

Financial Times Group

KEY PERFORMANCE INDICATORS

The FT Group is a leading provider of essential information in attractive niches of the global business information market.

Sales		Adjusted operating profit*	
2012	£443m	2012	£49m
2011	£427m	2011	£76m
Headline growth	4%	Headline growth	(36)%
CER growth	4%	CER growth	(32)%
Underlying growth	4%	Underlying growth	(7)%

*Reflects the absence in 2012 of the £20m 2011 profit from Pearson's stake in FTSE International following its sale.

CASE STUDY

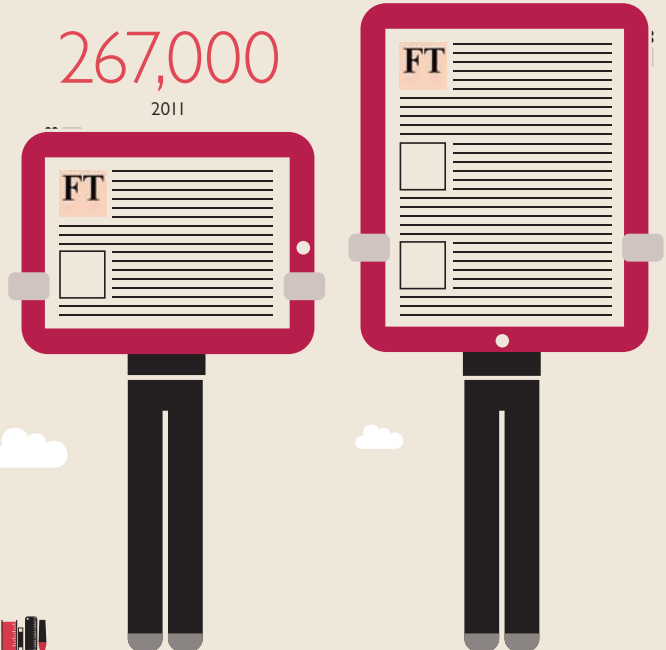
Growth in digital readership

The *Financial Times* digital readership continues to grow strongly with digital subscriptions increasing 18% to almost 316,000 and with 3.5 million FT web app users.

Financial Times digital subscriptions

316,000
2012

267,000
2011



Digital and services revenues accounted for 50% of FT Group revenues (31% in 2008). Content revenues comprised 61% of revenues (48% in 2008), while advertising accounted for 39% of FT Group revenues (52% in 2008).

Financial Times highlights in 2012 include:

- › The *Financial Times* digital readership continues to grow strongly with digital subscriptions increasing 18% to almost 316,000 and with 3.5 million FT web app users. The FT's total paid circulation was more than 602,000 across print and online, modestly up on 2011, with digital subscriptions exceeding print circulation for the first time. The FT now has almost 2,800 direct corporate licences, up 40% on 2011.
- › We continued to invest in new products and innovation, including launching a Windows 8 app and the FT web app on Chrome for Android; a bespoke web app for Latin America; a rebrand of the conferences division, FT Live, with the introduction of live streaming at key events; and the launch of GatekeeperIQ, a new subscription service to track large, retail investment platforms.
- › Advertising was generally weak and volatile with poor visibility but the FT grew market share with mobile, luxury and business education showing good growth. Digital revenues benefited from the launch of FT SmartMatch, which automatically puts client content such as articles, white papers and videos in front of FT.com users while they're reading related FT news stories.
- › FT Live, our events business, continued to grow strongly and launch new events, including the Global Commodities Summit, delivering more than 200 events that attracted over 17,000 delegates. We launched a digital portal that offers on-demand webinars, livestreamed events and social media tools.

- › Educational services are an important area of expansion. The FT Non-Executive Director Certificate (in partnership with Pearson Learning Studio and Edexcel) was attended by over 150 candidates across five intakes. FT Newlines, an annotations tool on FT.com that allows students and faculties from around the world to create and share annotations on FT articles, is now being used at many business schools. The new FTChinese MBA Gym App, which features tailored training courses categorised by topic, has ranked among the top paid-for education apps on the iTunes Store and was recognised as one of the 'App Store Best of 2012' by Apple in China.
- › Money-Media revenues and profits continued to grow well boosted by a strong subscription performance, with the number of individual users growing 6% year on year to 220,000, and new product launches, including Ignites Retirement Research which broadens Money-Media's product offering into the investment industry research sector.

Economist Group highlights in 2012 include:

- › In The Economist Group (50% owned by Pearson), *The Economist* launched three HTML5-powered apps in collaboration with FT Labs. *The Economist's* worldwide print and digital circulation increased by 2% to 1.67 million (at 31 December 2012) of which 150,000 customers bought digital-only copies. The Economist Intelligence Unit acquired Clearstate in Singapore and Bazian, a London-based healthcare research company, as part of its strategy to build a healthcare information business.

Mergermarket highlights in 2012 include:

- › Mergermarket grew well, despite challenging markets, due to a good performance from Debtwire, mergermarket, Xtract and Remark underpinned by a strong offering following investment in its product breadth, strong editorial analysis and global presence. We launched several new products and services, including a new mergermarket Android app, a Debtwire Analytics platform in Europe and Policy and Regulatory Report (PaRR), a global intelligence, analysis and proprietary data product focused on competition law, IP and trade law, and sector-specific regulatory change. We also expanded our coverage in faster growth markets such as Latin America, China and the Middle East, generating new business and extending our international reach.

CASE STUDY

Growth in mobile

Mobile devices now account for 30% of FT.com traffic and 15% of new subscriptions.

