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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**Euromoney Institutional Investor PLC**

**(“Euromoney” or the “Company”)**

**Daily Mail and General Trust plc (“DMGT”) placing and Euromoney buyback to deliver Euromoney greater financial control and strategic autonomy**

- DMGT intends to reduce its stake in Euromoney from 67% to below 50%
- To be achieved by a combination of a placing by DMGT of its shares in Euromoney with institutional investors and a buyback of DMGT's shares in Euromoney by Euromoney
- If the Placing and the Buyback are successful, Euromoney is expected to benefit from:
  - greater strategic autonomy
  - financial flexibility with a balance sheet which is uncoupled from DMGT
  - a more diversified investor base and greater liquidity in its shares
  - material EPS accretion from the buyback
- Euromoney to review its dividend policy with a view to increasing its payout ratio
- DMGT will remain Euromoney's largest shareholder
- The buyback is subject to approval by shareholders (excluding DMGT) at a general meeting of Euromoney which is expected to be held before the end of December 2016
- The placing by DMGT is not conditional on Euromoney buyback
- A full circular will be posted to Euromoney shareholders shortly

Euromoney today announces that: its parent company DMGT has agreed to sell c.10 per cent. of the Company's issued share capital to certain institutional investors by means of an accelerated bookbuild (the "Placing") and; Euromoney has agreed with DMGT and a wholly-owned subsidiary of DMGT to buyback c.15 per cent. of the Company's issued share capital by means of an off-market share buyback (the "Buyback"). The final number of Placing Shares to be placed and the placing price and the price of the Buyback will be agreed at the close of the bookbuild process. The results of the Placing will be announced as soon as practicable thereafter.

Commenting on the announcement, Euromoney CEO Andrew Rashbass, said: *“DMGT has always been an incredibly supportive shareholder in Euromoney and I know that will continue. This transaction creates great opportunity for Euromoney. It gives us autonomy to accelerate our strategy so that we can continue to create value for all our shareholders.”*

The objective of Euromoney and DMGT is to reduce the DMGT Group's total shareholding in Euromoney to less than 50 per cent. of Euromoney's issued share capital such that Euromoney would cease to be a subsidiary of DMGT and Euromoney would no longer be consolidated within DMGT's accounts.

The Buyback is conditional on and requires the majority approval of the Company's independent shareholders (other than members of the DMGT Group) as a "related party transaction" under Chapter 11 of the Listing Rules and as an off-market purchase pursuant to section 694 of the Companies Act 2006. Shareholder approval will be sought at a general meeting of the Company, which is expected to be held before the end of December 2016 (the "**General Meeting**"). After the Buyback has completed, the shares will then be cancelled by the Company.

The Board of Euromoney believes that the Buyback provides an opportunity to take the next step towards functional and financial independence and to accelerate the implementation of the strategy that Euromoney's Chief Executive Officer presented to investors in March 2016.

The Board will recommend that shareholders vote in favour of the resolutions to be proposed at the General Meeting.

### **Background to and Reasons for the Buyback**

The Board firmly believes that the Buyback, in combination with the Placing, will be highly beneficial for Euromoney and is in the best interests of all shareholders in the Company. In particular, it delivers:

#### **1. Greater financial control and strategic autonomy**

At the Investor Day in March 2016, the Board presented the new strategy for Euromoney comprising three pillars of strategic activity: (1) investing around big themes such as the information and services to support the asset management industry, price discovery and others; (2) ensuring an effective operating model which combines Euromoney's entrepreneurial culture with a more strategic approach; and (3) actively managing the portfolio, buying where the Board sees value-creating and strategically sensible opportunities and selling when the Board believes a business is more valuable to someone else than to Euromoney.

As announced in the preliminary results on 24 November 2016, progress with implementing Euromoney's new strategy has been good and Euromoney has continued to achieve strong cash generation.

A key consequence of the Buyback, if approved by Shareholders, and the Placing, if successful, will be that Euromoney will cease to be a subsidiary of DMGT and will no longer be consolidated in DMGT's accounts. This 'uncoupling' of Euromoney's balance sheet from DMGT's will allow Euromoney to make investment and capital deployment decisions without reference to the consequences for DMGT. The Board believes that this greater strategic autonomy will allow Euromoney to accelerate the implementation of the Board's announced strategy, which the Board firmly believes to be in the best interests of all Shareholders.

#### **2. More diversified shareholder base and greater trading liquidity**

The Placing is expected to result in a more diversified shareholder base, and increased liquidity in the Company's shares.

The Board believes that the Buyback, taken together with the effects of the Placing, is a significant step towards a shareholding structure closer to that of most other FTSE 250 companies.

DMGT will remain Euromoney's largest shareholder following the Buyback and will continue to support the management team in implementing its strategy through its representatives on the Board.

#### **3. EPS accretion**

In addition, the Buyback, if approved by Shareholders, is expected to deliver EPS accretion to Euromoney Shareholders.

### **Consideration**

The consideration for the Buyback will be satisfied in cash, funded from:

- approximately GBP 75 million from the Euromoney Group's existing cash reserves, after set off of any agreed intercompany account balances between the DMGT Group and the Euromoney Group; and
- new facilities made available under the New Facilities Agreement, comprising term facilities of £112 million and USD201 million.

The New Facilities Agreement, which was entered into on 8 December 2016, is conditional on, among other things, the Company obtaining shareholder approval of the Buyback. Once this condition, and the other conditions precedent, has been satisfied and the funds drawn down, the

New Facilities Agreement will replace the Euromoney Group's existing financing arrangements with DMGT.

The Buyback is expected to increase Euromoney's leverage (Net Debt/EBITDA) to c.1.0x. However, in the light of the Company's historically strong cash flows and ongoing cash generation capability the Board believes that this leverage is readily supported.

### **Amendment of the Relationship Deed**

As noted above, the Buyback (if approved by shareholders) would reduce DMGT Group's shareholding to less than 50 per cent. of the Company's issued share capital such that it would no longer have voting control and the legal ability to appoint directors to the Board. The DMGT Group will nevertheless continue to be the Company's most significant shareholder. The existing Relationship Deed between DMGT plc and the Company [has been] amended so that DMGT's right to appoint two non-executive directors to the Board continues for so long as the DMGT Group holds at least 25 per cent. of the Company's issued share capital; and, in the event that the DMGT Group holds less than 25 per cent. but at least 10 per cent. of the Company's issued share capital, the DMGT Group shall have the right to appoint one non-executive director to the Board. The Company has agreed to procure that at least one of the representatives nominated by the DMGT Group shall be appointed to each of the Company's Audit Committee and Remuneration Committee for so long as DMGT holds 10 per cent. or more of the Company's issued share capital. DMGT has agreed that the Board should have the right to appoint a senior independent director of the Company going forwards. The amended Relationship Deed will continue to comply with the Listing Rules.

### **Dividend**

Following the Buyback, the Company will review its dividend policy with a view to increasing its dividend payout ratio to be more in line with peers, subject to approval by the Board.

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