

**Interim Financial Report 2010**

**Euromoney  
Institutional  
Investor** PLC

# Euromoney Institutional Investor PLC

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# Euromoney Institutional Investor PLC

## Interim Results for the Six Months to March 31 2010

### Chairman's Statement

Highlights	2010	2009	change
Revenue	£147.8 m	£160.7 m	(8%)
<b>Underlying results</b>			
• Adjusted operating profit	£45.4 m	£37.1 m	22%
• Adjusted profit before tax	£40.0 m	£29.9 m	34%
• Adjusted diluted earnings a share	24.9 p	18.5 p	34%
<b>Statutory results</b>			
• Operating profit/(loss)	£38.8 m	£(3.2) m	
• Profit/(loss) before tax	£32.7 m	£(41.8) m	
• Diluted earnings/(loss) a share	22.9 p	(19.4) p	
Dividend	6.25 p	6.25 p	

A detailed reconciliation of the group's underlying results is set out in the appendix to the Chairman's Statement and note 8.

- Adjusted profit before tax up 34% to £40.0m, a record
- Adjusted operating margin improved from 23% to 31%
- Revenues down 8% to £147.8m
- Net debt to EBITDA covenant under 2x
- Interim dividend maintained at 6.25p
- Increased investment in new online information products
- Trading in line with board's expectations and revenue visibility for third quarter is encouraging

Commenting on the record first half profits, chairman Padraic Fallon said:

"The next challenge is to consistently grow revenues. There has been a gradual recovery in sales since the start of the calendar year, which accelerated in March and April to the point where there are prospects for a return to revenue growth in the third quarter, a little earlier than the board expected. The sovereign debt crisis in Europe and the possible fallout may affect our ability to grow as quickly as we would wish, but the immediate outlook is encouraging".

#### Highlights

Euromoney Institutional Investor PLC, the international publishing, events and electronic information group, achieved an adjusted profit before tax of £40.0m for the six months to March 31 2010, against £29.9m for the same period in 2009. Adjusted diluted earnings a share were 24.9p (2009: 18.5p). As the company transitions to its new dividend policy, the board has approved an unchanged interim dividend of 6.25p a share to be paid to shareholders on July 15 2010.

The record first half profits highlight the success of the group's strategy to build a more robust and higher quality information business. The group responded early to the financial crisis, cutting costs and acting to protect its margins. This strategy has continued to drive strong bottom line performance in the first half, in spite of the 8% fall in revenues. The group's adjusted operating margin improved from 23% to 31%, helped by the delayed benefit from the strengthening of the US dollar against sterling in 2009. The group's rigorous debt management and strong cash flows also contributed to the growth in adjusted profit before tax, with net finance costs reduced by £1.9m.

Net debt at March 31 was £178.1m compared to £165.1m at year end. The group's net debt to EBITDA ratio fell from 2.0 to 1.9 times. The increase in net debt is largely due to timing differences on the settlement of a financing derivative and further investments under acquisition earn-out agreements. The group's peak debt levels have now passed and with operating cash flows traditionally stronger in the second half than the first, debt levels and the net debt to EBITDA ratio are expected to improve significantly over the next six months.

Markets are likely to remain anxious for some time over the high levels of sovereign debt and the possibility of an escalation of the debt crisis across the Eurozone, while the general economic outlook points to a slow recovery at best. However, the group's recent trading has been slightly ahead of the board's expectations. Underlying revenues in April increased by 3% compared to a year ago and forward revenue visibility for the third quarter is encouraging, particularly among the group's events businesses for which the third quarter is the most important.

## Euromoney Institutional Investor PLC

### Chairman's Statement *continued*

#### Strategy

The company's strategy has been to build a more resilient and better focused global information business, with a strong focus on emerging markets. This strategy has been executed through increasing the proportion of revenues derived from subscription products; accelerating the online migration of its print products as well as developing new electronic information services; 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 generating strong cash flows to fund selective acquisitions to accelerate that strategy.

In the face of the difficult trading conditions in 2009, inevitably the main focus of the strategy was cost control, the management of product margins and debt reduction. The group cut costs early, which helped protect margins in the second half of 2009, and the continued success of this strategy is highlighted by these results. The benefits from last year's cost cuts have continued to flow through into significant margin improvements in the first half, more than offsetting the decline in revenues.

While tight margin management was maintained throughout the first half, the focus of the strategy has shifted to positioning the business for growth, both from existing products as markets recover, and from investment in technology and new products as part of the migration to an online information business.

During the first half the group invested more than £2m in new businesses, all of it from profits, and expects to invest up to £4m in the second half. Examples of recent launches include Euromoney Market Data, an online service that allows users to interrogate and analyse the results of *Euromoney* polls; *iichina.com*, a Chinese language website using content and data from *Institutional Investor*; real-time hedge fund performance data feeds from HedgeFund Intelligence; and Metal Bulletin's *Industrial Minerals* reinvention as an integrated online information service. There is also a strong pipeline of new product launches for later in 2010 and into 2011.

The strong cash flows of the group have allowed it to maintain the net debt to EBITDA covenant on its borrowing facility below two times. With no significant commitments for acquisition earn-outs or capital investment, and operating cash flows traditionally weighted towards the second half, the group's debt and borrowing covenant are expected to improve significantly over the next 18 months, leaving it with an increasing capacity for acquisitions. The company's preference is to acquire small, specialist information businesses that complement its existing activities and provide scope for strong organic growth, although the opportunities to acquire such high quality businesses have been limited.

The company will continue to pursue its successful strategy in the second half, with an emphasis on investing in technology and new subscription-based electronic information services, to position the business for future growth.

#### Trading Review

Total revenues fell by 8% to £147.8m. However, the performance of the group's various revenue streams in the second quarter contrasted strongly with the first (see following table). As expected, revenues in the first quarter continued the negative trends seen in 2009 reflecting the tight cost controls imposed by customers during the credit crisis. Customers began to spend more, but very selectively, from the beginning of calendar year 2010 as they started to increase their investment in their own businesses. Since January there has been a gradual recovery in sales which accelerated in March and April, to the point where there are prospects for a return to revenue growth in the third quarter, a little earlier than the board expected at the start of the year.

The group derives nearly two thirds of its revenues in US dollars and movements in the sterling-US dollar rate had a significant positive impact on reported revenues in 2009. In contrast, the average sterling-US dollar exchange rate for the first half of 2010 was \$1.60, against \$1.58 a year ago, and the impact of exchange rates in the first half has tended to understate the rate of recovery in reported revenues, although not significantly.

Revenues	HY2010 £m	HY2009 £m	Headline change			Change at constant exchange rates
			Q1	Q2	H1	H1
Subscriptions	72.6	77.7	(4%)	(9%)	(7%)	(3%)
Advertising	23.9	25.6	(11%)	(3%)	(7%)	(4%)
Sponsorship	15.6	18.9	(31%)	-	(18%)	(15%)
Delegates	33.8	38.1	(33%)	23%	(11%)	(10%)
Other/closed	4.6	5.4	(26%)	3%	(14%)	(12%)
Foreign exchange losses on forward currency contracts	(2.7)	(5.0)	-	-	-	-
<b>Total revenue</b>	<b>147.8</b>	<b>160.7</b>	<b>(17%)</b>	<b>2%</b>	<b>(8%)</b>	<b>(6%)</b>

## **Euromoney Institutional Investor PLC**

### **Chairman's Statement *continued***

As expected, revenues from subscription-based products declined as the lag effect of cuts in headcount and information buying by customers during the first half of 2009 worked their way through into revenues. Subscription revenues fell by 7% to £72.6m, but at constant currency the rate of decline appears to have bottomed out in the first quarter, earlier than expected, and recent trends in renewal rates and new orders have both been positive. Future subscription growth will also benefit from the group's investment in new premium electronic information services.

Advertising, which was the first revenue stream to be hit by the credit crisis, began to show signs of recovery in the first quarter and this was confirmed in the second as customers, particularly global financial institutions, began to increase their marketing spend.

Revenues from events and training, which comprise both sponsorship and paying delegates, continued to suffer in the first quarter from the tight controls on discretionary spending first imposed by customers at the end of 2008, as well as the group's deliberate strategy to eliminate low margin events. In contrast, there has been a gradual recovery in sponsor and delegate revenues since the start of the calendar year.

Emerging markets, which account for more than a third of the group's revenues, continue to hold up reasonably well, with growth in Latin America and Asia offsetting weakness in Eastern Europe and the Middle East.

The group has continued to control its headcount tightly. Permanent headcount at March 31 2010 was 1,847, an increase of just six people since year end. Within this total, there have been some significant increases in headcount in the areas of online publishing and web development as the group increases its investment in these areas, largely offset by further decreases in headcount in some of the businesses still under revenue pressure. However, as revenues show signs of recovery, so the pressure to increase headcount also grows and while group headcount is still significantly less than a year ago, the benefit of the related cost savings is expected to disappear by the end of the third quarter.

#### Business Review

**Financial Publishing:** adjusted operating profits increased by a third to £10.9m and cost savings helped the adjusted operating margin improve from 22% to 32%, close to the levels achieved before the financial crisis. Revenues fell by 7% but titles such as *Euromoney*, *EuroWeek* and *Asiamoney*, with their focus on the debt capital markets as well as emerging markets, are already benefitting from a recovery in advertising. Those businesses focussed on the asset management sector, such as Institutional Investor and HedgeFund Intelligence, have been slower to recover, with the notable exception of Institutional Investor Research which has benefitted from increased demand for its analyst rankings.

**Business Publishing:** in contrast to the volatility experienced in Financial Publishing, the Business Publishing titles have held up well throughout the credit crisis. Subscriptions to *Metal Bulletin's* products continued to grow through the first half, and the only weak sector was energy publishing. Adjusted operating profits were unchanged at £10.4m and the adjusted operating margin of 41% was also in line with that achieved in 2009.

**Training:** the group's Training division predominantly serves the global financial sector and was the hardest hit by the credit crisis and cuts in training spend, headcount and travel budgets. As expected, the sharp decline in delegate revenues continued into the first quarter but the reduction in course volumes in 2009 has helped drive higher margins, particularly in the second quarter when the average attendance per course, the key driver of training margins, has started to recover. Training revenues fell by 25% to £13.7m but adjusted operating profit fell by just £0.3m to £3.2m as the margin improved to 23% against 20% in the second half of 2009.

**Conferences and Seminars:** revenues comprise both sponsorship and paying delegates and fell sharply in 2009 as customers cut business travel and event attendance. The group's strategy of cutting event volumes in a downturn, and concentrating on its bigger, must attend events has served it well during the first half. Revenues fell by 10% to £35.2m but the adjusted operating margin recovered from 21% to 30%. Profits improved by £2.5m to £10.7m, partly due to timing differences on a number of events. Growth has also come from outside the finance sector, particularly under brands such as Metal Bulletin and Coaltrans which have been successful in expanding their emerging market events.

**Databases and Information Services:** subscription revenues, which are mostly US dollar denominated, fell by 6%, partly due to adverse currency movements. Adjusted operating profits fell by £0.6m to £17.9m and the adjusted operating margin was unchanged at 42%. BCA, the independent economic research house, started to see a recovery in sales from as early as summer 2009, one of the first of the group's businesses to do so. Renewal rates are already back to pre-credit crisis levels and revenues are expected to return to growth from the third quarter. ISI, the emerging markets information business, has demonstrated the value of the group's investment in premium data services. CEIC, ISI's provider of emerging market databases for economists and analysts around the world, has continued to experience strong growth in revenues which has helped offset weaker demand for ISI's emerging markets service in Central and Eastern Europe.

# Euromoney Institutional Investor PLC

## Chairman's Statement *continued*

### Financial Review

The statutory profit before tax of £32.7m compares to an adjusted profit before tax of £40.0m. A detailed reconciliation of the group's underlying and statutory results is set out in the appendix to this statement. The statutory loss before tax of £41.8m in the first half of 2009 reflected certain exceptional restructuring costs incurred in that period and is also set out in the appendix to this statement.

Underlying net finance costs for the group's committed borrowing facility fell to £4.7m (2009: £6.6m), reflecting both lower debt levels and lower interest rates. The average cost of funds for the period was 5.1% (2009: 5.8%).

The underlying effective tax rate for the first half was 27%, unchanged from 2009. The headline effective tax rate of 17% reflects a credit of £5.3m following the agreement of a tax claim in respect of prior years. Net cash taxes paid were just £0.6m reflecting the benefit of tax losses in 2009. Cash taxes payable in the second half will match more closely the underlying tax expense.

The group continues to generate nearly two thirds of its revenues in US dollars, including approximately 30% of the revenues in its UK-based businesses, and more than half its operating profits are US dollar-denominated. The group hedges its exposure to US dollar revenues in its UK businesses using forward contracts to sell surplus US dollars, which delays the impact of movements in exchange rates for at least a year. In the first half, the group benefited from a £2.3m reduction in hedging losses compared to last year.

The group does not hedge the foreign exchange risk on the translation of overseas profits, although it does endeavour to match foreign currency borrowings with investments and the related foreign currency finance costs provide a partial hedge against the translation of overseas profits. The impact of foreign exchange rates movements on the translation of first half profits was not significant.

### Net Debt, Cash Flow and Dividend

Net debt at March 31 was £178.1m compared to £165.1m at year end. The increase in net debt reflects a number of one-off factors: the final payment of £23.9m on a tax equalisation contract under a foreign currency financing derivative (which is offset by reductions in tax paid in financial years 2009 and 2010); further investments in subsidiaries of £10.6m under acquisition earn-out agreements (see note 9); and an adverse currency movement of £6.6m following a decrease in the sterling-US dollar exchange rate from 1.60 at year end to 1.52 at March 31 (approximately 75% of the group's debt is US dollar denominated).

Cash generated from operations increased by £15.3m to £39.9m. Operating cash flows in the first half are traditionally less than in the second due to the payment of annual profit shares each December. The operating cash conversion rate was 88% (2009: 66%). Adjusting for the timing of profit share payments, the underlying cash conversion rate was in excess of 100%.

The group's debt is provided through a \$400m multi-currency committed facility from Daily Mail and General Trust plc. The facility is provided in a mix of sterling and US dollar funds over three and five year terms expiring in December 2011 and 2013 respectively.

The net debt to EBITDA covenant on the group's committed facility is subject to a limit of four times, although the group has been managing to a more conservative internal limit of three times since the start of the credit crisis. The ratio at the end of March was 1.9 times EBITDA against just under 2.0 times at year end, and can be expected to decline further in the second half in the absence of any acquisition payments and with traditionally stronger operating cash flows in this period. The group pays the lowest margin on its borrowing when the net debt to EBITDA ratio is below two times.

In 2009, the board decided to increase the company's target dividend cover to three times after-tax earnings. At the same time it announced its intention to adjust the interim dividend so that approximately one third of the expected total dividend was paid as an interim and the balance as a final dividend. As part of the transition to this interim payment policy the board has decided that, in view of the record first half results, it will maintain an unchanged interim dividend of 6.25p a share. The interim dividend will be paid on July 15 2010 to shareholders on the register at May 21 2010. A scrip dividend alternative will again be available to shareholders and the group's majority shareholder, Daily Mail and General Trust plc, has indicated its intention to accept the scrip alternative.

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## Chairman's Statement *continued*

### Capital Appreciation Plan (CAP)

The CAP is the group's highly geared performance based incentive designed to retain and reward those who drive profit growth. It was first introduced in 2004, since when it has been an integral part of the group's successful strategy for delivering above average profit growth.

After satisfying the financial performance test for 2009, the final tranche of CAP 2004 options vested in February 2010 resulting in the issue of 1.5m new shares.

At the annual general meeting in January 2010 shareholders approved the introduction of a follow on incentive plan, CAP 2010. The structure, terms and cost of CAP 2010 are broadly similar to those of CAP 2004, with the exception that CAP 2010 rewards will be funded by an equal mix of cash and approximately 3.5m new shares, whereas CAP 2004 was funded entirely by equity.

The performance test under CAP 2010 requires an adjusted profit before tax (and before CAP share option expense) of £100m to be achieved within the four year performance period ending in financial year 2013.

The total cost of CAP 2010 will be no more than £30m. Amortisation of this cost commenced in March 2010, following the initial grant of CAP 2010 options, and will continue over the remaining life of the plan. The share option expense of £0.7m in the first half includes just one month of CAP amortisation: the expected CAP charge for the second half is £3.4m.

### Outlook

Recent trading has been slightly ahead of the board's expectations and the outlook for the third quarter is improving. Underlying revenues in April increased by 3% compared to a year ago and forward revenue visibility, particularly among the group's events businesses for which the third quarter is the most important, is encouraging. The recovery in advertising revenues is also expected to continue, although against easier comparatives, and the recent improvements in renewal rates and new orders are expected to help subscription revenues return to growth by the end of the third quarter.

The second half is also traditionally the stronger for operating cash flows which help reduce further the group's net debt and finance costs. Against this, margin improvements from the cost cuts in 2009 are largely exhausted and the level of spending on technology and new businesses will increase further in the second half.

The group is well placed for recovery and will continue to invest in technology and new subscription-based electronic information services to build the business for future growth.

**Padraic Fallon**

Chairman

May 12 2010

END

## **Euromoney Institutional Investor PLC**

### **Chairman's Statement *continued***

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#### NOTE TO EDITORS

Euromoney Institutional Investor PLC ([www.euromoneyplc.com](http://www.euromoneyplc.com)) is listed on the London Stock Exchange and a member of the FTSE-250 share index. It is a leading international business-to-business media group focused primarily on the international finance, metals and commodities sectors. It publishes more than 70 titles including *Euromoney*, *Institutional Investor* and *Metal Bulletin*. It also runs an extensive portfolio of conferences, seminars and training courses and is a leading provider of electronic information and data services covering international finance, metals and emerging markets. Its main offices are in London, New York, Montreal and Hong Kong and more than a third of its revenues are derived from emerging markets.

# Euromoney Institutional Investor PLC

## Appendix to Chairman's Statement

### Reconciliation of Condensed Consolidated Income Statement to underlying results for the six months ended March 31 2010

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 an indication of the underlying trading performance.

Notes	Underlying £000's	Adjustments £000's	Unaudited six months ended March 31 2010 Total £000's	Underlying £000's	Adjustments £000's	Unaudited six months ended March 31 2009 Total £000's	Underlying £000's	Adjustments £000's	Audited year ended Sept 30 2009 Total £000's	
<b>Total revenue</b>	<b>147,835</b>	<b>-</b>	<b>147,835</b>	160,686	-	160,686	317,594	-	317,594	
<b>Operating profit before acquired intangible amortisation, long term incentive expense and exceptional items</b>	<b>2</b>	<b>45,367</b>	<b>-</b>	<b>45,367</b>	37,064	-	37,064	79,447	-	79,447
Acquired intangible amortisation		-	(7,560)	(7,560)	-	(7,452)	(7,452)	-	(15,891)	(15,891)
Long term incentive expense		(739)	-	(739)	(716)	-	(716)	(2,697)	-	(2,697)
Exceptional items	<b>4</b>	-	1,593	1,593	-	(32,219)	(32,219)	-	(33,901)	(33,901)
<b>Operating profit/(loss) before associates</b>		<b>44,628</b>	<b>(5,967)</b>	<b>38,661</b>	36,348	(39,671)	(3,323)	76,750	(49,792)	26,958
Share of profits in associates		117	-	117	146	-	146	219	-	219
<b>Operating profit/(loss)</b>		<b>44,745</b>	<b>(5,967)</b>	<b>38,778</b>	36,494	(39,671)	(3,177)	76,969	(49,792)	27,177
Finance income	<b>5</b>	1,025	-	1,025	1,445	-	1,445	2,281	-	2,281
Finance expense	<b>5</b>	(5,721)	(1,351)	(7,072)	(8,072)	(32,013)	(40,085)	(16,262)	(30,557)	(46,819)
<b>Net finance costs</b>		<b>(4,696)</b>	<b>(1,351)</b>	<b>(6,047)</b>	(6,627)	(32,013)	(38,640)	(13,981)	(30,557)	(44,538)
<b>Profit/(loss) before tax</b>		<b>40,049</b>	<b>(7,318)</b>	<b>32,731</b>	29,867	(71,684)	(41,817)	62,988	(80,349)	(17,361)
Tax (expense)/credit on profit/(loss)	<b>6</b>	(10,658)	5,008	(5,650)	(8,605)	30,287	21,682	(17,060)	27,472	10,412
<b>Profit/(loss) after tax from continuing operations</b>	<b>2</b>	<b>29,391</b>	<b>(2,310)</b>	<b>27,081</b>	21,262	(41,397)	(20,135)	45,928	(52,877)	(6,949)
Profit for the period from discontinued operations		-	-	-	-	-	-	-	1,207	1,207
<b>Profit/(loss) for the period</b>		<b>29,391</b>	<b>(2,310)</b>	<b>27,081</b>	21,262	(41,397)	(20,135)	45,928	(51,670)	(5,742)
<b>Attributable to:</b>										
Equity holders of the parent		28,911	(2,310)	26,601	20,216	(41,397)	(21,181)	45,383	(51,670)	(6,287)
Equity non-controlling interests		480	-	480	1,046	-	1,046	545	-	545
		<b>29,391</b>	<b>(2,310)</b>	<b>27,081</b>	21,262	(41,397)	(20,135)	45,928	(51,670)	(5,742)
<b>Diluted earnings/(loss) per share - continuing operations</b>	<b>8</b>	<b>24.88p</b>	<b>(1.98)p</b>	<b>22.90p</b>	18.53p	(37.94)p	(19.41)p	40.39p	(47.06)p	(6.67)p

Underlying figures are presented before the impact of amortisation of acquired intangible assets and goodwill impairment, restructuring and other exceptional operating costs, non-cash movements on acquisition option commitment values, foreign exchange losses on restructured hedge arrangements and foreign exchange losses on tax equalisation swap contracts. In respect of earnings, underlying amounts reflect a tax rate that includes the current tax effect of the goodwill and intangible assets.

Further analysis of the adjusting items is presented in notes 4, 5, 6 and 8 to the Condensed Consolidated Interim Financial Report.

# Euromoney Institutional Investor PLC

## Condensed Consolidated Income Statement

for the six months ended March 31 2010

	Notes	Unaudited six months ended March 31 2010 £000's	Unaudited six months ended March 31 2009 £000's	Audited year ended Sept 30 2009 £000's
<b>Total revenue</b>	<b>2</b>	<b>147,835</b>	160,686	317,594
<b>Operating profit before acquired intangible amortisation, long term incentive expense and exceptional items</b>	<b>2</b>	<b>45,367</b>	37,064	79,447
Acquired intangible amortisation		(7,560)	(7,452)	(15,891)
Long term incentive expense		(739)	(716)	(2,697)
Exceptional items	<b>4</b>	<b>1,593</b>	(32,219)	(33,901)
<b>Operating profit/(loss) before associates</b>		<b>38,661</b>	(3,323)	26,958
Share of profits in associates		117	146	219
<b>Operating profit/(loss)</b>		<b>38,778</b>	(3,177)	27,177
Finance income	<b>5</b>	<b>1,025</b>	1,445	2,281
Finance expense	<b>5</b>	(7,072)	(40,085)	(46,819)
<b>Net finance costs</b>		<b>(6,047)</b>	(38,640)	(44,538)
<b>Profit/(loss) before tax</b>		<b>32,731</b>	(41,817)	(17,361)
Tax (expense)/credit on profit/(loss)	<b>6</b>	(5,650)	21,682	10,412
<b>Profit/(loss) after tax from continuing operations</b>	<b>2</b>	<b>27,081</b>	(20,135)	(6,949)
Profit for the period from discontinued operations		-	-	1,207
<b>Profit/(loss) for the period</b>		<b>27,081</b>	(20,135)	(5,742)
<b>Attributable to:</b>				
Equity holders of the parent		26,601	(21,181)	(6,287)
Equity non-controlling interests		480	1,046	545
		<b>27,081</b>	(20,135)	(5,742)
Basic earnings/(loss) per share - continuing operations	<b>8</b>	<b>23.21p</b>	(19.81)p	(6.83)p
Basic earnings/(loss) per share - continuing and discontinued operations	<b>8</b>	<b>23.21p</b>	(19.81)p	(5.73)p
Diluted earnings/(loss) per share - continuing operations	<b>8</b>	<b>22.90p</b>	(19.41)p	(6.67)p
Diluted earnings/(loss) per share - continuing and discontinued operations	<b>8</b>	<b>22.90p</b>	(19.41)p	(5.59)p
Adjusted diluted earnings per share	<b>8</b>	<b>24.88p</b>	18.53p	40.39p
Dividend per share (including proposed dividends)	<b>7</b>	<b>6.25p</b>	6.25p	14.00p

A detailed reconciliation of the group's underlying results is set out in the appendix to the Chairman's Statement on page 8.

## Euromoney Institutional Investor PLC

### Condensed Consolidated Statement of Comprehensive Income

for the six months ended March 31 2010

	<b>Unaudited six months ended March 31 2010 £000's</b>	Unaudited six months ended March 31 2009 £000's	Audited year ended Sept 30 2009 £000's
<b>Profit/(loss) for the period</b>	<b>27,081</b>	<b>(20,135)</b>	<b>(5,742)</b>
Change in fair value of cash flow hedges	<b>(526)</b>	<b>(30,577)</b>	<b>(9,285)</b>
Transfer of (gain)/loss on cash flow hedges from fair value reserves to income statement	<b>2,575</b>	1,918	3,502
Change in fair value of intangible assets	-	3,557	3,342
Net exchange differences on translation of net investments in overseas subsidiary undertakings	<b>7,370</b>	58,529	27,883
Net exchange differences on foreign currency loans	<b>(1,359)</b>	<b>(34,987)</b>	<b>(16,690)</b>
Actuarial gains/(losses) on defined benefit pension schemes	<b>653</b>	<b>(2,199)</b>	<b>(3,382)</b>
Tax on items taken directly to equity	<b>(725)</b>	6,798	3,792
<b>Other comprehensive income for the period</b>	<b>7,988</b>	3,039	9,162
<b>Total comprehensive income/(expense) for the period</b>	<b>35,069</b>	<b>(17,096)</b>	3,420
<b>Attributable to:</b>			
Equity holders of the parent	<b>34,588</b>	<b>(19,262)</b>	1,815
Equity non-controlling interests	<b>481</b>	2,166	1,605
	<b>35,069</b>	<b>(17,096)</b>	3,420

# Euromoney Institutional Investor PLC

## Condensed Consolidated Statement of Financial Position

as at March 31 2010

	Notes	Unaudited as at March 31 2010 £000's	Unaudited as at March 31 2009 £000's	Audited as at Sept 30 2009 £000's
<b>Non-current assets</b>				
Intangible assets				
Goodwill		302,496	314,688	291,338
Other intangible assets		131,797	156,410	134,310
Property, plant and equipment		19,845	20,763	19,750
Investments		83	136	209
Deferred tax assets		19,991	27,681	18,474
Net pension surplus		580	573	-
Derivative financial instruments		1,182	55	569
		<b>475,974</b>	<b>520,306</b>	<b>464,650</b>
<b>Current assets</b>				
Trade and other receivables		61,027	52,840	59,000
Current income tax assets		3,823	12,643	6,311
Cash at bank and in hand	10	14,712	21,149	12,545
Derivative financial instruments		732	995	569
		<b>80,294</b>	<b>87,627</b>	<b>78,425</b>
<b>Current liabilities</b>				
Acquisition option commitments		(1,102)	(12,256)	(11,237)
Trade and other payables		(34,839)	(54,670)	(59,214)
Current income tax liabilities		(7,841)	(2,052)	(6,139)
Accruals		(29,834)	(43,356)	(46,972)
Deferred income	11	(99,579)	(92,114)	(82,599)
Derivative financial instruments		(6,861)	(27,278)	(9,917)
Provisions		(1,245)	(1,294)	(2,359)
Loan notes	10	(5,410)	(6,977)	(5,719)
Bank overdrafts	10	(869)	(544)	(482)
		<b>(187,580)</b>	<b>(240,541)</b>	<b>(224,638)</b>
<b>Net current liabilities</b>		<b>(107,286)</b>	<b>(152,914)</b>	<b>(146,213)</b>
<b>Total assets less current liabilities</b>		<b>368,688</b>	<b>367,392</b>	<b>318,437</b>
<b>Non-current liabilities</b>				
Acquisition option commitments		-	(427)	(706)
Other non-current liabilities		(854)	(1,334)	(1,012)
Committed loan facility	10	(186,520)	(228,326)	(171,404)
Deferred tax liabilities		(25,102)	(25,942)	(21,777)
Net pension deficit		-	-	(364)
Derivative financial instruments		(13,243)	(22,232)	(14,592)
Provisions		(3,734)	(4,816)	(3,591)
		<b>(229,453)</b>	<b>(283,077)</b>	<b>(213,446)</b>
<b>Net assets</b>		<b>139,235</b>	<b>84,315</b>	<b>104,991</b>
<b>Shareholders' equity</b>				
Called up share capital	12	293	279	284
Share premium account		59,306	47,826	52,445
Other reserve		64,981	64,981	64,981
Capital redemption reserve		8	8	8
Own shares		(74)	(74)	(74)
Liability for share-based payments		24,231	21,516	23,646
Fair value reserve		(38,818)	(80,626)	(39,508)
Translation reserve		52,103	75,480	44,734
Retained earnings		(22,795)	(46,636)	(42,511)
<b>Equity shareholders' surplus</b>		<b>139,235</b>	<b>82,754</b>	<b>104,005</b>
Equity non-controlling interests		-	1,561	986
<b>Total equity</b>		<b>139,235</b>	<b>84,315</b>	<b>104,991</b>

A reconciliation of net debt is set out in note 10 to this Condensed Consolidated Interim Financial Report.

**Euromoney Institutional Investor PLC**

**Condensed Consolidated Statement of Changes in Equity**

for the six months ended March 31 2010

	Share capital £000's	Share premium account £000's	Other reserve £000's	Capital redemption reserve £000's	Own shares £000's	Liability for share - based payments £000's	Fair value reserve £000's	Translation reserve £000's	Retained earnings £000's	Total £000's	Equity non-controlling interests £000's	Total £000's
<b>At September 30 2008</b>	263	38,575	64,981	8	(74)	20,676	(19,579)	17,113	(36,916)	85,047	3,017	88,064
Retained (loss)/profit for the period	-	-	-	-	-	-	-	-	(6,287)	(6,287)	545	(5,742)
Change in fair value of cash flow hedges	-	-	-	-	-	-	(9,285)	-	-	(9,285)	-	(9,285)
Transfer of loss on cash flow hedges from fair value reserves to income statement	-	-	-	-	-	-	3,502	-	-	3,502	-	3,502
Change in fair value of intangible assets	-	-	-	-	-	-	2,544	-	-	2,544	798	3,342
Exchange differences arising on translation of net investments in overseas subsidiary undertakings	-	-	-	-	-	-	-	27,621	-	27,621	262	27,883
Net exchange differences on foreign currency loans	-	-	-	-	-	-	(16,690)	-	-	(16,690)	-	(16,690)
Actuarial gains/(losses) on defined benefit pension schemes	-	-	-	-	-	-	-	-	(3,382)	(3,382)	-	(3,382)
Tax on items taken directly to equity	-	-	-	-	-	-	-	-	3,792	3,792	-	3,792
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	(19,929)	27,621	(5,877)	1,815	1,605	3,420
Exercise of acquisition option commitments	-	-	-	-	-	-	-	-	20,939	20,939	(1,830)	19,109
Credit for share-based payments	-	-	-	-	-	2,970	-	-	-	2,970	-	2,970
Scrip/cash dividends paid	16	13,870	-	-	-	-	-	-	(20,657)	(6,771)	(1,806)	(8,577)
Exercise of share options	5	-	-	-	-	-	-	-	-	5	-	5
<b>At September 30 2009</b>	284	52,445	64,981	8	(74)	23,646	(39,508)	44,734	(42,511)	104,005	986	104,991
Retained profit for the period	-	-	-	-	-	-	-	-	26,601	26,601	480	27,081
Change in fair value of cash flow hedges	-	-	-	-	-	-	(526)	-	-	(526)	-	(526)
Transfer of loss on cash flow hedges from fair value reserves to income statement	-	-	-	-	-	-	2,575	-	-	2,575	-	2,575
Exchange differences arising on translation of net investments in overseas subsidiary undertakings	-	-	-	-	-	-	-	7,369	-	7,369	1	7,370
Net exchange differences on foreign currency loans	-	-	-	-	-	-	(1,359)	-	-	(1,359)	-	(1,359)
Actuarial gains/(losses) on defined benefit pension schemes	-	-	-	-	-	-	-	-	653	653	-	653
Tax on items taken directly to equity	-	-	-	-	-	-	-	-	(725)	(725)	-	(725)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	690	7,369	26,529	34,588	481	35,069
Exercise of acquisition option commitments	-	-	-	-	-	-	-	-	1,998	1,998	(938)	1,060
Credit for share-based payments	-	-	-	-	-	585	-	-	-	585	-	585
Scrip/cash dividends paid	5	6,577	-	-	-	-	-	-	(8,811)	(2,229)	(615)	(2,844)
Exercise of share options	4	284	-	-	-	-	-	-	-	288	86	374
<b>At March 31 2010</b>	293	59,306	64,981	8	(74)	24,231	(38,818)	52,103	(22,795)	139,235	-	139,235

	Share capital £000's	Share premium account £000's	Other reserve £000's	Capital redemption reserve £000's	Own shares £000's	Liability for share - based payments £000's	Fair value reserve £000's	Translation reserve £000's	Retained earnings £000's	Total £000's	Equity non-controlling interests £000's	Total £000's
<b>At September 30 2008</b>	263	38,575	64,981	8	(74)	20,676	(19,579)	17,113	(36,916)	85,047	3,017	88,064
Retained (loss)/profit for the period	-	-	-	-	-	-	-	-	(21,181)	(21,181)	1,046	(20,135)
Change in fair value of cash flow hedges	-	-	-	-	-	-	(30,577)	-	-	(30,577)	-	(30,577)
Transfer of loss on cash flow hedges from fair value reserves to income statement	-	-	-	-	-	-	1,918	-	-	1,918	-	1,918
Change in fair value of intangible assets	-	-	-	-	-	-	2,599	-	-	2,599	958	3,557
Exchange differences arising on translation of net investments in overseas subsidiary undertakings	-	-	-	-	-	-	-	58,367	-	58,367	162	58,529
Net exchange differences on foreign currency loans	-	-	-	-	-	-	(34,987)	-	-	(34,987)	-	(34,987)
Actuarial gains/(losses) on defined benefit pension schemes	-	-	-	-	-	-	-	-	(2,199)	(2,199)	-	(2,199)
Tax on items taken directly to equity	-	-	-	-	-	-	-	-	6,798	6,798	-	6,798
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	(61,047)	58,367	(16,582)	(19,262)	2,166	(17,096)
Exercise of acquisition option commitments	-	-	-	-	-	-	-	-	20,551	20,551	(2,204)	18,347
Credit for share-based payments	-	-	-	-	-	840	-	-	-	840	-	840
Scrip/cash dividends paid	11	9,251	-	-	-	-	-	-	(13,689)	(4,427)	(1,418)	(5,845)
Exercise of share options	5	-	-	-	-	-	-	-	-	5	-	5
<b>At March 31 2009</b>	279	47,826	64,981	8	(74)	21,516	(80,626)	75,480	(46,636)	82,754	1,561	84,315

# Euromoney Institutional Investor PLC

## Condensed Consolidated Statement of Cash Flows for the six months ended March 31 2010

	<b>Unaudited six months ended March 31 2010 £000's</b>	Unaudited six months ended March 31 2009 £000's	Audited year ended Sept 30 2009 £000's
<b>Cash flow from operating activities</b>			
Operating profit/(loss)	38,778	(3,177)	27,177
Share of profits in associates	(117)	(146)	(219)
Acquired intangible amortisation	7,560	7,452	15,891
Licences and software amortisation	91	190	256
Long term incentive expense	739	716	2,697
Goodwill impairment	-	21,929	21,929
Intangible impairment	-	-	1,235
Depreciation of property, plant and equipment	1,373	1,309	2,544
Exceptional depreciation of property, plant and equipment	-	1,399	1,210
(Decrease)/increase in provisions	(1,109)	1,252	1,476
Loss on disposal of property, plant and equipment	1	-	125
<b>Operating cash flows before movements in working capital</b>	<b>47,316</b>	<b>30,924</b>	<b>74,321</b>
(Increase)/decrease in receivables	(110)	25,088	15,983
Decrease in payables	(7,331)	(31,484)	(17,727)
<b>Cash generated from operations</b>	<b>39,875</b>	<b>24,528</b>	<b>72,577</b>
Income taxes (paid)/received	(593)	(881)	1,263
<b>Net cash from operating activities</b>	<b>39,282</b>	<b>23,647</b>	<b>73,840</b>
<b>Investing activities</b>			
Dividends paid to non-controlling interests	(615)	(1,418)	(1,806)
Dividends received from associate	242	314	313
Interest received	198	591	801
Purchase of intangible assets	(12)	(12)	(146)
Purchase of property, plant and equipment	(1,273)	(665)	(1,260)
Proceeds on disposal of property, plant and equipment	-	-	21
Purchase of additional interest in subsidiary undertakings	(10,596)	(13,551)	(19,890)
Proceeds from disposal of discontinued operations	-	-	1,259
<b>Net cash used in investing activities</b>	<b>(12,056)</b>	<b>(14,741)</b>	<b>(20,708)</b>
<b>Financing activities</b>			
Dividends paid	(2,229)	(4,428)	(6,771)
Interest paid	(4,796)	(4,139)	(8,887)
Interest paid on loan notes	(27)	(213)	(291)
Issue of new share capital	288	5	5
Settlement of derivative assets/liabilities	(2,956)	(32,216)	(35,861)
Redemption of loan notes	(302)	(534)	(1,767)
Amounts (paid)/received on intergroup tax equalisation swaps	(23,906)	23,088	23,088
Loan repaid to DMGT group company	(54,912)	(59,694)	(117,239)
Loan received from DMGT group company	62,589	66,311	83,903
<b>Net cash used in financing activities</b>	<b>(26,251)</b>	<b>(11,820)</b>	<b>(63,820)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>975</b>	<b>(2,914)</b>	<b>(10,688)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>12,063</b>	<b>20,179</b>	<b>20,179</b>
Effect of foreign exchange rate movements	805	3,340	2,572
<b>Cash and cash equivalents at end of period</b>	<b>13,843</b>	<b>20,605</b>	<b>12,063</b>

Cash and cash equivalents include bank overdrafts.

A reconciliation of net debt is set out in note 10 to this Condensed Consolidated Interim Financial Report.

# Euromoney Institutional Investor PLC

## Notes to the Condensed Consolidated Interim Financial Report

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### 1 Basis of preparation

This interim financial report was approved by the board of directors on May 12 2010.

These condensed consolidated 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

These condensed consolidated financial statements have 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 following new accounting standards as described below:

- IAS 1 (Revised) 'Presentation of Financial Statements' (effective for annual periods beginning on or after January 1 2009) requires the presentation of a statement of changes in equity as a primary statement, separate from the income statement and statement of comprehensive income. As a result, a condensed consolidated statement of changes in equity has been included in the primary statements, showing changes in each component of equity for each period presented.

- IFRS 8 'Operating Segments' (effective for annual periods beginning on or after January 1 2009) requires a management approach under which segment information is presented on the same basis as that used for internal reporting purposes. This has not resulted in a change to the segments reported.

- IAS 27 (2008) 'Consolidation and Separate Financial Statements' (effective for annual periods beginning on or after July 1 2009) requires that, where there is a change in ownership of an existing controlled entity, this is accounted for as an equity transaction, with no adjustment to goodwill or other assets and liabilities. This differs from the group's previous approach whereby goodwill was calculated separately for each transaction and the acquiree's assets and liabilities were fair valued at the date of acquisition. The new requirements have been applied prospectively to the purchase of additional interests in controlled entities during the period.

The information for the year ended September 30 2009 does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. 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, did not draw attention to any matters by way of emphasis and did not contain statements under section 498(2) or 498(3) of the Companies Act 2006.

#### Going concern, debt covenants and liquidity

The results of the group's business activities, together with the factors likely to affect its future development, performance and financial position, are set out in the Chairman's Statement on pages 2 to 7.

The financial position of the group, its cash flows and liquidity position are set out in detail in this Condensed Consolidated Interim Financial Report. The group meets its day-to-day working capital requirements through its \$400 million dedicated multi-currency borrowing facility with Daily Mail and General Trust plc group. The facility is divided into four tranches of sterling and US dollar funds with three and five year terms with a total maximum borrowing capacity of \$310 million (£204 million) and £59 million. The facility's covenant requires the group's net debt to be no more than four times adjusted EBITDA on a rolling 12 month basis. At March 31 2010, the group's net debt to adjusted EBITDA was 1.89 times and the uncommitted undrawn facility available to the group was £76.8 million. The three year tranches of the facility are due for renewal in December 2011 and the five year tranches in December 2013.

Trading conditions have improved since September 2009, which has reduced the uncertainty over the level of demand for the group's products. Over the last six months, the exchange rate between sterling and US dollars has been more stable than a year ago although the group remains exposed to the impact on the translation of US dollar profits and losses from its US dollar-based businesses and transactions including the gains or losses from the group's forward contracts used to partially hedge these. Bank credit is becoming more readily available and the group has no pressing requirement to arrange new finance. The group continues to operate well within the limits of its dedicated multi-currency borrowing facility and the first tranche (£65.6m) is not due for renewal for 19 months, in December 2011.

The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level and covenants of its current borrowing facility.

After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing this Condensed Consolidated Interim Financial Report.

# Euromoney Institutional Investor PLC

## Notes to the Condensed Consolidated Interim Financial Report

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### 1 Basis of preparation *continued*

#### Principal Risks and Uncertainties

The principal risks and uncertainties that affect the group are described in detail on pages 17 to 21 of the 2009 annual report available at [www.euromoneyplc.com](http://www.euromoneyplc.com). In summary, they include:

- Downturn in the economy or market sector
- Major disease outbreak
- Liquidity risk
- Market price risk
- Interest rate risk
- Foreign currency risk
- Credit risk
- London, New York, Montreal or Hong Kong wide disaster
- Publishing legislation
- Circulation
- Acquisition and disposal risk
- Key staff leaving
- Reliance on key brands
- Conferences and events (travel)
- Tax, and
- Technological change and IT infrastructure

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.

The significance of the travel risk associated with the running of events and training courses, as set out in detail in the 2009 annual report, was illustrated by the recent eruption of the Icelandic volcano which led to much of Europe's airspace being closed for a week. This closure had minimal financial impact on the group's activities, but the directors believe that any prolonged restriction on international travel could have a significant impact on the group's performance over the remaining six months of the financial year.

The success of the group's events and training businesses relies heavily on delegates' confidence in and ability to travel internationally. While it remains unclear whether further airspace closures may be required as a result of the Icelandic eruption, significant disruptions to or reductions in international travel for any reason could lead to events and training courses being postponed or cancelled. Where possible, contingency plans are in place to minimise the disruption from travel restrictions, and abandonment insurance is in place for certain key events.

## Euromoney Institutional Investor PLC

### Notes to the Condensed Consolidated Interim Financial Report

#### 2 Segmental analysis

##### Primary reporting format

Segmental information is presented in respect of the group's business divisions and reflects the group's management and internal reporting structure. The group is 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. Revenues from Financial publishing and Business publishing consist primarily of advertising and subscriptions. The Training division consists primarily of delegate revenue. Revenues from Conferences and seminars consist of both sponsorship and delegates. Databases and information services consists of subscription revenue. A breakdown of the group's revenue by type is set out below.

##### Secondary reporting format

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

Inter-segment sales are charged at prevailing market rates and shown in the eliminations columns below.

	Unaudited six months ended March 31									
	United Kingdom		North America		Rest of World		Elimination		Total	
	2010 £000's	2009 £000's	2010 £000's	2009 £000's	2010 £000's	2009 £000's	2010 £000's	2009 £000's	2010 £000's	2009 £000's
<b>Revenue</b>										
<b>by division and source:</b>										
Financial publishing	19,525	21,363	15,383	17,298	886	652	(1,316)	(2,209)	34,478	37,104
Business publishing	19,637	18,969	6,647	7,615	587	886	(1,745)	(1,268)	25,126	26,202
Training	8,583	11,586	2,719	4,941	2,567	1,925	(161)	(233)	13,708	18,219
Conferences and seminars	13,332	15,084	15,153	18,211	6,762	6,090	(21)	(40)	35,226	39,345
Databases and information services	4,699	4,718	26,200	28,816	11,065	11,315	-	-	41,964	44,849
Sold/closed businesses	-	13	-	3	-	-	-	(3)	-	13
Corporate revenue	726	865	138	212	1	1	(865)	(1,078)	-	-
Foreign exchange losses on forward contracts	(2,667)	(5,046)	-	-	-	-	-	-	(2,667)	(5,046)
<b>Total revenue</b>	<b>63,835</b>	<b>67,552</b>	<b>66,240</b>	<b>77,096</b>	<b>21,868</b>	<b>20,869</b>	<b>(4,108)</b>	<b>(4,831)</b>	<b>147,835</b>	<b>160,686</b>
Investment income (note 5)	-	-	11	20	143	134	-	-	154	154
<b>Total revenue and investment income</b>	<b>63,835</b>	<b>67,552</b>	<b>66,251</b>	<b>77,116</b>	<b>22,011</b>	<b>21,003</b>	<b>(4,108)</b>	<b>(4,831)</b>	<b>147,989</b>	<b>160,840</b>

	Unaudited six months ended March 31									
	United Kingdom		North America		Rest of World		Total			
	2010 £000's	2009 £000's	2010 £000's	2009 £000's	2010 £000's	2009 £000's	2010 £000's	2009 £000's	2010 £000's	2009 £000's
<b>Revenue</b>										
<b>by type and destination:</b>										
Subscriptions	12,432	15,380	30,834	34,543	29,337	27,797	72,603	77,720		
Advertising	2,792	3,817	10,131	10,806	10,933	11,007	23,856	25,630		
Sponsorship	1,145	2,531	6,858	7,584	7,555	8,780	15,558	18,895		
Delegates	3,502	4,852	7,721	9,955	22,647	23,318	33,870	38,125		
Other	1,560	1,200	1,953	2,636	1,102	1,513	4,615	5,349		
Sold/closed businesses	-	13	-	-	-	-	-	13		
Foreign exchange losses on forward contracts	(2,667)	(5,046)	-	-	-	-	(2,667)	(5,046)		
<b>Total revenue</b>	<b>18,764</b>	<b>22,747</b>	<b>57,497</b>	<b>65,524</b>	<b>71,574</b>	<b>72,415</b>	<b>147,835</b>	<b>160,686</b>		

# Euromoney Institutional Investor PLC

## Notes to the Condensed Consolidated Interim Financial Report *continued*

### 2 Segmental analysis *continued*

	Unaudited six months ended March 31							
	United Kingdom		North America		Rest of World		Total	
	2010 £000's	2009 £000's	2010 £000's	2009 £000's	2010 £000's	2009 £000's	2010 £000's	2009 £000's
<b>Operating profit<sup>1</sup></b>								
<b>by division and source:</b>								
Financial publishing	7,547	6,923	3,263	1,304	69	(148)	10,879	8,079
Business publishing	8,422	8,123	1,939	2,144	6	51	10,367	10,318
Training	2,246	2,363	60	677	894	488	3,200	3,528
Conferences and seminars	4,794	4,186	4,078	4,742	1,789	(716)	10,661	8,212
Databases and information services	2,722	2,937	12,658	13,941	2,569	1,687	17,949	18,565
Sold/closed businesses	(1)	(52)	-	(37)	-	-	(1)	(89)
Unallocated corporate costs	(6,168)	(8,900)	(973)	(1,938)	(547)	(711)	(7,688)	(11,549)
<b>Operating profit before acquired intangible</b>	<b>19,562</b>	<b>15,580</b>	<b>21,025</b>	<b>20,833</b>	<b>4,780</b>	<b>651</b>	<b>45,367</b>	<b>37,064</b>
Acquired intangible amortisation <sup>2</sup>	(1,558)	(2,145)	(5,959)	(4,504)	(43)	(803)	(7,560)	(7,452)
Long term incentive expense	(308)	(523)	(408)	(162)	(23)	(31)	(739)	(716)
Exceptional items (note 4)	4	(730)	1,768	(25,376)	(179)	(6,113)	1,593	(32,219)
<b>Operating profit/(loss) before associates</b>	<b>17,700</b>	<b>12,182</b>	<b>16,426</b>	<b>(9,209)</b>	<b>4,535</b>	<b>(6,296)</b>	<b>38,661</b>	<b>(3,323)</b>
Share of results in associates							117	146
Net finance costs (note 5)							(6,047)	(38,640)
<b>Profit/(loss) before tax</b>							<b>32,731</b>	<b>(41,817)</b>
Tax (expense)/credit							(5,650)	21,682
<b>Profit/(loss) after tax</b>							<b>27,081</b>	<b>(20,135)</b>

	Unaudited six months ended March 31							
	Acquired intangible amortisation		Long term incentive expense		Exceptional items		Depreciation and amortisation	
	2010 £000's	2009 £000's	2010 £000's	2009 £000's	2010 £000's	2009 £000's	2010 £000's	2009 £000's
<b>Other segmental information</b>								
<b>by division:</b>								
Financial publishing	(301)	(554)	(110)	(176)	(192)	(857)	(2)	(31)
Business publishing	(2,664)	(1,778)	(96)	(81)	(3)	(14)	(14)	(18)
Training	-	-	(42)	(150)	(5)	(45)	(10)	(15)
Conferences and seminars	(211)	(226)	(79)	(87)	(201)	(22,349)	(23)	(65)
Databases and information services	(4,317)	(4,823)	(307)	(108)	(35)	(1,207)	(262)	(288)
Unallocated corporate costs	(67)	(71)	(105)	(114)	2,029	(7,747)	(1,153)	(1,082)
	<b>(7,560)</b>	<b>(7,452)</b>	<b>(739)</b>	<b>(716)</b>	<b>1,593</b>	<b>(32,219)</b>	<b>(1,464)</b>	<b>(1,499)</b>

<sup>1</sup> Operating profit before acquired intangible amortisation, long term incentive expense and exceptional items (refer to the appendix to the Chairman's Statement).

<sup>2</sup> Acquired intangible amortisation represents amortisation on acquisition related non-goodwill assets such as brands, databases, customer relationships and trademarks.

# Euromoney Institutional Investor PLC

## Notes to the Condensed Consolidated Interim Financial Report *continued*

### 3 Seasonality of results

The group's results are not materially affected by seasonal or cyclical trading. For the year ended September 30 2009 the group earned 51% and 47% of its revenues and profits<sup>1</sup> respectively in the first six months of the year (year ended September 2008: 47% and 45% of its revenues and profits<sup>1</sup>).

### 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.

	<b>Unaudited six months ended March 31 2010 £000's</b>	Unaudited six months ended March 31 2009 £000's	Audited year ended Sept 30 2009 £000's
Goodwill and intangible asset impairment	-	(21,929)	(23,164)
Restructuring and other income/(costs)	<b>1,593</b>	<b>(10,290)</b>	<b>(10,737)</b>
	<b><u>1,593</u></b>	<b><u>(32,219)</u></b>	<b><u>(33,901)</u></b>

During the six months to March 2010 the group recognised exceptional income of £1,593,000. This comprised an exceptional restructuring charge of £648,000 following further reductions in group headcount, and an exceptional credit of £2,241,000 following the successful resolution of a US legal dispute. The group's tax charge includes a related tax expense of £645,000.

1. Operating profit before acquired intangible amortisation, long term incentive expense and exceptional items (refer to the appendix to the Chairman's Statement).

# Euromoney Institutional Investor PLC

## Notes to the Condensed Consolidated Interim Financial Report *continued*

### 5 Finance income and expense

	Unaudited six months ended March 31 2010 £000's	Unaudited six months ended March 31 2009 £000's	Audited year ended Sept 30 2009 £000's
<b>Finance income</b>			
Interest income:			
Interest receivable from DMGT group undertakings	26	654	654
Interest receivable from short-term investments	154	154	246
Expected return on pension scheme assets	642	579	1,162
Fair value gains on financial instruments:			
Ineffectiveness of cash flow hedges	203	58	219
	<b>1,025</b>	<b>1,445</b>	<b>2,281</b>
<b>Finance expense</b>			
Interest expense:			
Interest payable on committed borrowings	(4,988)	(6,594)	(12,297)
Interest payable to DMGT group undertakings	-	(818)	(1,294)
Interest payable on loan notes	(20)	(145)	(197)
Interest on pension scheme liabilities	(613)	(594)	(1,189)
Foreign exchange loss on restructured hedging arrangements	-	(8,966)	(7,863)
Net movements in acquisition option commitment values	(1,223)	(2,754)	(2,202)
Imputed interest on acquisition option commitments	(128)	(439)	(638)
Interest on tax underpaid	(100)	-	(1,364)
Foreign exchange loss on tax equalisation contracts	-	(19,854)	(19,854)
Other gains on tax equalisation contracts	-	79	79
Net loss on tax equalisation contracts	-	(19,775)	(19,775)
	<b>(7,072)</b>	<b>(40,085)</b>	<b>(46,819)</b>
<b>Net finance costs</b>	<b>(6,047)</b>	<b>(38,640)</b>	<b>(44,538)</b>

The foreign exchange loss on tax equalisation contracts of £nil (2009: £19,854,000) relates to foreign exchange losses on hedges on intra-group financing. This foreign exchange loss is matched by an equal and opposite tax credit so that there is no financial impact on earnings per share. The foreign exchange loss and the tax credit are excluded from underlying profit and the underlying tax expense (note 6).

The foreign exchange losses on restructured hedging arrangements of £nil (2009: £8,966,000) arise from forward contracts classified as ineffective under IAS 39 'Financial Instruments' following the directors' review of the group's US dollar revenue capacity in its UK-based businesses.

	Unaudited six months ended March 31 2010 £000's	Unaudited six months ended March 31 2009 £000's	Audited year ended Sept 30 2009 £000's
<b>Reconciliation of net finance costs in income statement to underlying net finance costs</b>			
Total net finance costs in income statement	<b>(6,047)</b>	<b>(38,640)</b>	<b>(44,538)</b>
Add back:			
Foreign exchange loss on restructured hedging arrangements	-	8,966	7,863
Net movements in acquisition option commitment values	1,223	2,754	2,202
Imputed interest on acquisition option commitments	128	439	638
Foreign exchange loss on tax equalisation contracts	-	19,854	19,854
	<b>1,351</b>	<b>32,013</b>	<b>30,557</b>
<b>Underlying net finance costs</b>	<b>(4,696)</b>	<b>(6,627)</b>	<b>(13,981)</b>

# Euromoney Institutional Investor PLC

## Notes to the Condensed Consolidated Interim Financial Report *continued*

### 6 Tax on profit/(loss) on ordinary activities

	<b>Unaudited six months ended March 31 2010 £000's</b>	Unaudited six months ended March 31 2009 £000's	Audited year ended Sept 30 2009 £000's
<b>Current tax expense/(credit)</b>			
UK corporation tax expense	2,152	3	340
Foreign tax expense/(credit)	5,055	(10,463)	(3,016)
Adjustments in respect of prior years	(2,146)	58	550
	<u>5,061</u>	<u>(10,402)</u>	<u>(2,126)</u>
<b>Deferred tax expense/(credit)</b>			
Current year	3,756	(11,412)	(10,446)
Adjustments in respect of prior years	(3,167)	132	2,160
	<u>589</u>	<u>(11,280)</u>	<u>(8,286)</u>
<b>Total tax expense/(credit) in income statement</b>	<u><b>5,650</b></u>	<u><b>(21,682)</b></u>	<u><b>(10,412)</b></u>

The effective tax rate for the interim period is an expense of 17% (2009: 52% credit). The underlying tax rate forecast for 2010 is 26%. When applied to the results for the interim period, the underlying tax rate is higher at 27% due to a difference in the mix of profits over the full year. The underlying tax rate for the 2010 interim period is as set out below:

	<b>Unaudited six months ended March 31 2010 £000's</b>	Unaudited six months ended March 31 2009 £000's	Audited year ended Sept 30 2009 £000's
<b>Reconciliation of tax expense/(credit) in income statement to underlying tax expense</b>			
Total tax expense/(credit) in income statement	5,650	(21,682)	(10,412)
Add back:			
Tax on intangible amortisation	2,261	2,331	4,684
Tax on exceptional items	(645)	10,042	10,512
Tax on acquisition option commitments	-	(2,502)	(2,503)
Tax credit on foreign exchange loss on tax equalisation swap	-	19,854	19,854
Tax on foreign exchange losses on restructured hedging arrangements	-	2,578	2,202
Tax on US goodwill amortisation	(1,921)	(1,826)	(4,567)
Tax adjustments in respect of prior years	5,313	(190)	(2,710)
	<u>5,008</u>	<u>30,287</u>	<u>27,472</u>
<b>Underlying tax expense</b>	<u><b>10,658</b></u>	<u><b>8,605</b></u>	<u><b>17,060</b></u>
Underlying profit before tax (refer to the appendix to the Chairman's Statement)	<b>40,049</b>	29,867	62,988
Underlying effective tax rate	<b>27%</b>	29%	27%

A credit of £nil (2009: £19,854,000) relating to tax on foreign exchange losses has been treated as exceptional as it is hedged by £nil (2009: £19,854,000) 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 arriving at this rate, the group removes the tax effect of items which are adjusted for in arriving at the underlying profit disclosed in the appendix to the Chairman's Statement. However, the current tax effect of goodwill and intangible items is not removed. The group considers that the resulting underlying effective tax rate is more representative of its tax payable position, as the deferred tax effect of the goodwill and intangibles items is not expected to crystallise.

# Euromoney Institutional Investor PLC

## Notes to the Condensed Consolidated Interim Financial Report *continued*

### 7 Dividends

	<b>Unaudited six months ended March 31 2010 £000's</b>	Unaudited six months ended March 31 2009 £000's	Audited year ended Sept 30 2009 £000's
<b>Amounts recognisable as distributable to equity holders in period</b>			
Final dividend for the year ended September 30 2009 of 7.75p (2008: 13.00p)	<b>8,816</b>	13,697	13,697
Interim dividend for the year ended September 30 2009 of 6.25p	-	-	6,971
	<b>8,816</b>	13,697	20,668
Employees' Share Ownership Trust dividend	<b>(5)</b>	<b>(8)</b>	<b>(11)</b>
	<b>8,811</b>	13,689	20,657
Interim dividend for the period ended March 31 2010 of 6.25p (2009: 6.25p)	<b>7,320</b>	6,971	
Employees' Share Ownership Trust dividend	<b>(4)</b>	<b>(4)</b>	
	<b>7,316</b>	6,967	

The final dividend was approved by shareholders at the Annual General Meeting held on January 21 2010 and paid, or new shares issued under the scrip dividend alternative, as applicable, on February 4 2010.

The directors have approved an interim dividend of 6.25p (2009: 6.25p) per share and resolved to offer the scrip dividend alternative, under the terms approved by shareholders on January 28 2009, to the interim dividend payment. Full details of the scrip dividend alternative can be found in the separate announcement on May 13 2010 and on the company's website.

It is anticipated that the interim dividend will be paid or satisfied by new shares under the scrip dividend alternative, as applicable, on July 15 2010, to shareholders on the register on May 21 2010. It is expected that the shares will be marked ex-dividend on May 19 2010. 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'.

# Euromoney Institutional Investor PLC

## Notes to the Condensed Consolidated Interim Financial Report *continued*

### 8 Earnings/(loss) per share

	Unaudited six months ended March 31 2010 £000's	Unaudited six months ended March 31 2009 £000's	Audited year ended Sept 30 2009 £000's
Earnings/(loss) attributable to equity holders of the parent	26,601	(21,181)	(6,287)
Less earnings from discontinued operations	-	-	(1,207)
<b>Basic earnings/(loss) - continuing operations</b>	<b>26,601</b>	<b>(21,181)</b>	<b>(7,494)</b>
Acquired intangible amortisation	7,560	7,452	15,891
Exceptional items	(1,593)	32,219	33,901
Imputed interest on acquisition option commitments	128	439	638
Net movements in acquisition option commitment values	1,223	2,754	2,202
Foreign exchange loss on restructured hedging arrangements	-	8,966	7,863
Tax on the above adjustments	(1,616)	(12,449)	(14,895)
Tax deduction on US goodwill	1,921	1,826	4,567
Tax adjustment in respect of prior years	(5,313)	190	2,710
<b>Adjusted earnings</b>	<b>28,911</b>	<b>20,216</b>	<b>45,383</b>
	<b>Number 000's</b>	<b>Number 000's</b>	<b>Number 000's</b>
Weighted average number of shares	114,657	107,006	109,750
Shares held by the Employees' Share Ownership Trust	(59)	(59)	(59)
	<b>114,598</b>	<b>106,947</b>	<b>109,691</b>
Effect of dilutive share options	1,586	2,175	2,682
<b>Diluted weighted average number of shares</b>	<b>116,184</b>	<b>109,122</b>	<b>112,373</b>
	<b>Pence per share</b>	<b>Pence per share</b>	<b>Pence per share</b>
<b>Basic earnings/(loss) per share - continuing operations</b>	<b>23.21</b>	<b>(19.81)</b>	<b>(6.83)</b>
Effect of dilutive share options	(0.31)	0.40	0.16
<b>Diluted earnings/(loss) per share - continuing operations</b>	<b>22.90</b>	<b>(19.41)</b>	<b>(6.67)</b>
Effect of acquired intangible amortisation	6.50	6.83	14.14
Effect of exceptional items	(1.38)	29.53	30.17
Effect of imputed interest on acquisition option commitments	0.12	0.41	0.57
Effect of net movements in acquisition option commitment values	1.05	2.52	1.96
Effect of foreign exchange loss on restructured hedging arrangements	-	8.22	7.00
Effect of tax on the above adjustments	(1.39)	(11.41)	(13.25)
Effect of tax deduction on US goodwill	1.65	1.67	4.06
Effect of tax adjustment in respect of prior years	(4.57)	0.17	2.41
<b>Adjusted diluted earnings per share</b>	<b>24.88</b>	<b>18.53</b>	<b>40.39</b>
<b>Basic earnings/(loss) per share - continuing and discontinued operations</b>	<b>23.21</b>	<b>(19.81)</b>	<b>(5.73)</b>
Effect of dilutive share options	(0.31)	0.40	0.14
<b>Diluted earnings/(loss) per share - continuing and discontinued operations</b>	<b>22.90</b>	<b>(19.41)</b>	<b>(5.59)</b>

The adjusted diluted earnings per share figure has been disclosed since the directors consider it to give an indication of the underlying trading performance.

## Euromoney Institutional Investor PLC

### Notes to the Condensed Consolidated Interim Financial Report *continued*

#### 9 Acquisitions

##### *Increase in equity holdings*

In October 2009, the group purchased the final 5% of the equity share capital of Coaltrans Conferences Limited for a cash consideration of £1,341,000.

In January 2010, the group exercised its option to purchase the final 10.8% of the equity share capital of Total Derivatives Limited for a cash consideration of £1,820,000. The group's equity shareholding in Total Derivatives Limited increased to 100%.

In February 2010, the group purchased the final 15% of the equity share capital of TelCap Limited for a cash consideration of £5,691,000. The group's equity shareholding in TelCap Limited increased to 100%.

Also in February 2010, the group purchased a further 1% of the equity share capital of Internet Securities, Inc. (ISI) for a cash consideration of \$2,654,000 (£1,744,000). The group's equity shareholding in ISI increased to 98.7%.

In March 2010, the group, through ISI, acquired the final 49% interest in Benchmark Financials Limited (BPR) for a consideration of \$1,479,000 (£972,000) paid in April 2010. The group's equity shareholding in BPR increased to 100%.

#### 10 Net debt

	<b>Unaudited six months ended March 31 2010 £000's</b>	Unaudited six months ended March 31 2009 £000's	Audited year ended Sept 30 2009 £000's
Net debt at beginning of period	(165,060)	(171,994)	(171,994)
Increase/(decrease) in cash and cash equivalents	975	(2,914)	(10,688)
(Increase)/decrease in amounts owed to DMGT group company	(7,677)	(6,617)	33,336
Redemption of loan notes	302	534	1,767
Interest paid on loan notes	27	213	291
Other non-cash changes	(20)	(2,884)	(4,748)
Effect of foreign exchange rate movements	(6,634)	(31,036)	(13,024)
<b>Net debt at end of period</b>	<b>(178,087)</b>	<b>(214,698)</b>	<b>(165,060)</b>
<b>Net debt comprises:</b>			
Cash at bank and in hand	14,712	21,149	12,545
Bank overdrafts	(869)	(544)	(482)
<b>Total cash and cash equivalents</b>	<b>13,843</b>	<b>20,605</b>	<b>12,063</b>
Committed loan facility	(186,520)	(228,326)	(171,404)
Loan notes	(5,410)	(6,977)	(5,719)
<b>Net debt</b>	<b>(178,087)</b>	<b>(214,698)</b>	<b>(165,060)</b>

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

The group has a \$400 million dedicated multi-currency borrowing facility with Daily Mail and General Trust plc group. The facility is divided into four tranches of sterling and US dollar funds with three and five year terms with a total maximum borrowing capacity of \$310 million (£204 million) and £59 million. Interest is payable on this facility at a variable rate of between 1.3% and 3.0% above LIBOR dependant on the ratio of adjusted net debt to EBITDA. The facility's covenant requires the group's net debt to be no more than four times adjusted EBITDA on a rolling 12 month basis. Failure to satisfy this covenant would result in the group being in breach of the facility, potentially resulting in the facility being withdrawn or impediment of management decision making by the lender. Management regularly monitor the covenant and prepare detailed debt forecasts to ensure that sufficient headroom is available and that the covenants are not close or potentially close to breach. At March 31 2010, the group's net debt to adjusted EBITDA was 1.89 times and the uncommitted undrawn facility available to the group was £76.8 million (March 2009: £46.9 million, September 2009: £81.4 million). The three year tranches of the facility are due for renewal in December 2011 and the five year tranches in December 2013.

The group's strategy is to use excess operating cash to pay down its debt. The group generally has an annual cash conversion rate (the percentage by which cash generated from operations covers operating profit before acquired intangible amortisation, long term incentive expense, and exceptional items) of over 100% due to much of its subscription, sponsorship and delegate revenue being paid in advance. However, at interim periods the group's cash conversion rate is lower due to the timing of profit share and incentive payments which are paid in the first half of the year following the year in which they were earned. For the six months to March 31, 2010 the group's cash conversion rate was 88% (2009: 66%).

## Euromoney Institutional Investor PLC

### Notes to the Condensed Consolidated Interim Financial Report *continued*

#### 11 Deferred income

	<b>Unaudited six months ended March 31 2010 £000's</b>	Unaudited six months ended March 31 2009 £000's	Audited* year ended Sept 30 2009 £000's
Deferred subscription income	75,989	71,656	66,944
Other deferred income	<u>23,590</u>	<u>20,458</u>	<u>15,655</u>
	<u><b>99,579</b></u>	<u><b>92,114</b></u>	<u><b>82,599</b></u>

\*This analysis of deferred income was not included in the audited financial statements for the year ended September 30 2009. The directors, however, believe it provides a useful indication of the development of the group and intend to disclose this analysis in the 2010 full year financial statements.

#### 12 Called up share capital

	<b>Unaudited six months ended March 31 2010 £000's</b>	Unaudited six months ended March 31 2009 £000's	Audited year ended Sept 30 2009 £000's
<b>Allotted, called up and fully paid</b>			
117,116,331 ordinary shares of 0.25p each			
(March 2009: 111,516,188 ordinary shares of 0.25p each)			
(September 2009: 113,757,463 ordinary shares of 0.25p each)			
	<u><b>293</b></u>	<u><b>279</b></u>	<u><b>284</b></u>

During the period 3,358,868 ordinary shares with a nominal value of 0.25p each and an aggregate nominal value of £8,397 were issued as follows: 1,639,315 ordinary shares under the company's 2009 scrip dividend alternative for a cash consideration of £nil and 1,719,553 ordinary shares following the exercise of share options granted under the company's share option schemes for a cash consideration of £288,166.

#### 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. Two of these writs have been discontinued. The total outstanding amount claimed on the two remaining writs is Malaysian ringgits 82.0 million (£16,562,000). 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.

## Euromoney Institutional Investor PLC

### Notes to the Condensed Consolidated Interim Financial Report *continued*

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#### 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 2010 the amounts owing under the facility were: \$213,946,000 (£141,041,000) (March 2009: \$268,663,000 (£187,431,000), September 2009: \$238,488,000 (£149,111,000)), and £45,479,000 (March 2009: £40,895,000, September 2009: £22,293,000). A commitment fee of £175,000 (March 2009: £134,000, September 2009: £319,000) was payable on the unused portion of the available facility.
- (ii) The group expensed £154,000 (March 2009: £222,000, September 2009: £324,000) for services provided by Daily Mail and General Trust plc.
- (iii) At March 31 2010 the group had £162,367,000 (March 2009: £185,528,000, September 2009: £143,290,000) of fixed rate interest rate swaps outstanding with Daily Mail and General Holdings Limited comprising: \$175,000,000 (March 2009: \$200,000,000, September 2009: \$170,000,000) at interest rates between 1.5% and 5.4% and termination dates between September 30 2010 and March 28 2013; and £47,000,000 (March 2009: £46,000,000, September 2009: £37,000,000) at interest rates between 0.9% and 6.2% and termination dates between September 30 2010 and March 28 2013.

During the period the group paid \$3,211,000 (March 2009: \$1,809,000, September 2009: \$4,721,000) and £943,000 (March 2009: £275,000, September 2009: £1,226,000) of interest to Daily Mail and General Holdings Limited and related companies in respect of interest rate swaps.

- (iv) In September 2008, the group agreed a new loan facility from Daily Mail & General Investment Limited and provided the same loan facility to Bouverie Holdings Inc, a DMGT group company. In the six months to March 2010 the group did not make or receive any payments, including principal and interest, under these facilities (March 2009: \$40,315,000 (£29,935,000)). There were no amounts outstanding at the end of March 2010, March 2009 or September 2009.
- (v) In April 2008, the group agreed a loan facility from Daily Mail and General Holdings Limited and granted a loan facility to Harmsworth Quays Printing Limited. During the period the group paid £nil (March 2009 and September 2009: £153,448,000) and received Yen nil (March 2009 and September 2009: Yen 28,407,310,000 (£197,630,000)) respectively, including principal and interest. There were no amounts outstanding at the end of March 2010, March 2009 or September 2009.

At the same time in April 2008, the group entered into a swap agreement with Harmsworth Quays Printing Limited to buy Yen 53,925,947,000 and sell £316,051,000. These swaps were closed in October 2008 with offset deals and resulted in a loss during the period of £nil (March and September 2009: £45,315,000, of which £21,409,000 was settled in the six months to March 2009). The balance outstanding at the end of March 2009 and September 2009 was £23,906,000 which was settled during the six months to March 2010. There were no amounts outstanding at the end of March 2010.

- (vi) There is an annual put option agreement over the sale of Internet Securities, Inc. (ISI) shares between the company and GG Mueller, a director of the company. The annual put option value is based on the valuation of ISI as determined by an independent financial adviser. Under the terms of the put option 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.

In February 2010, under the put option agreement, GG Mueller sold 80,000 ISI shares valued at \$16.07 for a total consideration of \$1,285,600. Also in February 2010, NF Osborn, an executive director, exercised 5,000 ISI options with an exercise price of \$8.95 and sold the shares under the above put option mechanism at \$16.07 per share for a total consideration of \$80,350 and realising a gain of \$35,600.

In February 2009, under the put option agreement, GG Mueller sold 220,000 ISI shares valued at \$12.28 for a total consideration of \$2,701,600. Also in February 2009, JC Botts, a non-executive director, exercised 6,000 ISI options with an exercise price of \$7.40 and sold the shares under the above put option mechanism at \$12.28 per share for a total consideration of \$73,680 realising a gain of \$29,290. No ISI shares or options were sold or exercised by NF Osborn in the year to September 2009.

- (vii) In October 2009, GB Strahan, a member of the group's executive committee, exercised his put option to sell his 5% equity shareholding in Coaltrans Conferences Limited (Coaltrans) to the group for a cash consideration of £1,341,000. The put option enabled GB Strahan to sell his shares at a price per share based on a predetermined multiple of Coaltrans profit per share.

## **Euromoney Institutional Investor PLC**

### **Responsibility Statement**

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

By order of the board,

**Richard Ensor**  
Director  
May 12 2010

**Colin Jones**  
Director  
May 12 2010

## **Euromoney Institutional Investor PLC**

### **Auditors' Independent Review Report to Euromoney Institutional Investor PLC**

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#### **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 2010 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows, and related notes 1 to 14. 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 Kingdom's 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 2010 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 LLP**

Chartered Accountants and Statutory Auditors  
London, United Kingdom  
May 12 2010

# Euromoney Institutional Investor PLC

## Directors and Advisors

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### Executive Directors

PM Fallon (Chairman) ‡  
PR Ensor (Managing Director) ‡  
CR Jones (Finance Director)  
NF Osborn  
DC Cohen  
SM Brady  
DE Alfano  
GG Mueller  
CHC Fordham  
JL Wilkinson  
B AL-Rehany

### Non-executive Directors

The Viscount Rothermere †‡  
Sir Patrick Sergeant ‡  
JC Botts †‡§  
JC Gonzalez §  
MWH Morgan †‡  
DP Pritchard §

† 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 LLP, 2 New Street Square, London EC4A 3BZ

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

**Brokers** UBS, 1 Finsbury Avenue, London EC2M 2PP

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

## **Euromoney Institutional Investor PLC**

### **Financial Calendar and Shareholder Information**

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<b>2010 interim results announcement</b>	Thursday May 13 2010
<b>Interim dividend ex-dividend date</b>	Wednesday May 19 2010
<b>Interim dividend record date</b>	Friday May 21 2010
<b>Announcement of the interim scrip reference price for the scrip alternative**</b>	Thursday June 10 2010
<b>Last date for receipt by the company's registrars of scrip mandate forms**</b>	Wednesday June 30 2010
<b>Payment of 2010 interim dividend</b>	Thursday July 15 2010
<b>2010 final results announcement</b>	Thursday November 11 2010
<b>Final dividend ex-dividend date</b>	Wednesday November 17 2010
<b>Final dividend record date</b>	Friday November 19 2010
<b>2011 AGM (approval of final dividend)</b>	Thursday January 20 2011
<b>Payment of final dividend</b>	Thursday February 3 2011*
<b>Loan note interest paid to holders of loan notes on:</b>	Wednesday June 30 2010 Friday December 31 2010

\* Provisional date and is subject to change.

\*\* Further information is set out in the separate scrip dividend announcement on May 13 2010 and on the company's website.

#### **Shareholder information**

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: 0871 664 0300 (Calls cost 10p per minute plus network extras)  
(from outside the UK: +44 (0) 20 8639 3399)

E-mail: [ssd@capitaregistrars.com](mailto:ssd@capitaregistrars.com)  
[www.capitaregistrars.com](http://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 prior to the redemption date.

#### **Registered office**

Nestor House  
Playhouse Yard  
Blackfriars  
London  
EC4V 5EX

#### **Company's website**

[www.euromoneyplc.com](http://www.euromoneyplc.com)