

Emap International Limited

Trading update for the six months ended 30 September 2009

Emap International Ltd is a Business to Business media company jointly owned by Apax Partners and Guardian Media Group plc. Set out below is a trading update for the business for the six months ended 30 September 2009.

The information contained in this summary is extracted from the unaudited management accounts.

Group overview

In the face of unprecedented economic conditions, Emap has continued to prove resilient and to perform strongly. Operating profit has shown only a marginal decline. The robust performance reflects not only the strength of Emap's market-leading brands, but the business's ability to reinvent its model to meet the economic challenges. We continue to convert profits into cash and operate within our bank covenants.

Insight produces intelligence, analysis and forecasting tools that enable our clients to build, strengthen and maintain their businesses. Our core data businesses grew strongly. WGSN (the world's leading online fashion and style forecasting service) grew revenues as did CAP (automotive valuation data), Planet Retail (leading provider of global retail intelligence) and Infrastructure Journal (the most influential insight and data service for global infrastructure and project finance). There were revenue declines in Glenigan (construction planning intelligence) and Groundsure (a provider of property environmental reports primarily for the housing market) which were impacted by the downturn in the UK construction industry and lower house sale transactions. Despite this decline, profit grew in each business as a result of major restructuring initiatives.

Connect is the UK's leading trade exhibition organiser, and brings together buyers and sellers in transactional events. The division as a whole traded well through a challenging first half of the year. Pure Autumn (the UK's most successful fashion trade event) grew profit year-on-year; while Naidex (the UK's largest event for homecare, disability and rehabilitation) and Recycling and Waste Management (the leading exhibition for the recycling and waste management sector) also saw a significant jump in revenues. Across the other exhibitions, Glee (bringing together buyers and sellers in the garden, pet and leisure sectors) saw a decline in revenues; while in Autumn Fair (the season's leading home and gift exhibition) revenues were also down - although attendees were up and post show feedback extremely strong. Cannes Lions (the international advertising festival), saw delegates and entries decline, leading to a fall in revenues. Feedback from the festival was very positive with major agencies expecting delegate and entries numbers to improve in line with the media industry growth.

Networks creates and develops over 250 intensively researched conferences a year, which attract thought leading speakers and some of the best delegate attendance

figures in the industry. For the first time Patient Safety Congress exceeded 1,000 paid-for delegates. Public Sector continues to be its biggest market, with strong revenue growth. The private sector did not perform as robustly and revenues declined, notably in the recession-impacted construction market. Elsewhere, World Retail Congress (a platform for senior retail leaders to meet to discuss the issues that are critical to all their businesses) was repositioned in 2009, which led to lower revenues but an increase in profitability.

Inform publishes industry-leading magazines, up-to-the minute online resources, and celebratory annual awards. In common with all publishers, the division has faced a tough six months. The recession impacted both the division's private sector businesses and its public sector recruitment revenues, leading to a decline in profitability. The division is now implementing charges for its online services which were previously free to air.

EMAP Middle East is the leading provider of business information and events in the Region primarily under the MEED brand. The start of the slowdown in Dubai and significantly lower oil prices fed through to a revenue decline.

Outlook

The challenges of recession continue to provide a testing environment. However, the strength of our brands and our diverse portfolio, together with our ability to flex our cost base, continues to support resilient trading profits, which out-perform many of our competitors.

Market conditions are uncertain with the outlook for Public Sector revenues particularly unclear. There are encouraging signs, particularly within our data businesses. WGSN has performed strongly over the last three months, returning to growth led by the Asian and European markets. It will benefit from the re-launch of its website in early 2010. CAP, Planet Retail and Groundsure continue to deliver strong results and growth, which continued investment will drive further. The positive feedback from Connect's autumn exhibitions, and our focus on improving customer service and value proposition, places us well to benefit from the anticipated upturn in the later part of 2010. The outlook in the Middle East remains very uncertain given Dubai's recent debt issues.

Emap continues with initiatives to improve the efficiency of its operations, and is investing in marketing and new product development to enhance our offering to customers. At the same time we continue to invest in product quality. Emap's high operational gearing leaves it well placed to convert revenue to profits as the economy improves.