

**Interim Report 2005**

**Euromoney  
Institutional  
Investor PLC**

# Euromoney Institutional Investor PLC

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# Euromoney Institutional Investor PLC

## Chairman's Statement

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### PROFITS\* UP 24%

Highlights	2005	2004	change
Turnover	£89.0 m	£81.8 m	+9%
Profit before tax, goodwill amortization and impairment	£13.7 m	£11.1 m	+24%
Profit before tax	£9.8 m	£7.6 m	+30%
Adjusted diluted earnings a share*	11.2 p	10.2 p	+10%
Earnings a share	6.8 p	6.2 p	+10%
Dividend	5.2 p	5.0 p	+4%

Euromoney Institutional Investor PLC, the international publishing, events and electronic information group, reports an increase in profit before tax and goodwill amortization to £13.7 million for the six months to March 31, against £11.1 million for the previous year. Adjusted diluted earnings a share were 11.2p against 10.2p in 2004.

The board has approved an interim dividend of 5.2p, against 5p, to be paid to shareholders on June 24, 2005.

Profit before tax was £9.8 million, against £7.6 million, and earnings a share increased from 6.2p to 6.8p.

Trading in the first half followed a similar pattern to 2004. Growth in the publishing businesses was held back by continued tough advertising markets, increased investment in marketing and the weakness of the US dollar. In spite of these, publishing profits\* increased by 14% to £6 million and advertising revenues increased by 4% to £25.9 million.

In contrast, the training and events businesses increased profits\* by 40% to £10 million. This was despite the absence from the first half of two of the group's biggest events: *Vinisud*, the French wine exhibition; and *InfoSec World*, the audit and information security conference. In 2004, these two events together contributed profits\* of £2 million. This was more than offset by the inclusion of the results of Information Management Network ("IMN"), acquired in March 2004, which contributed profits\* of £4.1 million before funding costs of £0.6 million.

Group turnover increased by 9% to £89.0 million. The average US dollar sterling rate for the period was 1.87 against 1.78 last year which reduced turnover by approximately 4%. Excluding currency movements, the acquisition of IMN, and the timing differences on *Vinisud* and *InfoSec World*, turnover increased by 7%.

Profits\* from financial publishing increased by 12% to £3.9 million following a 1% increase in revenues. Advertising into some of the group's titles, notably *Euromoney* and *Euroweek*, increased but generally magazines found it difficult to sustain the upward trends of the second half of 2004. So far the excellent financial results being reported by global financial institutions, particularly in the United States, have not translated into increased advertising spend. *Institutional Investor* achieved a 2% increase in advertising revenues but has seen a softening of markets since March. The group continues to maintain a high level of marketing investment in subscriptions but revenues fell slightly as smaller publications were merged or sold as part of the group's rationalization drive.

The results from the business publishing portfolio were mixed. Revenues were flat but profits\* improved by 17% to £2.1 million, mostly as a result of the elimination of losses from underperforming businesses. Advertising across the legal, energy, pharmaceutical and transport sectors remained weak. In particular, there have been no signs of improvement in the outlook for Business Traveller and, after losses in the first half of £0.4 million, the business was sold at the beginning of May. The sale gave rise to an exceptional goodwill impairment charge of £1 million which has been recognised in the half year results.

The training businesses delivered excellent results, with growth in all regions and across the three sectors served - financial, legal, and audit and information security. Better markets, increased recruitment particularly in the financial sector, and more effective marketing all contributed to a 7% increase in revenues to £11 million and

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\* Before goodwill amortization and impairment as set out and reconciled in the attached profit and loss account and notes 2 and 9.

# **Euromoney Institutional Investor PLC**

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

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profits\* up 35% to £2.6 million. MIS, the Boston-based audit and information security training business, has seen strong demand for its courses in response to the additional audit and reporting requirements introduced by the Sarbanes-Oxley Act in the United States.

The conference and seminar businesses maintained the growth seen over the past two years, helped by the acquisition of IMN. Revenues increased by 26% to £29.1 million and profits\* by 41% to £7.4 million. The Euromoney and Institutional Investor event businesses both increased revenues through the launch of new events, particularly in Asia. However, results from Adhesion, the group's French subsidiary were sharply down in the face of weak domestic demand for its business meetings. The results of the conferences and seminars division would have been even better but for the timing of two important events: Adhesion's biennial regional wine exhibition, *Vinisud*, was last run in February 2004 and is next scheduled for 2006; and MIS's annual *InfoSec World* conference was moved from March to April. The absence of both these events reduced first half revenues and profits\* by £3.6 million and £2 million respectively.

IMN, the market leader in securitization and indexation events, contributed incremental profits\* of £4.1 million. The performance of IMN has exceeded expectations with strong growth from its securitization events and successful launches of new events in the real estate and Native American finance sectors.

Revenues from databases and information services increased by 9% to £7.6 million, although the strong performance of ISI, the group's emerging market information service, is masked by the decline in the US dollar rate. ISI revenues increased by 20% to \$10.7 million and annualised revenues passed \$22 million, indicating that the significant investment by the group in electronic information and publishing is proving to be the correct strategy. ISI's gross and net new sales improved to levels not seen since 1998 when the business was still in the early stages of launch, while the retention rate was maintained at 90%. The revenue growth has also helped ISI add new products to its service and in March ISI completed the acquisition of CEIC in Hong Kong. CEIC is one of the leading providers of time-series macro-economic data covering Asia and provides an excellent fit with ISI with opportunities for both businesses to cross-sell each other's products.

Net debt at March 31 was £75.6m, an increase of £13.1 million since year end. The level of debt traditionally increases in the first half following the payment of the final dividend and year end profit shares in January. In addition the group spent £16 million on acquisitions and increasing its interests in subsidiaries. ISI acquired a 49% interest in CEIC for an initial consideration of £3.8 million. Payment for the next 25% will be made in June 2006 and the final 26% a year later.

The final instalment on the acquisition of a 100% interest in HFI was paid in January. The growth in profits\* of HFI since its acquisition in August 2003 has exceeded expectations and triggered the maximum deferred consideration under the earn-out agreement of £5.5 million. The group acquired 80% of IMN in February 2004, but paid for only 50% at the time. The remaining 30% was subject to three deferred profit-related payments of which the first, of £5.3 million, was paid in February. The maximum EBITA multiple under the earn-out agreement was achieved for this first deferred payment. Further earn-out payments of 10% respectively are due in 2006 and 2007. The group also increased its equity interest in ISI from 90% to 91% in January at a cost of £0.4 million.

In March the group began a project to consolidate and refurbish its London offices. This project will last approximately two years and require capital expenditure of approximately £5.5 million. In addition, the head lease on one of the group's remaining properties was acquired in April for £1.8 million.

A new equity incentive scheme to replace the company's Executive Share Option Plan was approved at the Annual General Meeting in February. The Capital Appreciation Plan ("CAP") is a highly geared equity incentive designed to drive the achievement of the company's target of profits\* of £50 million by 2008. Initial awards under the CAP will be granted within 42 days of the announcement of the interim results. The cost of the CAP will be amortized over the life of the scheme, starting from the date of grant. The expected non-cash charge in the second half will be approximately £1 million.

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\* Before goodwill amortization and impairment as set out and reconciled in the attached profit and loss account and notes 2 and 9.

# Euromoney Institutional Investor PLC

## Chairman's Statement *continued*

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The trading trends seen in 2004 and the first half of 2005 have continued into the third quarter. The group does not expect significant growth in advertising and there have been signs over the past few weeks that US advertising may weaken further, particularly in the financial sector. However, forward bookings for the training and events businesses for the third quarter are ahead of last year. ISI subscription revenues, underpinned by strong first half sales, should continue to grow and the acquisition of CEIC will make a positive profit\* contribution.

Two timing differences will help the second half results: the *InfoSec World* conference in April (run in March last year); and IMN's *ABS East* conference which has been brought forward from October to September to accommodate venue requirements. Based on last year's events, this would add £2 million to second half profits\*. However, as usual September should contribute more than half of the profits\* for the second half, which means that with little forward visibility for September revenues the outcome for the full year will depend heavily on the strength of financial markets over the next three months.

END

Background note: Euromoney Institutional Investor PLC is listed on the London and Luxembourg stock exchanges. It is a constituent of the FTSE 250 Index. Daily Mail and General Trust plc owns 71% of the company.

### **Padraic Fallon**

Chairman  
May 18 2005

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\* Before goodwill amortization and impairment as set out and reconciled in the attached profit and loss account and notes 2 and 9.

# Euromoney Institutional Investor PLC

## Group Profit & Loss Account

for the six months ended March 31 2005

	Unaudited six months ended March 31 2005	Unaudited six months ended March 31 2004	Audited year ended September 30 2004
Note	£000's	£000's	£000's
<b>Turnover</b>	<b>2</b>		
Sold/closed businesses	1,405	1,993	3,348
Other continuing operations	87,546	79,826	171,306
<b>Total turnover</b>	<b>88,951</b>	<b>81,819</b>	<b>174,654</b>
<b>Operating profit before goodwill amortization</b>	<b>2</b>		
Sold/closed businesses	(411)	(502)	(821)
Other continuing operations	15,825	12,704	31,427
	15,414	12,202	30,606
<b>Goodwill amortization</b>	<b>(2,840)</b>	<b>(3,504)</b>	<b>(6,357)</b>
Exceptional goodwill impairment	3 (1,047)	-	(1,177)
<b>Operating profit</b>	<b>2</b>		
Sold/closed businesses	(1,559)	(544)	(1,586)
Other continuing operations	13,086	9,242	24,658
<b>Total operating profit</b>	<b>11,527</b>	<b>8,698</b>	<b>23,072</b>
Share of operating profit in associates and joint ventures	94	158	373
<b>Profit on ordinary activities before interest and tax</b>	<b>11,621</b>	<b>8,856</b>	<b>23,445</b>
Interest receivable	126	328	422
Interest payable and similar charges	(1,913)	(1,630)	(3,376)
Net interest	(1,787)	(1,302)	(2,954)
<b>Profit on ordinary activities before tax</b>	<b>9,834</b>	<b>7,554</b>	<b>20,491</b>
Tax on profit on ordinary activities	4 (2,642)	(1,865)	(3,899)
<b>Profit on ordinary activities after tax</b>	<b>7,192</b>	<b>5,689</b>	<b>16,592</b>
Equity minority interests	(1,175)	(252)	(578)
<b>Profit for the financial period</b>	<b>6,017</b>	<b>5,437</b>	<b>16,014</b>
Dividends paid and proposed	8 (4,584)	(4,395)	(13,186)
<b>Retained profit for the financial period</b>	<b>1,433</b>	<b>1,042</b>	<b>2,828</b>
Basic earnings per share	9 6.84 p	6.19 p	18.22 p
Diluted earnings per share	9 6.81 p	6.17 p	18.16 p
Adjusted diluted earnings per share before goodwill amortization and exceptional items	9 11.21 p	10.15 p	26.71 p
Dividend per share	8 5.20 p	5.00 p	15.00 p

# Euromoney Institutional Investor PLC

## Group Balance Sheet

as at March 31 2005

	Unaudited as at March 31 2005 £000's	Unaudited as at March 31 2004 £000's	Audited as at September 30 2004 £000's
<b>Fixed assets</b>			
Intangible assets	59,692	58,285	60,989
Tangible assets	6,964	8,545	7,576
Investments	4,017	34	190
	<u>70,673</u>	<u>66,864</u>	<u>68,755</u>
<b>Current assets</b>			
Debtors	41,213	30,916	37,670
Cash at bank and in hand	15,109	16,160	23,563
	<u>56,322</u>	<u>47,076</u>	<u>61,233</u>
<b>Creditors: amounts falling due within one year</b>	<b>(37,980)</b>	<b>(30,934)</b>	<b>(127,326)</b>
<b>Net current assets/(liabilities)</b>	<b>18,342</b>	<b>16,142</b>	<b>(66,093)</b>
<b>Total assets less current liabilities</b>	<b>89,015</b>	<b>83,006</b>	<b>2,662</b>
<b>Creditors: amounts falling due after more than one year</b>	<b>(90,568)</b>	<b>(97,161)</b>	<b>(10,611)</b>
Provisions for liabilities and charges	(571)	-	(575)
Accruals	(15,418)	(12,847)	(18,569)
Deferred income	(37,960)	(36,163)	(35,317)
Accruals and deferred income falling due within one year	(53,378)	(49,010)	(53,886)
<b>Net liabilities</b>	<b>(55,502)</b>	<b>(63,165)</b>	<b>(62,410)</b>
<b>Capital and reserves</b>			
Called up share capital	221	220	220
Share premium account	35,298	34,318	34,393
Capital redemption reserve	8	8	8
Own shares	(74)	(74)	(74)
Profit and loss account	(92,032)	(98,027)	(97,697)
<b>Equity shareholders' deficit</b>	<b>(56,579)</b>	<b>(63,555)</b>	<b>(63,150)</b>
Equity minority interests	1,077	390	740
	<u>(55,502)</u>	<u>(63,165)</u>	<u>(62,410)</u>

# Euromoney Institutional Investor PLC

## Group Cash Flow Statement

for the six months ended March 31 2005

	Note	Unaudited six months ended March 31 2005 £000's	Unaudited six months ended March 31 2004 £000's	Audited year ended September 30 2004 £000's
<b>Net cash inflow from continuing operating activities</b>	<b>5</b>	<b>14,357</b>	13,566	33,751
<b>Dividends received from associate</b>		-	570	570
<b>Returns on investments and servicing of finance</b>				
Interest received		126	328	422
Interest paid		(1,689)	(1,614)	(3,120)
Dividends paid to minorities		(943)	(151)	(150)
		<u>(2,506)</u>	<u>(1,437)</u>	<u>(2,848)</u>
<b>Taxation</b>				
UK tax paid		(2,692)	(1,602)	(3,530)
Overseas tax paid		(1,215)	(633)	(955)
UK tax received		16	318	319
Overseas tax received		252	264	308
		<u>(3,639)</u>	<u>(1,653)</u>	<u>(3,858)</u>
<b>Capital expenditure and financial investment</b>				
Purchase of tangible fixed assets		(526)	(498)	(1,240)
Sale of tangible fixed assets		23	58	78
		<u>(503)</u>	<u>(440)</u>	<u>(1,162)</u>
<b>Acquisitions and disposals</b>				
Purchase of subsidiary undertakings		(12,249)	(16,517)	(19,377)
Cash acquired with subsidiary undertaking		-	1,486	2,507
Purchase of joint venture		(3,769)	-	-
		<u>(16,018)</u>	<u>(15,031)</u>	<u>(16,870)</u>
<b>Equity dividends paid</b>		<b>(8,795)</b>	<b>(8,554)</b>	<b>(12,949)</b>
<b>Cash outflow before financing</b>		<b>(17,104)</b>	<b>(12,979)</b>	<b>(3,366)</b>
<b>Financing</b>				
Issue of new ordinary share capital		906	570	645
Issue of share capital by subsidiary to minority interest		-	20	-
Redemption of unsecured loan stock		-	(37)	(37)
Revolving credit facilities:				
Increase in borrowings		13,403	42,453	2,468
Repayment of borrowings		(6,491)	(10,957)	(8,411)
Loan repaid to DMGT group company		(12,846)	(27,998)	(26,003)
Loan received from DMGT group company		14,620	15,132	47,108
		<u>9,592</u>	<u>19,183</u>	<u>15,770</u>
<b>(Decrease)/increase in cash during the period</b>	<b>6,7</b>	<b>(7,512)</b>	6,204	12,404

# Euromoney Institutional Investor PLC

## Group Statement of Total Recognized Gains and Losses

for the six months ended March 31 2005

	Unaudited six months ended March 31 2005 £000's	Unaudited six months ended March 31 2004 £000's	Audited year ended September 30 2004 £000's
Profit for the period	6,017	5,437	16,014
Foreign exchange translation differences	3,575	8,322	6,866
<b>Total recognized gains and losses for the period</b>	<b>9,592</b>	<b>13,759</b>	<b>22,880</b>

## Reconciliation of Movements in Equity Shareholders' Funds

for the six months ended March 31 2005

	Unaudited six months ended March 31 2005 £000's	Unaudited six months ended March 31 2004 £000's	Audited year ended September 30 2004 £000's
Profit for the period	6,017	5,437	16,014
Dividends paid and proposed	<b>(4,584)</b>	<b>(4,395)</b>	<b>(13,186)</b>
	<b>1,433</b>	1,042	2,828
Proceeds from issue of shares for cash	906	570	645
Reinstatement of goodwill previously written off to reserves	657	-	-
Other recognized gains and losses relating to the period	3,575	8,322	6,866
<b>Net decrease in equity shareholders' deficit</b>	<b>6,571</b>	9,934	10,339
Opening equity shareholders' deficit	<b>(63,150)</b>	<b>(73,489)</b>	<b>(73,489)</b>
<b>Closing equity shareholders' deficit</b>	<b>(56,579)</b>	<b>(63,555)</b>	<b>(63,150)</b>

# Euromoney Institutional Investor PLC

## Notes to the Unaudited Interim Report

### 1 Basis of preparation

This interim report was approved by the board of directors on May 18 2005 and follows the accounting policies adopted in the 2004 annual report. The financial information contained in this interim report does not constitute statutory accounts as defined in section 240 of the Companies Act 1985 and should be read in conjunction with the 2004 annual report. The comparative financial information is based on the interim results for the six months ended March 31 2004.

The figures for the year to September 30 2004 are an abridged statement from the group's accounts at that date which have been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain a statement under section 237(2) or 237(3) of the Companies Act 1985.

### 2 Segmental analysis

	Unaudited six months ended March 31							
	United Kingdom		North America		Rest of World		Total	
	2005 £000's	2004 £000's	2005 £000's	2004 £000's	2005 £000's	2004 £000's	2005 £000's	2004 £000's
<b>Turnover</b>								
<b>By destination:</b>								
Other continuing businesses	16,199	17,234	36,829	28,255	34,518	34,337	87,546	79,826
Sold/closed businesses	286	320	301	751	818	922	1,405	1,993
	<u>16,485</u>	<u>17,554</u>	<u>37,130</u>	<u>29,006</u>	<u>35,336</u>	<u>35,259</u>	<u>88,951</u>	<u>81,819</u>

	United Kingdom		North America		Rest of World		Total	
	2005 £000's	2004 £000's	2005 £000's	2004 £000's	2005 £000's	2004 £000's	2005 £000's	2004 £000's
	<b>By activity and source:</b>							
Financial publishing	13,092	12,102	13,895	14,743	713	613	27,700	27,458
Business publishing	8,325	8,425	3,240	3,040	523	507	12,088	11,972
Training	7,219	6,923	2,691	2,425	1,140	1,016	11,050	10,364
Conferences and seminars	10,271	8,957	15,908	8,339	2,898	5,724	29,077	23,020
Databases and information services	2,377	2,213	1,789	1,715	3,465	3,084	7,631	7,012
Sold/closed businesses	355	473	300	795	750	725	1,405	1,993
	<u>41,639</u>	<u>39,093</u>	<u>37,823</u>	<u>31,057</u>	<u>9,489</u>	<u>11,669</u>	<u>88,951</u>	<u>81,819</u>

# Euromoney Institutional Investor PLC

## Notes to the Unaudited Interim Report *continued*

### 2 Segmental analysis *continued*

	Unaudited six months ended March 31							
	United Kingdom		North America		Rest of World		Total	
	2005	2004	2005	2004	2005	2004	2005	2004
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>Operating profit</b>								
<b>By activity and source:</b>								
Financial publishing	2,843	2,411	1,112	1,190	(48)	(112)	3,907	3,489
Business publishing	1,769	1,753	329	109	14	(54)	2,112	1,808
Training	1,620	1,249	607	377	418	328	2,645	1,954
Conferences and seminars	2,122	1,954	5,460	1,851	(205)	1,413	7,377	5,218
Databases and information services	1,398	1,390	666	303	(356)	(95)	1,708	1,598
Sold/closed businesses	(187)	(355)	(209)	(208)	(15)	61	(411)	(502)
Unallocated corporate costs	(1,637)	(1,120)	(287)	(243)	-	-	(1,924)	(1,363)
	<u>7,928</u>	<u>7,282</u>	<u>7,678</u>	<u>3,379</u>	<u>(192)</u>	<u>1,541</u>	<u>15,414</u>	<u>12,202</u>
Goodwill amortization and impairment	(2,150)	(976)	(1,737)	(2,515)	-	(13)	(3,887)	(3,504)
<b>Operating profit after goodwill amortization</b>	<u>5,778</u>	<u>6,306</u>	<u>5,941</u>	<u>864</u>	<u>(192)</u>	<u>1,528</u>	<u>11,527</u>	<u>8,698</u>

The goodwill amortization of £3,887,000 (2004: £3,504,000) can be allocated as follows; Financial publishing, £829,000 (2004: £833,000); Business publishing, £618,000 (2004: £537,000); Conferences and seminars, £1,041,000 (2004: £325,000); Databases and information services, £251,000 (2004: £1,767,000); and Sold/closed businesses, £1,148,000 (2004: £42,000).

### 3 Exceptional items

In May 2005, the Business Traveller group was sold. As a result the related goodwill at March 2005 was reduced to its recoverable amount based on the expected net sales proceeds. The total impairment was £1,047,000. The results of these businesses are included within sold/closed businesses.

# Euromoney Institutional Investor PLC

## Notes to the Unaudited Interim Report *continued*

### 4 Tax on profit on ordinary activities

	<b>Unaudited six months ended March 31 2005 £000's</b>	Unaudited six months ended March 31 2004 £000's	Audited year ended September 30 2004 £000's
<b>United Kingdom</b>			
Corporation tax at 30% (2004: 30%)	1,945	1,637	4,514
Associates	55	49	114
Over provision in respect of prior periods	-	(499)	165
	<u>2,000</u>	<u>1,187</u>	<u>4,793</u>
<b>Foreign tax</b>			
Overseas taxation	576	665	1,063
Under provision in respect of prior periods	66	13	59
<b>Total current tax</b>	<u>2,642</u>	<u>1,865</u>	<u>5,915</u>
<b>Deferred tax</b>			
Origination and reversal of asset timing differences	(551)	-	(1,658)
Origination and reversal of liability timing differences	1,816	1,347	2,505
Increase in discount	(1,265)	(1,347)	(2,529)
Over provision in respect of prior periods	-	-	(334)
Total deferred tax	-	-	(2,016)
<b>Tax charge on profit on ordinary activities</b>	<u>2,642</u>	<u>1,865</u>	<u>3,899</u>

The standard rate of current tax for the year, based on the UK standard rate of corporation tax, is 30% (2004: 30%). The current tax charge for the period is different from 30% of profit before tax for the reasons set out in the following reconciliation:

	<b>Unaudited six months ended March 31 2005 £000's</b>	Unaudited six months ended March 31 2004 £000's	Audited year ended September 30 2004 £000's
<b>Profit on ordinary activities before tax</b>	<u>9,834</u>	<u>7,554</u>	<u>20,491</u>
Tax at 30%	2,950	2,266	6,147
Factors affecting charge:			
UK goodwill amortization	645	1,051	2,260
Non-taxable items and additional deductible UK items	(240)	(472)	(1,032)
US goodwill amortization and losses	(1,033)	(714)	(2,402)
Utilisation of tax losses brought forward	(551)	-	-
US state taxes	467	166	418
Disallowable expenditure	356	127	-
Movement in other timing differences	-	-	374
Depreciation (less than)/in excess of capital allowances	(6)	(14)	45
Lower rates of tax on overseas profits	(12)	(59)	(119)
Under / (over) provisions in respect of prior periods	66	(486)	224
<b>Current tax charge for the period</b>	<u>2,642</u>	<u>1,865</u>	<u>5,915</u>

The tax charge for the period based on profit before tax, goodwill amortization, exceptional and prior year items has been calculated by applying the forecast full year effective rate of 18.8% to the interim profit before tax, goodwill amortization and exceptional items.

# Euromoney Institutional Investor PLC

## Notes to the Unaudited Interim Report *continued*

### 5 Reconciliation of operating profit to net cash inflow from operating activities

	Unaudited six months ended March 31 2005 £000's	Unaudited six months ended March 31 2004 £000's	Audited year ended September 30 2004 £000's
Group operating profit	11,527	8,698	23,072
Amortization of goodwill	2,840	3,504	6,357
Exceptional goodwill impairment	1,047	-	1,177
Depreciation of tangible fixed assets	872	889	1,960
Profit on sale of tangible fixed assets	(3)	(12)	(23)
Decrease/(increase) in debtors	342	17,643	(3,095)
(Decrease)/increase in creditors	(2,268)	(17,156)	4,303
<b>Net cash inflow from continuing operating activities</b>	<b>14,357</b>	<b>13,566</b>	<b>33,751</b>

### 6 Reconciliation of net cash flow to movement in net debt

	Unaudited six months ended March 31 2005 £000's	Unaudited six months ended March 31 2004 £000's	Audited year ended September 30 2004 £000's
<b>(Decrease)/increase in cash during the period</b>	<b>(7,512)</b>	6,204	12,404
Cash inflow from change in debt finance	(13,100)	(3,461)	(285)
Decrease/(increase) in net amounts due from DMGT group undertaking	4,414	(15,132)	(14,840)
	(16,198)	(12,389)	(2,721)
Other non-cash items:			
Currency translation differences	3,067	6,562	7,703
Other non-cash changes	-	-	(357)
Movement in net debt in the period	(13,131)	(5,827)	4,625
Net debt at start of period	(62,478)	(67,103)	(67,103)
<b>Net debt at end of period</b>	<b>(75,609)</b>	<b>(72,930)</b>	<b>(62,478)</b>

# Euromoney Institutional Investor PLC

## Notes to the Unaudited Interim Report *continued*

### 7 Analysis of changes in net debt

	At October 1 2004 £000's	Cash flow £000's	Exchange movements £000's	Other non- cash changes £000's	At March 31 2005 £000's
Cash at bank and in hand	23,563	(7,873)	(581)	-	15,109
Bank overdrafts	(553)	361	42	-	(150)
	<u>23,010</u>	<u>(7,512)</u>	<u>(539)</u>	<u>-</u>	<u>14,959</u>
Debt due within one year	(85,488)	(4,414)	(84)	85,488	(4,498)
Debt due in more than one year	-	(8,686)	3,606	(85,488)	(90,568)
	<u>(85,488)</u>	<u>(13,100)</u>	<u>3,522</u>	<u>-</u>	<u>(95,066)</u>
Amounts owed by DMGT group undertakings	-	4,414	84	-	4,498
<b>Total</b>	<u><b>(62,478)</b></u>	<u><b>(16,198)</b></u>	<u><b>3,067</b></u>	<u><b>-</b></u>	<u><b>(75,609)</b></u>

Other non-cash changes represent a reclassification of the DMGT loan from less than one year to more than one year following the new five year committed banking facility entered into in October 2004.

### 8 Dividends

	Unaudited six months ended March 31 2005 £000's	Unaudited six months ended March 31 2004 £000's	Audited year ended September 30 2004 £000's
Interim proposed 5.2p per share (2004: 5.0p)	4,587	4,398	4,397
Final paid 10p per share	-	-	8,798
	<u>4,587</u>	<u>4,398</u>	<u>13,195</u>
Employees' Share Ownership Trust dividend	(3)	(3)	(9)
	<u>4,584</u>	<u>4,395</u>	<u>13,186</u>

The interim dividend of 5.2p (2004: 5.0p) will be paid on June 24 2005 to shareholders on the register on May 27 2005. It is expected that the shares will be marked ex-dividend on May 25 2005. Holders of International Depositary Receipts ("IDR") can receive their dividend on June 24 2005 by presentation of coupon number 36 to Dexia Banque Internationale à Luxembourg or to one of their agents.

Holdes of IDRs may exchange their certificates, talon attached, for their new IDR certificates containing additional coupons, numbered 36 onwards from the Dexia Banque Internationale à Luxembourg or one of their agents.

# Euromoney Institutional Investor PLC

## Notes to the Unaudited Interim Report *continued*

### 9 Earnings per share

	<b>Unaudited six months ended March 31 2005 £000's</b>	Unaudited six months ended March 31 2004 £000's	Audited year ended September 30 2004 £000's
Basic earnings	6,017	5,437	16,014
Goodwill amortization	2,840	3,504	6,357
Exceptional goodwill impairment (note 3)	1,047	-	1,177
<b>Adjusted earnings before goodwill amortization and exceptional items</b>	<b>9,904</b>	<b>8,941</b>	<b>23,548</b>
	<b>Number 000's</b>	Number 000's	Number 000's
Weighted average number of shares	88,095	87,859	87,910
Shares held by the Employees' Share Ownership Trust	(59)	(59)	(59)
	<b>88,036</b>	87,800	87,851
Effect of dilutive share options	335	279	309
<b>Diluted weighted average number of shares</b>	<b>88,371</b>	<b>88,079</b>	<b>88,160</b>
	<b>Pence per share</b>	Pence per share	Pence per share
<b>Basic earnings per share</b>	<b>6.84</b>	6.19	18.22
Effect of dilutive share options	(0.03)	(0.02)	(0.06)
<b>Diluted earnings per share</b>	<b>6.81</b>	6.17	18.16
Effect of goodwill amortization	3.21	3.98	7.21
Effect of exceptional goodwill impairment	1.19	-	1.34
<b>Adjusted diluted earnings per share before goodwill amortization and exceptional items</b>	<b>11.21</b>	<b>10.15</b>	<b>26.71</b>

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.

# **Euromoney Institutional Investor PLC**

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

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### **Introduction**

We have been instructed by the company to review the financial information for the six months ended March 31 2005 which comprises the profit and loss account, the balance sheet, the cash flow statement, the statement of total recognized gains and losses, the reconciliation of movements in equity shareholders' funds and related notes 1 to 9. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with Bulletin 1999/4 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters that 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 report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

### **Review work performed**

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

### **Review conclusion**

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended March 31 2005.

Deloitte & Touche LLP  
Chartered Accountants  
London  
**May 18 2005**

# Euromoney Institutional Investor PLC

## Directors and Advisors

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**Chairman** PM Fallon ‡

**Managing Director** PR Ensor ‡

**Finance Director** CR Jones

### Directors

The Viscount Rothermere \*†

Sir Patrick Sergeant \*‡§

CJF Sinclair \*†‡

NF Osborn

DC Cohen

CR Brown

JP Williams\*§

JC Botts\*†‡§

E Bounous

SM Brady

RT Lamont

D Alfano

G Mueller

MJ Carroll

CHC Fordham

J Gonzalez\*

\* non-executive director

† 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 & Touche LLP, London

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

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

**Depository** Dexia Banque Internationale à Luxembourg SA, 69 route d'Esch, 2953 Luxembourg

### Agents of the Depository

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

# Euromoney Institutional Investor PLC

## Internet Sites

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### Euromoney Institutional Investor Internet Sites (all www.)

*absolutereturn.net*  
*adhes.com*  
*aircrafteconomics.com*  
*airfinancejournal.com*  
*airtrafficmanagement.net*  
*asialaw.com*  
*asiamoney.com*  
*assetfinance.com*  
*batteriesinternational.com*  
*business-meetings.co.uk*  
*ceicdata.com*  
*chinalawandpractice.com*  
*coaltrans.com*  
*corporatefinancemag.com*  
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*dealogic.com*  
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