

Euromoney Institutional Investor PLC

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Chairman's Statement

Interim Results for the Six Months to March 31 2009

Highlights	2009	2008	change
Revenue	£160.7m	£154.8m	+4%
Underlying results			
• Adjusted operating profit	£37.1m	£36.1m	+3%
• Adjusted profit before tax	£29.9m	£30.5m	-2%
• Adjusted diluted earnings a share	18.5p	20.1p	-8%
Statutory results			
• Operating (loss)/profit	£(3.2)m	£27.1m	
• (Loss)/profit before tax	£(41.8)m	£15.1m	
• Diluted (loss)/earnings a share	(19.4)p	15.7p	
Dividend	6.25p	6.25p	

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

Overview

- Revenues up 4% to £160.7 million
- Adjusted operating profit up 3% to £37.1 million
- Adjusted profit before tax down 2% to £29.9 million
- Statutory loss before tax after exceptional restructuring and impairment charges and foreign exchange losses on restructured hedging arrangements
- Subscription revenues up 35%, now 47% of turnover
- Focus on cost management – annualised cost savings of £13 million to be achieved by year end
- Adjusted operating margin unchanged at 23%
- Net debt to EBITDA unchanged at 2.1x
- Interim dividend maintained at 6.25p
- Trading in line with board's expectations although outlook for second half remains challenging and uncertain

Commenting on the results, Chairman Padraic Fallon, said:

"We expected the downturn and cut costs early. Trading may get worse before it gets better, but we will be ready when the recovery begins. The strength of our brands, our robust cash flows and the diversity of our revenues will continue to help us through this difficult trading period."

Highlights

Euromoney Institutional Investor PLC, the international publishing, events and electronic information group, achieved an adjusted profit before tax of £29.9 million for the six months to March 31 2009, against £30.5 million for the same period in 2008. Adjusted diluted earnings a share were 18.5p (2008: 20.1p). The board has approved an unchanged interim dividend of 6.25p to be paid to shareholders on July 16 2009.

The group started preparing for a downturn in trading some time ago. Actions to restructure the business, cut costs and protect margins were implemented quickly at the start of the financial year. To date these measures have achieved annualised cost savings of £13 million. The loss before tax in the statutory results is stated after charging exceptional restructuring and

impairment costs of £32.2 million, including £3.1 million for redundancy costs. In addition, net finance costs include a foreign exchange loss of £9.0 million on restructured hedging arrangements which has been excluded from the underlying results, and a foreign exchange loss on tax equalisation contracts of £19.9 million which is matched by a tax credit and has no effect on earnings a share.

As reported in the company's Interim Management Statement on January 28 2009, the group experienced a reasonably good first quarter on the back of continued strong growth from subscription products, decreases in advertising and sponsorship revenues, and a slowing of the rate of growth in delegate revenues. However, sales during the first quarter, which largely drive revenues in the second quarter, had shown signs of weakening. This weakness was exacerbated by the even tougher trading conditions experienced during the second quarter as the new budget season brought significant cuts in spend on marketing, training and travel to events, and revenues suffered the full impact of the cuts in headcount across financial markets in 2008. As a result, the group's revenues in the second quarter fell by 1%, compared to the same period a year ago, after a 15% increase in the first quarter.

Chairman's Statement *continued*

Foreign currency movements have had a significant impact on both revenues and net debt. The group derives nearly 70% of its revenues in US dollars, and the strength of the US dollar against sterling since September 2008 has resulted in the reported 4% increase in first half revenues, to £160.7 million, showing a 10% decline at constant exchange rates.

Net debt at March 31 was £214.7 million compared to £172.0 million at year end. Approximately 80% of the group's debt is US dollar-denominated and the decline in the sterling-dollar rate increased net debt by £31.0 million. The group's net debt to EBITDA ratio, which is calculated on an average exchange rate basis, was unchanged at 2.1 times.

Current trading is in line with the board's expectations although the outlook remains challenging and uncertain. April's revenues were down 9% compared to a year ago. Forward revenue visibility for the second half is limited, as usual at this time, particularly for the key profit months of June and September. The board expects revenue trends to deteriorate before they improve, and the focus on reducing costs and net debt will continue through the second half.

Strategy

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

Trading Review

Total revenues increased by 4% to £160.7 million. Many of the group's markets are US dollar-based, and the appreciation of the US dollar against sterling since September 2008 has had a significant effect on reported revenues. Revenues at constant exchange rates fell by 10%.

The success of this strategy is again highlighted by these results. Subscription revenues increased by 35%, in sharp contrast to the declines in advertising and sponsorship revenues, and now account for 47% of total revenues compared to only 27% five years ago. Similarly, the profits from databases and information services, which are largely derived from subscription products, accounted for 38% of the group's profits in the first half, compared to just 12% in 2004.

The tight control of costs and focus on high quality, high margin products is even more critical to the group's success during a downturn. The overall adjusted operating margin was maintained at 23% and low margin products were eliminated quickly. Cost saving initiatives implemented during the period will generate annualised savings of at least £13 million, most of which will flow through to profits from 2010.

While the group remains keen to acquire small, specialist information businesses that complement its existing activities and provide scope for strong organic growth, it does not expect to complete any significant deals in the next 12 months and its excess cash flows will be applied first to reducing net debt.

The group's strategy is robust and as suitable for these extreme trading conditions as it was during periods of sustained growth. In the second half, we will continue to focus on reducing costs and protecting our margins. At the same time, we will continue to invest in technology and new subscription-based products, in launching new events, and in marketing and editorial, to leave the group well positioned to take advantage of the recovery when it comes.

	2009 £000's	2008 £000's	Growth	Growth at constant exchange rates
Subscriptions	77,720	57,740	35%	9%
Advertising	25,630	28,559	(10%)	(24%)
Sponsorship	18,895	20,609	(8%)	(26%)
Delegates	38,114	42,893	(11%)	(22%)
Other/closed	5,373	5,020	7%	(2%)
Foreign exchange losses on forward currency contracts	(5,046)	–	–	–
Total revenue	160,686	154,821	4%	(10%)

The performance of the group's various revenue streams contrast strongly with each other and with the trends seen in 2008. This is largely driven by the state of markets and the priorities of customers. In 2008 most customers, particularly the global financial institutions, were focussed on financial survival and positioning their businesses for tougher trading conditions. Spend on advertising and conference sponsorship, which tends to be both high value and discretionary, was cut and headcount was reduced. The micro-management of costs, however, particularly training, conference attendance and travel, and information buying did not begin until January 2009. As a result, delegate attendance at events and training courses held up well in the first quarter, but turned down sharply in the second, while advertising and sponsorship revenues have continued to decline more gradually. Similarly subscription renewal rates and new sales also started to decline in the second quarter, although the full impact on revenues will not be seen until 2010.

Subscription revenues increased by 35% to £77.7 million (9% at constant currencies). This reflects the fact that subscriptions have the highest proportion of US dollar billings of the group's revenue streams, as well as the heavy investment by the group in subscription-based electronic information services. A key driver has been the excellent performance since acquisition of the *Metal Bulletin* group. The online migration of many of *Metal Bulletin's* publications has enabled the business to improve significantly the quality of its content as well as opening up its products to new customers and creating opportunities for several new information services. This successful web-first strategy is being extended to many of the group's titles in both financial and business publishing.

Delegate revenues tend to be the most volatile of the group's revenue streams and in the past have usually been the first revenues to decline in a downturn. However, this has not been the case during this credit crisis when the reaction of financial institutions has been to focus first on survival, including cutting more visible expenditure such as advertising and event sponsorship. Delegate revenues are heavily dependent on people's propensity to travel, as well as discretionary decisions on training and event attendance and it is really only since January that blanket bans on travel, training and event attendance have been implemented. As a result, delegate revenues held up reasonably well in the first quarter, increasing by 9% compared to the same period a year ago, before falling by more than 30% in the second quarter.

Emerging markets, which account for nearly half of the group's revenues, have also suffered from the global credit crisis with falling demand from their traditional export markets and declining asset values. However, the sharp downturn driven by excess leverage and complex financial products that has characterised the credit problems in North America and Europe has not hurt emerging economies to the same degree. Most emerging markets, with the notable exception of Russia and parts of Eastern Europe, have held up reasonably well.

In response to the exceptionally tough trading conditions, the group has undertaken a restructuring of a number of its businesses, with a view to reducing costs and increasing operating efficiencies. As part of this restructuring, the group has implemented plans to reduce its world-wide headcount by at least 300 positions by the end of the financial year, of which 150 reductions had taken place by March 31. In addition, the group is in the process of exiting surplus office space in a number of locations. These actions have given rise to exceptional restructuring and other costs of £10.3 million, including one-off redundancy payments of £3.1 million and a provision of £3.6 million for surplus property costs. The full benefit of these cost reductions will not flow through to profits until the end of the second half.

Business Review

Adjusted operating profits from Financial Publishing fell by 14% to £8.2 million, and the margin decreased from 24% to 21%, as global financial institutions continued to cut their headcount and marketing spend in response to the banking crisis. The fall in advertising was partly offset by growth in subscription revenues, reflecting the group's successful strategy of migrating its print products away from their dependence on advertising in favour of higher value subscription-driven content. In sharp contrast, the group's adjusted operating profits from Business Publishing increased by a third to £10.3 million and the margin improved from 33% to nearly 40%. This excellent performance partly reflects the counter-cyclical nature of the sectors covered, particularly metals, minerals and mining under the *Metal Bulletin* brand, legal and telecoms, as well as the continued investment in the growth of *Metal Bulletin's* subscription products.

Training revenues, which are derived mostly from paying delegates, traditionally fall faster than others in a downturn and after a reasonably strong first quarter, revenues fell by 22% in the second quarter. This sharp fall in delegate bookings since January was responsible for the 26% fall in adjusted operating profits to £3.5 million, and the deterioration in the margin from 25% to 19%. In response, course volumes, marketing and other costs were reduced, and the business has been restructured in expectation of further declines in course volumes and delegate numbers.

Revenues for the Conferences and Seminars division comprise a roughly equal mix of sponsorship and paying delegates. Sponsorship revenues continued the downward trend seen in 2008. However, as with the Training division, delegate revenues held up well in the first quarter before falling sharply from January. This division is less dependent on the financial sector than the Training businesses, and events in areas such as metals, energy and telecoms continued to grow. Adjusted operating profits fell by 27% to £8.1 million and the margin declined from 26% to 21%. The businesses have been restructured to eliminate low margin events and focus on maintaining the market leading positions on its bigger conferences, while still exploring opportunities for new events.

Chairman's Statement *continued*

Adjusted operating profits from Databases and Information Services nearly doubled to £18.6 million and the margin improved from 32% to 41%. Revenues are predominantly subscription-based and US dollar-denominated. The main driver of this growth was BCA, the economic research house. The investment in BCA since the acquisition of Metal Bulletin plc was reflected in strong sales in 2008, and this has continued to drive revenue growth in 2009. Demand for BCA's high quality, independent research has proved robust although inevitably the shrinking of the asset management industry will affect BCA and its growth is expected to slow in the second half and in 2010. ISI, the emerging markets information business, has also proved reasonably robust, partly due to the growth in its emerging market economic data service following the investment in 2008 to expand its research beyond Asia into other emerging market regions.

Impact of Foreign Currency

The group now generates nearly 70% of its revenues in US dollars, including approximately 30% of the revenues in its UK-based businesses, and approximately 60% of its operating profits are US dollar-denominated. The group is therefore exposed to foreign exchange risk on the US dollar revenues in its UK businesses, and on the translation of the results of its US dollar-denominated businesses. The average sterling-US dollar exchange rate applied for the first half was \$1.58 against \$2.01 in 2008.

In order to hedge its exposure to US dollar revenues in its UK businesses, forward contracts are put in place to sell forward surplus US dollars, with a view to being fully hedged for the coming 12 months and partially hedged for a further 12-24 months. 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. As a result of this hedging strategy, the profit benefit from the recent strengthening of the US dollar will largely be delayed until 2010 and beyond.

The exceptional trading conditions of the past six months have meant that the US dollar revenues in the group's UK businesses have fallen below the levels forecast at the time the US dollar forward sale contracts were put in place, mostly between 12 and 24 months earlier. To the extent that these forward currency contracts have been rendered ineffective by the downturn in revenues, the contracts have been closed or restructured. As a result, the group has recognised losses of £3.2 million on contracts closed before their maturity date in the first half, and a further £5.8 million of losses on contracts due to mature in 2010 and 2011. The total foreign exchange loss on these restructured hedging arrangements of £9.0 million has been reported as an expense in net finance costs and excluded from the underlying results.

Financial Review

The group's actions to restructure its businesses and cut costs incurred exceptional restructuring and other costs of £10.3 million. The group has also reviewed the carrying value of goodwill in accordance with IAS 36 'Impairment of Assets', which has given rise to an exceptional goodwill impairment charge of £21.9 million, mostly in connection with its US-based activities in the structured finance sector.

Net finance costs of £38.6 million (2008: £12.0 million) shown in the statutory results include a charge of £19.8 million (2008: £5.8 million) relating to tax equalisation contracts under a foreign currency financing derivative. This charge is made up of gains on tax equalisation contracts of £0.1 million (2008: £2.8 million) and a foreign exchange loss of £19.9 million (2008: £8.6 million) which is offset by a matching tax credit. Net finance costs also include £9.0 million of losses on restructured hedging arrangements (see above). The cost of funding the group's net debt was £6.6 million compared to £6.0 million in 2008.

The group reported a statutory loss before tax for the six months of £41.8 million after charging exceptional costs of £32.2 million, acquired intangible amortisation of £7.5 million, finance costs of £9.0 million on restructured hedging arrangements, and the foreign exchange loss on tax equalisation contracts of £19.9 million included in net finance costs. The foreign exchange loss on tax equalisation contracts is matched with a corresponding tax credit so that there is no financial impact on earnings a share.

A detailed reconciliation of the group's underlying and statutory results is set out in the appendix to this statement.

The tax credit of £21.7 million shown in the statutory results is stated after recognising the tax credit of £19.9 million relating to tax on foreign exchange losses hedged by the tax equalisation contracts referred to above, and tax credits of £10.0 million on the exceptional items. The underlying tax rate forecast for 2009 is 25%. However, when applied to the results for the interim period, the underlying tax rate is higher at 29% due to a difference in the mix of profits over the full year. The group's underlying tax rate has historically been below 30% because of the tax benefit of overseas tax deductible goodwill.

Following the achievement in 2007 of the profit target under the group's Capital Appreciation Plan (CAP), the second tranche of 2.2 million options vested in February 2009, representing 2.0% of the company's share capital. Of the options vesting, 2.0 million were exercised resulting in the issue of the same number of new shares. A third and final tranche of up to 2.5 million options will vest in the next year that the primary performance test, which requires the group's adjusted profit before tax (before CAP expense) to exceed £57 million, is achieved.

Net Debt, Cash Flow and Dividend

Net debt at March 31 was £214.7 million compared to £172.0 million at year end. The net debt to EBITDA ratio at March 31 was 2.1 times compared to 2.2 times at year end. Approximately 80% of the group's debt is US dollar-denominated, and the US dollar rate fell from \$1.78 at year end to \$1.43 at March 31. This accounted for an increase of £31.0 million in net debt during the period, the balance being due to the purchase of additional interests in subsidiary undertakings, offset by positive operating cash flows. Cash flows in the first half are traditionally less than in the second due to the payment of annual profit shares and the final dividend in the second quarter. Cash generated from operations fell to £24.5 million (2008: £42.4 million), largely due to the benefit of strong cash collections being offset by a decline in cash received in advance for future events.

During the past six months the group has invested £13.6 million in increasing its equity interests in a number of its subsidiaries under acquisition earn-out agreements. This includes the acquisition of the outstanding 20% minority interest in Information Management Network, the structured finance, indexing and real estate events business, for £7.7 million. The group also spent £3.0 million on an additional 4% interest in ISI, taking its holding to 98%, and £2.8 million increasing its interest in Total Derivatives from 78% to 89%. Following these payments, the total commitment under outstanding acquisition option agreements has fallen from £29.8 million to £12.7 million, of which £6.0 million is payable in the third quarter and most of the balance in 2010.

The group's debt is provided through a multi-currency committed facility from Daily Mail and General Trust plc. The facility was renewed in December 2008 on terms broadly similar to those of the previous facility. At renewal, the group took the opportunity to reduce the size of its facility from £300 million to \$400 million reflecting the strong cash flows since the acquisition of Metal Bulletin in October 2006. The facility is provided in a mix of sterling and US dollar funds over three and five year terms, and the earliest repayment date is December 31 2011. Interest on the facility is payable at a variable rate between 1.3% and 3% above LIBOR, compared to 0.4% and 1.6% under the old facility, depending on the group's net debt to EBITDA ratio. The net debt to EBITDA covenant is defined to allow the rate used in the translation of US dollar EBITDA, including hedging contracts, to be used also in the calculation of net debt, thereby removing any distortion to the covenant from increases in net debt due to short-term movements in the US dollar.

The net debt to EBITDA covenant on the group's committed facility is subject to a limit of four times. However, given the tough trading conditions and uncertain economic outlook, the board intends to operate within a more conservative internal covenant of three times EBITDA, and will take all steps necessary to manage its cash flows within this lower covenant.

The company has been increasing its dividend cover for some time and in 2008 its cover exceeded two times earnings. The board believes this dividend strategy remains appropriate and has increased its target dividend cover to three times earnings. It expects to move towards this target, starting from the final dividend for 2009. In the meantime, the board has approved an unchanged interim dividend of 6.25p a share. The scrip dividend alternative first made available to shareholders for the 2008 final dividend will again be offered for the interim dividend. The group's majority shareholder, Daily Mail and General Trust plc, has indicated its intention to accept the scrip alternative when the interim dividend is paid on July 16 2009.

Outlook

Generally markets seem to have stabilised after an exceptionally volatile 18 months, although uncertainty remains over the timing and speed of any recovery. While it also appears that the threat of a systemic failure in the banking system has receded, the fallout in terms of failed institutions, significant restructuring and increased regulation is likely to continue for some time. The typical response of our customers - to reduce headcount and cut spending on marketing and information - is unlikely to change in the second half, and trading conditions are likely to deteriorate further before they improve.

The group continues to trade in line with the board's expectations, despite increasingly more challenging trading conditions for most of its businesses. Revenues in April fell by 9%. The exceptional growth in subscription revenues experienced in the first half is expected to tail off in the second as the lag effect on revenues of cuts in headcount and information buying works its way through the system.

Against that, revenues in the second half are expected to continue to benefit from favourable exchange rates, particularly the weakness of sterling against the US dollar, although the group's conservative foreign currency hedging strategy means that the positive impact on profits will substantially be delayed until 2010 and 2011. The second half results will also start to benefit from the significant steps taken in the first half to reduce headcount and cut other costs, while the traditionally stronger operating cash flows in the second half will help to reduce the group's net debt.

The business has so far proved resilient to the worst downturn in living memory. The strength of its brands, the quality of its products and people, its robust cash flows and the diversity of its revenues will continue to help the group through this difficult trading period.



Padraic Fallon
Chairman
May 13 2009

Appendix to Chairman's Statement

Reconciliation of Condensed Consolidated Income Statement to underlying results for the six months ended March 31 2009

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

Notes	Unaudited six months ended March 31 2009			Unaudited six months ended March 31 2008			Audited year ended Sept 30 2008			
	Underlying £000's	Adjustments £000's	Total £000's	Underlying £000's	Adjustments £000's	Total £000's	Underlying £000's	Adjustments £000's	Total £000's	
	160,686	–	160,686	154,821	–	154,821	332,064	–	332,064	
Operating profit before acquired intangible amortisation, share option expense and exceptional items	2	37,064	–	37,064	36,141	–	36,141	81,308	–	81,308
Acquired intangible amortisation		–	(7,452)	(7,452)	–	(6,127)	(6,127)	–	(12,749)	(12,749)
Share option expense		(716)	–	(716)	(2,678)	–	(2,678)	(5,361)	–	(5,361)
Exceptional items	4	–	(32,219)	(32,219)	–	(370)	(370)	–	(2,477)	(2,477)
Operating profit/(loss) before associates		36,348	(39,671)	(3,323)	33,463	(6,497)	26,966	75,947	(15,226)	60,721
Share of results in associates		146	–	146	146	–	146	308	–	308
Operating profit/(loss)		36,494	(39,671)	(3,177)	33,609	(6,497)	27,112	76,255	(15,226)	61,029
Finance income	5	1,445	–	1,445	1,047	272	1,319	5,594	–	5,594
Finance expense	5	(8,072)	(32,013)	(40,085)	(4,202)	(9,151)	(13,353)	(14,506)	(14,691)	(29,197)
Net finance costs		(6,627)	(32,013)	(38,640)	(3,155)	(8,879)	(12,034)	(8,912)	(14,691)	(23,603)
Profit/(loss) before tax		29,867	(71,684)	(41,817)	30,454	(15,376)	15,078	67,343	(29,917)	37,426
Tax (expense)/credit on profit/(loss) on ordinary activities	6	(8,605)	30,287	21,682	(8,484)	10,744	2,260	(18,346)	25,625	7,279
Profit/(loss) after tax from continuing operations	2	21,262	(41,397)	(20,135)	21,970	(4,632)	17,338	48,997	(4,292)	44,705
Profit for the period from discontinued operations		–	–	–	–	220	220	–	245	245
Profit/(loss) for the period		21,262	(41,397)	(20,135)	21,970	(4,412)	17,558	48,997	(4,047)	44,950
Attributable to:										
Equity holders of the parent		20,216	(41,397)	(21,181)	21,141	(4,412)	16,729	47,766	(4,047)	43,719
Equity minority interests		1,046	–	1,046	829	–	829	1,231	–	1,231
		21,262	(41,397)	(20,135)	21,970	(4,412)	17,558	48,997	(4,047)	44,950
Diluted earnings/(loss) per share - continuing operations	8	18.53p	(37.94)p	(19.41)p	20.05p	(4.39)p	15.66p	44.36p	(3.99)p	40.37p

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

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

Principal Risks and Uncertainties

The principal risks and uncertainties that affect the group are described in detail on pages 13 to 17 of the 2008 annual report available at www.euromoneyplc.com. In summary, they include:

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

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

In addition, as explained in the conference and events risk matter listed above and set out in detail in the 2008 annual report, the directors believe that the impact of a major disease outbreak could have a specific impact on the group's performance over the remaining six months of the financial year.

The recent outbreak of a new strain of H1N1 influenza (Swine Flu) has led the World Health Organisation to increase the pandemic threat level to five, indicating an imminent pandemic. Whilst it is not clear how serious any pandemic might be, it could significantly affect the group's ability to produce and deliver its products, reduce the demand for them, or increase the cost base. Events businesses in particular may be sensitive to a pandemic as their success depends on delegates' confidence in and ability to travel globally. Disruptions or reductions to global travel as a result of a pandemic could lead to events being cancelled or postponed. Disaster recovery plans are in place to address this risk.

Condensed Consolidated Income Statement

for the six months ended March 31 2009

	Notes	Unaudited six months ended March 31 2009 £000's	Unaudited six months ended March 31 2008 £000's	Audited year ended September 30 2008 £000's
Total revenue	2	160,686	154,821	332,064
Operating profit before acquired intangible amortisation, share option expense and exceptional items	2	37,064	36,141	81,308
Acquired intangible amortisation		(7,452)	(6,127)	(12,749)
Share option expense		(716)	(2,678)	(5,361)
Exceptional items	4	(32,219)	(370)	(2,477)
Operating (loss)/profit before associates		(3,323)	26,966	60,721
Share of results in associates		146	146	308
Operating (loss)/profit		(3,177)	27,112	61,029
Finance income	5	1,445	1,319	5,594
Finance expense	5	(40,085)	(13,353)	(29,197)
Net finance costs		(38,640)	(12,034)	(23,603)
(Loss)/profit before tax		(41,817)	15,078	37,426
Tax credit on (loss)/profit		21,682	196	1,921
Deferred tax asset recognition		–	2,064	5,358
Tax credit on (loss)/profit on ordinary activities	6	21,682	2,260	7,279
(Loss)/profit after tax from continuing operations	2	(20,135)	17,338	44,705
Profit for the period from discontinued operations		–	220	245
(Loss)/profit for the period		(20,135)	17,558	44,950
Attributable to:				
Equity holders of the parent		(21,181)	16,729	43,719
Equity minority interests		1,046	829	1,231
		(20,135)	17,558	44,950
Basic (loss)/earnings per share - continuing operations	8	(19.81)p	15.96p	41.69p
Basic (loss)/earnings per share - continuing and discontinued operations	8	(19.81)p	16.18p	41.92p
Diluted (loss)/earnings per share - continuing operations	8	(19.41)p	15.66p	40.37p
Diluted (loss)/earnings per share - continuing and discontinued operations	8	(19.41)p	15.87p	40.60p
Adjusted diluted earnings per share	8	18.53p	20.05p	44.36p
Dividend per share (including proposed dividends)	7	6.25p	6.25p	19.25p

A detailed reconciliation of the group's underlying results is set out in the appendix to the chairman's statement.

Condensed Consolidated Balance Sheet

as at March 31 2009

	Notes	Unaudited as at March 31 2009 £000's	Unaudited as at March 31 2008 £000's	Audited as at September 30 2008 £000's
Non-current assets				
Intangible assets				
Goodwill		314,688	256,341	272,096
Other intangible assets		156,410	131,793	135,482
Property, plant and equipment		20,763	20,781	21,661
Investments		136	141	303
Deferred tax assets		27,681	14,071	16,459
Net pension surplus		573	364	2,527
Derivative financial instruments		55	321	368
		520,306	423,812	448,896
Current assets				
Trade and other receivables		52,840	70,195	69,141
Amounts on loans owed by DMGT group undertakings		–	–	155,772
Current income tax assets		12,643	–	1,928
Cash at bank and in hand	10	21,149	35,114	21,211
Derivative financial instruments		995	6,583	1,451
		87,627	111,892	249,503
Current liabilities				
Acquisition option commitments		(12,256)	(20,089)	(22,276)
Trade and other payables		(54,670)	(35,972)	(30,619)
Amounts on loans owed to DMGT group undertakings		–	–	(155,772)
Current income tax liabilities		(2,052)	(1,261)	(2,558)
Accruals		(43,356)	(33,923)	(50,016)
Deferred income		(92,114)	(87,651)	(89,488)
Derivative financial instruments		(27,278)	(10,166)	(15,165)
Provisions		(1,294)	(86)	(1,198)
Committed loan facility	10	–	–	(184,594)
Loan notes	10	(6,977)	(8,348)	(7,579)
Bank overdrafts	10	(544)	(8,122)	(1,032)
		(240,541)	(205,618)	(560,297)
Net current liabilities		(152,914)	(93,726)	(310,794)
Total assets less current liabilities		367,392	330,086	138,102
Non-current liabilities				
Acquisition option commitments		(427)	(6,787)	(7,572)
Other non-current liabilities		(1,334)	(1,019)	(1,301)
Committed loan facility	10	(228,326)	(220,409)	–
Deferred tax liabilities		(25,942)	(29,328)	(27,887)
Derivative financial instruments		(22,232)	(7,605)	(9,773)
Provisions		(4,816)	(649)	(3,505)
		(283,077)	(265,797)	(50,038)
Net assets		84,315	64,289	88,064
Shareholders' equity				
Called up share capital	11	279	263	263
Share premium account	12	47,826	38,575	38,575
Other reserve	12	64,981	64,981	64,981
Capital redemption reserve	12	8	8	8
Own shares	12	(74)	(74)	(74)
Liability for share based payments	12	21,516	18,181	20,676
Fair value reserve	12	(80,626)	4,822	(19,579)
Translation reserve	12	75,480	(8,615)	17,113
Retained earnings	12	(46,636)	(56,506)	(36,916)
Equity shareholders' surplus		82,754	61,635	85,047
Equity minority interests		1,561	2,654	3,017
Total equity		84,315	64,289	88,064

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

Condensed Consolidated Cash Flow Statement

for the six months ended March 31 2009

	Unaudited six months ended March 31 2009 £000's	Unaudited six months ended March 31 2008 £000's	Audited year ended September 30 2008 £000's
Cash flow from operating activities			
Operating (loss)/profit	(3,177)	27,112	61,029
Share of results in associates and joint ventures	(146)	(146)	(308)
Profit on disposal of long-term investment	–	–	(1,589)
Acquired intangible amortisation	7,452	6,127	12,749
Licences and software amortisation	190	147	207
Share option expense	716	2,678	5,361
Goodwill impairment	21,929	–	2,952
Reduction in goodwill arising from a deferred tax adjustment	–	1,062	2,784
Depreciation of property, plant and equipment	2,708	1,404	2,759
Increase/(decrease) in provisions	1,252	(1,168)	(1,419)
Loss/(profit) on disposal of property, plant and equipment	–	4	(1,662)
Operating cash flows before movements in working capital	30,924	37,220	82,863
Decrease/(increase) in receivables	25,088	(1,088)	3,224
(Decrease)/increase in payables	(31,484)	6,231	13,697
Cash generated from operations	24,528	42,363	99,784
Income taxes paid	(881)	(7,699)	(12,231)
Net cash from operating activities	23,647	34,664	87,553
Investing activities			
Dividends paid to minorities	(1,418)	(1,673)	(2,056)
Dividends received from associate	314	257	257
Interest received	591	819	4,212
Purchase of intangible assets	(12)	(136)	(156)
Purchase of property, plant and equipment	(665)	(1,446)	(4,240)
Proceeds on disposal of property, plant and equipment	–	13	2,846
Proceeds from disposal of long-term investment	–	–	1,589
Purchase of additional interest in subsidiary undertakings	(13,551)	(5,943)	(5,997)
Acquisition of subsidiary undertakings	–	–	(556)
Proceeds from disposal of businesses	–	170	–
Proceeds from disposal of discontinued operations	–	–	245
Net cash used in investing activities	(14,741)	(7,939)	(3,856)
Financing activities			
Dividends paid	(4,428)	(13,380)	(19,950)
Interest paid	(4,139)	(5,588)	(10,129)
Interest paid on loan notes	(213)	(331)	(534)
Issue of new share capital	5	71	72
Settlement of derivative assets/liabilities	(32,216)	(654)	(5,591)
Redemption of loan notes	(534)	(3,549)	(4,324)
Amounts received on intergroup tax equalisation swaps	23,088	–	–
Loan repaid to DMGT group company	(59,694)	(14,438)	(217,236)
Loan received from DMGT group company	66,311	16,527	171,218
Net cash used in financing activities	(11,820)	(21,342)	(86,474)
Net (decrease)/increase in cash and cash equivalents	(2,914)	5,383	(2,777)
Cash and cash equivalents at beginning of period	20,179	20,776	20,776
Effect of foreign exchange rate movements	3,340	833	2,180
Cash and cash equivalents at end of period	20,605	26,992	20,179

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

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

Condensed Consolidated Statement of Recognised Income and Expense

for the six months ended March 31 2009

	Unaudited six months ended March 31 2009 £000's	Unaudited six months ended March 31 2008 £000's	Audited year ended September 30 2008 £000's
Change in fair value of hedges	(30,577)	(10,460)	(17,455)
Gains on revaluation of intangible assets	2,599	1,692	1,692
Net exchange differences arising on translation of net investments in overseas subsidiary undertakings	58,367	6,720	32,448
Net exchange difference on foreign currency loans	(34,987)	(2,484)	(19,115)
Actuarial (losses)/gains on defined benefit pension schemes	(2,199)	(277)	1,589
Tax on items taken directly to equity	6,798	3,479	1,282
Net income and expense recognised directly in equity	1	(1,330)	441
Transfers			
Transfer of loss/(gain) on cash flow hedges from fair value reserves to the income statement	1,918	(2,102)	(2,877)
(Loss)/profit for the period	(20,135)	17,558	44,950
Total recognised income and expense for the period	(18,216)	14,126	42,514
Attributable to:			
Equity holders of the parent	(19,262)	13,297	41,283
Minority interests	1,046	829	1,231
	(18,216)	14,126	42,514

Notes to the Condensed Consolidated Interim Financial Report

1 Basis of preparation

This interim financial report was approved by the board of directors on May 13 2009.

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

Accounting policies

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

The same accounting policies, presentation and methods of computation are followed in these condensed financial statements as were applied in the group's latest annual audited financial statements.

The information for the year ended September 30 2008 does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was not qualified, did not draw attention to any matters by way of emphasis and did not contain statements under section 237(2) or (3) of the Companies Act 1985.

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 1 to 5.

The financial position of the group, its cash flows and liquidity position are set out in detail in this Condensed Consolidated Interim Financial Report. The group meets its day-to-day working capital requirements through its \$400 million dedicated multi-currency borrowing facility with Daily Mail and General Trust plc group. The facility is divided into four tranches of sterling and US dollar funds with three and five year terms with a total maximum borrowing capacity of \$310 million (£216 million) and £59 million respectively. The facility's covenant requires the group's net debt to be no more than four times adjusted EBITDA on a rolling 12 month basis. At March 31 2009, the group's net debt to adjusted EBITDA was 2.1 times and the uncommitted undrawn facility available to the group was £47.0 million. The three year tranches of the facility are due for renewal in December 2011 and the five year tranches in December 2013.

The current economic conditions create uncertainty particularly over: a) the level of demand for the group's products; b) the exchange rate between sterling and US dollars and the impact on the translation of US dollar profits and losses from its US dollar-based businesses and transactions including the gains or losses from the group's forward contracts used to partially hedge these; and c) the availability of bank finance in the foreseeable future.

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

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

2 Segmental analysis

Primary reporting format

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

Secondary reporting format

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

Inter segment sales are charged at prevailing market rates.

	Unaudited six months ended March 31									
	United Kingdom		North America		Rest of World		Elimination		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	£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	21,363	22,589	18,028	16,957	652	872	(2,242)	(1,621)	37,801	38,797
Business publishing	18,969	17,274	7,615	5,643	886	874	(1,268)	(973)	26,202	22,818
Training	11,599	12,585	4,941	4,977	1,925	1,827	(233)	(205)	18,232	19,184
Conferences and seminars	15,084	14,480	17,474	18,776	6,090	10,105	(9)	(39)	38,639	43,322
Databases and information services	4,718	3,637	28,816	18,961	11,315	8,064	–	(2)	44,849	30,660
Sold/closed businesses	–	44	–	–	–	–	–	(4)	–	40
Corporate revenue	874	1,047	213	1	1	1	(1,079)	(1,049)	9	–
Foreign exchange losses on forward currency contracts	(5,046)	–	–	–	–	–	–	–	(5,046)	–
Total revenue	67,561	71,656	77,087	65,315	20,869	21,743	(4,831)	(3,893)	160,686	154,821
									2009	2008
									£000's	£000's
Revenue by type:										
Subscriptions									77,720	57,740
Advertising									25,630	28,559
Sponsorship									18,895	20,609
Delegates									38,114	42,893
Other									5,373	4,980
Sold/closed businesses									–	40
Foreign exchange losses on forward currency contracts									(5,046)	–
Total revenue									160,686	154,821
Investment income (note 5)									154	462
Total revenue and investment income									160,840	155,283

Notes to the Condensed Consolidated Interim Financial Report *continued*

2 Segmental analysis *continued*

	Unaudited six months ended March 31									
	United Kingdom		North America		Rest of World		Elimination		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Revenue										
By destination:										
Sale of goods	23,587	24,872	46,064	41,145	42,711	28,855	(3,510)	(2,596)	108,852	92,276
Sale of services	9,988	5,700	18,220	23,851	29,993	34,247	(1,321)	(1,293)	56,880	62,505
Sold/closed businesses	–	44	–	–	–	–	–	(4)	–	40
Foreign exchange losses on forward currency contracts	(5,046)	–	–	–	–	–	–	–	(5,046)	–
Total revenue	28,529	30,616	64,284	64,996	72,704	63,102	(4,831)	(3,893)	160,686	154,821
Investment income (note 5)	–	–	20	–	134	462	–	–	154	462
Total revenue and investment income	28,529	30,616	64,304	64,996	72,838	63,564	(4,831)	(3,893)	160,840	155,283

	Unaudited six months ended March 31									
	United Kingdom		North America		Rest of World		Total			
	2009	2008	2009	2008	2009	2008	2009	2008		
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's		
Operating profit¹										
By division and source:										
Financial publishing			6,923	7,349	1,375	1,991	(148)	91	8,150	9,431
Business publishing			8,123	5,929	2,144	1,418	51	206	10,318	7,553
Training			2,315	3,380	677	875	488	461	3,480	4,716
Conferences and seminars			4,186	4,156	4,634	4,738	(716)	2,255	8,104	11,149
Databases and information services			2,937	2,232	13,941	6,256	1,687	1,362	18,565	9,850
Sold/closed businesses			(4)	88	–	–	–	–	(4)	88
Unallocated corporate costs			(8,900)	(5,581)	(1,938)	(1,234)	(711)	169	(11,549)	(6,646)
Operating profit before acquired intangible amortisation, share option expense and exceptional items			15,580	17,553	20,833	14,044	651	4,544	37,064	36,141
Acquired intangible amortisation ²			(2,145)	(2,059)	(4,504)	(3,458)	(803)	(610)	(7,452)	(6,127)
Share option expense			(523)	(1,591)	(162)	(1,004)	(31)	(83)	(716)	(2,678)
Exceptional items (note 4)			(730)	741	(25,376)	(1,111)	(6,113)	–	(32,219)	(370)
Operating profit/(loss) before associates			12,182	14,644	(9,209)	8,471	(6,296)	3,851	(3,323)	26,966
Share of results in associates									146	146
Net finance costs (note 5)									(38,640)	(12,034)
(Loss)/profit before tax									(41,817)	15,078
Tax credit (note 6)									21,682	2,260
(Loss)/profit after tax									(20,135)	17,338

The exceptional loss of £32,219,000 (2008: £370,000) can be allocated as follows: Financial publishing £857,000 expense (2008: £nil); Business publishing £14,000 expense (2008: £1,062,000 expense); Conference and seminars £22,349,000 expense (2008: £nil); Training £45,000 expense (2008: £nil); Database and information services £1,207,000 expense (2008: £nil); Unallocated corporate costs £7,747,000 expense (2008: £692,000 income).

Share option expense of £716,000 (2008: £2,678,000) can be allocated as follows: Financial publishing £176,000 (2008: £657,000); Business publishing £81,000 (2008: £314,000); Training £150,000 (2008: £545,000); Conferences and seminars £87,000 (2008: £326,000); Databases and information services £108,000 (2008: £425,000); Sold/closed businesses £nil (2008: £nil); Unallocated corporate costs £114,000 (2008: £411,000).

Acquired intangible amortisation of £7,452,000 (2008: £6,127,000) can be allocated as follows: Financial publishing £554,000 (2008: £537,000); Business publishing £1,778,000 (2008: £1,727,000); Conferences and seminars £226,000 (2008: £141,000); Databases and information systems £4,823,000 (2008: £3,722,000); Unallocated corporate costs £71,000 (2008: £nil).

¹ Operating profit before acquired intangible amortisation, share option 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 trade marks, subscriber relationships, advertiser relationships, and databases.

3 Seasonality of results

The group's results are not materially affected by seasonal or cyclical trading due to the diverse nature of its business. For the year ended September 30 2008 the group earned 47% and 45% of its revenues and profits¹ respectively in the first six months of the year (year ended September 2007: 47% and 43% of its revenues and profits¹).

4 Exceptional items

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

	Unaudited six months ended March 31 2009 £000's	Unaudited six months ended March 31 2008 £000's	Audited year ended Sept 30 2008 £000's
Profit on sale of property	–	–	1,670
Profit on disposal of long-term investment	–	–	1,589
Reduction in goodwill arising from a deferred tax adjustment	–	(1,062)	(2,784)
Goodwill impairment	(21,929)	–	(2,952)
Restructuring and other costs	(10,290)	692	–
	(32,219)	(370)	(2,477)

The group has reviewed the carrying value of goodwill and as a result has impaired capitalised goodwill, mostly in connection with the group's structured finance event businesses, by £21,929,000 with a corresponding deferred tax credit of £6,374,000.

During the six months to March 2009, in response to the tough trading conditions, the directors have restructured the group's operations resulting in the rationalisation of its property portfolio (exceptional cost of £3,646,000), a reduction in group headcount (exceptional cost of £3,122,000), and other exceptional costs (£3,522,000) giving rise to total exceptional restructuring and other costs of £10,290,000 and a related tax credit of £3,668,000.

¹ Operating profit before required intangible amortisation, share option expense and exceptional items (refer to the appendix to the chairman's statement)

Notes to the Condensed Consolidated Interim Financial Report *continued*

5 Finance income and expense

	Unaudited six months ended March 31 2009 £000's	Unaudited six months ended March 31 2008 £000's	Audited year ended Sept 30 2008 £000's
Finance income			
Interest receivable from DMGT group undertakings	654	–	3,825
Interest receivable from short-term investments	154	462	597
Expected return on pension scheme assets	579	585	1,172
Ineffectiveness of interest rate swaps	58	–	–
Net movements in acquisition option commitment values	–	272	–
	1,445	1,319	5,594
Finance expense			
Interest payable on committed borrowings	(6,594)	(6,167)	(12,252)
Interest payable to DMGT group undertakings	(818)	–	(3,825)
Ineffectiveness of interest rate swaps	–	(27)	(227)
Interest payable on loan notes	(145)	(270)	(478)
Interest on pension scheme liabilities	(594)	(573)	(1,150)
Foreign exchange losses on restructured hedging arrangements	(8,966)	–	–
Net movements in acquisition option commitment values	(2,754)	–	(1,730)
Imputed interest on acquisition option commitments	(439)	(524)	(995)
Foreign exchange loss on tax equalisation contracts	(19,854)	(8,627)	(11,966)
Other gains on tax equalisation contracts	79	2,835	3,426
Net loss on tax equalisation contracts	(19,775)	(5,792)	(8,540)
	(40,085)	(13,353)	(29,197)
Net finance costs	(38,640)	(12,034)	(23,603)

The foreign exchange loss on tax equalisation contracts of £19,854,000 (2008: £8,627,000) relates to foreign exchange losses on hedges on intra-group financing. This foreign exchange loss is matched by an equal and opposite tax credit so that there is no financial impact on earnings per share. The foreign exchange loss and the tax credit are excluded from underlying profit and the underlying tax expense (note 6).

The foreign exchange losses on restructured hedging arrangements of £8,966,000 (2008: £nil) arise from forward contracts classified as ineffective under IAS 39 'Financial Instruments' following the directors' review of the group's US dollar revenue capacity in its UK-based businesses.

	Unaudited six months ended March 31 2009 £000's	Unaudited six months ended March 31 2008 £000's	Audited year ended Sept 30 2008 £000's
Reconciliation of net finance costs in income statement to underlying net finance costs			
Total net finance costs in income statement	(38,640)	(12,034)	(23,603)
Add back:			
Foreign exchange losses on restructured hedging arrangements	8,966	–	–
Net movements in acquisition option commitment values	2,754	(272)	1,730
Imputed interest on acquisition option commitments	439	524	995
Foreign exchange loss on tax equalisation contracts	19,854	8,627	11,966
	32,013	8,879	14,691
Underlying net finance costs	(6,627)	(3,155)	(8,912)

6 Tax on (loss)/profit on ordinary activities

	Unaudited six months ended March 31 2009 £000's	Unaudited six months ended March 31 2008 £000's	Audited year ended Sept 30 2008 £000's
Current tax (credit)/expense			
UK corporation tax expense/(credit)	3	(4,153)	860
Foreign tax (credit)/expense	(10,463)	3,464	5,265
Adjustments in respect of prior years	58	70	(2,234)
	(10,402)	(619)	3,891
Deferred tax (credit)/expense			
Current year	(11,412)	(1,683)	(9,858)
Adjustments in respect of prior years	132	42	(1,312)
	(11,280)	(1,641)	(11,170)
Total tax credit in income statement	(21,682)	(2,260)	(7,279)

The effective tax rate for the interim period is a credit of 52% (2008: 15% credit). The underlying tax rate forecast for 2009 is 25%. When applied to the results for the interim period, the underlying tax rate is higher at 29% due to a difference in the mix of profits over the full year. The underlying tax rate for the 2009 interim period is as set out below:

	Unaudited six months ended March 31 2009 £000's	Unaudited six months ended March 31 2008 £000's	Audited year ended Sept 30 2008 £000's
Reconciliation of tax credit in income statement to underlying tax expense			
Total tax credit in income statement	(21,682)	(2,260)	(7,279)
Add back:			
Tax on intangible amortisation	2,331	1,816	6,950
Tax on exceptional items	10,042	(208)	1,181
Tax on acquisition option commitments	(2,502)	-	-
Tax credit on foreign exchange loss on tax equalisation swap	19,854	8,627	11,966
Tax on foreign exchange losses on restructured hedging arrangements	2,578	-	-
Tax on US goodwill amortisation	(1,826)	(1,443)	(3,376)
Tax adjustments in respect of prior years	(190)	(112)	3,546
Deferred tax asset recognition	-	2,064	5,358
	30,287	10,744	25,625
Underlying tax expense	8,605	8,484	18,346
Underlying profit before tax (refer to the appendix to the chairman's statement)	29,867	30,454	67,343
Underlying effective tax rate	29%	28%	27%

A credit of £19,854,000 (2008: £8,627,000) relating to tax on foreign exchange losses has been treated as exceptional as it is hedged by £19,854,000 (2008: £8,627,000) of foreign exchange losses on tax equalisation contracts included within net finance costs (note 5).

The group presents the above underlying effective tax rate to help users of this report better understand its tax charge. In arriving at this rate, the group removes the tax effect of items which are adjusted for in arriving at the underlying profit disclosed in the appendix to the chairman's statement. However, the current tax effect of goodwill and intangible items is not removed. The group considers that the resulting underlying effective tax rate is more representative of the its tax payable position, as the deferred tax effect of the goodwill and intangible items is not expected to crystallise.

Notes to the Condensed Consolidated Interim Financial Report *continued*

7 Dividends

	Unaudited six months ended March 31 2009 £000's	Unaudited six months ended March 31 2008 £000's	Audited year ended Sept 30 2008 £000's
Amounts recognisable as distributable to equity holders in period			
Final dividend for the year ended September 30 2008 of 13.0p (2007: 13.0p)	13,697	13,388	13,388
Interim dividend for the year ended September 30 2008 of 6.25p	–	–	6,573
	13,697	13,388	19,961
Employees' Share Ownership Trust dividend	(8)	(8)	(11)
	13,689	13,380	19,950
Interim dividend for the period ended March 31 2009 of 6.25p (2008: 6.25p)	6,971	6,570	
Employees' Share Ownership Trust dividend	(4)	(4)	
	6,967	6,566	

The final dividend was approved by shareholders at the Annual General Meeting held on January 28 2009 and paid, or new shares issued under the scrip dividend alternative, as applicable, on February 4 2009.

The directors have approved an interim dividend of 6.25p (2008: 6.25p) per share and resolved to offer the scrip dividend alternative, as approved by shareholders on January 28 2009, to the interim dividend payment. Full details of the scrip dividend alternative can be found in the separate announcement and on the company's website.

It is anticipated that the interim dividend will be paid or satisfied by new shares under the scrip dividend alternative as applicable on July 16 2009 to shareholders on the register on May 22 2009. It is expected that the shares will be marked ex-dividend on May 20 2009. Holders of International Depositary Receipts can either receive the interim dividend in cash or elect to receive the scrip alternative, the procedure for which is set out in the separate announcement. The interim dividend has not been included as a liability in this Interim Financial Report in accordance with IAS 10 'Events after the balance sheet date'.

8 (Loss)/earnings per share

	Unaudited six months ended March 31 2009 £000's	Unaudited six months ended March 31 2008 £000's	Audited year ended Sept 30 2008 £000's
(Loss)/earnings attributable to equity holders of the parent	(21,181)	16,729	43,719
Less earnings from discontinued operations	–	(220)	(245)
Basic (loss)/earnings - continuing operations	(21,181)	16,509	43,474
Intangible amortisation	7,452	6,127	12,749
Exceptional items	32,219	370	2,477
Imputed interest on acquisition option commitments	439	524	995
Net movements in acquisition option commitment values	2,754	(272)	1,730
Foreign exchange losses on restructured hedging arrangements	8,966	–	–
Tax on the above adjustments	(12,449)	(1,608)	(8,131)
Tax on US goodwill amortisation	1,826	1,443	3,376
Tax adjustments in respect of prior years	190	112	(3,546)
Deferred tax asset recognition	–	(2,064)	(5,358)
Adjusted earnings	20,216	21,141	47,766
	Number 000's	Number 000's	Number 000's
Weighted average number of shares	107,006	103,475	104,348
Shares held by the Employees' Share Ownership Trust	(59)	(59)	(59)
	106,947	103,416	104,289
Effect of dilutive share options	2,175	2,012	3,398
Diluted weighted average number of shares	109,122	105,428	107,687
	Pence per share	Pence per share	Pence per share
Basic (loss)/earnings per share - continuing operations	(19.81)	15.96	41.69
Effect of dilutive share options	0.40	(0.30)	(1.32)
Diluted (loss)/earnings per share - continuing operations	(19.41)	15.66	40.37
Effect of intangible amortisation	6.83	5.81	11.84
Effect of exceptional items	29.53	0.35	2.30
Effect of imputed interest on acquisition option commitments	0.41	0.50	0.92
Effect of net movements in acquisition option commitment values	2.52	(0.26)	1.61
Effect of foreign exchange losses on restructured hedging arrangements	8.22	–	–
Effect of tax on the above adjustments	(11.41)	(1.53)	(7.55)
Effect of tax on US goodwill amortisation	1.67	1.37	3.14
Effect of tax adjustments in respect of prior years	0.17	0.11	(3.29)
Effect of deferred tax assets recognition	–	(1.96)	(4.98)
Adjusted diluted earnings per share	18.53	20.05	44.36
Basic (loss)/earnings per share - continuing and discontinued operations	(19.81)	16.18	41.92
Effect of dilutive share options	0.40	(0.31)	(1.32)
Diluted (loss)/earnings per share - continuing and discontinued operations	(19.41)	15.87	40.60

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

Notes to the Condensed Consolidated Interim Financial Report *continued*

9 Acquisitions

Increase in equity holdings

In January 2009, the group purchased the remaining 20% of the equity share capital of Information Management Network LLC (IMN), the structured finance, indexing and real estate events business, for a cash consideration of \$11,107,000 (£7,704,000), resulting in additional provisional goodwill of \$10,059,000 (£6,977,000) and bringing total goodwill to \$47,264,000 (£32,973,000).

In January 2009, the group exercised its option to purchase the third tranche (10.9%) of Total Derivatives Limited increasing its equity holding from 78.3% to 89.2%. The equity was purchased for £2,834,000 resulting in additional provisional goodwill of £2,482,000 and bringing total goodwill to £8,180,000.

In February 2009, the group purchased a further 15% of the equity share capital of TelCap Limited for a cash consideration of £5,952,000 payable in April 2009, resulting in additional provisional goodwill of £5,308,000 and bringing total goodwill to £10,448,000. The group's equity shareholding in TelCap Limited increased to 85%.

In February 2009, the group purchased a further 3.93% of the equity share capital of Internet Securities, Inc. (ISI) for a cash consideration of \$4,344,000 (£3,013,000) resulting in additional provisional goodwill of the same amount and bringing the total goodwill to \$13,575,000 (£9,470,000). The group's equity shareholding in ISI increased to 97.8%.

	IMN £000's	Total Derivatives £000's	TelCap £000's
Book value			
Intangible assets	–	6,701	2,025
Cash	1,503	3,549	2,458
Other assets	5,324	685	2,116
Liabilities	(5,981)	(5,643)	(5,127)
Total	846	5,292	1,472
Provisional fair value adjustments			
Intangible assets	4,648	(2,846)	3,914
Deferred tax	(1,859)	797	(1,096)
	2,789	(2,049)	2,818
Provisional fair value of net assets	3,635	3,243	4,290
Net assets acquired			
%	20%	10.85%	15%
£000's	727	352	644
Provisional goodwill	6,977	2,482	5,308
Consideration (satisfied by cash)	7,704	2,834	5,952

If the acquisitions in the table above had been completed on the first day of the financial year, group revenues for the period would have remained unchanged and group loss attributable to equity holders of the parent would have been reduced by £847,000.

10 Net debt

	Unaudited six months ended March 31 2009 £000's	Unaudited six months ended March 31 2008 £000's	Audited year ended September 30 2008 £000's
Net debt at beginning of period	(171,994)	(204,579)	(204,579)
(Decrease)/increase in cash and cash equivalents	(2,914)	5,383	(2,777)
(Increase)/decrease in amounts owed to DMGT group company	(6,617)	(2,089)	46,018
Redemption of loan notes	534	3,549	4,324
Interest paid on loan notes	213	331	534
Other non-cash changes	(2,884)	(1,891)	(5,805)
Effect of foreign exchange rate movements	(31,036)	(2,469)	(9,709)
Net debt at end of period	(214,698)	(201,765)	(171,994)
Net debt comprises:			
Cash at bank and in hand	21,149	35,114	21,211
Bank overdrafts	(544)	(8,122)	(1,032)
Total cash and cash equivalents	20,605	26,992	20,179
Committed loan facility	(228,326)	(220,409)	(184,594)
Loan notes	(6,977)	(8,348)	(7,579)
	(214,698)	(201,765)	(171,994)

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

The group has a \$400 million dedicated multi-currency borrowing facility with Daily Mail and General Trust plc group. The facility is divided into four tranches of sterling and US dollar funds with three and five year terms with a total maximum borrowing capacity of \$310 million (£216 million) and £59 million. Interest is payable on this facility at a variable rate of between 1.25% and 3.0% above LIBOR dependant on the ratio of adjusted net debt to EBITDA. The facility's covenant requires the group's net debt to be no more than four times adjusted EBITDA on a rolling 12 month basis. At March 31 2009, the group's net debt to adjusted EBITDA was 2.1 times and the uncommitted undrawn facility available to the group was £47.0 million (2008: £79.6 million). The three year tranches of the facility are due for renewal in December 2011 and the five year tranches in December 2013.

11 Called up share capital

	Unaudited six months ended March 31 2009 £000's	Audited year ended September 30 2008 £000's
Authorised		
137,365,200 ordinary shares of 0.25p each (September 2008: 137,365,200 ordinary shares of 0.25p each)	343	343
Allotted, called up and fully paid		
111,516,188 ordinary shares of 0.25p each (September 2008: 105,300,896 ordinary shares of 0.25p each)	279	263

During the period 6,215,292 ordinary shares with a nominal value of 0.25p each and an aggregate nominal value of £15,538 were issued as follows: 4,141,867 ordinary shares under the company's 2008 scrip dividend alternative for a cash consideration of £nil and 2,073,425 ordinary shares following the exercise of share options granted under the company's share option schemes for a cash consideration of £5,183.

Notes to the Condensed Consolidated Interim Financial Report *continued*

12 Statement of movement on reserves

	Share premium account £000's	Other reserve £000's	Capital redemption reserve £000's	Own shares £000's	Liability for share based payment £000's	Fair value reserves £000's	Translation reserves £000's	Retained earnings £000's	Total £000's
At September 30 2007	38,509	64,981	8	(74)	15,737	18,176	(15,335)	(69,975)	52,027
Retained profit for the year	–	–	–	–	–	–	–	43,719	43,719
Recognition of acquisition option commitments	–	–	–	–	–	–	–	(500)	(500)
Exercise of acquisition option commitments	–	–	–	–	–	–	–	6,919	6,919
Exchange differences arising on translation of net investments in overseas subsidiary undertakings	–	–	–	–	–	–	32,448	–	32,448
Net exchange difference on foreign currency loans	–	–	–	–	–	(19,115)	–	–	(19,115)
Change in fair value of hedges	–	–	–	–	–	(17,455)	–	–	(17,455)
Transfer of gain on cash flow hedges from fair value reserves to income statement	–	–	–	–	–	(2,877)	–	–	(2,877)
Change in fair value of intangibles	–	–	–	–	–	1,692	–	–	1,692
Credit for share-based payments	–	–	–	–	4,939	–	–	–	4,939
Dividends paid	–	–	–	–	–	–	–	(19,950)	(19,950)
Change in actuarial assumptions in defined benefit scheme	–	–	–	–	–	–	–	1,589	1,589
Exercise of share options	66	–	–	–	–	–	–	–	66
Tax on items going through reserves	–	–	–	–	–	–	–	1,282	1,282
At September 30 2008	38,575	64,981	8	(74)	20,676	(19,579)	17,113	(36,916)	84,784
Retained loss for the period	–	–	–	–	–	–	–	(21,181)	(21,181)
Exercise of acquisition option commitments	–	–	–	–	–	–	–	20,551	20,551
Exchange differences arising on translation of net investments in overseas subsidiary undertakings	–	–	–	–	–	–	58,367	–	58,367
Net exchange difference on foreign currency loans	–	–	–	–	–	(34,987)	–	–	(34,987)
Change in fair value of hedges	–	–	–	–	–	(30,577)	–	–	(30,577)
Transfer of loss on cash flow hedges from fair value reserves to income statement	–	–	–	–	–	1,918	–	–	1,918
Change in fair value of intangibles	–	–	–	–	–	2,599	–	–	2,599
Credit for share-based payments	–	–	–	–	840	–	–	–	840
Dividends paid	9,251	–	–	–	–	–	–	(13,689)	(4,438)
Change in actuarial assumptions in defined benefit scheme	–	–	–	–	–	–	–	(2,199)	(2,199)
Tax on items going through reserves	–	–	–	–	–	–	–	6,798	6,798
At March 31 2009	47,826	64,981	8	(74)	21,516	(80,626)	75,480	(46,636)	82,475

13 Contingent liabilities and assets

Claims in Malaysia

Four writs claiming damages for libel were issued in Malaysia against the company and three of its employees in respect of an article published in one of the company's magazines, *International Commercial Litigation*, in November 1995. The writs were served on the company on October 22 1996. Two of these writs have been discontinued. The total outstanding amount claimed on the two remaining writs is Malaysian ringgits 82.0 million (£15,662,000). No provision has been made for these claims in these financial statements as the directors do not believe the company has any material liability in respect of these writs.

14 Related party transactions

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

- (i) The group has a credit agreement with DMG Jersey Finance Limited. As at March 31 2009 the amounts owing under the facility were: \$268,663,000 (£187,431,000) (March 2008: \$289,000,000 (£145,409,000), September 2008: \$243,155,000 (£136,413,000)), and £40,895,000 (March 2008: £75,000,000, September 2008: £48,181,000). A commitment fee of £134,000 (March 2008: £93,248, September 2008: £191,000) was payable on the unused portion of the available facility.
- (ii) The group expensed £222,000 (March 2008: £99,000, September 2008: £237,400) for services provided by Daily Mail and General Trust plc.
- (iii) At March 31 2009 the group had £185,528,000 (March 2008: £169,629,000, September 2008: £154,788,000) of fixed rate interest rate swaps outstanding with Daily Mail and General Holdings Limited and related companies, comprising \$200,000,000 (March 2008: \$200,000,000, September 2008: \$185,000,000) at interest rates between 1.35% and 5.43% and termination dates between September 30 2009 and March 28 2013, and £46,000,000 (March 2008: £69,000,000, September 2008: £51,000,000) at interest rates between 4.85% and 6.20% and termination dates between September 30 2009 and September 28 2012. During the period the group paid \$1,809,000 (March 2008: received \$658,000, September 2008: paid \$1,263,000) and £275,000 (March 2008: received £135,000, September 2008: received £124,000) of interest to Daily Mail and General Holdings Limited and related companies in respect of interest rate swaps.
- (iv) In September 2008, the group agreed a new loan facility from Daily Mail & General Investment Limited and provided the same loan facility to Bouverie Holdings Inc, a DMGT group company. During the period the group paid and received \$40,315,000 (£29,935,000), including principal and interest. The amount owing and receivable at March 31 2009 was \$nil (September 30 2008: \$40,315,000 (£22,617,000)).
- (v) In April 2008, the group agreed a new loan facility from Daily Mail and General Holdings Limited. During the period the group paid £155,448,000 including principal and interest. The amount owing at March 2009 was £nil (September 30 2008: £133,155,000). At the same time, the group granted a new loan facility to Harmsworth Quays Printing Limited. During the period the group received Yen 28,407,310,000 (£197,630,000) including principal and interest. The amount receivable at March 2009 was Yen nil (September 30 2008: Yen 25,159,696,000 (£133,155,000)).

At the same time the group entered into a swap agreement with Harmsworth Quays Printing Limited to buy Yen 53,925,947,000 and sell £316,051,000. These swaps were closed in October 2008 with offset deals and resulted in a loss during the period of £45,315,000, out of which £21,409,000 was settled during the period and £23,906,000 is due for payment on October 2 2009.

- (vi) There is an annual put option agreement over the sale of Internet Securities, Inc. (ISI) shares between the company and G Mueller, a director of the company. The annual put option values these shares, based on an independent valuation of ISI. Under the terms of the agreement consideration caps have been put in place that require the maximum consideration payable to option holders to be capped at an amount such that the results of any relevant class tests would, at the relevant time, fall below the requirement for shareholder approval.

In February 2009, under the put option agreement, G Mueller sold 220,000 ISI shares valued at \$12.28 for a total consideration of \$2,701,600. Also in February, J Botts, a non-executive director, exercised 6,000 ISI options with an exercise price of \$7.40 and sold the shares under the above put option mechanism at \$12.28 per share for a total consideration of \$73,680 realising a gain of \$29,290. No ISI shares or options were sold or exercised by G Mueller or J Botts in the year to September 2008.

Responsibility Statement

We confirm that to the best of our knowledge:

- (a) the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting';
- (b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- (c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the board,



Richard Ensor

Director

May 13 2009



Colin Jones

Director

May 13 2009

Independent Review Report to Euromoney Institutional Investor PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended March 31 2009 which comprises the condensed consolidated income statement, the condensed consolidated balance sheet, the condensed consolidated cash flow statement, and the condensed consolidated statement of recognised income and expense, and related notes 1 to 14. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements 2410 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

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

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended March 31 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte LLP

Chartered Accountants and Statutory Auditors
London, United Kingdom
May 13 2009

Directors and Advisors

Chairman PM Fallon ‡

Managing Director PR Ensor ‡

Finance Director CR Jones

Executive Directors

NF Osborn

DC Cohen

CR Brown

SM Brady

D Alfano

GG Mueller

MJ Carroll

CHC Fordham

JLE Wilkinson

Non-executive Directors

The Viscount Rothermere †‡

Sir Patrick Sergeant ‡

JC Botts †‡§

JC Gonzalez §

MWH Morgan †‡

DP Pritchard

† member of the remuneration committee

‡ member of the nominations committee

§ member of the audit committee

President Sir Patrick Sergeant

Company Secretary CR Jones

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

Registered Number 954730

Auditors Deloitte LLP, 2 New Street Square, London EC4A 3BZ

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

Brokers UBS, 1 Finsbury Avenue, London EC2M 2PP

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

Agents of the Depositary

Citicorp Investment Bank (Switzerland), Bahnhofstrasse 63, PO Box 224, CH 8021 Zurich

Citibank NA, Citibank House, 336 Strand, London WC2R 1HB

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

Financial Calendar and Shareholder Information

2009 interim results announcement	Thursday May 14 2009
Interim dividend ex-dividend date	Wednesday May 20 2009
Interim dividend record date	Friday May 22 2009
Announcement of the interim scrip reference price for the scrip alternative**	Thursday June 11 2009
Last date for receipt by the company's registrars of scrip mandate forms**	Friday July 3 2009
Payment of 2009 interim dividend	Thursday July 16 2009
2009 final results announcement	Thursday November 12 2009
Final dividend ex-dividend date	Wednesday November 18 2009
Final dividend record date	Friday November 20 2009
2010 AGM (approval of final dividend)	Thursday January 21 2010
Payment of final dividend	Wednesday February 3 2010*
Holders of International Depository Receipts:	
Latest date for receipt by Dexia BIL of written scrip interim dividend instructions**	Friday June 26 2009
Interim 2009 dividend from	Thursday July 16 2009
Final 2009 year end dividend from	Wednesday February 3 2010*
Loan note interest paid to holders of loan notes on:	Tuesday June 30 2009 Thursday December 31 2009

* Provisional dates and are subject to change.

** Further information is set out in the separate scrip dividend announcement on May 14 2009 and on the company's website.

Shareholder queries

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

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

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

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

Loan note redemption information

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

Registered office

Nestor House
Playhouse Yard
London
EC4V 5EX

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