ASCENTIAL

24 July 2017

Ascential plc

Interim results for the six months ended 30 June 2017

Successful first half, growing revenue, profit and reducing debt in line with plan
Continued investment in new products and platforms to drive future organic growth

London: Ascential plc (LSE: ASCL.L), the global, business-to-business information company, today announces its 2017 interim results for the six-month period ended 30 June 2017.

Operational highlights

- Successful execution of our organic growth strategy founded on leading customer retention capabilities, new product launches (Groundsure Avista, Coloro, WGSN Barometer, WGSN Insight) and growth from event extensions (Money20/20 Europe, Bett Middle East). Continuing investment provides foundations for future growth.

- Good progress on evolution towards higher growth brands with the sale of 12 of the 13 Heritage Brands and the acquisition of MediaLink.

Financial highlights

- Results in line with Company expectations.

- Another period of good Organic revenue growth
    - Revenue from continuing operations of £222.0m (2016: £176.2m)
    - Reported growth of 26% (or 7.2% on a constant currency Organic basis).

- Good Organic Adjusted EBITDA growth
    - Adjusted EBITDA from continuing operations of £81.4m (2016: £63.2m)
    - Reported growth of 29% (or 6.7% on a constant currency Organic basis) and
    - Expansion of margin to 36.7% (2016: 35.9%) with foreign exchange benefit in Exhibitions & Festivals more than offsetting planned product investment in Information Services.

- Reported operating profit from continuing operations growth of 28% to £48.1m (2016: £37.6m)

- *Exhibitions & Festivals:* Strong Organic growth of 8.2% in revenue to £137.0m and of 8.9% in Adjusted EBITDA to £64.5m.

- *Information Services:* Organic growth of 5.2% in revenue to £85.0m and 1.1% in Adjusted EBITDA to £24.5m reflecting planned investments in new products. Good progress on the integration of One Click Retail and MediaLink.

- Adjusted proforma diluted earnings per share
    - Continuing operations of 13.3p up 55% (2016: 8.6p)
    - Total operations of 13.4p up 44% (2016: 9.3p).

- Reported basic and diluted earnings per share
    - Total operations of 7.1p (2016: 2.5p)

- Strong cash generation with free cash flow after tax and capex of £74.5m (2016: £58.7m) resulting in closing net debt leverage of 1.7x (December 2016: 2.1x) after continued business and M&A investment. Operating cash flow conversion of 103% (2016: 98%) and free cash flow conversion of 91% (2016: 87%).

- Interim dividend of 1.8p per share (2016: 1.5p) up 20%.

Duncan Painter, Chief Executive Officer, commented:

"We have delivered successful first half results in line with our expectations. We grew both revenues and profits driven by the focus on our primary brands and on customer retention. The launch of new products such as WGSN Insight and the growth of our live, content-rich event extensions, Money20/20 Europe and Bett Middle East, contributed well to our growth.

The business continues to generate significant cash flows to fund investment, dividends and acquisitions and the integration of MediaLink and One Click Retail are progressing according to plan, enhancing our offering and opening up new opportunities for growth. Furthermore the strategic actions we have taken in the last 12 months enable us to optimise the focus on our primary brands and further accelerate our product and international revenue diversification.

With our Information Services division already contributing well to our organic growth, the benefit of enhanced growth contributions coming from recently acquired brands and the investments we continue to make to enhance our products and capabilities we remain confident that we will continue to deliver leading growth rates.

We enter the second half of 2017 with positive momentum. With our current level of forward bookings and the increasing geographic diversification of our revenue streams, we are confident that we will achieve our full year expectations."

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Ascential will host a presentation for analysts and investors at 9.30am on 24 July 2017 at the offices of Numis Securities at The London Stock Exchange Building, 10 Paternoster Square, London EC4M 7LT.

The presentation will also be webcast live at 9.30am from www.ascential.com, allowing the slides to be viewed. A recording of the webcast will also be available on-demand from our website in due course.

References to non-GAAP alternative performance measures are explained further below.

Financial Highlights

	Six months ended 30 June 2017 £m	2016 £m	Growth Reported %	Organic[1] %
Revenue from continuing operations				
Exhibitions & Festivals	137.0	119.1	15%	8.2%
Information Services	85.0	57.1	49%	5.2%
	222.0	**176.2**	**26%**	**7.2%**
Adjusted EBITDA from continuing operations[2]				
Exhibitions & Festivals	64.5	53.5	21%	8.9%
Margin	*47.1%*	*44.9%*		
Information Services	24.5	16.6	48%	1.1%
Margin	*28.8%*	*29.1%*		
Central costs	(7.6)	(6.9)		
	81.4	**63.2**	**29%**	**6.7%**
Total Margin	*36.7%*	*35.9%*		
Operating profit from continuing operations	**48.1**	**37.6**	28%	
Profit before tax from continuing operations	**42.7**	**8.2**	NM	
Adjusted diluted proforma earnings per share (pence)				
-Continuing operations	**13.3**	**8.6**	55%	
-Total	**13.4**	**9.3**	44%	
Reported earnings per share (pence)				
- Basic	**7.1**	**2.5**	NM	
- Diluted	**7.1**	**2.5**	NM	
Free cash flow[3]	**74.5**	**58.7**	27%	
Free cash flow conversion	*91%*	*87%*		
	June 2017	**December 2016**		
Net debt	**(211.4)**	**(223.7)**		
Leverage[4]	*1.7x*	*2.1x*		

[1] "Organic" growth is calculated to provide a more meaningful analysis of underlying performance. The following adjustments are made: (a) constant currency (restating H116 at H117 exchange rates), (b) event timing differences between periods (if any) (c) excluding the part-year impact of acquisitions (of One Click Retail and MediaLink) and disposals (Naidex). There were no event timing differences in H117 or H116. Refer to the section on Alternative Performance Measures for further explanation.

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

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

[4] Leverage is Net debt divided by last 12 months' Adjusted EBITDA from both Continuing and Discontinued Operations.

Operating Review

We are pleased to report a successful first half performance, growing revenue and profit and reducing debt in line with our strategy.

Continuing record of growth, high margins and good cash generation

We delivered a strong operating performance in the first half with 7.2% Organic growth in revenue to £222.0m and 6.7% Organic growth in Adjusted EBITDA to £81.4m. Our EBITDA margin has expanded to 36.7% from 35.9% in the first half of 2016, with foreign exchange benefits in Exhibitions & Festivals more than offsetting the planned new product investment in Information Services. We also continued to generate strong cash flow with free cash flow after tax and capex of £74.5m (H116: £58.7m), representing free cash flow conversion of 91% (2016: 87%).

Clear organic growth strategy

We continue to deploy multiple initiatives for growth across our brands to help us improve customer experience, retain existing customers, increase the number of new customers and growing the value and number of products and services per customer.

Our first half growth initiatives included product innovation through the launches of WGSN's Barometer and Coloro, and Groundsure's Avista, in addition to work undertaken to build upon the new launches of 2016 – WGSN Insight, Bett Middle East and Lions Entertainment. Money20/20 Europe achieved strong growth of 42% in its second year and we announced the show's move from Copenhagen to a larger venue in Amsterdam for 2018 onwards to support its European growth ambitions. Meanwhile preparations are going well for the first edition of Money20/20 Asia which will be held in March 2018 in Singapore and we are considering launching a new Money20/20 event in mainland China in the next 24 months.

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

We operate 19 market-leading brands, 16 of which are the number one in their respective markets. These brands deliver quality information which customers use to gain competitive advantage. Our customers want to access information across multiple channels and many of our most successful brands are those that both connect and inform their customers by delivering valuable information digitally and through live, content-rich events, as well as increasingly solving specific customer needs through advisory services.

We will continue to develop all our most significant brands so that customers can consume the information in the ways they prefer – whether this be live, digitally or through advisory services. The new Cannes Lions app, launched for the 2017 festival, has improved customer experience at the festival by making it simple for delegates to curate their own week and maximise the value they obtain from their attendance. The new Groundsure product Avista includes a clear next steps indicator – the Avista Action Alert. One Click Retail are extending their expertise in providing actionable insight from data analytics to connecting and informing their customers through the launch of an ecommerce forum in the second half.

Revenue by type

The Company benefits from diverse revenue streams across its brands ranging from digital subscriptions to live events to advisory. The majority of these revenue streams have recurring characteristics and benefit from the Company's focus on customer retention. Following the acquisition of both MediaLink and One Click Retail, the balance of revenues between Exhibitions & Festivals (57%) and Information Services (43%) has improved during the last 12 months, with the overall proportion of revenue generated by our top five brands decreasing slightly from 69% to 66%.

Revenue by geography
Ascential continues to grow strongly in international markets and the majority of our brands serve a global customer base.

The percentage of revenues in the last 12 months from customers based in the Americas rose to 34% (2016: 29%), driven by the growth of Money 20/20 US, WGSN and Cannes Lions, and the acquisition of MediaLink and One Click Retail and the dependence on UK markets has reduced further, with revenues coming from customers based in the UK of 33%, down from 38% in 2016. Furthermore the full year effect of the acquisitions of MediaLink and One Click Retail increases the proportion of revenue from the Americas to 39% and reduce the proportion of revenue from the UK to 31%.

Capital allocation

We continue to monitor and assess the range of brands we own, to support our strategy of focussing resources and investment on our largest brands and those with the highest growth potential. Health Service Journal was sold for £19.0m cash in January 2017, and the 11 other UK based Heritage Brands were sold in May 2017 for £23.5m (both subject to normal working capital adjustments). The sale process continues for the one remaining Heritage Brand, MEED.

MediaLink, which provides advisory and business services to media platforms and brands seeking to drive growth through better marketing, was acquired in February 2017 and is performing in line with our expectations. We continue to assess acquisition prospects to identify opportunities to own market-leading brands or products in our key end markets, as well as bolt-on opportunities to accelerate growth in the existing business.

Our June net leverage position was within our target range of between 1.5 and 2.0x at 1.7x Adjusted EBITDA following strong cash flows that funded dividends and M&A activity, as well as deleveraging in the period. The Board's dividend policy remains unchanged, targeting an annual dividend of approximately 30% of net income with one-third payable following interim results and two-thirds following final results.

Outlook

The business continues to generate significant cash flows to fund investment, dividends and acquisitions and the integration of MediaLink and One Click Retail are progressing according to plan, enhancing our offering and opening up new opportunities for growth. Furthermore the strategic actions we have taken in the last 12 months enable us to optimise the focus on our primary brands and further accelerate our product and international revenue diversification.

With our Information Services division already contributing well to our organic growth, the benefit of enhanced growth contributions coming from recently acquired brands and the investments we continue to make to enhance our products and capabilities we remain confident that we will continue to deliver leading growth rates.

We enter the second half of 2017 with positive momentum. With our current level of forward bookings and the increasing geographic diversification of our revenue streams, we are confident that we will achieve our full year expectations.

Segmental review

Exhibitions & Festivals

The Exhibitions & Festivals segment continued its strong performance in the first half of 2017 with Organic revenue growth of 8.2% and adjusted EBITDA growth of 8.9% to £137.0m (2016: £119.1m) and £64.5m (2016: £53.5m) respectively. The segment has considerable foreign currency exposure with Cannes Lions, CWIEME and Money20/20 Europe revenues denominated primarily in Euro. For this reason, reported revenues grew 15% and Adjusted EBITDA by 21% with currency effects also benefitting margins.

Cannes Lions
Cannes Lions, held each June, is the world's largest and most widely recognised international festival for creativity in the branded communications industry. Revenues increased to £62.9m up 7% on a constant currency Organic basis.

This revenue growth was achieved despite slightly reduced volumes of award entries and delegates reflecting the reduced participation by certain major agency customers, which was offset by growth in revenues from new participants such as technology companies and new media platforms as well as the increased sale of premium packages and value-added services.

Cannes Lions revenues are earned from delegate passes (42%), award entries (41%) and partnership and digital (15%) along with modest amounts from hotel room booking commissions (2%) covering the costs of the hotel booking system and the associated support team. The 2017 festival attracted over 10,000 paying delegates, increasingly from a wider range of participants within the industry, and over 40,000 award entries while the festival's third main revenue stream, partnership and digital, increased by 24%.

The launch of new Lions awards and adjacent festivals in recent years underpins the strategy of Cannes Lions as it seeks to expand its customer base across the full spectrum of the branded communications industry and retain its long-standing reputation as the barometer of excellence in creativity. Award entry numbers for individual Lions categories can vary year on year but the broad trends remain unchanged with the vast majority of the small year on year decline from the challenged categories of print and outdoor. We continue to regularly review award entry categories to ensure they are relevant to the industry.

Responding to customer feedback from the 2016 festival, we did not launch any new Lions award categories or adjacent festivals in 2017 and focused instead on existing categories, focusing larger areas in the City of Cannes on paying delegates and obtaining a deeper understanding of those industry participants who are in Cannes during the festival but who do not formally participate. To reflect our major customers' prior year comments, the pricing of our most popular delegate pass was increased by just 2%, Young Lions passes were reduced by 10% and award entries increased in price by just 3%. Customers continued to demand higher value delegate packages and the late award entry service, however, so we benefited from an increase in mix towards higher value products.

Going forward we are encouraged by the participation of major advertisers, partners, agency networks and the Mayor of Cannes in a newly formed advisory committee created to help shape the future of the festival and ensure it continues reflects opportunities and needs in the creative industry.

Money20/20

Money 20/20 USA is the leading US congress in the payments and financial services innovation sector, focusing on the evolution of payment and financial services through mobile, retail, marketing services, data and technology, and is held in our second half each autumn in Las Vegas. The event attracts increasing numbers of C-suite executives, with more than 1,700 attending the October 2016 edition which welcomed more than 10,000 attendees and over 500 speakers.

Following a successful launch in 2016, the second edition of the Money20/20 Europe show delivered revenues of £12.3m in the first half, up 42% on the previous year at constant currency with revenue from exhibition space and meeting rooms up 52%. It attracted over 5,000 attendees to Copenhagen, an increase of 36% from the previous year, making Money20/20 Europe the biggest FinTech event in Europe. To accommodate the show's anticipated growth, Money20/20 will be moving to a larger venue in Amsterdam in 2018.

The first edition of Money20/20 in Asia will be held in March 2018 in Singapore. Forward bookings are encouraging and in line with our plans. Discussions continue on the timing for a launch of the brand into mainland China.

Spring and Autumn Fair

Spring Fair is the UK's largest trade exhibition and is held at the NEC in Birmingham. It is the clear market leader in the UK's gift and homeware exhibition market. Each edition covers key buying sectors including gifts, homeware, jewellery and greetings products. Leading industry speakers and inspirational workshops improve the experience of visitors to the two shows, while show sectors are regularly edited to serve the needs of over 2,500 exhibitors.

In 2017, Spring Fair welcomed around 60,000 UK and international visitors from independent and major multiple retailers to e-commerce specialists and department stores. Revenues were £23.0m, a reduction of 2% reflecting the continuing challenges faced by the UK retail market particularly for importers.

Other Exhibitions & Festivals brands

Beyond the above top three brands in this segment, revenues across our other Events rose 8% to £38.8m, driven by an excellent performance by Bett London, which welcomed over 34,000 educators and decision makers to its flagship event in London, and solid revenue growth at CWIEME Berlin and Pure London. We were also pleased to see strong growth at Bett's second year in the Middle East with show revenues more than doubling and a return to good growth of its Brazilian edition, Educar.

Information Services

The Information Services segment delivered increased growth with continuing revenues up 5.2% on an Organic basis to £85.0m (2016: £57.1m). Reported revenue growth of 49% benefited from a six month contribution from One Click Retail and a four months contribution from MediaLink. Adjusted EBITDA of £24.5m for the half (2016: £16.6m) improved by 1.1% on an Organic basis. Margins reduced from 29.1% to 28.8% as expected reflecting the planned new product investment in Groundsure's Avista, Coloro and WGSN Barometer.

WGSN

WGSN is the leading global supplier of trend forecasts, market intelligence and insight to the fashion industry and other businesses in design-orientated consumer markets. It is the Company's largest product and represents almost half of the revenues of the Information Services segment. In the first half of 2017, WGSN grew revenues by 6% on an Organic basis to £36.2m and grew its subscription billings by 5%.

Retention rates remained strong, up 1% to 93%.

First half growth benefited from the strong performance in WGSN Insight, a consumer trend product that was launched in Q4 of 2016. In the first half of the year, WGSN launched its new brand tracking product, WGSN Barometer and initial market feedback is encouraging.

In May 2017, Ascential and the Company's JV partner China Textile Information Center, launched Coloro, a new 3D colour system which uses logical codes and intuitive design to ensure fashion and textile professionals get the precise colour they planned for easily and accurately. The product comprises physical and digital tools and a comprehensive consulting programme to provide a new dimension of colour intelligence and a global sales campaign has now commenced to WGSN's international customer base.

Groundsure

Groundsure is a market-leading provider of environmental risk data to solicitors, conveyancers, architects and other participants in the UK residential and commercial property market. Groundsure achieved strong growth during the period with revenues up 11% year on year to £8.6m in the first half of 2017 against the backdrop of a decline in transactions in the UK housing market.

Its new product, Avista, was launched during the half following extensive product testing. Avista is a comprehensive yet concise residential environment search product which consolidates several searches into one easy-to-read report, and includes the Avista Action Alert which provides actionable insight with a clear next-steps indicator. A pilot scheme produced feedback that more than 70% of respondents rated the new report "valuable" or "extremely valuable".

Other Information Services brands

Revenues across our other Information Services products amounted to £40.2m. This represented growth of 2%, on an Organic basis, driven by strong performances from Glenigan and DeHavilland.

Other Information Services products also include One Click Retail, which joined Ascential in 2016 and MediaLink, which was acquired in February 2017. Since the businesses have been owned for less than one year, neither contributed to the Company's or the segment's Organic growth rate mentioned above.

One Click Retail is a market leader in e-commerce data measurement for Amazon, sales analytics and product search optimization for organisations in North America, Europe and Asia. One Click Retail grew revenue by 63% on the prior year, pre-acquisition, period.

MediaLink provides advisory and business services to media platforms and brands seeking to drive growth through better marketing. It serves, ultimately, the consumer goods and services segment, which the Company already addresses through leading products such as WGSN, Cannes Lions and Money20/20. It has worked with Cannes Lions' customers since 2011 where it hosts content and client-oriented meetings and events as part of the official fringe. Through the period of its initial ownership it has grown 8% and has a strong outlook for the second half of the year.

Financial Review

Overview

This Financial Review firstly addresses the key trends in continuing operations and then, as a separate section, discontinued operations comprising the Company's Heritage brands. The results of these discontinued operations, for both the current and the comparative period, are included as a single line item within profit after tax on the face of the profit and loss statement.

The results for the period are set out in the condensed consolidated statement of profit and loss and show, for continuing operations, revenue of £222.0m (2016: £176.2m), an Organic growth of 7.2%, and reported operating profit of £48.1m (2016: £37.6m). Adjusted EBITDA was £81.4m (2016: £63.2m), an Organic growth of 6.7%. The Company also delivered strong cash flow in the half with an operating cash conversion of 103% (2016: 98%) and free cash flow of £74.5m (2016: £58.7m) a conversion rate of 91% (2016: 87%).

The Company's first half is traditionally greater in terms of absolute revenue and EBITDA as it includes the Company's largest Exhibitions & Festivals products including Spring Fair, Bett, Cannes Lions and Money 20/20 Europe. In 2016 the first half generated 59% (2015: 56%) of the Company's annual revenue and 66% (2015: 61%) of its annual Adjusted EBITDA.

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

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

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

CONTINUING OPERATIONS

Segmental results

A summary of the operational performance of the Company across its two continuing segments is given in the table below.

£'m	Exhibitions & Festivals	Information Services	Central costs	**Continuing operations**
H117				
Revenue	137.0	85.0	-	**222.0**
Organic revenue growth	*8.2%*	*5.2%*	-	***7.2%***
Adjusted EBITDA	64.5	24.5	(7.6)	**81.4**
Organic Adjusted EBITDA growth	*8.9%*	*1.1%*		***6.7%***
Adjusted EBITDA margin	*47.1%*	*28.8%*		***36.7%***
Depreciation	(2.1)	(2.2)	(0.7)	**(5.0)**
Adjusted operating profit	62.4	22.3	(8.3)	**76.4**
Amortisation				**(12.7)**
Exceptional items				**(13.7)**
Share-based payments				**(1.9)**
Operating profit				**48.1**
H116				
Revenue	119.1	57.1	-	**176.2**
Adjusted EBITDA	53.5	16.6	(6.9)	**63.2**
Adjusted EBITDA margin	*44.9%*	*29.1%*		***35.9%***
Depreciation	(1.2)	(3.0)	(2.6)	**(6.8)**
Adjusted operating profit	52.3	13.6	(9.5)	**56.4**
Amortisation				**(12.9)**
Exceptional items				**(5.2)**
Share-based payments				**(0.7)**
Operating profit				**37.6**

Revenue

Revenue from continuing operations in the first half grew to £222.0m (2016: £176.2m), an increase of £45.8m. However, direct comparability was affected by the establishment of WGSN's 49% joint venture with CTIC whereby revenue of the joint venture is no longer consolidated, the acquisition of One Click Retail in August 2016 and of MediaLink in February 2017, the disposal of Naidex in July 2016, together with movements in exchange rates between the two years. Adjusting for these factors, Organic growth in revenue from continuing operations was as follows:

Year-on-year Organic revenue growth	**H117**	**H116**	**2016**
Exhibitions & Festivals	+8.2%	+15.3%	+12.3%
Information Services	+5.2%	+6.2%	+5.4%
Continuing operations	+7.2%	+12.2%	+9.5%

Adjusted EBITDA

Adjusted EBITDA from continuing operations increased to £81.4m (2016: £63.2m) an increase of £18.2m on a reported basis and an expansion in Adjusted EBITDA margin of 0.8 percentage points to 36.7%. The reported growth in Adjusted EBITDA was impacted by the same factors described above. On an Organic basis Adjusted EBITDA grew by 6.7%, with Exhibitions & Festivals growing at 8.9% and Information Services by 1.1% limited by new product investment in Avista, Coloro and WGSN Barometer.

Foreign currency impact

Following the Company's acquisition of One Click Retail and MediaLink, together with the growth of Money20/20 and the disposal of the UK-based Heritage Brands, the Company's reported performance is increasingly sensitive to movements in both the euro and US dollar against pounds sterling. In the first half, sterling weakened further against both the US dollar and euro compared to H116 as shown in the table below:

Sterling exchange rates	**Weighted average rate**			**Closing rate**		
	H117	H116	Change	**H117**	H116	Change
Euro	**1.14**	1.26	10%	**1.14**	1.20	5%
US dollar	**1.26**	1.44	13%	**1.30**	1.32	2%

When comparing H117 and H116, changes in currency exchange rates had a favourable impact of £11.8m on revenue and £6.6m on Adjusted EBITDA. On a segmental basis, the impact was as follows:

- *Exhibitions & Festivals:* £8.4m impact on revenue and £5.8m impact on Adjusted EBITDA.
- *Information Services*: £3.4m impact on revenue and £0.7m impact on Adjusted EBITDA.

Share-based payments

The charge for share-based payments of £1.9m for Continuing operations (2016: £0.7m) has increased from the prior period as the charge builds up to a normalised level over a three-year grant cycle. The current period charge includes the recent 2017 PSP award together with the initial grant of SAYE options in the second half of 2016.

Exceptional items

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

Exceptional items (£'m)	**H117**	**H116**
Acquisition-related contingent employment costs	12.4	1.7
Expenses related to acquisition activities	1.3	-
Capital restructuring and IPO expenditure	-	3.5
Exceptional items relating to continuing operations	**13.7**	**5.2**

The acquisition-related contingent employment costs relate primarily to deferred consideration on the acquisition of Money20/20, One Click Retail and MediaLink which, absent the link to continued employment, would have been treated as consideration. Under the sale and purchase agreements approximately half the deferred consideration is contingent on both (i) the results of the business in the post-acquisition period and (ii) the continued employment of the founders. In accordance with IFRS, this element of the deferred consideration is treated as an expense recognised over the contractual service periods.

Net finance costs

The Company's adjusted net finance expense for the period was £5.5m (2016: £13.3m) with the reduction due largely to reduced post-IPO leverage and associated interest rate reductions and the absence of significant foreign exchange losses on the Company's external debt and cash balances.

Adjusted net finance expense (£'m)	**H117**	**H116**
Net interest payable	(3.0)	(6.1)
Amortisation of loan arrangement fees	(0.7)	(0.7)
Foreign exchange and fair value gain / (loss)	0.3	(5.4)
Other finance charges	(2.1)	(1.1)
	(5.5)	**(13.3)**

In the prior period £16.0m of adjusting items were incurred not reflected in the table above. These were the non-recurring costs of the shareholder debt that existed prior to the IPO of £5.3m and the write-off of unamortised loan arrangement fees that occurred on IPO refinancing of £10.7m.

Taxation

The Company's total tax charge on profit from continuing operations was £10.6m (2016: £1.7m) and was made up of:

- an adjusted tax charge of £17.4m up from £8.6m in the prior period being an effective tax rate of 25% (2016: 20%); and
- a tax credit of £6.8m (2016: £6.9m) on adjusting items, primarily relating to the credit on the unwind of the deferred tax liability relating to acquired intangibles and the tax deductible consideration for recent US acquisitions.

The effective tax rate of 25% on Adjusted profit before tax reflects the expected rate for the full year and benefitted from a £3.1m credit (2016: £4.9m) due to the additional recognition of a deferred tax asset on US tax losses following the acquisition of MediaLink. Absent this, the effective tax rate on adjusted profit before tax would have been 28%. A net deferred tax asset of £20.1m (December 2016: £24.5m) has been recognised in respect of US tax assets at current applicable tax rates of 35% in respect of losses and 40% in respect of intangibles.

Cash tax paid in the first half was an outflow of £3.6m (2016: £0.3m) and the Company benefited by £4.2m in cash terms (2016: £4.7m) from the utilisation of historic tax losses.

The Company has a total remaining deferred tax asset of £48.9m (December 2016: £54.9m) relating to UK and US tax losses, accelerated capital allowances and US acquired intangibles and deferred consideration. This is expected to convert into cash savings over the next 15 years with the majority occurring over the next three years. The Company's deferred tax liability at June 2017 amounted to £28.8m (December 2016: £30.3m) and related to acquired intangibles.

DISCONTINUED OPERATIONS

A summary of the operational performance of the Company's discontinued operations is given in the table below with the year-on-year reduction in revenue and profit impacted by disposals part way through the first half.

£'m	**H117**	H116
Revenue	**18.1**	26.3
Adjusted EBITDA	**0.2**	4.1
Depreciation	**-**	(0.6)
Adjusted Operating profit	**0.2**	3.5

The Company also incurred £2.6m of exceptional costs in separating the Heritage Brands and preparing them for sale including vendor diligence, legal fees, separation costs and write-off of leasehold improvements and made a profit of £2.7 on the sale of 12 of the 13 Heritage Brands.

Capital structure and the IPO refinancing

Following the Company's IPO in February 2016, the Company refinanced its borrowing facilities and entered into new term loan facilities of £66m, €171m and $96m as well as a revolving credit facility of £95m. Together with the net proceeds of the IPO of £183m the Company used these new term loan facilities to repay all amounts under the Company's former senior facilities and to cancel certain related hedging arrangements. The term loan and revolving facilities mature in February 2021, have a current rate of interest of 1.5% over LIBOR and are subject to a net leverage covenant measured at December and June each year. The covenant ratio limit is currently 4.5x Adjusted EBITDA and falls to 4.0x in December 2017. Arrangement fees of £5.3m were incurred and are being amortised over the five-year term of the facility.

Strong operating cash flow in the first half resulted in a reduction in the Company's leverage ratio to 1.7x at 30 June 2017 from 2.1x at 31 December 2016. The Company's leverage target is 1.5-2.0x to allow a healthy mix of dividends and cash for investment in acquisitions.

Acquisitions and disposals

Ascential's strategy is founded on organic growth driven first and foremost by a customer experience and retention mindset. Ascential frequently reviews any products that operate in more challenged end markets which might act as an anchor to the Company's overall growth rates. As part of its capital allocation process, Ascential also regularly assesses opportunities to acquire high-growth products with synergies with its existing products or operating in sectors with the potential for scale that may benefit from Ascential's know-how and infrastructure.

MediaLink
In February 2017, the Company acquired 100% of US-based media advisory and business services provider MediaLink for an initial cash consideration of $69m plus future earn outs payable in cash or, for certain elements, shares at Ascential's option. A portion of the earn-out payments are subject to the founders remaining in employment with the Company.

Heritage Brands
As part of its growth strategy to focus resources and investment on its largest brands and those with the highest growth potential, in January 2017 the Company announced that it had separated 13 Heritage Brands into a separate operating entity that were held for sale and reports the Heritage Brands as a separate segment classified as a discontinued operation.

In January 2017, the Company announced the sale of the first of the Heritage Brands, Health Service Journal to Wilmington plc for a consideration of £19.0m, payable in cash subject to normal working capital adjustments at completion. In May 2017, the Company announced the sale of 11 of the remaining Heritage Brands, to Metropolis International Limited for a consideration of £23.5m, payable in cash subject to normal working capital adjustments at completion. The sale process of the final Heritage Brand, MEED, is ongoing.

Cash flow

The Company's cash flow statement and net debt position for the first half can be summarised as follows:

£'m	**H117**	**H116**
Adjusted EBITDA	**81.6**	**67.3**
Working capital movements	2.9	(1.4)
Adjusted cash generated from operations	**84.5**	**65.9**
% Operating cash flow conversion	*103%*	*98%*
Capital expenditure	(6.4)	(6.9)
Tax paid	(3.6)	(0.3)
Free cash flow	**74.5**	**58.7**
% Free cash flow conversion	*91%*	*87%*
Exceptional costs paid	(4.9)	(3.5)
Repayment of loan to joint venture	0.1	-
Acquisition consideration paid (including earn outs)	(79.0)	(7.9)
Disposal proceeds received	37.8	0.2
Cash flow before financing activities	**28.5**	**47.5**
Net interest paid	(3.3)	(16.7)
Dividends paid	(12.8)	-
Proceeds of issue of shares net of expenses	-	189.1
Net debt drawdown / (repayment)	0.9	(189.4)
Net cash flow	**13.3**	**30.5**
Opening cash balance	**61.9**	**44.4**
FX movements	(0.6)	6.8
Closing cash balance	**74.6**	**81.7**
Borrowings	(290.1)	(280.9)
Capitalised arrangement fees	3.8	4.9
Derivative financial instruments	0.3	0.4
Net Debt	**(211.4)**	**(193.9)**

In the first half of 2017, the Company generated Adjusted operating cash flow of £84.5m (2016: £65.9m) an increase of 28%, due to the strong operational performance of the business. After capex and tax, the Company generated free cash flow of £74.5m (2016: £58.7m) an increase of 27%, which was used to fund dividends and interest payments, M&A and exceptional items with the balance reducing net indebtedness.

A major feature of the Company's cash flow in the first half of the prior year was the IPO which generated gross proceeds of £200.0m or £189.1m net of expenses which was used to reduce the Company's indebtedness – a key driver of the reduced cash outflow on interest.

Earnings per share

Earnings per share ("EPS") has been presented on both a statutory and Proforma basis. The Proforma basis, used in 2016, is based on the 400m shares in issue upon IPO (as opposed to the statutory basis which is an average including the pre-IPO period) and is therefore a more relevant comparator for ongoing shareholders of the Company. Total reported basic and diluted EPS for continuing and discontinued operations is 7.1 pence per share (2016: 2.5 pence per share).

Adjusted diluted EPS for Continuing operations of 13.3 pence per share is 55% ahead of the 8.6 pence per share recorded on a proforma basis for the first half of 2016 driven by the growth in Adjusted EBITDA, the reduction in depreciation expense and in net interest payable offset by an increase in the effective tax rate from 20% to 25%.

Total Adjusted diluted EPS of 13.4 pence per share is also substantially ahead of 9.3 pence per share recorded for 2016 on a proforma and reported basis driven by the above factors.

Dividends

The Board's dividend policy is to target an annual dividend of approximately 30% of net income payable one-third following interim results and two-thirds following final results. Accordingly, the Board has declared an interim dividend of 1.8 pence per share (2016: 1.5 pence per share interim, 3.2 pence per share final) which will be payable on 29 September 2017 to ordinary shareholders on the register as of the close of business on 1 September 2017.

Alternative Performance Measures

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

Adjusted Profit Measures

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

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

Adjusting items are not a defined term under IFRS, so may not be comparable to similar terminology used in other financial statements. Details of the charges and credits presented as Adjusting items are set out in note 4 to the interim financial statements.

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

Exceptional items
Exceptional items are recorded in accordance with the Company's policy set out in note 4 to the interim financial statements. They arise from both portfolio investment and divestment decisions, and from changes to the Company's capital structure, and so do not reflect current operational performance.

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

Share based payments
As a result of the IPO a number of employee share schemes were introduced in 2016. As a result, there is a lack of comparability between periods in respect of share scheme costs – particularly as the income statement charge builds up to a normalised level over a three year period. As this arises from a change triggered by the IPO change in capital structure, these costs have been treated as Adjusting items.

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

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

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

Adjusted Cash Flow Measures

The Company uses Adjusted cash flow measures for the same purpose as Adjusted profit measures, in order to assist readers of the accounts in understanding the ongoing operational performance of the Company. The two measures used are Adjusted Cash Generated from Operations, and Free Cash Flow.

These are reconciled to IFRS measures as follows:

£'m	**H117**	**H116**
Cash generated from operations	71.4	62.4
Add back: acquisition-related contingent employment cash flow	8.2	-
Add back: other exceptional cash flow	4.9	3.5
Adjusted cash generated from operations	**84.5**	**65.9**

£'m	**H117**	**H116**
Net cash from operating activities	67.8	62.1
Add back: acquisition-related contingent employment cash flow	8.2	-
Add back: other exceptional cash flow	4.9	3.5
Less: capital expenditure	(6.4)	(6.9)
Free cash flow	**74.5**	**58.7**

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

Organic Growth Measures

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

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

The Company therefore defines Organic growth measures, which are calculated with the following adjustments as set out in the table below:

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

£'m	Exhibitions & Festivals	Information Services	Central costs	Continuing operations
Revenue				
H117 – reported	137.0	85.0	-	222.0
Exclude acquisitions and disposals	-	(23.8)	-	(23.8)
H117 – Organic basis	137.0	61.2	-	198.2
Organic revenue growth	*8.2%*	*5.2%*	-	*7.2%*
H116 – reported	119.1	57.1	-	176.2
Exclude acquisitions and disposals	(0.8)	(2.3)	-	(3.1)
Currency adjustment	8.4	3.4	-	11.8
H116 – Organic basis	126.7	58.2	-	184.9
Adjusted EBITDA				
H117 – reported	64.5	24.5	(7.6)	81.4
Exclude acquisitions and disposals	-	(8.6)	-	(8.6)
H117 – Organic basis	64.5	15.9	(7.6)	72.8
Organic EBITDA growth	*8.9%*	*1.1%*		*6.7%*
H116 – reported	53.5	16.6	(6.9)	63.2
Exclude acquisitions and disposals	(0.1)	(1.6)	-	(1.7)
Currency adjustment	5.8	0.7	0.1	6.6
H116 – Organic basis	59.2	15.7	(6.8)	68.1

Proforma EPS

Changes to the Company's capital structure affecting the number of shares in issue will affect the comparability of earnings per share between periods. In order to present a consistent measure of earnings between periods, the Company presents Proforma measures of EPS in which major changes to the number of shares in issue are presented as if they had occurred on the first day of the comparative period. In presenting the H116 comparative figures, the IPO which completed on 12 February 2016 is treated as such a major change, and so accordingly Proforma EPS is calculated using a weighted average number of shares as if the IPO had occurred at the beginning of the H116 financial period.

Glossary of Alternative Performance Measures

Term	Description
Adjusted EBITDA	Adjusted operating profit excluding depreciation
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of Revenue
Adjusted effective tax rate	Adjusted tax charge expressed as a percentage of Adjusted profit before tax
Adjusted EPS	EPS calculated with reference to Adjusted Profit for the period
Adjusted operating profit	Operating profit excluding Adjusting Items
Adjusted profit before tax	Profit before tax excluding Adjusting Items
Adjusted tax charge	Tax charge excluding Adjusting Items
Cash conversion	Free cash flow expressed as a percentage of Adjusted EBITDA
Effective tax rate	Tax charge expressed as a percentage of Profit before tax
Exceptional items	Items within Operating profit separately identified in accordance with Company accounting policies
Free cash flow	Cash flows before exceptionals, portfolio investments and divestments, and financing
Net debt leverage	The ratio of Net debt to Adjusted EBITDA
Organic revenue growth	Revenue growth on a like-for-like basis
Organic EBITDA growth	Adjusted EBITDA growth on a like-for-like basis
Proforma Adjusted EPS	Adjusted EPS calculated using a proforma number of shares, as if the IPO had occurred at the beginning of 2016
Proforma EPS	EPS calculated using a proforma number of shares, as if the IPO had occurred at the beginning of 2016

Principal Risks and Uncertainties

The Directors consider that the nature of the principal risks and uncertainties which may have a material effect on the Company's performance during the remainder of its financial year remain unchanged from those identified in the 2016 Annual Report and Accounts available on our website www.ascential.com.

Cautionary statement

Certain statements in this interim management report constitute, or may be deemed to constitute, forward looking statements (including beliefs or opinions). Any statement in this interim management report that is not a statement of historical fact including, without limitation those regarding the Company's future expectations, operations, financial performance, financial condition and business, is a forward looking statement. Such forward looking statements are subject to risks and uncertainties that may cause actual results to differ materially. These risk and uncertainties include, among other factors, changing economic financial, business or other market conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this results announcement. As a result you are cautioned not to place reliance on such forward looking statements.

Except as is required by the Listing Rules, Disclosure and Transparency Rules and applicable laws, no undertaking is given to update the forward-looking statements contained in this interim management report, whether as a result of new information, future events or otherwise.

Nothing in this interim management report should be construed as a profit forecast.

This interim management report has been prepared for the Company as a whole and therefore gives greater emphasis to those matters which are significant to Ascential plc and its subsidiary undertakings when viewed as whole.

Responsibility statement

We confirm that to the best of our knowledge:

a. The Condensed set of Consolidated Financial Statements has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the European Union;

b. The interim management report includes the following information as required by DTR 4.2.7R:

    i. An indication of important events that have occurred during the first six months of the financial year, and their impact on the Condensed set of Consolidated Financial Statements; and
    ii. A description of the principal risks and uncertainties for the remaining six months of the year.

c. The interim management report includes the following information as required by DTR 4.2.8R:

    i. Related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company in that period; and
    ii. Any changes in the related party transactions described in the 2016 Annual report that could have material effect on the financial position or performance of the Company in the current period.

By order of the Board

Duncan Painter
Chief Executive Officer

Mandy Gradden
Chief Financial Officer

21 July 2017

ASCENTIAL

Independent Review Report to Ascential plc

Conclusion
We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2017 which comprises the Condensed Consolidated Profit and Loss, the Condensed Consolidated Statement of Other Comprehensive Income, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Changes in Equity, the Condensed Statement of Cash Flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2017 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors' responsibilities
The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in Note 1, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

Our responsibility
Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

The purpose of our review work and to whom we owe our responsibilities
This report is made solely to the Company in accordance with the terms of our engagement to assist the company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to

anyone other than the company for our review work, for this report, or for the conclusions we have reached.

John Bennett
for and on behalf of KPMG LLP
Chartered Accountants
London, United Kingdom
21 July 2017

Condensed Consolidated Statement of Profit and Loss

		Six months to 30 June 2017			Six months to 30 June 2016			Year to 31 December 2016		
		Unaudited			Unaudited			Audited		
(£ million)	Note	Adjusted Results	Adjusting Items Note 4	Total	Adjusted Results	Adjusting Items Note 4	Total	Adjusted Results	Adjusting Items Note 4	Total
Revenue	2,3	222.0	-	**222.0**	176.2	-	**176.2**	299.6	-	**299.6**
Cost of sales		(77.1)	-	**(77.1)**	(60.6)	-	**(60.6)**	(102.0)	-	**(102.0)**
Sales, marketing and administrative expenses		(68.5)	(28.3)	**(96.8)**	(59.2)	(18.8)	**(78.0)**	(114.6)	(50.9)	**(165.5)**
Operating profit		**76.4**	**(28.3)**	**48.1**	**56.4**	**(18.8)**	**37.6**	**83.0**	**(50.9)**	**32.1**
Adjusted EBITDA		81.4	-	**81.4**	63.2	-	**63.2**	95.9	-	**95.9**
Depreciation and amortisation		(5.0)	(12.7)	**(17.7)**	(6.8)	(12.9)	**(19.7)**	(12.9)	(28.8)	**(41.7)**
Exceptional items		-	(13.7)	**(13.7)**	-	(5.2)	**(5.2)**	-	(20.7)	**(20.7)**
Share-based payments		-	(1.9)	**(1.9)**	-	(0.7)	**(0.7)**	-	(1.4)	**(1.4)**
Operating profit		**76.4**	**(28.3)**	**48.1**	**56.4**	**(18.8)**	**37.6**	**83.0**	**(50.9)**	**32.1**
Share of gain in equity-accounted investee, net of tax		0.1	-	**0.1**	(0.1)	-	**(0.1)**	(0.1)	-	**(0.1)**
Finance costs	5	(5.9)	-	**(5.9)**	(21.6)	(16.0)	**(37.6)**	(28.0)	(16.0)	**(44.0)**
Finance income	5	0.4	-	**0.4**	8.3	-	**8.3**	10.2	-	**10.2**
Profit/(loss) before taxation		**71.0**	**(28.3)**	**42.7**	**43.0**	**(34.8)**	**8.2**	**65.1**	**(66.9)**	**(1.8)**
Taxation	6	(17.4)	6.8	**(10.6)**	(8.6)	6.9	**(1.7)**	(10.9)	24.3	**13.4**
Profit from continuing operations		**53.6**	**(21.5)**	**32.1**	**34.4**	**(27.9)**	**6.5**	**54.2**	**(42.6)**	**11.6**
(Loss)/profit from discontinued operation net of tax	7	0.2	(3.9)	**(3.7)**	2.9	(1.3)	**1.6**	8.0	(4.0)	**4.0**
Profit for the period		**53.8**	**(25.4)**	**28.4**	**37.3**	**(29.2)**	**8.1**	**62.2**	**(46.6)**	**15.6**
Proforma earnings per share (pence)	9									
Continuing and discontinued operations										
- Basic		13.5	(6.4)	**7.1**	9.3	(7.3)	**2.0**	15.6	(11.7)	**3.9**
- Diluted		13.4	(6.3)	**7.1**	9.3	(7.3)	**2.0**	15.5	(11.6)	**3.9**
Continuing operations only										
- Basic		13.4	(5.4)	**8.0**	8.6	(7.0)	**1.6**	13.6	(10.7)	**2.9**
- Diluted		13.3	(5.3)	**8.0**	8.6	(7.0)	**1.6**	13.5	(10.6)	**2.9**
Earnings per share (pence)	9									
Continuing and discontinued operations										
- Basic		13.5	(6.4)	**7.1**	11.5	(9.0)	**2.5**	17.1	(12.8)	**4.3**
- Diluted		13.4	(6.3)	**7.1**	11.5	(9.0)	**2.5**	17.1	(12.8)	**4.3**

Condensed Consolidated Statement of Other Comprehensive Income

(£ million)	Six months to 30 June 2017 Unaudited	Six months to 30 June 2016 Unaudited	Year to 31 December 2016 Audited
Profit for the period	**28.4**	**8.1**	**15.6**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation differences recognised in equity	(10.8)	(7.5)	(10.6)
Total comprehensive income for the period	**17.6**	**0.6**	**5.0**
Total comprehensive income attributable to:			
Continuing operations	22.2	(4.1)	(4.2)
Discontinued operations	(4.6)	4.7	9.2
Total comprehensive income for the period	**17.6**	**0.6**	**5.0**

Condensed Consolidated Statement of Financial Position

(£ million)	Note	30 June 2017 Unaudited	30 June 2016 Unaudited	31 December 2016 Audited
Assets				
Non-current assets				
Intangible assets		692.0	663.1	651.6
Property, plant and equipment		13.9	8.4	11.4
Investments		5.1	0.4	5.0
Other receivables		0.4	0.6	0.6
Derivative financial assets		-	0.1	0.1
Deferred tax assets	13	48.9	41.8	54.9
		760.3	**714.4**	**723.6**
Current assets				
Inventories		14.2	13.5	16.9
Trade and other receivables		63.5	67.2	59.6
Derivative financial assets		0.3	0.3	0.3
Cash and cash equivalents	12	74.6	81.7	61.9
		152.6	**162.7**	**138.7**
Assets of disposal group classified as held for sale		22.3	-	72.0
Current assets		**174.9**	**162.7**	**210.7**
Total assets		**935.2**	**877.1**	**934.3**
Liabilities				
Current liabilities				
Trade and other payables		182.3	172.7	173.0
Provisions		2.8	2.8	1.7
Current tax liabilities		14.9	9.1	6.9
		200.0	**184.6**	**181.6**
Liabilities of disposal group classified as held for sale		9.6	-	23.7
Current liabilities		**209.6**	**184.6**	**205.3**
Non-current liabilities				
External borrowings	12	286.3	276.0	286.0
Provisions		1.7	0.2	1.6
Deferred tax liabilities	13	28.8	39.3	30.3
Other non-current liabilities		40.6	14.9	49.7
Total non-current liabilities		**357.4**	**330.4**	**367.6**
Total liabilities		**567.0**	**515.0**	**572.9**
Net assets		**368.2**	**362.1**	**361.4**
Capital and reserves				
Share capital		4.0	4.0	4.0
Merger reserve		9.2	9.2	9.2
Group restructure reserve		157.9	157.9	157.9
Translation reserve		(28.2)	(14.3)	(17.4)
Retained earnings		225.3	205.3	207.7
Total equity		**368.2**	**362.1**	**361.4**

Condensed Consolidated Statement of Changes in Equity

(£ million)	Share capital[i]	Share premium	Merger reserve[i]	Capital reserve	Group restructure reserve	Translation reserve	Retained earnings	Total
At 1 January 2016	**7.9**	**-**	**9.2**	**-**	**-**	**(6.8)**	**(279.5)**	**(269.2)**
Profit for the period	-	-	-	-	-	-	8.1	8.1
Foreign exchange translation differences recognised in equity	-	-	-	-	-	(7.5)	-	(7.5)
Share-based payments	-	-	-	-	-	-	0.6	0.6
Group restructure[ii]	22.1	252.9	-	8.8	157.9	-	-	441.7
Issue of shares[iii]	10.0	190.0	-	-	-	-	-	200.0
Share issue costs[iii]	-	(11.6)	-	-	-	-	-	(11.6)
Issue of shares[iv]	0.1	-	-	-	-	-	(0.1)	-
Capital reduction[v]	(36.1)	(431.3)	-	(8.8)	-	-	476.2	-
At 30 June 2016 Unaudited	**4.0**	**-**	**9.2**	**-**	**157.9**	**(14.3)**	**205.3**	**362.1**
Profit for the period	-	-	-	-	-	-	7.5	7.5
Share-based payments	-	-	-	-	-	-	0.9	0.9
Foreign exchange translation differences recognised in equity	-	-	-	-	-	(3.1)	-	(3.1)
Dividends (note 8)	-	-	-	-	-	-	(6.0)	(6.0)
At 31 December 2016 Audited	**4.0**	**-**	**9.2**	**-**	**157.9**	**(17.4)**	**207.7**	**361.4**
Profit for the period	-	-	-	-	-	-	28.4	28.4
Share-based payments	-	-	-	-	-	-	1.9	1.9
Taxation on share-based payments	-	-	-	-	-	-	0.1	0.1
Foreign exchange translation differences recognised in equity	-	-	-	-	-	(10.8)	-	(10.8)
Dividends (note 8)	-	-	-	-	-	-	(12.8)	(12.8)
At 30 June 2017 Unaudited	**4.0**	**-**	**9.2**	**-**	**157.9**	**(28.2)**	**225.3**	**368.2**

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

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

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

(iv) On 8 March 2016, 542.5 million ordinary £0.10 shares were issued to employees under the Share Incentive Plan.

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

Condensed Consolidated Statement of Cash Flows

(£ million)	Note	Six months to 30 June 2017 Unaudited	Six months to 30 June 2016 Unaudited	Year to 31 December 2016 Audited
Cash flow from operating activities				
Profit before taxation		42.7	10.3	3.5
Adjustments for:				
Amortisation of intangible assets acquired through business combinations	4	12.7	14.3	31.3
Amortisation of software intangible fixed assets		2.9	5.5	10.2
Depreciation of tangible fixed assets		2.1	1.8	4.5
Gain on disposal of business operations and investments	11	(2.7)	-	-
Acquisition-related contingent employment costs	4	12.4	1.7	15.3
Share-based payments		2.2	0.6	1.5
Share of (gain)/loss in equity-accounted investee, net of tax		(0.1)	0.1	0.1
Finance costs	5	5.9	37.6	44.0
Finance income	5	(0.4)	(8.3)	(10.2)
		77.7	**63.6**	**100.2**
Changes in:				
Inventories		2.7	4.5	1.3
Receivables		2.5	(3.2)	0.2
Payables, net of interest payable		(12.2)	(3.0)	(5.5)
Provisions		0.7	0.5	(0.3)
Cash generated from operations		**71.4**	**62.4**	**95.9**

Cash generated from operations before exceptional operating items		84.5	65.9	107.5
Cash outflows for acquisition-related contingent employment costs		(8.2)	-	(4.0)
Cash flows from exceptional operating items		(4.9)	(3.5)	(7.6)
Cash generated from operations		**71.4**	**62.4**	**95.9**

Income tax paid		(3.6)	(0.3)	(3.5)
Net cash generated from operating activities		**67.8**	**62.1**	**92.4**
Cash flow from investing activities				
Acquisition of business, net of cash acquired		(70.8)	(7.9)	(39.4)
Acquisition of investments		0.1	-	(4.5)
Acquisition of software intangible fixed assets and tangible fixed assets		(6.4)	(6.9)	(13.1)
Disposal of business operations and investments	11	37.8	0.2	0.2
Net cash used in investing activities		**(39.3)**	**(14.6)**	**(56.8)**
Cash flow from financing activities				
Proceeds from external borrowings	12	26.5	265.2	265.2
Repayment of external borrowings	12	(25.6)	(454.6)	(454.6)
Proceeds from issue of shares		-	200.0	200.0
Transaction costs related to issue of shares		-	(10.9)	(11.5)
Interest paid		(3.3)	(16.7)	(20.8)
Dividend paid		(12.8)	-	(6.0)
Net cash used in financing activities		**(15.2)**	**(17.0)**	**(27.7)**
Net increase in cash and cash equivalents		**13.3**	**30.5**	**7.9**
Cash and cash equivalents at the beginning of the period		61.9	44.4	44.4
Effect of exchange rate fluctuations		(0.6)	6.8	9.6
Cash and cash equivalents at the end of the period		**74.6**	**81.7**	**61.9**

Notes to the Condensed Consolidated Interim Financial Statements

1. Basis of preparation

Ascential plc (the "Company") is a public limited company, which is listed on the London Stock Exchange and incorporated and domiciled in the United Kingdom. These non-statutory condensed consolidated interim financial statements for the six months ended 30 June 2017 comprise the Company and its subsidiaries and were approved by the Board of Directors on 21 July 2017. The condensed consolidated interim financial statements have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) as adopted by the European Union.

The condensed consolidated interim financial statements have been prepared on a going concern basis. On the basis of current financial projections and facilities available and after considering sensitivities, the Directors of the Company are confident that the Group has sufficient resources for its operational needs and will remain in compliance with the financial covenants in its bank facilities for at least the next 12 months.

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those set out in the Group's Annual Report and Accounts for the year ended 31 December 2016. No material new standards, amendments to standards or interpretations are effective in the period ending 31 December 2017.

The following standards have been published, but not yet applied: IFRS 9 "Financial Instruments", IFRS 15 "Revenue from Contracts with Customers" and IFRS 16 "Leases".

The annual consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") and the Companies Act 2006 applicable to companies reporting under IFRS. These condensed consolidated half-yearly financial statements do not comprise statutory accounts within the meaning of Section 435 of the Companies Act 2006, and should be read in conjunction with the Annual Report and Accounts 2016. Those accounts were reported upon by the Group's auditors and delivered to the registrar of companies. The report of the auditors was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain statements under Section 498 (2) or (3) of the Companies Act 2006. The Annual Report and Accounts 2016 are available upon request from the Company's registered office at The Prow, 1 Wilder Walk, London, W1B 5AP, United Kingdom or at www.ascential.com.

2. Revenue seasonality

The Group's results of operations are impacted by seasonality. Revenue in Exhibitions & Festivals is recognised when an event takes place. Exhibitions & Festivals revenue is therefore seasonal, with revenue typically reaching its highest levels during the first half of each calendar year when some of the Group's largest events take place. Information Services primarily generates subscription revenue which is recognised rateably over the life of the subscription contract. Consequently, there is less seasonal fluctuation in the revenue of this reportable segment.

The following table shows the percentage of the continuing operations Group's revenue and Adjusted EBITDA by half year in 2016:

	Revenue	Adjusted EBITDA
Year ended 31 December 2016		
First half	58.8%	65.9%
Second half	41.2%	34.1%

3. Operating segments

The Group has three reportable segments under IFRS 8 Operating Segments. In addition, there is a Group corporate function providing central services including finance, management and IT services to the Group's reportable segments. The reportable segments offer different products and services, and are managed separately because they require different capabilities, technology and marketing strategies. For each of the reportable segments, the Board (the chief operating decision maker) reviews internal management reports on a monthly basis.

The following summary describes the operations in each of the Group's reportable segments:

- Exhibitions & Festivals: organiser of market-leading exhibitions, congresses and festivals.
- Information Services: produces intelligence, analysis and forecasting tools, subscription content including real-time online resources, live events and awards as well as advisory services, across a number of industry sectors including fashion, retail, property, construction and politics.
- Discontinued operation: the disposal group of 13 Heritage Brands previously formed part of the Information Services segment before it was separately classified as held for sale and a discontinued operation.

Information regarding the results of each reportable segment is included below. Reportable segment profits are measured at an adjusted operating profit level, representing reportable segment Adjusted EBITDA, less depreciation costs and amortisation in respect of software intangibles, without allocation of Central costs. This is the measure included in the internal management reports that are reviewed by the Board. Reportable segment Adjusted EBITDA and reportable segment Adjusted operating profit are used to measure performance as management believes that such information is the most relevant in evaluating the results of certain reportable segments relative to other comparable entities. Total assets and liabilities for each reportable segment are not disclosed because they are not provided to the Board on a regular basis. Total assets and liabilities are internally reviewed on a Group basis.

Six months ended 30 June 2017, Unaudited

(£ million)	Exhibitions & Festivals	Information Services	Central Costs	Continuing Operations Total	Discontinued Operation Note 7	Total
Revenue	137.0	85.0	-	222.0	18.1	240.1
Adjusted EBITDA	64.5	24.5	(7.6)	81.4	0.2	81.6
Depreciation and amortisation of tangible fixed assets and software intangibles	(2.1)	(2.2)	(0.7)	(5.0)	-	(5.0)
Adjusted operating profit	62.4	22.3	(8.3)	76.4	0.2	76.6
Amortisation of intangible assets acquired through business combinations				(12.7)	-	(12.7)
Exceptional items (note 4)				(13.7)	0.1	(13.6)
Share-based payments (note 4)				(1.9)	(0.3)	(2.2)
Operating profit				48.1	-	48.1
Share of gain in equity-accounted investee, net of tax				0.1	-	0.1
Net finance costs				(5.5)	-	(5.5)
Profit before tax				42.7	-	42.7
Total assets				912.9	22.3	935.2

Exceptional items of £13.7 million include £0.8 million and £12.9 million, which are attributable to Exhibitions & Festivals and Information Services respectively.

Six months ended 30 June 2016, Unaudited

(£ million)	Exhibitions & Festivals	Information Services	Central Costs	Continuing Operations Total	Discontinued Operation Note 7	Total
Revenue	119.1	57.1	-	176.2	26.3	202.5
Adjusted EBITDA	53.5	16.6	(6.9)	63.2	4.1	67.3
Depreciation and amortisation of tangible fixed assets and software intangibles	(1.2)	(3.0)	(2.6)	(6.8)	(0.6)	(7.4)
Adjusted operating profit	52.3	13.6	(9.5)	56.4	3.5	59.9
Amortisation of intangible assets acquired through business combinations				(12.9)	(1.4)	(14.3)
Exceptional items (note 4)				(5.2)	-	(5.2)
Share-based payments (note 4)				(0.7)	-	(0.7)
Operating profit				37.6	2.1	39.7
Share of loss in equity-accounted investee, net of tax				(0.1)	-	(0.1)
Net finance costs				(29.3)	-	(29.3)
Profit before tax				8.2	2.1	10.3
Total assets				877.1	-	877.1

Exceptional items of £5.2 million includes £1.7 million attributable to Exhibitions & Festivals.

Year ended 31 December 2016, Audited

(£ million)	Exhibitions & Festivals	Information Services	Central Costs	Continuing Operations Total	Discontinued Operation Note 7	Total
Revenue	180.0	119.6	–	299.6	57.9	357.5
Adjusted EBITDA	73.5	35.1	(12.7)	95.9	11.6	107.5
Depreciation and amortisation of tangible fixed assets and software intangibles	(3.3)	(5.7)	(3.9)	(12.9)	(1.8)	(14.7)
Adjusted operating profit	70.2	29.4	(16.6)	83.0	9.8	92.8
Amortisation of intangible assets acquired through business combinations				(28.8)	(2.5)	(31.3)
Exceptional items (note 4)				(20.7)	(1.9)	(22.6)
Share-based payments (note 4)				(1.4)	(0.1)	(1.5)
Operating profit				32.1	5.3	37.4
Share of loss in equity-accounted investee, net of tax				(0.1)	–	(0.1)
Net finance costs				(33.8)	–	(33.8)
(Loss)/profit before tax				(1.8)	5.3	3.5
Total assets				862.3	72.0	934.3

Exceptional items of £20.7 million include £10.4 million and £6.1 million, which are attributable to Exhibitions & Festivals and Information Services respectively.

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4. Adjusting items

Adjusted items are those which are considered significant by virtue of their nature, size or incidence and are presented separately in the income statement to enable a full understanding of the Group's financial performance. Adjusting items are not a defined term under IFRS and include the share based payment charge, amortisation of intangibles acquired through business combinations and exceptional items such as costs incurred for acquisitions and disposals, integration, non-recurring business restructuring and capital restructuring. Adjusting items included in continuing operating profit are:

(£ million)	Six months to 30 June 2017 Unaudited	Six months to 30 June 2016 Unaudited	Year to 31 December 2016 Audited
Continuing operations			
Acquisition – related contingent employment costs	12.4	1.7	15.3
Expenses related to acquisition and disposal activities	1.3	-	1.7
Capital restructuring & IPO costs	-	3.5	3.7
Exceptional items	**13.7**	**5.2**	**20.7**
Amortisation of intangibles acquired through business combinations	12.7	12.9	28.8
Share based payment	1.9	0.7	1.4
Adjusting items in continuing operating profit	**28.3**	**18.8**	**50.9**

The acquisition-related contingent employment costs relate primarily to deferred consideration on the acquisition of Money20/20, One Click Retail and MediaLink which, absent the link to continued employment, would have been treated as consideration. Under the sale and purchase agreements approximately half the deferred consideration is contingent on both (i) the results of the business in the post-acquisition period and (ii) the continued employment of the founders. The current year expenses related to acquisition activities are transaction and integration costs for the MediaLink business combination.

Adjusting items relating to Finance costs are detailed in note 5 and adjusting items relating to Discontinued operations are detailed in note 7.

5. Finance costs and finance income

(£ million)	Six months to 30 June 2017 Unaudited	Six months to 30 June 2016 Unaudited	Year to 31 December 2016 Audited
Interest on bank deposits	0.1	0.1	0.1
Foreign exchange gain on cash and cash equivalents	0.3	5.5	7.4
Fair value gain on derivatives	-	2.7	2.7
Finance income	**0.4**	**8.3**	**10.2**
Interest payable on external borrowings	(3.1)	(6.2)	(10.1)
Foreign exchange loss on borrowings	-	(13.4)	(13.4)
Amortisation of loan arrangement fees	(0.7)	(0.7)	(1.4)
Fair value loss on derivatives	-	(0.2)	(0.2)
Other finance charges	(2.1)	(1.1)	(2.9)
Finance costs – Adjusted results	**(5.9)**	**(21.6)**	**(28.0)**
Interest payable on Shareholder debt	-	(5.3)	(5.3)
Break fees and write-off of loan arrangement fees on debt refinancing on IPO	-	(10.7)	(10.7)
Finance costs - Adjusting items	**-**	**(16.0)**	**(16.0)**
Finance costs	**(5.9)**	**(37.6)**	**(44.0)**
Net finance costs	**(5.5)**	**(29.3)**	**(33.8)**

6. Tax on profit on ordinary activities

The tax charge for the half year for continuing operations has been calculated by applying the expected full year rate to the half year results with specific adjustments for items that distort the rate (amortisation of acquired intangible assets, share based payments and exceptional items). The tax charge for the period comprises:

(£ million)	**Six months to 30 June 2017 Unaudited**	**Six months to 30 June 2016 Unaudited**	**Year to 31 December 2017 Audited**
Current tax			
UK corporation tax			
Current tax charge on income for the period	1.9	0.9	1.7
Adjustments in respect of prior years	-	-	0.6
Foreign tax			
Current tax charge on income for the period	5.7	2.7	1.6
Adjustments in respect of prior years	-	-	0.2
Total current tax charge	**7.6**	**3.6**	**4.1**
Deferred tax			
Current period	3.0	(1.9)	(15.2)
Adjustments in respect of prior years	-	-	(1.5)
Impact of rate changes on opening deferred tax balances	-	-	(0.8)
Total deferred tax charge / (credit)	**3.0**	**(1.9)**	**(17.5)**
Total tax charge / (credit)	**10.6**	**1.7**	**(13.4)**

The effective tax rate on Adjusted profit before tax for the six months period to 30 June 2017 was 25% (30 June 2016: 21%, 31 December 2016: 17%). A tax credit of £6.8 million was recorded in relation to adjusting items in 2017 (2016: credit £6.9 million).

7. Discontinued Operation

As part of its growth strategy to focus resources and investment on its largest brands and those with the highest growth potential, in January 2017 the Company announced that it had separated 13 Heritage Brands and classified these in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations". Prior year periods have been restated to reflect this. The results of the discontinued operations which have been included in the consolidated statement of profit and loss are as follows:

	Six months to 30 June 2017 Unaudited			Six months to 30 June 2016 Unaudited			Year to 31 December 2016 Audited		
(£ million)	**Adjusted Results**	**Adjusting Items**	**Total**	**Adjusted Results**	**Adjusting Items**	**Total**	**Adjusted Results**	**Adjusting Items**	**Total**
Revenue	18.1	-	18.1	26.3	-	26.3	57.9	-	57.9
Cost of sales	(8.2)	-	(8.2)	(11.3)	-	(11.3)	(24.1)	-	(24.1)
Sales, marketing & administrative expenses	(9.7)	(0.2)	(9.9)	(11.5)	(1.4)	(12.9)	(24.0)	(4.5)	(28.5)
Operating profit	**0.2**	**(0.2)**	**-**	**3.5**	**(1.4)**	**2.1**	**9.8**	**(4.5)**	**5.3**
Adjusted EBITDA	0.2	-	0.2	4.1	-	4.1	11.6	-	11.6
Depreciation & amortisation	-	-	-	(0.6)	(1.4)	(2.0)	(1.8)	(2.5)	(4.3)
Exceptional items	-	0.1	0.1	-	-	-	-	(1.9)	(1.9)
Share-based payments	-	(0.3)	(0.3)	-	-	-	-	(0.1)	(0.1)
Operating profit	**0.2**	**(0.2)**	**-**	**3.5**	**(1.4)**	**2.1**	**9.8**	**(4.5)**	**5.3**
Taxation	-	(3.7)	(3.7)	(0.6)	0.1	(0.5)	(1.8)	0.5	(1.3)
Profit/(loss) from discontinued operation net of tax	**0.2**	**(3.9)**	**(3.7)**	**2.9**	**(1.3)**	**1.6**	**8.0**	**(4.0)**	**4.0**
Proforma Earnings per share (pence)									
- Basic	0.1	(1.0)	(0.9)	0.7	(0.3)	0.4	2.0	(1.0)	1.0
- Diluted	0.1	(1.0)	(0.9)	0.7	(0.3)	0.4	2.0	(1.0)	1.0
Earnings per share (pence)									
- Basic	0.1	(1.0)	(0.9)	0.9	(0.4)	0.5	2.2	(1.1)	1.1
- Diluted	0.1	(1.0)	(0.9)	0.9	(0.4)	0.5	2.2	(1.1)	1.1

Exceptional items in discontinued operations include the gain on disposal of HSJ and EMAP publishing Limited of £2.7 million (note 11) offset by £2.6 million of costs separating the Heritage Brands including IT separation costs and contractor costs. The group incurred a capital tax charge of £3.7 million in respect of the capital gain on the sale of the trade and assets. Of this tax charge £3.6 million was sheltered by capital losses previously recognised within the group.

The loss from the discontinued operation of £3.7 million (30 June 2016: profit £1.6 million and 31 December 2016: profit £4.0 million) is attributable entirely to the equity holders of the parent company.

Cash flows from discontinued operation

(£ million)	**Six months to 30 June 2017 Unaudited**	**Six months to 30 June 2016 Unaudited**	**Year to 31 December 2016 Audited**
Net cash generated from operating activities	1.6	8.2	11.7
Net cash used in investing activities	37.6	(0.4)	(0.9)
Net cash inflows for the year	**39.2**	**7.8**	**10.8**

8. Dividends

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

	Six months to 30 June 2017 Unaudited	**Six months to 30 June 2016 Unaudited**	**Year to 31 December 2016 Audited**
Amounts recognised as distributions to equity shareholders			
Interim dividend for the year-ended 31 December 2016 – 1.5 pence	-	-	6.0
Final dividend for the year-ended 31 December 2016 – 3.2 pence	12.8	-	-
Dividend paid	**12.8**	**-**	**6.0**

The directors have approved an interim dividend of 1.8 pence per share (2016: 1.5 pence) totalling £7.2 million (2016: £6.0 million). This is not included as a liability in the balance sheet as of 30 June 2017.

9. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

For the purpose of proforma earnings per share for the six months to 30 June 2016 and year to 31 December 2016, the weighted average number of ordinary shares is stated as if the IPO completed on 12 February 2016 had occurred at the beginning of the 2016 financial year. For the purpose of statutory earnings per share, the weighted average number of ordinary shares is stated as if the group restructure steps completed on 8 February 2016 had occurred at the beginning of 2016.

Both proforma and statutory earnings per share have been calculated with respect to the net profit for the year for the Group, the continuing operations and discontinued operation (note 7).

	Six months to 30 June 2017 Unaudited			Six months to 30 June 2016 Unaudited			Year to 31 December 2016 Audited		
	Adjusted Results	Adjusting Items	Total	Adjusted Results	Adjusting Items	Total	Adjusted Results	Adjusting Items	Total
Profit attributable to equity shareholders of the Parent (£ million)									
Profit for the year - continuing operations	53.6	(21.5)	32.1	34.4	(27.9)	6.5	54.2	(42.6)	11.6
Profit for the year - discontinued operations	0.2	(3.9)	(3.7)	2.9	(1.3)	1.6	8.0	(4.0)	4.0
	53.8	**(25.4)**	**28.4**	**37.3**	**(29.2)**	**8.1**	**62.2**	**(46.6)**	**15.6**
Proforma earnings per share (pence)									
Basic earnings per share	13.5	(6.4)	7.1	9.3	(7.3)	2.0	15.6	(11.7)	3.9
Diluted earnings per share	13.4	(6.3)	7.1	9.3	(7.3)	2.0	15.5	(11.6)	3.9
Continuing operations									
Basic earnings per share	13.4	(5.4)	8.0	8.6	(7.0)	1.6	13.6	(10.7)	2.9
Diluted earnings per share	13.3	(5.3)	8.0	8.6	(7.0)	1.6	13.5	(10.6)	2.9
Discontinued operation									
Basic earnings per share	0.1	(1.0)	(0.9)	0.7	(0.3)	0.4	2.0	(1.0)	1.0
Diluted earnings per share	0.1	(1.0)	(0.9)	0.7	(0.3)	0.4	2.0	(1.0)	1.0
Earnings per share (pence)									
Basic earnings per share	13.5	(6.4)	7.1	11.5	(9.0)	2.5	17.1	(12.8)	4.3
Diluted earnings per share	13.4	(6.3)	7.1	11.5	(9.0)	2.5	17.1	(12.8)	4.3
Continuing operations									
Basic earnings per share	13.4	(5.4)	8.0	10.6	(8.6)	2.0	14.9	(11.7)	3.2
Diluted earnings per share	13.3	(5.3)	8.0	10.6	(8.6)	2.0	14.9	(11.7)	3.2
Discontinued operation									
Basic earnings per share	0.1	(1.0)	(0.9)	0.9	(0.4)	0.5	2.2	(1.1)	1.1
Diluted earnings per share	0.1	(1.0)	(0.9)	0.9	(0.4)	0.5	2.2	(1.1)	1.1

The weighted average number of ordinary shares in issue during the period, excluding those held by Employee Benefit Trusts was 400.0 million (30 June 2016: 325.4 million and 31 December 2016: 362.9 million). The Proforma weighted average number of ordinary shares in issue during the period is 400.0 million (30 June 2016 and 31 December 2016: 400.0 million respectively).

The calculations of basic and diluted earnings per share are based on the profit attributable to ordinary shareholders and a weighted average number of shares outstanding during the related period. The impact of all potentially dilutive share options would be to increase the weighted average number of shares used in the calculation of earnings per share to 402.4 million (30 June 2016: 325.7 million; 31 December 2016: 363.5 million) and to increase the weighted average number of shares used in the calculation of proforma earnings per share to 402.4 million (30 June 2016: 400.3 million; 31 December 2016: 400.6 million).

10. Business combinations

2017- acquisition of MediaLink
On 28 February 2017, the Group acquired 100% of the shares in MediaLink LLC ("MediaLink"), an unlisted company based in the United States whose primary activity is the provision of advisory and business services to media platforms and brands. The company forms part of the Information Services segment.

The purchase price is expected to total £70.5 million, which comprises:

- £55.3 million (net of consideration for cash acquired) paid in 2017;
- consideration contingent on the results of the 2017, 2018, and 2019 financial years payable in 2018 to 2020 and estimated to total £16.9 million which has been discounted to present value of £14.2 million using a discount rate relevant to the acquired business.

In addition to the contingent consideration described above, and subject to continued employment, the vendors also receive employment income contingent on the results of the 2017, 2018 and 2019 financial years payable in 2018 to 2020, estimated to total £16.9 million. To determine the contingent consideration, the Directors are required to make a judgement regarding the current and future results.

This acquisition-related contingent employment cost is being accrued over a contractually defined period and £3.7 million was recorded as an exceptional cost in the six months ended 30 June 2017. There is a maximum limit of $206.6 million on the total consideration payable including acquisition-related employment costs; there is no minimum limit.

a) Identifiable assets acquired and liabilities assumed
The provisional fair values of the identifiable assets purchased and liabilities assumed of MediaLink as at the date of acquisition were as follows:

(£ million)	**Fair value**
Brands	14.8
Customer relationships and databases	14.5
Property, plant and equipment	1.1
Other non-current assets	0.3
Trade receivables	5.7
Prepayments and accrued income	1.6
Other receivables	0.3
Cash	1.0
Trade and other payables	(3.3)
Deferred income	(0.5)
Total identifiable net assets at fair value	**35.5**
Initial cash consideration relating to business combination	55.3
Deferred and contingent consideration payable in 2018	4.6
Deferred and contingent consideration payable in 2018-2020	9.6
Consideration for cash acquired	1.0
Total consideration	**70.5**
Goodwill on acquisition	**35.0**

The goodwill of £35.0 million arising on acquisition is attributable to existing workforce skills and expertise, with expertise that can be applied to other parts of the group, as well as the deepening of the Company's exposure to the branded communications end market.

b) Acquisition-related costs
In the six months ended 30 June 2017, the Group incurred acquisition-related costs of £0.8 million related to external legal fees and due diligence costs. These costs have been included within exceptional items in the consolidated statement of profit and loss.

(c) Results contribution in the six months ended 30 June 2017
From the date of acquisition, MediaLink contributed £16.9 million revenue and a profit before tax of £4.5 million to the Group in the six months ended 30 June 2017. If the acquisition had taken place at the beginning of 2017, revenue would have been £24.6 million and the profit before tax for the Group would have been £5.7 million. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of the acquisition would have been the same if the acquisition occurred on 1 January 2017.

2016 – acquisition of One Click Retail

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

The purchase price is expected to total £62.0 million, which comprises:

- £33.7 million (net of cash acquired) paid in 2016;
- £0.3 million working capital adjustment received in 2017;
- consideration contingent on the results of the 2016, 2017, 2018 and 2019 financial years payable in 2017 to 2020 and estimated to total £34.2 million which has been discounted to present value of £28.2 million using a discount rate relevant to the acquired business

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

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

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

The fair values were:

(£ million)	Fair value
Customer relationships and databases	28.4
Brands	7.0
Trade and other receivables	1.6
Accrued income	0.6
Cash	0.4
Trade and other payables	(0.1)
Deferred income	(2.5)
Total identifiable net assets at fair value	**35.4**
Initial cash consideration relating to business combination	33.4
Deferred and contingent consideration payable in 2017	3.9
Deferred and contingent consideration payable in 2018-2020	24.3
Consideration for cash acquired	0.4
Total consideration	**62.0**
Goodwill on acquisition	**26.6**

Reconciliation of cash outflows relating to business combinations

(£ million)	Six months to 30 June 2017
Analysis of cash outflow in the Consolidated Statement of Cash Flows	
Total consideration in respect of the 2017 acquisition	70.5
Cash acquired in the 2017 acquisition	(1.0)
Deferred and contingent consideration on the 2017 acquisition to be paid in future years	(14.2)
Cash paid in 2017 in respect of the 2017 acquisition	**55.3**
Acquisitions prior to 2017	
Cash payments of deferred and contingent consideration in relation to prior years' acquisitions	15.5
Net cash outflows relating to acquisition of businesses, net of cash acquired	**70.8**

Contingent consideration is the Group's only financial instrument classified as level 3 in the fair value hierarchy. The key assumptions taken into consideration when measuring this acquisition related liability are the performance expectations of the acquisition and a discount rate that reflects the size and nature of the new business.

During the period ended 30 June 2017, current and previous acquisitions led to a further £14.2 million of contingent consideration being recognised, capital payments of £15.5 million were made and £2.1 million was charged to the profit and loss account in respect of the discount unwind. The total liability recognised at 30 June 2017 is £51.4 million (31 December 2016: £51.0 million).

11. Disposals

In the period ended 30 June 2017 the Group disposed of the following businesses:

	Country	Date of disposal	Share/Asset deal
Health Service Journal	UK	January 2017	Asset deal
EMAP Publishing Limited	UK	May 2017	Share deal

The Group recognised a total gain on disposal of the above businesses of £2.7 million as an exceptional item within discontinued operations (note 7):

(£ million)	**Six months to 30 June 2017**
Consideration	42.5
Working capital adjustment	(4.7)
Consideration received	37.8
Net assets disposed of	(31.9)
Disposal costs	(3.2)
Gain on disposal	**2.7**

Details of assets and liabilities disposed of are provided in the following table:

(£ million)	**Six months to 30 June 2017**
Goodwill	(15.1)
Brands, Customer Relationships and Databases	(25.1)
Tangible fixed assets including Software	(2.0)
Trade and other receivables	(6.9)
Trade and other payables	4.2
Deferred income	9.0
Deferred tax liability on disposed intangibles	4.0
Net assets and liabilities disposed	**(31.9)**

The net inflow of cash in respect of the disposal of businesses is £37.8 million.

12. Reconciliation of movement in net debt

(£ million)	Cash	Short-term deposits	Interest rate cap	Cross currency swaps	External Borrowings	External net debt
At 1 January 2016 Audited	**35.2**	**9.2**	**1.0**	**(2.1)**	**(425.6)**	**(382.3)**
Exchange differences	5.3	1.6	-	-	(34.4)	(27.5)
External debt repayment	(454.6)	-	-	-	454.6	-
External debt drawdown	265.2	-	-	-	(265.2)	-
Fair value movements	-	-	(0.2)	2.7	-	2.5
Non-cash movements	-	-	(0.4)	-	(11.0)	(11.4)
Net cash movement	211.6	8.2	-	(0.6)	5.6	224.8
At 30 June 2016 Unaudited	**62.7**	**19.0**	**0.4**	-	**(276.0)**	**(193.9)**
Exchange differences	2.8	-	-	-	(9.4)	(6.6)
Non-cash movements	-	-	-	-	(0.6)	(0.6)
Net cash movement	(22.0)	(0.6)	-	-	-	(22.6)
At 31 December 2016 Audited	**43.5**	**18.4**	**0.4**	-	**(286.0)**	**(223.7)**
Exchange differences	(0.2)	(0.2)	-	-	1.1	0.7
External debt repayment	-	-	-	-	25.6	25.6
External debt drawdown	-	-	-	-	(26.5)	(26.5)
Non-cash movements	-	-	(0.1)	-	(0.5)	(0.6)
Net cash movement	12.4	0.7	-	-	-	13.1
At 30 June 2017 Unaudited	**55.7**	**18.9**	**0.3**	**-**	**(286.3)**	**(211.4)**

Included within cash is £0.5 million (2016: £nil) of which the use is restricted to meeting collateral obligations.

The Group's borrowings at 30 June 2017, 30 June 2016 and 31 December 2016 were £66.0 million, $96.0 million and €171.0 million and are shown net of unamortised issue costs. The carrying amounts of borrowings approximate their fair value.

The Group had interest rate caps at 30 June 2017 of £0.3 million all included in current asset (30 June 2016 and 31 December 2016: £0.4 million of which £0.1 million was included within non-current assets). The interest rate caps are used to cap an element of the Group's external borrowings, which all bear interest at floating rate. As at 30 June 2017, the total notional amount of outstanding interest rate caps to which the Group is committed is £125.0 million (30 June 2016: £190.8 million and 31 December 2016 £182.9 million).

13. Deferred tax

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

(£ million)	Tax losses	Depreciation vs. tax allowances	Other temporary differences	Intangible assets	Total
At 1 January 2016 Audited	**24.6**	**11.6**	**4.0**	**(40.7)**	**(0.5)**
Credit to the consolidated profit and loss statement for the period	(0.9)	(0.4)	0.6	2.7	2.0
Foreign exchange movements	1.8	-	0.5	(1.3)	1.0
At 30 June 2016 Unaudited	**25.5**	**11.2**	**5.1**	**(39.3)**	**2.5**
Credit to the consolidated profit and loss statement for the period	4.1	(0.5)	7.2	2.7	**13.5**
Adjustments in respect of prior years	1.8	-	-	(0.3)	**1.5**
Impact of rate changes	-	(0.5)	-	1.6	**1.1**
Foreign exchange movements	0.8	0.1	0.5	0.6	**2.0**
Reclassification to assets and liabilities held for sale	-	(0.4)	-	4.4	**4.0**
At 31 December 2016 Audited	**32.2**	**9.9**	**12.8**	**(30.3)**	**24.6**
Charge to the consolidated profit and loss statement for the period	(5.4)	(0.6)	1.5	1.5	(3.0)
Credit to equity	-	-	0.1	-	0.1
Foreign exchange movements	(0.9)	-	(0.7)	-	(1.6)
At 30 June 2017 Unaudited	**25.9**	**9.3**	**13.7**	**(28.8)**	**20.1**

14. Related parties

There are no material related party transactions requiring disclosure under IAS 24 "Related Party Disclosures" other than compensation of key management personnel, which will be disclosed in the Group's Annual Report for the year ending 31 December 2017.

15. Events after the reporting period

There were no reportable events after 30 June 2017.