

EUROMONEY INSTITUTIONAL INVESTOR PLC

RNS Announcement

November 5, 2014

Euromoney Institutional Investor PLC has signed a binding agreement to acquire a strategic shareholding in Dealogic, a leading provider of data and analytics to the global investment banking sector

Euromoney Institutional Investor PLC (“Euromoney”), the international online information and events group, is acquiring a 15.5% equity stake in a company (“New Dealogic”) incorporated by The Carlyle Group (“Carlyle”) to acquire Dealogic Holdings plc (“Dealogic”) alongside Carlyle and Dealogic’s founders. Dealogic’s long-serving CEO Tom Fleming will continue in his leadership role.

Dealogic (www.dealogic.com) is a data platform primarily used by global and regional investment banks worldwide to help optimise performance and improve competitiveness. Dealogic provides data and analytics, market intelligence and capital markets software solutions to investment banks to help them manage their workflows, assist with deal origination and execution, and optimise productivity across their equity capital markets, fixed income, investment banking and research, sales and trading businesses.

This investment fits Euromoney’s strategy of expanding the scope of its activities in the global financial information and analytics sector. Dealogic, with its strong brand and global adoption levels among the investment banks in the US, EMEA and Asia-Pacific, offers Euromoney attractive strategic and financial upside.

Euromoney is acquiring 15.5% of the equity of New Dealogic for \$59.2 million. For the year to December 31, 2013, Dealogic achieved adjusted earnings before interest, depreciation and amortisation of \$66.7 million on \$152.3 million of revenues, and at that date had gross assets of \$127.7 million. As part of the transaction, Euromoney will be entitled to a seat on the New Dealogic board and to 20% of the voting rights in respect of New Dealogic’s equity; it will be able to influence the strategic decision making of New Dealogic through a comprehensive set of minority rights. Carlyle will be the controlling shareholder in New Dealogic. The transaction will be structured as a leveraged buyout by New Dealogic. In addition, Euromoney will have the ability to invest *pari passu* with Carlyle in any acquisitions that New Dealogic may pursue over the coming years.

Euromoney’s investment will be funded through the sale of its interests in two businesses, Capital DATA and Capital NET, which Dealogic and Euromoney have jointly operated since the 1980s. The transaction values Euromoney’s participation in these two businesses at \$85 million. In addition to the \$59.2 million of ordinary shares in New Dealogic, Euromoney will receive \$4.6 million in cash on completion and a further \$21.2 million of zero-coupon preference shares issued by New Dealogic

and redeemable within 13 months from completion. As part of the agreement, Euromoney will continue to receive and use (on a perpetual royalty-free basis) the league tables and data analytics products underpinning its *GlobalCapital* business. New Dealogic and Euromoney will explore further strategic and commercial opportunities, including sharing of content management systems and joint product development for specific customer groups.

For the year to September 30, 2013, Euromoney's subscription revenues and adjusted operating profits included licence fees of £5.4 million from its investment in Capital DATA. For the same period, Euromoney recognised a profit after tax of £0.3m from its 48.4% equity interest in Capital NET. Further details of these investments are included in note 13 of its 2013 annual report. For the year to September 30, 2015, the transaction as a whole is expected to dilute Euromoney's after tax earnings by approximately 2%. The transaction is subject to regulatory approval and expected to complete by the end of December 2014.

Under the terms of the transaction, Euromoney has agreed to cap the consideration it may receive on a possible future sale of its investment in Dealogic at 24.9% of its market capitalisation at the close of business immediately prior to this announcement.

"The financial technology and data analytics sectors are enjoying healthy growth rates. Dealogic is a market leader in this space. It has robust workflow solutions and a highly respected brand. As testament to these strengths, Dealogic has achieved strong revenue growth during the past three years despite the challenging markets the global investment banks have faced," said Richard Ensor, chairman of Euromoney. "Our relationship with Dealogic and its founders goes back to the 1980s. We are pleased to cement this important partnership under a new corporate structure. Carlyle is one of the largest and most respected private equity managers worldwide. We believe that by combining our expertise, market access and resources the shareholders of Dealogic will be able to achieve substantial value creation over the coming years."

Ends

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NOTE TO EDITORS

Euromoney Institutional Investor PLC (www.euromoneyplc.com) is listed on the London Stock Exchange and is 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 owns more than 70 brands including *Euromoney*, *Institutional Investor* and *Metal Bulletin*, and is a leading provider of economic and investment research and data under brands including BCA Research, Ned Davis Research, and the emerging market information providers, EMIS and CEIC. It also runs an extensive portfolio of conferences, seminars and training courses for the financial and commodities markets. The group's main offices are in London, New York, Montreal and Hong Kong and more than a third of its revenues are derived from emerging markets.