



United Business Media

# **UBM Eurobond Roadshow Presentation**

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September 2006



# Agenda

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- Business Overview
- Implementing Our Strategy
- Financial Performance
- Transaction Summary



# Business Overview



# United Business Media plc.

United Business Media is a leading global business information company that brings together the world's buyers and sellers, helping their markets work effectively and efficiently through news distribution network, portfolio of events, print and on-line publications and information services

|                                |                             |
|--------------------------------|-----------------------------|
| <b>Market Cap (1 Sept 06)</b>  | £1,731.93m (€2,573.87m*)    |
| <b>Total Revenue (2005)</b>    | £675.8m                     |
| <b>Total Revenue (H1 2006)</b> | £394.3m                     |
| <b>Net Cash (2005)</b>         | £246.8m                     |
| <b>Net Cash (H1 2006)</b>      | £181.5m                     |
| <b>Rating</b>                  | Baa2 (stable)/BBB- (stable) |

\* FX Rates, 1st Sep 06 : GBP 0.673 = EUR 1



# UBM overview – Global B2B business, Connecting Buyers and Sellers

- Leading global B2B media company – a focused global player
- Bringing together B2B buyers and sellers – focuses on building leading positions in fast growing geographies and in specific vertical B2B markets

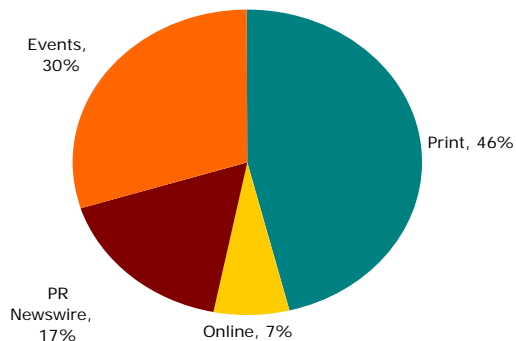




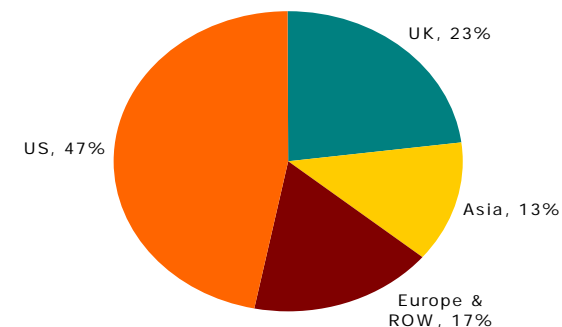
# Distribution of Revenues

- UBM benefits from increasingly diversified sources of revenue within its chosen core markets

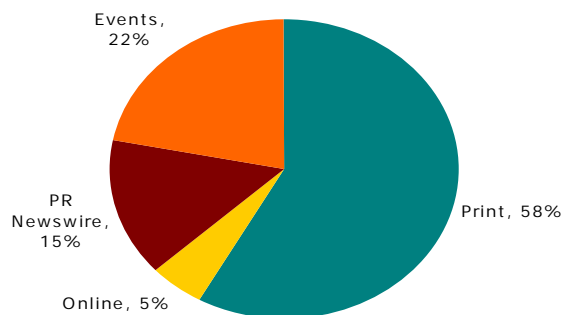
H1 2006 Revenues split by Portfolio



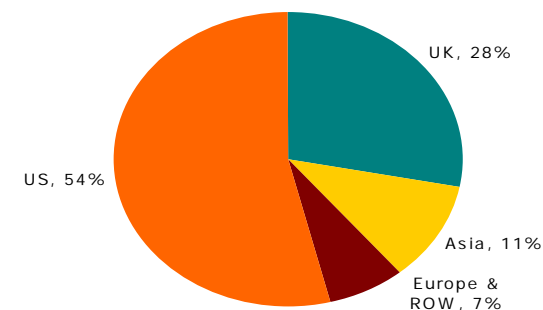
H1 2006 Revenues split by Geography



2004 Revenues split by Portfolio



2004 Revenues split by Geography





## Businesses We are In

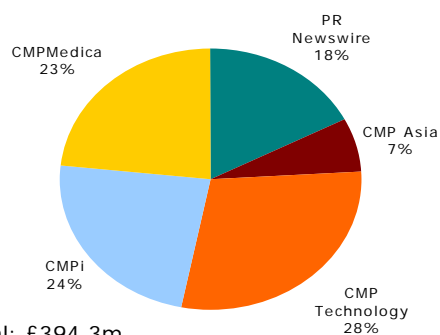
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- CMP / Commonwealth – integrated event, print, business information & online marketing services
  - 300+ events, 200 websites, 200 newspapers, magazines and directories
  - **CMP Information (CMPi)** – Global B2B media in c.20 verticals
  - **CMP Technology** – global business focused on technology industry
  - **CMPMedica** – global healthcare medical business
  - **CMP Asia** – events-led Asian media business focused on specific verticals
  - **Commonwealth** – Information provider to the global trade and transportation market with comprehensive proprietary data, news and analytical content.  
Acquired in July 2006
- PR Newswire – Global leader in the electronic delivery of market-sensitive information in the US



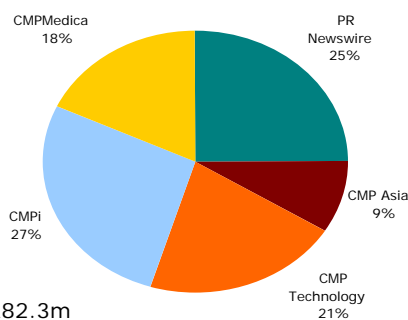
# Segmental Analysis

## H1 2006 Revenue



Total: £394.3m

## H1 2006 Operating Profit



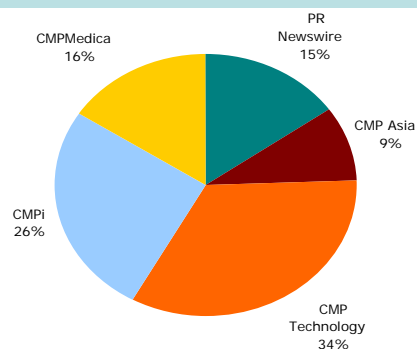
Total: £82.3m

## Underlying Revenue Growth Rate

### H1 2006

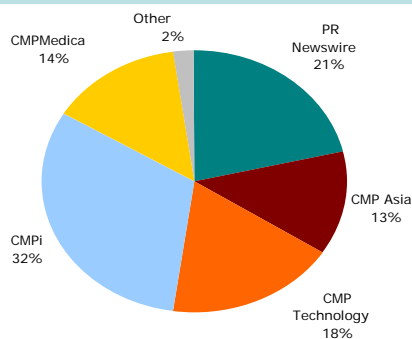
|                |        |
|----------------|--------|
| Print:         | (3.9)% |
| Events:        | 10.6%  |
| Online:        | 32.6%  |
| PR Newswire:   | 6.0%   |
| Group H1 2006: | 3.2%   |
| Group H1 2005: | 1.2%   |

## 2005 Revenue



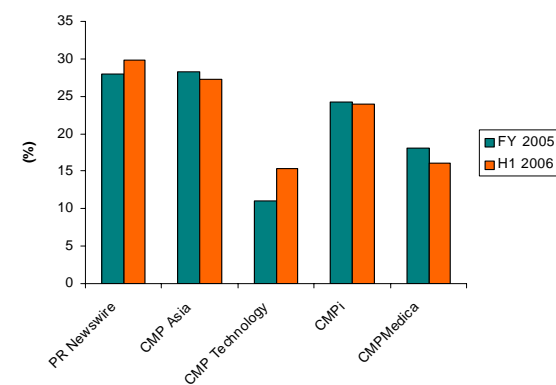
Total: £675.8m

## 2005 Operating Profit



Total: £137.1m

## Operating Margins



**Operating Profit** - Before amortisation of intangible assets, non-recurring items and including discontinued operations



United Business Media

# CMP Information (CMPi)

- CMP Information

- Delivers integrated media solutions to B2B markets
- Products include magazines, exhibitions, conferences, directories and websites
- Key markets include Built Environment, Ingredients, Travel, Agriculture, Security and Licensed Trade



- H1 2006 Key Contributions

- Underlying revenue up 5.6% with strong events
- Acquisition performance in line with plan
- Revenue increased 19.4% to £92.9m
- Operating profit increased 18.6% to £22.3m
- Margin stable at 24.0% from 24.2%
- Increased investment in new product development – recruitment, new exhibitions and data products
- Further expansion of major events into new geographies





# CMP Technology

- CMP Technology

- US's largest high tech B2B media company
- Focuses exclusively on the global technology industry



- H1 2006 Key Contributions

- Revenue increased 29.3% to £113.3m
- Operating profit increased 38.4% to £17.3m
- Margin increased from 14.3% to 15.3%
- Profit growth driven by acquisitions
- Customer spend migrating towards events & online
- Strong revenue growth in events (150%) and online (70%)



Shorecliff Communications





# CMPMedica

- CMPMedica

- Delivers healthcare information and education around the world
- Provides healthcare professionals and patients with journals, magazines, directories, electronic databases and websites
- Leverages its brands, knowledge and content to deliver comprehensive communication solutions for the pharmaceutical industry

- H1 2006 Key Contributions

- Revenue increased 24.7% to £92.5m
- Operating profit increased 5.7% to £14.9m
- Performance of key French businesses continues to be strong and ahead of plan





# CMP Asia

- CMP Asia

- Represents 80 trade fairs and events, over 20,000 exhibiting companies, 20 publications and over 800,000 professional visitors
- Offices in Hong Kong, Beijing, Guangzhou, Shanghai, Tokyo, Seoul, Singapore, Taipei & Bangkok

- H1 2006 Key Contributions

- Revenue up 9.1% to £26.5m
- Operating profit up 14.3% to £7.2m
- Margin increased from 25.9% to 27.2%
- Strong performance of events in Hong Kong, China & Japan
- Further investment in China, India and online
- Launch of Indian shows in H2



GUANGZHOU INTERNATIONAL BEAUTY FAIR(CHINA)

# APLF

# PR Newswire



United Business Media

- PR Newswire
  - The world's leading corporate news distribution service
  - Leader in the electronic delivery of market-sensitive information in the US
  - Distributes news globally on behalf of over 18,000 customers, including many of the world's leading companies and agencies
  - Helps take the latest news to the media, the investment community, and the general public
  - High barriers to entry
- H1 2006 Key Contributions
  - Actual revenue up 34.7% to £69.1m
  - Actual profit up 44.1% to £20.6m
  - Margin increased from 27.9% to 29.8%
  - Improved mix with demand for higher value products
  - Good progress in Europe & China



PR Newswire  
United Business Media

MEDIAAtlas™  
Targeting, List Building & Distribution



新华美通  
Xinhua PR Newswire  
中国商讯 全球传播 The Voice of China Business

MULTIMU™  
A PR NEWSWIRE COMPANY

ProfNet Experts<sup>SM</sup>  
Where the Media & Sources Connect



United Business Media

## Commonwealth – A Leading Position in a New Vertical

- Business intelligence on international trade & transportation industry
- Integrated media products & proprietary databases
  - Port Import Export Reporting Service (PIERS)
  - BACK Aviation Solution
  - Journal of Commerce
  - Breakbulk Conference
- Business Information (63%), Print & online (28%), Events (5%), Other (4%)
- 88% revenue from US
- Strong management team has been retained
- Growth through internationalisation, event development and acquisitions





# Building Leading Positions

| Sector            | Revenue 2005 |            | Key Brands   |
|-------------------|--------------|------------|--|
|                   | £m           | %          |  |
| Technology        | 172.1        | 25.5       | Information Week, TechWeb.com, Game Developer, Embedded Systems Conference, CRN, VARBusiness, EE Times                         |
| Healthcare        | 154.7        | 22.9       | Consultant, Oncology, Diagnostic Imaging, US Psychiatric & Mental Health Congress, Vidal, MIMS, Le Quotidien du Medecin, Pulse |
| News distribution | 104.1        | 15.4       | PR Newswire  |
| Built Environment | 65.0         | 9.6        | ABI, Builder, Barbour Index, IFSEC   |
| Lifestyle         | 56.8         | 8.4        | Cosmoprof Asia, HBA  |
| Fashion           | 28.0         | 4.2        | Asia Pacific Leather Fair, HK Jewellery Fair   |
| Ingredients       | 25.2         | 3.7        | Chemical & Food ingredients shows  |
| Other             | 69.9         | 10.3       | Interiors Show, Marintec China, Intermach, Asian Paper, Tissue World and many others   |
| <b>Total</b>      | <b>675.8</b> | <b>100</b> |  |

 Online

 Events

 Print

 News Distribution



# Clear and Focused Strategy responding to Market Trends

## Market Trends

- **Audience focus is rising in importance:**
  - Shift from horizontal to vertical specialisation
  - Qualified leads versus mass market
- **Events/Exhibitions:** Globalisation/specialisation
- **Online:** Migration of spend increasing e.g. recruitment
- **Disintermediation:** Advertisers building direct client relationships
- **Emerging Markets:** Opportunities increasing in China, India, Brazil, Russia

## UBM's Strategy

- **Strengthening presence in key verticals:** Technology, healthcare, built environment, ingredients, fashion
- **Continued investment:** Renewal of print titles
- **Accelerating investment:** Both in organics and bolt-on acquisitions
- **Build new revenue streams:** Leverage leading "broad and deep" positions in online, events and print in global technology communities
- **Geographic presence:** Expanding into high growth markets (China, Brazil, India)
- **Acquire online and events companies:** Strengthen our audience reach or product capabilities
- **Deliver marketing solutions:** Provide customers with superior return on investment



# Implementing Our Strategy



# Actions for Growth

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- Focus on rebalancing portfolio
  - Brands
  - Geographically
- Acquisitions
  - 16 deals completed in last 12 months, £180m
  - Build market share
- Enhance organic growth in parallel
  - Communities
  - Emerging markets
  - New product development – events, online, business information & print
- Build management team and organisational culture
  - A passion for our business
  - Built around customer verticals
- Managing the capital structure
  - Cost of capital threshold (organic investment and acquisitions)



# External Growth

## Acquisitions & Disposals (2006 & 2005)

| Acquisitions in 2006         | £m         | Disposals in 2006   | £m          |
|------------------------------|------------|---------------------|-------------|
| MediaLive                    | 36         | Property            | 15.8        |
| Shorecliff                   | 7          | Printing/Packaging  | 2.1         |
| Mediworld Publications India | 1          | IEM/Trader          | 9.0         |
| National Venue Show          | 2          | Trade-It            | 4.0         |
| MeXi Solutions               | 1          | The Knowledge/Benns | 1.6         |
| Thames Gateway               | 3          |                     |             |
| Commonwealth                 | 83         |                     |             |
| Other                        | 2          |                     |             |
| <b>TOTAL</b>                 | <b>135</b> | <b>TOTAL</b>        | <b>32.5</b> |
| Acquisitions in 2005         | £m         | Disposals in 2005   | £m          |
| France Medical Press         | 24         | NOP                 | 383         |
| The Publican                 | 21         | Five                | 248         |
| Light Reading                | 15         | E&M/Auto Exchange   | 50          |
| Informex                     | 12         | SDN                 | 31          |
| ABI                          | 12         | SIS                 | 23          |
| Other                        | 21         |                     |             |
| <b>TOTAL</b>                 | <b>105</b> | <b>TOTAL</b>        | <b>735</b>  |

■ Online

■ Events

■ Print

■ Data



## Delivering Value from Acquisitions

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- Objective to spend £150m to £250m p.a. on bolt-on acquisitions
- Acquisitions: 8% post tax hurdle rate and e.p.s. enhancing in 1<sup>st</sup> full year
  - 2003: £105.7m
  - 2004: £189.7m
  - 2005: £104.9m
  - 2006 YTD: £135m
- Operating profits in H1 2006 from these acquisitions are £35.7m
- Acquisitions continue to perform ahead of plan
- Rating Agencies are fully aware of the acquisition strategy



# Building Long Term Organic Growth

- Internationalisation of leading events
- Learning from acquisitions
  - Light Reading: [www.lightreading.com](http://www.lightreading.com)
- Building stronger brands
  - Print: Dr Dobbs, Property Week, Vidal
  - Events: CPhI, Game Developer, Interop, FIE (Food Ingredients), & Beauty
- Developing new online products
  - Recruitment: [www.building4jobs.com](http://www.building4jobs.com)
  - Healthcare: [www.searchmedica.com/searchmedica](http://www.searchmedica.com/searchmedica)
  - Technology: [www.smallbizresource.com](http://www.smallbizresource.com), [www.informationweek.com](http://www.informationweek.com)





# Maintaining a Prudent Financial Profile

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- Net Cash Position of £181.5m (30 June 2006)
- Shareholder return in excess of £300m between February 2006 and the end of 2007
  - Share repurchase: Repurchased 11.7m (£77.6m) ordinary shares
  - Repurchased £68.1m (equivalent to 9.6m shares) of convertible in H1
  - Total of £145.7m returned in 2006
- Use of Proceeds
  - Repay drawing from existing bank facility (c.€200m)
  - Continue the growth strategy through acquisitions and organic initiatives
- UBM adopts a prudent attitude to the management of its capital structure
- Completion of acquisitions and shareholder return plans means projected Net Debt at the end of 2007 of £100m to £300m
- UBM expects to manage the business consistent with an Investment Grade rating



# Financial Performance



# Strong Financial Performance

## 2005 Full Year Headline Results

- Continuing revenue up 21.3% to £675.8m from £557.3m
- Continuing operating profit up 27.3% to £137.1m from £107.7m
- PBT up 7.2% to £152.1m from £141.9m
- Margins steady at 19.6% (2004: 19.1%)
- 2003, 2004 and 2005 acquisitions performing in-line with plan Continuing operating profit up 25.1% to £82.3m from £65.8m
- Increasing investment in multi-media products
- Cash conversion 103.0%, cash at year end £246.8m

## H1 2006 Headline Results

- Revenue and operating profit increased for all five divisions
- Strong underlying performance at PR Newswire and CMP Asia
- Significant contribution from acquisitions across group – particularly CMP Media, CMP Information and CMPMedica
- Continuing revenue up 25.1% to £394.3m from £315.2m
- Continuing operating profit up 25.1% to £82.3m from £65.8m
- PBT up 8.9% to £88.5m from £81.3m



# Headline Financial Results

|  | H1 2006 | H1 2005 | %      | FY 2005 |
|--|---------|---------|--------|---------|
| Revenue (£m)                             | 394.3   | 315.2   | 25.1   | 675.8   |
| Operating profit                         |         |         |        |         |
| Continuing (£m)                          | 82.3    | 65.8    | 25.1   | 132.5   |
| Investments sold in 2005 (£m)            | -       | 3.9     | -      | 4.6     |
| Discontinued (£m)                        | 0.8     | 6.4     | -      | 4.8     |
| Operating profit (£m)                    | 83.1    | 76.1    | 9.2    | 141.9   |
| Net Interest income (£m)                 | 5.4     | 6.5     | (16.9) | 12.7    |
| Other finance expense – pensions (£m)    | -       | (1.3)   | -      | (2.5)   |
| PBT (£m)                                 | 88.5    | 81.3    | 8.9    | 152.1   |
| Continuing PBT (£m)                      | 87.7    | 71.0    | 23.5   | 147.3   |
| Investments sold in 2005 (£m)            | -       | 3.9     | -      |         |
| Discontinued PBT (£m)                    | 0.8     | 6.4     | -      | 4.8     |
|  | 88.5    | 81.3    | 8.9    | 152.1   |
| Non-recurring items (£m)                 | 13.3    | 262.2   | -      | 379.8   |
| Net financing income – not interest (£m) | (20.5)  | 23.5    | -      | (19.1)  |
| Other (£m)                               | (7.2)   | (4.6)   | -      | (11.4)  |
| Reported PBT (£m)                        | 74.1    | 362.4   | -      | 501.4   |

**Operating Profit** - Before amortisation of intangible assets, non-recurring items and including discontinued operations

**PBT (Profit before tax)** - Before amortisation of intangible assets, non-recurring items, other financial income other than interest and including discontinued operations





## 2005 Full Year Cash Flows

### Cash Conversion

| £m                           | 2005         |
|------------------------------|--------------|
| Operating profit             | 132.5        |
| Depreciation                 | 9.3          |
| <b>EBITDA</b>                | <b>141.8</b> |
| Capex                        | (8.4)        |
| Working Capital/other        | 3.1          |
| <b>Operating cash inflow</b> | <b>136.5</b> |
| <b>Cash conversion (%)</b>   | <b>103.0</b> |

Cash as of 31 December 2005 was £246.8m

### Cash Flows

| £m                                    | 2005         |
|---------------------------------------|--------------|
| <b>Operating cash flow</b>            | <b>136.5</b> |
| Acquisitions                          | (115.6)      |
| Disposals                             | 737.7        |
| Dividends paid*                       | (339.7)      |
| Tax paid                              | (17.4)       |
| Net interest received                 | 3.5          |
| Payments relating to: property        | (12.7)       |
| restructuring                         | (7.2)        |
| Additional pension contributions      | (17.2)       |
| Other                                 | (12.9)       |
| <b>Increase in cash in the period</b> | <b>355.0</b> |

\* - including a £ 298.3m one-off special dividend. 2004 dividend was £ 31.2m



## Pensions – Significant Improvement in Funding Position

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- £21.2m contributed to pension fund in 2005. Additional £6.1m contributed in H1 2006
- UK funding surplus of £11m at 30 June 2006 – compared to a funding deficit of £10m end of 2005
- IFRS deficit reduced from £52.3m to £25.3m during H1 2006
- Value of UK assets as of 31 December 2005 of £411m
- These are mature pension schemes closed in the 1990's



# Transparent Debt Structure

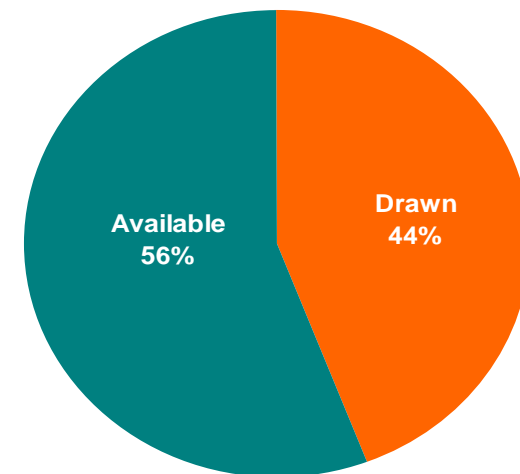
- Prudent view of committed funding
- No off-balance sheet funding\*
- Pension fund surplus on funding basis

## • Syndicated Bank Facility

(as at 16<sup>th</sup> Aug 06)

- Maturity May 2010
- Amount £325m
- Drawn £143.55m equivalent
  - €198m
  - ¥2.1bn
- Available £181.45m

## Level of Committed Facilities



*FX Rates, 16<sup>th</sup> Aug 06*

*GBP 0.677 : EUR 1*

*GBP 0.004558 : JPY 1*

\* Excluding earn-out agreements of approximately \$10m



## Key Credit Considerations

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- Significant financial flexibility, good liquidity and a conservative financial profile
- UBM expects to manage the business consistent with an Investment Grade rating
- Robust margins
- Leading positions and strong growth from events & online
- Diversified revenues by both business and geography
- Expanding geographic presence – India and China
- Rebalancing the product portfolio to align with media trends
- Opportunities to make vertical acquisitions in a fragmented market
- Operational efficiency gains yet to be fully realised



# Transaction Summary



## Transaction Summary

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- **Issuer:** United Business Media plc.
- **Currency:** Euro
- **Size:** Benchmark
- **Maturity:** 5-year area
- **Credit Ratings:** Baa2 (stable)/BBB-(stable)
- **Change of Control:** Included
- **Use of Proceeds:** General Corporate Purposes
- **Timing:** Investor Meetings 4-8<sup>th</sup> Sep
- **Documentation:** Stand-Alone
- **Listing:** London
- **Denominations:** €50,000 + 1
- **Bookrunners:** Barclays Capital, HSBC, Société Générale