Interim Financial Report 2008

Euromoney Institutional Investor PLC

Contents

Chairman's Statement

Interim Results for the six months to March 31 2008

Record First Half Results

Highlights	2008	2007	change
Revenue	£154.8m	£144.2m	+7%
Underlying results*			
• Adjusted operating profit**	£36.1m	£34.2m	+6%
• Adjusted profit before tax	£30.5m	£24.8m	+23%
• Adjusted diluted earnings a share	20.1p	16.6p	+21%
Statutory results			
• Operating profit	£27.1m	£22.4m	+21%
• Profit before tax^	£15.1m	£18.8m	–20%
• Diluted earnings a share	15.7p	15.8p	–1%
Dividend	6.25p	6.0p	+4%

A detailed reconciliation of the group's underlying results is set out in note 15.

*see note 15

**Adjusted operating profit is operating profit before acquired intangible amortisation, share option expense and exceptional items as set out in note 15.

^Statutory profit before tax includes a foreign exchange loss on tax equalisation contracts of £8.6 million (2007: £nil). This is matched by an equal and opposite tax credit and therefore has no effect on earnings a share. The foreign exchange losses and the tax credit are excluded from underlying profit and the underlying tax expense (note 6 and note 15).

Results reflect successful strategy of investing in subscription products

- Revenues up 7% to £154.8 million, a record
- Adjusted operating profit up 6% to £36.1 million
- Adjusted profit before tax up 23% to £30.5 million, also a record
- Subscription revenues up 15%, now 37% of turnover
- Record subscription sales for BCA and ISI
- Strong performance from emerging markets
- Adjusted operating margin unchanged at 23%
- Cash generated from operations up 14% to £42.4 million
- Adjusted operating cash conversion 117%
- Interim dividend increased from 6p to 6.25p
- Outlook remains positive despite problems in global credit markets

Commenting on the results, chairman Padraic Fallon, said:
"It was an excellent first half in very volatile markets. The strategy of investing in subscription products served us well, and we are well placed to meet whatever challenges lie ahead."

Highlights
Euromoney Institutional Investor PLC, the international publishing, events and electronic information group, achieved an adjusted operating profit for the six months to March 31 2008 of £36.1 million, a 6% increase on the same period in 2007. Adjusted profit before tax increased by 23% to £30.5 million and adjusted diluted earnings a share increased by 21%, to 20.1p. The board has approved an interim dividend of 6.25p, against 6p, to be paid to shareholders on June 23 2008.

These results reflect the continued success of the group's strategy to drive profit growth and build a more robust subscription-driven business. Revenues increased by 7% to £154.8 million, and the adjusted operating margin was unchanged at 23%. Subscription revenues increased by 15% to £57.7 million and the proportion of group revenues derived from subscriptions increased from 35% to 37%. Deferred revenues at March 31 were £87.7 million, an increase of 19% since year end. Advertising revenues rose by 4% to £28.6 million but now account for only 18% of total revenues.

The 23% increase in adjusted profit before tax was helped by a reduction in net interest costs, against the same period last year, reflecting the strong operating cash flows of the group. Operating cash flows increased by 14% to £42.4 million and net debt fell to £201.8 million compared with £204.6 million at year end (March 31 2007 £239.6 million), after payment of annual profit shares and the final dividend in the second quarter.

The problems in global credit markets, which began last summer, have had a limited impact on the group's results. Growth in advertising and sponsorship revenues has slowed, as expected, but delegate revenue has remained strong and demand for subscription products, particularly databases and electronic information services such as BCA's economic research and ISI's emerging market information, has proved very resilient.

Emerging markets in general have continued to perform well over the past six months, helped by strong commodity prices and relatively little exposure to the credit crisis. Emerging markets remain a key driver of the group's growth and underlying revenues increased by 25%, compared to a 4% decline in revenues from the UK and North America.

The integration of Metal Bulletin was completed successfully by the end of 2007. In 2008, the group is focusing on driving revenue synergies from the acquisition. BCA has performed exceptionally well, and the increased investment in the marketing of Metal Bulletin subscriptions and delegates is achieving higher returns than expected and starting to drive revenue growth in this part of the business.

Current trading is in line with the board's expectations. April's operating profits were ahead of last year, helped by strong performances from the events and data businesses. Sales for the past three months have shown no significant reaction to the problems in the credit markets and forward revenues for the third quarter are ahead of the same time last year. The key months for second half profits are June and September, and while the outlook for the third quarter is positive, as usual at this time visibility into September is limited.

Strategy

The company's strategy over the past five years has been aimed at building a more resilient and better focused business. This strategy has been executed through increasing the portion of revenues derived from subscription products; investing in products of the highest quality that customers will value in tough times as well as good; eliminating products with a low margin or too high a dependence on advertising; maintaining tight cost control at all times; retaining and fostering an entrepreneurial culture; and making selective acquisitions to accelerate that strategy.

The success of this can be seen in the changing revenue and profit mix. Subscriptions now account for 37% of total revenues compared to 30% in 2003, whereas the share of advertising has fallen from 34% to 18%. Revenues from the training, conference and seminar businesses now account for 40% of the total, the same as the traditional publishing activities. Meanwhile, profits from databases and electronic information services were £9.9 million compared to just £1.4 million in the first six months of 2003.

Seven of the group's 10 largest businesses are subscription-based and in many cases, such as BCA, ISI and II Memberships, these are fast growing businesses, with high renewal rates and significant scope for launching new products and increasing market penetration. The sales performance of BCA and ISI in the first half further demonstrates the value of quality, hard-to-get information delivered electronically, even in difficult markets. As a result, the group's investment in new products is targeted at electronic delivery of niche financial information services with real-time news, unique data and sophisticated search engine technology. More than £1 million was invested in new products in the first half.

The group's acquisition strategy is to look for small, specialist transactions that complement its existing businesses and provide scope for strong organic growth. No acquisition has been completed since October 2006, largely due to the group's focus on the integration of Metal Bulletin and the reduction in its debt facility. The group remains keen to make small acquisitions, which are easily financed from its strong operating cash flows. However, despite the problems in financial markets, there are few signs of a decline in valuations of privately held businesses, and deal flow has slowed.

Trading Background

The trading background of the past six months has been in sharp contrast to the state of markets a year ago. The global credit crisis and continued volatility in financial markets have triggered heavy losses for the global investment banks, as well as a sharp reduction in capital issuance and transactions. This has inevitably led to cost cuts at many financial institutions, although to date the reductions in headcount which influence delegate and subscription revenues have not been as severe as expected. In addition, the group's dependence on global financial institutions, particularly for advertising revenue, is less than it was. In contrast, emerging markets, which are a significant driver of the group's revenues, have so far been relatively unaffected by the global credit crisis and continue to generate new customers.

The group's strategy of investing in premium subscription products, particularly those delivered electronically, continues to be the main driver of revenue growth. The investment in subscription marketing and new products, which was stepped up in 2007, has continued in 2008, and is a key factor in the first half growth in subscription and delegate revenues. While all revenue streams are subject to the impact of volatility in financial markets, the performance of businesses such as BCA and ISI provides strong support for the view that demand for quality, hard-to-get information products remains robust during difficult markets.

Business Review

Financial Publishing: Revenues, which comprise a mix of advertising and subscriptions, fell by 1% to £38.8 million while the adjusted operating margin was unchanged. As expected, advertising revenues fell across most titles as financial institutions cut marketing costs and deal volumes fell. Notable exceptions to this trend included *Euromoney* and *Asiamoney*, both of which derive a significant proportion of their advertising from emerging markets. In contrast, subscription revenues for most products increased, reflecting both volume increases in print subscriptions as well as the gradual migration of print products to electronic platforms and higher value site licence sales.

Business Publishing: This division is focused on four sectors: metals, energy, legal and – most recently – telecoms. Its revenue mix is similar to that of the Financial Publishing division but its end markets have remained relatively buoyant and as a result its first half performance was much stronger. Revenues increased by 13% to £22.8 million and the adjusted operating margin improved from 27% to 33%, helped by excellent performances from Legal Publishing and TelCap, the publisher of *Capacity* magazine, and margin improvements from Metal Bulletin.

Conferences and Seminars: Revenues, which are generated from a roughly equal mix of sponsorship and paying delegates, increased by 11% in the first half to £43.3 million. Underlying revenue growth, after adjusting for timing differences, was 6%. The adjusted operating margin fell from 28% to 26%, largely due to pressure on big ticket sponsorship for events covering structured finance, securitisation and hedge funds. On the other hand, delegate-driven events, particularly under the Euromoney Seminars brand, continued to achieve strong growth in less obvious niche areas including air finance, project finance and Islamic finance. The Institutional Investor membership business, which is unusual in following the subscription model, continues to achieve excellent growth.

Training: The strong revenue growth achieved by the Training division in 2007 continued into 2008. Revenues increased by 9% to £19.2 million, largely due to an increase in course volumes. However, the adjusted operating margin fell from 27% to 25% due to the increase in course volumes in difficult markets, the full year impact of cost increases in 2007 and higher marketing costs. There is a lead time of more than six months in setting the training calendar and course volumes. The volume of courses has since been reduced, but the benefit of this decision on operating margins will not be seen until the second half.

Databases and Information Services: This division largely comprises businesses which share similar characteristics: subscription-only products delivering high quality data and information in electronic-only format, with high renewal rates. Most of the revenues are US dollar-denominated. Revenues increased by 24% to £30.7 million but the adjusted operating margin fell from 35% to 32% due to investment in new products. BCA, the independent research business acquired as part of Metal Bulletin, continued to achieve strong revenue growth on the back of its expansion into new geographic markets, using the Euromoney group’s international office network, and increases in sales resource. BCA had its best six month’s sales period ever, and local currency subscription revenues increased by more than 30%. ISI, the emerging markets information business, also had its best ever sales period in the first half and its local currency subscription revenues increased by 18%. During the period, ISI invested £0.5 million in its new *DealWatch* emerging market transaction alert service, and expansion of the CEIC emerging market economic data business into new regions. Revenues from the group’s capital market database joint venture with Dealogic increased by 10%.

Financial Review

Cash generated from operations increased by 14% to £42.4 million, producing an adjusted operating profit to cash conversion rate of 117%. Net debt at March 31 was £201.8 million compared to £204.6 million at year end. Cash flows in the first half are traditionally less than in the second due to the payment of annual profit shares and the final dividend in the second quarter. The net debt to EBITDA covenant ratio was 2.8 times at March 31 compared to 2.9 times at year end.

During the period the group spent £5.9 million of cash increasing its equity holding in a number of its businesses, including £2.6 million to take its stake in Total Derivatives from 67% to 78%, and £2.5 million to increase its stake in TelCap from 55% to 70%.

Net finance costs of £12 million shown in the statutory results include £5.8 million relating to tax equalisation contracts under a foreign currency financing derivative. This is made up of gains on tax equalisation contracts of £2.8 million and a foreign exchange loss of £8.6 million which is offset by a matching tax credit. Underlying net finance costs were £3.2 million compared to £7.2 million in 2007, and the average cost of funding the group’s net debt was 5.8% compared to 6.1% for 2007.

Statutory profit before tax fell by 20% to £15.1 million as a result of the inclusion of the £8.6 million foreign exchange loss on tax equalisation contracts in net finance costs. This foreign exchange loss is matched with a corresponding tax credit so that there is no financial impact on earnings a share.

The tax credit of £2.3 million shown in the statutory results is stated after recognising the tax credit of £8.6 million relating to tax on foreign exchange losses hedged by the tax equalisation contracts referred to above.

The group’s underlying tax rate has historically been in the 31% to 33% range. From 2008, the group has decided to change its presentation of the underlying tax rate by removing all deferred tax effects of goodwill and intangibles. This means that the underlying rate of tax rate for 2008 is expected to be 28% and reflects the group’s view that overseas tax deductible goodwill will provide a current tax benefit for the foreseeable future.

A detailed reconciliation of the group’s underlying and statutory results is set out in note 15.

Following the achievement in 2007 of the profit target under the group’s Capital Appreciation Plan (CAP), the first tranche of 2.5 million options vested in February 2008, representing 2.4% of the company’s share capital. Of the options vesting, 2.1 million were exercised resulting in the issue of the same number of new shares. A further 2.5 million options will vest in each of February 2009 and 2010, subject to further performance tests, the most important of which requires the group’s underlying profit before tax (before CAP expense) to remain above £57 million in each year.

Principal Risks and Uncertainties

The principal risks and uncertainties that affect the group are described in detail on pages 12 to 14 of the 2007 annual report available at www.euromoneyplc.com. In summary, they include:

– Downturn in the economy or a market sector
– Credit risk
– London, New York or Montreal-wide disaster
– Libel
– Circulation
– Poor choice of acquisition
– Technological change
– Liquidity risk
– Market price risk
– Interest rate risk, and
– Foreign currency risk

These are still considered to be the most relevant risks and uncertainties at this time. A number of these risks and uncertainties could have an impact on the group's performance over the remaining six months of the financial year and could cause actual results to differ from expected and historical results. Where a risk that was disclosed in the annual report is unchanged, or is not expected to have a specific impact in the remaining period, further disclosure in this report is considered unnecessary.

Outlook

These results highlight the group's resilience to a downturn in financial markets and the benefits that come from owning a portfolio of leading brands servicing a cross-section of global markets. Although the group is exposed to the uncertainty over the economic outlook in general, and to global credit markets in particular, the increasing diversity of its revenue streams, product offerings and geographic markets provide better protection against market trends. In addition, the increased proportion of revenues now derived from high margin subscription products, particularly those delivered electronically, and the reduced exposure to traditionally more volatile advertising revenues, suggest that the group's earnings should be more robust.

The strength and positioning of the group's brands combined with a commitment to investment in marketing and new products provides opportunities for further revenue growth. The board expects strong operating cash flows should continue to reduce debt levels and associated funding costs.

The board of Euromoney remains confident in its clear long-term strategy to deliver consistent revenue growth from new and existing products; to invest in increasing revenues from high quality subscription products, particularly electronic data and information services; to maintain the operating margin; and to make selective acquisitions to strengthen the group's market positions. Overall, current trading is in line with the board's expectations and the group remains well positioned to meet the challenges of this trading environment.

Padraic Fallon
Chairman
May 14 2008

Condensed Consolidated Income Statement

for the six months ended March 31 2008

	Note	Unaudited six months ended March 31 2008 £000's	Unaudited six months ended March 31 2007 (Restated see note 1) £000's	Audited year ended September 30 2007 £000's
Revenue				
Continuing operations	2	154,821	144,658	305,594
Less: share of revenue of joint ventures		–	(441)	(441)
Total revenue		154,821	144,217	305,153
Operating profit before acquired intangible amortisation, share option expense and exceptional items	2	36,141	34,187	78,606
Acquired intangible amortisation		(6,127)	(6,882)	(15,716)
Share option expense		(2,678)	(2,611)	(6,993)
Accelerated share option expense		–	–	(3,183)
Exceptional items	4	(370)	(2,683)	855
Operating profit before associates and joint ventures		26,966	22,011	53,569
Share of results in associates and joint ventures		146	414	490
Operating profit		27,112	22,425	54,059
Finance income	5	1,319	6,691	5,496
Finance expense	5	(13,353)	(10,293)	(18,427)
Net finance costs		(12,034)	(3,602)	(12,931)
Profit before tax		15,078	18,823	41,128
Tax on profit		196	(1,442)	(11,401)
Deferred tax asset recognition		2,064	–	3,178
Tax credit/(expense) on profit on ordinary activities	6	2,260	(1,442)	(8,223)
Profit after tax from continuing operations	2	17,338	17,381	32,905
Discontinued operations				
Profit for the period from discontinued operations	15c	220	419	500
Profit for the period		17,558	17,800	33,405
Attributable to:				
Equity holders of the parent		16,729	16,506	31,822
Equity minority interests		829	1,294	1,583
		17,558	17,800	33,405
Basic earnings per share - continuing operations	8	15.96p	15.87p	30.66p
Basic earnings per share - continuing and discontinued operations	8	16.18p	16.28p	31.16p
Diluted earnings per share - continuing operations	8	15.66p	15.82p	29.86p
Diluted earnings per share - continuing and discontinued operations	8	15.87p	16.24p	30.34p
Adjusted diluted earnings per share	8	20.05p	16.59p	35.04p
Dividend per share (including proposed dividends)	7	6.25p	6.00p	19.00p

A detailed reconciliation of the group's underlying results is set out in note 15.

Condensed Consolidated Balance Sheet

as at March 31 2008

	Unaudited as at March 31 2008 £000's	Unaudited as at March 31 2007 £000's	Audited as at September 30 2007 £000's
Non-current assets			
Intangible assets			
Goodwill	**256,341**	260,184	248,137
Other intangible assets	**131,793**	144,405	131,885
Property, plant and equipment	**20,781**	17,333	20,917
Investments	**141**	84	252
Deferred tax assets	**14,071**	26,298	11,508
Net pension surplus	**364**	–	364
	423,491	448,304	413,063
Current assets			
Trade and other receivables	**70,195**	64,391	67,458
Cash and cash equivalents	**35,114**	27,562	26,711
Derivative financial instruments	**4,559**	5,720	8,093
	109,868	97,673	102,262
Total assets of subsidiaries held for sale	**–**	6,582	–
Current liabilities			
Acquisition option commitments	**(20,089)**	–	(14,899)
Trade and other payables	**(37,233)**	(44,958)	(42,827)
Accruals	**(33,923)**	(30,507)	(43,424)
Deferred income	**(87,651)**	(72,784)	(73,382)
Provisions	**(86)**	–	(1,469)
Loan notes	**(8,348)**	–	(11,796)
Bank overdrafts	**(8,122)**	(7,073)	(5,935)
	(195,452)	(155,322)	(193,732)
Net current liabilities	**(85,584)**	(51,067)	(91,470)
Total assets less current liabilities	**337,907**	397,237	321,593
Non-current liabilities			
Acquisition option commitments	**(6,787)**	(34,396)	(18,436)
Other non-current liabilities	**(1,019)**	(625)	(1,189)
Committed loan facility	**(220,409)**	(247,340)	(213,559)
Deferred tax liabilities	**(29,328)**	(48,285)	(31,650)
Derivative financial instruments	**(15,426)**	(166)	(596)
Provisions	**(649)**	(2,628)	(383)
Loan notes	**–**	(12,711)	–
Retirement benefit obligations	**–**	(2,980)	–
	(273,618)	(349,131)	(265,813)
Total liabilities of subsidiaries held for sale	**–**	(1,557)	–
Net assets	**64,289**	46,549	55,780
Shareholders' equity			
Called up share capital	**263**	258	258
Share premium account	**38,575**	38,417	38,509
Other reserve	**64,981**	64,981	64,981
Capital redemption reserve	**8**	8	8
Own shares	**(74)**	(74)	(74)
Liability for share based payments	**18,181**	8,518	15,737
Fair value reserve	**4,822**	7,585	18,176
Translation reserve	**(8,615)**	9,591	(15,335)
Retained earnings	**(56,506)**	(86,879)	(69,975)
Equity shareholders' surplus	**61,635**	42,405	52,285
Equity minority interests	**2,654**	4,144	3,495
Total equity	**64,289**	46,549	55,780

Condensed Consolidated Cash Flow Statement

for the six months ended March 31 2008

	Unaudited six months ended March 31 2008 £000's	Unaudited six months ended March 31 2007 £000's	Audited year ended September 30 2007 £000's
Cash flow from operating activities			
Operating profit	27,112	22,425	54,059
Share of results in associates and joint ventures	(146)	(414)	(490)
Profit from discontinued operations	–	801	885
Profit on disposal of business	–	(1,972)	(6,780)
Acquired intangible amortisation	6,127	6,882	15,716
Reduction in goodwill arising from a deferred tax adjustment	1,062	–	–
Licences and software amortisation	–	–	289
Share option expense	2,678	2,611	10,176
Depreciation of property, plant and equipment	1,404	1,479	2,585
Movement in property rental provision	(1,168)	1,851	1,119
Loss on disposal of property, plant and equipment	4	–	297
Operating cash flows before movements in working capital	37,073	33,663	77,856
Increase in receivables	(1,088)	(4,394)	(11,570)
Increase in payables	6,378	7,741	23,895
Cash generated by operations	42,363	37,010	90,181
Income taxes paid	(7,699)	(7,275)	(9,773)
Net cash from operating activities	34,664	29,735	80,408
Investing activities			
Dividends paid to minorities	(1,673)	(1,432)	(1,511)
Dividends received from associates	257	348	646
Dividends received from assets held for resale	–	111	–
Interest received	819	1,034	2,162
Purchase of intangible assets	(136)	–	–
Purchase of property, plant and equipment	(1,446)	(1,591)	(8,001)
Proceeds on disposal of property, plant and equipment	13	2	1,106
Purchase of additional interest in subsidiary undertakings	(5,943)	(7,546)	(18,594)
Acquisition of associates and joint ventures	–	–	(6)
Acquisition of subsidiary undertakings	–	(152,587)	(151,317)
Proceeds from disposal of businesses	170	1,865	14,778
Net cash used in investing activities	(7,939)	(159,796)	(160,737)
Financing activities			
Dividends paid	(13,380)	(11,933)	(18,110)
Interest paid	(5,588)	(5,450)	(17,277)
Interest paid on loan notes	(331)	–	(578)
Issue of new share capital	71	400	428
Repayment of borrowings	–	(78,136)	(78,136)
Purchase of derivative assets/liabilities	(654)	–	–
Redemption of loan notes	(3,549)	–	(915)
Loan repaid to DMGT group company	(14,438)	(34,109)	(61,350)
Loan received from DMGT group company	16,527	253,894	251,297
Net cash (used in)/from financing activities	(21,342)	124,666	75,359
Net increase/(decrease) in cash and cash equivalents	5,383	(5,395)	(4,970)
Cash and cash equivalents at beginning of period	20,776	26,268	26,268
Effect of foreign exchange rate movements	833	(384)	(522)
Cash and cash equivalents at end of period	26,992	20,489	20,776

Cash and cash equivalents in the cash flow statement includes bank overdrafts.

Condensed Consolidated Statement of Recognised Income and Expense

for the six months ended March 31 2008

	Unaudited six months ended March 31 2008 £000's	Unaudited six months ended March 31 2007 (Restated see note 1) £000's	Audited year ended September 30 2007 £000's
Loss on sale of available-for-sale investments taken to equity	–	–	(405)
(Losses)/gains on cash flow hedges	(10,460)	2,530	6,392
Gains on revaluation of intangible assets	1,692	–	2,384
Net exchange differences on translation of foreign operations	6,720	9,835	(15,001)
Net exchange difference on foreign currency loans	(2,484)	(607)	5,886
Actuarial (losses)/gains on defined benefit pension schemes	(277)	882	4,158
Tax on items taken directly to equity	3,479	1,090	2,082
Net income recognised directly in equity	(1,330)	13,730	5,496
Transfers			
Translation reserves recycled to the income statement on disposals	–	–	(90)
Transfer of gain on cash flow hedges from fair value reserves to the income statement	(2,102)	(956)	(2,699)
Profit for the period	17,558	17,800	33,405
Total recognised income and expense for the period	14,126	30,574	36,112
Attributable to:			
Equity holders of the parent	13,297	29,280	34,529
Minority interests	829	1,294	1,583
	14,126	30,574	36,112

Notes to the Condensed Consolidated Interim Financial Report

1 Basis of preparation

This interim financial report was approved by the board of directors on May 14 2008.

The condensed financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards and in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting'.

Accounting policies

The condensed set of financial statements has been prepared under the historical cost convention, except for the revaluation of certain financial instruments.

The same accounting policies, presentation and methods of computation are followed in these condensed financial statements as were applied in the group's latest annual audited financial statements except for the presentation of segmental information and tax on profit in the income statement. The segmental information has been re-analysed to better reflect the system of internal financial reporting to key management and to more accurately reflect the underlying businesses' results that are used to assess risk and reward decisions. As a result the comparative segmental information has been restated. The tax on profit in the income statement for the six months to March 31 2007 has been restated to reflect the change in treatment of a tax credit on non-recurring intergroup transactions adopted at the 2007 year-end. At March 2007, this tax credit was previously recognised directly in equity.

The information for the year ended September 30 2007 does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was not qualified and did not contain statements under section 237 (2) or (3) of the Companies Act 1985.

2 Segmental analysis

Primary reporting format

Segmental information is presented in respect of the group's business divisions and reflect the group's management and internal reporting structure. The group is currently organised into five business divisions: Financial publishing; Business publishing; Training; Conferences and seminars; and Databases and information services. This is considered to be the primary reporting format. Financial publishing and Business publishing consist primarily of advertising and subscription revenue. The Training division consists primarily of delegate revenue. Conferences and seminars consists of both sponsorship income and delegate revenue. Databases and information services consists of subscription revenue. A breakdown of the group's revenue by type is set out below.

The presentation of the group's primary reporting format has been re-analysed to better reflect the system of internal financial reporting to key management and to more accurately reflect the underlying businesses' results that are used to assess risk and reward decisions. As a result the comparative split of divisional revenues and operating profits has been restated. The total revenue and operating profit remains unchanged. The total revenue and operating profit by geographic source remains unchanged.

Secondary reporting format

The group divides the operation of its businesses across three main geographical areas: United Kingdom; North America; and Rest of World (which primarily represents emerging markets). These geographical areas are considered as the secondary reporting format.

Inter segment sales are charged at prevailing market rates.

	Unaudited six months ended March 31									
	United Kingdom		North America		Rest of World		Elimination		Total	
Revenue	2008	2007 (Restated)	2008	2007 (Restated)	2008	2007 (Restated)	2008	2007 (Restated)	2008	2007 (Restated)
By division and source:	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Financial publishing	**22,593**	21,834	**16,957**	18,238	**872**	750	**(1,625)**	(1,547)	**38,797**	39,275
Business publishing	**17,274**	14,699	**5,643**	5,355	**874**	678	**(973)**	(492)	**22,818**	20,240
Training	**12,585**	11,280	**4,977**	5,184	**1,827**	1,395	**(205)**	(196)	**19,184**	17,663
Conferences and seminars	**14,480**	13,612	**18,776**	18,916	**10,105**	6,540	**(39)**	(36)	**43,322**	39,032
Databases and information services	**3,637**	3,300	**18,961**	14,754	**8,064**	6,708	**(2)**	18	**30,660**	24,780
Sold/closed businesses	**40**	1,072	**–**	2,161	**–**	–	**–**	(6)	**40**	3,227
Corporate revenue	**1,047**	851	**1**	2	**1**	3	**(1,049)**	(856)	**–**	–
Total revenue	**71,656**	66,648	**65,315**	64,610	**21,743**	16,074	**(3,893)**	(3,115)	**154,821**	144,217
Joint ventures	**–**	–	**–**	–	**–**	441	**–**	–	**–**	441
	71,656	66,648	**65,315**	64,610	**21,743**	16,515	**(3,893)**	(3,115)	**154,821**	144,658

The joint venture revenues of £nil (2007: £441,000) can be allocated as follows: Conferences and seminars £nil (2007: £353,000); Training £nil (2007: £88,000).

Revenue by type:	2008 £000's	2007 £000's
Subscriptions	**57,740**	50,233
Advertising	**28,559**	27,425
Sponsorship	**20,609**	20,889
Delegates	**42,893**	36,782
Other	**4,980**	5,661
Sold/closed businesses	**40**	3,227
Total revenue	**154,821**	144,217
Investment income (note 5)	**462**	1,773
Total revenue and investment income	**155,283**	145,990

2 Segmental analysis *continued*

Revenue By destination:	United Kingdom 2008 £000's	United Kingdom 2007 £000's	North America 2008 £000's	North America 2007 £000's	Rest of World 2008 £000's	Rest of World 2007 £000's	Elimination 2008 £000's	Elimination 2007 £000's	Total 2008 £000's	Total 2007 £000's
	Unaudited six months ended March 31									
Continuing businesses	**29,653**	25,029	**64,871**	70,276	**63,101**	47,938	**(2,844)**	(2,253)	**154,781**	140,990
Sold/closed businesses	**40**	233	**–**	2,288	**–**	712	**–**	(6)	**40**	3,227
Total revenue	**29,693**	25,262	**64,871**	72,564	**63,101**	48,650	**(2,844)**	(2,259)	**154,821**	144,217
Joint ventures	**–**	137	**–**	168	**–**	136	**–**	–	**–**	441
Total revenue (including share of joint ventures revenue)	**29,693**	25,399	**64,871**	72,732	**63,101**	48,786	**(2,844)**	(2,259)	**154,821**	144,658
Investment income (note 5)	**277**	1,540	**169**	191	**16**	42	**–**	–	**462**	1,773
Total revenue (including share of joint ventures revenue) and investment income	**29,970**	26,939	**65,040**	72,923	**63,117**	48,828	**(2,844)**	(2,259)	**155,283**	146,431

	United Kingdom 2008 £000's	United Kingdom 2007 (Restated see note 1) £000's	North America 2008 £000's	North America 2007 (Restated see note 1) £000's	Rest of World 2008 £000's	Rest of World 2007 (Restated see note 1) £000's	Total 2008 £000's	Total 2007 (Restated see note 1) £000's
	Unaudited six months ended March 31							
Operating profit [1]								
By activity and source:								
Financial publishing	**7,353**	6,489	**1,991**	2,873	**91**	(2)	**9,435**	9,360
Business publishing	**5,929**	4,232	**1,418**	1,143	**206**	55	**7,553**	5,430
Training	**3,380**	3,292	**875**	1,143	**461**	382	**4,716**	4,817
Conferences and seminars	**4,156**	4,299	**4,738**	5,682	**2,255**	981	**11,149**	10,962
Databases and information services	**2,232**	2,052	**6,256**	5,499	**1,362**	1,152	**9,850**	8,703
Sold/closed businesses	**84**	266	**–**	274	**–**	(1)	**84**	539
Unallocated corporate costs	**(5,581)**	(4,851)	**(1,234)**	(652)	**169**	(121)	**(6,646)**	(5,624)
Operating profit before goodwill impairment and share option expense	**17,553**	15,779	**14,044**	15,962	**4,544**	2,446	**36,141**	34,187
Acquired intangible amortisation [2]	**(2,059)**	(2,484)	**(3,458)**	(4,217)	**(610)**	(181)	**(6,127)**	(6,882)
Share option expense	**(1,591)**	(1,321)	**(1,004)**	(1,146)	**(83)**	(144)	**(2,678)**	(2,611)
Exceptional items (note 4)	**741**	(953)	**(1,111)**	(1,730)	**–**	–	**(370)**	(2,683)
Operating profit before associates and joint ventures	**14,644**	11,021	**8,471**	8,869	**3,851**	2,121	**26,966**	22,011
Share of results in associates and joint ventures							**146**	414
Net finance costs							**(12,034)**	(3,602)
Profit before tax							**15,078**	18,823
Tax credit/(expense)							**2,260**	(1,442)
Profit after tax							**17,338**	17,381

The exceptional loss of £370,000 (2007: loss £2,683,000) can be allocated as follows: Sold/closed businesses £nil (2007: £1,972,000 income); Business publishing £1,062,000 expense (2007: £nil); Unallocated corporate costs £692,000 income (2007: £4,655,000 expense).

Share option expense of £2,678,000 (2007: £2,611,000) can be allocated as follows: Financial publishing £657,000 (2007: £650,000); Business publishing £314,000 (2007: £265,000); Training £545,000 (2007: £327,000); Conferences and seminars £326,000 (2007: £570,000); Databases and information services £425,000 (2007: £234,000); Sold/closed business £nil (2007: £132,000); Unallocated corporate costs £411,000 (2007: £433,000).

Acquired intangible amortisation of £6,127,000 (2007: £6,882,000) can be allocated as follows: Financial publishing £537,000 (2007: £626,000); Business publishing £1,727,000 (2007: £1,968,000); Conferences & seminars £141,000 (2007: £93,000); Databases & information systems £3,722,000 (2007: £4,195,000).

[1] Operating profit before acquired intangible amortisation, share option expense and exceptional items (note 15).

[2] Acquired intangible amortisation represents amortisation of acquisition related non-goodwill assets such as trade marks, subscriber relationships, advertiser relationships, and databases.

3 Seasonality of results

The group's results are not materially affected by seasonal or cyclical trading due to the diverse nature of its business. For the year ended September 30 2007 the group earned 47% and 43% of its revenues and profits[1] respectively in the first six months of the year.

4 Exceptional items

Exceptional items are items of income or expense considered by the directors, either individually or if of a similar type in aggregate, as being either material or significant and which require disclosure in order to provide a view of the group's results excluding these items.

	Unaudited six months ended March 31 2008 £000's	Unaudited six months ended March 31 2007 £000's	Audited year ended September 30 2007 £000's
Profit on disposal of business	–	1,972	6,780
Reduction in goodwill arising from a deferred tax adjustment	(1,062)	–	–
Reorganisation and restructuring costs	692	(4,655)	(5,925)
	(370)	(2,683)	855

At March 31 2008, the group re-assessed the recoverability of tax losses acquired with Metal Bulletin and as a result recognised a deferred tax asset of £1.1 million. In accordance with IAS 12 'Income taxes' the group is required to reduce its previously capitalised goodwill to offset the recognition of this deferred tax asset.

During the six months to March 2008, the group successfully surrendered its lease on a vacant building previously utilised by Metal Bulletin and released other reorganisation and restructuring provisions, set up following the acquisition of Metal Bulletin, which are no longer required. This resulted in an exceptional credit to the group of £0.7 million and a related tax charge of £0.2 million.

5 Finance income and expense

	Unaudited six months ended March 31 2008 £000's	Unaudited six months ended March 31 2007 £000's	Audited year ended September 30 2007 £000's
Finance income			
Interest receivable from short-term investments	462	1,773	653
Net movements in acquisition option commitment values	272	4,455	3,885
Expected return on pension scheme assets	585	463	958
	1,319	6,691	5,496
Finance expense			
Committed borrowings	(6,167)	(8,414)	(14,915)
Imputed interest on acquisition option commitments	(524)	(886)	(1,603)
Foreign exchange loss on tax equalisation contracts	(8,627)	–	(1,826)
Other gains on tax equalisation contracts	2,835	–	1,636
Net loss on tax equalisation contracts	(5,792)	–	(190)
Notional interest on deferred consideration	–	(96)	–
Ineffectiveness of interest rate swaps	(27)	(76)	(27)
Interest payable on loan stock	(270)	(267)	(578)
Interest on pension scheme liabilities	(573)	(554)	(1,114)
	(13,353)	(10,293)	(18,427)
Net finance costs	(12,034)	(3,602)	(12,931)

The foreign exchange loss on tax equalisation contracts of £8.6 million relates to foreign exchange losses on hedges on intra-group financing (2007: £nil). These are matched by an equal and opposite tax credit. The foreign exchange losses and the tax credit are excluded from underlying profit and the underlying tax expense (note 6).

6 Tax on profit on ordinary activities

	Unaudited six months ended March 31 2008 £000's	Unaudited six months ended March 31 2007 (Restated see note 1) £000's	Audited year ended September 30 2007 £000's
Current tax (credit)/expense			
UK corporation tax (credit)/expense	**(4,153)**	709	4,946
Foreign tax	**3,464**	2,734	6,343
Adjustments in respect of prior years	**70**	18	494
	(619)	3,461	11,783
Deferred tax (credit)/expense			
Current year	**(1,683)**	(1,983)	(4,031)
Adjustments in respect of prior years	**42**	(36)	471
	(1,641)	(2,019)	(3,560)
Total tax (credit)/expense in income statement	**(2,260)**	1,442	8,223

The effective tax rate for the interim period is negative, at 15% (2007: positive 8%). The underlying tax rate for 2008 is 28% as set out below:

	Unaudited six months ended March 31 2008 £000's	Unaudited six months ended March 31 2007 £000's	Audited year ended September 30 2007 £000's
Reconciliation of tax (credit)/expense in income statement to underlying tax expense			
Total tax (credit)/expense in income statement	**(2,260)**	1,442	8,223
Add back:			
Tax on intangible amortisation	**1,816**	2,346	4,926
Tax on exceptional items	**(208)**	1,081	(1,095)
Tax credit on foreign exchange loss on tax equalisation swap	**8,627**	–	1,826
Tax on US goodwill	**(1,443)**	(825)	(1,491)
Tax adjustments in respect of prior years	**(112)**	18	(965)
Tax credit on non-recurring intergroup transactions	**–**	2,588	2,588
Deferred tax asset recognition	**2,064**	–	3,178
	10,744	5,208	8,967
Underlying tax expense	**8,484**	6,650	17,190
Underlying profit before tax (note 15)	**30,454**	24,819	55,533
Underlying effective tax rate	**28%**	27%	31%

Following a reassessment of the recoverability of the potential deferred tax asset on overseas tax losses and other short-term timing differences, an additional asset of £2,064,000 has been recognised.

A credit of £8.6 million relating to tax on foreign exchange losses (2007: £nil) has been treated as exceptional as it is hedged by £8.6 million (2007: £nil) of foreign exchange losses on tax equalisation contracts included within net finance costs (note 5).

The group presents the above underlying effective tax rate to help users of this report better understand its tax charge. In this period the group has removed all deferred tax effects of its goodwill and intangibles from the calculation of its underlying effective tax rate. This is because in the directors' opinion the resulting underlying effective tax rate is more representative of the group's long-term tax position.

Notes to the Condensed Consolidated Interim Financial Report *continued*

7 Dividends

	Unaudited six months ended March 31 2008 £000's	Unaudited six months ended March 31 2007 £000's	Audited year ended September 30 2007 £000's
Amounts recognisable as distributable to equity holders in period			
Final dividend for the year ended September 30 2007 of 13.0p (2006: 11.6p)	**13,388**	11,943	11,943
Interim dividend for the year ended September 30 2007 of 6.0p	**–**	–	6,177
	13,388	11,943	18,120
Employees' Share Ownership Trust dividend	**(8)**	(10)	(10)
	13,380	11,933	18,110
Interim dividend for the period ended March 31 2008 of 6.25p (2007: 6.0p)	**6,570**	6,177	
Employees' Share Ownership Trust dividend	**(4)**	(3)	
	6,566	6,174	

The final dividend was approved by shareholders at the Annual General Meeting held on January 30 2008 and paid on February 6 2008.

The interim dividend of 6.25p (2007: 6.0p) is anticipated to be paid on June 23 2008 to shareholders on the register on May 23 2008. It is expected that the shares will be marked ex-dividend on May 21 2008. Holders of International Depositary Receipts can receive their dividend on June 23 2008 by presentation of coupon number 42 to Dexia Banque Internationale à Luxembourg or to one of their agents. The interim dividend has not been included as a liability in this Interim Financial Report in accordance with IAS 10 'Events after the balance sheet date'.

8 Earnings per share

	Unaudited six months ended March 31 2008 £000's	Unaudited six months ended March 31 2007 (Restated see note 1) £000's	Audited year ended September 30 2007 £000's
Earnings attributable to equity holders of the parent	**16,729**	16,506	31,822
Less earnings from discontinued operations	**(220)**	(419)	(500)
Basic earnings – continuing operations	**16,509**	16,087	31,322
Intangible amortisation	**6,127**	6,882	15,716
Exceptional items	**370**	2,683	(855)
Imputed interest on acquisition option commitments	**524**	886	1,603
Net movements in acquisition option commitment values	**(272)**	(4,455)	(3,885)
Tax on the above adjustments	**(1,608)**	(3,427)	(3,831)
Tax on US goodwill	**1,443**	825	1,491
Tax adjustments in respect of prior years	**112**	(18)	965
Tax credit on non-recurring intergroup transactions	**–**	(2,588)	(2,588)
Deferred tax asset recognition	**(2,064)**	–	(3,178)
Adjusted earnings	**21,141**	16,875	36,760
Basic earnings – continuing and discontinued operations	**16,729**	16,506	31,822

	Number 000's	Number 000's	Number 000's
Weighted average number of shares	**103,475**	101,424	102,196
Shares held by the Employees' Share Ownership Trust	**(59)**	(59)	(59)
	103,416	101,365	102,137
Effect of dilutive share options	**2,012**	303	2,752
Diluted weighted average number of shares	**105,428**	101,668	104,889

8 Earnings per share *continued*

	Pence per share	Pence per share	Pence per share
Basic earnings per share – continuing operations	**15.96**	15.87	30.66
Effect of dilutive share options	**(0.30)**	(0.05)	(0.80)
Diluted earnings per share – continuing operations	**15.66**	15.82	29.86
Effect of intangible amortisation	**5.81**	6.77	14.98
Effect of exceptional items	**0.35**	2.64	(0.82)
Effect of imputed interest on acquisition option commitments	**0.50**	0.87	1.53
Effect of net movements in acquisition option commitment values	**(0.26)**	(4.38)	(3.70)
Effect of tax on the above adjustments	**(1.53)**	(3.37)	(3.65)
Effect of tax on US goodwill	**1.37**	0.81	1.42
Effect of tax adjustments in respect of prior years	**0.11**	(0.02)	0.92
Effect of tax credit on non-recurring intergroup transactions	**–**	(2.55)	(2.47)
Effect of deferred tax assets recognition	**(1.96)**	–	(3.03)
Adjusted diluted earnings per share	**20.05**	16.59	35.04
Basic earnings per share – continuing and discontinued operations	**16.18**	16.28	31.16
Effect of dilutive share options	**(0.31)**	(0.04)	(0.82)
Diluted earnings per share – continuing and discontinued operations	**15.87**	16.24	30.34

The adjusted diluted earnings per share figure has been disclosed since the directors consider it to give a more meaningful indication of the underlying trading performance. The March 2007 and September 2007 adjustments to earnings have been aligned with those made at March 2008 for comparability purposes.

9 Acquisitions

Increase in equity holdings

In January 2008, the group exercised its option to purchase the second tranche of Total Derivatives Limited increasing its equity holding from 67.5% to 78.3%. The equity was purchased for £2.6 million resulting in additional provisional goodwill of £1.9 million and bringing total goodwill to £5.7 million.

In February 2008, the group purchased a further 15% of the equity share capital of TelCap Limited for a cash consideration of £2.5 million paid in March 2008 and resulting in additional provisional goodwill of £2.2 million bringing the total goodwill to £5.1 million. The group's equity shareholding in TelCap Limited increased to 70%.

In February 2008, the group purchased a further 0.5% of the equity share capital of Internet Securities, Inc. (ISI) for a cash consideration of $1.8 million (£0.9 million) resulting in additional provisional goodwill of £0.5 million bringing the total goodwill to £4.6 million. The group's equity shareholding in ISI increased to 93.9%.

	Total Derivatives (10.9% tranche) £000's	TelCap (15% tranche) £000's
Book value		
Intangible assets	5,256	1,530
Cash	2,823	337
Other assets	511	910
Liabilities	(4,339)	(1,661)
Total	4,251	1,116
Provisional fair value adjustments		
Intangible assets	2,718	939
Deferred tax	(761)	(263)
	1,957	676
Provisional fair value of net assets	6,208	1,792
Net assets acquired		
%	10.9%	15%
£'000	674	269
Provisional goodwill	1,934	2,221
Consideration (satisfied by cash)	2,608	2,490

If the acquisitions in the table above had been completed on the first day of the financial year, group revenues for the period would have remained unchanged and group profit attributable to equity holders of the parent would have been £0.1 million higher.

Notes to the Condensed Consolidated Interim Financial Report *continued*

10 Net debt

	Unaudited six months ended March 31 2008 £000's	Unaudited six months ended March 31 2007 £000's	Audited year ended September 30 2007 £000's
Net debt at beginning of period	**(204,579)**	(73,438)	(73,438)
Increase/(decrease) in cash and cash equivalents	**5,383**	(5,395)	(4,970)
Increase in loans	**–**	112,245	78,136
Increase in amounts owed to DMGT group company	**(2,089)**	(253,894)	(189,947)
Debt acquired on acquisition of Metal Bulletin	**–**	(12,606)	(12,606)
Redemption/(issue) of loan notes	**3,549**	(12,711)	(11,796)
Interest paid on loan notes	**331**	–	267
Other non cash changes	**(1,891)**	(267)	(1,422)
Effect of foreign exchange rate movements	**(2,469)**	6,504	11,197
Net debt at end of period	**(201,765)**	(239,562)	(204,579)

Net debt comprises cash at bank and in hand, bank overdrafts, committed borrowings and loan notes.

Non cash changes represent interest added to the principal amounts owed to DMGT and accrued interest on loan notes.

The group has a dedicated £300 million three year multi-currency facility with a subsidiary of DMGT. Interest is payable on this facility at a variable rate of between 0.4% and 1.6% above LIBOR dependent on the ratio of net debt to EBITDA. At March 31 2008 there were £79.6 million (September 2007: £86.4 million) of uncommitted un-drawn facilities directly available to the group.

In December 2007, £3.5 million of loan notes were redeemed.

11 Called up share capital

	Unaudited six months ended March 31 2008 £000's	Audited year ended September 30 2007 £000's
Authorised		
137,364,850 ordinary shares of 0.25p each (September 2007: 137,364,850 ordinary shares of 0.25p each)	**343**	343
Allotted, called up and fully paid		
105,118,185 ordinary shares of 0.25p each (September 2007: 102,972,478 ordinary shares of 0.25p each)	**263**	258

During the period 2,145,707 ordinary shares with a nominal value of 0.25p each and an aggregate nominal value of £5,364 were issued for a cash consideration of £71,223 following the exercise of share options granted under the company's share option schemes.

12 Statement of movement on reserves

	Share premium account £000's	Other reserve £000's	Capital redemption reserve £000's	Own shares £000's	Liability for share based payment £000's	Fair value reserves £000's	Translation reserves £000's	Retained earnings £000's	Total £000's
At September 30 2006	38,081	–	8	(74)	5,907	6,618	(244)	(78,642)	(28,346)
Retained profit for the year	–	–	–	–	–	–	–	31,822	31,822
Premium on shares issued for acquisition of Metal Bulletin	–	64,981	–	–	–	–	–	–	64,981
Recognition of acquisition option commitments	–	–	–	–	–	–	–	(18,533)	(18,533)
Exercise of acquisition option commitments	–	–	–	–	–	–	–	7,248	7,248
Exchange differences arising on translation of net investments in overseas subsidiary undertakings	–	–	–	–	–	–	(15,001)	–	(15,001)
Translation reserves recycled to the income statement on disposals	–	–	–	–	–	–	(90)	–	(90)
Net exchange difference on foreign currency loans	–	–	–	–	–	5,886	–	–	5,886
Change in fair value of available for sale investments	–	–	–	–	–	(405)	–	–	(405)
Change in fair value of hedges	–	–	–	–	–	6,392	–	–	6,392
Transfer of gain on cash flow hedges from fair value reserves to income statement	–	–	–	–	–	(2,699)	–	–	(2,699)
Change in fair value of intangibles	–	–	–	–	–	2,384	–	–	2,384
Credit for share-based payments	–	–	–	–	9,830	–	–	–	9,830
Dividends paid	–	–	–	–	–	–	–	(18,110)	(18,110)
Change in actuarial assumptions in defined benefit scheme	–	–	–	–	–	–	–	4,158	4,158
Exercise of share options	428	–	–	–	–	–	–	–	428
Tax on items going through reserves	–	–	–	–	–	–	–	2,082	2,082
At September 30 2007	38,509	64,981	8	(74)	15,737	18,176	(15,335)	(69,975)	52,027
Retained profit for the period	–	–	–	–	–	–	–	16,729	16,729
Exercise of acquisition option commitments	–	–	–	–	–	–	–	6,918	6,918
Exchange differences arising on translation of net investments in overseas subsidiary undertakings	–	–	–	–	–	–	6,720	–	6,720
Net exchange difference on foreign currency loans	–	–	–	–	–	(2,484)	–	–	(2,484)
Change in fair value of hedges	–	–	–	–	–	(10,460)	–	–	(10,460)
Transfer of gain on cash flow hedges from fair value reserves to income statement	–	–	–	–	–	(2,102)	–	–	(2,102)
Change in fair value of intangibles	–	–	–	–	–	1,692	–	–	1,692
Credit for share-based payments	–	–	–	–	2,444	–	–	–	2,444
Dividends paid	–	–	–	–	–	–	–	(13,380)	(13,380)
Change in actuarial assumptions in defined benefit scheme	–	–	–	–	–	–	–	(277)	(277)
Exercise of share options	66	–	–	–	–	–	–	–	66
Tax on items going through reserves	–	–	–	–	–	–	–	3,479	3,479
At March 31 2008	38,575	64,981	8	(74)	18,181	4,822	(8,615)	(56,506)	61,372

Notes to the Condensed Consolidated Interim Financial Report *continued*

13 Contingent liabilities and assets

Claims in Malaysia

Four writs claiming damages for libel were issued in Malaysia against the company and three of its employees in respect of an article published in one of the company's magazines, *International Commercial Litigation*, in November 1995. The writs were served on the company on October 22 1996. The total amount claimed is 280 million Malaysian ringgits (£44.1 million). No provision has been made for these claims in these financial statements as the directors do not believe the company has any material liability in respect of these writs.

14 Related party transactions

The group has taken advantage of the exemption allowed under IAS 24 'Related party disclosures' not to disclose transactions and balances between group companies that have been eliminated on consolidation. Other related party transactions and balances are detailed below:

(i) The group has a credit agreement with DMG Jersey Finance Limited. As at March 31 2008 the amounts owing under the facility were $289.0 million (£145.4 million) (March 2007: $291.0 million (£148.4 million), September 2007: $266.0 million (£130.6 million)), and £75.0 million (March 2007: £99.0 million, September 2008: £83.0 million). A commitment fee is payable on the unused portion of the available facility which was £0.1 million (March 2007: £0.7 million).

(ii) The group expensed £99,000 (March 2007: £66,000) for services provided by Daily Mail and General Trust plc.

(iii) At March 31 2008 the group had £169.6 million (March 2007: £90.5 million, September 2007: £163.2 million) of fixed rate interest rate swaps outstanding with Daily Mail and General Holdings Limited and related companies, comprising $200.0 million (March 2007: $145.0 million, September 2007: $200 million) at interest rates between 3.10% and 5.43% and termination dates between September 30 2008 and March 28 2013, and £69.0 million (March 2007: £18.0 million, September 2007: £65.0 million) at interest rates between 5.24% and 6.28% and termination dates between September 30 2008 and September 28 2012. During the period the group received $0.6 million (March 2007: received $1.4 million) and £0.1 million (March 2007: received £nil) of interest from Daily Mail and General Holdings Limited and related companies in respect of interest rate swaps.

(iv) There is an annual put option agreement over the sale of Internet Securities, Inc. (ISI) shares between the company and G Mueller, a director of the company. The annual put option values these shares, based on the valuation of ISI, as determined by an independent financial adviser. Under the terms of the agreement consideration caps have been put in place that require the maximum consideration payable to option holders to be capped at an amount such that the results of any relevant class tests would, at the relevant time, fall below the requirement for shareholder approval. No shares or options were sold or exercised by G Mueller in the period to March 2008 or the year to September 2007.

15 Reconciliation of Condensed Consolidated Income Statement to underlying results for the six months ended March 31 2008

The reconciliation below sets out the underlying results of the group and the related adjustments to the statutory income statement that the directors consider necessary in order to provide a more meaningful indication of the underlying trading performance.

	Note	Underlying £000's	Adjustments £000's	Unaudited six months ended March 31 2008 Total £000's	Underlying £000's	Adjustments £000's	Unaudited six months ended March 31 2007 Total (Restated) £000's	Underlying £000's	Adjustments £000's	Audited year ended September 30 2007 Total £000's
Revenue										
Continuing operations	2	154,821	–	154,821	144,658	–	144,658	305,594	–	305,594
Less: share of revenue of joint ventures		–	–	–	(441)	–	(441)	(441)	–	(441)
Total revenue		154,821	–	154,821	144,217	–	144,217	305,153	–	305,153
Operating profit before acquired intangible amortisation, share option expense and exceptional items	2	36,141	–	36,141	34,187	–	34,187	78,606	–	78,606
Acquired intangible amortisation		–	(6,127)	(6,127)	–	(6,882)	(6,882)	–	(15,716)	(15,716)
Share option expense		(2,678)	–	(2,678)	(2,611)	–	(2,611)	(6,993)	–	(6,993)
Accelerated share option expense		–	–	–	–	–	–	(3,183)	–	(3,183)
Exceptional items	4	–	(370)	(370)	–	(2,683)	(2,683)	–	855	855
Operating profit before associates and joint ventures		33,463	(6,497)	26,966	31,576	(9,565)	22,011	68,430	(14,861)	53,569
Share of results in associates and joint ventures		146	–	146	414	–	414	490	–	490
Operating profit		33,609	(6,497)	27,112	31,990	(9,565)	22,425	68,920	(14,861)	54,059
Finance income	5,15a	1,047	272	1,319	2,236	4,455	6,691	1,611	3,885	5,496
Finance expense	5,15b	(4,202)	(9,151)	(13,353)	(9,407)	(886)	(10,293)	(14,998)	(3,429)	(18,427)
Net finance costs		(3,155)	(8,879)	(12,034)	(7,171)	3,569	(3,602)	(13,387)	456	(12,931)
Profit before tax		30,454	(15,376)	15,078	24,819	(5,996)	18,823	55,533	(14,405)	41,128
Tax credit/(expense) on profit on ordinary activities	6	(8,484)	10,744	2,260	(6,650)	5,208	(1,442)	(17,190)	8,967	(8,223)
Profit after tax from continuing operations	2	21,970	(4,632)	17,338	18,169	(788)	17,381	38,343	(5,438)	32,905
Discontinued operations										
Profit for the period from discontinued operations	15c	–	220	220	–	419	419	–	500	500
Profit for the period		21,970	(4,412)	17,558	18,169	(369)	17,800	38,343	(4,938)	33,405
Attributable to:										
Equity holders of the parent		21,141	(4,412)	16,729	16,875	(369)	16,506	36,760	(4,938)	31,822
Equity minority interests		829	–	829	1,294	–	1,294	1,583	–	1,583
		21,970	(4,412)	17,558	18,169	(369)	17,800	38,343	(4,938)	33,405
Diluted earnings per share – continuing operations	8	20.05p	(4.39p)	15.66p	16.59p	(0.77p)	15.82p	35.04p	(5.18p)	29.86p

a) **Finance income**
The adjustment of £272,000 (2007: £4,455,000) relates to the non-cash net movements in acquisition option commitment values as set out in note 5.

b) **Finance expense**
The adjustment expense of £9,151,000 (2007: £886,000) relates to the imputed interest charge on acquisition option commitment values of £524,000 (2007: £886,000) and tax equalisation swap expense of £8,627,000 (2007: £nil) as set out in note 5. The tax equalisation swap expense relates to foreign exchange losses on hedges on intra-group financing. These foreign exchange losses are matched by an equal and opposite tax credit.

c) **Profit from discontinued operations**
In December 2007 following agreement of the Energy Information Centre Limited completion accounts, the group received a final payment of £220,000 from the purchasers. Energy Information Centre Limited was sold in April 2007 and was treated as a discontinued operation up to that date. This results in a tax charge of £nil.

Responsibility Statement

We confirm that to the best of our knowledge:

(a) the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting';

(b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

(c) the interim management report includes a fair review of the information by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the board,

Richard Ensor
Director
May 14 2008

Colin Jones
Director
May 14 2008

Independent Review Report to Euromoney Institutional Investor PLC

Introduction

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 March 31 2008 which comprises the condensed consolidated income statement, the condensed consolidated balance sheet, the condensed consolidated cash flow statement, and the condensed consolidated statement of recognised income and expense, and related notes 1 to 15. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements 2410 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review 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 formed.

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 Disclosure and Transparency Rules of the United Kingdoms' Financial Services Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

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.

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 United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) 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.

Conclusion

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 March 31 2008 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte & Touche LLP
Chartered Accountants
London
May 14 2008

Directors and Advisors

Chairman PM Fallon ‡

Managing Director PR Ensor ‡

Finance Director CR Jones

Executive Directors
NF Osborn
DC Cohen
CR Brown
SM Brady
RT Lamont
D Alfano
G Mueller
MJ Carroll
CHC Fordham
JLE Wilkinson

Non-executive Directors
The Viscount Rothermere †‡
Sir Patrick Sergeant ‡§
CJF Sinclair †‡
JP Williams §
JC Botts †‡§
JC Gonzalez §

† member of the remuneration committee
‡ member of the nominations committee
§ member of the audit committee

President Sir Patrick Sergeant

Company Secretary CR Jones

Registered Office Nestor House, Playhouse Yard, London EC4V 5EX

Registered Number 954730

Auditors Deloitte & Touche LLP, London

Solicitors Nabarro, Lacon House, Theobald's Road, London WC1X 8RW

Joint brokers UBS, 1 Finsbury Avenue, London EC2M 2PP and Dresdner Kleinwort, 30 Gresham Street, London EC2V 7PG

Depositary Banque Internationale à Luxembourg SA, 69 route d'Esch, 2953 Luxembourg

Agents of the Depositary
Citicorp Investment Bank (Switzerland), Bahnhofstrasse 63, PO Box 224, CH 8021 Zurich
Citibank NA, Citibank House, 336 Strand, London WC2R 1HB

Registrars Capita IRG plc, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

Financial Calendar and Shareholder Information

2008 interim results announcement	Thursday May 15 2008
Interim dividend ex-dividend date	Wednesday May 21 2008
Interim dividend record date	Friday May 23 2008
Payment of 2008 interim dividend	Monday June 23 2008
June Interim Management Statement	Wednesday July 23 2008*
2008 final results announcement	Thursday November 13 2008
Final dividend ex-dividend date	Wednesday November 19 2008
Final dividend record date	Friday November 21 2008
2009 AGM (approval of final dividend)	Wednesday January 28 2009*
Payment of final dividend	Wednesday February 4 2009*
Holders of International Depositary Receipts can receive their:	
Interim 2008 dividend from	Monday June 23 2008
Final 2008 year end dividend from	Wednesday February 4 2009*
Loan note interest paid to holders of loan notes on:	Monday June 30 2008
	Monday December 31 2008

* Provisional dates and are subject to change.

Shareholder queries

Administrative enquiries about the holding of Euromoney Institutional Investor PLC shares should be directed in the first instance to the company's Registrar whose address is:

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Telephone: 0870 162 3100
(from outside the UK: +44 (0) 20 8639 3399)

E-mail: ssd@capitaregistrars.com
www.capitaregistrars.com

Loan note redemption information

Loan notes can be redeemed twice a year on the interest payment dates above by depositing the Notice of Repayment printed on the Loan Note Certificate at the company's registered office. At least 20 business days written notice prior to the redemption date is required.

Registered office

Nestor House
Playhouse Yard
Blackfriars
London
EC4V 5EX

Euromoney Institutional Investor PLC
Nestor House, Playhouse Yard,
London EC4V 5EX