

Euromoney Institutional Investor PLC

2012 Half Year Results Presentation

Colin Jones, Finance Director

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2012 HALF YEAR

- **Financial Review**
- Trading Review
- Strategy/Outlook

KEY MESSAGES

- ◆ 13% revenue growth to £189.4m
- ◆ 5% organic revenue growth (excluding NDR)
- ◆ Subscription revenues up 22% - now 53% of total revenues
- ◆ Continued growth from event businesses
- ◆ Adj PBT up 17% to £48.6m, helped by NDR contribution
- ◆ Operating margin unchanged at 30%
- ◆ Strong operating cash flows reduced debt by £30m to £89m, now less than 1x EBITDA
- ◆ Interim dividend increased by 12% to 7p a share
- ◆ NDR and Global Grain acquisitions integrated successfully
- ◆ Outlook challenging, trading in line with board expectations

RECORD PROFITS¹

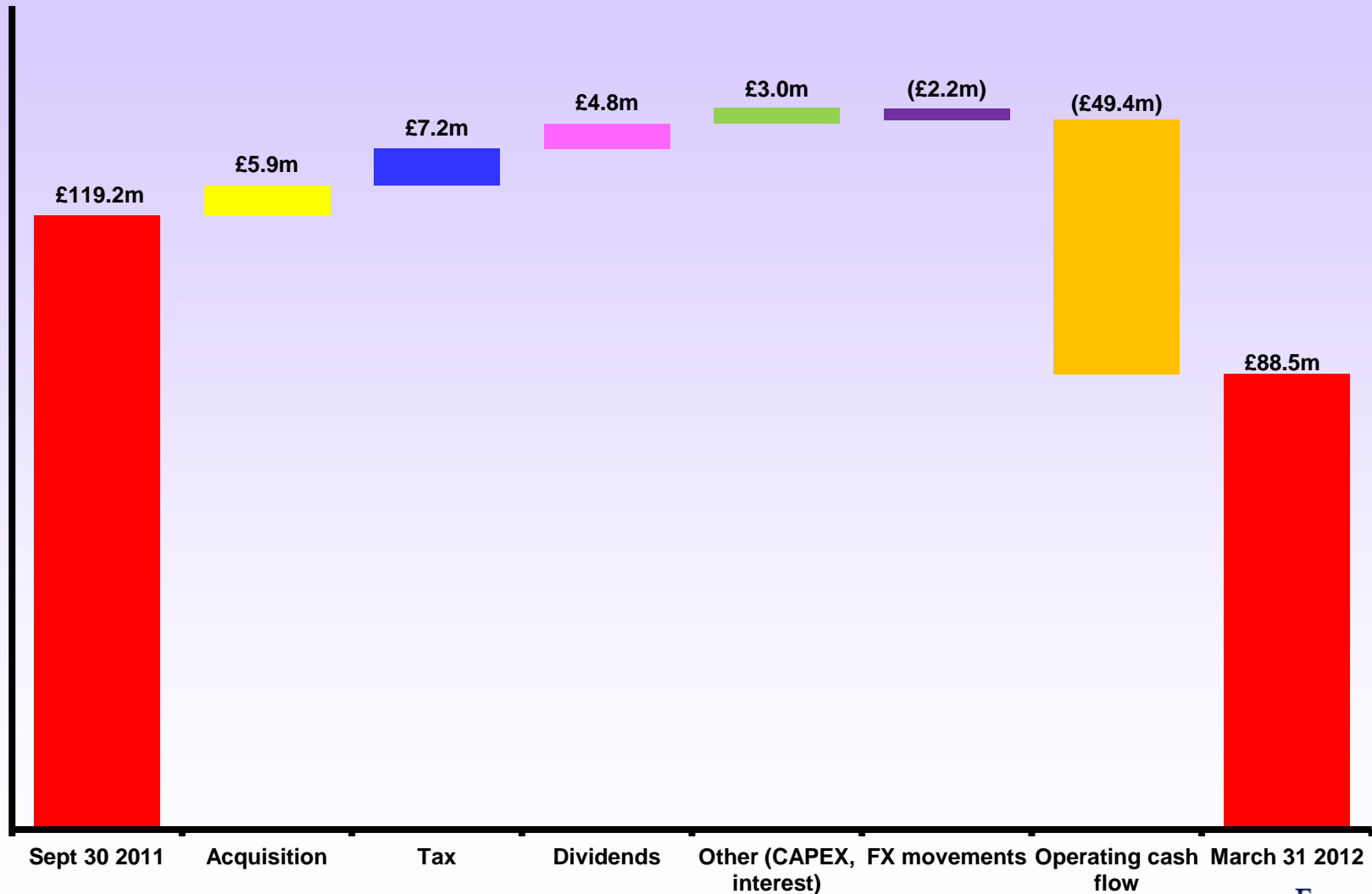
£m	2010	2011	2012	change
Revenue	147.8	167.6	189.4	+13%
Adjusted PBT ¹	40.0	41.6	48.6	+17%
Statutory PBT ¹	32.7	32.7	39.8	+22%
Adjusted EPS ¹	24.9p	25.7p	29.7p	+16%
Dividend	6.25p	6.25p	7.00p	+12%
Net debt	178.1	102.7	88.5	-14%

¹As reconciled in appendix to chairman's statement

FINANCIAL HIGHLIGHTS

- ◆ Net debt reduced by £30m to £89m since Sept 30
- ◆ Net debt: EBITDA 0.8 times vs 1.0 times
- ◆ Cash conversion 87% (2011: 104%) due to timing
- ◆ Adjusted net finance costs down £0.3m to £3.3m
- ◆ Average cost of funds 4.6% (2011: 5.6%) increasing to 5.4% in H2
- ◆ No significant FX impact on revenues / translation
- ◆ Increase in FX hedge losses £2.0m
- ◆ EPS benefits from falling tax rate
- ◆ Interim dividend reflects 3x cover and 1/3 interim policy
- ◆ Scrip alternative expected to be discontinued at year end

CASH FLOW / NET DEBT



NET FINANCE COSTS

£m	FY 2011	HY 2011	HY 2012
Interest on debt facility	(7.0)	(3.8)	(2.8)
Interest on tax	-	-	(0.6)
Other	(0.2)	0.2	0.1
Underlying net finance costs	(7.2)	(3.6)	(3.3)
Acquisition deferred consideration	(1.8)	(1.8)	-
Acquisition option commitments	(0.6)	0.1	(0.5)
Statutory net finance costs	(9.6)	(5.3)	(3.8)

See note 5

TAX

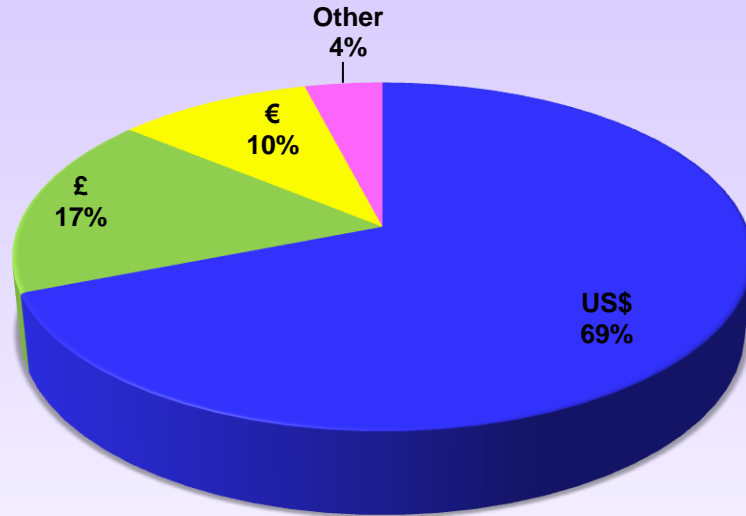
£m	FY 2011	HY 2011	HY 2012
Adjusted PBT	92.7	41.6	48.6
Statutory tax charge	(22.5)	(11.3)	(11.9)
Less/(add): other tax adjustments	(1.7)	0.4	(0.2)
Underlying tax charge	(24.2)	(10.9)	(11.7)
Underlying tax rate	26%	26%	24%

Expected full year underlying tax rate 23%

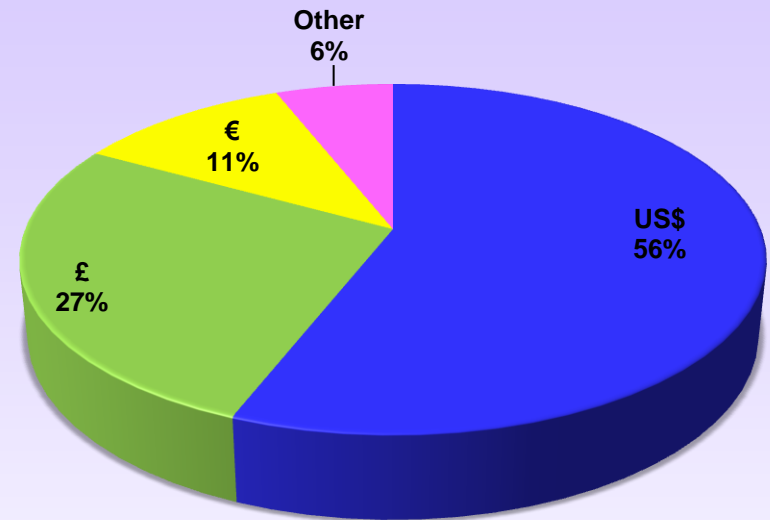
See note 6

IMPACT OF FX

Revenue ¹



Profit before tax ¹



USD	2012	2011
H1 average rates	1.58	1.59
H2 average rates	-	1.63
H1 closing rates	1.60	1.60

USD	1¢ movement
Revenue (£m)	+/- 1.4
Profit (£m)	+/- 0.5

¹Before effect of FX hedging

CAP

- ◆ Total cost £30m spread over CAP life
- ◆ £100m profit target achieved 2 years earlier than expected in FY11, leading to £6.6m accelerated CAP cost...
- ◆ ...offset by reduced CAP cost in FY12 to FY14

£m	FY10	FY11	FY12	FY13	FY14
2011 estimate	3.9	15.8	8.1	2.2	-
2012 estimate	3.9	15.8	6.9	2.2	-
(Acceleration)/ reversal	-	(6.6)	1.1	3.8	1.7

- ◆ Accelerated CAP cost excluded from FY11 Adjusted PBT to avoid distortion of underlying trading performance – but added back for dividend purposes

CAP COST

£m	HY1 2012	HY2 2012	FY 2012	HY1 2013	HY2 2013	FY 2013
CAP2010	5.6	2.5	8.1	2.2	-	2.2
CAP2004	(0.6)	(0.6)	(1.2)	-	-	-
Actual CAP cost	5.0	1.9	6.9	2.2	-	2.2
(Acceleration)/ reversal	(1.0)	2.1	1.1	2.1	1.7	3.8
Underlying CAP cost	4.0	4.0	8.0	4.3	1.7	6.0

2012 HALF YEAR

- Financial Review
- **Trading Review**
- Strategy/Outlook

TRADING SUMMARY

£m	2010	2011	2012	change
Revenue	147.8	167.6	189.4	+13%
Adjusted operating profit ¹	45.4	49.8	56.7	+14%
Adjusted PBT ¹	40.0	41.6	48.6	+17%
Operating margin	30.7%	29.7%	29.9%	+0.2%

¹As reconciled in appendix to chairman's statement

TRADING HIGHLIGHTS

- ◆ Total revenues up 13%
- ◆ No significant FX impact
- ◆ Underlying revenues up 5% driven by growth of events and research & data services
- ◆ Underlying subscription revenues up 7% continuing the good momentum from 2011. Largely CEIC and BCA
- ◆ Late FY11 pressure on advertising and sponsorship continued into H1
- ◆ Strong performance of Q2 delegate revenues, partly due to event timing differences and recovery in Middle East
- ◆ Underlying delegate revenues up 10% in Q1 and 6% in Q2
- ◆ Margin constant at 30%:
 - ◆ Headcount tightly controlled
 - ◆ Investment in technology and new products £5m vs £4m

REVENUE BY TYPE

£m	2011	2012	change	@ constant fx rates
Subscriptions	82.0	100.2	+22%	+22%
Advertising	27.3	24.9	-9%	-9%
Sponsorship	20.4	20.5	+1%	-
Delegates	34.5	41.1	+19%	+19%
Other/closed	4.8	4.8	-	-
	169.0	191.5	+13%	+13%
FX loss on forward contracts	(1.4)	(2.1)	+50%	+48%
Total	167.6	189.4	+13%	+13%

REVENUE CHANGE BY QTR

Y-o-Y % change	FY2011				HY2012	
	Q1	Q2	Q3	Q4	Q1	Q2
Subscriptions	+13%	+13%	+3%	+17%	+25%	+20%
Advertising	+24%	+6%	+1%	+7%	-13%	-4%
Sponsorship	+37%	+32%	+14%	+7%	+2%	-1%
Delegates	+20%	-11%	+4%	+16%	+10%	+30%
Other	+15%	-37%	-21%	-27%	-13%	+21%
Total	+19%	+6%	+4%	+12%	+11%	+15%
Total ¹	+21%	+7%	+4%	+11%	+11%	+16%

¹ After effect of FX hedging

REVENUE CHANGE BY QTR (ex NDR)²

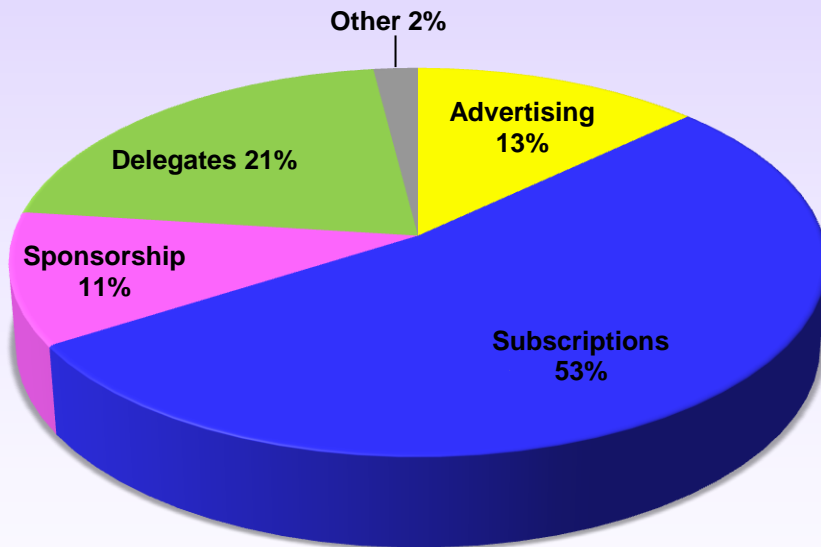
Y-o-Y % change	FY2011				HY2012	
	Q1	Q2	Q3	Q4	Q1	Q2
Subscriptions	+11%	+14%	+10%	+9%	+9%	+5%
Advertising	+21%	+8%	+7%	+10%	-13%	-5%
Sponsorship	+34%	+35%	+23%	+12%	+2%	-1%
Delegates	+18%	-11%	+8%	+18%	+10%	+31%
Other	+11%	-37%	-18%	-26%	-13%	+20%
Total	+16%	+7%	+10%	+10%	+4%	+8%
Total ¹	+18%	+8%	+10%	+9%	+3%	+8%

¹After effect of FX hedging

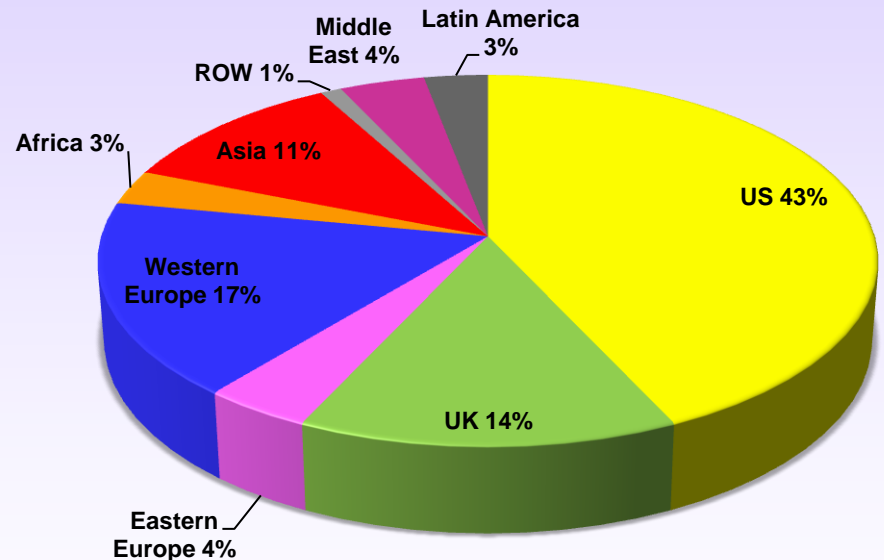
²At constant exchange rates

REVENUE MIX

Revenue By Type



Revenue By Destination



Emerging markets account for 26% of direct revenues

REVENUE BY DIVISION

£m	2011	2012	Change	@ constant fx rates
Financial Publishing	39.2	36.5	-7%	-7%
Business Publishing	25.9	27.5	+6%	+6%
Training	15.7	15.0	-4%	-4%
Conferences & Seminars	38.2	46.7	+22%	+22%
Research & Data	49.5	65.8	+33%	+33%
Closed Businesses	0.5	-	-100%	-100%
	169.0	191.5	+13%	+13%
FX loss on forward contracts	(1.4)	(2.1)	+50%	+48%
Total	167.6	189.4	+13%	+13%

REVENUE BY DIVISION (ex NDR)

£m	2011	2012	Change	@ constant fx rates
Financial Publishing	39.2	36.5	-7%	-7%
Business Publishing	25.9	27.5	+6%	+6%
Training	15.7	15.0	-4%	-4%
Conferences & Seminars	38.2	46.7	+22%	+22%
Research & Data	49.5	53.2	+7%	+8%
Closed Businesses	0.5	-	-100%	-100%
	169.0	178.9	+6%	+6%
FX loss on forward contracts	(1.4)	(2.1)	+50%	+48%
Total	167.6	176.8	+5%	+6%

OPERATING PROFIT BY DIVISION¹

£m	2011	2012	Change
Financial Publishing	12.3	10.9	-11%
Business Publishing	9.1	9.3	+2%
Training	3.8	2.9	-24%
Conferences & Seminars	12.2	15.8	+30%
Research & Data	20.7	28.3	+37%
Corporate/closed businesses	(8.3)	(10.5)	+27%
Total	49.8	56.7	+14%

¹Before effect of FX hedging

OPERATING PROFIT BY DIVISION (ex NDR)¹

£m	2011	2012	Change
Financial Publishing	12.3	10.9	-11%
Business Publishing	9.1	9.3	+2%
Training	3.8	2.9	-24%
Conferences & Seminars	12.2	15.8	+30%
Research & Data	20.7	23.1	+12%
Corporate/closed businesses	(8.3)	(10.5)	+27%
Total	49.8	51.5	+3%

¹Before effect of FX hedging

OPERATING MARGIN BY DIVISION

	H1 2011	H2 2011	FY 2011	H1 2012
Financial Publishing	32%	36%	34%	30%
Business Publishing	35%	43%	39%	34%
Training	24%	24%	24%	20%
Conferences & Seminars	32%	30%	31%	34%
Research & Data	42%	40%	41%	43%
Total ¹	30%	30%	30%	30%

¹After corporate costs

2012 HALF YEAR

- Financial Review
- Trading Review
- **Strategy/Outlook**

GROWTH DRIVEN STRATEGY

Strategy designed to build a more focused, more robust and higher quality global information business

- ◆ (1) Maintain steady, high margins
- ◆ (2) Drive organic growth:
 - ◆ *Invest in building high quality electronic subscription products*
 - ◆ *Accelerate online product migration*
 - ◆ *Improve product quality through editorial investment*
 - ◆ *Focus on key strength – quality and effectiveness of marketing*
 - ◆ *Quickly roll out successes to new geographies esp emerging markets*
- ◆ (3) Selective acquisitions to accelerate growth strategy and build market share
- ◆ (4) Invest in people / infrastructure to support growth

H2 OUTLOOK

- ◆ Eurozone still creating uncertainty, holding back growth and driving costs cuts at financial institutions
- ◆ In contrast, US more optimistic, emerging markets still robust
- ◆ No significant changes to underlying revenue trends in Q3; outlook for events positive
- ◆ H2 profits helped by reductions in finance and CAP costs
- ◆ Objective is to continue to manage margins tightly while maintaining investment in digital publishing
- ◆ Usual risks in FX and Sept revenues
- ◆ Outlook challenging - sticking to successful strategy

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