

Euromoney Institutional Investor PLC

**Adoption of International Financial Reporting
Standards ("IFRS")**

**Preliminary restatement of 2005 financial
information**

Euromoney Institutional Investor PLC

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Restatement of 2005 results to International Financial Reporting Standards ("IFRS")

1 Introduction

International Financial Reporting Standards ("IFRS") including International Accounting Standards ("IAS") will apply for the first time for Euromoney Institutional Investor PLC's reporting of its 2006 results. This will include the Interim Results for the six months to March 31 2006, as well as the Annual Report and Accounts for the year ended September 30 2006, together with all comparative information.

The purpose of this report is to explain how the group's financial performance for the year ended September 30 2005, and its financial position as at that date, presented under IFRS¹, differ from that reported under UK GAAP. The information has been prepared on the basis of the group's current interpretation of how the IFRS in issue should be applied.

The major areas affected by the introduction of IFRS are discussed below.

Included as notes to this report are the following statements made under IFRS:

- group income statement for the six months ended March 31 2005 and the year ended September 30 2005;
- group balance sheet as at October 1 2004, March 31 2005 and September 30 2005;
- group statement of changes in equity for the six months ended March 31 2005 and the year ended September 30 2005;
- group cash flow statement for the six months ended March 31 2005 and the year ended September 30 2005;
- accounting policies applicable under IFRS.

1. References to IFRS in this document refer to the application of International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS") and interpretations issued by the International Accounting Standards Board ("IASB") and its relevant committees.

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2 Summary of IFRS adoption changes

The adoption of IFRS represents an accounting change only, and does not affect the operations or cash flows of the group. The net affect of the adoption of IFRS on the results of the group for the year ended September 30 2005 is to increase profit before tax from continuing operations by £5.5m.

	Year ended September 30 2005		
	UK GAAP	IFRS	Change
Turnover	£196.3 m	£194.8 m	-1%
Profit before tax, goodwill, loss on disposal and share option expense	£37.1 m	£36.3 m	-2%
Profit before tax	£29.1 m	£34.6 m	+19%
Adjusted diluted earnings a share before goodwill and loss on disposal	35.6 p	34.5 p	-3%
Diluted earnings a share	28.0 p	34.1 p	+22%
Dividend (Interim paid and final proposed)	16.2 p	16.2 p	=
Net debt	£65.8 m	£66.4 m	+1%
Net liabilities	(£49.8) m	(£35.9) m	-28%

The main areas of impact of IFRS on the group's profit for the year ended September 30 2005 arise from:

- Goodwill and other intangibles;
- Exceptional loss on sale of business;
- Share based payments;
- Deferred marketing;
- Leases;

Financial instruments, hedging, derecognition of liabilities and acquisition option commitments are subject to the provisions of IAS 39 and will only affect the group's accounts from October 1 2005.

These changes are further explained in notes 3 and 4.

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Restatement of 2005 results to International Financial Reporting Standards ("IFRS")

3 Basis of preparation

The financial information presented in this document has been prepared using the accounting policies detailed in note 5. These accounting policies are based on all International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations that are expected to be applicable to the financial reporting for the year ending September 30 2006. These are subject to changes resulting from ongoing reviews and endorsements by the European Commission, possible amendments by the International Accounting Standards Board ("IASB") and issuance of further standards or interpretations that may affect the 2006 reporting period. The financial information in this document may therefore require modification up until the period that the group prepares its first complete set of IFRS financial statements for the year ending September 30 2006.

On November 19 2004, the European Commission endorsed an amended version of IAS 39 'Financial Instruments: Recognition and Measurement' rather than the full version previously published by the IASB. In accordance with guidance issued by the UK Accounting Standards Board, the full version of IAS 39, as issued by the IASB, will be adopted with effect from October 1 2005.

The financial information contained in this document does not constitute full accounts within the meaning of Section 240 of the Companies Act 1985. Full accounts for the year ended September 30 2005, prepared under UK GAAP, have been delivered to the Registrar of Companies. These accounts contain an unqualified report from the group's auditors which do not contain a statement under S237(2) or (3) of the Companies Act 1985.

Under IFRS, only a complete set of financial statements comprising a balance sheet, income statement, statement of changes in equity, cash flow statement, together with comparative financial information and explanatory notes, can provide a fair presentation of the group's financial position, results of operations and cash flow.

IFRS 1 - First-time adoption

IFRS 1 'First-time adoption of International Financial Reporting Standards' details the procedures a company must follow when adopting IFRS for the first time. It also gives companies the option of taking a number of exemptions to the full requirements of IFRS in the year of transition. The group's date of transition to IFRS is October 1 2004, with the transitional year being the year ended September 30 2005. The group has elected to take the following key exemptions on transition to IFRS:

a) IFRS 3 - Business combinations

The group has chosen not to restate historic business combinations distinguishing between goodwill and other intangible assets to comply with IFRS 3. The goodwill carrying value has not therefore been adjusted between the UK GAAP balance sheet as at September 30 2004 and the IFRS opening balance sheet at October 1 2004.

b) IAS 16 - Valuation of fixed assets

The group has elected not to use fair value as deemed cost for any items of property, plant and equipment at the date of transition.

c) IFRS 2 - Share based payments

IFRS 1 provides an exemption which allows companies to only apply IFRS 2 to share based payment awards granted after November 7 2002 and vested at October 1 2004. The group has taken advantage of this exemption and elected to only apply IFRS 2 to share options granted on December 4 2002, February 1 2003 (SAYE options), January 28 2004, February 1 2004 (SAYE options), January 4 2005 (SAYE options) and June 20 2005 (Capital Appreciation Plan).

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Basis of preparation - *continued*

d) IAS 21 - The effects of changes in foreign exchange rates

IAS 21 states that cumulative foreign exchange movements created on the translation of foreign entities should be disclosed in a separate reserve within shareholders' funds. On disposal of a foreign entity, the cumulative exchange gains or losses associated with that entity should be recycled through the income statement as part of the gain or loss on disposal. The group has taken the exemption under IFRS 1 whereby cumulative exchange differences are deemed to be zero at the date of transition to IFRS. The gain or loss on any subsequent disposals will therefore exclude any translation gains or losses prior to the date of transition.

e) IAS 32 - Financial Instruments: Disclosure and Presentation; IAS 39 - Financial Instruments: Recognition and Measurement

Under IFRS 1, the group has taken the option to defer the implementation of IAS 32 and IAS 39 to the year ending September 30 2006. Therefore, financial instruments continue to be accounted for and presented in accordance with UK GAAP for the year ended September 30 2005.

f) IAS 12 - Deferred tax

Under UK GAAP, the group recognised deferred tax on timing differences that arose from the inclusion of gains and losses in tax assessments in periods different from those in which they were recognised in the financial statements (an income statement approach).

Under IAS 12, deferred tax is recognised in respect of temporary differences arising between the tax base and the accounting book value of balance sheet items (a balance sheet approach). This results in deferred tax being recognised on certain items that would not have given rise to deferred tax under UK GAAP.

4 Review of main changes arising from IFRS adoption

The most significant areas of change for the group on adoption of IFRS are summarised below:

a) IFRS 3 - Goodwill and other intangibles

Under IFRS 3 'Business combinations', goodwill is no longer amortised and, instead, is assessed annually for impairment. As discussed above, goodwill arising on acquisitions before October 1 2004 will not be restated. The group has reviewed the goodwill balances for impairment as at October 1 2004 and September 30 2005 and no impairment was identified at either date.

Intangible assets arising from acquisitions after October 1 2004 will be separately identified and amortised over their estimated useful economic lives, potentially over shorter periods than goodwill has previously been amortised.

As a result of this change, the group's operating profit for the year ended September 30 2005 and six months ended March 31 2005 has been increased by the amount of goodwill amortisation recorded under UK GAAP (amounting to £5.7m and £2.8m respectively) but reduced by the amortisation of other purchased intangible assets.

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Review of main changes arising from IFRS adoption *continued*

b) IAS 21 - Retranslation of goodwill

Under UK GAAP, goodwill arising on foreign subsidiary investments held in the consolidated balance sheet is translated into sterling at the rates of exchange prevailing on the date of acquisition. Under IAS 21 'The effects of changes in foreign exchange rates' this goodwill is rebased back into the original currency (usually US dollars) and retranslated into sterling at the applicable period end exchange rates. Any exchange difference arising is taken to equity as part of the retranslation of the net assets of the subsidiary (see 4j) below). This has resulted in a decrease in goodwill of £1.7m, £0.4m and £3.5m at October 1 2004, September 30 2005 and March 31 2005 respectively.

c) IFRS 1 - Exceptional loss on sale of business

IFRS 1 no longer requires goodwill previously written off to reserves under UK GAAP to be re-instated in the income statement on disposal. As a result, the exceptional loss on sale of business in 2005 of £1.0m is reduced by £0.7m to £0.3m.

d) IAS 27 - Joint venture reclassification

The group has a 50% holding in World Link Publications Limited which, under UK GAAP, is treated as a subsidiary undertaking and fully consolidated in the group's results because the group exercises dominant influence over the subsidiary's operating and financial policies. IAS 27 'Consolidated and separate financial statements' only recognises the legal form of the 50% holding and therefore the investment must be accounted for as a joint venture.

e) IAS 38 - Software costs

Under UK GAAP, capitalised software costs are included within tangible fixed assets on the balance sheet. Under IAS 38 'Intangible assets' such items, where they are not an integral part of the related hardware, should be disclosed separately on the face of the balance sheet. This has resulted in a reclassification of £0.4m, £0.5m and £0.2m in the balance sheets as at October 1 2004, September 30 2005 and March 31 2005 respectively. There is no related impact on the income statement or net assets.

f) IFRS 2 - Share based payments

The group operates a range of share based incentive schemes. Further details on these schemes can be found in the group's 2005 annual report.

IFRS 2 'Share based payments' requires a charge to be recognised in the income statement for share options, long-term incentive plans and other share based payments (including SAYE options), based on the fair value at grant date, using an appropriate option pricing model. The fair value of these options is charged against profits over the period from grant date to vesting (the vesting period). This differs from UK GAAP UITF 17 'Employee share schemes', which requires that the charge to the profit and loss account should be based on the difference between the market value of shares at the date of grant and the exercise price (i.e. an intrinsic value basis) and spread over the performance period. In addition, as permitted under UK GAAP, UITF 17 has never been applied to SAYE share options. The difference between the imputed charge under UITF 17 and IFRS 2 on the group's Capital Appreciation Plan options issued on June 20 2005 is £0.1m at September 30 2005.

As stated in note 3, the group has taken advantage of the exemption allowed to it under IFRS 1 and will not recognise a charge on its options granted before November 7 2002 and unvested at October 1 2004. Under IFRS 2, the imputed charge on its options issued on December 4 2002, February 1 2003 (SAYE options), January 28 2004, February 1 2004 (SAYE options), and January 4 2005 (SAYE options) has resulted in a reduction in the group's reported operating profit as, under UK GAAP, no cost is incurred on these options as there was no difference between the grant and exercise price for the issues of shares concerned.

The pre-tax impact of IFRS 2 on the results for the periods ended September 30 2005 and March 30 2005 is a charge of £0.2m and £0.1m respectively. There is no effect on net assets.

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Review of main changes arising from IFRS adoption *continued*

g) IAS 38 - Deferred marketing costs

Under UK GAAP, the group, to the extent that the costs are expected to be recoverable, defers marketing and promotional expenditure relating to future events and holds these on its balance sheet until those events have taken place.

Under IAS 38 'Intangible assets', the deferral of event promotional costs until the running of the event is specifically disallowed, and these costs will therefore be expensed as incurred. This has resulted in a reduction in the group's reported pre-tax operating profit of £0.3m for the year ended September 30 2005, an increase in the group's reported pre-tax operating profit of £0.1m for the six months ended March 31 2005 and a reduction in net assets at October 1 2004 of £0.8m.

h) IAS 17 - Leases

The group has a property lease with pre-determined fixed rent increases. Under UK GAAP these are treated as inflationary increases, and a steady inflationary increase in the rental charge is recognised each year over the lease term. IAS 17 'Leases' requires that the total rental payments specified by the lease are recognised on a straight-line basis over the course of the lease, with a constant rental charge recognised each year.

The pre-tax impact of IAS 17 on the results for the periods ended September 30 2005 and March 31 2005 is a £0.1m charge. The cumulative pre-tax reduction in net assets at October 1 2004, September 30 2005 and March 31 2005 is £0.4m, £0.5m and £0.5m respectively.

i) IAS 19 - Employee benefits

Under UK GAAP the group does not account for employees' unused accrued holiday. Under IAS 19 any accrued holiday entitlement that has not been taken by employees at the period end is recognised as a creditor. Any movement in the creditor between periods is charged or credited to the income statement.

The pre-tax impact of IAS 19 on the results for the periods ended September 30 2005 and March 31 2005 is a charge of £32,000 and a credit of £0.1m respectively. The reduction in net assets at October 1 2004, September 30 2005 and March 31 2005 is £0.6m, £0.6m and £0.5m respectively.

j) IAS 32 and IAS 39 - Financial Instruments - adopted from October 1 2005

As explained in note 3, under the transitional requirements of IFRS 1, the group is permitted to continue to apply the hedging requirements of UK GAAP in the preparation of its comparative IFRS financial statements. The group has elected to apply this exemption and hence the adoption of IAS 32 and IAS 39 will have no impact on accounting for financial instruments for 2005 or on net assets at October 1 2004. The effective date of adoption of IAS 32 and IAS 39 is October 1 2005 and the effect on the group balance sheet at this date is as follows:

Forward exchange contracts and interest rate swaps

Under UK GAAP, derivative financial instruments are not recognised in the balance sheet but are disclosed by way of a note (see note 18 in the group's 2005 annual report). IAS 39 requires all derivative financial instruments to be recognised in the balance sheet at their fair values and for other financial instruments to be recognised at amortised cost or fair value. At October 1 2005 the effect of IAS 39 on the group balance sheet will be to reduce net assets by £0.6m. The group has been tracking its key derivatives during 2005 and has put in place the required documentation in relation to its forward exchange contracts and interest rate swaps to qualify for hedge accounting in 2006. The effective portion of gains or losses on cash flow hedges are deferred in equity until the impact from the hedged item is recognised in the income statement. Where hedge accounting cannot be applied under IAS 39's prescriptive rules, change in the market value of financial instruments will be reported through the profit and loss account from the year ended September 30 2006.

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Review of main changes arising from IFRS adoption *continued*

IAS 32 and IAS 39 - Financial Instruments - adopted from October 1 2005*continued*

Net investment hedging

Under UK GAAP, exchange differences arising from long term foreign currency funding can be offset against the net assets of foreign subsidiaries, including goodwill held in reserves. IAS 39 limits the extent of the hedging, only allowing exchange differences arising from long term foreign currency funding to be offset against the net assets of foreign subsidiaries, excluding goodwill previously written off to reserves, with any remaining exchange difference being recognised in the profit and loss account. There is no effect on the October 1 2005 opening balance sheet but the adoption of IAS 39 may lead to volatility of earnings for the year ended September 30 2006 onwards. As explained above in 4b) as part of the conversion to IFRS the group has chosen to rebase its goodwill relating to foreign subsidiary investments held on its consolidated balance sheet from sterling into dollars.

Derecognition of liabilities

IAS 39 sets out specific criteria in relation to when a financial liability should be derecognised. Application of this rule will result in an increased liability of £1.6m which will be recognised in the October 1 2005 balance sheet. This liability will begin to be released in 2006.

Acquisition option commitments

The group is party to a number of put and call options over the remaining minority and majority interests in its subsidiaries, joint ventures, associates and investments. Under UK GAAP these acquisition liabilities are not recognised in the balance sheet. IAS 39 requires the recognition of all acquisition liabilities. As at October 1 2005, the discounted present value of these options is £34.6m. From 2006 onwards these discounts will be unwound as a notional interest charge to the income statement.

k) IAS 10 - Events after the balance sheet date

IAS 10 requires that dividends declared after the balance sheet date should not be recognised as a liability at the balance sheet date as the liability does not represent a present obligation as defined by IAS 37 'Provisions, contingent liabilities and contingent assets'.

As a result the final dividends for the financial year ended September 30 2004 (£8.8m) and September 30 2005 (£9.8m) have not been recognised in the group's IFRS restated balance sheets at October 1 2004 and September 30 2005 respectively. The final dividend for the year ended September 30 2004 has been charged directly to equity in the group's IFRS balance sheet as at September 30 2005, following its approval by shareholders on February 1 2005.

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Review of main changes arising from IFRS adoption *continued*

I) IAS 12 - Deferred and current taxes

Under UK GAAP, the group recognised deferred tax on items that arose from the inclusion of gains and losses in tax assessments in periods different from those in which they were recognised in the financial statements (an income statement approach).

Under IAS 12 'Deferred tax', deferred tax is recognised in respect of temporary differences on the difference between the tax base and the accounting book value of balance sheet items (a balance sheet approach). This results in a deferred tax liability of £0.1m, £0.8m and £0.4m as at October 1 2004, September 30 2005 and March 31 2005 respectively being recognised on certain items that would not have given rise to deferred tax under UK GAAP.

Additionally, a deferred tax asset of £1.0m as at October 1 2004, September 30 2005 and March 31 2005 has been provided on the adjustments outlined in this announcement.

The key differences for the group between UK GAAP and IAS 12 are as follows:

(i) Under UK GAAP, recognition of deferred tax in respect of rolled over capital gains is not required, whereas IFRS requires provision for deferred tax on such gains.

(ii) Goodwill written off to reserves under UK GAAP, prior to the introduction of FRS 10, gave rise to a potential deferred tax liability under UK GAAP. However, the reverse is true under IFRS, where a potential deferred tax asset arises.

(iii) Under UK GAAP, the group was permitted to discount deferred tax assets and liabilities, whereas IFRS does not permit discounting.

(iv) As amortisation of goodwill is not permitted under IFRS, the potential deferred tax in respect of capitalised tax deductible goodwill will be more significant under IFRS.

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Notes to the Restatement to IFRS

5 Accounting policies

The principal accounting policies used in the preparation of the restatement of the group's results from UK GAAP to IFRS are detailed below. These IFRS accounting policies will be adopted by the group for use in the preparation of all future consolidated financial statements.

Basis of preparation

The financial information has been prepared under the historical cost convention and in accordance with applicable UK law and International Financial Reporting Standards.

Basis of consolidation

The consolidated accounts incorporate the accounts of the company and entities controlled by the company (its subsidiaries). Control is achieved where the company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

An associate is an entity over which the group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee. A joint venture is an entity over which the group is in a position to exercise joint control over the financial and operating policies of the investee. The results and assets and liabilities of associates and joint ventures are incorporated in these financial statements using the equity method of accounting.

Where the group owns a non-controlling interest in the equity share capital of a non-quoted company and does not exercise significant influence, it is held as an investment and stated in the balance sheet at the lower of cost and net realisable value.

The results of subsidiary and associated undertakings acquired during the year are incorporated from the effective date of acquisition. Acquisitions are accounted for under the acquisition method, with consideration given and the assets and liabilities acquired being recorded at fair value.

Turnover

Turnover represents income from advertising, subscriptions, sponsorship and delegate fees, net of value added tax.

- Advertising revenues are recognized in the income statement on the date of publication;
 - Subscription revenues are recognized in the income statement on a straight line basis over the period of the subscription;
 - Sponsorship and delegate revenues are recognized in the income statement over the period the event is run;
- Revenues invoiced but relating to future periods are deferred and treated as deferred income in the balance sheet.

Derivatives and other financial instruments

The group uses various financial instruments to manage financial risk arising from fluctuations in interest rates and foreign currency movements. These include currency swaps, forward foreign currency contracts, and interest rate swaps. All such instruments are used for hedging purposes only.

Currency swaps and forward foreign currency contracts are used to convert foreign currency funds into sterling to meet sterling costs.

The group is party to a number of put and call options over the remaining minority and majority interests in its subsidiaries, joint ventures, associates and investments.

Under UK GAAP - up to September 30 2005

Realized exchange gains and losses on currency swaps and forward foreign currency contracts used to convert foreign currency funds into sterling to meet sterling costs are recognized in the income statement on maturity.

The premium or discount on interest rate instruments is recognized as part of net interest payable over the period of the contract. Interest rate swaps, currency swaps and forward foreign currency contracts are not revalued to fair value or shown in the group balance sheet at the year end as all transactions derive from hedging activities. Interest rate swaps are accounted for on an accruals basis.

Put and call options are not revalued to fair value and are not included in the balance sheet.

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Notes to the Restatement to IFRS *continued*

Accounting policies *continued*

Derivatives and other financial instruments *continued*

Under IFRS - from October 1 2005

All derivative instruments are recorded in the balance sheet at fair value. Recognition of gains or losses on derivative instruments depends on whether the instrument is designated as a hedge and the type of exposure it is designed to hedge.

The effective portion of gains or losses on cash flow hedges are deferred in equity until the impact from the hedged item is recognised in the income statement. The ineffective portion of such gains and losses is recognized in the income statement immediately.

Gains or losses on the qualifying part of net investment hedges are recognised in equity together with the gains and losses on the underlying net investment. The ineffective portion of such gains and losses is recognized in the income statement immediately.

Changes in the fair value of the derivative financial instruments that do not qualify for hedge accounting are recognized in the income statement as they arise.

The premium or discount on interest rate instruments is recognized as part of net interest payable over the period of the contract. Interest rate swaps are accounted for on an accruals basis.

Put and call options on potential future acquisition commitments are recorded in the balance sheet on the date of acquisition of the original investment at their estimated discounted present value. These discounts are unwound and charged to the income statement as notional interest over the period up to the date of the potential future payment.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates ruling at the balance sheet date.

The income statements of overseas operations are translated into sterling at the average exchange rates for the year and their balance sheets are translated into sterling at the exchange rates ruling at the balance sheet date. All exchange differences arising on consolidation are taken to equity. In the event of the disposal of an operation, the related cumulative translation differences are recognised in the income statement in the period of disposal.

Under UK GAAP - up to September 30 2005

Gains and losses arising on the retranslation of the net assets of overseas subsidiary undertakings at closing rates are shown as a movement in equity together with exchange differences arising on related foreign currency borrowings used to finance the group investment in such overseas undertakings.

Under IFRS - from October 1 2005

Gains and losses arising on foreign currency borrowings and derivative instruments, to the extent that they are used to provide a hedge against the group's equity investments in overseas undertakings, are taken to equity together with the exchange difference arising on the net investment in those undertakings. All other exchange differences are taken to the income statement.

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Notes to the Restatement to IFRS *continued*

Accounting policies *continued*

Leased assets

Operating lease rentals are charged to the income statement on a straight line or other systematic basis as allowed by IAS 17 'Leases.'

Pensions

Contributions to pension schemes in respect of current and past service, ex-gratia pensions, and cost of living adjustments to existing pensions are based on the advice of independent actuaries.

Payments to the Euromoney Pension Plan, a defined contribution pension scheme, are charged as an expense as they fall due.

The company also participates in the Harmsworth Pension Scheme, a defined benefit pension scheme which is operated by Daily Mail and General Trust plc. As there is no contractual agreement or stated policy for charging the net defined benefit cost for the plan as a whole to the individual entities, the company recognises an expense equal to its contributions payable in the period and does not recognise any unfunded liability of the this pension scheme on its balance sheet.

Earnings per share

The earnings per share and diluted earnings per share calculations follow the provisions of IAS 33 'Earnings per share.' The diluted earnings per share figure is calculated by adjusting for the dilution effect of the exercise of all ordinary share options, SAYE options and the Capital Appreciation Plan options granted by the company, but excluding the ordinary shares held by the Euromoney Employees' Share Ownership Trust.

Depreciation

Depreciation of tangible fixed assets is provided on the straight-line basis over their expected useful lives at the following rates per year:

Freehold premises	2%
Long-term leasehold premises	over term of lease
Short-term leasehold premises	over term of lease
Office equipment	25% - 33%
Motor vehicles	20%

All tangible assets are reviewed for impairment in accordance with IAS 36 'Impairment of Assets' when there are indications that the carrying value may not be recoverable.

Intangible assets

Goodwill

Goodwill represents the excess of the fair value of purchase consideration over the net fair value of identifiable assets and liabilities acquired.

Goodwill is recognised as an asset at cost and subsequently measured at cost less accumulated impairment. For the purposes of impairment testing, goodwill is allocated to those cash generating units that have benefited from the acquisition. The carrying value of goodwill is reviewed for impairment at least annually or where there is an indication that goodwill may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, then the impairment loss is allocated first to reduce the carrying amount of the goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis. Any impairment is recognised immediately in the income statement and may not subsequently be reversed. On disposal of a subsidiary undertaking, the attributable amount of goodwill is included in the determination of the profit and loss on disposal.

Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts having been tested for impairment at that date. Goodwill written off to reserves under UK GAAP before October 1 1998 has not been reinstated and is not included in determining any subsequent profit or loss on disposal.

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Notes to the Restatement to IFRS *continued*

Accounting policies *continued*

Intangible assets *continued*

Other intangible assets

The group makes an assessment of the fair value of intangible assets arising on acquisitions. An intangible asset will be recognised as long as the asset is separable or arises from contractual or other legal rights, and its fair value can be measured reliably.

Amortisation is charged so as to write off the costs of intangible assets over their estimated useful lives, using the straight-line method.

All intangible assets are reviewed for impairment in accordance with IAS 36 'Impairment of assets' when there are indications that the carrying value may not be recoverable.

The costs of acquiring and developing software that is not integral to the related hardware is capitalised separately as an intangible asset. These intangibles are stated at cost less accumulated amortisation and impairment losses.

Share based payments

The group makes share based payments to certain employees. These payments are measured at their estimated fair value at the date of grant, calculated using an appropriate option pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of the number of shares that will eventually vest. In accordance with the transitional provisions of IFRS 1, IFRS 2 'Share based payments' has been applied to all grants of options after November 7 2002.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is calculated under the provisions of IAS 12 'Income tax' and is recognised on differences between the carrying amounts of assets and liabilities in the accounts and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. No provision is made for temporary differences on unremitted earnings of foreign subsidiaries, joint ventures or associates where the group has control and the reversal of the temporary difference is not foreseeable.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current assets and liabilities on a net basis.

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Independent Auditors' Report to the board of directors of Euromoney Institutional Investor PLC on the preliminary comparative IFRS Financial Information for the year ended September 30 2005

We have audited the preliminary comparative IFRS financial information of Euromoney Institutional Investor PLC for the year ended September 30 2005 which comprises the group income statement, the opening group balance sheet as at October 1 2004, the comparative group balance sheet as at September 30 2005, the group statement of changes in equity and the group cash flow statement.

This report is made solely to the Board of Directors, in accordance with our engagement letter engagement dated March 17 2006 and solely for the purpose of assisting with the transition to IFRS. Our audit work will be undertaken so that we might state to the company's board of directors those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we will not accept or assume responsibility to anyone other than the company for our audit work, for our report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The company's directors are responsible for ensuring that the company and the group maintains proper accounting records and for the preparation of the preliminary comparative IFRS financial information on the basis set out in section 3, which describes how IFRS will be applied under IFRS 1, including the assumptions the directors have made about the standards and interpretations expected to be effective, and the policies expected to be adopted, when the company prepares its first complete set of IFRS financial statements as at September 30 2006. Our responsibility is to audit the preliminary comparative financial information in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards and report to you our opinion as to whether the preliminary comparative IFRS financial information is prepared, in all material respects, on the basis set out in section 3.

We read the other information contained in the preliminary comparative IFRS financial information for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the preliminary comparative IFRS financial information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the preliminary comparative IFRS financial information. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the preliminary comparative IFRS financial information and of whether the accounting policies are appropriate to the circumstances of the group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the preliminary comparative IFRS financial information is free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the preliminary comparative IFRS financial information.

Without qualifying our opinion, we draw attention to the fact that section 3 explains why there is a possibility that the accompanying preliminary comparative IFRS financial information may require adjustment before constituting the final comparative IFRS financial information. Moreover, we draw attention to the fact that, under IFRS, only a complete set of financial statements comprising a balance sheet, income statement, statement of changes in equity, cash flow statement, together with comparative financial information and explanatory notes, can provide a fair presentation of the company's financial position, results of operations and cash flows in accordance with IFRS.

Opinion

In our opinion the preliminary comparative IFRS financial information is prepared, in all material respects, on the basis set out in section 3 which describes how IFRS will be applied under IFRS 1, including the assumptions the directors have made about the standards and interpretations expected to be effective, and the policies expected to be adopted, when the company prepares its first complete set of IFRS financial statements as at September 30 2006.

Deloitte & Touche LLP

Chartered Accountants
London
March 21 2006

Euromoney Institutional Investor PLC

Independent review report to the board of directors of Euromoney Institutional Investor PLC on the preliminary comparative financial information for the six months ended March 31 2005

We have reviewed the accompanying preliminary International Financial Reporting Standards (IFRS) consolidated financial information of Euromoney Institutional Investor PLC ("the Company") and its subsidiaries (together, "the Group") for the six months ended March 31 2005 which comprises the group income statement, the group balance sheet, the group statement of changes in equity and the group cash flow statement (hereinafter referred to as "preliminary financial information").

This preliminary financial information is the responsibility of the Company's directors. It has been prepared as part of the Company's conversion to IFRS in accordance with the basis set out in section 3 which describes how IFRS have been applied under IFRS 1, including the assumptions the directors have made about the standards and interpretations expected to be effective, and the policies expected to be adopted, when the company prepares its first complete set of IFRS financial statements as at September 30 2006. Our responsibility is to express an opinion on this preliminary IFRS comparative financial information based on our review.

Our review report is made solely to the Company in accordance with Bulletin 1999/4 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.

Review work performed

We conducted our review in accordance with Bulletin 1999/4 issued by the Auditing Practices Board. A review consists principally of making enquiries of management and applying analytical procedures to the preliminary financial information and underlying financial data, and assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of control and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom auditing standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an opinion on the preliminary financial information.

Emphasis of matter

Without modifying our review conclusion, we draw attention to the fact that section 3 explains why there is a possibility that the accompanying preliminary financial information may require adjustment before constituting the final IFRS comparative information for the six months ended March 31 2005. Moreover, we draw attention to the fact that, under IFRS, only a complete set of financial statements comprising an income statement, balance sheet, statement of changes in equity, cash flow statement, together with comparative financial information and explanatory notes, can provide a fair presentation of the Group's financial position, results of operations and cash flows in accordance with IFRS.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the preliminary financial information for the six months ended March 31 2005 which has been prepared in accordance with the basis set out in section 3.

Deloitte & Touche LLP
Chartered Accountants
London
March 21 2006

Euromoney Institutional Investor PLC

Group Income Statement

for the year ended September 30 2005

	UK GAAP IFRS format £000's	IFRS 3 Goodwill and other intangibles £000's 4a	IFRS 1 Exceptional loss on sale of business £000's 4c	IAS 27 Joint venture reclassification £000's 4d	IFRS 2 Share based payments £000's 4f	IAS 38 Deferred marketing £000's 4g	IAS 17 Leases £000's 4h	IAS 19 Employee and current benefits £000's 4i	IAS 12 Deferred and current taxes £000's 4l	IFRS £000's
<i>Reference</i>										
Total revenue	196,266	-	-	(1,435)	-	-	-	-	-	194,831
Operating profit before goodwill amortization and share option expense	40,311	-	-	(454)	-	(349)	(128)	(32)	-	39,348
Goodwill amortization	(5,747)	5,747	-	-	-	-	-	-	-	-
Share option expense	(1,289)	-	-	-	(91)	-	-	-	-	(1,380)
Operating profit before loss on disposal of business	33,275	5,747	-	(454)	(91)	(349)	(128)	(32)	-	37,968
Loss on disposal of business	(972)	-	657	-	-	-	-	-	-	(315)
Operating profit before associates and joint ventures	32,303	5,747	657	(454)	(91)	(349)	(128)	(32)	-	37,653
Share of results in associates and joint ventures	585	-	-	227	-	-	-	-	-	812
Operating profit	32,888	5,747	657	(227)	(91)	(349)	(128)	(32)	-	38,465
Finance income	345	-	-	(5)	-	-	-	-	-	340
Finance costs	(4,183)	-	-	-	-	-	-	-	-	(4,183)
Net finance costs	(3,838)	-	-	(5)	-	-	-	-	-	(3,843)
Profit before tax	29,050	5,747	657	(232)	(91)	(349)	(128)	(32)	-	34,622
Tax on profit	(2,258)	-	-	62	-	-	-	-	(409)	(2,605)
Profit after tax	26,792	5,747	657	(170)	(91)	(349)	(128)	(32)	(409)	32,017
Attributable to										
Equity holders of the parent	24,786	5,747	657	-	(91)	(349)	(128)	(32)	(409)	30,181
Equity minority interests	2,006	-	-	(170)	-	-	-	-	-	1,836
	26,792	5,747	657	(170)	(91)	(349)	(128)	(32)	(409)	32,017
Basic earnings per share	28.08p									34.19p
Diluted earnings per share	28.01p									34.10p
Adjusted diluted earnings per share before goodwill amortization and loss on disposal	35.60p									34.46p
Dividend per share (on interim paid and final proposed)	16.20p									16.20p

Euromoney Institutional Investor PLC

Group Income Statement

for the six months ended March 31 2005

	Unaudited UK GAAP IFRS format £000's	IFRS 3 Goodwill and other intangibles £000's 4a	IFRS 1 Exceptional loss on sale of business £000's 4c	IAS 27 Joint venture reclassification £000's 4d	IFRS 2 Share based payments £000's 4f	IAS 38 Deferred marketing £000's 4g	IAS 17 Leases £000's 4h	IAS 19 Employee benefits £000's 4i	IAS 12 Deferred and current taxes £000's 4l	Unaudited IFRS £000's
<i>Reference</i>										
Total revenue	88,951	-	-	(1,433)	-	-	-	-	-	87,518
Operating profit before goodwill amortization, goodwill impairment and share option expense	15,414	-	-	(509)	-	54	(56)	69	-	14,972
Goodwill amortization	(2,840)	2,840	-	-	-	-	-	-	-	-
Exceptional goodwill impairment	(1,047)	-	657	-	-	-	-	-	-	(390)
Share option expense	-	-	-	-	(76)	-	-	-	-	(76)
Operating profit before associates and joint ventures	11,527	2,840	657	(509)	(76)	54	(56)	69	-	14,506
Share of results in associates and joint ventures	94	-	-	255	-	-	-	-	-	349
Operating profit	11,621	2,840	657	(255)	(76)	54	(56)	69	-	14,855
Finance income	126	-	-	(2)	-	-	-	-	-	125
Finance costs	(1,913)	-	-	-	-	-	-	-	-	(1,913)
Net finance costs	(1,787)	-	-	(2)	-	-	-	-	-	(1,789)
Profit before tax	9,834	2,840	657	(256)	(76)	54	(56)	69	-	13,066
Tax on profit	(2,642)	-	-	67	-	-	-	-	(261)	(2,836)
Profit after tax	7,192	2,840	657	(189)	(76)	54	(56)	69	(261)	10,230
Attributable to										
Equity holders of the parent	6,017	2,840	657	-	(76)	54	(56)	69	(261)	9,244
Equity minority interests	1,175	-	-	(189)	-	-	-	-	-	986
	7,192	2,840	657	(189)	(76)	54	(56)	69	(261)	10,230
Basic earnings per share	6.84 p									10.50 p
Diluted earnings per share	6.81 p									10.46 p
Adjusted diluted earnings per share before goodwill amortization and goodwill impairment	11.21 p									11.65 p
Dividend per share	5.20 p									5.20 p

Euromoney Institutional Investor PLC

Group Balance Sheet

as at October 1 2004

Reference	UK GAAP IFRS format £000's	IAS 21 Retranslation of goodwill £000's 4b	IAS 27 Joint venture reclassification £000's 4d	IAS 38 Software costs £000's 4g	IFRS 2 Share based payments £000's 4f	IAS 38 Deferred marketing £000's 4g	IAS 17 Leases £000's 4h	IAS 19 Employee benefits £000's 4i	IAS 10 Events after the balance sheet date £000's 4j	IAS 12 Deferred and current taxes £000's 4l	IFRS £000's
Non-current assets											
Intangible assets											
Goodwill	60,989	(1,738)	-	(18)	-	-	-	-	-	-	59,233
Licenses & software	-	-	-	391	-	-	-	-	-	-	391
Property, plant and equipment	7,576	-	-	(344)	-	-	-	-	-	-	7,232
Investments	190	-	150	-	-	-	-	-	-	-	340
	68,755	(1,738)	150	29	-	-	-	-	-	-	67,196
Current assets											
Debtors	37,670	-	(489)	(29)	-	-	-	-	-	1,293	38,445
Cash at bank and in hand	23,563	-	(54)	-	-	-	-	-	-	-	23,509
	61,233	-	(543)	(29)	-	-	-	-	-	1,293	61,954
Current liabilities											
Accruals	(18,569)	-	-	-	-	-	-	-	-	-	(18,569)
Deferred income	(35,317)	-	-	-	-	-	-	-	-	-	(35,317)
Other creditors	(127,326)	-	244	-	-	(882)	(412)	(611)	8,798	-	(120,189)
	(181,212)	-	244	-	-	(882)	(412)	(611)	8,798	-	(174,075)
Net current liabilities	(119,979)	-	(299)	(29)	-	(882)	(412)	(611)	8,798	1,293	(112,121)
Total assets less current liabilities	(51,224)	(1,738)	(150)	-	-	(882)	(412)	(611)	8,798	1,293	(44,925)
Non-current liabilities											
Deferred consideration	(10,611)	-	-	-	-	-	-	-	-	-	(10,611)
Provisions	(575)	-	-	-	-	-	-	-	-	(438)	(1,013)
	(11,186)	-	-	-	-	-	-	-	-	(438)	(11,624)
Net liabilities	(62,410)	(1,738)	(150)	-	-	(882)	(412)	(611)	8,798	855	(56,549)
Shareholders' equity											
Called up share capital	220	-	-	-	-	-	-	-	-	-	220
Share premium account	34,393	-	-	-	-	-	-	-	-	-	34,393
Capital redemption reserve	8	-	-	-	-	-	-	-	-	-	8
Own shares	(74)	-	-	-	-	-	-	-	-	-	(74)
Liability for share based payments	-	-	-	-	99	-	-	-	-	-	99
Retained earnings	(97,697)	(1,738)	-	-	(99)	(882)	(412)	(611)	8,798	855	(91,786)
Equity shareholders deficit	(63,150)	(1,738)	-	-	-	(882)	(412)	(611)	8,798	855	(57,140)
Equity minority interests	740	-	(150)	-	-	-	-	-	-	-	591
Total equity	(62,410)	(1,738)	(150)	-	-	(882)	(412)	(611)	8,798	855	(56,549)

Euromoney Institutional Investor PLC

Group Balance Sheet

as at September 30 2005

Reference	UK GAAP IFRS format £000's	IFRS 3 Goodwill and other intangibles £000's 4a	IAS 21 Retranslation of goodwill £000's 4b	IAS 27 Joint venture reclassification £000's 4d	IAS 38 Software costs £000's 4g	IFRS 2 Share based payments £000's 4f	IAS 38 Deferred marketing £000's 4g	IAS 17 Leases £000's 4h	IAS 19 Employee benefits £000's 4i	IAS 10 Events after the balance sheet date £000's 4j	IAS 12 Deferred and current taxes £000's 4l	IFRS £000's
Non-current assets												
Intangible assets												
Goodwill	60,678	5,747	(378)	-	(18)	-	-	-	-	-	-	66,029
Licenses & software	-	-	-	-	479	-	-	-	-	-	-	479
Property, plant and equipment	11,179	-	-	-	(432)	-	-	-	-	-	-	10,747
Investments	6,760	-	-	320	-	-	-	-	-	-	-	7,080
	78,617	5,747	(378)	320	29	-	-	-	-	-	-	84,335
Current assets												
Debtors	63,844	-	-	(231)	(29)	-	-	-	-	-	1,163	64,747
Cash at bank and in hand	25,680	-	-	(609)	-	-	-	-	-	-	-	25,071
	89,524	-	-	(840)	(29)	-	-	-	-	-	1,163	89,818
Current Liabilities												
Accruals	(23,225)	-	-	-	-	-	-	-	-	-	-	(23,225)
Deferred income	(37,491)	-	-	-	-	-	-	-	-	-	-	(37,491)
Other creditors	(84,915)	-	-	200	-	1,289	(1,231)	(540)	(643)	9,767	-	(76,073)
	(145,631)	-	-	200	-	1,289	(1,231)	(540)	(643)	9,767	-	(136,789)
Net current assets	(56,107)	-	-	(640)	(29)	1,289	(1,231)	(540)	(643)	9,767	1,163	(46,971)
Total assets less current liabilities	22,510	5,747	(378)	(320)	-	1,289	(1,231)	(540)	(643)	9,767	1,163	37,364
Non-current liabilities												
Deferred consideration	(8,689)	-	-	-	-	-	-	-	-	-	-	(8,689)
Financial liabilities	(62,518)	-	-	-	-	-	-	-	-	-	-	(62,518)
Provisions	(1,125)	-	-	-	-	-	-	-	-	-	(981)	(2,106)
	(72,332)	-	-	-	-	-	-	-	-	-	(981)	(73,313)
Net liabilities	(49,822)	5,747	(378)	(320)	-	1,289	(1,231)	(540)	(643)	9,767	182	(35,949)
Shareholders' equity												
Called up share capital	222	-	-	-	-	-	-	-	-	-	-	222
Share premium account	37,351	-	-	-	-	-	-	-	-	-	-	37,351
Capital redemption reserve	8	-	-	-	-	-	-	-	-	-	-	8
Own shares	(74)	-	-	-	-	-	-	-	-	-	-	(74)
Liability for share based payments	-	-	-	-	-	1,479	-	-	-	-	-	1,479
Retained earnings	(89,258)	5,747	(378)	-	-	(190)	(1,231)	(540)	(643)	9,767	182	(76,544)
Equity shareholders deficit	(51,751)	5,747	(378)	-	-	1,289	(1,231)	(540)	(643)	9,767	182	(37,558)
Equity minority interests	1,929	-	-	(320)	-	-	-	-	-	-	-	1,609
Total equity	(49,822)	5,747	(378)	(320)	-	1,289	(1,231)	(540)	(643)	9,767	182	(35,949)

Euromoney Institutional Investor PLC

Group Balance Sheet

as at March 31 2005

	Unaudited UK GAAP IFRS format £000's	IFRS 3 Goodwill and other intangibles £000's 4a	IAS 21 Retranslation of goodwill £000's 4b	IAS 27 Joint venture reclassification £000's 4d	IAS 38 Software costs £000's 4g	IFRS 2 Share based payments £000's 4f	IAS 38 Deferred marketing £000's 4g	IAS 17 Leases £000's 4h	IAS 19 Employee benefits £000's 4i	IAS 10 Events after the balance sheet date £000's 4j	IAS 12 Deferred and current taxes £000's 4l	Unaudited IFRS £000's
Reference												
Non-current assets												
Intangible assets												
Goodwill	59,692	2,840	(3,499)	-	(18)	-	-	-	-	-	-	59,015
Licenses & software	-	-	-	-	247	-	-	-	-	-	-	247
Property, plant and equipment	6,964	-	-	-	(200)	-	-	-	-	-	-	6,764
Investments	4,017	-	-	402	-	-	-	-	-	-	-	4,419
	70,673	2,840	(3,499)	402	29	-	-	-	-	-	-	70,445
Current assets												
Debtors	41,213	-	-	(769)	(29)	-	-	-	-	-	1,115	41,530
Cash at bank and in hand	15,109	-	-	(317)	-	-	-	-	-	-	-	14,792
	56,322	-	-	(1,086)	(29)	-	-	-	-	-	1,115	56,322
Current Liabilities												
Accruals	(15,418)	-	-	-	-	-	-	-	-	-	-	(15,418)
Deferred income	(37,960)	-	-	-	-	-	-	-	-	-	-	(37,960)
Other creditors	(37,980)	-	-	283	-	(828)	(467)	(542)	4,584	-	-	(34,950)
	(91,358)	-	-	283	-	(828)	(467)	(542)	4,584	-	-	(88,328)
Net current liabilities	(35,036)	-	-	(803)	(29)	-	(828)	(467)	(542)	4,584	1,115	(32,006)
Total assets less current liabilities	35,637	2,840	(3,499)	(402)	-	-	(828)	(467)	(542)	4,584	1,115	38,438
Non-current liabilities												
Deferred consideration	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities	(90,568)	-	-	-	-	-	-	-	-	-	-	(90,568)
Provisions	(571)	-	-	-	-	-	-	-	-	-	(531)	(1,102)
	(91,139)	-	-	-	-	-	-	-	-	-	(531)	(91,670)
Net liabilities	(55,502)	2,840	(3,499)	(402)	-	-	(828)	(467)	(542)	4,584	584	(53,232)
Shareholders' equity												
Called up share capital	221	-	-	-	-	-	-	-	-	-	-	221
Share premium account	35,298	-	-	-	-	-	-	-	-	-	-	35,298
Capital redemption reserve	8	-	-	-	-	-	-	-	-	-	-	8
Own shares	(74)	-	-	-	-	-	-	-	-	-	-	(74)
Liability for share based payments	-	-	-	-	-	175	-	-	-	-	-	175
Retained earnings	(92,032)	2,840	(3,499)	-	-	(175)	(828)	(467)	(542)	4,584	584	(89,535)
Equity shareholders deficit	(56,579)	2,840	(3,499)	-	-	-	(828)	(467)	(542)	4,584	584	(53,907)
Equity minority interests	1,077	-	-	(402)	-	-	-	-	-	-	-	676
Total equity	(55,502)	2,840	(3,499)	(402)	-	-	(828)	(467)	(542)	4,584	584	(53,232)

Euromoney Institutional Investor PLC

Group statement of changes in equity for the year ended September 30 2005

	UK GAAP IFRS format £000's	IFRS 3 Business combinations £000's 4a	IAS 21 Retranslation of goodwill £000's 4b	IFRS 1 Exceptional loss on sale of business £000's 4c	IFRS 2 Share based payments £000's 4f	IAS 38 Deferred marketing £000's 4g	IAS 17 Leases £000's 4h	IAS 19 Employee benefits £000's 4i	IAS 10 Events after the balance sheet date £000's 4j	IAS 12 Deferred and current taxes £000's 4l	IFRS £000's
<i>Reference</i>											
Profit for the year	24,786	5,747	-	657	(91)	(349)	(128)	(32)	-	(409)	30,181
Dividends paid and proposed	(14,344)	-	-	-	-	-	-	-	969	-	(13,375)
	10,442	5,747	-	657	(91)	(349)	(128)	(32)	969	(409)	16,806
Proceeds from issue of shares for cash	2,960	-	-	-	-	-	-	-	-	-	2,960
Credit to equity for share based payments	-	-	-	-	1,380	-	-	-	-	-	1,380
Reinstatement of goodwill previously written off to reserves	657	-	-	(657)	-	-	-	-	-	-	-
Other recognized gains and losses relating to the year	(2,660)	-	1,360	-	-	-	-	-	-	(264)	(1,564)
Net decrease in equity shareholders' deficit	11,399	5,747	1,360	-	1,289	(349)	(128)	(32)	969	(673)	19,582
Opening equity shareholders' deficit as restated/previously stated	(63,150)	-	(1,738)	-	-	(882)	(412)	(611)	8,798	855	(57,140)
Closing equity shareholders' deficit	(51,751)	5,747	(378)	-	1,289	(1,231)	(540)	(643)	9,767	182	(37,558)

Euromoney Institutional Investor PLC

Group statement of changes in equity for the six months ended March 31 2005

	Unaudited UK GAAP IFRS format £000's	IFRS 3 Goodwill and other intangibles £000's 4a	IAS 21 Retranslation of goodwill of £000's 4b	IFRS 1 Exceptional loss on sale of business £000's 4c	IFRS 2 Share based payments £000's 4f	IAS 38 Deferred marketing £000's 4g	IAS 17 Leases £000's 4h	IAS 19 Employee benefits £000's 4i	IAS 10 Events after the balance sheet date £000's 4j	IAS 12 Deferred and current taxes £000's 4l	Unaudited IFRS £000's
<i>Reference</i>											
Profit for the period	6,017	2,840	-	657	(76)	54	(56)	69	-	(261)	9,244
Dividends paid and proposed	(4,584)	-	-	-	-	-	-	-	(4,214)	-	(8,798)
	1,433	2,840	-	657	(76)	54	(56)	69	(4,214)	(261)	446
Proceeds from issue of shares for cash	906	-	-	-	-	-	-	-	-	-	906
Credit to equity for share based payments	-	-	-	-	76	-	-	-	-	-	76
Reinstatement of goodwill previously written off to reserves	657	-	-	(657)	-	-	-	-	-	-	-
Other recognized gains and losses relating to the period	3,575	-	(1,761)	-	-	-	-	-	-	(10)	1,804
Net decrease in equity shareholders' deficit	6,571	2,840	(1,761)	-	-	54	(56)	69	(4,214)	(271)	3,232
Opening equity shareholders' deficit as restated/previously stated	(63,150)	-	(1,738)	-	-	(882)	(412)	(611)	8,798	855	(57,140)
Closing equity shareholders' deficit	(56,579)	2,840	(3,499)	-	-	(828)	(468)	(542)	4,584	584	(53,908)

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Group cash flow statement for the year ended September 30 2005

	UK GAAP IFRS format £000's	IFRS 3 Goodwill and other intangibles £000's	IFRS 1 Exceptional loss on sale of business £000's	IAS 27 Joint venture reclassification £000's	IFRS 2 Share based payments £000's	IAS 38 Deferred marketing £000's	IAS 17 Leases £000's	IAS 19 Employee benefits £000's	IFRS £000's
Cash flow from operating activities									
Operating profit	32,888	5,747	657	(227)	(91)	(349)	(128)	(32)	38,465
Less share of operating profit in associates and joint ventures	(585)	-	-	227	-	-	-	-	(358)
Less loss on disposal of business	972	-	(657)	-	-	-	-	-	315
Amortisation of goodwill	5,747	(5,747)	-	-	-	-	-	-	-
Share option expense	1,289	-	-	-	-	-	-	-	1,289
Depreciation of property, plant and equipment	1,745	-	-	-	-	-	-	-	1,745
Utilisation of property rental provision	(148)	-	-	-	-	-	-	-	(148)
Gain on disposal of property, plant and equipment	87	-	-	-	-	-	-	-	87
Operating cash flows before movements in working capital	41,995	-	-	-	(91)	(349)	(128)	(32)	41,395
Decrease in receivables	(4,151)	-	-	-	-	-	-	-	(4,151)
Increase in payables	5,681	-	-	-	91	349	128	32	6,281
Cash generated by operations	43,525	-	-	-	-	-	-	-	43,525
Income taxes paid	(6,797)	-	-	-	-	-	-	-	(6,797)
Net cash from operating activities	36,728	-	-	-	-	-	-	-	36,728
Investing activities									
Interest received	345	-	-	-	-	-	-	-	345
Interest paid	(3,756)	-	-	-	-	-	-	-	(3,756)
Dividends paid to minorities	(943)	-	-	-	-	-	-	-	(943)
Purchases of property, plant and equipment	(5,387)	-	-	-	-	-	-	-	(5,387)
Proceeds on disposal of property, plant and equipment	20	-	-	-	-	-	-	-	20
Acquisition of subsidiary	(12,231)	-	-	-	-	-	-	-	(12,231)
Acquisition of joint venture	(6,097)	-	-	-	-	-	-	-	(6,097)
Disposal of subsidiary	500	-	-	-	-	-	-	-	500
Net cash used in investing activities	(27,549)	-	-	-	-	-	-	-	(27,549)
Financing activities									
Dividends paid	(13,385)	-	-	-	-	-	-	-	(13,385)
Issue of new share capital	2,960	-	-	-	-	-	-	-	2,960
Increase in borrowings	42,932	-	-	-	-	-	-	-	42,932
Repayment of borrowings	(39,540)	-	-	-	-	-	-	-	(39,540)
Loan repaid to DMGT group company	(15,384)	-	-	-	-	-	-	-	(15,384)
Loan received from DMGT group company	15,622	-	-	-	-	-	-	-	15,622
Net cash used in financing activities	(6,795)	-	-	-	-	-	-	-	(6,795)
Net increase in cash and cash equivalents	2,384	-	-	-	-	-	-	-	2,384
Reclassification of joint venture	-	-	-	(555)	-	-	-	-	(555)
Cash and cash equivalents at beginning of year	23,010	-	-	(54)	-	-	-	-	22,956
Effect of foreign exchange rate movements	147	-	-	-	-	-	-	-	147
Cash and cash equivalents at end of year	25,541	-	-	(609)	-	-	-	-	24,932

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Group cash flow statement

for the six months ended March 31 2005

	UK GAAP IFRS format £000's	IFRS 3 Goodwill and other intangibles £000's	IFRS 2 Share based payments £000's	IAS 27 Joint venture reclassific ation £000's	IAS 38 Deferred marketing £000's	IAS 17 Leases £000's	IAS 19 Employee benefits £000's	IFRS £000's
Cash flow from operating activities								
Operating profit	11,621	3,497	(76)	(255)	54	(56)	69	14,855
Less share of operating profit in associates and joint ventures	(94)	-	-	255	-	-	-	161
Amortisation of goodwill	2,840	(2,840)	-	-	-	-	-	-
Exceptional goodwill impairment	1,047	(657)	-	-	-	-	-	390
Depreciation of property, plant and equipment	872	-	-	-	-	-	-	872
Gain on disposal of property, plant and equipment	(3)	-	-	-	-	-	-	(3)
Operating cash flows before movements in working capital	16,283	-	(76)	-	54	(56)	69	16,274
Decrease in receivables	342	-	-	-	-	-	-	342
Decrease in payables	(2,268)	-	76	-	(54)	56	(69)	(2,259)
Cash generated by operations	14,357	-	-	-	-	-	-	14,357
Income taxes paid	(3,639)	-	-	-	-	-	-	(3,639)
Net cash from operating activities	10,718	-	-	-	-	-	-	10,718
Investing activities								
Interest received	126	-	-	-	-	-	-	126
Interest paid	(1,689)	-	-	-	-	-	-	(1,689)
Dividends paid to minorities	(943)	-	-	-	-	-	-	(943)
Purchases of property, plant and equipment	(526)	-	-	-	-	-	-	(526)
Proceeds on disposal of property, plant and equipment	23	-	-	-	-	-	-	23
Acquisition of subsidiary	(12,249)	-	-	-	-	-	-	(12,249)
Acquisition of joint venture	(3,769)	-	-	-	-	-	-	(3,769)
Net cash used in investing activities	(19,027)	-	-	-	-	-	-	(19,027)
Financing activities								
Dividends paid	(8,795)	-	-	-	-	-	-	(8,795)
Issue of new share capital	906	-	-	-	-	-	-	906
Increase in borrowings	13,403	-	-	-	-	-	-	13,403
Repayment of borrowings	(6,491)	-	-	-	-	-	-	(6,491)
Loan repaid to DMGT group company	(12,846)	-	-	-	-	-	-	(12,846)
Loan received from DMGT group company	14,620	-	-	-	-	-	-	14,620
Net cash used in investing activities	797	-	-	-	-	-	-	797
Net decrease in cash and cash equivalents	(7,512)	-	-	-	-	-	-	(7,512)
Reclassification of joint venture	-	-	-	(263)	-	-	-	(263)
Cash and cash equivalents at beginning of period	23,010	-	-	(54)	-	-	-	22,956
Effect of foreign exchange rate movements	(539)	-	-	-	-	-	-	(539)
Cash and cash equivalents at end of period	14,959	-	-	(317)	-	-	-	14,642

Euromoney Institutional Investor PLC

Net debt

for the year ended September 30 2005

	UK GAAP IFRS format £000's	Total IFRS adjustments	IFRS £000's
Net debt at beginning of period	(62,478)	(54)	(62,532)
Reclassification of joint venture	-	(555)	(555)
Increase in cash and cash equivalents	2,384	-	2,384
Increase in loans	(18,907)	-	(18,907)
Decrease in amounts owed to DMGT group company	15,384	-	15,384
Other non cash changes	(106)	-	(106)
Effect of foreign exchange rate movements	(2,098)	-	(2,098)
Net debt at end of year	(65,821)	(609)	(66,430)

Net debt

for the six months ended March 31 2005

Net debt at beginning of period	(62,478)	(54)	(62,532)
Reclassification of joint venture	-	(263)	(263)
Decrease in cash and cash equivalents	(7,512)	-	(7,512)
Increase in loans	(13,100)	-	(13,100)
Decrease in amounts owed to DMGT group company	4,414	-	4,414
Effect of foreign exchange rate movements	3,067	-	3,067
Net debt at end of period	(75,609)	(317)	(75,926)