

IIR BV, CMDS and AGHIT proposed restructuring

Outline of proposed steps and actions required

The current legal structure is summarised in Appendix 1 of this document. Following discussions between the parties we have summarised in Appendix 2 the proposed new structure. Set out below is an overview of the key steps to be undertaken in moving to the new structure together with a summary of the new agreements that will be required.

The proposals contained within this document are subject to approval by Informa group management including tax, accounting and legal due diligence.

The key steps in moving to the new structure will be:

Step 1: IIR BV (or another appropriate Informa entity) is granted an exclusive Data Licence by [CMDS and AGHIT] in return for consideration of [\$3m+].

The Data Licence would be on similar terms to the agreement between AGHIT and CMDS. Key terms that would be required in the Data Licence are set out in more detail below.

Step 2: CMDS purchases and cancels its own shares held by IIR BV for [\$3m+]

CMDS would purchase and cancel the 50.1% of shares held by IIR BV, subject to legal considerations for a Hong Kong company. The result would be that David Stern would now own 100% of the issued share capital of CMDS.

The consideration paid for the Data Licence (step 1) and proceeds received by IIR BV for CMDS shares would be set such that IIR BV made no gain or loss on the sale of its shareholding in CMDS.

As a consequence of Step 2 the Shareholders Agreement between IIR BV, CMDS and David Stern would cease to have any effect and Informa would thereby relinquish any financial benefit relating to the commercial rights to the IT Business. Some key clauses within the Shareholders Agreement would need to be incorporated within the new Data Licence.

Step 3: The current funding of AGHIT totalling \$16m through Loan Notes would remain in place subject to agreement of new Milestones against which the remaining three tranches of \$2m each would be paid.

New Data Licence agreement

The new Data Licence agreement should be broadly similar to the existing agreement between AGHIT and CMDS. Key elements of the new agreement would be:

- Granting of an exclusive perpetual licence to commercially exploit the Data in the Territory in return for a royalty and data acquisition funding.
- Both Data and Territory would have the same definitions as in the existing Data Licence.
- Sale of Data is subject to the marketing guidelines as set out in the existing Data Licence and supplemented by those currently contained in Schedule 5 of the Shareholders Agreement.
- AGHIT and CMDS will not grant another entity commercial rights over Data except in the PRC.

- The royalty would be payable as a percentage of revenue on products sold by any Informa entity derived from the Data supplied by AGHIT or CMDS. This would include any publishing product or consulting products directly derived from the Data. For products that are entirely based upon the Data 100% of the revenue would be taken into account for calculating the royalty. For Bundled products where the Data forms only part of the underlying product the revenue for royalty purposes would be based upon a fair value of the revenue derived from the Data provided that the Data forms a substantial part of the offering (in excess of 20% of product value).
- All revenue derived for royalty purposes would be fully auditable by the parties to the Data Licence agreement
- The proposed royalty rates based upon annual revenues are:

0-\$4m	10%
\$4m-\$8m	11%
\$8m-\$12m	12%
\$12m-\$16m	13%
\$16m-\$20m	14%
\$20m-\$24m	15%
\$24m-\$26m	16%
\$26m-\$28m	17%
\$28m-\$30m	18%
\$30m+	20%

Data acquisition funding

In addition to the existing funding commitment of up to \$16m Informa will agree make additional Loans to AGHIT on similar terms to the existing Loan Notes.

For each DCC that becomes operational (after the initial 4 DCC's tied to the existing milestone funding) up to a maximum of 36 DCC's Informa will loan \$200,000 subject to a maximum of \$2.0m in any calendar year.

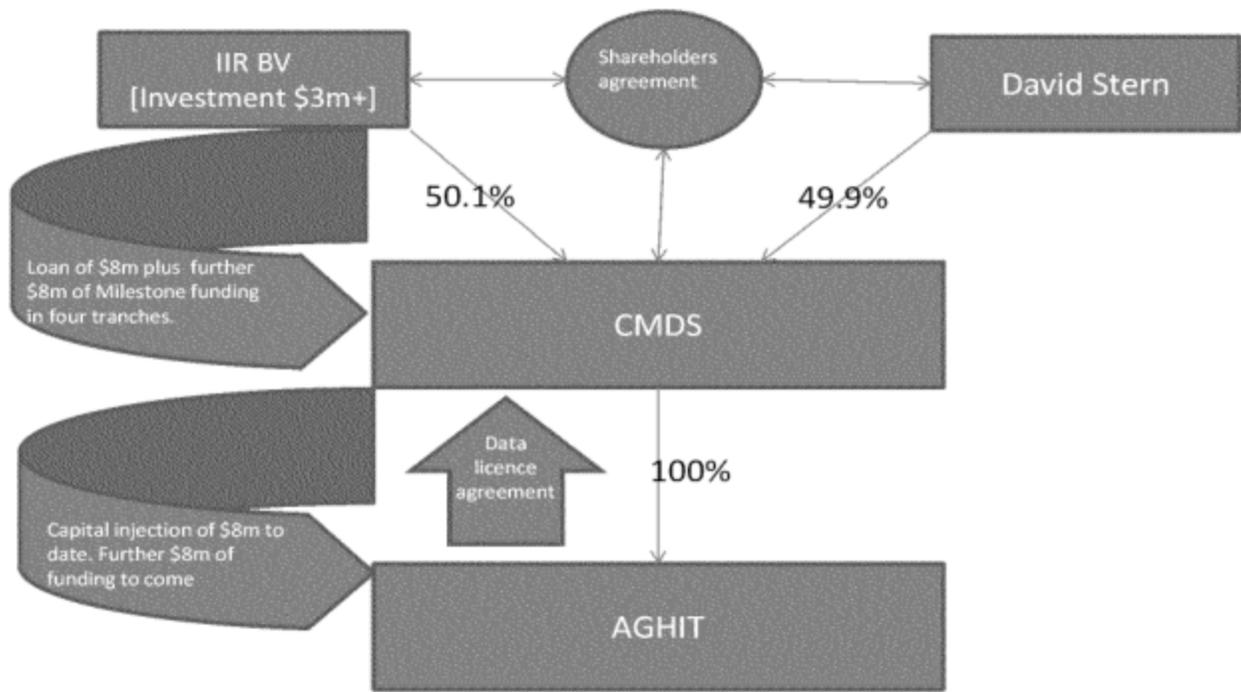
Each loan amount would be advanced once Data was available from the DCC.

Loan Notes

The existing Loan Notes together with the Loan Notes issued in connection with the Data acquisition funding would be repayable over 10 years.

The Loan Notes would become repayable immediately on demand in the event that the Data Licence was cancelled or AGHIT/CMDS failed to deliver the Data.

Appendix 1: Current structure



Appendix 1: Proposed new structure

