

**Interim Financial Report 2011**

**Euromoney  
Institutional  
Investor** PLC

# Euromoney Institutional Investor PLC

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# Euromoney Institutional Investor PLC

## Interim Results for the Six Months to March 31 2011

### Chairman's Statement

Highlights	2011	2010	change
Revenue	£167.6 m	£147.8 m	13%
<b>Underlying results</b>			
• Adjusted operating profit	£49.8 m	£45.4 m	10%
• Adjusted profit before tax	£41.6 m	£40.0 m	4%
• Adjusted diluted earnings a share	25.7 p	24.9 p	3%
<b>Statutory results</b>			
• Operating profit	£38.0 m	£38.8 m	(2%)
• Profit before tax	£32.7 m	£32.7 m	-
• Diluted earnings a share	17.9 p	22.9 p	(22%)
Net debt	£102.7 m	£128.8 m <sup>^</sup>	(20%)
Interim dividend	6.25 p	6.25 p	-

A detailed reconciliation of the group's underlying results is set out in the appendix to the Chairman's Statement and note 8.  
<sup>^</sup> The comparative figure for net debt is as at September 30 2010.

- Revenues up 13% to £167.6m
- Adjusted profit before tax up 4% to £41.6m
- Adjusted operating margin 30% (2010: 31%)
- Operating cash flows up £12.1m to £51.9m
- Net debt reduced to 1x EBITDA
- Interim dividend maintained at 6.25p
- Increased investment in new online information products continues
- Tougher revenue comparators for second half
- Trading in line with board's expectations

Commenting on the first half results, chairman Pdraic Fallon said:

"Revenues and operating profits performed as expected, with continuing high investment in online subscription products. Net debt is now below 1x EBITDA, the lowest since 1997, thanks to very strong cash flows, leaving increasing headroom for very selective acquisitions. Revenue growth is slowing in line with expectations and may be affected further by a weaker dollar and uncertainty in the Eurozone and Middle East, but the board is confident that the group remains well placed for the future."

#### Highlights

Euromoney Institutional Investor PLC, the international publishing, events and electronic information group, achieved an adjusted profit before tax of £41.6m for the six months to March 31 2011, against £40.0m for the same period in 2010. Adjusted diluted earnings a share were 25.7p (2010: 24.9p). The board has approved an unchanged interim dividend of 6.25p a share to be paid to shareholders on July 21 2011.

As highlighted in the group's pre-close trading update issued on March 25 2011, the revenue growth achieved in the first half has been offset by several factors: an increase of £4.0m in long-term incentive expense relating to the timing of the accrual period for the group's Capital Appreciation Plan; the absence of one-off costs savings of £2m included in 2010's first half results; and a one percentage point reduction in the adjusted operating margin as a result of the group's increased investment in digital publishing as part of its strategy to drive long-term revenue growth.

Total revenues for the period increased by 13% to £167.6m. This reflects the success of the group's strategy of investing in subscription-based electronic information services, as well as the continued recovery of financial markets following the global credit crisis. This recovery began in the second half of financial year 2010 and continued into the first quarter of the current financial year. As highlighted in March, revenue comparisons have therefore become much tougher since the start of the second quarter of financial year 2011. Growth was achieved across all revenue streams.

# Euromoney Institutional Investor PLC

## Chairman's statement

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As expected, the group's adjusted operating margin declined from the record levels achieved in financial year 2010. This was driven by both increased investment in technology and new products as part of the group's online growth strategy, as well as a catch-up of costs in some areas after the rapid recovery of revenues in the second half of 2010. The decline in adjusted operating margin in the first half, from 31% to 30%, was mitigated by the continued improvement in revenues.

Net debt at March 31 was £102.7m compared to £128.8m at year end. The continued reduction in debt levels reflects the strong operating cash flows of the group and the absence of any significant acquisitions or acquisition earn-out payments in the period. Net debt is now equivalent to just one times EBITDA, against 1.3 times at year end, leaving plenty of headroom for the group to pursue its selective acquisition strategy.

The outlook for financial markets remains uncertain as forecasts for economic growth are cut, inflation concerns rise, the credit problems in the Eurozone remain unresolved and unrest in the Middle East persists. Underlying revenues in April (after adjusting for timing differences) increased by 5% compared to a year ago and forward revenue visibility for the group's events businesses, for which the third quarter is the most important, is encouraging. However, since the trading update in March, there have been signs of a slowing in year-on-year rates of growth for both advertising revenues and delegate attendance at training courses. In addition, the rate of growth in subscription revenues is also expected to fall in the second half as growth comparisons become tougher.

### Strategy

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

Driving revenue growth from existing as well as new products is a key part of the group's strategy. In 2010 the group embarked on an ambitious programme of investment in technology and content delivery platforms, particularly for the mobile user, and in new digital information products as part of its transition to an online information business. This investment programme will continue throughout 2011 and in the first half the group spent more than £4m (2010: £2m) on technology and new products, all of it expensed from profits.

Examples of recent launches include the Institutional Investor Network, Asiamoney Plus, five new online legal services covering areas such as tax disputes and internet intellectual property, and Metal Bulletin's Iron Ore Index, while businesses launched in 2010 such as Euromoney Market Data have continued to build on their launch success.

The strong cash flows of the group have helped it to reduce its net debt to just over £100m, the lowest level for five years, leaving plenty of headroom for the group to pursue its acquisition strategy. The group's preference is to buy small, specialist information businesses that complement its existing activities and provide scope for strong organic growth. The acquisition of Arete in August 2010 was a good example of the small, high quality online publishing businesses the group seeks to acquire. Arete has already been integrated fully into the Euromoney group and its performance since acquisition has exceeded expectations. A number of similar targets were actively pursued in the first half, although none to completion, and the group remains optimistic of completing acquisitions which complement its strategy.

### Trading Review

Total revenues increased by 13% to £167.6m, but as expected with a marked difference between the growth rates in the first and second quarters (see table below). Revenues for the first quarter increased by 20%, continuing the strong momentum experienced in the second half of financial year 2010 and driven by a faster than expected recovery in financial markets after the credit crisis.

## Euromoney Institutional Investor PLC

### Chairman's Statement *continued*

The performance of advertising, sponsorship and delegate revenues is closely aligned with the calendar budgets of most clients, which lag the group's September financial year by one quarter. Just as these revenues first picked up from January 2010, so the growth comparatives became much tougher from January 2011, and the overall rate of revenue growth slowed to 7% in the second quarter. The 12% decline in delegate revenues in this quarter was largely a function of timing differences on a few events: like-for-like delegate revenues increased by 16%. Indeed the events side of the business has been the strongest performer in the second quarter, with growth now coming from new events as well as continued growth from existing ones.

Revenues	HY2011		Headline change			Change at constant exchange rates
	£m	£m	Q1	Q2	H1	H1
Subscriptions	82.0	72.6	13%	13%	13%	12%
Advertising	27.3	23.8	24%	6%	15%	14%
Sponsorship	21.0	15.5	39%	31%	35%	35%
Delegates	33.9	33.1	19%	(12%)	3%	2%
Other/closed	4.8	5.5	15%	(36%)	(12%)	(13%)
Foreign exchange losses on forward currency contracts	(1.4)	(2.7)	-	-	-	-
<b>Total revenue</b>	<b>167.6</b>	<b>147.8</b>	<b>20%</b>	<b>7%</b>	<b>13%</b>	<b>13%</b>

Subscription revenues continued to grow at a similar rate to the second half of financial year 2010. This reflects the lag in the recovery of subscription revenues following the credit crisis, as well as the success of the company's strategy of investing in premium electronic information services such as BCA Research and CEIC Data. Growth rates of between 15% and 20% have been achieved by the group's digital publishing businesses, contrasting favourably with the low growth rates of the more traditional print businesses. The rate of growth in subscription revenues picked up sharply from the third quarter of financial year 2010, and as growth comparisons get tougher so the rate of growth is expected to fall again from the third quarter of this financial year.

The group derives nearly two thirds of its revenues in US dollars and movements in the sterling-US dollar rate can have a significant impact on reported revenues. However, the average sterling-US dollar rate for the first half was \$1.59 (2010: \$1.60) and the trends in revenues at constant exchange rates were broadly the same as the headline changes.

The record adjusted operating margin achieved in financial year 2010 reflected both the benefit of tight cost control during the credit crisis as well as an earlier than expected recovery in revenues. Towards the end of 2010, costs, particularly those related to headcount, started to pick up and this, combined with increased investment in digital publishing, reduced the first half operating margin and is expected to continue to do so by up to two percentage points for the rest of 2011.

Group headcount increased by 50 to 2,011 people by the end of the first half, and the average headcount for the period was 2,010 people against 1,827 in the first half of last year. The increases in headcount have occurred mainly in the Databases and Information Services division, in response to the investment plans at BCA Research and CEIC Data, and in Business Publishing. However, the financial impact of the increased group headcount has been mitigated by reductions in the print publishing businesses and increased outsourcing of technology, digital development and telesales. As a result, the first half operating margin was 30% against 31% in the first half of 2010.

#### Business Review

**Financial Publishing:** revenues increased by 10% to £39.2m with the growth coming largely from the continued recovery of financial advertising. Adjusted operating profits increased by a similar rate to £12.3m. The adjusted operating margin was in line with last year as increased investment in digital publishing was absorbed by the high margin on incremental advertising revenues. Financial Publishing has also started to see increased momentum in the migration from print to online advertising, particularly for the higher circulation titles such as *Institutional Investor*. Online advertising now accounts for 10% of total advertising revenues.

**Business Publishing:** adjusted operating profits were unchanged at £9.1m despite a 9% increase in revenues to £25.9m. The fall in the adjusted operating margin from 38.6% to 35.2% reflects the increased investment during the period in digital publishing, particularly in areas such as *Metal Bulletin* and legal publishing. Investment in digital publishing has had a more marked impact on Business Publishing than Financial Publishing because the former derives less revenue from advertising and its advertising has been growing at a slower rate.

# Euromoney Institutional Investor PLC

## Chairman's statement

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**Training:** the group's Training division predominantly serves the global financial sector, with a strong focus on emerging markets. The 15% increase in training revenues to £15.7m, and an adjusted operating margin of 24.2%, similar to 2010's level, masked contrasting performances between the first and second quarters. In the first, the revenue momentum from the recovery of financial markets at the start of 2010 continued. However, delegate bookings slowed significantly from the start of the new budget cycle in January as customers were reluctant to commit to training budgets in view of the generally uncertain outlook and in particular the unrest in the Middle East, a key market for this division. The delegate booking trend has remained flat since the start of the third quarter.

**Conferences and Seminars:** event revenues, which are derived from both sponsorship and paying delegates, increased by 11% to £38.2m. However, underlying revenue growth was closer to 20% after adjusting for unfavourable timing differences on events. Adjusted operating profits increased to £12.2m and the adjusted operating margin was unchanged at just under 32%. The trends seen in financial year 2010 have continued into 2011: as markets recover, so customers focus more attention on face-to-face meetings and rebuilding relationships, while new customers invest to establish their market position. In the initial stages of the recovery, this was reflected in strong growth from existing events, although more recently growth has also been derived from the launch of new events which generally tend to have lower margins.

**Databases and Information Services:** revenues are predominantly derived from subscriptions and increased by 17% to £49.5m. The main driver of growth in this division is BCA, the independent economic research house, and its revenues have continued to grow on the back of a substantial investment programme to expand BCA's sales resource internationally, launch new products and build its editorial resource outside its Montreal base. CEIC, ISI's provider of emerging market data for economists and analysts, has continued to experience growth rates in excess of 20%, again on the back of a substantial investment programme designed to expand its geographic coverage as well as improve the quality of data offered. In contrast, ISI's *Emerging Markets Information Service*, has been slower to recover, and during the first half a restructuring of this business was undertaken to reduce the number of offices globally and increase the focus on regional offices. This gave rise to an exceptional restructuring charge for the period of £1.3m. As expected, the significant investment taking place in this division has reduced adjusted operating margins, from 43.9% to 41.8%, although adjusted operating profits still increased by 11% to £20.7m.

### Financial Review

The adjusted profit before tax of £41.6m compares to a statutory profit before tax of £32.7m. A detailed reconciliation of the group's underlying and statutory results is set out in the appendix to this statement. The statutory profit before tax is lower than the adjusted profit before tax, largely because of the impact of acquired intangible amortisation.

Underlying net finance costs for the group's committed borrowing facility fell by £1.1m to £3.6m, reflecting the rapid reduction in net debt over the past 12 months. The average cost of funds for the period was 5.6% (2010: 5.1%) and is expected to increase to 6.5% in the second half as the group's cheaper floating rate debt now comprises a smaller portion of the total debt. Headline net finance costs of £5.3m (2010: £6.0m) include a £1.8m charge for the increase in deferred consideration payable on the acquisition of Arete (see below).

The underlying effective tax rate for the first half was 26%, against 27% in 2010. The tax rate depends mainly on the geographic mix of profits and will benefit this year from reductions in UK and Canadian corporate tax rates. After using tax losses to reduce cash taxes paid in 2010, the group has returned to a tax paying position in 2011. Cash taxes paid in the first half were £19.4m, against an underlying tax expense of £10.9m, reflecting the timing of tax payments in certain tax jurisdictions.

The group continues to generate nearly two thirds of its revenues in US dollars, including approximately 30% of the revenues from its UK-based businesses, and more than half its operating profits are US dollar-denominated. The group hedges its exposure to US dollar revenues in its UK-based businesses by using forward contracts to sell surplus US dollars, which delays the impact of movements in exchange rates for at least a year. In the first half, the group benefited from a £1.3m reduction in realised hedging losses compared to last year.

# Euromoney Institutional Investor PLC

## Chairman's Statement *continued*

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The group does not hedge the foreign exchange risk, primarily from the US dollar, on the translation of overseas profits. It does, however, endeavour to match foreign currency borrowings with investments and the related foreign currency finance costs provide a partial hedge against the translation of overseas profits. The translation impact of a one cent movement in the average sterling-US dollar exchange rate on overseas profits is approximately £0.4m on an annualised basis. The average sterling-US dollar rate for the six months to March 31 was \$1.59 (2010: \$1.60) and therefore the impact of exchange rate movements on the translation of first half overseas profits was not significant. However, in the second half of financial year 2010, the average US dollar rate fell to \$1.51 and exchange rates are therefore expected to have a more significant effect on second half profits.

### Net Debt, Cash Flow and Dividend

Net debt at March 31 was £102.7m compared with £128.8m at year end and £178.1m a year earlier. Cash flows have traditionally been weighted to the second half because of the timing of certain payments including annual profit shares and dividends. However, first half cash flows were higher than usual due to the absence of any acquisitions or acquisition earn-out payments. Cash generated from operations increased by £12.1m to £51.9m and the operating cash conversion rate was 104% (2010: 88%).

In August 2010, the group acquired a 100% interest in Arete with the final price dependent on Arete's profits for its financial year to February 28 2011. Arete's trading performance since acquisition has exceeded forecasts at the time and the deferred consideration payable in May 2011 has increased from £0.7m to an estimated £2.5m, giving rise to a charge of £1.8m included in net finance costs for the period.

The group's debt is provided through a \$400m multi-currency committed facility from Daily Mail and General Trust plc. The facility is provided in a mix of sterling and US dollar funds over three and five year terms expiring in December 2011 and 2013 respectively. It is expected that any remaining debt under the three-year facility in December 2011 will be rolled into the five-year facility.

The net debt to EBITDA covenant on the group's committed facility is subject to a limit of four times, although the group manages to a more conservative internal limit of three times. The ratio at the end of March was 1.0 times EBITDA against 1.3 times at year end, leaving plenty of headroom for the group to pursue its acquisition strategy.

The board increased the company's target dividend cover to three times after-tax earnings in 2009, since when it has been transitioning to a policy of paying approximately one third of the total dividend as an interim. This transition is being achieved by increasing the final dividend rather than reducing the interim. Pursuant to this transitional policy, the board has approved an unchanged interim dividend of 6.25p to be paid on July 21 2011 to shareholders on the register at May 27 2011. A scrip dividend alternative will again be available to shareholders and the group's majority shareholder, Daily Mail and General Trust plc, has indicated its intention to accept the scrip alternative.

### Capital Appreciation Plan (CAP)

The CAP is the group's long-term, performance-based incentive designed to retain and reward those who drive profit growth, and is an integral part of the group's successful growth and investment strategy.

The terms of CAP 2010 broadly require an adjusted profit before tax (and before CAP long-term incentive expense) of £100m to be achieved within the four-year performance period ending in September 2013. If achieved, rewards under CAP 2010 will be satisfied by the issue of approximately 3.5m new ordinary shares and £15m in cash, with 50% of the reward deferred for a further 12 months and subject to additional performance tests.

The total cost of CAP 2010 will be no more than £30m and is being expensed over the expected life of the plan. The long-term incentive expense for the first half was £4.7m, against just £0.7m for the same period in 2010. This £4.0m increase in cost reflects the fact that amortisation of the CAP 2010 cost only commenced in March 2010 when CAP options were first granted to participants. In addition, amortisation of the CAP cost in the current period is based on management's assumption that the CAP performance test will be satisfied in financial year 2012, one year earlier than the original performance period.

# Euromoney Institutional Investor PLC

## Chairman's statement

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### Outlook

Recent trading has been mixed, reflecting the broader market environment, although trading for the group as a whole remains in line with the board's expectations. Underlying revenues in April (after adjusting for timing differences) increased by 5% compared to a year ago and forward revenue visibility for the group's events businesses, for which the third quarter is the most important, is encouraging.

However, there have been signs of a softening in advertising markets in recent weeks, largely in response to increasing uncertainty over the prospects for global economic growth as well as continued nervousness over financial markets and the Eurozone sovereign debt problems in particular. This uncertainty, combined with unrest in the Middle East region, has also contributed to flat delegate bookings in the training businesses for several months which is expected to hold back growth from this division in the second half. In addition, the rate of growth in subscription revenues is also expected to fall in the second half as growth comparisons with 2010 become much tougher and exchange rates are expected to be unfavourable.

The group's investment in digital publishing and expansion of products offered by BCA Research and CEIC Data will continue throughout the second half. This strategy is designed to drive revenue growth in 2012 and beyond and, as highlighted previously, is expected to reduce the adjusted operating margin in 2011 by up to two percentage points from the record level achieved in 2010.

The group has a successful and sustainable strategy and will continue to invest in technology and new digital publishing models in the second half as it drives its transition to a global online information business, at the same time as using its rapidly falling debt levels to pursue its selective acquisition strategy.

Padraic Fallon  
Chairman  
May 18 2011

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# **Euromoney Institutional Investor PLC**

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

### CAUTIONARY STATEMENT

This Interim Financial Report (IFR) has been prepared solely to provide additional information to shareholders to assess the Euromoney group's results and strategy and the potential for that strategy to succeed. The IFR should not be relied on by any other party for any other purpose.

The IFR contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report but such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

### NOTE TO EDITORS

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

## Euromoney Institutional Investor PLC

### Appendix to Chairman's Statement

#### Reconciliation of Condensed Consolidated Income Statement to underlying results for the six months ended March 31 2011

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

	Notes	Underlying £000's	Adjustments £000's	Unaudited six months ended March 31 2011 Total £000's	Underlying £000's	Adjustments £000's	Unaudited six months ended March 31 2010 Total £000's	Underlying £000's	Adjustments £000's	Audited year ended Sept 30 2010 Total £000's
<b>Total revenue</b>	2	167,579	-	167,579	147,835	-	147,835	330,006	-	330,006
<b>Operating profit before acquired intangible amortisation, long-term incentive expense and exceptional items</b>	2	49,809	-	49,809	45,367	-	45,367	100,057	-	100,057
Acquired intangible amortisation		-	(5,814)	(5,814)	-	(7,560)	(7,560)	-	(13,671)	(13,671)
Long-term incentive expense		(4,717)	-	(4,717)	(739)	-	(739)	(4,364)	-	(4,364)
Exceptional items	4	-	(1,424)	(1,424)	-	1,593	1,593	-	(228)	(228)
<b>Operating profit before associates</b>		45,092	(7,238)	37,854	44,628	(5,967)	38,661	95,693	(13,899)	81,794
Share of profits in associates		147	-	147	117	-	117	281	-	281
<b>Operating profit</b>		45,239	(7,238)	38,001	44,745	(5,967)	38,778	95,974	(13,899)	82,075
Finance income	5	880	183	1,063	1,025	-	1,025	1,637	-	1,637
Finance expense	5	(4,514)	(1,830)	(6,344)	(5,721)	(1,351)	(7,072)	(10,968)	(1,320)	(12,288)
<b>Net finance costs</b>		(3,634)	(1,647)	(5,281)	(4,696)	(1,351)	(6,047)	(9,331)	(1,320)	(10,651)
<b>Profit before tax</b>		41,605	(8,885)	32,720	40,049	(7,318)	32,731	86,643	(15,219)	71,424
Tax expense on profit	6	(10,866)	(413)	(11,279)	(10,658)	5,008	(5,650)	(23,325)	10,486	(12,839)
<b>Profit after tax</b>	2	30,739	(9,298)	21,441	29,391	(2,310)	27,081	63,318	(4,733)	58,585
<b>Attributable to:</b>										
Equity holders of the parent		30,711	(9,298)	21,413	28,911	(2,310)	26,601	62,838	(4,733)	58,105
Equity non-controlling interests		28	-	28	480	-	480	480	-	480
		30,739	(9,298)	21,441	29,391	(2,310)	27,081	63,318	(4,733)	58,585
<b>Diluted earnings per share - continuing operations</b>	8	25.70p	(7.78)p	17.92p	24.88p	(1.98)p	22.90p	53.50p	(4.03)p	49.47p

Underlying figures are presented before the impact of amortisation of acquired intangible assets (comprising brands, trademarks, databases and customer relationships) and goodwill impairment, restructuring and other exceptional operating costs, deferred consideration adjustments, 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 amortisation of goodwill and intangible assets.

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

## Euromoney Institutional Investor PLC

### Condensed Consolidated Income Statement for the six months ended March 31 2011

	Notes	Unaudited six months ended March 31 2011 £000's	Unaudited six months ended March 31 2010 £000's	Audited year ended Sept 30 2010 £000's
<b>Total revenue</b>	<b>2</b>	<b>167,579</b>	147,835	330,006
<b>Operating profit before acquired intangible amortisation, long-term incentive expense and exceptional items</b>	<b>2</b>	<b>49,809</b>	45,367	100,057
Acquired intangible amortisation		(5,814)	(7,560)	(13,671)
Long-term incentive expense		(4,717)	(739)	(4,364)
Exceptional items	<b>4</b>	<b>(1,424)</b>	1,593	(228)
<b>Operating profit before associates</b>		<b>37,854</b>	38,661	81,794
Share of profits in associates		147	117	281
<b>Operating profit</b>		<b>38,001</b>	38,778	82,075
Finance income	<b>5</b>	<b>1,063</b>	1,025	1,637
Finance expense	<b>5</b>	<b>(6,344)</b>	(7,072)	(12,288)
<b>Net finance costs</b>		<b>(5,281)</b>	(6,047)	(10,651)
<b>Profit before tax</b>		<b>32,720</b>	32,731	71,424
Tax expense on profit	<b>6</b>	<b>(11,279)</b>	(5,650)	(12,839)
<b>Profit after tax</b>	<b>2</b>	<b>21,441</b>	27,081	58,585
<b>Attributable to:</b>				
Equity holders of the parent		21,413	26,601	58,105
Equity non-controlling interests		28	480	480
		<b>21,441</b>	27,081	58,585
Basic earnings per share - continuing operations	<b>8</b>	<b>17.98p</b>	23.21p	50.04p
Diluted earnings per share - continuing operations	<b>8</b>	<b>17.92p</b>	22.90p	49.47p
Adjusted basic earnings per share	<b>8</b>	<b>25.76p</b>	25.19p	54.07p
Adjusted diluted earnings per share	<b>8</b>	<b>25.70p</b>	24.88p	53.50p
Dividend per share (including proposed dividends)	<b>7</b>	<b>6.25p</b>	6.25p	18.00p

A detailed reconciliation of the group's underlying results is set out in the appendix to the Chairman's Statement on page 9.

## Euromoney Institutional Investor PLC

### Condensed Consolidated Statement of Comprehensive Income

for the six months ended March 31 2011

	<b>Unaudited six months ended March 31 2011 £000's</b>	Unaudited six months ended March 31 2010 £000's	Audited year ended Sept 30 2010 £000's
<b>Profit after tax</b>	<b>21,441</b>	27,081	58,585
Change in fair value of cash flow hedges	1,477	(1,158)	732
Transfer of loss/(gain) on cash flow hedges from fair value reserves to income statement:			
Foreign exchange losses in total revenue	1,642	2,454	3,897
Foreign exchange (gains)/losses in operating profit	(730)	121	64
Interest payable on committed borrowings	2,106	632	1,662
Net exchange differences on translation of net investments in overseas subsidiary undertakings	(2,612)	7,370	1,177
Net exchange differences on foreign currency loans	332	(1,359)	(272)
Actuarial gains/(losses) on defined benefit pension scheme	1,599	653	(1,748)
Tax on items taken directly to equity	(1,523)	(725)	447
<b>Other comprehensive income for the period</b>	<b>2,291</b>	7,988	5,959
<b>Total comprehensive income for the period</b>	<b>23,732</b>	35,069	64,544
<b>Attributable to:</b>			
Equity holders of the parent	23,704	34,588	64,057
Equity non-controlling interests	28	481	487
	<b>23,732</b>	35,069	64,544

# Euromoney Institutional Investor PLC

## Condensed Consolidated Statement of Financial Position

as at March 31 2011

	Notes	Unaudited as at March 31 2011 £000's	Unaudited as at March 31 2010 £000's	Audited as at Sept 30 2010 £000's
<b>Non-current assets</b>				
Intangible assets				
Goodwill		294,552	302,496	297,618
Other intangible assets		117,873	131,797	125,089
Property, plant and equipment		19,215	19,845	19,485
Investments		78	83	248
Deferred tax assets		13,642	19,991	20,819
Net pension surplus		399	580	-
Derivative financial instruments		370	1,182	369
		<b>446,129</b>	<b>475,974</b>	<b>463,628</b>
<b>Current assets</b>				
Trade and other receivables		65,725	61,027	62,808
Current income tax assets		5,446	3,823	-
Cash at bank and in hand	10	9,802	14,712	12,078
Derivative financial instruments		1,550	732	2,021
		<b>82,523</b>	<b>80,294</b>	<b>76,907</b>
<b>Current liabilities</b>				
Acquisition option commitments		(828)	(1,102)	(1,061)
Trade and other payables		(34,855)	(34,839)	(31,331)
Current income tax liabilities		(5,628)	(7,841)	(10,844)
Accruals		(36,112)	(29,834)	(45,473)
Deferred income	11	(108,500)	(99,579)	(93,740)
Derivative financial instruments		(7,754)	(6,861)	(7,671)
Provisions		(865)	(1,245)	(1,111)
Loan notes	10	(1,942)	(5,410)	(2,039)
Bank overdrafts	10	(201)	(869)	(888)
		<b>(196,685)</b>	<b>(187,580)</b>	<b>(194,158)</b>
<b>Net current liabilities</b>		<b>(114,162)</b>	<b>(107,286)</b>	<b>(117,251)</b>
<b>Total assets less current liabilities</b>		<b>331,967</b>	<b>368,688</b>	<b>346,377</b>
<b>Non-current liabilities</b>				
Other non-current liabilities		(1,035)	(854)	(936)
Committed loan facility	10	(110,355)	(186,520)	(137,908)
Deferred tax liabilities		(20,890)	(25,102)	(24,124)
Net pension deficit		-	-	(1,537)
Derivative financial instruments		(2,583)	(13,243)	(8,368)
Provisions		(4,489)	(3,734)	(4,021)
		<b>(139,352)</b>	<b>(229,453)</b>	<b>(176,894)</b>
<b>Net assets</b>		<b>192,615</b>	<b>139,235</b>	<b>169,483</b>
<b>Shareholders' equity</b>				
Called up share capital	12	301	293	296
Share premium account		77,019	59,306	66,082
Other reserve		64,981	64,981	64,981
Capital redemption reserve		8	8	8
Own shares		(74)	(74)	(74)
Reserve for share-based payments		28,046	24,231	25,658
Fair value reserve		(28,598)	(38,818)	(33,425)
Translation reserve		43,292	52,103	45,904
Retained earnings		7,640	(22,795)	53
<b>Equity shareholders' surplus</b>		<b>192,615</b>	<b>139,235</b>	<b>169,483</b>
Equity non-controlling interests		-	-	-
<b>Total equity</b>		<b>192,615</b>	<b>139,235</b>	<b>169,483</b>

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

## Euromoney Institutional Investor PLC

### Condensed Consolidated Statement of Changes in Equity

for the six months ended March 31 2011

	Share capital £000's	Share premium account £000's	Other reserve £000's	Capital redemption reserve £000's	Own shares £000's	Reserve for share-based payments £000's	Fair value reserve £000's	Translation reserve £000's	Retained earnings £000's	Total £000's	Equity non-controlling interests £000's	Total £000's
<b>At September 30 2009</b>	284	52,445	64,981	8	(74)	23,646	(39,508)	44,734	(42,511)	104,005	986	104,991
Retained profit for the year	-	-	-	-	-	-	-	-	58,105	58,105	480	58,585
Change in fair value of cash flow hedges	-	-	-	-	-	-	732	-	-	732	-	732
Transfer of loss on cash flow hedges from fair value reserves to income statement:												
Foreign exchange losses in total revenue	-	-	-	-	-	-	3,897	-	-	3,897	-	3,897
Foreign exchange losses in operating profit	-	-	-	-	-	-	64	-	-	64	-	64
Interest payable on committed borrowings	-	-	-	-	-	-	1,662	-	-	1,662	-	1,662
Exchange differences arising on translation of net investments in overseas subsidiary undertakings	-	-	-	-	-	-	-	1,170	-	1,170	7	1,177
Net exchange differences on foreign currency loans	-	-	-	-	-	-	(272)	-	-	(272)	-	(272)
Actuarial losses on defined benefit pension schemes	-	-	-	-	-	-	-	-	(1,748)	(1,748)	-	(1,748)
Tax credit on items taken directly to equity	-	-	-	-	-	-	-	-	447	447	-	447
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	6,083	1,170	56,804	64,057	487	64,544
Exercise of acquisition option commitments	-	-	-	-	-	-	-	-	1,895	1,895	(836)	1,059
Credit for share-based payments	-	-	-	-	-	2,012	-	-	-	2,012	-	2,012
Script/cash dividends paid	7	12,319	-	-	-	-	-	-	(16,135)	(3,809)	(723)	(4,532)
Exercise of share options	5	1,318	-	-	-	-	-	-	-	1,323	86	1,409
<b>At September 30 2010</b>	296	66,082	64,981	8	(74)	25,658	(33,425)	45,904	53	169,483	-	169,483
Retained profit for the period	-	-	-	-	-	-	-	-	21,413	21,413	28	21,441
Change in fair value of cash flow hedges	-	-	-	-	-	-	1,477	-	-	1,477	-	1,477
Transfer of loss on cash flow hedges from fair value reserves to income statement:												
Foreign exchange losses in total revenue	-	-	-	-	-	-	1,642	-	-	1,642	-	1,642
Foreign exchange gains in operating profit	-	-	-	-	-	-	(730)	-	-	(730)	-	(730)
Interest payable on committed borrowings	-	-	-	-	-	-	2,106	-	-	2,106	-	2,106
Exchange differences arising on translation of net investments in overseas subsidiary undertakings	-	-	-	-	-	-	-	(2,612)	-	(2,612)	-	(2,612)
Net exchange differences on foreign currency loans	-	-	-	-	-	-	332	-	-	332	-	332
Actuarial gains on defined benefit pension schemes	-	-	-	-	-	-	-	-	1,599	1,599	-	1,599
Tax on items taken directly to equity	-	-	-	-	-	-	-	-	(1,523)	(1,523)	-	(1,523)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	4,827	(2,612)	21,489	23,704	28	23,732
Exercise of acquisition option commitments	-	-	-	-	-	-	-	-	19	19	(19)	-
Credit for share-based payments	-	-	-	-	-	2,388	-	-	-	2,388	-	2,388
Script/cash dividends paid	4	10,339	-	-	-	-	-	-	(13,921)	(3,578)	(28)	(3,606)
Exercise of share options	1	598	-	-	-	-	-	-	-	599	19	618
<b>At March 31 2011</b>	301	77,019	64,981	8	(74)	28,046	(28,598)	43,292	7,640	192,615	-	192,615

  

	Share capital £000's	Share premium account £000's	Other reserve £000's	Capital redemption reserve £000's	Own shares £000's	Reserve for share-based payments £000's	Fair value reserve £000's	Translation reserve £000's	Retained earnings £000's	Total £000's	Equity non-controlling interests £000's	Total £000's
<b>At September 30 2009</b>	284	52,445	64,981	8	(74)	23,646	(39,508)	44,734	(42,511)	104,005	986	104,991
Retained profit for the period	-	-	-	-	-	-	-	-	26,601	26,601	480	27,081
Change in fair value of cash flow hedges	-	-	-	-	-	-	(1,158)	-	-	(1,158)	-	(1,158)
Transfer of loss on cash flow hedges from fair value reserves to income statement:												
Foreign exchange losses in total revenue	-	-	-	-	-	-	2,454	-	-	2,454	-	2,454
Foreign exchange losses in operating profit	-	-	-	-	-	-	121	-	-	121	-	121
Interest payable on committed borrowings	-	-	-	-	-	-	632	-	-	632	-	632
Exchange differences arising on translation of net investments in overseas subsidiary undertakings	-	-	-	-	-	-	-	7,369	-	7,369	1	7,370
Net exchange differences on foreign currency loans	-	-	-	-	-	-	(1,359)	-	-	(1,359)	-	(1,359)
Actuarial gains on defined benefit pension schemes	-	-	-	-	-	-	-	-	653	653	-	653
Tax on items taken directly to equity	-	-	-	-	-	-	-	-	(725)	(725)	-	(725)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	690	7,369	26,529	34,588	481	35,069
Exercise of acquisition option commitments	-	-	-	-	-	-	-	-	1,998	1,998	(938)	1,060
Credit for share-based payments	-	-	-	-	-	585	-	-	-	585	-	585
Script/cash dividends paid	5	6,577	-	-	-	-	-	-	(8,811)	(2,229)	(615)	(2,844)
Exercise of share options	4	284	-	-	-	-	-	-	-	288	86	374
<b>At March 31 2010</b>	293	59,306	64,981	8	(74)	24,231	(38,818)	52,103	(22,795)	139,235	-	139,235

## Euromoney Institutional Investor PLC

### Condensed Consolidated Statement of Cash Flows for the six months ended March 31 2011

	<b>Unaudited six months ended March 31 2011 £000's</b>	Unaudited six months ended March 31 2010 £000's	Audited year ended Sept 30 2010 £000's
<b>Cash flow from operating activities</b>			
Operating profit	38,001	38,778	82,075
Share of profits in associates	(147)	(117)	(281)
Acquired intangible amortisation	5,814	7,560	13,671
Licences and software amortisation	146	91	238
Long-term incentive expense	4,717	739	4,364
Goodwill impairment	-	-	1,214
Intangible impairment	-	-	593
Depreciation of property, plant and equipment	1,258	1,373	2,691
Increase/(decrease) in provisions	258	(1,109)	(861)
Loss on disposal of property, plant and equipment	17	1	708
<b>Operating cash flows before movements in working capital</b>	<b>50,064</b>	<b>47,316</b>	<b>104,412</b>
Increase in receivables	(2,012)	(110)	(3,493)
Increase/(decrease) in payables	3,882	(7,331)	(148)
<b>Cash generated from operations</b>	<b>51,934</b>	<b>39,875</b>	<b>100,771</b>
Income taxes paid	(19,370)	(593)	(1,912)
<b>Net cash from operating activities</b>	<b>32,564</b>	<b>39,282</b>	<b>98,859</b>
<b>Investing activities</b>			
Dividends paid to non-controlling interests	(28)	(615)	(723)
Dividends received from associate	316	242	242
Interest received	229	198	243
Purchase of intangible assets	(264)	(12)	(333)
Purchase of property, plant and equipment	(1,133)	(1,273)	(3,107)
Proceeds on disposal of property, plant and equipment	22	-	44
Receipt following working capital adjustment from purchase of subsidiary undertaking	111	-	-
Purchase of subsidiary undertaking	-	-	(5,165)
<b>Net cash used in investing activities</b>	<b>(747)</b>	<b>(1,460)</b>	<b>(8,799)</b>
<b>Financing activities</b>			
Dividends paid	(3,578)	(2,229)	(3,809)
Interest paid	(3,666)	(4,796)	(9,414)
Interest paid on loan notes	(10)	(27)	(38)
Issue of new share capital	600	288	1,323
Purchase of additional interest in subsidiary undertakings	(50)	(10,596)	(11,576)
Settlement of derivative assets/liabilities	(746)	(2,956)	(3,295)
Redemption of loan notes	(94)	(302)	(3,673)
Amounts paid on intergroup tax equalisation swaps	-	(23,906)	(23,906)
Loan repaid to DMGT group company	(133,871)	(54,912)	(116,569)
Loan received from DMGT group company	108,074	62,589	79,590
<b>Net cash used in financing activities</b>	<b>(33,341)</b>	<b>(36,847)</b>	<b>(91,367)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,524)</b>	<b>975</b>	<b>(1,307)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>11,190</b>	<b>12,063</b>	<b>12,063</b>
Effect of foreign exchange rate movements	(65)	805	434
<b>Cash and cash equivalents at end of period</b>	<b>9,601</b>	<b>13,843</b>	<b>11,190</b>

Cash and cash equivalents include bank overdrafts.

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

# **Euromoney Institutional Investor PLC**

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

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### **1 Basis of preparation**

This interim financial report was approved by the board of directors on May 18 2011.

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

The information for the year ended September 30 2010 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was not qualified, did not draw attention to any matters by way of emphasis and did not contain statements under section 498(2) or 498(3) of the Companies Act 2006.

#### **Accounting policies**

These condensed consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial instruments.

The same accounting policies, presentation and methods of computation are followed in these condensed financial statements as were applied in the group's latest annual audited financial statements. There were no relevant new standards, amendments or interpretations issued and applied in the six months to March 31 2011.

#### **Going concern, debt covenants and liquidity**

The results of the group's business activities, together with the factors likely to affect its future development, performance and financial position, are set out in the Chairman's Statement on pages 2 to 8.

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 (DMGT). The facility is divided into four tranches of sterling and US dollar funds, with three and five year terms, with a maximum total borrowing capacity of \$310 million (£193 million) and £59 million. The facility's covenant requires the group's net debt to be no more than four times adjusted EBITDA on a rolling 12 month basis. At March 31 2011, the group's net debt to adjusted EBITDA was 1.03 times and the committed undrawn facility available to the group was £142.0 million. The three year facility is due for renewal in December 2011 and the five year facility in December 2013.

Trading conditions have remained stable in the first half of the financial year. Movements in the exchange rate between sterling and the US dollar have had minimal impact on the group's results over the last six months. However, the group remains exposed to the impact of currency movements on the translation of US dollar profits and losses from its US dollar-based businesses, and on US dollar transactions including the gains or losses from the group's forward contracts used to partially hedge these. The group has no pressing requirement to arrange new finance and continues to operate well within the limits of its dedicated multi-currency borrowing facility. The three year facility (£63.4m) is due for renewal in December 2011 and any remaining funds drawn under this facility at this renewal date are expected to be rolled into the unused portion of the five year facility.

The group's forecasts and projections looking out to September 2014 and taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level and covenants of its current borrowing facility.

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

# Euromoney Institutional Investor PLC

## Notes to the Condensed Consolidated Interim Financial Report

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### 1 Basis of preparation *continued*

#### Principal Risks and Uncertainties

The principal risks and uncertainties that affect the group are described in detail on pages 14 to 17 of the 2010 annual report available at [www.euromoneyplc.com](http://www.euromoneyplc.com). In summary, they include:

#### *Operational risks*

- Downturn in economy or market sector;
- Travel disruption;
- London, New York, Montreal or Hong Kong wide disaster;
- Publishing legislation;
- Circulation;
- Acquisitions and disposals;
- Key staff leaving;
- Reliance on key brands;
- Technological change and IT infrastructure.

#### *Financial risks*

- Liquidity;
- Market price;
- Interest rate;
- Foreign currency;
- Credit; and
- Tax.

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.

## Euromoney Institutional Investor PLC

### Notes to the Condensed Consolidated Interim Financial Report

#### 2 Segmental analysis

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. Revenues from Financial publishing and Business publishing consist primarily of advertising and subscriptions. Revenues from the Training division consist primarily of paying delegates. Revenues from Conferences and seminars consist of both sponsorship and paying delegates. Revenues from Databases and information services are derived primarily from subscriptions. A breakdown of the group's revenue by type is set out below.

The directors have recategorised four of the group's profit centres into different divisions to more accurately reflect their operations following development of their products. As a result the comparative split of divisional revenues and operating profits has been restated. The total revenue and operating profits by source remain unchanged as do revenues by type.

Analysis of the group's three main geographical areas is also set out to provide additional information on the trading performance of the businesses.

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

	Unaudited six months ended March 31									
	United Kingdom		North America		Rest of World		Elimination		Total	
	2011	2010 (restated)	2011	2010 (restated)	2011	2010	2011	2010	2011	2010 (restated)
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>Revenue</b>										
<b>by division and source:</b>										
Financial publishing	23,124	20,343	17,649	16,449	1,030	886	(2,610)	(2,170)	39,193	35,508
Business publishing	18,370	17,430	7,680	6,647	648	587	(756)	(891)	25,942	23,773
Training	9,228	8,583	3,170	2,719	3,448	2,567	(150)	(161)	15,696	13,708
Conferences and seminars	17,638	13,332	18,048	15,103	2,486	5,934	(16)	(21)	38,156	34,348
Databases and information services	7,645	6,088	29,452	25,134	12,389	11,065	(9)	-	49,477	42,287
Sold/closed businesses	-	-	-	50	529	828	-	-	529	878
Corporate revenue	3	726	-	138	5	1	(8)	(865)	-	-
Foreign exchange losses on forward contracts	(1,414)	(2,667)	-	-	-	-	-	-	(1,414)	(2,667)
<b>Total revenue</b>	<b>74,594</b>	<b>63,835</b>	<b>75,999</b>	<b>66,240</b>	<b>20,535</b>	<b>21,868</b>	<b>(3,549)</b>	<b>(4,108)</b>	<b>167,579</b>	<b>147,835</b>
Investment income (note 5)	7	-	81	11	16	143	-	-	104	154
<b>Total revenue and investment income</b>	<b>74,601</b>	<b>63,835</b>	<b>76,080</b>	<b>66,251</b>	<b>20,551</b>	<b>22,011</b>	<b>(3,549)</b>	<b>(4,108)</b>	<b>167,683</b>	<b>147,989</b>

	Unaudited six months ended March 31							
	United Kingdom		North America		Rest of World		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>Revenue</b>								
<b>by type and destination:</b>								
Subscriptions	14,747	12,432	35,465	30,834	31,739	29,337	81,951	72,603
Advertising	4,058	2,792	11,741	10,093	11,550	10,933	27,349	23,818
Sponsorship	4,404	1,145	8,680	6,858	7,887	7,539	20,971	15,542
Delegates	5,058	3,502	8,615	7,721	20,222	21,835	33,895	33,058
Other	767	1,560	2,260	1,941	1,271	1,102	4,298	4,603
Sold/closed businesses	-	-	-	50	529	828	529	878
Foreign exchange losses on forward contracts	(1,414)	(2,667)	-	-	-	-	(1,414)	(2,667)
<b>Total revenue</b>	<b>27,620</b>	<b>18,764</b>	<b>66,761</b>	<b>57,497</b>	<b>73,198</b>	<b>71,574</b>	<b>167,579</b>	<b>147,835</b>

## Euromoney Institutional Investor PLC

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

#### 2 Segmental analysis *continued*

	United Kingdom		Unaudited six months ended March 31				Total	
	2011	2010	North America		Rest of World		2011	2010
	£000's	(restated) £000's	£000's	(restated) £000's	£000's	£000's	£000's	(restated) £000's
<b>Operating profit <sup>1</sup></b>								
<b>by division and source:</b>								
Financial publishing	8,388	7,800	3,821	3,591	130	69	12,339	11,460
Business publishing	6,644	7,228	2,625	1,939	(140)	6	9,129	9,173
Training	2,304	2,246	174	60	1,318	894	3,796	3,200
Conferences and seminars	6,328	4,794	5,559	4,113	288	2,014	12,175	10,921
Databases and information services	4,117	3,663	14,601	12,330	1,957	2,569	20,675	18,562
Sold/closed businesses	-	(1)	1	(35)	(147)	(225)	(146)	(261)
Unallocated corporate costs	(7,432)	(6,168)	(459)	(973)	(268)	(547)	(8,159)	(7,688)
<b>Operating profit before acquired intangible amortisation, long-term incentive expense and exceptional items</b>	<b>20,349</b>	<b>19,562</b>	<b>26,322</b>	<b>21,025</b>	<b>3,138</b>	<b>4,780</b>	<b>49,809</b>	<b>45,367</b>
Acquired intangible amortisation <sup>2</sup>	(1,638)	(1,558)	(3,912)	(5,959)	(264)	(43)	(5,814)	(7,560)
Long-term incentive expense	(2,677)	(308)	(1,872)	(408)	(168)	(23)	(4,717)	(739)
Exceptional items (note 4)	-	4	(936)	1,768	(488)	(179)	(1,424)	1,593
<b>Operating profit before associates</b>	<b>16,034</b>	<b>17,700</b>	<b>19,602</b>	<b>16,426</b>	<b>2,218</b>	<b>4,535</b>	<b>37,854</b>	<b>38,661</b>
Share of results in associates							147	117
Net finance costs (note 5)							(5,281)	(6,047)
<b>Profit before tax</b>							<b>32,720</b>	<b>32,731</b>
Tax expense							(11,279)	(5,650)
<b>Profit after tax</b>							<b>21,441</b>	<b>27,081</b>

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

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

	Acquired intangible amortisation		Long-term incentive expense		Exceptional items		Depreciation and amortisation	
	2011	2010	2011	2010	2011	2010	2011	2010
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>Other segmental information by division:</b>								
Financial publishing	(23)	(47)	(1,064)	(110)	-	(192)	(4)	(2)
Business publishing	(1,412)	(2,664)	(845)	(96)	-	(3)	(11)	(14)
Training	-	-	(370)	(42)	-	(5)	(10)	(10)
Conferences and seminars	(180)	(190)	(893)	(79)	-	(201)	(21)	(13)
Databases and information services	(4,135)	(4,571)	(781)	(307)	(1,342)	(35)	(372)	(262)
Unallocated corporate costs	(64)	(67)	(764)	(105)	405	2,029	(984)	(1,153)
Sold/closed businesses	-	(21)	-	-	(487)	-	(2)	(10)
	<b>(5,814)</b>	<b>(7,560)</b>	<b>(4,717)</b>	<b>(739)</b>	<b>(1,424)</b>	<b>1,593</b>	<b>(1,404)</b>	<b>(1,464)</b>

## Euromoney Institutional Investor PLC

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

#### 3 Seasonality of results

The group's results are not materially affected by seasonal or cyclical trading. For the year ended September 30 2010 the group earned 45% of both its revenues and profits<sup>1</sup> in the first six months of the year (year ended September 2009: 51% and 47% of its revenues and profits<sup>1</sup> respectively).

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

	<b>Unaudited six months ended March 31 2011 £000's</b>	Unaudited six months ended March 31 2010 £000's	Audited year ended Sept 30 2010 £000's
Goodwill and intangible asset impairment	-	-	(1,807)
Restructuring and other exceptional (costs)/income	(1,424)	1,593	1,579
	<u>(1,424)</u>	<u>1,593</u>	<u>(228)</u>

During the six months to March 2011 the group recognised an exceptional expense of £1,424,000 (2010: exceptional income of £1,593,000). This comprised an exceptional restructuring charge of £1,829,000 (2010: £648,000) following the closure or reorganisation of underperforming businesses, and an exceptional credit of £405,000 (2010: credit £2,241,000) following the successful resolution of a US legal dispute. The group's tax charge includes a related tax expense of £94,000 (2010: expense £645,000).

At September 30 2010, the group reviewed the carrying value of goodwill and intangible assets and as a result impaired capitalised goodwill and intangible assets, mostly in connection with the group's Asia-based conference and training business, by £1,807,000 with a corresponding tax credit of £130,000.

The restructuring costs will be predominately paid in the second half of the year.

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

# Euromoney Institutional Investor PLC

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

### 5 Finance income and expense

	<b>Unaudited six months ended March 31 2011 £000's</b>	Unaudited six months ended March 31 2010 £000's	Audited year ended Sept 30 2010 £000's
<b>Finance income</b>			
Interest income:			
Interest receivable from DMGT group undertakings	26	26	26
Interest receivable from short-term investments	104	154	193
Expected return on pension scheme assets	726	642	1,283
Net movements in acquisition option commitment values	183	-	-
Interest on tax overpaid	24	-	-
Fair value gains on financial instruments:			
Ineffectiveness of cash flow hedges	-	203	135
	<b>1,063</b>	<b>1,025</b>	<b>1,637</b>
<b>Finance expense</b>			
Interest expense:			
Interest payable on committed borrowings	(3,835)	(4,988)	(9,575)
Interest payable to DMGT group undertakings	(26)	-	-
Interest payable on loan notes	(7)	(20)	(31)
Interest on pension scheme liabilities	(646)	(613)	(1,225)
Net movements in acquisition option commitment values	-	(1,223)	(1,191)
Imputed interest on acquisition option commitments	-	(128)	(129)
Movement in acquisition deferred consideration	(1,830)	-	-
Interest on tax underpaid	-	(100)	(137)
	<b>(6,344)</b>	<b>(7,072)</b>	<b>(12,288)</b>
<b>Net finance costs</b>	<b>(5,281)</b>	<b>(6,047)</b>	<b>(10,651)</b>
<b>Reconciliation of net finance costs in income statement to underlying net finance costs</b>			
Total net finance costs in income statement	<b>(5,281)</b>	<b>(6,047)</b>	<b>(10,651)</b>
Add back:			
Net movements in acquisition option commitment values	(183)	1,223	1,191
Imputed interest on acquisition option commitments	-	128	129
Movement in acquisition deferred consideration	1,830	-	-
	<b>1,647</b>	<b>1,351</b>	<b>1,320</b>
<b>Underlying net finance costs</b>	<b>(3,634)</b>	<b>(4,696)</b>	<b>(9,331)</b>

The reconciliation of net finance costs in the income statement has been provided since the directors consider it necessary in order to provide an indication of the underlying finance costs.

## Euromoney Institutional Investor PLC

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

#### 6 Tax on profit on ordinary activities

	<b>Unaudited six months ended March 31 2011 £000's</b>	Unaudited six months ended March 31 2010 £000's	Audited year ended Sept 30 2010 £000's
<b>Current tax expense</b>			
UK corporation tax expense	1,819	2,152	6,314
Foreign tax expense	6,038	5,055	12,071
Release of prior years' provisions	-	-	(3,239)
Adjustments in respect of prior years	769	(2,146)	(1,292)
	<b>8,626</b>	5,061	13,854
<b>Deferred tax expense</b>			
Current year	3,165	3,756	6,356
Release of prior years' provisions	-	-	(6,141)
Adjustments in respect of prior years	(512)	(3,167)	(1,230)
	<b>2,653</b>	589	(1,015)
<b>Total tax expense in income statement</b>	<b>11,279</b>	5,650	12,839

The effective tax rate for the interim period is 34% (2010: 17%). The underlying effective tax rate forecast for 2011 is 26%. The underlying effective tax rate for the 2011 interim period is as set out below:

	<b>Unaudited six months ended March 31 2011 £000's</b>	Unaudited six months ended March 31 2010 £000's	Audited year ended Sept 30 2010 £000's
<b>Reconciliation of tax expense in income statement to underlying tax expense</b>			
Total tax expense in income statement	11,279	5,650	12,839
Add back:			
Tax on intangible amortisation	2,071	2,261	4,395
Tax on exceptional items	(94)	(645)	(1,127)
Tax on US goodwill amortisation	(2,133)	(1,921)	(4,684)
Tax on release of prior years' provisions	-	-	9,380
Tax adjustments in respect of prior years	(257)	5,313	2,522
	<b>(413)</b>	5,008	10,486
<b>Underlying tax expense</b>	<b>10,866</b>	10,658	23,325
Underlying profit before tax (refer to the appendix to the Chairman's Statement)	41,605	40,049	86,643
Underlying effective tax rate	<b>26%</b>	27%	27%

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

The UK income tax expense for the period is based on a blended rate of the UK statutory rates of corporation tax for the year to September 30 2011 of 27% (2010: 28%) and reflects the impact of changes in the UK corporation tax rate from 28% to 26% from April 1 2011 as enacted on March 29 2011. This change has resulted in a small deferred tax charge arising from the reduction in the carrying value of deferred tax assets to reflect the anticipated rate of tax at which those assets are expected to reverse.

The UK Government has also indicated that it intends to enact future reductions in the main corporation tax rate of 1% each year down to 23% by April 1 2014. The directors estimate that the future rate changes would reduce further the UK deferred tax asset recognised but the actual impact will be dependent on the deferred tax position at that time.

## Euromoney Institutional Investor PLC

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

#### 7 Dividends

	<b>Unaudited six months ended March 31 2011 £000's</b>	Unaudited six months ended March 31 2010 £000's	Audited year ended Sept 30 2010 £000's
<b>Amounts recognisable as distributable to equity holders in period</b>			
Final dividend for the year ended September 30 2010 of 11.75p (2009: 7.75p)	<b>13,928</b>	8,816	8,816
Interim dividend for the year ended September 30 2010 of 6.25p	-	-	7,327
	<b>13,928</b>	8,816	16,143
Employees' Share Ownership Trust dividend	(7)	(5)	(8)
	<b>13,921</b>	8,811	16,135
Interim dividend for the period ended March 31 2011 of 6.25p (2010: 6.25p)	<b>7,528</b>	7,320	
Employees' Share Ownership Trust dividend	(4)	(4)	
	<b>7,524</b>	7,316	

The final dividend was approved by shareholders at the Annual General Meeting held on January 20 2011 and paid, or new shares issued under the scrip dividend alternative, as applicable, on February 4 2011.

The directors have approved an interim dividend of 6.25p (2010: 6.25p) per share and resolved to offer the scrip dividend alternative, under the terms approved by shareholders on January 28 2009, to the interim dividend payment. Full details of the scrip dividend alternative can be found in the separate announcement issued on May 18 2011 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 21 2011, to shareholders on the register on May 27 2011. It is expected that the shares will be marked ex-dividend on May 25 2011. The interim dividend has not been included as a liability in this Interim Financial Report in accordance with IAS 10 'Events after the balance sheet date'.

## Euromoney Institutional Investor PLC

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

#### 8 Earnings per share

	<b>Unaudited six months ended March 31 2011 £000's</b>	Unaudited six months ended March 31 2010 £000's	Audited year ended Sept 30 2010 £000's
Earnings attributable to equity holders of the parent	<b>21,413</b>	26,601	58,105
<b>Basic earnings</b>	<b>21,413</b>	<b>26,601</b>	<b>58,105</b>
Acquired intangible amortisation	<b>5,814</b>	7,560	13,671
Exceptional items	<b>1,424</b>	(1,593)	228
Imputed interest on acquisition option commitments	<b>(183)</b>	128	129
Net movements in acquisition option commitment values	<b>-</b>	1,223	1,191
Movement on acquisition deferred consideration	<b>1,830</b>	-	-
Tax on the above adjustments	<b>(1,977)</b>	(1,616)	(3,268)
Tax deduction on US goodwill	<b>2,133</b>	1,921	4,684
Provision released in respect of prior years' tax	<b>-</b>	-	(9,380)
Tax adjustment in respect of prior years	<b>257</b>	(5,313)	(2,522)
<b>Adjusted earnings</b>	<b>30,711</b>	<b>28,911</b>	<b>62,838</b>
	<b>Number 000's</b>	Number 000's	Number 000's
Weighted average number of shares	<b>119,129</b>	114,657	116,166
Shares held by the Employees' Share Ownership Trust	<b>(59)</b>	(59)	(59)
	<b>119,070</b>	114,598	116,107
Effect of dilutive share options	<b>409</b>	1,586	1,344
<b>Diluted weighted average number of shares</b>	<b>119,479</b>	<b>116,184</b>	<b>117,451</b>
	<b>Pence per share</b>	Pence per share	Pence per share
<b>Basic earnings per share</b>	<b>17.98</b>	23.21	50.04
Effect of dilutive share options	<b>(0.06)</b>	(0.31)	(0.57)
<b>Diluted earnings per share</b>	<b>17.92</b>	22.90	49.47
Effect of acquired intangible amortisation	<b>4.87</b>	6.50	11.64
Effect of exceptional items	<b>1.19</b>	(1.38)	0.19
Effect of imputed interest on acquisition option commitments	<b>(0.17)</b>	0.12	0.11
Effect of net movements in acquisition option commitment values	<b>-</b>	1.05	1.01
Effect of movement in acquisition deferred consideration	<b>1.53</b>	-	-
Effect of tax on the above adjustments	<b>(1.65)</b>	(1.39)	(2.78)
Effect of tax deduction on US goodwill	<b>1.79</b>	1.65	3.99
Effect of provision release in respect of prior years' tax	<b>-</b>	-	(7.98)
Effect of tax adjustment in respect of prior years	<b>0.22</b>	(4.57)	(2.15)
<b>Adjusted diluted earnings per share</b>	<b>25.70</b>	<b>24.88</b>	<b>53.50</b>
<b>Adjusted diluted earnings per share</b>	<b>25.70</b>	24.88	53.50
Effect of dilutive share options	<b>0.06</b>	0.31	0.57
<b>Adjusted basic earnings per share</b>	<b>25.76</b>	<b>25.19</b>	<b>54.07</b>

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

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

## Euromoney Institutional Investor PLC

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

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#### 9 Acquisitions

In August 2010, the group acquired 100% of the equity share capital of Arete Consulting Limited (Arete), a leading on-line information source for the structured retail products market, for an initial gross cash consideration of £6.1 million with a further net consideration of up to £3.9 million dependent upon the audited profits of Arete for the year to February 28 2011.

The provisional fair value of the net assets acquired measured at September 30 2010 was £2,386,000. Following true-up adjustments during the period the provisional fair value of the net assets acquired as at March 31 2011 was adjusted to £1,943,000. As a result the goodwill on acquisition increased from £4,351,000 at September 30 2010 to £4,794,000 at March 31 2011. During the period the group received a refund of £111,000 following a post-acquisition working capital adjustment.

The deferred consideration arrangement requires the group to pay the former owners of Arete an amount of up to £3.9 million calculated using a pre-determined multiple of the February 2011 audited profits of the Arete group. During the period, due to the strong performance of Arete since acquisition, the expected deferred consideration payment under this mechanism increased from £705,000 to £2,535,000 resulting in a charge to the Income Statement of £1,830,000.

In February 2011, the employees of Arete were awarded 2.67% of the existing total equity share capital of Arete from the group for £nil consideration, under an incentive arrangement.

## Euromoney Institutional Investor PLC

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

#### 10 Net debt

	<b>Unaudited six months ended March 31 2011 £000's</b>	Unaudited six months ended March 31 2010 £000's	Audited year ended Sept 30 2010 £000's
Net debt at beginning of period	(128,757)	(165,060)	(165,060)
(Decrease)/increase in cash and cash equivalents	(1,524)	975	(1,307)
Decrease/(Increase) in amounts owed to DMGT group company	25,797	(7,677)	36,979
Redemption of loan notes	94	302	3,673
Interest paid on loan notes	10	27	38
Other non-cash changes	(7)	(20)	14
Effect of foreign exchange rate movements	1,691	(6,634)	(3,094)
<b>Net debt at end of period</b>	<b>(102,696)</b>	<b>(178,087)</b>	<b>(128,757)</b>
<b>Net debt comprises:</b>			
Cash at bank and in hand	9,802	14,712	12,078
Bank overdrafts	(201)	(869)	(888)
<b>Total cash and cash equivalents</b>	<b>9,601</b>	<b>13,843</b>	<b>11,190</b>
Committed loan facility	(110,355)	(186,520)	(137,908)
Loan notes	(1,942)	(5,410)	(2,039)
<b>Net debt</b>	<b>(102,696)</b>	<b>(178,087)</b>	<b>(128,757)</b>

Other non-cash changes represent interest added to the principal 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 maximum total borrowing capacity of \$310 million (£193 million) and £59 million. Interest is payable on this facility at a variable rate of between 1.3% and 3.0% above LIBOR dependant on the ratio of adjusted net debt to EBITDA. The facility's covenant requires the group's net debt to be no more than four times adjusted EBITDA on a rolling 12 month basis. Failure to satisfy this covenant would result in the group being in breach of the facility, potentially resulting in the facility being withdrawn or impediment of management decision making by the lender. Management regularly monitor the covenant and prepare detailed debt forecasts to ensure that sufficient headroom is available and that the covenants are not close or potentially close to breach. At March 31 2011, the group's net debt to adjusted EBITDA was 1.03 times and the committed undrawn facility available to the group was £142.0 million (March 2010: £76.9 million, September 2010: £117.8 million). The three year facility is due for renewal in December 2011 and the five year facility in December 2013.

The group's strategy is to use excess operating cash to pay down its debt. The group generally has an annual cash conversion rate (the percentage by which cash generated from operations covers operating profit before acquired intangible amortisation, long-term incentive expense and exceptional items) of over 100% due to much of its subscription, sponsorship and delegate revenue being paid in advance. For the six months to March 31 2011 the group's cash conversion rate was 104% (2010: 88%).

## Euromoney Institutional Investor PLC

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

#### 11 Deferred income

	<b>Unaudited six months ended March 31 2011 £000's</b>	Unaudited six months ended March 31 2010 £000's	Audited year ended Sept 30 2010 £000's
Deferred subscription income	81,029	75,989	76,095
Other deferred income	27,471	23,590	17,645
	<b>108,500</b>	<b>99,579</b>	<b>93,740</b>

#### 12 Called up share capital

	<b>Unaudited six months ended March 31 2011 £000's</b>	Unaudited six months ended March 31 2010 £000's	Audited year ended Sept 30 2010 £000's
<b>Allotted, called up and fully paid</b>			
120,449,408 ordinary shares of 0.25p each			
(March 2010: 117,116,331 ordinary shares of 0.25p each)			
(September 2010: 118,491,911 ordinary shares of 0.25p each)			
	<b>301</b>	<b>293</b>	<b>296</b>

During the period 1,957,497 ordinary shares with a nominal value of 0.25p each and an aggregate nominal value of £4,894 were issued as follows: 1,480,171 ordinary shares under the company's 2009 scrip dividend alternative for a cash consideration of £nil and 477,326 ordinary shares following the exercise of options granted under the company's share option schemes for a cash consideration of £599,593.

#### 13 Contingent liabilities and assets

##### Claims in Malaysia

Four writs claiming damages for libel were issued in Malaysia against the company and three of its employees in respect of an article published in one of the company's magazines, *International Commercial Litigation*, in November 1995. The writs were served on the company on October 22 1996. Two of these writs have been discontinued. The total outstanding amount claimed on the two remaining writs is Malaysian Ringgits 82.0 million (£16,916,000). No provision has been made for these claims in these financial statements as the directors do not believe the company has any material liability in respect of these writs.

## Euromoney Institutional Investor PLC

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

#### 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 had borrowings under a \$400 million multi-currency facility with DMGRH Finance Limited, a DMGT group company as follows:

	Unaudited six months ended March 31 2011 \$000's	Unaudited six months ended March 31 2011 £000's	Unaudited six months ended March 31 2010 \$000's	Unaudited six months ended March 31 2010 £000's	Audited year ended Sept 30 2010 \$000's	Audited year ended Sept 30 2010 £000's
Amounts owing under US dollar facility	124,000	77,355	213,946	141,041	159,000	100,901
Amounts owing under sterling facility	-	33,000	-	45,479	-	37,007
		<u>110,355</u>		<u>186,520</u>		<u>137,908</u>
Commitment fee on unused portion of the available facility	-	336	-	175	-	448

- (ii) During the period the group expensed services provided by Daily Mail and General Trust plc (DMGT), the group's parent, and other fellow group companies, as follows:

	Unaudited six months ended March 31 2011 £000's	Unaudited six months ended March 31 2010 £000's	Audited year ended Sept 30 2010 £000's
Services expensed	211	154	416

- (iii) The group had fixed rate interest rate swaps outstanding with Daily Mail and General Holdings Limited (DMGH), a fellow group company, as follows:

	Unaudited as at March 31 2011 \$000's	Unaudited as at March 31 2011 £000's	Unaudited as at March 31 2010 \$000's	Unaudited as at March 31 2010 £000's	Audited as at Sept 30 2010 \$000's	Audited as at Sept 30 2010 £000's
Interest rates between 1.64% and 5.4% and termination dates between September 30 2011 and March 31 2014 on US\$ fixed rate interest rate swaps	120,000	74,860	175,000	115,367	145,000	92,017
Interest rates between 2.0% and 6.2% and termination dates between September 30 2011 and March 28 2013 on GBP fixed rate interest rate swaps	-	30,000	-	47,000	-	42,000

During the period the group paid interest to DMGH and related companies in respect of interest rate swaps as follows:

	Unaudited six months ended March 31 2011 \$000's	Unaudited six months ended March 31 2011 £000's	Unaudited six months ended March 31 2010 \$000's	Unaudited six months ended March 31 2010 £000's	Audited year ended Sept 30 2010 \$000's	Audited year ended Sept 30 2010 £000's
US dollar interest paid	2,422	1,526	3,211	2,002	5,933	3,797
Sterling interest paid	-	596	-	943	-	1,558

## Euromoney Institutional Investor PLC

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

#### 14 Related party transactions (*continued*)

- (iv) In January 2011, the group granted an Indian Rupee 112 million loan facility to RMSI Private Limited, a DMGT group company, at a 10.5% fixed interest rate:

	Unaudited as at March 31 2011 INR 000's	Unaudited as at March 31 2011 £000's	Unaudited as at March 31 2010 INR 000's	Unaudited as at March 31 2010 £000's	Audited as at Sept 30 2010 INR 000's	Audited as at Sept 30 2010 £000's
Amounts owed under the facility	114,287	1,598	-	-	-	-
Interest income during the period	2,287	31	-	-	-	-

- (v) In February 2011, Euromoney Holdings US Inc, a group company, was granted a US\$70 million short-term loan facility from DMGH. There were no amounts outstanding at March 31 2011.

	Unaudited six months ended March 31 2011 \$000's	Unaudited six months ended March 31 2011 £000's	Unaudited six months ended March 31 2010 \$000's	Unaudited six months ended March 31 2010 £000's	Audited year ended Sept 30 2010 \$000's	Audited year ended Sept 30 2010 £000's
Amounts received	70,000	43,750	-	-	-	-
Amounts paid	(70,041)	(43,776)	-	-	-	-
Interest expense	(41)	(26)	-	-	-	-

- (vi) In February 2011, the company provided a US\$70 million short-term loan facility to DMGH. There were no amounts outstanding at March 31 2011:

	Unaudited six months ended March 31 2011 \$000's	Unaudited six months ended March 31 2011 £000's	Unaudited six months ended March 31 2010 \$000's	Unaudited six months ended March 31 2010 £000's	Audited year ended Sept 30 2010 \$000's	Audited year ended Sept 30 2010 £000's
Amounts paid	(70,000)	(43,750)	-	-	-	-
Amounts received	70,041	43,776	-	-	-	-
Interest income	41	26	-	-	-	-

- (vii) There is an annual put option agreement over the sale of Internet Securities, Inc. (ISI) shares between the company and the minority shareholders of ISI. The annual put option value is based on the valuation of ISI as determined under a methodology provided by an independent financial adviser. Under the terms of the put option agreement consideration caps have been put in place that require the maximum consideration payable to option holders to be capped at an amount such that the results of any relevant class tests would, at the relevant time, fall below the requirement for shareholder approval.

In March 2011, under this put option mechanism, the group purchased 0.07% of the equity share capital of ISI for a cash consideration of \$81,000 (£50,000). The group's equity shareholding in ISI increased to 98.8%.

## **Euromoney Institutional Investor PLC**

### **Responsibility Statement**

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We confirm that to the best of our knowledge:

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

By order of the board,

**Richard Ensor**  
Director  
May 18 2011

**Colin Jones**  
Director  
May 18 2011

## **Euromoney Institutional Investor PLC**

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

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We have been engaged by the company to review the condensed set of financial statements in the interim financial report for the six months ended March 31 2011 which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Statement of Cash Flows, and related notes 1 to 14. We have read the other information contained in the interim 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 (UK and Ireland) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' 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 interim financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim 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 interim 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 interim 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 interim financial report for the six months ended March 31 2011 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 18 2011

# Euromoney Institutional Investor PLC

## Directors and Advisors

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### Executive Directors

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

### Non-executive Directors

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

† member of the remuneration committee

‡ member of the nominations committee

§ member of the audit committee

**President** Sir Patrick Sergeant

**Company Secretary** CR Jones

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

**Registered Number** 954730

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

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

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

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

# Euromoney Institutional Investor PLC

## Financial Calendar and Shareholder Information

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<b>2011 interim results announcement</b>	Thursday May 19 2011
<b>Interim dividend ex-dividend date</b>	Wednesday May 25 2011
<b>Interim dividend record date</b>	Friday May 27 2011
<b>Announcement of the interim scrip reference price for the scrip alternative**</b>	Thursday June 16 2011
<b>Last date for receipt by the company's registrars of scrip mandate forms**</b>	Wednesday July 6 2011
<b>Interim Management Statement</b>	Friday July 15 2011*
<b>Payment of 2011 interim dividend</b>	Thursday July 21 2011
<b>2011 final results announcement</b>	Thursday November 10 2011*
<b>Final dividend ex-dividend date</b>	Wednesday November 16 2011*
<b>Final dividend record date</b>	Friday November 18 2011*
<b>2012 AGM (approval of final dividend)</b>	Thursday January 26 2012
<b>Payment of final dividend</b>	Thursday February 9 2012*
<b>Loan note interest paid to holders of loan notes on</b>	Thursday June 30 2011 Friday December 30 2011

\* Provisional dates and are subject to change.

\*\* Further information is set out in the separate scrip dividend announcement on May 19 2011 and on the company's website.

### Shareholder information

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

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

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

E-mail: [ssd@capitaregistrars.com](mailto:ssd@capitaregistrars.com)  
[www.capitaregistrars.com](http://www.capitaregistrars.com)

### Loan note redemption information

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

### Registered office

Nestor House  
Playhouse Yard  
Blackfriars  
London  
EC4V 5EX

### Company website

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