23 November 2018

Future plc

Double-digit organic growth and a year of material international expansion

Future plc (LSE: FUTR, "Future", "the Group"), the global platform for specialist media, today publishes results for the year ended 30 September 2018.

Financial highlights

- Substantial growth in Group revenue; up 48% to £124.6m (2017: £84.4m), of which 11% is organic growth[1]
    - Strong performance in Media revenue, up 88% to £64.2m (2017: £34.1m), of which 40% is organic growth[1]
        - Digital display grew 63% to £31.8m
        - eCommerce increased 104% to £18.2m
        - Events grew 148% to £12.9m
    - Magazine revenue up 20% to £60.4m (2017: £50.3m), driven by the acquisition of the Haymarket titles
- US revenue up 109% to £39.9m (2017: £19.1m), of which 28% is organic growth; UK revenue up 38% to £92.5m (2017: £67.2m), of which 6% is organic growth
- Online Revenue Per User (RPU), a key metric, has increased in both the UK by 26% to £1.68 and the US by 32% to £0.96 as we monetise our audiences more effectively across both territories.
- Adjusted EBITDA[2] increased 88% to £20.7m (2017: £11.0m), reflecting margin expansion through change in revenue mix and revenue growth across both Media and Magazine divisions
- Continued growth of Adjusted operating profit up 108% to £18.5m (2017: £8.9m) before share-based payments, amortisation of acquired intangibles, non-trading foreign exchange gains and exceptional items of £13.2m (2017: £8.1m); statutory operating profit up to £5.3m (2017: £0.8m)
- Adjusted EPS increased by 33% to 26.2p per share (2017: 19.7p per share restated for rights issue); Reported EPS increased to 5.1p per share (2017: 3.7p per share restated for rights issue)
- Strong adjusted free cash flows[3] of £17.4m (2017: £15.3m) representing 96% adjusted cash conversion[4]
- Conservative balance sheet with net debt of £17.8m, less than 1x net debt / Adjusted EBITDA
- Low capital intensive business with capex spend of less than £2.5m
- The Board is pleased to recommend the recommencement of dividends with 0.5p per share payable on 15 February 2019 to all shareholders on the register at close of business on 18 January 2019

Operational highlights

- Notable increase in Media revenues underpinned by further diversification through acquisitions and organic growth across all regions
- Significantly increased presence in US market driven by organic growth in Media division and acquisitions of Purch B2C (via a fully underwritten rights issue which raised £105.7m) and NewBay Media
- Strategic move into B2B through acquisition of NewBay Media and focus on monetisation of TechRadar Pro
- Three gaming and technology brands acquired from Nextmedia in Australia in September
- Considerable online audience growth – 142 million websites users (monthly) (2017: 49 million)
    - Continued investment in technology stack to maintain operational scalability
    - New website platform now has 15 sites; four sites migrated to the platform this year
- Integration of NewBay and Haymarket titles now completed; Purch and Nextmedia titles integration

well progressed

- Over 52% of revenue now delivered by Media division, exceeding revenues from Magazines for the first time

Zillah Byng-Thorne, Future's Chief Executive, said:

"Future has had an outstanding year. The financial results speak volumes for the successful execution of the Group's focused strategy in leveraging its specialist media platform and diversifying its revenue streams, both geographically and across its product offering.

"Our four acquisitions this year have broadened and strengthened our B2C and B2B portfolios and materially increased our global reach. The expansion of our US business also presents material opportunities to monetise our significant US online audience.

"The year has started well with trading ahead of the Board's expectations for this quarter, and while we recognise there is still much uncertainty for the remainder of the year, the Board is confident that trading will continue the trends of the last year with strong growth."

1) Organic defined as excluding 2018 acquisitions and the Home Interest acquisition in August 2017.
2) Adjusted EBITDA represents earnings before share-based payments and associated social security costs, interest, tax, depreciation, amortisation, impairment of intangible assets, non-trading foreign exchange gains and exceptional items.
3) Adjusted free cash flow is defined as adjusted operating cash inflow less capital expenditure. Adjusted operating cash inflow represents operating cash inflow adjusted to exclude cashflows relating to exceptional items.
4) Adjusted cash conversion represents adjusted operating cash inflow as a percentage of adjusted EBITDA.

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Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No 596/2014) prior to its release as part of this announcement.

Note to editors

Future is a global platform business for specialist media with diversified revenue streams.

The Media division is high-growth with three complementary revenue streams: eCommerce, events and digital advertising. It operates in a number of sectors including technology, games, music, home interest, hobbies and B2B and its brands include TechRadar, PC Gamer, Tom's Guide, Homebuilding & Renovating Show, GamesRadar+, The Photography Show, Top Ten Reviews, Live Science, Guitar World, MusicRadar, Space.com and Tom's Hardware.

The Magazine division focuses on publishing specialist content, with over 80 publications and over 520 bookazines published per year, totalling global circulation of 1.3 million. The Magazine portfolio spans technology, games and entertainment, music, creative and photography, hobbies, home interest and B2B. Its titles include Classic Rock, Guitar Player, FourFourTwo, Homebuilding & Renovating, Digital Camera, Guitarist, How It Works, Total Film, What Hi-Fi? and Music Week.

Strategy update

Continued growth delivered by technology-enabled global platform for specialist media

Our strategy to establish a global platform business with scalable, diversified brands is delivering sustainable material growth, as evidenced by our performance during this financial year.

We continue to diversify our revenues through acquisitions and organic growth both geographically and across our product offering in addition to consolidating our position in our specialist content categories.

We have seen particularly strong organic growth in eCommerce and digital display advertising this year driven principally by excellent growth of our consumer technology vertical, which grew its eCommerce revenue by 136% and digital display advertising revenue by 41%.

Strategic acquisitions have enabled us to further scale our key revenue streams and expand geographically. Our events revenue more than doubled to £12.9m, principally due to the full year impact of the Home Interest division, which was acquired in August 2017, of which the popular Homebuilding events form an integral part.

The acquisitions of NewBay Media and Purch this year have also contributed to significant growth in the US with US revenue now representing 32% (2017: 23%) of total revenue. The expansion of our US business provides material opportunities to monetise our significant US online audience.

We continue to invest in the core operating model, enabling a scalable organisation. During this year we migrated four websites onto our website platform "Vanilla" and also launched two new brands.

Operational review

We have seen another year of substantial growth for Future. Group revenue is up 48% to £124.6m (2017: £84.4m). This is driven by a mixture of strong organic growth of 11% and growth through acquisitions. Adjusted EBITDA is up 88% to £20.7m and adjusted EPS is up 33% to 26.2p (2017: 19.7p).

Revenue by geography:

£m	**FY18**	**FY17**	**YoY Var (£m)**	**YoY Var (%)**
UK	92.5	67.2	25.3	38%
US	39.9	19.1	20.8	109%
Revenue between segments	(7.8)	(1.9)	(5.9)	311%
Total revenue	124.6	84.4	40.2	48%

Revenue by division:

£m	**FY18**	**FY17**	**YoY Var (£m)**	**YoY Var (%)**
Media	64.2	34.1	30.1	88%
Magazine	60.4	50.3	10.1	20%
Total revenue	124.6	84.4	40.2	48%

Both our UK and US divisions have contributed to the growth in revenue, with UK revenue up 38% to £92.5m (2017: £67.2m) and US revenue up 109% to £39.9m (2017: £19.1m).

Media revenue has increased by 88% to £64.2m (2017: £34.1m), driven primarily by the Group's fast growing revenue streams of eCommerce and digital display advertising, and through our successful acquisition programme. Media revenues increased by an impressive 40% on an underlying basis (excluding the impact of 2018 acquisitions and Home Interest acquisition).

In the UK, Media revenues increased by 100% to £42.3m (2017: £21.1m), driven by eCommerce growth of 80% to £8.8m (2017: £4.9m) and events growth of 130% to £12.0m (2017: £5.2m). The US also experienced exceptional growth, up 102% to £29.7m (2017: £14.7m), with eCommerce revenues being the biggest driver of this growth, up 134% to £9.4m (2017: £4.0m).

Magazine revenue increased by 20% to £60.4m (2017: £50.3m) largely driven by acquisitions. On an underlying basis, Magazine revenues declined 8% to £45.7m, in line with our expectations. US Magazine revenue declined at a faster rate of 29%, principally as a result of portfolio rationalisation.

Content sits at the heart of all we do at Future, and a key measure of our success is the continued growth of our online audiences combined with the ability to then monetise them. During 2018, Online Revenue Per User (RPU), a key metric, has increased in both the UK by 26% to £1.68 and the US by 32% to £0.96 as we monetise our audiences more effectively across both territories.

Organic growth in Media revenues enables us to manage the expected decline in Magazine revenues and focus on margins and cash flow within that division. Acquisitions have resulted in revenues increasing within the Magazine division by 20%, helping offset the underlying decline. As a result of the changing mix of our business, revenue from Media exceeded Magazines this year for the first time with the split of revenue now 52%:48%. Post the NewBay and Purch acquisitions, this is expected to be in the region of 65%:35%.

In conjunction with the considerable growth and development of the Group this year, we continue to drive operational efficiencies throughout the organisation, which has resulted in our Adjusted EBITDA margin increasing to 17% (2017: 13%).

Future remains a low capital intensive business with capital expenditure representing 12% of Adjusted EBITDA (2017: 16%; 2016: 37%).

Future continues to be highly cash-generative with efficient Adjusted cash conversion of 96% (2017: 155%) and Adjusted free cash flow rising to £17.4m (2017: £15.3m), demonstrating the Group's ongoing focus on efficient working capital management.

Generating predictable, consistent cash flows and diversifying revenue streams is an ongoing focus of the Group. As a result the Board has recommended the payment of a dividend to shareholders whilst ensuring that we maintain sufficient resources to continue investment in the business.

The nature of the Group's business means there are no specific risks to the Group associated with Brexit other than general economic uncertainty within the country.

People & Culture

As a result of the growth of the Group, the number of employees at Future increased from 634 to just over 1,000 globally through acquisitions and the creation of new roles. The ongoing delivery of our strategy is dependent on the continued nurturing of this workforce.

Recruiting and retaining the best talent regardless of the role is crucial to our success and as a result, Future focuses on ensuring that our employees share in our success and are rewarded fairly. Future was proud to have become a Living Wage employer during the year, and as a result of our significant financial performance we were also able to reward all our staff for their talent and commitment by paying out, for the first time (since introduction), the maximum amount payable under the annual profit pool scheme.

Acquisitions

Future has established a profitable global platform business through further investment in both people and technology and through the successful acquisition and integration of complementary businesses. During the year Future made four acquisitions, which broaden and strengthen our B2C and B2B portfolios and materially increase our global reach. This is particularly evident in the US where we have seen revenue growth of over 100%.

In April 2018 we acquired for £9.9m NewBay Media LLC, a US-based content and events business that provides a material step in diversifying revenues into B2B revenue streams.

In May 2018 we acquired for an undisclosed sum four specialist consumer titles from Haymarket Media Group, which expanded our portfolio into the sport and outdoor leisure sectors as well as providing additional diversification within the technology vertical.

In August 2018 Future acquired three gaming and technology brands from Australian media company Nextmedia, PC PowerPlay, Hyper and PC & Tech Authority, including magazines, digital editions, Upgrade events and Australian PC Awards. This small acquisition expands the Group's presence in the Australia technology and gaming media markets. Whilst the acquisition was small, it provides us with an important local presence.

In September 2018 we acquired the consumer division of Purch for £99.1m, a technology-enabled US-based media business with leading online brands in the technology and science sectors. Bringing Purch's brands and digital platforms into the Future business has further cemented Future's position as a growing, global platform for specialist media, particularly in the US, where our market position has considerably increased.

Key details of the acquisitions we have made in 2018 are included below:

Acquisition	**Revenue***
NewBay Media LLC	£36.8m
Haymarket titles	£11.2m
Nextmedia titles	£1.0m
Purch Group LLC	£47.5m

*Revenue figures obtained from most recent annual financial information or where more relevant, financial information (and reflect 12 months of revenues) relating to the acquired assets to demonstrate the relative size of the acquisitions.

Current trading and outlook

The year has started well with trading ahead of the Board's expectations for this quarter, and while we recognise there is still much uncertainty for the remainder of the year, the Board is confident that trading will continue the trends of the last year with strong growth.

The integration of the Home Interest division is now complete and it has become a material operating vertical.

The integrations of NewBay and Haymarket are progressing as planned and are substantially complete. The integration of the Purch acquisition is progressing in line with expectations and we expect the vast majority of the work to be completed in the early New Year. The integration of the titles acquired from Nextmedia is also on track.

Financial review

Financial summary

	2018 £m	2017 £m
Revenue	**124.6**	84.4
Adjusted EBITDA	**20.7**	11.0
Depreciation	**(0.6)**	(0.3)
Adjusted amortisation	**(1.6)**	(1.8)
Adjusted operating profit	**18.5**	8.9
Adjusted net finance costs	**(1.1)**	(0.6)
Adjusted profit before tax	**17.4**	8.3
Operating profit	**5.3**	0.8
Profit before tax	**4.4**	0.2

Items described as 'Adjusted' in the table above exclude the items detailed as 'Adjusting' in the reconciliation below. Adjusted items are a non-GAAP measure. For further details refer to the section on presentation of non-statutory measures.

Earnings per share

	2018	2017 *restated
Adjusted basic earnings per share (p)	**26.2**	19.7
Basic earnings per share (p)	**5.1**	3.7

*2017 figures have been restated to reflect the bonus element of the 2018 rights issue

A reconciliation of Adjusted operating profit to profit before tax is shown below:

	2018 £m	2017 £m
Adjusted operating profit	**18.5**	8.9
Adjusted net finance costs	**(1.1)**	(0.6)
Adjusted profit before tax	**17.4**	8.3
Adjusting items:		
Share-based payments (including related social security costs)	**(3.1)**	(2.1)
Exceptional items	**(4.4)**	(3.7)
Amortisation of acquired intangibles	**(5.7)**	(2.3)
Non-trading foreign exchange gain	**0.2**	-
Profit before tax	**4.4**	0.2

The financial review is based primarily on a comparison of continuing results for the year ended 30 September 2018 with those for the year ended 30 September 2017. Unless otherwise stated, change percentages relate to a comparison of these two periods.

Revenue

Group revenue was up 48% to £124.6m (2017: £84.4m), which was achieved both organically (increase of 11%) and through acquisition. UK revenue was up 38% to £92.5m (2017: £67.2m) with US revenue up 109% to £39.9m (2017: £19.1m).

Media

Media revenue increased by 88% to £64.2m (2017: £34.1m), driven primarily by the Group's fast-growing revenue streams, eCommerce and digital display advertising, and through acquisition. On an underlying basis, excluding the impact of 2018 and Home Interest acquisitions, Media revenues increased by 40%.

In the UK, Media revenues increased by 100% to £42.3m (2017: £21.1m), driven by eCommerce growth of 80% to £8.8m (2017: £4.9m) and events growth of 130% to £12.0m (2017: £5.2m). The US also experienced exceptional growth, up 102% to £29.7m (2017: £14.7m), with eCommerce revenues being the biggest driver of this growth – up 134% to £9.4m (2017: £4.0m).

Magazine

Magazine revenue increased by 20% to £60.4m (2017: £50.3m) largely driven by acquisitions. On an underlying basis, excluding the impact of 2018 and Home Interest acquisitions, Magazine revenues declined 8% to £45.7m.

The division is constantly looking for ways to innovate and published 524 bookazines in the year with revenue totalling £9.3m.

Adjusted EBITDA and operating profit

The Group's Adjusted EBITDA was up 88% to £20.7m (2017: £11.0m), of which £15.3m (2017: £6.9m) was UK and £5.4m (2017: £4.1m) was US. Operating profit increased by £4.5m to £5.3m (2017: £0.8m).

Adjusted operating margin increased to 15% (2017: 11%) and gross profit margin increased to 44% (2017: 40%) as the Group benefited from strong growth in higher margin Media revenues.

Future's headcount increased to just over 1,000 from 634 employees as additional staff joined the Group through the various acquisitions. Back office operations are centralised in the UK which enables the Group to take advantage of economies of scale and commonality of processes. The NewBay and Haymarket titles acquisitions have been fully integrated into the Group and the integration of the Purch acquisition is in the early stages but progressing in line with expectations. Integration of the Australian brands acquired from Nextmedia is also on track.

Exceptional items and impairment

Exceptional costs were £4.4m (2017: £3.7m). These are mainly acquisition-related, with deal fees and subsequent integration-related activity in respect of the acquisitions of NewBay, the Haymarket titles and Purch totalling £4.3m. Vacant property, other restructuring and transformation-related activity make up the balance of exceptional items.

Net finance costs

Net finance costs increased to £0.9m (2017: £0.6m) reflecting higher interest costs as the Group funded the acquisitions of the Haymarket titles and NewBay through new and existing bank facilities. The Group has also now fully repaid the HMRC settlement agreement following the final £2m bullet payment in June 2018.

The Group's Adjusted pre-tax profit was £17.4m (2017: £8.3m) and Reported pre-tax profit was £4.4m (2017: £0.2m) reflecting significantly improved levels of profitability.

Taxation

The tax charge for the year amounted to £1.5m (2017: credit of £1.4m), comprising a current tax charge of £1.9m (2017: £0.8m) and a deferred tax credit of £0.4m (2017: £2.2m) predominantly related to the recognition of further historic US losses (as we now expect to generate sufficient profits in the US to utilise them), acquired intangible assets and share schemes. The current tax charge mainly arises in the UK where the standard rate of corporation tax is 19%.

Earnings per share

	2018 £m	2017 *restated £m
Basic earnings per share	**5.1**	3.7
Adjusted earnings per share	**26.2**	19.7

*2017 figures have been restated to reflect the bonus element of the 2018 rights issue

Adjusted earnings per share is based on the profit after taxation which is then adjusted to exclude share-based payments (including related social security costs), exceptional items, amortisation of acquired intangible assets, impairment of intangible assets, non-trading foreign exchange and related tax effects.

The Adjusted profit after tax amounted to £14.9m (2017: £8.6m) and the weighted average number of shares in issue was 56.9m (2017 restated: 43.6m), the increase reflecting the impact of the rights issue that was completed in August 2018 to fund the Purch acquisition.

Dividend

The Board is recommending a final dividend of 0.5p per share for the year ended 30 September 2018, payable on 15 February 2019 to all shareholders on the register at close of business on 18 January 2019.

Cash flow and net debt

Net debt at 30 September 2018 was £17.8m (2017: £10m) reflecting the additional draw-down of debt to fund both the acquisitions of NewBay and the Haymarket titles.

During the year, there was a cash inflow from operations before exceptional items of £19.8m (2017: £17.1m) reflecting the significant improvement in the Group's trading performance and the significant focus on improving the Group's working capital cycle.

A reconciliation of adjusted operating cash inflow to cash inflow from operations is included below:

	2018 £m	2017 £m
Adjusted operating cash inflow	**19.8**	17.1
Cash flows related to exceptional items	**(5.1)**	(5.1)
Cash inflow from operations	**14.7**	12.0

Other significant movements in cash flows include exceptional payments of £5.1m (2017: £5.1m), £2.4m (2017: £1.8m) of capital expenditure, net proceeds from issuing shares of £102.3m, draw-down of bank loans (net of repayments and arrangement fees) of £4.0m and payments of £117.1m (net of cash acquired) to fund acquisitions. Foreign exchange and other movements accounted for the balance of cash flows.

The Group continued to be extremely cash-generative with Adjusted cash conversion of 96% (2017: 155%) and Adjusted free cash flow increasing to £17.4m (2017: £15.3m) reflecting the ongoing efficient cash management by the Group.

The Group remains a very low capital intensive business with capital expenditure as a percentage of Adjusted EBITDA of only 12%.

Credit facility

The Group had available facilities of £28.2m at 30 September 2018. This includes £5.4m of facilities which were taken out during 2018 to part-fund the NewBay acquisition which are due for repayment in July 2019, with the remainder expiring in June 2021.

Consolidated income statement
for the year ended 30 September 2018

	Note	Unaudited 2018 Adjusted results £m	Unaudited 2018 Adjusting items £m	Unaudited 2018 Statutory results £m	2017 Adjusted results £m	2017 Adjusting items £m	2017 Statutory results £m
Revenue	1	**124.6**	**-**	**124.6**	84.4	-	84.4
Net operating expenses	2	**(106.1)**	**(13.2)**	**(119.3)**	(75.5)	(8.1)	(83.6)
Operating profit	2	**18.5**	**(13.2)**	**5.3**	8.9	(8.1)	0.8
Finance income	4	**-**	**-**	**-**	0.1	-	0.1
Finance costs	4	**(1.1)**	**0.2**	**(0.9)**	(0.7)	-	(0.7)
Net finance costs		**(1.1)**	**0.2**	**(0.9)**	(0.6)	-	(0.6)
Profit before tax	1	**17.4**	**(13.0)**	**4.4**	8.3	(8.1)	0.2
Tax (charge) / credit	5	**(2.5)**	**1.0**	**(1.5)**	0.3	1.1	1.4
Profit for the year		**14.9**	**(12.0)**	**2.9**	8.6	(7.0)	1.6

Adjusted items are a non-GAAP measure. For further details refer to the section on presentation of non-statutory measures.

Earnings per 15p Ordinary share

	Note	Unaudited 2018 Adjusted results pence	Unaudited 2018 Adjusting items pence	Unaudited 2018 Statutory results pence	2017 restated* Adjusted results pence	2017 restated* Adjusting items pence	2017 restated* Statutory results Pence
Basic earnings/(loss) per share – Total Group	7	**26.2**	**(21.1)**	**5.1**	19.7	(16.0)	3.7
Diluted earnings/(loss) per share – Total Group	7	**24.3**	**(19.6)**	**4.7**	18.4	(15.0)	3.4

*2017 figures have been restated to reflect the bonus element of the rights issue that took place in August 2018.

Consolidated statement of comprehensive income
for the year ended 30 September 2018

	Unaudited 2018 £m	2017 £m
Profit for the year	**2.9**	1.6
Items that may be reclassified to the consolidated income statement		
Currency translation differences	**(0.3)**	(0.2)
Other comprehensive loss for the year	**(0.3)**	(0.2)
Total comprehensive income for the year	**2.6**	1.4

Items in the statement above are disclosed net of tax.

Consolidated statement of changes in equity
for the year ended 30 September 2018

	Issued share capital £m	Share premium account £m	Merger reserve £m	Treasury reserve £m	Accumulated losses £m	Total equity £m
Balance at 1 October 2016	3.7	27.6	109.0	(0.3)	(118.8)	21.2
Profit for the year	-	-	-	-	1.6	1.6
Currency translation differences	-	-	-	-	(0.2)	(0.2)
Other comprehensive income for the year	-	-	-	-	(0.2)	(0.2)
Total comprehensive income for the year	-	-	-	-	1.4	1.4
Share capital issued during the year	3.1	19.8	13.5	-	-	36.4
Share schemes - Value of employees' services	-	-	-	-	1.8	1.8
- Deferred tax on options	-	-	-	-	0.5	0.5
Balance at 30 September 2017	6.8	47.4	122.5	(0.3)	(115.1)	61.3
				Unaudited		
Profit for the year	-	-	-	-	2.9	2.9
Currency translation differences	-	-	-	-	(0.3)	(0.3)
Other comprehensive loss for the year	-	-	-	-	(0.3)	(0.3)
Total comprehensive income for the year	-	-	-	-	2.6	2.6
Share capital issued during the year	5.4	99.6	-	-	-	105.0
Share premium reduction		(47.4)			47.4	-
Share schemes - Value of employees' services	-	-	-	-	2.6	2.6
- Deferred tax on options	-	-	-	-	1.1	1.1
Balance at 30 September 2018	**12.2**	**99.6**	**122.5**	**(0.3)**	**(61.4)**	**172.6**

Consolidated balance sheet

as at 30 September 2018

	Note	Unaudited 2018 £m	2017 £m
Assets			
Non-current assets			
Property, plant and equipment		**1.7**	1.0
Intangible assets - goodwill	8	**99.8**	65.8
Intangible assets - other	8	**103.6**	26.5
Investments		**0.2**	0.2
Deferred tax		**5.3**	4.4
Total non-current assets		**210.6**	97.9
Current assets			
Inventories		**-**	0.7
Corporation tax recoverable		**0.1**	0.1
Trade and other receivables		**37.6**	13.6
Cash and cash equivalents	9	**6.4**	10.1
Total current assets		**44.1**	24.5
Total assets		**254.7**	122.4
Equity and liabilities			
Equity			
Issued share capital		**12.2**	6.8
Share premium account		**99.6**	47.4
Merger reserve		**122.5**	122.5
Treasury reserve		**(0.3)**	(0.3)
Accumulated losses		**(61.4)**	(115.1)
Total equity		**172.6**	61.3
Non-current liabilities			
Financial liabilities – interest-bearing loans and borrowings	10	**15.7**	16.9
Deferred tax		**5.1**	4.6
Provisions	11	**2.8**	2.6
Other non-current liabilities		**0.5**	0.6
Total non-current liabilities		**24.1**	24.7
Current liabilities			
Financial liabilities - interest-bearing loans and borrowings	10	**8.5**	3.2
Financial liabilities - derivatives		**-**	0.1
Trade and other payables		**48.4**	29.9
Corporation tax payable		**1.1**	3.2
Total current liabilities		**58.0**	36.4
Total liabilities		**82.1**	61.1
Total equity and liabilities		**254.7**	122.4

Consolidated cash flow statement

for the year ended 30 September 2018

	Unaudited 2018 £m	2017 £m
Cash flows from operating activities		
Cash generated from operations	**14.7**	12.0
Interest paid	**(0.9)**	(0.6)
Tax paid	**(4.0)**	(1.4)
Net cash generated from operating activities	**9.8**	10.0
Cash flows from investing activities		
Purchase of property, plant and equipment	**(1.2)**	(0.6)
Purchase of computer software and website development	**(1.2)**	(1.2)
Purchase of magazine titles and events	**-**	(0.8)
Purchase of subsidiary undertakings, net of cash acquired	**(117.1)**	(31.8)
Disposal of magazine titles and trademarks	**-**	0.2
Net cash used in investing activities	**(119.5)**	(34.2)
Cash flows from financing activities		
Proceeds from issue of Ordinary share capital	**105.7**	22.0
Costs of share issue	**(3.4)**	(1.0)
Draw down of bank loans	**7.4**	23.3
Repayment of bank loans	**(3.3)**	(12.0)
Bank arrangement fees	**(0.1)**	(0.7)
Repayment of finance leases	**-**	(0.1)
Net cash generated from financing activities	**106.3**	31.5
Net (decrease)/increase in cash and cash equivalents	**(3.4)**	7.3
Cash and cash equivalents at beginning of year	**10.1**	2.9
Exchange adjustments	**(0.3)**	(0.1)
Cash and cash equivalents at end of year	**6.4**	10.1

Notes to the Consolidated cash flow statement
for the year ended 30 September 2018

A. Cash generated from operations
The reconciliation of profit for the year to cash generated from operations is set out below:

	2018 £m	2017 £m
Profit for the year	**2.9**	1.6
		-
Adjustments for:		
Depreciation charge	**0.6**	0.3
Amortisation of intangible assets	**7.3**	4.1
Share schemes		
- Value of employees' services	**2.6**	1.8
Net finance costs	**0.9**	0.6
Tax charge/(credit)	**1.5**	(1.4)
Profit before changes in working capital and provisions	**15.8**	7.0
Movement in provisions	**-**	1.0
Decrease in inventories	**0.7**	0.1
(Increase)/decrease in trade and other receivables	**(7.0)**	6.0
Increase/(decrease) in trade and other payables	**5.2**	(2.1)
Cash generated from operations	**14.7**	12.0

B. Analysis of net cash/(debt)

	1 October 2017 £m	Cash flows £m	Finance leases entered into £m	Other non-cash changes £m	Exchange movements £m	30 September 2018 £m
Cash and cash equivalents	10.1	(3.4)	-	-	(0.3)	**6.4**
Debt due within one year	(3.2)	(5.4)	0.1	-	-	**(8.5)**
Debt due after more than one year	(16.9)	1.0	(0.1)	0.3	-	**(15.7)**
Net debt	(10.0)	**(7.8)**	**-**	**0.3**	**(0.3)**	**(17.8)**

C. Reconciliation of movement in net cash/(debt)

	2018 £m	2017 £m
Net (debt)/cash at start of year	**(10.0)**	0.5
(Decrease)/increase in cash and cash equivalents	**(3.4)**	7.3
Increase in borrowings	**(4.4)**	(11.2)
Borrowings acquired with subsidiaries	**-**	(6.9)
Finance leases entered into	**-**	(0.1)
Other non-cash changes	**0.3**	0.5
Exchange movements	**(0.3)**	(0.1)
Net debt at end of year	**(17.8)**	(10.0)

Accounting policies

Basis of preparation
This preliminary statement of annual results for the year ended 30 September 2018 is unaudited and does not constitute statutory accounts. The information in this statement is based on the statutory accounts for the year ended 30 September 2018. The statutory accounts have not yet been delivered to the Registrar of Companies nor have the auditors yet reported on these.

The statutory accounts are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee's (IFRIC) interpretations as adopted by the European Union, applicable as at 30 September 2018, and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The accounting policies adopted, methods of computation and presentation are consistent with those set out in the Group's statutory accounts for the year ended 30 September 2018.

Going concern
The financial statements have been prepared on a going concern basis.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of Future plc (the Company) and its subsidiary undertakings. Subsidiaries are all entities controlled by the Group. Control exists when the Group is either exposed to or has the rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, and includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Presentation of non-statutory measures
The Directors believe that adjusted results and adjusted earnings per share provide additional useful information on the core operational performance of the Group to shareholders, and review the results of the Group on an adjusted basis internally. The term 'adjusted' is not a defined term under IFRS and may not therefore be comparable with similarly titled profit measurements reported by other companies. It is not intended to be a substitute for, or superior to, IFRS measurements of profit.

Adjustments are made in respect of:

Share-based payments – share-based payment expenses or credits, together with the associated social security costs, are excluded from the adjusted results of the Group as the Directors believe they result in a level of charge that would distort the user's view of the core trading performance of the Group.

Exceptional items – the Group considers items of income and expense as exceptional and excludes them from the adjusted results where the nature of the item, or its size, is material and likely to be non-recurring in nature (in the medium term) so as to assist the user of the financial statements to better understand the results of the core operations of the Group. Details of exceptional items are shown in note 3.

Amortisation of acquired intangible assets – the amortisation charge for those intangible assets recognised on business combinations is excluded from the adjusted results of the Group since they are non-cash charges arising from non-trading investment activities. As such, they are not considered reflective of the core trading performance of the Group.

Non-trading foreign exchange gains and losses – certain other items are excluded from adjusted results where their inclusion distorts the comparability of core trading results year on year.

The tax related to adjusting items is the tax effect of the items above calculated using the standard rate of corporation tax in the relevant jurisdiction.

A reconciliation of adjusted operating profit to profit before tax is shown below:

	2018 **£m**	2017 £m
Adjusted operating profit	**18.5**	8.9
Adjusted net finance costs	**(1.1)**	(0.6)
Adjusted profit before tax	**17.4**	8.3
Adjusting items:		
Share-based payments (including social security costs)	**(3.1)**	(2.1)
Exceptional items	**(4.4)**	(3.7)
Amortisation of acquired intangibles	**(5.7)**	(2.3)
Non-trading foreign exchange gain	**0.2**	-
Profit before tax	**4.4**	0.2

A reconciliation between adjusted and statutory earnings per share measures is shown in note 7.

Notes

1. Segmental reporting

The Group is organised and arranged primarily by reportable segment. The executive Directors consider the performance of the business from a geographical perspective, namely the UK and the US. The Australian business is considered to be part of the UK segment and is not reported separately due to its size.

(a) Reportable segment

(i) Segment revenue

	2018 **£m**	2017 £m
UK	**92.5**	67.2
US	**39.9**	19.1
Revenue between segments	**(7.8)**	(1.9)
Total	**124.6**	84.4

Transactions between segments are carried out at arm's length.

(ii) Segment adjusted EBITDA

	2018			2017		
	Underlying adjusted EBITDA £m	**Intragroup adjustments £m**	**Adjusted EBITDA £m**	Underlying adjusted EBITDA £m	Intragroup adjustments £m	Adjusted EBITDA £m
UK	**7.5**	**7.8**	**15.3**	5.0	1.9	6.9
US	**13.2**	**(7.8)**	**5.4**	6.0	(1.9)	4.1
Total	**20.7**	**-**	**20.7**	11.0	-	11.0

Adjusted EBITDA is used by the executive Directors to assess the performance of each segment. The table above shows the impact of intragroup adjustments on the adjusted EBITDA of each segment.

Intra-group adjustments relate to the net impact of charges from the UK to the US in respect of management fees (for back office revenue functions such as finance, HR and IT which are based in the UK) and licence fees for the use of intellectual property. The increase in the year is driven by the growth in media revenue in the US.

A reconciliation of total segment adjusted EBITDA to profit before tax is provided as follows:

	2018 **£m**	2017 £m
Total segment adjusted EBITDA	**20.7**	11.0
Share-based payments (including social security costs)	**(3.1)**	(2.1)
Depreciation	**(0.6)**	(0.3)
Amortisation	**(7.3)**	(4.1)
Exceptional items	**(4.4)**	(3.7)
Net finance costs	**(0.9)**	(0.6)
Profit before tax	**4.4**	0.2

(b) Business segment

After geographical location, the Group is managed in two segments. The Media segment comprises websites and events and the Magazine segment comprises magazines. An additional segment, Other, was retained to reflect unallocated salaries and other direct costs which are not directly charged to the business segments for internal reporting purposes. The Group considers that the assets within each segment are exposed to the same risks.

(i) Revenue by business segment

	2018 **£m**	2017 £m
Media	**71.9**	35.8
Magazine	**60.5**	50.5
Revenue between segments	**(7.8)**	(1.9)
Total	**124.6**	84.4

(ii) Gross profit by business segment

	2018 **£m**	2017 £m
Media	**54.2**	27.6
Magazine	**39.7**	33.4
Other	**(44.1)**	(31.8)
Add back: distribution expenses	**5.5**	4.7
Total	**55.3**	33.9

2. Net operating expenses

Operating profit is stated after charging:

		2018			2017	
	Adjusted results £m	**Adjusting items £m**	**Statutory results £m**	Adjusted results £m	Adjusting items £m	Statutory results £m
Cost of sales	**(69.3)**	**-**	**(69.3)**	(50.5)	-	(50.5)
Distribution expenses	**(5.5)**	**-**	**(5.5)**	(4.7)	-	(4.7)
Share-based payments (including social security costs)	**-**	**(3.1)**	**(3.1)**	-	(2.1)	(2.1)
Exceptional items (note 3)	**-**	**(4.4)**	**(4.4)**	-	(3.7)	(3.7)
Depreciation	**(0.6)**	**-**	**(0.6)**	(0.3)	-	(0.3)
Amortisation	**(1.6)**	**(5.7)**	**(7.3)**	(1.8)	(2.3)	(4.1)
Other administration expenses	**(29.1)**	**-**	**(29.1)**	(18.2)	-	(18.2)
Total	**(106.1)**	**(13.2)**	**(119.3)**	(75.5)	(8.1)	(83.6)

3. Exceptional items

	2018 **£m**	2017 £m
Vacant property provision movements	**(0.1)**	1.2
Restructuring and redundancy costs	**0.2**	1.1
Acquisition and integration related costs	**4.3**	1.4
Total charge	**4.4**	3.7

The vacant property provision movement (£0.9m credit in the UK, £0.8m charge in the US) relates to surplus office space in the UK and the US.

The restructuring and redundancy costs relate mainly to staff termination payments and other restructuring activities.

The acquisition and integration related costs represent fees incurred in respect of the acquisitions and subsequent integrations of Purch Group LLC, NewBay Media LLC and the specialist consumer titles purchased from Haymarket Media Group. Further details of these acquisitions can be found in note 13.

4. Finance income and costs

	2018 **£m**	2017 £m
Fair value gain on interest rate derivative not in a hedge relationship	**-**	0.1
Total finance income	**-**	0.1
Interest payable on interest-bearing loans and borrowings	**(0.9)**	(0.4)
Amortisation of bank loan arrangement fees	**(0.2)**	(0.2)
Other finance costs	**-**	(0.1)
Adjusted finance costs	**(1.1)**	(0.7)
Non trading foreign exchange gain	**0.2**	-
Total reported finance costs	**(0.9)**	(0.7)
Net finance costs	**(0.9)**	(0.6)

5. Tax on profit

The tax charged in the consolidated income statement is analysed below:

	2018 **£m**	2017 £m
Corporation tax		
Current tax at 19% (2017: 19.5%) on the profit for the year	**1.8**	0.6
Adjustments in respect of previous years	**0.1**	0.2
Current tax charge	**1.9**	0.8
Deferred tax origination and reversal of temporary differences		
Current year charge/(credit)	**0.5**	(2.0)
Adjustments in respect of previous years	**(0.9)**	(0.2)
Deferred tax	**(0.4)**	(2.2)
Total tax charge/(credit)	**1.5**	(1.4)

In 2013 the Group reached agreement with HMRC relating to the tax treatment of certain one-off transactions which took place in 2003. Part of that agreement resulted in the Group paying tax of £6.2m plus interest, comprising instalments of £85,000 per month over five years from July 2013 and a final instalment of £2.0m.This was fully settled in June 2018.

6. Dividends

Equity dividends	**2018**	2017
Number of shares in issue at end of year (million)	**81.5**	45.4
Dividends paid in year (pence per share)	**-**	-
Dividends paid in year (£m)	**-**	-

7. Earnings per share

Basic earnings per share are calculated using the weighted average number of Ordinary shares in issue during the year. Diluted earnings per share have been calculated by taking into account the dilutive effect of shares that would be issued on conversion into Ordinary shares of awards held under employee share schemes.

Adjusted earnings per share remove the effect of share based payments, exceptional items, amortisation of intangible assets arising on acquisitions, impairment of intangible assets, exchange losses included in finance costs and any related tax effects from the calculation.

Total Group	**2018**	2017 restated*
Adjustments to profit after tax:		
Profit after tax (£m)	**2.9**	1.6
Share based payments (including social security costs) (£m)	**3.1**	2.1
Exceptional items (£m)	**4.4**	3.7
Amortisation of intangible assets arising on acquisitions (£m)	**5.7**	2.3
Exchange gains included in finance costs (£m)	**(0.2)**	-
Tax effect of the above adjustments (£m)	**(1.0)**	(1.1)
Adjusted profit after tax (£m)	**14.9**	8.6
Weighted average number of shares in issue during the year:		
- Basic	**56,886,851**	43,601,771
- Dilutive effect of share options	**4.453.155**	3,126,287
- Diluted	**61,340,006**	46,728,058
Basic earnings per share (in pence)	**5.1**	3.7
Adjusted basic earnings per share (in pence)	**26.2**	19.7
Diluted earnings per share (in pence)	**4.7**	3.4
Adjusted diluted earnings per share (in pence)	**24.3**	18.4
The adjustments to profit after tax have the following effect:		
Basic earnings per share (pence)	**5.1**	3.7
Share based payments (including social security costs) (pence)	**5.4**	4.8
Exceptional items (pence)	**7.7**	8.5
Amortisation of intangible assets arising on acquisitions (pence)	**10.0**	5.3
Exchange losses included in finance costs (pence)	**(0.3)**	-
Tax effect of the above adjustments (pence)	**(1.7)**	(2.6)
Adjusted basic earnings per share (pence)	**26.2**	19.7
Diluted earnings per share (pence)	**4.7**	3.4
Share based payments (including social security costs) (pence)	**5.1**	4.5
Exceptional items (pence)	**7.2**	7.9
Amortisation of intangible assets arising on acquisitions (pence)	**9.3**	4.9
Exchange losses included in finance costs (pence)	**(0.3)**	-
Tax effect of the above adjustments (pence)	**(1.7)**	(2.3)
Adjusted diluted earnings per share (pence)	**24.3**	18.4

*2017 figures have been restated to reflect the bonus element of the rights issue that took place in August 2018.

8. Intangible assets

	Goodwill £m	Acquired intangibles £m	Other £m	Total £m
Cost				
At 1 October 2016	293.9	14.3	17.5	325.7
Additions through business combinations	36.6	25.5	0.1	62.2
Other additions	-	-	1.5	1.5
Adjustments to fair value on prior year acquisitions	(0.2)	-	-	(0.2)
Disposals	-	(1.4)	-	(1.4)
Exchange adjustments	(1.1)	(0.2)	(0.3)	(1.6)
At 30 September 2017	**329.2**	**38.2**	**18.8**	**386.2**
Additions through business combinations	**34.1**	**83.3**	**-**	**117.4**
Other additions	**-**	**-**	**1.2**	**1.2**
Adjustments to fair value on prior year acquisitions	**(0.2)**	**-**	**-**	**(0.2)**
Exchange adjustments	**0.9**	**0.1**	**-**	**1.0**
At 30 September 2018	**364.0**	**121.6**	**20.0**	**505.6**
Accumulated amortisation				
At 1 October 2016	(264.4)	(13.2)	(14.9)	(292.5)
Charge for the year	-	(2.3)	(1.8)	(4.1)
Disposals	-	1.1	-	1.1
Exchange adjustments	1.0	0.2	0.4	1.6
At 30 September 2017	**(263.4)**	**(14.2)**	**(16.3)**	**(293.9)**
Charge for the year	**-**	**(5.7)**	**(1.6)**	**(7.3)**
Exchange adjustments	**(0.8)**	**(0.2)**	**-**	**(1.0)**
At 30 September 2018	**(264.2)**	**(20.1)**	**(17.9)**	**(302.2)**
Net book value at 30 September 2018	**99.8**	**101.5**	**2.1**	**203.4**
Net book value at 30 September 2017	65.8	24.0	2.5	92.3
Net book value at 1 October 2016	29.5	1.1	2.6	33.2

Acquired intangibles relate mainly to trademarks, advertising relationships, publishing rights and customer lists. These assets are amortised over their estimated economic lives, typically ranging between one and ten years.

Impairment assessment for goodwill

The net book value of goodwill at 30 September 2018 consists of £72.8m relating to the UK and £27.0m relating to the US. The goodwill at 30 September 2017 relates wholly to the UK.

At 30 September 2018 the Group performed its annual impairment assessment of goodwill and concluded that no impairment of goodwill was required.

9. Cash and cash equivalents

	2018 £m	2017 £m
Cash at bank and in hand	**6.4**	10.1
Cash and cash equivalents	**6.4**	10.1

10. Financial liabilities – loans and borrowings

Non-current liabilities

	Interest rate at 30 September 2018	Interest rate at 30 September 2017	**2018 £m**	2017 £m
Sterling term loan	**3.0%**	2.8%	**7.6**	10.0
Sterling revolving loan	**3.0%**	2.8%	**8.1**	6.9
Total			**15.7**	16.9

Current liabilities

	Interest rate at 30 September 2018	Interest rate at 30 September 2017	**2018 £m**	2017 £m
Sterling term loan	**3.0%**	2.8%	**2.3**	1.8
Sterling revolving loan	**3.0%**	2.8%	**0.9**	1.3
US dollar term loan	**4.8%**	-	**5.3**	-
Obligations under finance leases			**-**	0.1
Total			**8.5**	3.2

The interest-bearing loans and borrowings are repayable as follows:

	2018 £m	2017 £m
Within one year	**8.8**	3.2
Between one and two years	**4.9**	3.3
Between two and five years	**11.0**	13.6
Total	**24.7**	20.1

Following the acquisition of NewBay Media LLC on 3 April 2018, the Group negotiated a new bank facility of $7,000,000 with HSBC Bank plc. The new facilities run to 3 July 2019. Repayments required in respect of the facilities are as follows:

Repayment date	**Repayment amount**
3 July 2019	$7,000,000

The Group has granted security to the bank and the availability of the facility is subject to certain covenants.

Total fees relating to the new facility amounted to £0.1m and these are being amortised over the term of the facility. The bank borrowings and interest are guaranteed by Future plc.

Interest payable under the current credit facility for sterling denominated loans is calculated as the cost of one-month LIBOR (currently approximately 0.7%) plus an interest margin of between 2.0% and 2.5%, dependent on the level of Bank EBITDA.

Interest payable under the current credit facility for the US dollar denominated loan is calculated as the cost of one month USD LIBOR (currently approximately 2.3%) plus an interest margin of between 2.0% and 2.5%.

The Group has covenants in respect of net debt/Bank EBITDA and Bank EBITDA/interest, both of which were met at 30 September 2018. For covenant purposes, net debt is exclusive of non-current tax and other payables and Bank EBITDA is not materially different to statutory EBITDA.

11. Provisions

	Property £m
At 1 October 2017	2.6
Charged in the year	1.4
Released in the year	(1.0)
Utilised in the year	(0.2)
At 30 September 2018	**2.8**

The provision for property relates to dilapidations and obligations under short leasehold agreements on vacant property. The vacant property provision is expected to be utilised over the next 9 years.

12. Related party transactions

The Group had no material transactions with related parties in 2018 or 2017 which might reasonably be expected to influence decisions made by users of these financial statements.

13. Acquisitions

Acquisition of NewBay Media LLC
On 3 April 2018 Future US inc. acquired 100% of the share capital of NewBay Media LLC (NewBay), the mainly US based information and events business, for net consideration of £8.8m cash and £1.1m shares.

The impact of the acquisition on the consolidated balance sheet was:

	Provisional fair value £m
Intangible assets:	
- Publishing rights	2.5
- Brands	2.0
- Other intangibles	0.9
Trade and other receivables	4.6
Trade and other payables	(6.7)
Deferred tax	(0.1)
Net assets acquired	3.2
Goodwill	6.7
Consideration:	
Equity shares	1.1
Cash	8.8
Total consideration	9.9

The goodwill is attributable to the synergies expected to arise in integrating the magazines into the wider Future group and through combining production and back office functions. The publishing rights, customer lists, events and brands will be amortised over a period of five years. The goodwill is expected to be deductible for tax purposes.

The acquisition enhances the Group's market leading position in music and consumer electronics and in addition brings B2B titles in the complementary verticals of audio visual, television broadcasting and educational technology, which will further increase the Group's revenue diversification model whilst also bringing B2B expertise to the Group's existing titles.

Acquisition of Haymarket titles
On 1 May 2018 Future Holdings 2002 Limited completed the acquisition of the specialist consumer titles of What Hi-Fi?, FourFourTwo, Practical Caravan and Practical Motorhome from Haymarket Media Group for net consideration of £9.3m cash and £1.4m shares.

The impact of the acquisition on the consolidated balance sheet was:

	Provisional fair value £m
Intangible assets:	
- Publishing rights	1.3
- Brands	0.2
- Websites	3.8
Trade and other payables	(0.9)
Deferred tax	(0.9)
Net assets acquired	3.5
Goodwill	7.2

Consideration:	
Equity shares	1.4
Cash	9.3
Total consideration	10.7

The goodwill is attributable to the synergies expected to arise in integrating the magazines and websites into the wider Future group. The goodwill will not be deductible for tax purposes. The publishing rights, brands and websites will be amortised over a period of five years. The acquisition presents organic growth opportunities by leveraging and expanding brands and content through the Group's platform.

Acquisition of Purch Group LLC
On 4 September 2018, Future US inc. acquired 100% of the share capital of Purch Group LLC, a technology platform and publisher, for net consideration of £99.1m.

The impact of the acquisition on the consolidated balance sheet was:

	Provisional fair value £m
Intangible assets:	
- Customer lists	10.0
- Websites	62.5
Trade and other receivables	11.2
Trade and other payables	(4.8)
Net assets acquired	78.9
Goodwill	20.2

Consideration:	
Cash	99.1
Total consideration	99.1

The goodwill is attributable to the synergies expected to arise in integrating the websites and customer lists into the wider Future group. The websites and customer lists will both be amortised over a period of 10 years. The goodwill is expected to be deductible for tax purposes.

This acquisition substantially strengthens the Group's presence in the US market, boosting its scale and momentum while further diversifying our revenue streams. Purch B2C's leading brands also gives the Group market leadership in the highly attractive consumer technology market. In addition, its data driven content model is highly complementary to the Group's existing capabilities and will accelerate the Group's progress as it continues to build its global platform for specialist media.

See note 3 for details of the total amount of Acquisition and integration related costs recognised as exceptional items in respect of these acquisitions.

The fair values are described as ‘provisional’ for each of the acquisitions as they all occurred within 6 months of the balance sheet date and so further time is required (particularly in respect of Purch) in order to full ascertain the fair value of assets and liabilities acquired.