J Brown on 22 December 2003 at a price of 282.9 pence per Informa Share as part of the consideration payable by the Company for the entire issued share capital of PJB.

(c) By an ordinary resolution of Informa passed on 22 May 2002, the Informa Directors were granted a general and unconditional authority for the purposes of section 80 of the Companies Act to allot relevant securities (as defined in section 80 of the Companies Act) up to an aggregate nominal amount of £4,262,290 (such authority to expire on 22 May 2007). The Informa Directors are, however, able to allot relevant securities after this authority comes to an end if the allotment is made pursuant to an agreement or offer which is made before the authority ended.

(d) By a special resolution of Informa passed on 22 May 2002, the Informa Directors were empowered, pursuant to section 95 of the Companies Act, to allot equity securities (within the meaning of section 94 of the Companies Act) for cash pursuant to the authority described in paragraph (c) above up to an aggregate nominal amount of £639,343 as if section 89(1) of the Companies Act did not apply to such allotment. Such power is due to expire on 22 May 2007. The Informa Directors are, however, able to allot equity securities after this authority comes to an end if the allotment is made pursuant to an agreement or offer which is made before the authority ended.

(e) By resolutions to be proposed at the Informa Extraordinary General Meeting subject to and conditional upon the Merger becoming effective, it is proposed, amongst other things, that:

(i) the authorised share capital of Informa be increased from £18,000,000 to £50,000,000 by the creation of an additional 320,000,000 new Informa Shares; and

(ii) the Informa Directors be generally and unconditionally authorised for the purposes of section 80 of the Companies Act, in substitution for all authorities previously conferred upon them, but without prejudice to any allotments made pursuant to such authorities, to allot relevant securities (as defined in section 80(2) of the Companies Act) up to an aggregate nominal amount of £15,013,990.30 in connection with the Merger and otherwise up to an aggregate nominal amount of £9,942,674.70. This authority will expire on 31 December 2008, or, if earlier, at the conclusion of the annual general meeting of Informa to be held in 2008. The Informa Directors are, however, able to allot relevant securities after this authority comes to an end if the allotment and/or sale is made pursuant to an agreement or offer which is made before the authority ended.

Subject to the above resolutions being passed and becoming effective, a special resolution will be proposed at the Informa Extraordinary General Meeting that the Informa Directors be empowered to allot equity securities (as defined in section 94(2) of the Companies Act) for cash and/or to sell equity securities held as treasury shares for cash pursuant to section 162D of the Companies Act, or partly in one way and partly the other, in each case as if section 89(1) of the Companies Act did not apply, provided that this power shall be limited to (A) the allotment and/or sale of such equity securities pursuant to issues in favour of shareholders proportionate to their holdings and (B) the allotment and/or sale otherwise than pursuant to such issues up to an aggregate nominal amount of £1,491,401.20. This authority will expire on 31 December 2008, or, if earlier, at the conclusion of the annual general meeting of Informa to be held in 2008. Section 89(1) of the Companies Act does not apply to the allotment of the Informa Shares pursuant to the Merger. The Informa Directors are, however, able to allot equity securities after this authority comes to an end if the allotment is made pursuant to an agreement or offer which is made before the authority ended. This power is in substitution for all such existing powers.

(f) Immediately following the Merger becoming effective, and without taking into account any shares issued on account of outstanding options under the Informa Share Schemes or the Taylor & Francis Share Schemes or otherwise issued after 18 March 2004 (being the latest practicable date before the publication of this document), the authorised and issued share capital of Informa will be as follows:

	Authorised		*Issued and fully paid*	
	Nominal Value	*Number*	*Nominal Value*	*Number*
Informa Shares	£50,000,000	500,000,000	£29,828,021	298,280,241

(g) As at 18 March 2004 (being the latest practicable date before the publication of this document), there were outstanding options over a total of 5,190,373 Informa Shares representing approximately 3 per cent. of the issued ordinary share capital of Informa on the same date. Details of the options outstanding under the Informa Share Schemes as at 18 March 2004 (being the latest practicable date before the publication of this document) are as set out below.

Executive Share Options

Number of ordinary shares (options)	*Date of grant*	*Exercise price (p)*	*Period of exercise*
14,400	25 April 1997	10.94	25 April 2000 to 24 April 2007
11,680	7 May 1997	10.94	7 May 2000 to 6 May 2007
77,128	14 April 1997	201.5	14 April 2000 to 13 April 2007
4,000	30 September 1997	18.75	30 September 2000 to 29 September 2007
1,600	1 October 1997	18.75	1 October 2000 to 30 September 2007
120,240	21 April 1998	273.05	21 April 2001 to 20 April 2008

Number of ordinary shares (options)		*Date of grant*	*Exercise price (p)*	*Period of exercise*
325,000		21 August 1998	219	21 August 2001 to 20 August 2008
101,602		1 October 1998	241.02	1 October 2001 to 30 September 2008
87,378		23 April 1999	310.5	23 April 2002 to 22 April 2009
290,558	(Informa Shares are held by the Informa Employee Share Trust to satisfy 259,974 of these)	1 October 1999	401	1 October 2002 to 30 September 2009
145,544	(Informa Shares are held by the Informa Employee Share Trust to satisfy all of these)	20 March 2000	825	20 March 2003 to 19 March 2010
1,450,000		25 April 2000	632.5	25 April 2003 to 24 April 2010
151,000		2 November 2000	753.3	2 November 2003 to 1 November 2010
259,257	(Informa Shares are held by the Informa Employee Share Trust to satisfy 227,257 of these)	7 March 2001	581	7 March 2004 to 6 March 2011
1,239,597		15 March 2002	282.67	15 March 2005 to 14 March 2012
125,000		15 March 2002	282.67	15 March 2005 to 14 March 2007
336,547		4 March 2004	373	4 March 2007 to 3 March 2014
4,740,531				

SAYE Share Options

Number of ordinary of shares (options)	*Date of grant*	*Exercise price (p)*	*Period exercise*
10,741	28 April 2000	559	1 July 2005 to 31 December 2005
301,377	22 April 2002	240.3	1 July 2005 to 31 December 2005
137,724	22 April 2002	240.3	1 July 2007 to 31 December 2007
449,842			

Options granted under the Informa Share Schemes have all been granted for no consideration.

(h) Save as disclosed in this paragraph 4 and, as regards grants of options in the ordinary course, paragraph 13 of Part I of this document:

(i) no share or loan capital of Informa or any of its subsidiaries has within three years before the date of this document (other than intra-group issues by wholly-owned subsidiaries) been issued or been agreed to be issued fully or partly paid, either for cash or for a consideration other than cash and no such issue is now proposed;

(ii) no commissions, discounts, brokerages or other special terms have been granted by Informa or any of its subsidiaries within the three years immediately preceding the date of this document in connection with the issue or sale of any share loan capital of any such company; and

(iii) neither Informa nor any of its subsidiaries has granted any options over its shares or loan capital which remain outstanding or has agreed, conditionally or unconditionally, to grant any such options.

5. Share Schemes

Informa operates the IBC 1995 Executive Share Option Scheme (the "IBC Scheme"), the LLP Group Employee Share Option Scheme (the "LLP Scheme"), the Informa Discretionary Option Scheme (the "Discretionary Scheme"), the Informa Savings Related Option Scheme (the "SAYE Scheme") and the Share Matching Plan (the "Matching Plan") (together, the "Informa Share Schemes").

(a) *The IBC Scheme and LLP Scheme*

Introduction

The IBC Scheme was approved by the Inland Revenue on 26 May 1995 and amendments to it were approved on 8 April 1997. The IBC Scheme comprises an approved part and an unapproved part.

The LLP Scheme was approved by the Inland Revenue on 28 June 1996.

No further options may be granted under the terms of the IBC Scheme or the LLP Scheme.

Exercise and lapse of options

(i) IBC Scheme

In normal circumstances an option is capable of exercise at any time between the third and tenth anniversaries of its date of grant provided that any condition(s) to which it is subject have been fulfilled. An option lapses on the expiry of ten years from its date of grant.

An option will become exercisable immediately on the death of a participant for a period of twelve months following death. If a participant ceases to hold office or employment by reason of injury, ill-health, redundancy, disability, or retirement (after the expiry of two years from the date of grant) that participant shall be entitled to exercise their option for a period of six months following cessation of their employment.

Where a participant ceases to hold office or employment for any other reason other than as outlined above or assigns or attempts to assign their interest in their option or is adjudicated bankrupt, their option shall lapse on such date.

(ii) LLP Scheme

Normally, options do not become exercisable until three years after the date of grant at the earliest.

An option becomes exercisable immediately on the death of a participant for a period of twelve months following death. If a participant ceases to hold office or employment by reason of injury, redundancy, disability, or retirement on reaching his retirement age under his contract of employment that participant shall be entitled to exercise their option for a period of six months following cessation of their employment.

Where a participant gives or is given notice to terminate his employment for any other reason other than as outlined above, their option shall lapse on such date unless the board determines that such option shall continue to be exercisable for such period as it shall, in its discretion, determine.

Alterations of share capital

In the event of any variation in the share capital, adjustments to the number of shares subject to options granted under the IBC Scheme and the LLP Scheme and the exercise price may be made by the board in such manner and with such effect as the board may determine to be fair and reasonable.

At any time at which either the IBC Scheme or the LLP Scheme is and is intended to remain Inland Revenue approved, no adjustment shall have effect until the prior approval of the Inland Revenue is obtained.

Termination

The IBC Scheme and the LLP Scheme have both been terminated. Termination will not affect the outstanding rights of participants.

(b) *The Discretionary Scheme*

Introduction

The Discretionary Scheme was approved on 9 April 1998; amendments to it were approved on 26 November 2001 and on 18 June 2003.

The Discretionary Scheme comprises Section A which relates to approved option grants; Section B which relates to unapproved option grants; Section C which relates to grants to employees in the Netherlands; and Section D which relates to grants to employees in the United States.

Eligibility

An eligible employee means an employee of Informa or any participating member of the Informa Group and any director who works for 25 hours or more per week (excluding meal breaks). The Informa Board may in its absolute discretion offer options to eligible employees to acquire ordinary shares in Informa. The Informa Board may adopt a procedure for granting such options, which must be approved by the Inland Revenue.

Under Section D of the Discretionary Scheme the number and identity of eligible employees is limited by the "committee" to ensure compliance with applicable laws.

Timing of and consideration for grant of options

Options shall not be granted to an eligible employee if, pursuant to the terms of his employment contract, he is bound to retire within two years of the date of grant. No option may be granted later than ten years after the date of adoption of the Discretionary Scheme by Informa in general meeting.

Under Section D of the Discretionary Scheme options and stock appreciation rights may be granted during the period prior to the expiry of the grant period following the announcement of Informa's final results for any financial period and options may be either incentive stock options or non-qualified stock options.

Conditions on exercise

The Informa Board may grant options subject to an objective performance requirement before an option may be exercised. The Informa Board may subsequently alter or waive all or any terms of the performance requirement and may substitute a new performance requirement provided that any alteration reflects a fairer measure of the performance required and is no more difficult to satisfy than the altered performance requirement.

Such performance criteria do not apply to grants of options to employees in the Netherlands under Section C of the Discretionary Scheme.

Individual limits

No option may be granted to any individual at any time if, as a result, the aggregate market value of the Informa Shares which are subject to options granted to him under any other employee share option scheme during the period of one year immediately preceding such time would exceed a sum equal to two times his basic annual salary.

The aggregate market value of shares which an eligible employee may acquire pursuant to rights under the Discretionary Scheme or any other share option scheme (not being a savings related share option scheme), such aggregate value being determined at the time the rights are obtained, shall not exceed £30,000 (or any other limit as set by the Inland Revenue). This limit does not apply to grants of unapproved options under Section B of the Discretionary Scheme.

Under Section D of the Discretionary Scheme options granted to employees in the United States are subject to different individual limits depending on whether the grant is of "incentive stock options" or "stock appreciation rights".

Overall limits

On any date, no options may be granted under the Discretionary Scheme if, as a result, the aggregate number of Informa Shares issued or issuable pursuant to grants made under the Discretionary Scheme or any other share option scheme would exceed ten per cent. of the issued ordinary share capital of Informa on that date.

Shares under option which have been released or cancelled or have lapsed shall not be taken into account for the purposes of this limit.

Exercise price

The exercise price of an option shall be determined by the Informa Board and shall not be less than the greater of the nominal value (if any) of a Informa Share or the market value at the date of grant.

Under Section D of the Discretionary Scheme the exercise price shall not be less than the higher of the exercise price under Section A of the Discretionary Scheme and one hundred per cent. of the fair market value of such shares on the date of grant, provided that if a participant owns stock possessing more than ten per cent. of the total combined voting rights, the exercise price will be at least one hundred and ten per cent. of the fair market value at the date of grant.

Exercise and lapse of options

Under Section A of the Discretionary Scheme, an approved option is capable of exercise at any time between the third and tenth anniversary of its date of grant. If an option is subject to any performance condition it may only be exercised if those conditions have been fulfilled or waived.

An option will become exercisable immediately on the death of a participant for a period of twelve months following death. If a participant ceases to hold office or employment with the Informa Group by reason of injury, disability or redundancy, that participant shall be entitled to exercise their option for a period of six months following cessation of their employment. If a participant ceases to hold office or employment with the Informa Group by reason of retirement at or after any date at which the participant is bound to retire under the terms of their contract of employment, that participant shall be entitled to exercise their option for a period of 18 months from the date of retirement in so far as this does not exceed the date that is ten years from the date of grant of the option.

If a participant ceases to hold office or employment within the Informa Group by reason of the transfer or sale of the undertaking or part of the undertaking in which he is employed to a person who is not within the Informa Group, that participant shall be entitled to exercise their option for a period of six months following cessation of their employment.

Options will lapse on the date that a participant enters into a composition with his creditors in satisfaction of his debts or a bankruptcy order is made against him.

If following the cessation of a participant's employment his option would lapse at the end of any of the periods specified above, the Informa Directors may defer the lapse such that options continue to be exercisable for such periods as they shall determine.

In relation to Section B of the Discretionary Scheme unapproved options granted shall lapse if not exercised on the expiry of six years and eleven months following the date of grant, or such other date that the Informa Board may determine at the time of granting the option, so long as that date is not later than the tenth anniversary of the date of grant. Other than this variation, unapproved options are subject to the same rules relating to the exercise and lapse of options as approved options.

Under Section C of the Discretionary Scheme, options granted to employees in the Netherlands will lapse on either the fifth or tenth anniversary of the date of grant. This time period will be determined by the Informa Board at the time of grant. If a participant ceases to be an eligible employee in specific circumstances, his options will remain exercisable by him (or his personal representative).

Under Section D of the Discretionary Scheme incentive stock options may be exercised within three months following the participant' termination of employment with the Informa Group, unless termination is as a result of death or disability in which case exercise must be within 12 months of such termination.

Alterations of share capital

In the event of a variation of the share capital of Informa, adjustments to the number of Informa Shares subject to options granted under the Discretionary Scheme and the exercise price may be made by the Informa Board subject to prior approval by the Inland Revenue.

With regard to approved options granted, no adjustment shall have effect until the prior approval of the Inland Revenue is obtained.

Takeovers and liquidations

Rights to exercise early for a limited period also arise if another company acquires control of Informa as a result of a takeover or scheme of arrangement. An option may be exchanged for an option over shares in the acquiring company if the participant so wishes and the acquiring company agrees.

In the event of a members' voluntary winding up, any subsisting options may be exercised within three months of the date of such resolution. Subject to this, all options will lapse on the winding up of Informa.

Voting, dividend and other rights

Informa Shares issued or transferred pursuant to the Discretionary Scheme shall rank *pari passu* in all respects with the ordinary shares already in issue except that they will not rank for any dividend or other distribution paid or made by reference to a record date falling prior to the date of exercise of the option.

Options are not assignable or transferable, nor can they be charged or otherwise alienated.

Administration and amendment

The remuneration committee of the Informa Board administers the Discretionary Scheme. The Informa Board may by resolution amend the Discretionary Scheme in any way provided that prior approval of Informa in general meeting will be required if the following provisions are amended to the advantage of participants (a) the person to whom options may be granted under the Discretionary Scheme; (b) the limit on the number of shares available to the Discretionary Scheme; (c) the maximum entitlement for any one participant; and (d) the basis for determining a participant's entitlement to and the terms of options granted to them.

Informa's approval will not be required for minor amendments to benefit the administration of the Discretionary Scheme and amendments to obtain or maintain the favourable tax treatment for participants in the Discretionary Scheme.

At any time that the Discretionary Scheme is and is intended to remain Inland Revenue approved, no amendment shall have effect until approved by the Inland Revenue.

Under Section D of the Discretionary Scheme the "committee" administers the plan.

Termination

The Informa Board may terminate the Discretionary Scheme at any time. Termination will not affect the outstanding rights of participants.

(c) *The SAYE Scheme*

Introduction

The SAYE Scheme provides for options to be granted over unissued shares or shares held in a trust.

Eligible employees

All employees or full-time directors of companies within the Informa Group who have been employed for a continuous period of at least six months and whose earnings are general earnings to which section 15 or 21 of the Income Tax (Earnings and Pensions) Act 2003 apply (formerly those who paid tax under Case I of Schedule E) are eligible to participate. The Informa Board has the discretion to include other employees.

Exercise price

The exercise price of an option may be determined by the Informa Board but shall not be less than the greater of (a) 80 per cent. of the middle market quotation for dealings in Informa Shares, as derived from the Daily Official List of the London Stock Exchange for the dealing day immediately preceding the invitation date, or if the Informa Board so decide, the average for the three dealing days immediately preceding the invitation date; and (b) if the option relates to unissued shares, its nominal value.

The Informa Board may adjust the exercise price with the agreement of the Inland Revenue.

Grant of options

Invitations to apply for options may be issued by the Informa board within 42 days of (a) the announcement of Informa's annual or half-yearly results; (b) the date on which listing particulars or any document containing equivalent information relating to shares is issued; and (c) the date of approval of the SAYE Scheme.

If the Informa Board resolves to operate the SAYE Scheme, all eligible employees will be invited to apply for the options. It is a condition of such application that the employees enter into a savings contract with an approved institution.

Savings contract

Participants may, at the absolute discretion of the Informa Board, be invited to apply for three year or five year options.

Limitations

No options shall be granted under the SAYE Scheme on any date if, as a result, the total number of Informa Shares issued or issuable pursuant to options granted (1) under the SAYE Scheme and (2) under any other employee share scheme adopted by Informa during that year and the preceding nine years, would exceed ten per cent. of the issued ordinary share capital of Informa on the date of grant.

For the purpose of calculating the limits above, shares under option that have been released, cancelled or that have lapsed without being exercised are ignored.

Voting, dividend and other rights

Informa Shares issued or transferred pursuant to the SAYE Scheme shall rank *pari passu* in all respects with the ordinary shares already in issue except that they will not rank for any dividend or other distribution paid or made by reference to a record date falling prior to the date of exercise of the option.

Options may not be assigned, transferred, charged or otherwise alienated.

Exercise of options

In normal circumstances, options may be exercised during the period of six months commencing on the maturity (that is the relevant bonus date) of the savings contract. Options will be exercisable during the period of twelve months following the date of death of a participant or of the participant dies within the six month period described above, the exercise period will be reduced to twelve months from the relevant bonus date.

If a participant ceases to be a director or employee of a participating company by reason of injury, disability, redundancy (within the meaning of the Employment Rights Act 1996) or retirement (on reaching the age of 65 or any other age at which he is bound to retire under the terms of his employment contract), options may be exercised within six months of such cessation.

On a change of control or reconstruction of Informa, options may, with the consent of the company acquiring control of Informa, be released in consideration of the grant of equivalent rights over the shares of the acquiring company or a company associated with it. Rights are equivalent if, broadly speaking, the aggregate market values of the shares under both the old and the new options and the aggregate exercise price of each option are, on the day of exchange, equal.

If a participant enters into a composition with his creditors in satisfaction of his debts or a bankruptcy order is made against him, his option will lapse.

Administration and amendment

The SAYE Scheme is administered by the Informa Board. The rules of the SAYE Scheme may be amended by the Informa Board in any respect provided that:

(i) no amendment may be made to the advantage of participants to the provisions concerning the eligibility to participate, individual limitations or scheme limits, the basis of adjustment of options in the event of a variation of share capital arising from a capitalisation issue, or an offer to the holders of shares by way of rights or a subdivision, consolidation, reduction or other variation of share capital without the approval of Informa in general meeting, other than minor amendments to benefit the administration of the SAYE Scheme and amendments to obtain or maintain the favourable tax treatment for participants in the SAYE Scheme.

(ii) no amendment may be made which would alter to the disadvantage of a participant any rights already acquired by him under the SAYE Scheme without his prior written consent or a resolution.

No amendment shall take effect until it has been approved by the Inland Revenue while the SAYE Scheme is approved and is intended to remain approved by the Inland Revenue.

Termination

The Informa Board may terminate the SAYE Scheme at any time. Termination will not affect the outstanding rights of participants.

(d) *Matching Plan*

No awards have been made pursuant to the Matching Plan.

6. Interests in Informa Shares

(a) *Interests of Informa Directors and Proposed Informa Directors*

As at 18 March 2004 (being the latest practicable date before the publication of this document), the interests of the Informa Directors and the Proposed Informa Directors and persons connected with them in the issued share capital of Informa (all of which, unless otherwise stated, are beneficial) both before and on completion of the Merger which (i) have been notified to Informa pursuant to sections 324 or 328 of the Companies Act or, (ii) are required to be entered into the register referred to in section 325 of the Companies Act or, (iii) in the case of persons connected with the Informa Directors and the Proposed Informa Directors, are interests (the existence of which is known to or could with reasonable diligence be ascertained by that Informa Director or Proposed Informa Director) which would be required to be so notified or entered into the register in accordance with (i) or (ii) above if that connected person were an Informa Director or a Proposed Informa Director, are as follows:

Informa Director/ Proposed Informa Director	*Number of Informa Shares*	*Number of Taylor & Francis Shares*	*Percentage of Informa issued share capital prior to the Merger*	*Percentage of Informa issued share capital held on completion of the Merger*
P S Rigby	461,441	Nil	0.304	0.155
D S Gilbertson	488,068	Nil	0.321	0.164
J H Wilkinson	10,025	Nil	0.007	0.003
R Hooper	6,508	Nil	0.004	0.002
E A Barton	7,500	Nil	0.005	0.003
S M Watson	9,250	Nil	0.006	0.003
D J Smith*	Nil	16,500	Nil	0.009
A M Foye*	Nil	54,081	Nil	0.031
D Cruickshank*	Nil	Nil	Nil	Nil
D Mapp*	Nil	17,016	Nil	0.010

* Proposed Informa Director

(b) *Share options held by Informa Directors*

The following options were held over Informa Shares by the Informa Directors as at 18 March 2004 (being the latest practicable date before the publication of this document):

		Opening Balance	*Exercised During The Year*	*Closing Balance*	*Exercise Price (Pence)*	*Period of Exercise*
P S Rigby	SAYE Options – 3 yr	3,953	0	3,953	240.3	July 05 to December 05
	Executive	3,924	0	3,924	201.5	April 00 to April 07
	Discretionary Options	93,516	0	93,516	401	October 02 to September 09
		52,272	0	52,272	825	March 03 to March 10
		81,648	0	81,648	581	March 04 to March 11
		111,879	0	111,879	282.67	March 05 to March 12
		0	0	136,234	373	March 07 to March 14
Total		**347,192**	**0**	**483,426**		
D S Gilbertson	SAYE Options – 5 yr	6,388	6,388	0	270	July 03 to December 03
	Discretionary Options	100,000	0	100,000	219	August 01 to August 08
		82,294	0	82,294	401	October 02 to September 09
		46,000	0	46,000	825	March 03 to March 10
		71,772	0	71,772	581	March 04 to March 11
		98,347	0	98,347	282.67	March 05 to March 12
		0	0	119,885	373	March 07 to March 14
Total		**404,801**	**6,388**	**578,298**		

		Opening Balance	*Exercised During The Year*	*Closing Balance*	*Exercise Price (Pence)*	*Period of Exercise*
J Wilkinson	SAYE Options – 5 yr	6,887	0	6,887	240.3	July 07 to December 07
	Executive	3,924	0	3,924	201.5	April 00 to April 07
		16,700	0	16,700	273.05	April 01 to April 08
	Discretionary Options	20,000	0	20,000	310.5	April 02 to April 09
		46,758	0	46,758	401	October 02 to September 09
		27,272	0	27,272	825	March 03 to March 10
		42,598	0	42,598	581	March 04 to March 11
		58,371	0	58,371	282.67	March 05 to March 12
		0	0	80,428	373	March 07 to March 14
Total		**222,510**	**0**	**302,938**		

None of the Informa Options detailed in the above table lapsed during the financial year ended 31 December 2003, and no further options were granted to any Informa Directors during that year. All options detailed above were granted for no consideration.

A further grant of options over Informa Shares was made to the Informa Executive Directors on 4 March 2004 at an exercise price of 373 pence per Informa Share.

Informa have established the Informa Group Employee Share Trust and the Informa Group Qualifying Employee Share Ownership Trust under which the Informa Executive Directors are deemed for the purposes of the Companies Act 1985 to have interests in 17,228 and 632,775 Informa Shares, respectively.

In addition, certain of the Proposed Informa Directors hold options over Taylor & Francis Shares which they intend to roll over into options over Informa Shares as provided in paragraph 13 of Part I of this document.

(c) *Substantial shareholders*

Save as disclosed below, the Company is not aware of any person who, directly or indirectly, was, as at 18 March 2004 (being the latest practicable date before the publication of this document) interested in or would, following the Merger, be interested in three per cent. or more of Informa current issued ordinary share capital or its issued ordinary share capital as enlarged following the Merger:

	Number of Informa Shares held prior to the Merger	*Number of Taylor & Francis Shares held prior to the Merger*	*Percentage of Informa issued share capital held prior to the Merger*	*Percentage of Informa issued share capital held on completion of the Merger**
Fidelity International Limited	17,022,971	1,579,064	11.20	6.61
Legal & General Investment Management	12,811,857	4,687,502	8.43	6.97
Threadneedle Asset Management	12,611,028	3,949,016	8.30	6.48
Aegon UK Plc	11,130,104	–	7.32	3.73
Henderson Global Investors	9,263,336	3,030,850	6.09	4.83
ISIS Asset Management	9,196,417	–	6.05	3.08
Deutsche Asset Management	7,710,068	–	5.07	2.58
Standard Life Investments Limited	7,143,014	2,955,777	4.70	4.08
Morley Fund Management/Aviva plc	6,036,240	6,463,135	3.97	4.65

* The above table is drawn up on the assumption that there will be no exercise of options under the Informa Option Schemes, no exercise of options (or vesting of awards) under the Taylor & Francis Share Schemes and no issue of any further Taylor & Francis Shares after 18 March 2004 (being the latest practicable date before the publication of this document) and before the Effective Date and that none of the above are subject to any disposition of any interest in Informa Shares (other than pursuant to the Scheme) after 18 March 2004 (being the latest practicable date before the publication of this document) and before the Effective Date.

7. Memorandum and articles of association of Informa

Informa's memorandum and articles of association are available for inspection at its registered office and at the offices of CMS Cameron McKenna at the times and at the addresses specified in paragraph 16 of this Part VI.

(a) *Memorandum of association*

Clause 4.1 of Informa's memorandum of association provides that the object of the Company is to carry on business as a general commercial company. The full contents of the objects of Informa are set out in full in clause 4.2 of the memorandum of association.

(b) *Articles of association*

The articles of association of Informa (the "Articles") contain provisions, *inter alia*, to the following effect:

(i) Voting rights

Shareholders shall have the right to receive notice of, to attend and to vote at all general meetings of Informa. Save as otherwise provided in the Articles, on a show of hands each holder of shares present in person and entitled to vote shall have one vote and upon a poll each such holder who is present in person or by proxy and entitled to vote shall have one vote in respect of every share held by him.

In the case of joint holders of a share, the vote of the senior who tenders a vote, shall be accepted to the exclusion of the vote(s) of the other joint holders. For this purpose seniority shall be determined by the order in which the names stand in the register of members.

No member shall be entitled to vote at any general meeting if any call or other sum presently payable by him in respect of shares remains unpaid.

(ii) Variation of class rights and alteration of capital

If at any time the share capital of Informa is divided into different classes of shares, all or any of the rights attached to any class of shares may be varied or abrogated either whilst Informa is a going concern or during or in contemplation of winding up, either (a) in such manner (if any) as may be provided by such rights, or (b) in the absence of such provision, with the consent in writing (including by electronic communication) of the holders of three-fourths of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class but not otherwise. The provisions of the Articles relating to general meetings shall apply, *mutatis mutandis*, to every such separate general meeting except that the necessary quorum at any such meeting (other than an adjourned meeting) shall be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the relevant class, and at an adjourned meeting one person holding shares of the class or his proxy. Any holder of shares of the relevant class present in person or by proxy may demand a poll upon which every holder of shares of that class shall be entitled to one vote for every such share held by him. The rights attached to any class of shares, unless otherwise expressly provided, shall not be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or subsequent thereto or by the purchase or redemption by Informa of any of its own shares.

Informa may by ordinary resolution issue any share in Informa with such preferred, deferred or other rights or restrictions whether with regard to dividend, return of capital, voting or otherwise as Informa may from time to time determine. Subject to the provisions of the Companies Act, Informa may by special resolution purchase its own shares.

Subject to the provisions of the Companies Act and to any provisions contained in the Articles from time to time, all unissued shares in the capital of Informa shall be under the control of the Informa Directors who may allot, grant options over or otherwise deal with or dispose of the same as they think fit.

Subject to the provisions of the Companies Act, any shares may be issued on terms that they are, or are liable to be, redeemed at the option of Informa or the holder of such shares.

(iii) Transfer of shares

The instrument of transfer of a certificated share shall be signed by or on behalf of the transferor (and, in the case of a share which is not fully paid, by or on behalf of the transferee) and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect thereof. All transfers of certificated shares shall be effected by instrument in writing in any usual or common form or any other form which the Informa Directors may approve. The Informa Directors may, in their absolute discretion and without giving any reason, refuse to register the transfer of a share which is not fully paid provided that such discretion will not be exercised in such a way as to prevent dealings in the shares of the relevant class on the Official List of the UKLA from taking place on an open and proper basis. The Informa Directors may also refuse to register any transfer of shares on which Informa has a lien. Unless otherwise agreed by the Informa Directors in any particular case, the maximum number of persons who may be registered as joint holders of a share is four. In relation to certificated shares, the Informa Directors may decline to recognise any instrument of transfer unless it is duly stamped and left at the registered office of Informa, accompanied by the relevant certificate (except where the shares are registered in the name of a market nominee and no certificate has been issued for them) and such other evidence as the Informa Directors may reasonably require to show the right of the transferor to make the transfer, and unless the instrument is in respect of only one class of share. The registration of transfers may be suspended by the Informa Directors for any period (not exceeding 30 days in any year).

(iv) Directors

The business of Informa shall be managed by the Informa Directors, who may exercise all such powers of Informa subject to the provisions of the Articles and the Companies Act and to such directions as may be given by Informa in general meeting by special resolution.

Unless and until Informa shall otherwise determine by ordinary resolution, the number of Informa Directors shall be not less than three, nor more than twelve. An Informa Director shall not be required to hold any shares in the capital of Informa.

(v) Borrowing powers

The Informa Directors may exercise all the powers of Informa to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as collateral security for any debt liability or obligation of Informa or of any third party.

The Informa Directors shall restrict the borrowings of Informa and exercise all voting and other rights or powers of control exercisable by Informa in relation to its subsidiary undertakings (if any) so as to secure (so far, as regards subsidiary undertakings, as by such exercise they can secure) that the aggregate principal amount for the time being outstanding in respect of all monies borrowed by Informa and any subsidiary undertakings for the time being (in this paragraph, the "Group") (but excluding for these purposes inter-company borrowings) and for the time being owing to persons outside the Group, shall not at any time (after deducting the amount of cash deposited), without the previous sanction of an ordinary resolution of Informa, exceed an amount equal to three times the share capital and consolidated reserves (on the basis of a detailed formula) (or such other higher limit fixed by an ordinary resolution of Informa which is applicable at the relevant time).

(vi) Dividends and distributions to shareholders

Informa in general meeting may declare dividends out of the profits of Informa available for distribution. No dividend shall exceed the amount recommended by the Informa Directors or be paid otherwise than in accordance with the Companies Act. Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide, all dividends shall be declared and paid according to the amounts paid up on the shares (otherwise than in advance of calls) and shall be apportioned and paid *pro rata* according to the amounts paid up on the shares during any portion of the period in respect of which the dividend is paid.

Subject to the provisions of the Articles and the Companies Act, the Informa Directors may pay such interim dividends as appear to the Informa Directors to be justified by Informa's financial position.

No dividend or interim dividend shall be paid otherwise than in accordance with the provisions of the Companies Act.

All unclaimed dividends may be invested or otherwise made use of by the Informa Directors for the benefit of Informa until claimed. Any dividend unclaimed for a period of 12 years from the date of declaration thereof shall, if the Informa Directors so resolve, be forfeited and shall revert to Informa.

(vii) Winding up
If Informa is in liquidation the liquidator may, with the authority of an extraordinary resolution, and subject to any provisions of the Companies Act (or any other applicable legislation), divide among the members *in specie* the whole or any part of the assets of Informa and for such purpose may value any assets and determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest the whole or any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, thinks fit, but so that no member shall be compelled to accept any shares in respect of which there is a liability.

8. Service agreements and remuneration of the Informa Directors

(a) *Informa Executive Directors*

The Informa Executive Directors have entered into service agreements with the Company, on the dates shown below (although each has been amended since that date), and their current annual salaries (which are subject to annual review) are as follows:

Informa Director	*Date of Service Contract*	*Current Salary (per annum)*	*Salary at end of last financial year (31 December 2003)*
P S Rigby	25 September 1996	£338,769	£325,740
D S Gilbertson	27 February 1996	£298,116	£286,650
J H Wilkinson	28 January 1998	£200,000	£180,000

All of the service agreements continue until terminated by either party at any time giving to the other not less than 12 months written notice.

In addition, each of the Executive Directors is entitled to a car (all standing and running expenses of which are borne by the Company), out of pocket expenses, 30 working days holiday each year, life assurance and private medical insurance and a discretionary bonus as may be determined by the Remuneration Committee of the Board, based upon annual increases in adjusted earnings per Informa Ordinary Share, together with the attainment of certain personal objectives (subject to an annual maximum of 100 per cent. of basic salary). The Company makes a contribution equal to 25 per cent. of annual basic salary to each of the Informa Executive Directors' personal pension scheme (save in respect of Mr Gilbertson, where the contribution is instead made to a combination of the Company's defined benefit pensions scheme and his personal pension scheme). Each Executive Director is entitled to receive in any one year, share options equal in value to 1.5 times his annual basic salary, subject to the overall and individual limits that apply to the Company from time to time. The exercise of such share options is subject to adjusted earnings per Informa Ordinary Share exceeding the retail price index by 9 per cent. over the three year period prior to the date of exercise.

All of the service agreements contain provisions allowing the Company to terminate summarily for cause, such as gross misconduct. In the event of termination of the contract by the Company, the

Company may elect (but is not contractually bound) to pay the Informa Executive Director, in lieu of notice, the total of his annual basic salary, full bonus entitlement for the year (whether earned or not), Company pension contributions and the cost of providing a car and the insurance benefits described above. Any such discretion will be exercised by the Company's Remuneration Committee in accordance with the obligations imposed by the Combined Code.

(b) *Informa Non-Executive Directors*

The Company has entered into a letter of appointment with Lancedale Limited for the provision of the services of Mr Barton as a non-executive director of the Company. With effect from 1 January 2003, the Company pays an annual fee of £30,000 in respect of Mr Barton's services.

The Company has entered into a letter of appointment with Hooper Communications for the provision of the services of Mr Hooper as a non-executive director of the Company. With effect from 1 January 2003, the Company pays an annual fee of £30,000 in respect of Mr Hooper's services.

The Company has entered into a letter of appointment with CMS Cameron McKenna for the provision of the services of Mr Watson as a non-executive director of the Company. With effect from 1 January 2003, the Company pays an annual fee of £25,000 in respect of Mr Watson's services.

(c) *Proposed Informa Directors*

Following completion of the Merger the Proposed Informa Directors will provide services to T&F Informa plc pursuant to the terms of their existing service contracts or letters of engagement entered into with Informa or Taylor & Francis, as appropriate. The following are particulars of the current letters of engagement entered into between Taylor & Francis and each of Donald Cruickshank and Derek Mapp, both of whom are Proposed Informa Directors.

Name	*Date of Engagement Letter*	*Notice Period*	*Fees per annum*	*Unexpired term at 1 March 2004*
Don Cruickshank (*Non-Executive Chairman*)	14 January 2004	3 months	£85,000*	2 years 10 months
Derek Mapp (*Non-Executive*)	15 December 1997	Terminable at will	£28,000	Nil

* Increasing to £90,000 per annum for 2005.

The following are particulars of the current service agreements for each of David Smith and Anthony Foye:

Name	*Date of Agreement*	*Unexpired Term*	*Notice period from Taylor & Francis*	*Notice period from Director*	*Salary (per annum)*
David Smith	8 April 2002	Terminable on notice	12 months	12 months	£324,500*
Anthony Foye	1 January 1998	Terminable on notice	12 months	12 months	£190,000

* The salary figure for David Smith includes a payment in lieu of pension equal to 10 per cent. of salary.

In the event of early termination, both David Smith's and Anthony Foye's contracts provide for compensation up to a maximum basic salary for the notice period, in addition to the continued provision, where applicable, of private medical insurance and pension benefits during the notice period. David Smith's contract also provides for any bonus which would have been earned during the notice period.

On any reconstruction or amalgamation of Taylor & Francis, the directors have no claim against Taylor & Francis if they receive an offer on no less favourable terms than under their current contracts from Taylor & Francis.

David Smith and Anthony Foye are both eligible to participate in the Taylor & Francis annual bonus scheme. The level of potential bonus is expressed as a percentage of basic salary with each director receiving up to 50 per cent. of basic salary, subject to the achievement of financial targets on a sliding scale primarily in respect of revenue, operating profit and earnings per share. For the year ended 31 December 2003, Anthony Foye and David Smith were awarded bonuses of 28 per cent. and 22 per cent. of basic salary respectively.

David Smith and Anthony Foye are both entitled to participate in certain of the Taylor & Francis Share Options Schemes. Both directors may be granted options under the Taylor & Francis Group plc Approved Discretionary Share Option Scheme and the Taylor & Francis Group plc Unapproved Discretionary Share Option Scheme. Neither David Smith nor Anthony Foye are eligible to participate in the Taylor & Francis Group Savings Related Share Option Scheme. The exercise price of options granted to the directors is equal to the market value of the underlying shares at the date of grant.

Anthony Foye participates in the Taylor & Francis Limited Group Pension & Life Assurance Scheme. This scheme is a defined benefit scheme which, subject to Inland Revenue limits and length of service, provides a pension of up to two thirds of final salary (excluding benefits) at the age of 63. Dependants are eligible for dependants' pensions and the payment of a lump sum in the event of the members' death in service. No payments other than basic salary are pensionable. As he joined Taylor & Francis after the defined benefit scheme was closed to new entrants, David Smith does not participate in this scheme and instead receives an additional 10 per cent. of salary.

David Smith and Anthony Foye also receive benefits-in-kind in the form of private health insurance.

Details of the service contracts and letters of engagement applicable to the other proposed directors of Informa following completion of the Merger are contained in paragraphs 8(a) and (b) above.

(d) *Remuneration*

The total aggregate of the remuneration paid and benefits in kind granted to the Informa Directors (including pension contributions paid by Informa on their behalf) by Informa or any other member of the Informa Group during the financial year ended 31 December 2003 was £1,875,000.

(e) *General*

It is proposed that no changes will be made to the terms of the executive Taylor & Francis Directors' service agreements prior to the Merger becoming effective. Following the Merger becoming effective, the remuneration committee of T&F Informa will review the service agreements of the executive Taylor & Francis Directors and the executive Informa Directors. It is also intended that the terms of appointment of the T&F Informa non-executive directors will be reviewed following the Merger becoming effective. The remuneration policy of T&F Informa will be reviewed following completion of the Merger in the light of the responsibilities to be undertaken by the directors of T&F Informa within the Enlarged Group.

Save as set out in this paragraph 8, there are no existing or proposed service contracts between any of the Informa Directors and the Proposed Informa Directors and any member of the Informa Group.

9. Subsidiary undertakings of Informa

Informa is the parent company of the Informa Group. The principal subsidiary undertakings of Informa, all of which are wholly-owned, are listed on page 31 of this document.

10. Property

The Informa Group has 15 offices in England and Wales from which it operates its business. Its head office and principal place of business is at Mortimer House, 37-41 Mortimer Street, London W1T 3JH.

The principal establishments of the Informa Group are as follows:

Establishment	*Address*	*Tenure*	*Size (Sq Ft)*
Informa Maritime	69/77 Paul Street, London EC2A 4LQ	Leased	46,397
Professional	30 Mortimer Street, London W1W 7RE	Leased	16,477
Telecoms	37-41 Mortimer Street, London W1T 3JH	Leased	23,246
Germany	Prinzenallee 3, 40549 Dusseldorf, Germany	Leased	56,823

11. Material contracts

(a) *Informa*

(i) Save for the contracts described in this paragraph 11(a)(i) and the agreements which have been made available for inspection within the last two years (being those described in paragraph 11(a)(ii)) no member of the Informa Group has (i) entered into any material contract (not being a contract entered into in the ordinary course of business) within the two years immediately preceding the date of this document or (ii) entered into any other contract (not being a contract entered into in the ordinary course of business) which contains any provision under which any member of the Informa Group has any obligation or entitlement which is or may be material to the Informa Group as at the date of this document:

(a) an implementation agreement dated 1 March 2004 between (1) Informa and (2) Taylor & Francis (the "Implementation Agreement"). This agreement sets out provisions relating to the implementation of the Merger and imposes an obligation on each of the parties to use all reasonable endeavours (taking account of and subject to the fiduciary duties of their respective directors) to complete the Merger subject to, and in accordance with, the Conditions. Each of the parties to the Implementation Agreement also provides certain undertakings to the other concerning the conduct of its respective businesses prior to the Effective Date or termination of the Implementation Agreement, whichever occurs earlier. The other principal provisions of the Implementation Agreement include:

(A) warranties relating to the disclosure of information to the other party and the ability to fulfil the Conditions (which warranties survive until the earlier of the Effective Date or (if applicable) termination of the Implementation Agreement); and

(B) an obligation on each of Informa and Taylor & Francis relating to the non-solicitation of any independent competing offer (including an offer, tender offer, scheme of arrangement or other transaction) for some or all of the Informa Shares or Taylor & Francis Shares, as the case may be, or a sale or disposal of all or a material part of the business or assets of the Informa Group or the Taylor & Francis Group, as the case may be, and restrictions on discussions or negotiation with, and the provision of information to, any third party in connection with any such solicited independent competing offer or business or asset sale without the consent of the other;

(b) an inducement fee agreement dated 26 February 2004 between (1) Informa and (2) Taylor & Francis (the "Inducement Fee Agreement") under which an inducement fee of £4.0 million is payable by one party to the other in the event that the Merger lapses or is withdrawn following an announcement of any proposals involving a change of control of either Informa or Taylor & Francis by a third party, which proposal, or any other proposal, subsequently becomes unconditional; and

(c) a facility agreement dated 17 March 2004 and made between, among others, Informa, ABN AMRO Bank N.V. and The Royal Bank of Scotland plc (the "New Facilities Agreement").

The credit facilities (the "Facilities") comprise £80 million, $150 million and €50 million term loan facilities (the "Term Facility") and a £240 million multi-currency revolving credit-facility (the "Revolving Credit Facility").

The Facilities may be used for the purposes of refinancing certain existing indebtedness, meeting costs and expenses incurred in connection with the Merger (including any costs incurred in connection with the repayment of a $50 million US private placement of Informa (the "US Private Placement")) and for other general corporate purposes of the Enlarged Group.

The principal existing indebtedness of Informa and Taylor & Francis comprise credit facilities made available to Informa under a £205 million multi-currency facilities agreement dated 1 December 2003, credit facilities made available to Taylor & Francis Group plc under a £240 million revolving credit facility dated 28 February 2003 and the US Private Placement.

Subject to the Enlarged Group satisfying certain conditions precedent, the Term Facility is available for drawdown from the date of the New Facilities Agreement to the date falling 30 days after the Effective Date (provided that the Facilities will allow for drawings sufficient to repay the US Private Placement for a period of 3 years from the Effective Date). The Revolving Credit Facility will be available from the date of the New Facilities Agreement until the date falling 5 years after the date of the New Facilities Agreement. The final maturity date of the Facilities is the date falling 5 years after the date of the New Facilities Agreement.

Arrangement fees are payable on the Facilities in stages. The rate of interest is the aggregate of LIBOR/EURIBOR plus a margin ranging from 0.75 per cent. per annum to 1.45 per cent. per annum (calculated by reference to a defined ratchet but fixed at 1.2 per cent. per annum until Informa's financial statements as at 30 June 2004 are published) plus certain costs. A commitment fee is payable on both facilities on the uncancelled and unused balance of the Facilities at a rate of 0.25 per cent. per annum from the date of the New Facilities Agreement to the date of first utilisation of the Facilities and at a rate of 45 per cent. of the applicable margin thereafter.

Certain mandatory prepayments are required to be made pursuant to the New Facilities Agreement in certain circumstances including in the event of a change of control of T&F Informa, the occurrence of certain Scheme-related events and capital market issues. The New Facilities Agreement contains customary covenants, representations, warranties and events of default including limitations on change of business, acquisitions, investments and mergers, the granting of further security and financial indebtedness. The New Facilities Agreement stipulates that the Enlarged Group is required to maintain maximum leverage ratios and minimum interest cover ratios to be determined by reference to the earnings (before interest, taxation, depreciation and amortisation) of the Enlarged Group.

(ii) The material contracts not listed in paragraph 11(a)(i) above as a result of having previously been made available for inspection within the last two years are:

(a) a sale and purchase agreement dated 8 September 2003 between Alchemy Partners Nominees Limited, Kavalyit Mickey Arora (and Others), and the Company pursuant to which the Company agreed to acquire the entire issued share capital of MMS;

(b) an agreement dated 8 September 2003 between the Company and UBS pursuant to which UBS undertook to use its reasonable endeavours to procure placees to accept the allotment of 9,700,000 new Informa Shares at a price of 270 pence per share;

(c) a sale and purchase agreement dated 2 December 2003 between the Company and Dr PJ Brown (and others) pursuant to which the Company agreed to acquire the entire issued share capital of PJB;

(d) an agreement dated 2 December 2003 between the Company and UBS pursuant to which UBS undertook to procure placees to accept the allotment of 13,280,000 new Informa Shares at a price of not less than 275 pence per share or, failing which, UBS itself undertook to take up such shares at a price of 275 pence per share;

(e) an agreement dated 2 December 2003 between the Company, Informa Jersey and UBS pursuant to which (i) UBS agreed to subscribe for eleven ordinary shares of no par value in Informa Jersey at a premium of £1 per ordinary share; and (ii) UBS acquired a put option in respect of those shares (as against the Company), and the Company a corresponding call option (as against UBS);

(f) an agreement dated 2 December 2003 between UBS, Informa Jersey and the Company pursuant to which UBS, *inter alia*, and subject to the terms and conditions contained therein, agreed to subscribe for up to 50 million redeemable preference shares of no par value in Informa Jersey; and

(g) an agreement dated 1 December 2003 between the Company and Barclays Bank PLC (among others) pursuant to which Barclays Bank PLC (among others) agreed to make available to the Company and any Additional Borrowers (as defined therein) multi currency loans of up to a maximum amount of £205,000,000 for the purposes of financing the acquisition of the entire issued share capital of PJB, and the general corporate purposes of the Informa Group.

None of the contracts detailed in this paragraph 11(a)(ii) have been terminated.

(b) *Taylor & Francis*

(i) The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Taylor & Francis Group (a) within the two years immediately preceding the date of this document and are, or may be material, or (b) contain provisions under which a member of the Taylor & Francis Group has an obligation or entitlement which is or may be material to the Taylor & Francis Group at the date of this document:

(a) an asset purchase agreement (the "CRC Purchase Agreement") dated 27 February 2003 between (1) CRC Press LLC, (2) CRC Press (UK) LLC and (3) Parthenon Inc. (together the "CRC Sellers"); (4) Information Holdings Inc. (being the ultimate parent of CRC Press LLC ("IHI")); and (5) CRC Press I LLC and (6) Routledge No. 2 Limited (together the "CRC Buyers"). The CRC Purchase Agreement provided for the purchase, by the CRC Buyers, of the CRC Sellers' business (the "CRC Business") of medical communication and publishing books and journals. The CRC Buyers are members of the Taylor & Francis Group. The consideration paid for the CRC Business was approximately $95 million (subject to certain post-completion adjustments), of which $90,750,000 was paid to the CRC Sellers on 8 April 2003, the date of completion (the "CRC Completion"), $3 million was deposited in an escrow account in respect of the warranties referred to below, and $1,250,000 was paid prior to the CRC Completion as a result of a certain commercial contract being entered into. The CRC Sellers and IHI gave commercial warranties and an indemnity for breach of such warranties to the CRC Buyers. The period for claims to be made under such warranties and indemnity was 12 months from the CRC Completion, save in respect of intellectual property warranties, where the relevant period was two years, and taxation and environmental warranties, where the relevant periods expire at the end of the relevant statutory limitation periods. Claims were also made subject to certain financial limitations, including a cap on the maximum liability of the CRC Sellers for the aggregate of all claims, at an amount equal to the purchase price. The CRC Buyers also gave certain limited warranties and an indemnity (subject to certain exceptions) for breach of such warranties;

(b) an asset purchase agreement (the "Dekker Purchase Agreement") dated 17 November 2003 between (1) Marcel Dekker, Inc., (2) Marcel Dekker AG and (3) IBS Book Service AG (the "Dekker Sellers"); and (4) a number of shareholders of the Dekker Sellers, (being subsidiaries of the Dekker Sellers) (the "Dekker Shareholders"), and (5) Taylor & Francis, Inc., (6) Taylor & Francis Books, Inc. and (7) Taylor & Francis Publishing Services Limited (collectively, the "Dekker Buyers") and (8) Taylor & Francis. The Dekker Purchase Agreement provided for the purchase, by the Dekker Buyers, of the Dekker Sellers' business (the "Dekker Business") of publishing books and journals in the scientific, technical and medical fields. The Dekker Buyers are members of the Taylor & Francis Group. The consideration paid for the Dekker Business was approximately $123,600,000 (subject to certain post-completion adjustments), of which $109,640,000 was paid to the Dekker Sellers on 5 January 2004, the date of completion (the "Dekker Completion"), $12,360,000 was deposited in an escrow account in respect of the warranties referred to below and $1,600,000 of promissory notes were issued by the Dekker Buyers to the Dekker Sellers. The Dekker Sellers and the Dekker Shareholders gave commercial warranties and an indemnity for breach of such warranties to the Dekker Buyers. The period for claims to be made under such warranties and indemnity was 15 months from the Dekker Completion, save in respect of intellectual property warranties, where the relevant period was three years, and environment warranties, where the relevant period was two years. Claims were also made subject to certain financial limitations, including a cap on the maximum liability of the Dekker Sellers for the aggregate of all claims, at an amount equal to $45,000,000 for all claims made in the first 12 months following the Dekker Completion, $25,000,000 for all claims made in the next following 12 month period, and $20,000,000 for all subsequent claims, subject in each case to the relevant time periods set out above. Each such cap is also subject to reduction by an amount equal to the aggregate amount of claims paid in any preceding period. The Dekker Buyers also gave certain limited warranties and an indemnity (subject to certain exceptions) for breach of such warranties; and

(c) the Implementation Agreement and the Inducement Fee Agreement referred to in paragraphs 11(a)(i)(a) and (b) above.

12. Litigation

(a) *Informa*

There are no legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Informa is aware) which may have, or have had during the twelve months preceding the date of this document, a significant effect on the Informa Group's financial position.

(b) *Taylor & Francis*

There are no legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Taylor & Francis is aware) which may have, or have had during the twelve months preceding the date of this document, a significant effect on the Taylor & Francis Group's financial position.

13. Taxation

(a) *United Kingdom*

The following paragraphs, which are intended as a general guide only, are based on current UK legislation and an understanding of current Inland Revenue practice as at the date of this document. They summarise certain limited aspects of the UK taxation consequences of the holding of Informa Shares, and they relate (except insofar as express reference is made to the treatment of non-UK residents) only to the position of Informa Shareholders who hold their Informa Shares beneficially as an investment (and not as securities to be realised in the course of a trade) and who are resident and, if individuals, ordinarily resident in the UK for tax purposes. If you are in any doubt as to your taxation position or if you are subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriate professional adviser immediately.

(i) Taxation of dividends on Informa Shares
Under current UK legislation, Informa will not be required to withhold tax at source when paying a dividend.

An individual Informa Shareholder who is resident in the UK (for tax purposes) and who receives a dividend from Informa will be entitled to a tax credit which such holder may set off against his total income tax liability on the dividend. The tax credit will be equal to one-ninth of the net dividend received (or 10 per cent. of the aggregate of the dividend received and the related tax credit (the "gross dividend")). A UK resident individual shareholder who is liable to income tax at the lower or basic rate will be subject to tax on the dividend at the rate of 10 per cent. of the gross dividend, so that the tax credit will satisfy in full such shareholder's liability to income tax on the dividend.

The rate of income tax applied to UK company dividends received by a UK resident individual liable to income tax at the higher rate is currently 32.5 per cent. In the case of a UK resident individual Informa Shareholder who is liable to income tax at the higher rate, the tax credit will be set against but not fully match his tax liability on the gross dividend and he will have to account for additional tax equal to 22.5 per cent. of the gross dividend (which is also equal to 25 per cent. of the net dividend received) to the extent that the gross dividend when treated as the top slice of his income falls above the threshold for higher rate income tax.

Although the tax credits attaching to dividends are generally not payable to shareholders, individual Informa Shareholders who hold their Informa Shares in an Individual Savings Account (ISA) or Personal Equity Plan (PEP) will be entitled to recover the tax credit on dividends paid on or before 5 April 2004. UK resident taxpayers who are not liable to UK tax on dividends, including charities and pension funds will not be entitled to recover any part of the tax credit attaching to dividends although charities will be entitled to limited compensation in lieu of repayable tax credits until 5 April 2004.

Subject to certain exceptions, UK resident corporate Informa Shareholders will not be subject to corporation tax on dividends paid by Informa. Such shareholders will not be able to claim repayment of tax credits attaching to dividends.

Non-UK resident Informa Shareholders will generally not be able to claim repayment from the Inland Revenue of any part of the tax credit attaching to dividends paid by Informa. A Informa Shareholder resident outside the UK may also be subject to taxation on dividend income under local law. Such shareholders who are resident in a jurisdiction outside the UK should consult their own professional advisers concerning their tax liabilities on dividend income received from Informa.

(ii) UK Taxation of chargeable gains ("CGT")

For CGT purposes, rollover relief should be available to Taylor & Francis Shareholders who hold no more than 5 per cent. of any class of shares in or debentures of Taylor & Francis, whether alone or together with any connected persons, in respect of the cancellation of their existing Taylor & Francis Shares and the issue to them of new Informa Shares. Accordingly, such Taylor & Francis Shareholders should not be treated as having made a disposal of their Taylor & Francis Shares for CGT purposes, and the new Informa Shares issued should be treated as the same asset and as having been acquired at the same time as the Taylor & Francis Shares. The new Informa Shares will therefore have the same base cost as the Taylor & Francis Shares which they replace.

A disposal of Informa Shares by a shareholder resident or ordinarily resident for tax purposes in the UK or a shareholder who carries on a trade, profession or vocation in the UK through a branch or agency and has used, held or acquired the Informa Shares for the purposes of such trade, profession or vocation or such branch or agency may, depending on the shareholder's circumstances, and subject to any available exemption or relief, give rise to a chargeable gain or an allowable loss for the purpose of UK taxation of chargeable gains. A shareholder who is an individual and who has, on or after 17 March 1998, ceased to be resident or ordinarily resident for tax purposes in the UK for a period of less than five tax years and who disposes of Informa Shares during that period may also be liable to CGT (subject to any available exemption or relief).

(iii) UK Stamp duty and stamp duty reserve tax ("SDRT")

No United Kingdom stamp duty or SDRT will be payable by Taylor & Francis Shareholders in relation to the allotment and issue to them of new Informa Shares pursuant to the Scheme.

A transfer for value of Informa Shares will generally be subject to UK stamp duty and SDRT (although payment of stamp duty within 6 years cancels the SDRT charge). Stamp duty and SDRT are normally a liability of the purchaser. The amount of stamp duty or SDRT payable is generally calculated at the applicable rate on the consideration for the transfer of the Informa Shares, being 0.5 per cent. of the amount or value of the consideration (rounded up to the nearest £5 in the case of stamp duty).

Paperless transfers of Informa Shares within CREST are generally liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. SDRT will ordinarily be collected within CREST on relevant transactions settled within the system. Deposits of Informa Shares in CREST will generally not be subject to SDRT, unless the transfer into CREST is itself for consideration.

Special rules apply to the transfer or deposit of shares into any depositary receipt or clearance service arrangement and in relation to market intermediaries.

(b) *United States*

Taylor & Francis Shareholders and Informa Shareholders who are resident in the US or who may otherwise be subject to US tax in respect of their Taylor & Francis Shares or Informa Shares (as the case may be) should consult their own tax advisers regarding the application of US federal income tax law to their particular circumstances, as well as any state, local, foreign and other consequences relevant to such US shareholder's particular circumstances.

14. Working capital

Informa is of the opinion that, taking into account the existing facilities of the Informa Group including those available under the New Facilities Agreement, the Enlarged Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of publication of this document.

15. General

(a) There has been no significant change in the financial or trading position of the Informa Group since 31 December 2003, being the date up to which Informa's latest audited preliminary results were prepared.

(b) There has been no significant change in the financial or trading position of the Taylor & Francis Group since 31 December 2003, being the date up to which Taylor & Francis' latest audited preliminary results were prepared.

(c) The costs and expenses of, or incidental to the Merger and the Scheme, the preparation and circulation of the documents relating to the Merger and the Scheme and Admission which are payable by Informa are estimated to amount to in aggregate approximately £15 million.

(d) Other directorships held by the Informa Directors in the five years preceding the date of this document in respect of companies other than the Company and other members of the Informa Group are as follows:

Richard Hooper
- UK EUniversities Worldwide Limited (resigned 27/02/04)
- Informed Sources International Limited (resigned 12/04/00)
- Stockwhiz Limited (resigned 02/12/99)
- Fairbridge (resigned 15/05/02)
- Superscape Group plc (resigned 30/09/02)

Eric Barton
- City Technology Holdings Limited (resigned 26/04/00)
- Serviceteam Holdings Limited (resigned 09/01/01)
- The Tulchan Group Limited (resigned 25/10/00)
- Electrocal Group Limited (resigned 02/08/01)
- Asco plc (resigned 12/03/02)
- Azzuri Communications Limited (resigned 31/07/03)

Sean Watson
- Telegraph Hill Properties Limited (resigned 04/12/00)
- Telegraph Hill Trading Limited (resigned 04/12/00)

James Wilkinson
- Highgate Consulting Limited (resigned 12/12/00)

(e) Richard Hooper was appointed a director of The Music Channel Limited, trading as Superchannel ("Superchannel") in June 1986. Superchannel was involved in satellite television. He resigned from the board of Superchannel in June 1988 on a change of control of the company. On 22 November 1988, Superchannel was put into administration with an estimated deficiency as regards creditors of £5.5 million. The administration order was discharged on 13 February 1989 with creditors receiving 25 pence in the pound as part of a voluntary arrangement.

(f) KPMG has given and not withdrawn its written consent to the inclusion in this document of its report set out in Part IV of this document and the references to its name in the form and context in which they appear and has authorised the contents of such report for the purposes of Regulation 6(1)(e) of the Financial Services and Markets Act 2000 (Official Listing of Securities) Regulations 2001, as amended.

(g) UBS has given and not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they appear.

(h) Greenhill has given and has not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they appear.

(i) Trillium Partners Limited has given and has not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they appear.

(j) Deutsche Bank has given and has not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they appear.

(k) The Company's auditors are KPMG, whose registered office is 8 Salisbury Square, London EC4Y 8BB. KPMG have audited the Company's accounts for the financial years ended 31 December 2001, 2002 and 2003.

(l) The Company's registrars are Lloyds TSB Registrars of The Causeway, Worthing, West Sussex BN99 6DA.

(m) Save pursuant to the terms of the Scheme, no Informa Shares are being offered to the public.

(n) The new Informa Shares will be issued at the closing mid-market price of a Informa Share on the dealing day prior to the date of issue. The closing mid-market price of a Informa Share on 18 March 2004, being the last practicable date before the publication of this document, was 348 pence. This represents a premium of 338 pence per share to the nominal value of 10 pence of each Informa Share.

(o) Mr S M Watson, a director of the Company, is a partner in the firm of CMS Cameron McKenna, which will be receiving a fee for their services in connection with the Merger.

16. Documents available for inspection

Copies of the documents listed below may be inspected free of charge at the offices of Informa at Mortimer House, 37-41 Mortimer Street, London W1T 3JH and the offices of CMS Cameron McKenna, Mitre House, 160 Aldersgate Street, London EC1A 4DD during normal business hours on any weekday (Saturdays and public holidays excepted) up to and including the Effective Date:

(a) the memorandum and articles of association of Informa;

(b) the statutory accounts of Informa for the two financial years ended 31 December 2002;

(c) the audited preliminary results of Informa for the financial year ended 31 December 2003;

(d) the statutory accounts of Taylor & Francis for the two financial years ended 31 December 2002;

(e) the audited preliminary results of Taylor & Francis for the financial year ended 31 December 2003;

(f) the report on the pro forma financial information relating to the Enlarged Group contained in Part IV of this document;

(g) the material contracts referred to in paragraph 11 above;

(h) the Informa Directors' and the Proposed Informa Directors' service contracts referred to in paragraph 8 above;

(i) the rules of the Informa Share Schemes;

(j) the written consents referred to in paragraph 15 above; and

(i) this document, the Scheme Document and the Circular.

Dated: 19 March 2004

Part VII

DEFINITIONS

"Admission"	the admission of the new Informa Shares to the Official List and to trading on the London Stock Exchange's market for listed securities in accordance with the Listing Rules and the Admission Standards
"Admission Standards"	the admission and disclosure standards for companies published from time to time by the London Stock Exchange
"Australia"	the Commonwealth of Australia, its states, territories or possessions
"Business Day"	a day (excluding Saturdays, Sundays and public holidays) on which banks are open for business in the City of London
"Canada"	Canada, its possessions, provinces and territories and all areas subject to its jurisdiction or any political subdivision thereof
"certificated" or "in certificated form"	not in uncertificated form (that is, not in CREST)
"Circular"	the circular to Informa Shareholders dated the same date as this document in connection with the Merger
"City Code"	the City Code on Takeovers and Mergers
"Combined Code"	the Combined Code on Corporate Governance
"Companies Act" or the "Act"	the Companies Act 1985, as amended
"Competition Commission"	the body corporate known as the Competition Commission as established under Section 45 of the Competition Act 1998, as amended
"Conditions"	means the conditions to the implementation of the Scheme and the Merger set out in Part V of this document and "Condition" means any one of them
"Court"	the High Court of Justice of England and Wales
"Court Hearing"	the hearing by the Court of the petition to sanction the Scheme and confirm the reduction of capital provided for by the Scheme
"Court Order"	the order of the Court granted at the Court Hearing sanctioning the Scheme under section 425 of the Companies Act and confirming the reduction of capital provided for by the Scheme under section 137 of the Companies Act
"CREST"	the relevant system (as defined in the Regulations) in respect of which CRESTCo is the Operator (as defined in the Regulations)
"CRESTCo"	CRESTCo Limited
"Deutsche Bank"	Deutsche Bank AG London
"Effective Date"	the date on which the Scheme becomes effective in accordance with its terms
"Enlarged Group"	Informa and its subsidiary undertakings following completion of the Merger

"Forms of Proxy"	the respective forms of proxy for use in connection with the Informa EGM, the Taylor & Francis EGM and the Taylor & Francis Court Meeting, or any of them as the context requires
"Greenhill"	Greenhill & Co. International LLP
"Hearing Date"	the date of the commencement of the hearing of the petition to sanction the Scheme and of the petition to confirm the reduction of capital provided for by the Scheme
"Hearing Record Time"	6.00 p.m. on the Business Day immediately preceding the Hearing Date
"IBC"	IBC Group plc
"Implementation Agreement"	the implementation agreement dated 1 March 2004 between (1) Informa and (2) Taylor & Francis, details of which are set out in paragraph 11(a)(i)(a) of Part VI of this document
"Inducement Fee Agreement:	the inducement fee agreement dated 26 February 2004 between (1) Informa and (2) Taylor & Francis, details of which are set out in paragraph 11 (a)(i)(b) of Part VI of this document
"Informa" or "Company"	Informa Group plc, to be renamed T&F Informa plc on completion of the Merger, and, where the context requires, all of its subsidiary undertakings
"Informa Directors" or "Informa Board"	the current directors of Informa whose names are set out in paragraph 3(a) of Part VI of this document and "Informa Director" means any one of them
"Informa EGM" or "Extraordinary General Meeting"	the Extraordinary General Meeting of the Company (and any adjournment thereof) to be held at the LMA Suite, 3rd Floor, Telephone House, 69-77 Paul Street, London EC2A 4LQ at 11.00 a.m. on 14 April 2004
"Informa Executive Directors"	PS Rigby, DS Gilbertson and JH Wilkinson
"Informa Group"	Informa and its subsidiary undertakings or where the context requires, some of them
"Informa Jersey"	Informa Investments (Jersey) Limited, a subsidiary undertaking of the Company
"Informa Share Schemes"	the IBC 1995 Executive Share Option Scheme, the LLP Group Employee Share Option Scheme, the Informa Savings Related Option Scheme, the Informa Discretionary Option Scheme and the Informa Share Matching Plan
"Informa Options"	options over shares in Informa held pursuant to the Informa Share Schemes
"Informa Registrars"	Lloyds TSB Registrars of The Causeway, Worthing, West Sussex BN99 6DA
"Informa Shareholders"	registered holders of Informa Shares and "Informa Shareholder" means any one of such holders
"Informa Shares" or "Informa Ordinary Shares"	ordinary shares of 10 pence each in the capital of Informa
"Inland Revenue"	the UK Inland Revenue

"Japan"	Japan, its cities, prefectures, territories and possessions
"KPMG"	KPMG Audit Plc
"Listing Particulars"	this document
"Listing Rules"	the Listing Rules of the UK Listing Authority
"LLP"	LLP Group plc (the name of the Company prior to its merger with IBC)
"London Stock Exchange"	London Stock Exchange plc or its successor
"Marcel Dekker"	the publishing business of Marcel Dekker and its subsidiaries acquired by the Taylor & Francis Group in January 2004
"MCM"	MCM Group, Inc.
"Merger"	the proposed merger of Informa and Taylor & Francis by way of the Scheme as set out in the Scheme Document
"MMS"	MMS Group Holdings Limited, a subsidiary of the Company
"new Informa Shares"	Informa Ordinary Shares proposed to be issued credited as fully paid pursuant to the Scheme and the Merger
"New Facilities Agreement"	the facilities agreement dated 17 March 2004 between, among others, Informa, ABN AMRO Bank N.V. and the Royal Bank of Scotland plc, details of which are set out in paragraph 11(a)(i)(c) of Part VI of this document
"Notice of EGM" or "Notice of Extraordinary General Meeting"	the notice of the Informa Extraordinary General Meting which is set out in the Circular
"OFT"	the Office of Fair Trading
"Official List"	the Official List of the UKLA
"Panel"	the Panel on Takeovers and Mergers
"PJB"	PJB Publications Limited, a subsidiary of the Company
"Proposed Informa Directors"	those directors of Taylor & Francis who, following completion of the Merger, will become directors of Informa, whose names are marked with an asterisk in paragraph 3(c) of Part VI of this document
"Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
"Regulatory Information Service"	any information service authorised from time to time by the UK Listing Authority for the purpose of dissemination of regulatory announcements required by the Listing Rules
"Scheme Document"	the document dated 19 March 2004 sent to Taylor & Francis Shareholders explaining the terms of the Scheme
"Scheme Record Time"	6.00 p.m. on the last Business Day immediately prior to the Effective Date
"Scheme" or "Scheme of Arrangement"	the proposed scheme of arrangement under section 425 of the Companies Act between Taylor & Francis and the Taylor & Francis Shareholders set out in Part III of the Scheme Document, with or subject to any modification thereof or in addition thereto or condition approved or imposed by the Court and agreed by Taylor

	& Francis and Informa and which the Court may think fit to approve or impose
"SDRT"	UK stamp duty reserve tax
"sterling" or "£"	the lawful currency for the time being in the UK
"T&F Informa"	Informa following completion of the Merger when it will be renamed T&F Informa plc
"Taylor & Francis"	Taylor & Francis Group plc and, where the context requires, all of its subsidiary undertakings
"Taylor & Francis Articles"	the articles of association of Taylor & Francis as at the date of publication of this document
"Taylor & Francis Court Meeting"	the meeting of Taylor & Francis Shareholders (and any adjournment thereof) convened pursuant to an order of the Court pursuant to section 425 of the Companies Act, to be held at 10.00 a.m. on 14 April 2004, for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment), notice of which is set out in the Scheme Document
"Taylor & Francis Directors" or "Directors of Taylor & Francis"	the directors of Taylor & Francis whose names are set out in paragraph 3(b) of Part VI of this document and "Taylor & Francis Director" means any one of them
"Taylor & Francis EGM" or "Taylor & Francis Extraordinary General Meeting"	the extraordinary general meeting of Taylor & Francis Shareholders (and any adjournment thereof) convened for the purpose of considering and, if thought fit, approving the Scheme to be held at 10.05 a.m. on 14 April 2004 or as soon as the Taylor & Francis Court Meeting is concluded or adjourned, notice of which is set out at the end of the Scheme Document
"Taylor & Francis Group"	Taylor & Francis and its subsidiary undertakings
"Taylor & Francis Share Schemes"	the Taylor & Francis Share Option Schemes, together with the Taylor & Francis (Publishers), Inc. Employee Stock Purchase Plan
"Taylor & Francis Share Option Schemes"	the Taylor & Francis Group plc Unapproved Discretionary Share Option Scheme, the Taylor & Francis Group plc Approved Discretionary Share Option Scheme and the Taylor & Francis Group Savings Related Share Option Scheme
"Taylor & Francis Shareholders"	registered holders of Taylor & Francis Shares and "Taylor & Francis Shareholder" means any of such holders
"Taylor & Francis Shares"	the existing or unconditionally allotted and fully paid (or credited as fully paid) ordinary shares of 5 pence each in Taylor & Francis and any further shares which are unconditionally allotted or issued (including pursuant to the exercise of options under the Taylor & Francis Share Schemes) before the Effective Date
"Taylor & Francis Voting Record Time"	the time fixed by the Court and Taylor & Francis for determining the entitlement to vote, respectively, at the Taylor & Francis Court Meeting and the Taylor & Francis EGM as set out in the notices thereof
"UBS"	UBS Limited
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland and its dependent territories

"UKLA" or "UK Listing Authority"	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
"uncertificated" or "uncertificated form"	in respect of a share or other security, a share or other security title to which is recorded on the relevant register of the share or security concerned as being in uncertificated form in CREST, and title to which, by virtue of the Regulations, may be transferred by means of CREST
"United States" or "US"	the United States of America (including the states of the United States and the District of Columbia), its possessions and territories and all other areas subject to its jurisdiction
"US Person"	an US person as defined in Regulation S under the US Securities Act
"US Securities Act"	the United States Securities Act of 1933, as amended

For the purposes of this document, "subsidiary", "subsidiary undertaking", "undertaking", and "associated undertaking" have the meanings given by the Companies Act (but for this purpose ignoring paragraph 20(1)(b) of Schedule 4A of the Companies Act).