Euromoney Institutional Investor PLC

Preliminary Announcement

September 30 2012

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Chairman's Statement

Highlights	2012	2011	change
Revenue	**£394.1 m**	£363.1 m	+9%
Adjusted results			
• Adjusted operating profit	**£118.2 m**	£109.0 m	+8%
• Adjusted profit before tax	**£106.8 m**	£92.7 m	+15%
• Adjusted diluted earnings a share	**65.9 p**	56.1 p	+17%
Statutory results			
• Operating profit	**£95.9 m**	£77.8 m	+23%
• Profit before tax	**£92.4 m**	£68.2 m	+35%
• Diluted earnings a share	**55.2 p**	37.3 p	+48%
Net debt	**£30.8 m**	£119.2 m	(£88.4m)
Final dividend	**14.75 p**	12.50 p	+18%

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

- Revenues increased by 9% to £394.1m
- Adjusted profit before tax up 15% to £106.8m
- Adjusted operating margin maintained at 30% with continued investment in new products and technology
- Subscriptions account for more than 50% of revenues for the first time
- Net debt reduced by £88.4m reflecting strong cash flows and operating cash conversion
- Final dividend increased by 18% to 14.75p
- First quarter trading has started in line with board's expectations
- Uncertain macro-economic trading outlook, especially for advertising

Commenting on the results, chairman Richard Ensor said:

"The record results for the year reflect the challenging market conditions as well as the successful implementation of our strategy. Investment in online information businesses and emerging markets has created a global portfolio with a resilient business model. Subscription revenues now account for more than 50% of group revenues, and more than a third of our revenues is derived from emerging markets.

"In 2013, we will continue to invest in our products to ensure that we are well placed to benefit from any improvement in the global economy."

Highlights
Euromoney Institutional Investor PLC, the international online information and events group, achieved a record adjusted profit before tax of £106.8m for the year to September 30 2012, against £92.7m in 2011. Adjusted diluted earnings a share were 65.9p (2011: 56.1p). The directors recommend an 18% increase in the final dividend to 14.75p, giving a total for the year of 21.75p (2011: 18.75p), to be paid to shareholders on February 14 2013.

Total revenues for the year increased by 9% to £394.1m. Underlying revenues, excluding acquisitions, increased by 3%. The acquisition of Ned Davis Research (NDR) in August 2011 has helped increase the proportion of revenues generated from subscriptions to more than 50% for the first time. Headline subscription revenues increased by 17% to £199.7m and underlying subscriptions, excluding NDR, by 5%.

The adjusted operating margin was unchanged at 30%. Costs, particularly headcount, have remained tightly controlled throughout the year. At the same time, the group has increased its investment in technology and new products as part of its online growth strategy.

Chairman's Statement
continued

Net debt at September 30 was £30.8m compared with £88.5m at March 31 and £119.2m at September 30 2011. In the absence of any significant acquisitions, net debt has fallen by £88.4m since the start of the year, reflecting the group's strong cash flows and an operating cash conversion rate* in excess of 100%. The group's net debt is now at its lowest level for more than a decade and its robust balance sheet provides plenty of headroom for the group to pursue its acquisition strategy.

As highlighted in previous trading updates, market conditions became noticeably tougher from June. The uncertainty over Europe remains, as does a solution to the pending US fiscal cliff. Meanwhile global financial institutions face the combined challenges of difficult markets, increased capital requirements and a tougher regulatory environment. Inevitably they have responded by cutting costs, particularly people, and exiting some parts of their business. However, the outlook for emerging markets, which account for more than a third of the group's revenues, is more positive. The board expects this challenging trading background to continue at least into the early part of 2013.

Strategy

The group's strategy remains the building of a robust and tightly focused global online information business with an emphasis on emerging markets. This strategy is being executed through increasing the proportion of revenues derived from electronic subscription products; using technology efficiently to assist the online migration of the group's print products as well as developing new electronic information services; investing in products of the highest quality; eliminating products with a low margin or too high a dependence on print advertising; maintaining tight cost control at all times; retaining and fostering an entrepreneurial culture; and using a healthy balance sheet and strong cash flows to fund selective acquisitions.

Driving revenue growth from existing as well as new products is a key part of the group's strategy. Since 2010, the group has been investing heavily in technology and content delivery platforms, particularly for the mobile user, and in new digital products as part of its transition to an online information business. In 2012, as in 2011, the group spent approximately £10m on this transition. This level of expenditure is expected to continue in 2013. In addition, the group has recently started work on a project to build a new platform for authoring, storing and presenting its content, with a view to both improving the quality of its existing subscription products and increasing the speed to market of new online information services. This project is expected to have a capital cost of approximately £6m in 2013.

Acquisitions remain a key part of the group's strategy. The most recent was the purchase of Global Grain for £5.7m in February. Global Grain's main asset, *Global Grain Geneva,* is the world's leading event for international grain traders. The event is held in November each year and is on track to exceed last year's attendance by at least 10%, while an event for the Asia-Pacific region was launched successfully in March and two further new events are planned for 2013.

While the market for acquisitions of specialist online information businesses remains competitive and valuations challenging, the group will continue to use its robust balance sheet and strong cash flows to pursue further transactions in 2013.

Trading Review

Total revenues for the year increased by 9% to £394.1m. After a 13% increase in the first half, the headline rate of revenue growth dropped to 5% in the second as markets became tougher and the impact of the acquisition of NDR in August 2011 diminished. Underlying revenues, excluding NDR, increased by 1% in the second half against 6% in the first.

	2012	2011		**Headline change**		Change at constant exchange rates
Revenues	**£m**	£m	H1	H2	Year	Year
Subscriptions	**199.7**	171.0	22%	12%	17%	16%
Advertising	**58.4**	62.7	(9%)	(5%)	(7%)	(8%)
Sponsorship	**47.6**	48.8	1%	(5%)	(2%)	(4%)
Delegates	**80.1**	75.0	19%	(4%)	7%	6%
Other/closed	**9.7**	9.4	-	5%	3%	2%
Foreign exchange losses on forward currency contracts	**(1.4)**	(3.8)	-	-	-	-
Total revenue	**394.1**	363.1	13%	5%	9%	8%
Less: revenue from acquisitions	**(24.3)**	(4.6)				
Underlying revenue	**369.8**	358.5	6%	1%	3%	2%

Chairman's Statement
continued

Subscriptions increased by 17% to nearly £200m and accounted for more than half the group's revenues for the first time. Underlying subscription revenues, excluding NDR, increased by 5%, with the growth driven largely by the group's electronic information services such as BCA Research and CEIC Data.

The 7% fall in advertising revenues reflects two very different trends. Financial titles have experienced falls of as much as 20% in the face of deep cuts by global financial institutions. But this has been partly offset by increases in online advertising, a greater appetite for print advertising from emerging markets and growth in advertising from sectors outside finance, particularly energy.

Event revenues broadly comprise an equal mix of sponsorship and paying delegates. Event sponsorship, which is heavily financial market focussed, has suffered in a similar way to advertising, although to a lesser degree. Events, particularly those outside the financial sector which tend to be more delegate driven, performed well in the first half but growth has been more difficult to achieve in the second and some smaller events were cut.

The group derives nearly two thirds of its total revenue in US dollars and movements in the sterling-US dollar rate can have a significant impact on reported revenues. However, this was not the case in 2012 and headline revenue growth rates are similar to those at constant currency (see table above).

The group's adjusted operating margin was 30.0%, the same as 2011. The increased spend on technology and digital products has reduced margins in the publishing businesses, while in the research and data division margins have improved following investments made in the previous two years. In the face of challenging markets, costs and margins have remained tightly controlled throughout the year. Permanent headcount at September 30 was 2,133 against 2,111 a year ago, with most of the increase coming in the second half. The average headcount (including temporary staff) increased by 3% during the year, mostly due to the acquisition of NDR at the end of 2011.

Business Review

Financial Publishing: revenues fell by 8% to £77.1m and adjusted operating profits by 12% to £24.9m. Advertising, which accounts for approximately half the division's revenues, has been under pressure all year from cuts in spend by global financial institutions as well as a gradual shift away from print advertising across the sector. As a result, financial advertising fell by 13%, although the impact of more severe cuts by Wall Street banks was offset by a stronger performance from emerging markets which helped sustain titles such as *Euromoney* and *Asiamoney*. Revenues from subscription products were flat, helped by the launch of new products.

Business Publishing: the group's activities outside finance cover a number of sectors including metals, commodities, energy, telecoms and law, and provide a strong counter balance to the more volatile financial publishing division. Revenues increased by 9% to £64.6m and adjusted operating profits by 5% to £24.5m, with growth achieved from both advertising, particularly in the energy sector, and subscriptions, for which *Metal Bulletin* is the biggest driver. This year is the first that profits from Business Publishing have been similar to those from Financial Publishing.

Training: the group's training division predominantly serves the global financial sector. However, more than half its revenues are derived from emerging markets, and this has helped mitigate the impact of cuts in bank headcount and training budgets. Training revenues fell by 4% to £31.2m and adjusted operating profits by 11% to £7.0m. The decline in operating margin from 24% to 22% was largely due to the completion at the end of 2011 of a long-term training contract in Asia, and the margin in the second half recovered to 25%.

Conferences and Seminars: revenues comprise both sponsorship and paying delegates and increased by 7% to £92.3m, with adjusted operating profits up 9% to £29.0m. After a strong first half, markets became more challenging during the third quarter, the most important of the year for the events businesses. Financial market events, with a heavy emphasis on sponsorship revenues, have been under pressure from cost cutting among global financial institutions. In contrast, events in sectors outside finance, particularly in the commodities and energy sectors, have performed better. The division also generates nearly 20% of its revenues from subscriptions to membership organisations for the asset management industry, and these have continued to grow, helped by a significant investment in Institutional Investor's *Investor Intelligence Network*, a private online community for senior executives from institutional investors and asset owners worldwide.

Research and Data: revenues are derived predominantly from subscriptions and increased by 25% to £130.3m. Underlying growth, excluding NDR, was 6%. The trends seen in the first half have continued, with the main drivers of growth being BCA, the group's independent macroeconomic research house, CEIC, the emerging market data provider, and the capital market databases run as a joint venture with Dealogic. Renewal rates for all these products have held up well, although new sales have been harder to generate. Adjusted operating profits increased by 30% to £55.4m including a £9.0m contribution from NDR.

Chairman's Statement

continued

Financial Review

The adjusted profit before tax of £106.8m compares to a statutory profit before tax of £92.4m. A detailed reconciliation of the group's adjusted and statutory results is set out in the appendix to this statement. The statutory profit is generally lower than the adjusted profit before tax because of the impact of acquired intangible amortisation. Exceptional charges of £1.6m (2011: £3.3m) were incurred, mainly as a result of the restructuring of one of the group's businesses.

The long-term incentive expense of £6.3m (2011 £9.5m before additional accelerated expense of £6.6m) relates largely to the amortisation of the £30m cost of the company's CAP scheme. The reduction in this year's expense partly reflects the acceleration of cost last year following the earlier than expected vesting of CAP 2010 (see below), as well as a credit of £1.8m for options lapsing under CAP 2004. This early vesting means the CAP 2010 expense for 2013 is expected to fall to approximately £2.0m.

Adjusted net finance costs for the group's committed borrowing facility fell by £1.6m to £5.6m, reflecting the rapid reduction in net debt, most of it in the second half. The average cost of funds for the year fell to 4.8% (2011: 5.7%) as the group's cheaper floating rate debt comprised a higher portion of total debt following the acquisition of NDR.

Statutory net finance costs of £3.6m (2011: £9.6m) include a £2.9m credit for the reduction in the expected consideration payable under the option agreement to acquire the outstanding 15% minority interest in NDR. The group acquired 85% of NDR for £68.5m in August 2011 and the integration with the rest of the group, including the consolidation of the back office functions, the restructuring of the sales teams and the opening of a sales office in London was completed according to plan. However, it has taken longer than expected to convert the business to the standard subscription model used by BCA, and to expand the sales team. This, combined with difficult markets in the US, has meant that the revenue growth from NDR in 2012 has been less than that expected at the time of acquisition, although the outlook for growth in 2013 and beyond remains positive. As a result, the expected amount payable under the NDR earn-out arrangement has fallen to £7.9m, of which £4.3m is payable in 2013.

The adjusted effective tax rate for the year was 22% against 26% in 2011. The tax rate depends on the geographic mix of profits and the group has benefited this year from the reduction in the UK corporate tax rate from 26% to 24%. The effective tax rate has also benefited from an increase in the tax deduction for goodwill amortisation on acquisitions in the US, following the purchase of NDR. The UK tax rate will fall to 23% in April 2013, although this benefit will be more than offset by the expiry of the US tax deduction for goodwill amortisation from the acquisition of Institutional Investor 15 years ago.

The group continues to generate two thirds of its revenues, including approximately 30% of the revenues from its UK businesses, and more than half its operating profits in US dollars. The group hedges its exposure to the US dollar revenues in its UK businesses by using forward contracts to sell surplus US dollars. This delays the impact of movements in exchange rates for at least a 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 translation impact on overseas profits of a one cent movement in the average US dollar exchange rate is approximately £0.5m on an annualised basis. The average sterling-US dollar rate for the year was $1.58 (2011: $1.61) which increased operating profits by approximately £1.5m, most of it in the second half.

Net Debt, Cash Flow and Dividend

Net debt at September 30 was £30.8m compared with £88.5m at March 31, and has fallen by £88.4m since the start of the year. The group's net debt is now at its lowest level since the acquisition of Institutional Investor in 1997. The sharp fall in net debt during the year was helped by the offer of the scrip dividend alternative and the absence of any significant acquisitions. Cash generated from operations increased by £4.2m to £122.2m and the operating cash conversion rate* was 103% (2011: 108%). For 2013, the ending of the scrip dividend, combined with the £7.5m cash payment following the vesting of the first tranche of CAP options and an increase in technology capital expenditure, will reduce the group's free cash flows.

The group's debt is provided through a $300m (£190m) dedicated multi-currency committed facility from its parent company, Daily Mail and General Trust plc (DMGT). This facility expires in December 2013, after which the group has the option to access a further $300m facility from DMGT for the period through April 2016. The option to take up this facility must be exercised by November 2013.

The company's policy is to distribute a third of its after-tax earnings by way of dividends each year. Pursuant to this policy, the board recommends a final dividend of 14.75p a share (2011: 12.50p) giving a total dividend for the year of 21.75p a share (2011: 18.75p). Last year the additional accelerated CAP expense of £6.6m was not charged against earnings for dividend purposes. As explained at the time, this expense would instead be charged against earnings for dividend purposes over the period to which it originally related. Accordingly, earnings for dividend purposes were reduced by £1.1m in 2012, and will be similarly reduced by £4.0m in 2013 and £1.5m in 2014.

The final dividend will be paid on February 14 2013 to shareholders on the register at November 23 2012. As announced at the time of the interim results, acceptance levels for the scrip dividend alternative have been low and the company will no longer be offering a scrip dividend.

Chairman's Statement
continued

Capital Appreciation Plan (CAP)
The CAP is the group's long-term incentive scheme designed to retain and reward those who drive profit growth and is an integral part of the group's successful growth and investment strategy.
The terms of CAP 2010 broadly required an adjusted profit before tax (and before CAP expense) of £100m to be achieved, from a base profit of £62.3m in 2009, within the four year period ending in September 2013. The strong financial performance of the group meant the initial CAP profit target was achieved in 2011, two years earlier than expected. The CAP profit target for 2012 was increased to £105m following the acquisition of NDR, and this target has also been achieved.

Although the CAP profit target was first achieved in 2011, the rules of the plan prevent CAP options from vesting more than one year early. Individual CAP awards were therefore based on the profits for 2012, creating a strong incentive for profit growth this year. Accordingly, the first 50% of CAP awards will vest in February 2013 and be satisfied by the issue of approximately 3.5 million new ordinary shares and £15m in cash. The second 50% of CAP awards is subject to an additional performance test for 2013 and will vest in February 2014 provided the additional performance test is satisfied, thereby providing further incentive for profit growth in 2013.

The board believes the CAP has been an important driver of the fivefold increase in the group's profits since it was introduced in 2004. Subject to shareholder approval, the board expects to put a new long-term incentive plan in place from 2014.

Management
On October 15 2012, the company announced the sad news of the death of its chairman, Padraic Fallon, after a long battle with cancer. He had worked for the company for nearly 40 years and been executive chairman since 1992.

Mr Fallon had already announced his intention to retire at the AGM in January 2013, and a succession plan was announced in August after consultation with shareholders. Under this plan, I would assume the role of executive chairman and Christopher Fordham, an executive director since 2003 and the director responsible for the group's acquisition strategy, would take over my responsibilities as managing director. This succession plan has now been implemented. Further changes to the board are anticipated over the next few months, including the appointment of at least one new independent non-executive director.

Outlook
The uncertainty over Europe remains, as does a solution to the pending US fiscal cliff. Meanwhile global financial institutions face the combined challenges of difficult markets, increased capital requirements and a tougher regulatory environment. Inevitably they have responded by cutting costs, particularly people, and exiting some parts of their business. The board expects this challenging trading background to continue at least into the early part of 2013.

Subscriptions account for half the group's revenues and therefore provide some protection against weak markets in 2013, as does the group's reliance on emerging markets for more than a third of its revenues. However, the negative trends in advertising and delegate revenues in the last quarter are expected to continue into the first quarter of financial year 2013, although the outlook for event sponsorship is more positive. First quarter trading has started in line with the board's expectations but as usual at this time, forward revenue visibility beyond the first quarter is limited, other than for subscriptions.

For 2013, the group plans to continue its programme of investing in the digital transformation of its publishing businesses and in improving the quality of its products. The board is confident its strategy for investing in new products and digital publishing and using its strong balance sheet to fund acquisitions, its exposure to emerging markets, and its tight control of operating costs will continue to sustain it through these difficult market conditions. As the world economy begins an albeit slow recovery, financial and other markets will also gradually improve, enhancing our prospects.

Richard Ensor
Chairman
November 14 2012

*The operating cash conversion rate is the percentage by which cash generated from operations covers adjusted operating profit.

END

Chairman's Statement

continued

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NOTE TO EDITORS

Euromoney Institutional Investor PLC (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 in both print and on-line format including *Euromoney, Institutional Investor* and *Metal Bulletin,* and is a leading provider of electronic research and data under the BCA Research, Ned Davis Research and ISI Emerging Markets brands. It also runs an extensive portfolio of conferences, seminars and training courses for financial markets. The group's main offices are in London, New York, Montreal and Hong Kong and more than a third of its revenues is derived from emerging markets.

Appendix to Chairman's Statement

Reconciliation of Consolidated Income Statement to adjusted results for the year ended September 30 2012
The reconciliation below sets out the adjusted 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 adjusted trading performance.

	Notes	Adjusted £000's	Adjust-ments £000's	2012 Total £000's	Adjusted £000's	Adjust-ments £000's	2011 Total £000's
Total revenue	2	**394,144**	**-**	**394,144**	363,142	-	363,142
Operating profit before acquired intangible amortisation, long-term incentive expense and exceptional items	2	**118,175**	**-**	**118,175**	108,967	-	108,967
Acquired intangible amortisation	10	**-**	**(14,782)**	**(14,782)**	-	(12,221)	(12,221)
Long-term incentive expense		**(6,301)**	**-**	**(6,301)**	(9,491)	-	(9,491)
Additional accelerated long-term incentive expense	4	**-**	**-**	**-**	-	(6,603)	(6,603)
Exceptional items	3	**-**	**(1,617)**	**(1,617)**	-	(3,295)	(3,295)
Operating profit before associates		**111,874**	**(16,399)**	**95,475**	99,476	(22,119)	77,357
Share of results in associates		**459**	**-**	**459**	408	-	408
Operating profit		**112,333**	**(16,399)**	**95,934**	99,884	(22,119)	77,765
Finance income	5	**1,500**	**2,975**	**4,475**	1,761	-	1,761
Finance expense	5	**(7,064)**	**(977)**	**(8,041)**	(8,961)	(2,368)	(11,329)
Net finance costs		**(5,564)**	**1,998**	**(3,566)**	(7,200)	(2,368)	(9,568)
Profit before tax		**106,769**	**(14,401)**	**92,368**	92,684	(24,487)	68,197
Tax expense on profit	6	**(23,359)**	**831**	**(22,528)**	(24,164)	1,637	(22,527)
Profit after tax		**83,410**	**(13,570)**	**69,840**	68,520	(22,850)	45,670
Attributable to:							
Equity holders of the parent		**83,242**	**(13,570)**	**69,672**	68,441	(22,850)	45,591
Equity non-controlling interests		**168**	**-**	**168**	79	-	79
		83,410	**(13,570)**	**69,840**	68,520	(22,850)	45,670
Diluted earnings per share - continuing operations	8	**65.91p**	**(10.74)p**	**55.17p**	56.05p	(18.71)p	37.34p

Adjusted figures are presented before the impact of amortisation of acquired intangible assets (comprising trademarks and brands, databases and customer relationships), the additional accelerated long-term incentive expense, restructuring and other exceptional operating costs, movements in acquisition deferred consideration, and net movements in acquisition option commitment values. In respect of earnings, adjusted 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 3, 4, 5, 6, 8 and 10 to the Preliminary Statement.

Consolidated Income Statement

for the year ended September 30 2012

	Notes	**2012 £000's**	2011 £000's
Total revenue	2	**394,144**	363,142
Operating profit before acquired intangible amortisation, long-term incentive expense and exceptional items	2	**118,175**	108,967
Acquired intangible amortisation	10	**(14,782)**	(12,221)
Long-term incentive expense		**(6,301)**	(9,491)
Additional accelerated long-term incentive expense	4	**-**	(6,603)
Exceptional items	3	**(1,617)**	(3,295)
Operating profit before associates		**95,475**	77,357
Share of results in associates		**459**	408
Operating profit		**95,934**	77,765
Finance income	5	**4,475**	1,761
Finance expense	5	**(8,041)**	(11,329)
Net finance costs	5	**(3,566)**	(9,568)
Profit before tax		**92,368**	68,197
Tax expense on profit	6	**(22,528)**	(22,527)
Profit after tax		**69,840**	45,670
Attributable to:			
Equity holders of the parent		**69,672**	45,591
Equity non-controlling interests		**168**	79
		69,840	45,670
Basic earnings per share - continuing operations	8	**56.74p**	38.02p
Diluted earnings per share - continuing operations	8	**55.17p**	37.34p
Adjusted basic earnings per share	8	**67.79p**	57.09p
Adjusted diluted earnings per share	8	**65.91p**	56.05p
Dividend per share (including proposed dividends)	7	**21.75p**	18.75p

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

Consolidated Statement of Comprehensive Income

for the year ended September 30 2012

	2012	2011
	£000's	£000's
Profit after tax	**69,840**	45,670
Change in fair value of cash flow hedges	**3,913**	(1,340)
Transfer of loss on cash flow hedges from fair value reserves to Income Statement:		
Foreign exchange losses in total revenue	**3,382**	4,398
Foreign exchange losses/(gains) in operating profit	**184**	(695)
Interest rate swap losses in interest payable on committed borrowings	**1,251**	3,985
Net exchange differences on translation of net investments in overseas subsidiary undertakings	**(13,650)**	9,330
Net exchange differences on foreign currency loans	**5,886**	(5,691)
Actuarial losses on defined benefit pension schemes	**(3,398)**	(1,032)
Tax on items taken directly to equity	**(727)**	1,395
Other comprehensive (expense)/income for the year	**(3,159)**	10,350
Total comprehensive income for the year	**66,681**	56,020
Attributable to:		
Equity holders of the parent	**65,675**	55,923
Equity non-controlling interests	**1,006**	97
	66,681	56,020

Consolidated Statement of Financial Position

as at September 30 2012

	Notes	2012 £000's	2011 £000's
Non-current assets			
Intangible assets			
Goodwill	10	**333,065**	336,632
Other intangible assets	10	**136,243**	153,410
Property, plant and equipment		**17,982**	20,390
Investments		**735**	-
Deferred tax assets		**7,344**	13,216
Derivative financial instruments		**296**	218
		495,665	523,866
Current assets			
Trade and other receivables		**65,952**	71,417
Current income tax assets		**2,678**	9,803
Cash at bank and in hand		**13,544**	14,046
Derivative financial instruments		**2,715**	1,126
		84,889	96,392
Current liabilities			
Acquisition option commitments		**(4,273)**	(852)
Trade and other payables		**(27,700)**	(29,970)
Liability for cash-settled options		**(7,768)**	-
Current income tax liabilities		**(9,076)**	(8,044)
Group relief payable		**-**	(1,063)
Accruals		**(54,170)**	(56,249)
Deferred income	11	**(105,106)**	(105,507)
Derivative financial instruments		**(656)**	(6,275)
Provisions		**(2,037)**	(810)
Committed loan facility		**-**	(58,516)
Loan notes		**(1,228)**	(1,617)
Bank overdrafts		**-**	(1,549)
		(212,014)	(270,452)
Net current liabilities		**(127,125)**	(174,060)
Total assets less current liabilities		**368,540**	349,806
Non-current liabilities			
Acquisition option commitments		**(3,595)**	(10,149)
Liability for cash-settled options and other non-current liabilities		**(6,966)**	(11,039)
Preference shares		**(10)**	(10)
Committed loan facility		**(43,154)**	(71,543)
Deferred tax liabilities		**(16,975)**	(22,225)
Net pension deficit		**(4,757)**	(1,899)
Derivative financial instruments		**(241)**	(1,970)
Provisions		**(4,918)**	(5,396)
		(80,616)	(124,231)
Net assets		**287,924**	225,575
Shareholders' equity			
Called up share capital	12	**311**	303
Share premium account		**99,485**	82,124
Other reserve		**64,981**	64,981
Capital redemption reserve		**8**	8
Own shares		**(74)**	(74)
Reserve for share-based payments		**36,055**	33,725
Fair value reserve		**(18,152)**	(32,768)
Translation reserve		**40,728**	55,216
Retained earnings		**58,033**	16,218
Equity shareholders' surplus		**281,375**	219,733
Equity non-controlling interests		**6,549**	5,842
Total equity		**287,924**	225,575

Consolidated Statement of Changes in Equity

for the year ended September 30 2012

	Share capital £000's	Share premium account £000's	Other reserve £000's	Capital redemption reserve £000's	Own shares £000's	Reserve 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
At September 30 2011	303	82,124	64,981	8	(74)	33,725	(32,768)	55,216	16,218	219,733	5,842	225,575
Retained profit for the year	-	-	-	-	-	-	-	-	69,672	69,672	168	69,840
Change in fair value of cash flow hedges	-	-	-	-	-	-	3,913	-	-	3,913	-	3,913
Transfer of loss on cash flow hedges from fair value reserves to Income Statement												
Foreign exchange losses in total revenue	-	-	-	-	-	-	3,382	-	-	3,382	-	3,382
Foreign exchange losses in operating profit	-	-	-	-	-	-	184	-	-	184	-	184
Interest rate swap losses in interest payable on committed borrowings	-	-	-	-	-	-	1,251	-	-	1,251	-	1,251
Net exchange differences on translation of net investments in overseas subsidiary undertakings	-	-	-	-	-	-	-	(14,488)	-	(14,488)	838	(13,650)
Net exchange differences on foreign currency loans	-	-	-	-	-	-	5,886	-	-	5,886	-	5,886
Actuarial losses on defined benefit pension schemes	-	-	-	-	-	-	-	-	(3,398)	(3,398)	-	(3,398)
Tax on items taken directly to equity	-	-	-	-	-	-	-	-	(727)	(727)	-	(727)
Total comprehensive income for the year	-	-	-	-	-	-	14,616	(14,488)	65,547	65,675	1,006	66,681
Exercise of acquisition option commitments	-	-	-	-	-	-	-	-	62	62	(62)	-
Credit for share-based payments	-	-	-	-	-	2,330	-	-	-	2,330	-	2,330
Scrip/cash dividends paid	6	16,304	-	-	-	-	-	-	(23,794)	(7,484)	(299)	(7,783)
Exercise of share options	2	1,057	-	-	-	-	-	-	-	1,059	62	1,121
At September 30 2012	311	99,485	64,981	8	(74)	36,055	(18,152)	40,728	58,033	281,375	6,549	287,924

The investment in own shares is held by the Euromoney Employees' Share Ownership Trust (ESOT). At September 30 2012 the ESOT held 58,976 shares (2011: 58,976 shares) carried at a historic cost of £1.25 per share with a market value of £454,000 (2011: £363,000). The trust waived the rights to receive dividends. Interest and administrative costs are charged to the profit and loss account of the ESOT as incurred.

The other reserve represents the share premium arising on the shares issued for the purchase of Metal Bulletin plc in October 2006.

Consolidated Statement of Changes in Equity continued

for the year ended September 30 2011

	Share capital £000's	Share premium account £000's	Other reserve £000's	Capital redemption reserve £000's	Own shares £000's	Reserve 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
At September 30 2010	296	66,082	64,981	8	(74)	25,658	(33,425)	45,904	53	169,483	-	169,483
Retained profit for the year	-	-	-	-	-	-	-	-	45,591	45,591	79	45,670
Change in fair value of cash flow hedges	-	-	-	-	-	-	(1,340)	-	-	(1,340)	-	(1,340)
Transfer of loss on cash flow hedges from fair value reserves to Income Statement:												
Foreign exchange losses in total revenue	-	-	-	-	-	-	4,398	-	-	4,398	-	4,398
Foreign exchange gains in operating profit	-	-	-	-	-	-	(695)	-	-	(695)	-	(695)
Interest rate swap losses in interest payable on committed borrowings	-	-	-	-	-	-	3,985	-	-	3,985	-	3,985
Net exchange differences on translation of net investments in overseas subsidiary undertakings	-	-	-	-	-	-	-	9,312	-	9,312	18	9,330
Net exchange differences on foreign currency loans	-	-	-	-	-	-	(5,691)	-	-	(5,691)	-	(5,691)
Actuarial losses on defined benefit pension schemes	-	-	-	-	-	-	-	-	(1,032)	(1,032)	-	(1,032)
Tax on items taken directly to equity	-	-	-	-	-	-	-	-	1,395	1,395	-	1,395
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**657**	**9,312**	**45,954**	**55,923**	**97**	**56,020**
Change in ownership of subsidiaries	-	-	-	-	-	-	-	-	1,091	1,091	(208)	883
Recognition of acquisition option commitments	-	-	-	-	-	-	-	-	(9,451)	(9,451)	-	(9,451)
Non-controlling interest recognised on acquisition	-	-	-	-	-	-	-	-	-	-	5,981	5,981
Exercise of acquisition option commitments	-	-	-	-	-	-	-	-	19	19	(19)	-
Credit for share-based payments	-	-	-	-	-	8,067	-	-	-	8,067	-	8,067
Scrip/cash dividends paid	6	15,325	-	-	-	-	-	-	(21,448)	(6,117)	(28)	(6,145)
Exercise of share options	1	717	-	-	-	-	-	-	-	718	19	737
At September 30 2011	**303**	**82,124**	**64,981**	**8**	**(74)**	**33,725**	**(32,768)**	**55,216**	**16,218**	**219,733**	**5,842**	**225,575**

Consolidated Statement of Cash Flows

for the year ended September 30 2012

	2012 £000's	2011 £000's
Cash flow from operating activities		
Operating profit	**95,934**	77,765
Share of results in associates	**(459)**	(408)
Acquired intangible amortisation	**14,782**	12,221
Licences and software amortisation	**339**	302
Long-term incentive expense	**6,301**	16,094
Intangible impairment	**-**	120
Depreciation of property, plant and equipment	**3,408**	2,651
Loss on disposal of property, plant and equipment	**53**	11
Increase in provisions	**844**	1,033
Operating cash flows before movements in working capital	**121,202**	109,789
Decrease/(increase) in receivables	**4,905**	(7,464)
(Decrease)/increase in payables	**(3,932)**	15,645
Cash generated from operations	**122,175**	117,970
Income taxes paid	**(11,065)**	(27,022)
Group relief tax paid	**(4,204)**	-
Net cash from operating activities	**106,906**	90,948
Investing activities		
Dividends paid to non-controlling interests	**(299)**	(28)
Dividends received from associate	**291**	656
Interest received	**306**	293
Purchase of intangible assets	**(819)**	(557)
Purchase of property, plant and equipment	**(1,665)**	(2,112)
Proceeds from disposal of property, plant and equipment	**2**	95
Payment following working capital adjustment from purchase of subsidiary	**(1,151)**	-
Purchase of subsidiary undertaking	**(5,099)**	(64,773)
Purchase of associate	**(567)**	-
Net cash used in investing activities	**(9,001)**	(66,426)
Financing activities		
Dividends paid	**(7,484)**	(6,117)
Interest paid	**(5,218)**	(6,644)
Interest paid on loan notes	**(12)**	(17)
Issue of new share capital	**1,059**	718
Payment of acquisition deferred consideration	**(612)**	(2,423)
Purchase of additional interest in subsidiary undertakings	**(924)**	(50)
Proceeds from disposal of interest in subsidiary undertakings	**-**	891
Proceeds received from non-controlling interest	**1,828**	-
Settlement of derivative assets/liabilities	**(332)**	(746)
Redemption of loan notes	**(386)**	(420)
Loan repaid to DMGT group company	**(139,067)**	(506,567)
Loan received from DMGT group company	**54,700**	498,067
Net cash used in financing activities	**(96,448)**	(23,308)
Net increase in cash and cash equivalents	**1,457**	1,214
Cash and cash equivalents at beginning of year	**12,497**	11,190
Effect of foreign exchange rate movements	**(410)**	93
Cash and cash equivalents at end of year	**13,544**	12,497

Note to the Consolidated Statement of Cash Flows

Net Debt	**2012**	2011
	£000's	£000's
Net debt at beginning of year	**(119,179)**	(128,757)
Increase in cash and cash equivalents	**1,457**	1,214
Decrease in amounts owed to DMGT group company	**84,367**	8,500
Redemption of loan notes	**386**	420
Interest paid on loan notes	**12**	17
Accrued interest on loan notes	**(9)**	(15)
Effect of foreign exchange rate movements	**2,128**	(558)
Net debt at end of year	**(30,838)**	(119,179)
Net debt comprises:		
Cash at bank and in hand	**13,544**	14,046
Bank overdrafts	**-**	(1,549)
Total cash and cash equivalents	**13,544**	12,497
Committed loan facility	**(43,154)**	(130,059)
Loan notes	**(1,228)**	(1,617)
Net debt	**(30,838)**	(119,179)

Notes to the Preliminary Statement

1 Basis of preparation

The financial information set out in this announcement is based on the group's financial statements which are prepared in accordance with International Financial Reporting Standards as adopted for use in the EU. This financial information does not constitute the group's statutory accounts for the year ended September 30 2012 or 2011 but is derived from those accounts. Statutory accounts for 2011 have been delivered to the Registrar of Companies, and those for 2012 will be delivered following the company's annual general meeting. The auditors have reported on those accounts; their report was unqualified and did not draw attention to any matters by way of emphasis without qualifying their report and did not contain a statement under s498 (2) or (3) 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 report. The group meets its day-to-day working capital requirements through its US$300 million dedicated multi-currency borrowing facility with Daily Mail and General Trust plc group (DMGT). The facility is divided into US dollar and sterling funds with a total maximum borrowing capacity of US$250 million (£155 million) and £33 million respectively and matures in December 2013. 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 September 30 2012, the group's net debt to adjusted EBITDA covenant was 0.27 times and the committed undrawn facility available to the group was £144.7 million.

In addition, the group has agreed terms with DMGT that provide it with access to US$300 million of funding should the group require it during the period from December 2013 through April 2016.

The group's forecasts and projections, looking out to September 2015 and 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 annual report.

2 Segmental analysis

	United Kingdom		North America		Rest of World		Eliminations		Total	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
	£000's	£000's	**£000's**	£000's	**£000's**	£000's	**£000's**	£000's	**£000's**	£000's
Revenue										
by division and source:										
Financial publishing	**48,077**	50,235	**31,925**	35,970	**2,487**	2,403	**(5,400)**	(4,824)	**77,089**	83,784
Business publishing	**46,027**	43,118	**18,924**	16,397	**1,879**	1,702	**(2,185)**	(1,725)	**64,645**	59,492
Training	**20,492**	19,670	**7,584**	7,854	**3,317**	5,264	**(181)**	(250)	**31,212**	32,538
Conferences and seminars	**38,418**	37,752	**42,778**	40,901	**11,181**	7,680	**(76)**	(87)	**92,301**	86,246
Research and data	**17,079**	15,341	**87,554**	63,822	**25,772**	25,203	**(120)**	(47)	**130,285**	104,319
Sold/closed businesses	**-**	-	**-**	-	**-**	534	**-**	-	**-**	534
Corporate revenue	**5**	6	**-**	-	**-**	6	**(5)**	(12)	**-**	-
Foreign exchange losses on forward contracts	**(1,388)**	(3,771)	**-**	-	**-**	-	**-**	-	**(1,388)**	(3,771)
Total revenue	**168,710**	162,351	**188,765**	164,944	**44,636**	42,792	**(7,967)**	(6,945)	**394,144**	363,142
Investment income (note 5)	**3**	12	**4**	4	**146**	158	**-**	-	**153**	174
Total revenue and investment income	**168,713**	162,363	**188,769**	164,948	**44,782**	42,950	**(7,967)**	(6,945)	**394,297**	363,316

Notes to the Preliminary Statement
continued

2 Segmental analysis *continued*

	United Kingdom		North America		Rest of World		Total	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
	£000's	£000's	**£000's**	£000's	**£000's**	£000's	**£000's**	£000's
Revenue								
by type and destination:								
Subscriptions	**33,685**	30,207	**99,455**	78,870	**66,588**	61,890	**199,728**	170,967
Advertising	**8,303**	9,259	**22,963**	24,167	**27,091**	29,228	**58,357**	62,654
Sponsorship	**6,605**	8,797	**19,833**	18,962	**21,160**	21,055	**47,598**	48,814
Delegates	**7,085**	9,254	**20,833**	20,066	**52,227**	45,689	**80,145**	75,009
Other	**2,025**	1,691	**4,736**	4,242	**2,943**	3,002	**9,704**	8,935
Sold/closed businesses	**-**	-	**-**	-	**-**	534	**-**	534
Foreign exchange losses on forward contracts	**(1,388)**	(3,771)	**-**	-	**-**	-	**(1,388)**	(3,771)
Total revenue	**56,315**	55,437	**167,820**	146,307	**170,009**	161,398	**394,144**	363,142

	United Kingdom		North America		Rest of World		Total	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
	£000's	£000's	**£000's**	£000's	**£000's**	£000's	**£000's**	£000's
Operating profit[1]								
by division and source:								
Financial publishing	**17,800**	19,613	**6,451**	8,073	**600**	508	**24,851**	28,194
Business publishing	**16,768**	17,233	**7,714**	5,799	**16**	340	**24,498**	23,372
Training	**5,285**	4,887	**1,288**	1,335	**449**	1,631	**7,022**	7,853
Conferences and seminars	**12,652**	12,626	**13,328**	12,202	**3,067**	1,733	**29,047**	26,561
Research and data	**9,177**	8,915	**40,403**	28,325	**5,805**	5,236	**55,385**	42,476
Sold/closed businesses	**-**	-	**-**	1	**(40)**	(162)	**(40)**	(161)
Unallocated corporate costs	**(20,789)**	(17,676)	**(1,157)**	(1,152)	**(642)**	(500)	**(22,588)**	(19,328)
Operating profit before acquired intangible amortisation, long-term incentive expense and exceptional items	**40,893**	45,598	**68,027**	54,583	**9,255**	8,786	**118,175**	108,967
Acquired intangible amortisation[2]	**(2,986)**	(3,259)	**(11,681)**	(8,441)	**(115)**	(521)	**(14,782)**	(12,221)
Long-term incentive expense	**(1,796)**	(5,284)	**(3,705)**	(3,897)	**(800)**	(310)	**(6,301)**	(9,491)
Accelerated long-term incentive	**-**	(3,604)	**-**	(2,781)	**-**	(218)	**-**	(6,603)
Exceptional items (note 3)	**(49)**	(120)	**(905)**	(2,574)	**(663)**	(601)	**(1,617)**	(3,295)
Operating profit before associates	**36,062**	33,331	**51,736**	36,890	7,677	7,136	**95,475**	77,357
Share of results in associates							**459**	408
Finance income (note 5)							**4,475**	1,761
Finance expense (note 5)							**(8,041)**	(11,329)
Profit before tax							**92,368**	68,197
Tax expense (note 6)							**(22,528)**	(22,527)
Profit after tax							**69,840**	45,670

[1] Operating profit before acquired intangible amortisation, long-term incentive expense and exceptional items (refer to the appendix to the Chairman's Statement).
[2] Acquired intangible amortisation represents amortisation of acquisition related non-goodwill assets such as trademarks and brands, customer relationships and databases (note 10).

Notes to the Preliminary Statement
continued

2 Segmental analysis *continued*

	Acquired intangible amortisation		Long-term incentive expense		Exceptional items		Depreciation and amortisation	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
	£000's	£000's	**£000's**	£000's	**£000's**	£000's	**£000's**	£000's
Other segmental information by division:								
Financial publishing	**-**	(47)	**(797)**	(3,291)	**18**	-	**(10)**	(60)
Business publishing	**(2,663)**	(2,817)	**(940)**	(1,758)	**-**	-	**(15)**	(20)
Training	**-**	-	**(295)**	(1,134)	**-**	-	**(16)**	(19)
Conferences and seminars	**(461)**	(354)	**(1,492)**	(4,202)	**(94)**	-	**(52)**	(49)
Research and data	**(11,537)**	(8,875)	**(1,742)**	(3,058)	**(1,541)**	(2,979)	**(1,491)**	(854)
Sold/closed businesses	**-**	-	**-**	-	**-**	(601)	**-**	(2)
Unallocated corporate costs	**(121)**	(128)	**(1,035)**	(2,652)	**-**	285	**(2,163)**	(1,948)
	(14,782)	(12,221)	**(6,301)**	(16,095)	**(1,617)**	(3,295)	**(3,747)**	(2,952)

3 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 additional disclosure in order to provide an indication of the underlying trading performance of the group.

	2012	2011
	£000's	£000's
Acquisition credit/(costs)	**205**	(1,012)
Intangible asset impairment	**-**	(120)
Restructuring and other exceptional costs	**(1,822)**	(2,163)
	(1,617)	(3,295)

In 2012 the group recognised an exceptional expense of £1,617,000. This comprised an exceptional restructuring charge of £1,822,000 following the reorganisation of certain group functions, and acquisition legal costs of £94,000 in connection with the acquisition of Global Grain offset by a credit of £299,000 following the release of previously accrued costs in relation to the acquisition of Ned Davis Research. The group's tax charge includes a related tax credit of £456,000. The exceptional restructuring charge of £1,822,000 includes £1,564,000 recognised in relation to the termination benefits.

For the year ended September 30 2011, the group recognised costs of £1,012,000 relating to the acquisition of Ned Davis Research and exceptional restructuring and other costs of £2,163,000. In July 2011, the group purchased the *Coaltrans* publishing brand for £120,000 to supplement the existing *Coaltrans* conference brand. The group did not plan to publish under the brand and as such immediately impaired the related intangible asset. The group's tax charge included a related tax credit of £312,000.

Notes to the Preliminary Statement
continued

4 Additional accelerated long-term incentive expense

In 2011 the group recognised an additional accelerated long-term incentive expense of £6,603,000. The CAP 2010 adjusted pre-tax profit* target of £100 million was achieved in financial year 2011, two years earlier than expected. Following modification, the internal rules of the plan prevent the awards vesting to employees more than one year early, so although the primary condition had been achieved the award pool was to be allocated to holders of awards based on the profits achieved in financial year 2012. However, despite the awards not vesting in February 2012, IFRS 2 'Share-based payments' required the group to accelerate recognition of the CAP 2010 accounting charge as if the awards vested in February 2012. The total charge over the life of the scheme remains unchanged at £30 million.

* Profit before tax excluding acquired intangible amortisation, CAP 2010 element of long-term incentive expense, exceptional items, profits from significant acquisitions, net movements in acquisition option commitments values and imputed interest on acquisition option commitments as set out in the Income Statement (note 3 and 5).

5 Finance income and expense

	2012 £000's	2011 £000's
Finance income		
Interest income:		
Interest receivable from DMGT group undertakings	**18**	136
Interest receivable from short-term investments	**153**	174
Expected return on pension scheme assets	**1,329**	1,451
Net movements in acquisition option commitment values	**2,940**	-
Movement in acquisition deferred consideration	**35**	-
	4,475	1,761
Finance expense		
Interest expense:		
Interest payable on committed borrowings	**(4,728)**	(7,007)
Interest payable to DMGT group undertakings	**-**	(25)
Interest payable on loan notes	**(9)**	(15)
Interest on pension scheme liabilities	**(1,314)**	(1,290)
Net movements in acquisition option commitment values	**-**	(358)
Imputed interest on acquisition option commitments	**(977)**	(181)
Movement in acquisition deferred consideration	**-**	(1,829)
Interest on tax underpaid	**(958)**	(317)
Fair value losses on financial instruments:		
Ineffectiveness of interest rate swaps and forward contracts	**(55)**	(307)
	(8,041)	(11,329)
Net finance costs	**(3,566)**	(9,568)

Notes to the Preliminary Statement
continued

5 Finance income and expense *continued*

	2012 £000's	2011 £000's
Reconciliation of net finance costs in Income Statement to adjusted net finance costs		
Total net finance costs in Income Statement	**(3,566)**	(9,568)
Add back:		
Net movements in acquisition option commitment values	**(2,940)**	358
Imputed interest on acquisition option commitments	**977**	181
Movement in acquisition deferred consideration	**(35)**	1,829
	(1,998)	2,368
Adjusted net finance costs	**(5,564)**	(7,200)

The reconciliation of net finance costs in the Income Statement has been provided since the directors consider it necessary in order to provide an indication of the adjusted net finance costs.

6 Tax on profit on ordinary activities

	2012 £000's	2011 £000's
Current tax expense		
UK corporation tax expense	**8,229**	4,018
Foreign tax expense	**13,243**	12,359
Adjustments in respect of prior years	**1,294**	(709)
	22,766	15,668
Deferred tax (credit)/expense		
Current year	**2,759**	7,605
Adjustments in respect of prior years	**(2,997)**	(746)
	(238)	6,859
Total tax expense in Income Statement	**22,528**	22,527
Effective tax rate	**24%**	33%

Notes to the Preliminary Statement
continued

6 Tax on profit on ordinary activities *continued*

The adjusted effective tax rate for the year is set out below:

	2012 £000's	2011 £000's
Reconciliation of tax expense in Income Statement to adjusted tax expense		
Total tax expense in Income Statement	**22,528**	22,527
Add back:		
Tax on intangible amortisation	**5,146**	4,041
Tax on exceptional items	**456**	312
Tax on additional accelerated long-term incentive expense	**-**	493
	5,602	4,846
Tax on US goodwill amortisation	**(6,474)**	(4,664)
Tax adjustments in respect of prior years	**1,703**	1,455
	831	1,637
Adjusted tax expense	**23,359**	24,164
Adjusted profit before tax (refer to the appendix to the Chairman's Statement)	**106,769**	92,684
Adjusted effective tax rate	**22%**	26%

The group presents the above adjusted 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 adjusted 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 adjusted effective tax rate is more representative of its tax payable position, as the deferred tax effect on the goodwill and intangible items is not expected to crystallise.

The UK income tax expense is based on a blended rate of the UK statutory rates of corporation tax during the year to September 30 2012 of 25% (2011: 27%) and reflects the reduction in the UK corporation tax rate from 26% to 24% from April 1 2012 and to 23% from April 1 2013. This change has resulted in a small deferred tax credit arising on the reduction in the carrying value of deferred tax liabilities reflecting the anticipated rate of tax at which those liabilities are expected to reverse.

The actual tax expense for the year is different from 25% of profit before tax for the reasons set out in the following reconciliation:

	2012 £000's	2011 £000's
Profit before tax	**92,368**	68,197
Tax at 25% (2011: 27%)	**23,092**	18,413
Factors affecting tax charge:		
Different tax rates of subsidiaries operating in overseas jurisdictions	**3,767**	2,021
Associate income reported net of tax	**(115)**	(110)
US state taxes	**833**	1,116
Goodwill and intangibles	**32**	(48)
Disallowable expenditure	**1,325**	1,001
Other items deductible for tax purposes	**(3,824)**	-
Effect of additional accelerated long-term incentive expense	**-**	1,717
Tax impact of consortium relief	**(861)**	(354)
Deferred tax (credit)/charge arising from changes in tax laws	**(18)**	229
Adjustments in respect of prior years	**(1,703)**	(1,458)
Total tax expense for the year	**22,528**	22,527

Notes to the Preliminary Statement

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6 Tax on profit on ordinary activities *continued*

The UK government has indicated that it intends to enact a further reduction in the UK corporation tax rate of 1% to 22% by April 1 2014. The directors expect that the future tax rate changes will reduce the UK deferred tax liability recognised but the actual impact will be dependent on the deferred tax position at the time.

In addition to the amount charged to the Income Statement, the following amounts relating to tax have been directly recognised in other comprehensive income:

	2012 £000's	2011 £000's
Current tax	**(602)**	-
Deferred tax	**1,329**	(1,395)
	727	(1,395)

7 Dividends

	2012 £000's	2011 £000's
Amounts recognisable as distributable to equity holders in period		
Final dividend for the year ended September 30 2011 of 12.50p (2010: 11.75p)	**15,162**	13,928
Interim dividend for year ended September 30 2012 of 7.00p (2011: 6.25p)	**8,643**	7,531
	23,805	21,459
Employees' Share Ownership Trust dividend	**(11)**	(11)
	23,794	21,448
Proposed final dividend for the year ended September 30	**18,342**	15,156
Employees' Share Ownership Trust dividend	**(9)**	(7)
	18,333	15,149

A final dividend of 14.75p per ordinary share (2011:12.50p) is proposed for the year ended September 30 2012. Subject to shareholder approval at the Annual General Meeting, this would be paid on Thursday February 14 2013 to shareholders on the register on Friday November 23 2012. It is expected that the shares will be marked ex-dividend on Wednesday November 21 2012

The proposed final dividend has not been included as a liability in these financial statements in accordance with IAS 10 ‘Events after the balance sheet date’.

Notes to the Preliminary Statement
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8 Earnings per share

	2012 £000's	2011 £000's
Basic earnings attributable to equity holders of the parent	**69,672**	45,591
Acquired intangible amortisation	**14,782**	12,221
Exceptional items	**1,617**	3,295
Imputed interest on acquisition option commitments	**977**	181
Net movements in acquisition option commitment values	**(2,940)**	358
Movements in acquisition deferred consideration	**(35)**	1,829
Additional accelerated long-term incentive expense	**-**	6,603
Tax on the above adjustments	**(5,602)**	(4,846)
Tax deduction on US goodwill amortisation	**6,474**	4,664
Tax adjustment in respect of prior years	**(1,703)**	(1,455)
Adjusted earnings	**83,242**	68,441

	2012 Adjusted basic earnings per share Number 000's	2012 Adjusted diluted earnings per share Number 000's	2011 Adjusted basic earnings per share Number 000's	2011 Adjusted diluted earnings per share Number 000's
Weighted average number of shares	**122,859**	**122,859**	119,957	119,957
Shares held by the Employees' Share Ownership Trust	**(59)**	**(59)**	(59)	(59)
Weighted average number of shares	**122,800**	**122,800**	119,898	119,898
Effect of dilutive share options		**3,490**		2,214
Diluted weighted average number of shares		**126,290**		122,112
	Pence per share	**Pence per share**	Pence per share	Pence per share
Basic earnings per share	**56.74**	**56.74**	38.02	38.02
Effect of dilutive share options		**(1.57)**		(0.68)
Diluted earnings per share		**55.17**		37.34
Effect of acquired intangible amortisation	**12.04**	**11.70**	10.19	10.01
Effect of exceptional items	**1.32**	**1.28**	2.75	2.70
Effect of imputed interest on acquisition option commitments	**0.80**	**0.77**	0.15	0.15
Effect of net movements in acquisition option commitment values	**(2.39)**	**(2.33)**	0.30	0.29
Effect of movements in acquisition deferred consideration	**(0.03)**	**(0.03)**	1.53	1.50
Effect of additional accelerated long-term incentive expense	**-**	**-**	5.51	5.41
Effect of tax on the above adjustments	**(4.57)**	**(4.43)**	(4.04)	(3.98)
Effect of tax deduction on US goodwill amortisation	**5.27**	**5.13**	3.89	3.82
Effect of tax adjustment in respect of prior years	**(1.39)**	**(1.35)**	(1.21)	(1.19)
Adjusted basic and diluted earnings per share	**67.79**	**65.91**	57.09	56.05

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

All of the above earning figures per share relate to continuing operations.

Notes to the Preliminary Statement
continued

9 Acquisitions

Purchase of new business – Global Grain Geneva
On February 29 2012, the group acquired 100% of the equity share capital of Global Commodities Group Sarl, which owns *Global Grain Geneva,* the world's leading event for international grain traders. The initial consideration paid was €6,159,000 (£5,134,000). A further net consideration of €93,000 (£77,000) is expected to be paid dependent upon the audited results of the business for the year to February 2013. The acquisition of Global Grain is consistent with the group's strategy of building fast growing global event businesses. The acquisition accounting is set out below and is provisional, pending final determination of the fair value of the assets and liabilities acquired:

	Book value £000's	Fair value adjustments £000's	Provisional fair value £000's
Net assets:			
Intangible assets	-	1,272	1,272
Cash and cash equivalents	35	-	35
Trade creditors and other payables	(31)	-	(31)
Non-current liabilities	-	(305)	(305)
	4	967	971
Net assets acquired (100%)			971
Goodwill			4,240
Total consideration			5,211
Consideration satisfied by:			
Cash			5,134
Deferred consideration			77
			5,211
Net cash outflow arising on acquisition:			
Cash consideration			5,134
Less: cash and cash equivalent balances acquired			(35)
			5,099

Intangible assets represent brands €867,000 (£719,000) and customer relationships €666,000 (£553,000), for which amortisation of £126,000 has been charged in the period. The brands and customer relationships will be amortised over their useful economic lives of 20 years and three years respectively.

Goodwill arises from the anticipated profitability and future operating synergies from combining the acquired operations with the group. The goodwill recognised is not expected to be deductible for income tax purposes.

Global Grain Geneva contributed £nil to the group's revenue and incurred an operating loss of £96,000 and a loss after tax of £96,000 for the period between the date of acquisition and September 30 2012. Acquisition related costs of £94,000 were incurred and recognised as an exceptional item in the Income Statement. If the above acquisition had been completed on the first day of the financial year, *Global Grain Geneva* would have contributed £1,062,000 to the group's revenues and £627,000 to the group's profit before tax for the year (excluding the exceptional costs above). The deferred consideration is dependent on the results of the business for the period to December 31 2012 and is calculated using discounted cash flows. Following a sensitivity analysis of the fair value of the deferred consideration applying reasonably possible assumptions and a 10% change in expected revenues, the potential undiscounted amount of all future payments that the group could be required to make under this deferred consideration arrangement is between £nil and £276,000.

Purchase of associate - Global Grain Asia
Also on February 29 2012, the group acquired 50% of the issued share capital of GGA Pte. Limited, whose sole asset is *Global Grain Asia,* a new event for grain industry professionals in the Asia-Pacific region, for €671,000 (£567,000). The group has the option to purchase the remaining 50% equity holding of GGA Pte. Limited in March 2014 and if exercised expects to pay €1,021,000 (£813,000). Under IAS 32 'Financial Instruments' this acquisition option commitment is not recorded as a liability in the balance sheet.

Notes to the Preliminary Statement
continued

9 Acquisitions *continued*

Fair value and goodwill update - Ned Davis Research (NDR)
In August 2011, the group acquired 85% of the equity share capital of NDR, the US-based provider of independent financial research to institutional investors, for an initial cash consideration of US$112.0 million (£68.5 million).

During the year changes have been made to the cash payable following the final working capital calculation, the cash receivable from non-controlling interests, the finalisation of the sellers' tax liability, the accounting policy alignment of property, plant and equipment and the recognition of previously unrecognised tax liabilities. Following these true-up adjustments, the related goodwill, fair value of net assets acquired and consideration have been finalised as follows:

	Provisional fair value £000's	Change £000's	**Final fair value £000's**
Fair value of net assets acquired	33,869	(809)	**33,060**
Goodwill	34,337	1,008	**35,345**
Total consideration	68,206	199	**68,405**
Consideration satisfied by:			
Cash	68,500	1,151	**69,651**
Cash receivable from non-controlling interest	(1,390)	(438)	**(1,828)**
Deferred consideration	1,096	(514)	**582**
	68,206	199	**68,405**

The remaining equity interest is subject to a put and call option under an earn-out agreement, in two equal instalments, based on the profits of NDR for the years to December 31 2012 and 2013. The expected payment under this mechanism has decreased from £10,149,000 at September 30 2011 to £7,812,000 at September 30 2012 resulting in a credit to the Income Statement of £2,011,000 and a foreign exchange gain of £326,000 recognised in reserves.

Increase in equity holdings
Internet Securities, Inc (ISI)
There is an annual put option agreement over the sale of ISI shares between the company and the non-controlling shareholders of ISI. The annual put option value is based on the valuation of ISI as determined under a methodology provided 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 2012, under this put option mechanism, the group purchased 1.12% of the equity share capital of ISI for a cash consideration of US$1,326,000 (£840,000), increasing the group's equity shareholding in ISI to 99.92%.

Structured Retail Products Limited (SRP)
In December 2011, the group purchased 1.14% of the equity share capital of SRP from some of its employees for a cash consideration of £84,000 increasing the group's equity shareholding in SRP to 98.48%.

Notes to the Preliminary Statement
continued

10 Goodwill and other intangibles

2012	Acquired intangible assets: Trademarks & brands 2012 £000's	Acquired intangible assets: Customer relation-ships 2012 £000's	Acquired intangible assets: Databases 2012 £000's	Total acquired intangible assets 2012 £000's	Licences & software 2012 £000's	Intangible assets in develop-ment 2012 £000's	Goodwill 2012 £000's	Total 2012 £000's
Cost/carrying amount								
At October 1 2011	142,324	78,683	9,440	**230,447**	2,761	-	366,395	**599,603**
Additions	-	-	-	**-**	194	625	-	**819**
Acquisitions (note 9)	719	553	-	**1,272**	-	-	5,248	**6,520**
Exchange differences	(3,784)	(2,133)	(269)	**(6,186)**	(90)	-	(9,376)	**(15,652)**
At September 30 2012	**139,259**	**77,103**	**9,171**	**225,533**	**2,865**	**625**	**362,267**	**591,290**
Amortisation and impairment								
At October 1 2011	41,433	32,429	3,736	**77,598**	2,200	-	29,763	**109,561**
Amortisation charge	7,339	5,761	1,682	**14,782**	339	-	-	**15,121**
Exchange differences	(1,292)	(618)	(156)	**(2,066)**	(73)	-	(561)	**(2,700)**
At September 30 2012	**47,480**	**37,572**	**5,262**	**90,314**	**2,466**	**-**	**29,202**	**121,982**
Net book value/carrying amount at September 30 2012	**91,779**	**39,531**	**3,909**	**135,219**	**399**	**625**	**333,065**	**469,308**

2011	Acquired intangible assets: Trademarks & brands 2011 £000's	Acquired intangible assets: Customer relation-ships 2011 £000's	Acquired intangible assets: Databases 2011 £000's	Total acquired intangible assets 2011 £000's	Licences & software 2011 £000's	Goodwill 2011 £000's	Total 2011 £000's
Cost/carrying amount							
At October 1 2010	133,399	50,933	4,787	**189,119**	2,445	327,016	**518,580**
Additions	120	-	-	**120**	437	-	**557**
Acquisitions	7,285	25,984	4,383	**37,652**	-	34,781	**72,433**
Disposals	-	-	-	**-**	(80)	-	**(80)**
Exchange differences	1,520	1,766	270	**3,556**	(41)	4,598	**8,113**
At September 30 2011	142,324	78,683	9,440	**230,447**	2,761	366,395	**599,603**
Amortisation and impairment							
At October 1 2010	33,645	28,043	2,776	**64,464**	2,011	29,398	**95,873**
Amortisation charge	7,217	4,099	905	**12,221**	302	-	**12,523**
Impairment losses	120	-	-	**120**	-	-	**120**
Disposals	-	-	-	**-**	(80)	-	**(80)**
Exchange differences	451	287	55	**793**	(33)	365	**1,125**
At September 30 2011	41,433	32,429	3,736	**77,598**	2,200	29,763	**109,561**
Net book value/carrying amount at September 30 2011	100,891	46,254	5,704	**152,849**	561	336,632	**490,042**

Intangible assets, other than goodwill, have a finite life and are amortised over their expected useful lives as set out below.

Trademarks and brands	5 – 30 years
Customer relationships	3 – 16 years
Databases	1 – 22 years
Licences and software	3 – 5 years

Notes to the Preliminary Statement
continued

11 Deferred income

	2012 £000's	2011 £000's
Deferred subscription income	**81,020**	80,507
Other deferred income	**24,086**	25,000
	105,106	105,507

12 Share capital

	2012 £000's	2011 £000's
Allotted, called up and fully paid		
124,349,531 ordinary shares of 0.25p each (2011: 121,247,380 ordinary shares of 0.25p each)	**311**	303

During the year, 3,102,151 ordinary shares of 0.25p each (2011: 2,755,469 ordinary shares) with an aggregate nominal value of £7,755 (2011: £6,889) were issued as follows: 2,381,410 ordinary shares (2011: 2,226,089) under the company's 2009 scrip dividend alternative for a cash consideration of £nil (2011: £nil); and 720,741 ordinary shares (2011: 529,380 ordinary shares) following the exercise of share options granted under the company's share option schemes for a cash consideration of £1,058,834 (2011: £718,392).

Notes to the Preliminary Statement
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13 Principal risks and uncertainties

The principal risks and uncertainties the group faces vary across the different businesses and are identified in the group's risk register. Management of significant risk is regularly on the agenda of the board and other senior management meetings.

The geographical spread and diverse portfolio of businesses within the group help to dilute the impact of some of the group's key risks.

The group's principal risks and uncertainties are summarised below:

Downturn in economy or market sector

The group generates significant income from certain key geographical regions and market sectors for its publishing, events, research and data businesses.

Potential impact	Mitigation
Uncertainty in global financial markets increases the risk of a downturn or potential collapse in one or more areas of the business. If this occurs income is likely to be adversely affected and for events businesses some abandonment costs may also be incurred.	The group has a diverse product mix and operates in many geographical locations. This reduces dependency on any one sector or region. Management has the ability to cut costs quickly if required or to switch the group's focus to new or unaffected markets e.g. through development of new vertical markets or transferring events to better performing regions.

Travel risk

The conference, seminar and training businesses account for approximately a third of the group's revenues and profits. The success of these events and courses relies heavily on the confidence in and ability of delegates and speakers to travel internationally.

Potential impact	Mitigation
Significant disruptions to or reductions in international travel for any reason could lead to events and courses being postponed or cancelled and could have a significant impact on the group's performance. Past incidents such as transport strikes, extreme weather including hurricanes, terrorist attacks, fears over SARS and swine flu, and natural disasters such as the disruption from volcanic ash in Europe, have all had a negative impact on the group's results, although none materially.	Where possible, contingency plans are in place to minimise the disruption from travel restrictions. Events can be postponed or moved to another location, or increasingly can be attended remotely using online technologies. Cancellation and abandonment insurance is in place for the group's largest events.

Compliance with laws and regulations

Group businesses are subject to legislation and regulation in the jurisdictions in which they operate. The key laws and regulations that may have an impact on the group cover areas such as libel, bribery and corruption, competition, data protection, privacy (including e-privacy), health and safety and employment law. Additionally, specific regulations from the Audit Bureau of Circulations apply to published titles (see incorrect circulation claims below).

Potential impact	Mitigation
A breach of legislation or regulations could have a significant impact on the group in terms of additional costs, management time and reputational damage. In recent years responsibilities for managing data protection have increased significantly. The emergence of new online technology is further driving legislation and responsibilities for managing data privacy. Failure to comply with data protection and privacy laws could result in significant financial penalties and reputational damage.	Compliance with laws and regulations is taken seriously throughout the group. The group's Code of Conduct (and supporting policies) sets out appropriate standards of business behaviour and highlights the key legal and regulatory issues affecting group businesses. Divisional and local management are responsible for compliance with applicable local laws and regulations, overseen by the executive committee and the board. The group has strict policies and controls in place for the management of data protection and privacy across the group with staff receiving relevant training. This year the group rolled out website technology across all its online businesses to comply with new EU e-privacy regulations (PECR). Controls are also in place surrounding compliance with the Audit Bureau of Circulation's regulations and other regulatory bodies to which the group adhere.

Notes to the Preliminary Statement

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Data integrity, availability and security

The group uses large quantities of data including customer, employee and commercial data in the ordinary course of its business. The group also publishes data (see published content risk below). The integrity, availability and security of this data is key to the success of the group.

Potential Impact	Mitigation
Any challenge to the integrity or availability of information that the group relies upon could result in operational and regulatory challenges, costs to the group, reputational damage to the businesses and the permanent loss of revenue. The wider use of social media has increased this risk as negative comments made about the group's products can now spread more easily. Although technological innovations in mobile working, the introduction of cloud-based technologies and the growing use of social media present exciting opportunities for the group, they also introduce new information security risks that need to be managed carefully.	The group has comprehensive information security standards and policies in place which are reviewed on a regular basis. Access to key systems and data is restricted, monitored, and logged with auditable data trails. Restrictions are in place to prevent unauthorised data downloads. The group is subject to regular internal information security audits, supplemented by expert external resource. Comprehensive back up plans for IT infrastructure and business data are in place to protect the businesses from unnecessary disruption. The group has professional indemnity insurance.

London, New York, Montreal or Hong Kong wide disaster

The group's main offices are located in London, New York, Montreal and Hong Kong. A significant incident affecting these regions could lead to disruption to group operations.

Potential Impact	Mitigation
An incident affecting one or more of the key offices could disrupt the ordinary operations of the businesses at these locations; a region wide disaster affecting all offices could have much worse implications with serious management and communication challenges for the group and a potential adverse affect on results. The risk of office space becoming unusable for a prolonged period and a lack of suitable alternative accommodation in the affected area could also cause significant disruption to the business and interfere with delivery of products and services. Incidents affecting key clients or staff in these regions could also give rise to the risk of not achieving forecast results.	Business continuity plans are in place for all businesses. These plans are refreshed annually and a programme is in place for testing. If required, employees can work remotely. The group has robust IT systems with key locations (including the UK, US, Canada and Asia) benefiting from offsite data back-ups, remote recovery sites and third-party 24-hour support contracts for key applications. Recently the group's business continuity planning helped its New York office to recover quickly and effectively from the significant disruption caused by Hurricane Sandy.

Published content risk

The group generates a significant amount of its revenue from publishing, be it magazines, journals or information and data published online. As a result, there is an inherent risk of error which, in some instances, may give rise to claims for libel. The rapid development of social media has further increased this risk.

The transition to online publishing means content is being distributed far quicker and wider than ever before. This has introduced new challenges for securing and delivering content and effective management of content rights and royalties.

The business also publishes databases and data services with a particular focus on high value proprietary data. There is the potential for errors in data collection and data processing. The group publishes industry pricing benchmarks for the metals markets and runs more than 100 reader polls and awards each year.

Potential Impact	Mitigation
A successful libel claim could damage the group's reputation. The rise in use of social media, and in particular blogging, has further increased this risk. Damage to the reputation of the group arising from libel could lead to a loss of revenue, including income from advertising. In addition there could be costs incurred in defending the claim. The failure to manage content redistribution rights and royalty agreements could lead to overpayment of royalties, loss of intellectual property and additional liabilities for redistribution of content.	The group runs mandatory annual libel courses for all journalists and editors. Controls are in place, including legal review, to approve content that may carry a libel risk. The group also has editorial controls in place for publishing using social media and this activity is monitored carefully. The group's policy is to own its content and manage redistribution rights tightly. Royalty and redistribution agreements are in place to mitigate risks arising from online publishing.

Notes to the Preliminary Statement
continued

Potential impact	Mitigation
The integrity of the group's published data is critical to the success of the group's database, research and data services. The group also publishes extensive pricing information and indices for the global metals industries. Errors in published data, price assessments or indices could affect the reputation of the group leading to fewer subscribers and lower revenues. Any challenge to the integrity of polls and awards could damage the reputation of the product challenged and by association the rest of the group, resulting in legal costs and a permanent loss of revenue.	The group has implemented tight controls for the verification, cleaning and processing of data used in its database, research and data services. The group's processes and methodologies for assessing metals prices and calculating indices are clearly defined and documented. All employees involved with publishing pricing information receive relevant training. Robust contractual disclaimers are in place for all businesses that publish pricing data. Polls and awards are regularly audited and a firewall is in place between the commercial arm of the business and the editors involved in the polls and awards. Key staff are aware of the significant nature of published content risk and strong internal controls are in place for reporting to senior management if a potential issue arises. The group also has libel insurance and professional indemnity cover.

Incorrect circulation or audience claims

The group publishes over 70 titles and sells advertising based partly on circulation and online audience figures. An incorrect claim for circulation or audience could adversely affect the group's reputation.

Potential impact	Mitigation
A claim resulting from an incorrect circulation or audience claim could lead to the permanent loss of advertisers and other revenue streams.	The group audits the circulation figures of every publication annually and monitors related internal controls. A strict approval system is in place for all media packs. Detailed guidance is provided to all relevant employees and their understanding of the rules is regularly monitored. There are a large number of mutually exclusive titles and it is unlikely that an incorrect circulation claim, should it arise, would affect the circulation of other titles within the wider group. Similar controls are applied to claims for electronic publishing activities including online traffic reporting.

Loss of key staff

The group is reliant on key management and staff across all of its businesses. Many products are dependent on specialist, technical expertise.

Potential impact	Mitigation
The inability to recruit and retain talented people could affect the group's ability to maintain its performance and deliver growth. When key staff leave or retire, there is a risk that knowledge or competitive advantage is lost.	Long-term incentive plans are in place for key staff to encourage retention. The directors remain committed to recruitment and retention of high quality management and talent, and provide a programme of career opportunity and progression for employees including extensive training and international transfer opportunities. Succession planning is in place for senior management. The group announced in August that PR Ensor, managing director, would succeed PM Fallon as executive chairman with CHC Fordham, an executive director since 2003, succeeding PR Ensor as managing director. This followed an independent and rigorous selection process. These succession plans have now been implemented.

Notes to the Preliminary Statement
continued

Failure of central back-office technology

The business has invested significantly in central back-office technology to support the transition of the business from print to online publishing. The back office provides customer and product management, digital rights management, e-commerce and performance and activity reporting. The platform supports a large share of the group's online requirements including key activities for publishing, events and data businesses. The back-office technology is critical to the successful functioning of the online business and hence carries a significant amount of risk.

Potential impact

A system failure of the back-office technology may affect the performance, data integrity or availability of the group's products and services. Any extensive failure is likely to affect a large number of the businesses and customers, and lead directly to a loss of revenues.

Online customers are accessing the group's digital content in an increasing number of ways, including using websites, apps and e-books. The group relies on effective digital rights management technology to provide flexible and secure access to its content. An inability to provide flexible access rights to the group's content could lead to products being less competitive or allow unauthorised access to content, reducing subscription revenues as a result.

A reduction in back-office technology investment increases the risk of the online platform becoming ineffective with the group becoming less competitive. This could lead to fewer customers and declining group revenues.

Mitigation

The group continues to invest significantly in its central back-office technology. The platform is planned, managed and run by a dedicated, skilled team and its progress and performance is closely monitored by the executive committee and the board.

The group continues to invest in digital rights management technology to ensure its content is adequately secured and changing customer requirements for accessing the group's products and services are met.

The group has recently made a substantial investment in new e-commerce technology and hosting infrastructure to ensure the back-office platform continues to perform effectively over the next five years.

Acquisition and disposal risk

As well as launching and building new businesses, the group continues to make strategic acquisitions where opportunities exist to strengthen the group. The management team review a number of potential acquisitions each year with only a small proportion of these going through to the due diligence stage and possible subsequent purchase. The strategy also results in the disposal of businesses that no longer fit the group's investment criteria.

Potential impact

There is a risk that an acquisition opportunity could be missed. The group could also suffer an impairment loss if an acquired business does not generate the expected returns or fails to operate or grow in its markets and products areas. Additionally, there is a risk that a newly acquired business is not integrated into the group successfully or that the expected risks of a newly acquired entity may be misunderstood. As a consequence a significant amount of management time could be diverted from other operational matters.

The group is also subject to disposal risk, possibly failing to achieve optimal value from disposed businesses, failing to identify the time at which businesses should be sold or under estimating the impact on the remaining group from such a disposal.

Mitigation

Senior management perform detailed in-house due diligence on all possible acquisitions and call on expert external advisers where deemed necessary. Acquisition agreements are usually structured so as to retain key employees in the acquired company and there is close monitoring of performance at board level of the entity concerned post acquisition.

The board regularly reviews the group's existing portfolio of businesses to identify under-performing businesses or businesses that no longer fit with the group's strategy and puts in place divestment plans accordingly.

Notes to the Preliminary Statement
continued

Failure of online strategy

The emergence of new technologies such as tablet and other mobile devices and the proliferation of social media is changing how customers access and use the group's products and services. The group has established a strategy to meet the many challenges of migrating the publishing businesses from traditional print media to online and to ensure the non-publishing businesses take advantage of new technology when advantageous to do so. This strategy has been pursued for a number of years.

Potential impact	Mitigation
The group's online strategy addresses a number of challenges arising from the group's transition from print media to an online business and changing customer behaviour.	The group is already embracing these challenges and overall sees the Internet and other technological advances as an opportunity not a threat.
Competition has increased, with free content becoming more available on the Internet and new competitors benefitting from the lower barriers to entry. A failure to manage pricing effectively or successfully differentiating the group's products and services could negatively affect business results.	Significant investment in the group's online strategy has already been made and will continue for as long as necessary (see Chairman's Statement). New content management technology is being implemented across the group to enable more effective publishing to web, print and the rapidly increasing number of mobile platforms coming on to the market. Many of the group's businesses already produce soft copies of publications to supplement the hard copies as well as provide information and content via apps.
The customer environment is changing fast with an increasing number spending more time using the Internet. Print circulation is declining and a failure to convert customers from print risks a permanent loss of customers to competition. The transition from the traditional monthly publishing cycle to continuous publishing has affected editorial practices significantly. A failure to continue to manage this transition effectively could make the business less efficient and less competitive. Further changes in technology including the widespread use of tablets and other mobile devices and the impact of social media such as LinkedIn and Twitter is changing customer behaviour and will introduce new challenges for all businesses. A failure in the group's online strategy to meet these challenges could result in a permanent loss of revenue.	The group's acquisition strategy has increased the number of online information providers in the business. However, while online revenues are important, the group's product mix reduces dependency on this income. For example, the group generates a third of its profits from its event businesses and face-to-face meetings remain an important part of customers' marketing activities.

Treasury Operations

The group treasury function is responsible for executing treasury policy which seeks to manage the group's funding, liquidity and treasury derivatives risks. More specifically, these include currency exchange rate fluctuations, interest rate risks, counterparty risk and liquidity and debt levels.

Potential impact	Mitigation
If the treasury policy does not adequately mitigate the financial risks summarised above or is not correctly executed, it could result in unforeseen derivative losses or higher than expected finance costs. The treasury function undertakes high value transactions hence there is an inherent high risk of payment fraud or error having an adverse impact on group results.	The tax and treasury committee is responsible for reviewing and approving group treasury policies which are executed by the group treasury. Segregation of duties and authorisation limits are in place for all payments made. The treasury function is also subject to regular internal audit.

Notes to the Preliminary Statement
continued

Unforeseen Tax Liabilities	
The group operates within many tax jurisdictions and earnings are therefore subject to taxation at differing rates across these jurisdictions.	
Potential impact	**Mitigation**
The directors endeavour to manage the tax affairs of the group in an efficient manner, however, due to an ever more complex international tax environment there will always be a level of uncertainty when provisioning for tax liabilities. There is also a risk of tax laws being amended by authorities in the different jurisdictions in which the group operates which could have an adverse effect on the financial results.	External tax experts and in–house tax specialists, reporting to the tax and treasury committee, work together to review all tax arrangements within the group and keep abreast of changes in global tax legislation.