Annual Report & Accounts 2007

Euromoney Institutional Investor PLC

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Welcome

to Euromoney

Euromoney Institutional Investor PLC 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 In October 2006 it acquired Metal Bulletin plc for £240 million. It publishes more than 70 magazines, newsletters and journals, 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 on international finance, metals and commodities, and emerging markets

Principal Brands

- Euromoney
- Institutional Investor
- Metal Bulletin
- Euroweek
- Asiamoney
- Latin Finance
- ISI Emerging Markets
- BCA Research
- IMN

Contents

Activities

Financial Publishing
Financial publishing includes an extensive portfolio of titles covering the international capital markets as well as a number of specialist financial titles Products include magazines, newsletters, journals, surveys and research, directories, and books A selection of the company's leading brands includes *Euromoney, Institutional Investor, Euroweek, Latin Finance, Asiamoney, Global Investor, Project Finance, Futures & Options World, Total Derivatives* and the hedge fund titles *EuroHedge, InvestHedge, AsiaHedge, Absolute Return* and *Alpha*

Business Publishing
The business publishing division produces specialist magazines and other publications covering the metals and mining, energy and legal sectors Its leading brands include *Metal Bulletin, American Metal Market, Petroleum Economist, World Oil, Hydrocarbon Processing, International Financial Law Review, International Tax Review* and *Managing Intellectual Property*

Training
The Training businesses run a comprehensive range of banking, finance and legal courses, both public and in-house, under the Euromoney and DC Gardner brands Courses are run all over the world for both financial institutions and corporates In addition the company's Boston-based subsidiary, MIS, runs a wide range of courses for the audit and information security market

Conferences and Seminars
The company runs a large number of sponsored conferences and seminars for the international financial markets, mostly under the Euromoney, Institutional Investor, Metal Bulletin and IMN brands Many of these conferences are the leading annual events in their sector and provide sponsors with a high quality program and speakers, and outstanding networking opportunities Such events include *The Euromoney Forum* and *The Euromoney Bond Investors Congress*, the *MARHedge Global Hedge Fund Summit*; the *European Air Finance* conference, the *Islamic Finance Summit*; the *Super Bowl of Indexing®*, and *Global ABS and ABS East* for the asset-backed securities market In the energy sector, the group runs the world's leading annual coal conference, *Coaltrans*, and MIS runs the leading event for the information security sector in the US, *InfoSec World*

Databases and Information Services
The company provides a number of subscription-based database and electronic information services for financial markets Montreal-based BCA is one of the world's leading independent providers of global investment research The company's US subsidiary, Internet Securities, Inc ("ISI") provides the world's most comprehensive service for news and data on global emerging markets, and includes CEIC, one of the leading providers of time-series macro-economic data for Asia The company also offers global capital market databases through a joint venture with its AIM-listed partner, Dealogic

Chairman's Statement

Highlights	2007	2006	change
Revenue	£305 2m	£220 5m	+38%
Operating profit	£54 1m	£39 7m	+36%
Adjusted operating profit*	£78 6m	£43 8m	+79%
Profit before tax	£41 1m	£35 2m	+17%
Adjusted profit before tax*	£55 5m	£37 0m	+50%
Diluted earnings a share	29 9p	41 9p	-29%
Adjusted diluted earnings a share*	32 7p	28 6p	+14%
Dividend	19 0p	17 0p	+12%

*see glossary (page 5)

It was a record year for profits and revenues, but it was also a landmark period when we sharply increased the emphasis on subscription revenues and lightened the share of turnover from traditionally more volatile advertising The successful integration of Metal Bulletin accounted for part of this, but our continued investment in subscription marketing, specialist events and quality editorial also paid off Your group serves financial markets across the world, but it is more diversified than it was, and we believe it is more robust and better placed to take advantage of an upturn when it comes

Our strategy over the past five years has been to increase the share of subscription revenues, to own only products of the highest quality that customers will value in tough times as well as good, to eliminate products with low margins or too high a dependence on advertising, to create new products that fit these criteria, to streamline the group into larger businesses in growth areas, and to make acquisitions to accelerate that strategy

That paid big rewards in 2007, a good year in general for financial markets, and I believe it will help us through what may be a difficult period ahead The company's management, thanks in part to the Capital Appreciation Plan which helped to more than treble adusted operating profits* over the period of the scheme by retaining and motivating the best people, is better than it has ever been, in my view Our cash generation, traditionally strong, has improved further, encouraging us to seek more acquisitions and to invest in high quality subscription products, new events and the quality of editorial that enabled *Institutional Investor* magazine (which celebrated its 40th anniversary in October) and II Newsletters to win a hatful of awards in the US We will continue with this strategy, even if revenues come under pressure in the short-term as customers react to pressure on their own earnings, because we believe it will deliver excellent growth in the medium and longer-term

Last year it helped the company to achieve adjusted operating profit for the year to September 30 2007 of £78 6 million, against £43 8 million in 2006 Adjusted profit before tax increased by 50% to £55 5 million and adjusted diluted earnings a share increased from 28 6p to 32 7p The directors recommend a 12% increase in the final dividend to 13p, making a total for the year of 19p

Revenue and profit growth were achieved across all divisions, subscription revenues increased sharply and now account for more than a third of group revenues, the adjusted operating margin improved from 20% to 26%, the integration of Metal Bulletin, acquired in October 2006, was completed ahead of time and its performance has surpassed that projected at the time of acquisition, and record net operating cash flows helped reduce net debt at year end to £204 6 million compared with £239 6 million at the half year

The group operating margin improved sharply and all divisions achieved strong organic growth, based on

- subscription revenues for both print and electronic products continuing to show double digit growth,
- advertising revenues increasing at the highest rate for some time,
- a successful strategy for growing existing events complemented by the launch of new ones,
- continuing strong volume growth in the training businesses, and
- the benefit of earlier investment in marketing and new products

The problems in global credit markets, which began in early August, did not affect the group's profits in the final quarter of the year

Current trading is in line with the board's expectations October profits from continuing operations were ahead of last year, helped by strong performances from two of the group's flagship events the annual *Coaltrans* coal conference and Institutional Investor's *MARHedge Global Hedge Fund Summit* in Bermuda Forward revenues for the first quarter are ahead of the same time last year While there is evidence of some slowing in advertising and sponsorship bookings, sales for the last three months are also ahead of the same period last year The first quarter is traditionally the least significant of the financial year and, as usual at the time of the preliminary results, visibility into the second quarter is limited

Our results were achieved on the back of the positive conditions in the markets experienced throughout 2007, fuelled by record levels of liquidity, low interest rates and easy credit Growth has been achieved across all geographies and sectors, and emerging markets, which account for more than a third of group revenues, remained strong even during the credit market troubles

Global financial institutions continue to invest in new products and markets, driving increased demand for quality business information through a variety of media Technology has opened up opportunities for new electronic information services and nearly £2 million was invested in new products during the period

Financial Publishing Revenues, which comprise both advertising and subscriptions, increased by 16% to £75 2 million Advertising continued the positive trend seen in the first half and titles such as *Euromoney* and the international edition of *Institutional Investor*, which derive a significant proportion of their advertising from emerging markets, achieved advertising growth rates in excess of 15%, their best performance for many years The profit flow-through on advertising revenues helped improve the adjusted operating margin from 20% to 26% and adjusted operating profits increased by 44% to £19 0 million

Subscriptions, which account for one third of Financial Publishing revenues, increased by 21% This reflects both volume increases in print subscriptions as well as the gradual migration of print products to electronic platforms The group's investment in new products is targeted at niche financial information services with real-time news, unique data and sophisticated search engine technology, as well as upgrading individual print subscriptions to enhanced electronic products sold as site licences

New products launched in the year have included *Total Securitisation*, *The Cover* (news and data for the covered bond market), *FiX* (*Euromoney's* weekly commentary on the foreign exchange markets) and the *Euromoney Business Library*, with more planned for 2008 The initial market response to these new products has been very positive

Business Publishing Following the acquisition of Metal Bulletin, and the disposal of Engel Publishing, the pharmaceutical marketing business, this division is now focused on three sectors – metals, energy and legal – and derives nearly half its revenues from subscription products All three sectors benefited from buoyant markets, in particular high energy and commodity prices The Metals, Minerals and Mining (MMM) business of Metal Bulletin is the largest component of this division and its performance improved in the second half as the benefits of the post-acquisition restructuring and investment in marketing started to come through The inclusion of the MMM business helped adjusted operating profits from Business Publishing more than double to £14 0 million on the back of a 91% increase in revenues to £40 7 million

Conferences and Seminars The strong growth achieved over the past few years continued with revenues up 28% to £98 2 million The strategy of building large, must-attend annual events in key sectors, as well as launching new events to exploit market trends and hot topics, helped the margin improve from 26% to 30% and adjusted operating profits increased by 47% to £29 8 million Institutional Investor's subscription-based membership business continues to achieve excellent growth with member numbers increasing by 15%, helped by new launches for the research, legal and tax markets, and a renewal rate of 90% which emphasises the quality of this business

Training The Training division extended the excellent results achieved over the previous 12 months, with revenues increasing by 21% to £35 2 million Growth was driven by a combination of more targeted marketing to improve the delegate attendance rate, and new courses offered, particularly in emerging markets Adjusted operating profits from the Training division increased by 41% to £9 8 million

Databases and Information Services This division largely comprises three businesses which share similar characteristics subscription-only products delivering high quality data and information in electronic-only format and with renewal rates in excess of 90% The inclusion of BCA in this division means that revenues more than doubled to £52 million and adjusted operating profits increased from £5 1 million to £18 7million

BCA subscription sales improved significantly during the second half with average monthly new sales more than 40% ahead of 2006 This performance was helped by the launch of a new *Commodities and Energy* research product and the benefits of being part of the Euromoney group which accelerated the addition of sales resource in the group's offices in New York, Hong Kong, Sydney and Buenos Aires

ISI, the emerging markets information business, also achieved strong growth Net new subscription sales over the second half were the highest ever, and the business has invested heavily in new products including the roll out of the CEIC economic data business to new markets in 2008

The acquisition of Metal Bulletin plc, the company's largest transaction, was completed at the start of the financial year and the integration of its businesses within the Euromoney Institutional Investor group was concluded ahead of time

Annualised cost savings from the elimination of duplicate functions and the restructuring of under-performing businesses are expected to exceed £5 million, of which £3 5 million was realised in 2007 Exceptional costs of £5 9 million were charged against profits in 2007 to cover the costs of restructuring and onerous property leases The process of disposing of non-core Metal Bulletin businesses, including EIC, Atalink and Systematics was completed soon after the half year

The two key parts of Metal Bulletin, the MMM division, including the eponymous title, and BCA, the independent economic research house, are strong subscription businesses Both have responded well to Euromoney initiatives to drive revenue synergies The events business has been restructured and positioned for a sharp increase in the number of new events in 2008, the first Metal Bulletin training courses were run in the last quarter, and the investment in technology has been stepped up with a view to launching publishing products The acquisition of these Metal Bulletin businesses provides a counter balance to the group's other activities

The company's Capital Appreciation Plan (CAP) is a five year equity incentive put in place to help drive City PBT* from a base of £21 million in 2003 to a target of at least £57 million by 2008 City PBT* for the year was £65 7 million, resulting in the CAP profit target being passed a year earlier than expected As a result an accelerated share option expense of £3 2 million was charged in the year, and 2 5 million new shares will be issued in February 2008 to satisfy the first vesting under the CAP The second and third tranches of up to 2 5 million new shares each will be issued in February 2009 and 2010, subject to the performance condition that City PBT* remains above the £57 million level

The acquisition of Metal Bulletin was completed on October 6 2006 for a cash consideration of £240 million, plus assumed debt of £15 million, funded by the issue of 13 8 million new shares for £65 million and borrowings of £175 million Further investments totalling £26 million were made in a number of the group's associates and subsidiaries during the year, while disposals of non-core businesses generated proceeds of £15 million

The company generates approximately 60% of its revenues in US dollars The average US dollar exchange rate fell by 9% over the year The company hedges its US dollar exposure a year forward so the impact on the results of currency fluctuations is delayed accordingly

Net debt at year end was £204 6 million compared to £239 6 million at the half year The strong operating cash flows of Metal Bulletin helped increase group cash generated by operations for the year to £90 2 million and generated an adjusted operating profit to cash conversion rate of 115% The net cost of funding the group's debt increased from £3 6 million to £13 4 million The net debt EBITDA covenant was a comfortable 2 9 times at year end

Adjusted diluted earnings a share increased by 14% to 32 7p, after taking account of the equity dilution from for the new shares issued to fund the acquisition of Metal Bulletin and to be issued under the CAP A final dividend of 13p has been proposed, an increase of 12%, after a 11% increase in the interim dividend The final dividend will be paid on February 6 2008

The increase in the share of subscriptions as a percentage of revenues to more than a third of the total, compared to 21% in 2001 was accompanied by a fall in the share of advertising from 37% to 22% over the same period, and an increase in revenues from training and events from 30% to 39% of the total Seven of the groups 10 largest businesses are subscription-based and in many cases, such as BCA ISI and II Memberships, these are fast growing businesses, with high renewal rates and significant scope for launching new products and increasing market penetration even in more challenging conditions

In 2008, the group will continue to invest in marketing and new businesses in particular electronic information services, to drive revenue growth, and the successful integration of Metal Bulletin and strong operating cash flows leave the group well positioned for further acquisitions, although we have nothing sizeable in our sights at present

The group is very strong despite the uncertainty over the economic outlook in general and global credit markets in particular The strength and positioning of the group's brands combined with a commitment to investment in marketing and new products provides opportunities for further revenue growth in many areas in 2008 The successful integration of Metal Bulletin will generate additional cost savings in 2008 and leaves the group well placed to deliver more revenue synergies Excellent operating cash flows will continue to reduce debt levels and associated funding costs In addition the increased proportion of revenues now derived from high margin subscription products, particularly those delivered electronically, and the reduced exposure to advertising revenues means the group's earnings should be more robust than before

The continued volatility in financial markets which has triggered significant asset write-downs and job cuts among the global investment banks clearly casts uncertainty over the outlook for 2008, but we are prepared for the challenge

Apart from record profits it was also a year of achievements elsewhere Coaltrans won the Queen's Award deservedly so as it has taken its business into every corner of the world Its people worked incredibly hard to achieve this, and we congratulate them

I am particularly proud that last year Euromoney Institutional Investor its employees, and its customers together raised £287 000 to build a childrens eye hospital in Orissa, the poorest state of India Details are set out on page 14 of this annual report, but here I thank everyone who contributed to this initiative, including Euromoney Institutional Investor people at our offices across the world They worked hard to bring you a wonderful result for the year but they, the company and its customers also funded a project that will save the eyesight of 15,000 children a year

Padraic Fallon
Chairman
November 14 2007

***Glossary**

Adjusted operating profit = Operating profit before acquired intangible amortisation share option expense exceptional items and share of results in associates and joint ventures as set out in the income statement.

Adjusted profit before tax = Profit before tax from continuing operations before acquired intangible amortisation exceptional items net movements in acquisition option commitment values imputed interest on acquisition option commitments and foreign exchange loss interest charge on tax equalisation swaps as set out in the income statement and note 7

City profit before tax (City PBT) = Adjusted profit before tax before share option expense

Adjusted diluted earnings a share = Diluted earnings a share before acquired intangible amortisation exceptional items net movements in acquisition option commitment values imputed interest on acquisition option commitments related tax, tax credit on non-recurring intergroup transactions and deferred tax assets recognised as set out in note 8

Directors' Report

The directors submit their annual report and group accounts for the year ended September 30 2007

Certain statements made in this document are forward-looking statements Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results referred to in these forward-looking statements Unless otherwise required by applicable law, regulation or accounting standard, we do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future development or otherwise Nothing in this document shall be regarded as a profit forecast

The directors' report has been prepared for the group as a whole and therefore gives greater emphasis to those matters which are significant to Euromoney Institutional Investor PLC and its subsidiary undertakings when viewed as a whole It has been prepared solely to provide additional information to shareholders as a body to assess the company's strategy and the potential for that strategy to succeed and the directors' report should not be relied upon by any other party for any other purpose

1 Principal activities

Euromoney Institutional Investor PLC 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 publishes more than 70 magazines, newsletters and journals, 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 covering the international finance, metals and commodities, and emerging markets Its main offices are located in London, New York, Montreal and Hong Kong and nearly half its revenues and profits are derived from the United States Details of the group's legal entities can be found in note 13

2 Strategy

The group's strategy is

- to grow profits by driving top-line growth from both new and existing products,
- to build robust subscription and repeat revenues thus reducing the dependence on advertising,
- to improve operating margins through revenue growth and tight cost control,
- to leverage technology to launch specialised new electronic information serves, and
- to make focused acquisitions that supplement the group's existing businesses, that strengthen the company's market position in key areas and that have the capacity for organic growth using the existing knowledge base of the group

In 2004, to supplement this strategy, the board set the group a profit* target of £50 million by 2008 against a base of £21 million in 2003 In March 2007, the target was increased to £57 million to reflect the effect of the Metal Bulletin acquisition The profit* achieved for the year was £65 7 million, beating the increased target a year earlier than expected The board believes this significant achievement reflects the success of the Capital Appreciation Plan (CAP) incentive scheme indriving growth

3 Business review

3 1 Group results and dividends

The group profit for the year attributable to shareholders amounted to £31 8 million (2006 £37 4 million) The directors recommend a final dividend of 13 0 pence per ordinary share (2006 11 6 pence), payable on February 6 2008 to shareholders on the register on November 23 2007 This, together with the interim dividend of 6 0 pence per ordinary share (2006 5 4 pence) which was declared on May 16 2007 and paid on June 25 2007, brings the total dividend for the year to 19 0 pence per ordinary share (2006 17 0 pence)

*Profit before tax excluding acquired intangible amortization share option expense exceptional items, net movements in acquisition option commitments values imputed interest on acquisition option commitments and foreign exchange loss interest charge on tax equalisation swaps as set out in the income statement and note 7

3 2 Key performance indicators

The group monitors its performance against its strategy using the following key performance indicators

	Revenue 2007 £000's	Mix 2007 %	Revenue 2006 £000's	Mix 2006 %	Revenue growth %
Revenue growth and mix					
Advertising	65,356	22%	54,177	25%	+21%
Subscriptions	104,046	34%	55,373	25%	+88%
Sponsorship	46,314	15%	36,744	16%	+26%
Delegates	74,376	24%	57,001	26%	+30%
Other	10,804	4%	8,635	4%	+25%
Sold/closed businesses	4,257	1%	8,546	4%	(50%)
	305,153	100%	220,476	100%	+38%

	2007	2006	Growth
Gross margin[1]	69 8%	66 0%	+3 8%
Adjusted operating margin[2]	25 8%	19 9%	+5 9%
Organic growth in profits[3]	£13 8m	£9 3m	
Headcount[4]	2,160	1,690	470
Net debt to EBITDA[5]	2 85 1	1 68 1	

1 Gross margin = gross profit as a percentage of revenue Gross profit and revenue are both as per note 4 in the financial statements

2 Adjusted operating margin = operating profit before acquired intangible amortisation share option expense exceptional items and associates and joint ventures as a percentage of revenue Operating profit and revenue are both as per the group income statement in the financial statements

3 Organic growth in profits = proportion of total operating profit growth that relates to organic growth, rather than acquisitions Operating profit is from continuing operations so excludes closed businesses and is adjusted for significant timing in events and publications

4 Headcount = number of permanent people employed at the end of the period including people employed in associates and joint ventures

5 Net debt to EBITDA = the amount of the group s net debt to Earnings Before Interest and Tax (operating profit) Depreciation Amortisation and also before exceptional items

6 City PBT = Profit before tax excluding acquired intangible amortization share option expense exceptional items, net movements in acquisition option commitments values imputed interest on acquisition option commitments and foreign exchange loss interest charge on tax equalisation swaps as set out in the group income statement and note 7

3 3 KPIs explained

The key performance indicators are all within the group's expectations and support its successful strategy These are discussed in detail in the Chairman's Statement on pages 2 to 5, and below This should be read in conjunction with the additional information on the development of the business of the group which is also set out below

3 4 Development of the business of the group

3 4 1 Financial results

A detailed review of the group's results is given in the Chairman's Statement on pages 2 to 5

3 4 2 Finance costs

IAS 39 'Financial Instruments Recognition and Measurement' requires an imputed interest charge to be recognised on the group's future acquisition payments under option agreements This additional finance cost increased the group's interest cost by £1 6 million (2006 £0 9 million) IAS 39 also requires any movements in the estimated value of acquisition option commitments to be recognised in interest and in 2007 a related interest income of £3 9 million was recognised There is no related cash effect of these amounts

In addition, the group's interest cost includes £1 8 million in relation to a foreign exchange loss on a tax equalisation scheme which is offset by an equal and opposite income in the group's tax line

Excluding these amounts, the group's net finance cost increased from £3 6 million to £13 4 million, largely as a result of the group's increase in net debt from the acquisition of Metal Bulletin The group continues to benefit from its treasury policy of fixing the interest rate on a portion of its long-term borrowings (see treasury section below)

3 4 3 Headcount

The number of people employed is monitored monthly, on a business-by-business basis to ensure that there are sufficient people employed to meet the forthcoming demands of each business and to make sure that the businesses continue to deliver sufficient profits to support the people they employ At the end of September the group employed 2,160 people (2006 1,690 people), an increase of 470, as a result of acquired heads from Metal Bulletin and Total Derivatives and, additional employees trained to support the strong revenue growth achieved in the year, offset by the reduction of heads from the sale of Raven Fox and Engel Publishing Metal Bulletin had 466 people employed on acquisition, this had been reduced by 196 to 270 at September 30 2007

3 4 4 Debt and working capital management

Net debt at September 30 2007 was £204 6 million (2006 £73 4 million) which included cash of £26 7 million (2006 £27 5 million) At the end of September the group's net debt to EBITDA ratio was 2 85 1 (2006 1 68 1) well within the group's banking covenant and resulting in variable interest being incurred at the lower end of the interest rate covenant bands A discussion on debt is contained within the Chairman's Statement on page 5 The group has a dedicated £300 million three-year multi-currency facility with a subsidiary of Daily Mail and General Trust Interest is payable on this facility at a variable rate of between 0 4% and 1 6% above LIBOR At September 30 2006, the group had not drawn down on this facility but remained a borrower under its existing five-year committed facility During October 2006 the group, funded by the new multi-currency facility, repaid all monies owing on its existing committed facility and drew down further amounts to fund the purchase of Metal Bulletin and to settle related acquired debt At September 2007 there were £86 4 million (2006 £200 4 million) of committed undrawn amounts directly available to the group

3 4 5 Balance sheet

The net assets of the group were £55 8 million compared to net liabilities in 2006 of £26 8 million The main movements in the balance sheet items were in *intangible assets*, reflecting the recognition of £348 7 million of goodwill and other intangible assets following the acquisitions of Metal Bulletin (£318 1 million) and Total Derivatives (£10 7 million), the final 10% instalment payment for Information Management Network and the increased equity holdings in Asia Business Forum, CEIC, Internet Securities, Inc and Telcap Limited, *property, plant and equipment*, increased by £6 3 million to £20 9 million, as a result of the freehold purchase of one of the group's London premises plus the acquired assets from Metal Bulletin, *investments* fell by £25 6 million to £0 3 million due to the initial 9% tranche of Metal Bulletin plc shares being reclassified and consolidated across the existing assets of the group, *trade and other payables*, fell

£52 7 million to £42 8 million as a result of the repayment of short term loans with DMGT utilising the new multi-currency facility, *deferred income* increased £28 1 million to £73 4 million reflecting the first time inclusion of Metal Bulletin deferred income and the underlying growth in the group's subscription revenue, *acquisition option commitments* increased by £9 0 million to £33 3 million due to new commitments from the acquisition of Asia Business Forum, Telcap, and Total Derivatives, revised assessments of commitments for existing businesses offset by the exercise of the existing CEIC option, *committed borrowings* increased by £148 0 million to £213 6 million reflecting the refinancing of group debt (see 3 4 4), *deferred tax liabilities,* net deferred tax has moved from an overall asset of £19 8 million to an overall liability of £20 1 million, a result of additional deferred tax on the intangible assets of Metal Bulletin, Total Derivatives and other acquisitions, *loan notes* of £11 8 million used to help fund the purchase of Metal Bulletin, and the recognition of an *other reserve* of £65 0 million reflecting the premium on the new share capital issued in relation to the partial share alternative for the acquisition of Metal Bulletin

3 4 6 Acquisitions and disposals

Acquisitions remain a fundamental part of the group's growth strategy and have been key to the group reaching its £57 million profit target a year early In particular the board believes that acquisitions are valuable for taking the group into new sectors, for bringing new technologies into the group and for increasing the group's overall growth through identifying rapidly developing niche businesses

Acquisitions

On October 6 2006, the group acquired 100% of the issued share capital of Metal Bulletin plc for cash consideration of £239 6 million Metal Bulletin plc was the parent company of a group of companies operating as a leading global information provider of must-have market-sensitive data in niche, business-to-business markets Its revenues are derived from a range of publications, electronic products and services, conferences and research Full details of the acquisition can be found in note 14

In October 2006, the group signed an agreement to acquire 67% of Total Derivatives Limited, a leading provider of real-time news and analysis about the global fixed income derivatives markets The price was £7 3 million including acquisition costs and a working capital adjustment, resulting in goodwill and intangible assets of £3 8 million and £6 9 million respectively In addition, the management team will stay with the business and have options to sell their remaining shares to Euromoney at prices linked to profits for the financial years 2007, 2008 and 2009 The transaction is subject to a maximum consideration of 24 9% of Euromoney's market capitalisation at the date of completion

Total Derivatives was co-founded in 2000 by Ronan O'Neill, who previously spent eight years as a fixed income derivatives trader at UBS and BNP Paribas The first internet-based business in this sector, Total Derivatives, has grown rapidly to become the prime source of information in the global fixed income derivatives markets As well as providing market-leading coverage of the bond, swap and options markets, Total Derivatives provides must-have, market-moving information on exotic products such as inflation derivatives and rate-linked structured notes

Increase in equity holdings

The group continues to increase its holdings in its associates and subsidiaries and this year has paid the following

In January 2007, the group exercised its option to purchase the second tranche of Asia Business Forum, a leading conference organiser and training business for the Asia region, increasing its equity holding from 47 5% to 90% for a payment of £3 5 million

In February 2007, the group purchased a further 1 2% of the equity share capital of Internet Securities, Inc for a cash consideration of $2 6 million (£1 3 million) bringing the group's holding to 93 4%

Also in February 2007, the group purchased a further 15% of the equity share capital of Telcap Limited, the global wholesale telecoms publisher and conference organiser, for a cash consideration of £1 7 million, bringing the group's holding to 55%, at which point the business became a subsidiary

In April 2007, the group purchased the final 26% of the equity share capital of CEIC Holdings Limited, one of the leading providers of time-series macro-economic data covering Asia, for a cash consideration of $11 7 million (£5 8 million) paid in September 2007, bringing the group's total holding to 100%

Payments of deferred consideration

In March 2007, in accordance with the purchase agreement, the group paid the final deferred consideration instalment of $12 3 million (£6 2 million) for Information Management Network, its 80% owned financial conference organiser purchased in February 2004

Disposals

The group continually reviews its businesses and during the year disposed of the following non-core operations

On March 12 2007, the group sold Raven Fox, a duty-free and luxury goods publishing and events business for a cash consideration of £1 8 million Raven Fox's liabilities on disposal were £0 2m resulting in a profit on sale, after related sale costs, of £1 8 million

On March 30 2007, Atalink Limited, a specialist and direct response publishing company, previously part of the Metal Bulletin group, was sold for £1 8 million A further payment, expected to be £0 7 million, will be received for the net current assets of the company on agreement of the completion accounts An additional final payment of £0 5 million is payable on March 30 2008 No profit or loss was made on disposal

On April 12 2007, the group sold Energy Information Centre Limited, previously part of the Metal Bulletin group and a leading company in the provision of wholesale and retail market intelligence, outsourced procurement and energy risk management strategy The group received £4 7 million on completion with a further payment, expected to be £0 3 million, to be received for the net current assets of the company on agreement of the completion accounts No profit or loss was made on disposal

On May 15 2007, the group sold certain assets of the Metal Bulletin subsidiary, Systematics International Limited, a database business principally in the farm machinery and construction sector, for £0 1 million on completion plus a nominal sum deferred for one year No profit or loss was made on disposal

On August 31 2007, the group sold Med Ad Inc, a leading provider of marketing and clinical research information to managers and executives in the pharmaceutical industry, for £6 3 million on completion with a further payment anticipated to be £0 5 million to be received for the net current assets of the company on agreement of the completion accounts An exceptional profit on sale, after related costs, was £5 0 million

3 4 7 Marketing and circulation

In 2007 revenues from direct marketing, including Metal Bulletin, increased by 31% Revenue growth was achieved across all products, in particular paid delegates and electronic subscriptions Return on marketing spend improved by 18% Additionally, investment in 2006 to improve the group's customer information database led to increased marketing response rates in 2007 On-line marketing techniques continue to improve and the group has invested in a digital marketing training programme for all staff in 2007 On-line revenues have grown on average by 29%, primarily driven by effective use of search marketing and e-mail campaigns

3 4 8 Systems and information technology

The company continues to invest in its IT infrastructure This year a new state-of-the-art storage system is being implemented in London to give staff high performance access to the company's data and secure, remote connectivity to our office-based systems from anywhere in the world

The Metal Bulletin IT systems were successfully integrated during the year with headcount consolidated within the existing technology team structure The rollout of the company's existing high-speed network and wireless technologies continues as the group expands its London office space to accommodate growth

The external network was extended to strengthen the link between the company's main offices in Europe, North America and Asia A full review of telecom services was undertaken during the year and a new VoIP network with increased internet bandwidth will be rolled out in early 2008 to provide a scaleable and feature-rich telephony network

In 2007 disaster recovery and business continuity plans for all businesses were updated The company has an active programme for testing the disaster recovery plans for all business units

The company's websites are located at a dedicated, high-availability hosting centre Many sites were re-launched during 2007 with fresh designs and updated technologies Throughout 2007 the company continued to invest in its e-commerce infrastructure to help support its growing online revenues

3 4 9 Tax and treasury

Committee

The group's tax and treasury committee normally meets twice a year and is responsible for recommending policy to the board The committee members are the chairman, managing director and finance director of the company, and the finance director and the deputy finance director of Daily Mail and General Trust plc The chairman of the audit committee is also invited to attend the tax and treasury meetings The group's treasury policies are directed to giving greater certainty of future costs and revenues and ensuring that the group has adequate liquidity for working capital and debt capacity for funding acquisitions

Treasury

The treasury department does not act as a profit centre, nor does it undertake any speculative trading activity and it operates within policies and procedures approved by the board

Interest rate swaps and caps are used to manage the group's exposure to fluctuations in interest rates on its floating rate borrowings The maturity profile of these derivatives is matched with the expected future debt profile of the group The group's policy is to fix the interest rates on approximately 80% of its term debt looking forward over five years At September 30 2007, the group had 82% of its net debt fixed by the use of interest rate hedges, management having put in place additional interest rate swaps to cover the additional debt from the purchase of Metal Bulletin plc As long-term rates are usually higher than short-term rates this hedging strategy has the effect of increasing the interest charge, but it does provide protection against increases in market rates

The group is exposed to foreign exchange risk in the form of transactions in foreign currencies entered into by group companies and by the translation of the results of foreign subsidiaries into sterling for reporting purposes The group does not hedge the translation of the results of foreign subsidiaries, but does endeavour to match foreign currency borrowings to investments in order to provide a natural hedge for the translation of the net assets of overseas subsidiaries

Approximately 60% of the group's revenues are in US dollars Subsidiaries normally do not hedge transactions in foreign currencies into the functional currency of their own operations However, at a group level a series of US dollar forward contracts is put in place up to 48 months forward partially to hedge its dollar revenues into sterling

Details of the financial instruments used are set out in note 18 to the accounts

Tax

The group's effective tax rate increased to 20% compared to a 10% credit in 2006 The 2007 rate is lower than the expected rate of 32% at interim due to the recognition of a further deferred tax asset of £3 2 million in respect of US state and city tax losses and other short term timing differences as the group's US businesses continue to generate significant taxable profits, and a £2 6 million tax credit on foreign exchange losses arising on a one-off intra group transaction in the year that eliminates on consolidation If the effect of these items is stripped out, the underlying tax rate is 34% which is higher than at interim due to a different mix of regional profits The 2006 tax rate was exceptionally low due to the £13 6 million recognition in respect of tax deductible US goodwill If the effect of this one-off tax credit is stripped out, the underlying rate for 2006 was 28%

The total net deferred tax balance held has moved from overall asset of £19 8 million to an overall liability of £20 1 million as a result of additional deferred tax on the intangible assets of Metal Bulletin Even though the intangibles concerned are not deductible for tax purposes, a temporary difference arises under IAS 12 and is not covered by any of the initial recognition exemptions As noted above this balance also includes tax deductible US goodwill and US federal tax losses as well as UK short-term timing differences and the future deductions available for the CAP scheme

There is an unrecognised US deferred tax asset of £5 4 million (2006 £6 0 million) This relates to Metal Bulletin US federal tax losses (£2 4 million), and the IAS 39 liability in respect of the group's obligations under the put option held by IMN's minority shareholders (£3 0 million)

4 Risk management

The company has continued to develop its processes for risk management Management of significant risk is regularly on the agenda of the board and other senior management meetings

Specific risk areas that potentially could have a material impact on the group's long-term performance include

Downturn in economy or market sector

The group generates significant income from certain key geographical regions and market sectors for both its publishing and events businesses Should there be a downturn or collapse in one of these areas income is likely to be adversely affected and for events businesses some abandonment costs may also be incurred

However, the group has a strong product mix and operates in multiple geographical locations which reduces dependency on any one sector or region Management has shown a proven ability to switch its focus to new or unaffected markets (e g following the SARS outbreak in Asia and terrorist attacks in New York)

London, Montreal or New York wide disaster

The group has its main offices located in London, Montreal, New York and Hong Kong An area wide disaster is likely to have serious consequences with office space potentially becoming unusable for several months and a lack of suitable alternative accommodation, loss of key clients and staff in an affected area and difficult communications with both customers and staff As a consequence of the above, the group could suffer a loss of revenue

To mitigate this risk the group has detailed disaster recovery (DR) plans for all businesses All employees can work remotely

The group regularly tests its DR plans It has robust systems in place with key locations (including the UK & US) benefiting from dual locations of back ups, dual loading of live back ups for key systems and third-party 24-hour support

Libel

The group generates a significant amount of its revenue from publishing and hence has an inherent libel risk A successful libel claim is likely to affect the group's reputation in the market place where the libel claim arose and/or where the publication was published As a consequence the group could suffer a loss of advertising and other add-on revenue streams

To mitigate this risk the group runs mandatory annual libel courses for all journalists and editors Key staff are aware of the significant nature of the risks and strong internal controls are in place for reporting to senior management if a potential issue arises The group also has libel insurance cover

Incorrect circulation claims

The group publishes over 70 titles and publications and sells advertising based partly on circulation figures An incorrect claim for circulation could adversely affect the group's reputation in the applicable market place with a potential knock-on effect for other titles within the group This could lead to the permanent loss of advertisers and other revenue streams

To mitigate this risk the group runs rolling annual internal audits and regularly monitors internal controls designed to cover circulation Detailed guidance is provided to all relevant employees and their understanding of the rules is regularly monitored There are a large number of mutually exclusive titles and it is unlikely that an incorrect circulation claim, should it arise, would affect the circulation of other titles within the wider group Similar controls are applied to claims for electronic publishing activities

Poor choice of acquisition

Part of the group's strategy is to be acquisitive Management review a number of potential acquisitions each year with only a small proportion of these going through to due diligence stage and possible subsequent purchase The group could suffer an impairment loss if an acquired business does not generate the expected returns or fails to operate or grow in its markets and products areas The risks of the acquired entity as projected may be misunderstood As a consequence a significant amount of management time could be diverted from other operational matters

To mitigate this risk senior experienced management perform detailed in-house due diligence Acquisition agreements are usually structured so as to retain key employees in the acquired company and there is a close monitoring of performance at board level of the entity concerned post acquisition

Technological change

The internet is becoming an ever increasing important revenue stream for the group and with this comes risk The internet, through the proliferation of free content and content aggregators, has the potential to erode hard copy advertising and subscription revenues

The group is already embracing these challenges, and, overall, views the internet as an opportunity rather than a threat Many of its businesses already produce soft copies of publication to supplement the hard copies While the internet is an important tool for generating additional revenue the group's product mix provides protection for any potential unforeseen problems For example, the group's share of profit from event businesses is growing, with face-to-face meetings of increasing importance

Liquidity risk

The group has significant bank and intercompany borrowings and is an approved borrower under a Daily Mail and General Trust plc £300 million revolving multi-currency facility This facility requires the group to meet certain covenants based on net debt and profits adjusted for certain non-cash items Failure to do so would result in the group being in breach of the facility potentially resulting in the facility being withdrawn Management regularly monitors the covenants and prepares detailed debt forecasts to ensure that sufficient headroom is available and that the covenants are not close or potentially close to breach The group's strategy is to use excess operating cash to pay down its debt The group has a cash conversion rate (the percentage by which cash generated by operations covers operating profit) of over 100%, due to much of its subscription, conference and training revenue being paid in advance The directors have no reason to believe that the debt is not serviceable

Market price risk

The group's primary market risks are interest rate fluctuations and exchange rate movements Derivatives are used to hedge or reduce the risks of interest rate and exchange rate movements and are not entered into unless such risks exist Derivatives used by the group for hedging a particular risk are not specialised and are generally available from numerous sources The fair values of interest rate swaps, currency options and forward exchange contracts set out in note 18 represent the replacement costs calculated using the market rates of interest and exchange at September 30 2007 The group has no other material market price risks

Interest rate risk

The group's borrowings are in both pounds sterling and US dollars with the related interest tied to US and UK LIBOR This results in the group's interest charge being at risk to fluctuations in interest rates It is the group's policy to hedge approximately 80% of its interest exposure, converting its floating rate debt into fixed debt by means of interest rate swaps As long-term rates are usually higher than short-term rates so this hedging strategy has the effect of increasing the interest charge, but it does provide protection against increases in market rates Details of the group's interest rate swaps are given in note 18

Foreign currency risk

The group is exposed to foreign exchange risk in the form of transactions in foreign currencies entered into by group companies and by the translation of the results of foreign subsidiaries into sterling for reporting purposes

The group does not hedge the translation of the results of foreign subsidiaries Consequently, fluctuations in the value of sterling versus other currencies could materially affect the translation of these results in the consolidated financial statements The group endeavours to match foreign currency borrowings to investments in order to provide a natural hedge for the translation of the net assets of overseas subsidiaries

Approximately 60% of the group's revenues are in US dollars At a group level a series of US dollar forward contracts is put in place up to 48 months forward partially to hedge its dollar revenues into sterling The timing and value of these forward contracts are based on management's estimate of its future US dollar revenues over a 48-month period and is regularly reviewed and revised with any changes in estimates resulting in either additional forward contracts being taken out or existing contracts' maturity dates being moved forward or back The group also has a significant operation in Canada whose revenues are mainly in US dollars At a group level a number of small forward contracts is put in place on the same basis as above to hedge US dollar revenues into Canadian dollars to cover the operation's Canadian cost base In addition, each subsidiary is encouraged to invoice sales in its local functional currency where possible Details of the group's forward contracts are given in note 18

Credit risk

The group seeks to limit interest rate and foreign currency risks described above by the use of financial instruments and as a result has a credit risk from the potential non-performance by the counterparties to these financial instruments, which are unsecured The amount of this credit risk is normally restricted to the amounts of any hedge gain and not the principal amount being hedged The group also has a credit exposure to counterparties for the full principal amount of cash and cash equivalents Credit risks are controlled by monitoring the amounts outstanding, with and the credit quality of, these counterparties For the group's cash and cash equivalents these are principally licensed commercial banks and investment banks with strong long-term credit ratings, and for derivative financial instruments Daily Mail and General Trust plc who have treasury policies in place which do not allow concentrations of risk with individual counterparties and do not allow significant treasury exposures with counterparties which are rated lower than AAA

The group also has credit risk with respect to trade and other receivables, prepayments and accrued income The concentration of credit risk from trade receivables is limited due to the large and broad customer base Trade receivable exposures are managed locally in the business units where they arise Allowance is made for bad and doubtful debts based on management's assessment of the risk of non-payment taking into account the ageing profile, experience and circumstance

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, recorded in the balance sheet

5 Social Responsibility

Indian eye clinic

Euromoney Institutional Investor encourages its people to be active in charities It channels its charity budget exclusively to good causes that its employees support, matching or better the money raised by its people

This year, an excellent one for profits, it did the same, but it also set out to do something extra, something much more ambitious It searched for a special one-off charity project before choosing a single cause that was particularly suitable for a publishing company that earns much of its revenues in emerging markets The criteria it selected were that the project must make a maximum beneficial change to people's lives, that it would concentrate on children, that it would be permanent or self-sustaining, that it would fire the imagination of the company's 2,100 employees around the world, and that it would be entirely funded through the company's efforts

When the search finished, Euromoney Institutional Investor had found its project, to create a children's eye clinic in Orissa, the poorest state in India It would take three years to come fully on stream, by which time it would save the sight of between 10,000 and 20,000 children annually Avoidable blindness is very common in poor regions of India and Africa Much of it can be cured by a simple cataract operation that costs around £12

The clinic would be attached to the existing Kalinga Eye Hospital Surgeons and nurses would be recruited and trained to perform delicate eye surgery on children under the guidance of ORBIS, the international blindness charity, which is Euromoney's partner in the project The mission of ORBIS is to restore sight to poor people in developing countries The clinic will sustain itself by charging better off parents, so that no child will be turned away Hospital teams will tour local villages, testing children's eyesight and encouraging parents to bring them to the clinic for surgery if needed

The cost of the project is £188,000 ORBIS suggested the funds be raised over three years Euromoney Institutional Investor set out to raise the money in a year At the end of calendar 2006 it asked its people, the company itself, and its customers to combine in one big effort The Board decided that, in addition to the usual charity budget, the company would donate a further £50,000 to Kalinga The directors individually gave an additional £50,000 Employees everywhere rose to the challenge, jumping from aeroplanes, raising funds at the company's conferences and awards dinners, organising quiz evenings, running marathons and holding cake sales They raised a further £77,000 The company then appealed to its customers, who responded with a generosity that took the total raised through £200,000 by the beginning of September 2007, ahead of target and a month ahead of plan The additional funds will enable more eye operations

Progress is swift The doctors and nurses have begun training The new hospital is being built The company's initial donation has already enabled the surgeons to save the sight of 2,000 people and treat thousands of others The people in the area are becoming aware that the sight of their children can be saved Other areas of Orissa will be encouraged to follow the example of Kalinga

The involvement of Euromoney Institutional Investor and its people will continue As the hospital comes on stream, field teams of the company's employees who have contributed most by their efforts will visit the Kalinga clinic to see the work which they have made possible

Other projects

In addition to the project above, the group remains a keen supporter of local and international charities and regularly provides sponsorships and funds to support these

The group continues to participate and develop its involvement in the community For instance, it provides paid graduate trainee programmes and internships with the potential for long-term career opportunities within the group Management continue to develop links with universities and attend recruitment fairs during the year, including the annual fairs at the School of Oriental and African Studies and the annual Guardian Summer Recruitment Fair This enables it to increase the number of graduate trainees employed The group is also developing its international links by participating in various overseas programmes, including a Chinese government sponsored graduate internship programme which will run in the UK during 2008

6 Future developments in the business

An indication of the trading outlook for the group is given in the Chairman's Statement on page 5 In 2008 the directors will build on the successful first-year integration and restructuring of Metal Bulletin and drive the enlarged group to deliver the further significant revenue and other synergies expected Earlier this year the board approved a project to purchase the freehold of and refurbish one of its existing London buildings The refurbishment is expected to be complete next year and will allow the physical integration of the UK-based Metal Bulletin businesses into the existing property portfolio and share office space in the same locality as the rest of the UK group The New York-based Metal Bulletin businesses have already moved into the group's existing New York office space

The board will continue to review the portfolio of businesses, disposing, closing or restructuring any under-performing businesses to allow the group to have the necessary resources and skills to remain acquisitive The group will continue to invest in technology and new businesses, particularly electronic information products

7 Directors and their interests

The company's Articles of Association give power to the board to appoint directors from time to time In addition to the statutory rights of shareholders to remove a director by ordinary resolution, the board may also remove a director where 75% of the board give written notice to such director The Articles of Association themselves may be amended by a special resolution of the shareholders

The directors who served during the year are listed on pages 18 and 19 The directors' interests are given on pages 34 and 35

JL Wilkinson was appointed a director on March 21 2007 and, according to the Articles of Association, a director appointed during the year must retire at the first available AGM and, being eligible, offer themselves for re-election Following best practice under corporate governance and in accordance with the company's Articles of Association, all directors submit themselves for re-election at least every three years Accordingly, PM Fallon, SM Brady, G Mueller, The Viscount Rothermere and JC Gonzalez will retire at the forthcoming Annual General Meeting and, being eligible, will offer themselves for re-election Also, as required by best practice under corporate governance, all non-executive directors who have served for more than three three-year terms must submit themselves for re-election on an annual basis Accordingly, JC Botts, CJF Sinclair, and JP Williams will retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election

In addition, as required by the Articles of Association, Sir Patrick Sergeant, being over the age of 70, will retire at the forthcoming Annual General Meeting and, being eligible, will offer himself for re-election Details of the interests of the directors in the ordinary shares of the company and of options held by the directors to subscribe for ordinary shares in the company are set out in the Directors' Remuneration Report on pages 25 to 35

8 Capital structure and significant shareholdings

Details of the company's share capital are given in note 22 The company's share capital is divided into ordinary shares of 0 25 pence each Each share entitles its holder to one vote at shareholders' meetings and the right to receive one share of the company's dividends

At November 13 2007, being the latest practical date before approval of the accounts, notification had been received of the following interests of 3% or more in the company's ordinary share capital

	Number	%
Daily Mail and General Holdings Limited	62,999,885	61 2
BlackRock Merrill Lynch Investment Manager	4,919,662	4 78
Old Mutual Asset Manager (UK)	3,699,370	3 59

Banque Internationale à Luxembourg SA has issued international depositary receipts in bearer form in respect of a total of 956,800 shares (0 9%) registered in its name

Details of the directors' entitlement to compensation for loss of office following a takeover are given in the Directors' Remuneration Report

9 EU Takeovers Directive

Pursuant to s992 of the Companies Act 2006, which implements the EU Takeovers Directive, the company is required to disclose certain additional information Such disclosures, which are not covered elsewhere in this Annual Report, include the following

There are a number of agreements that take effect, alter or terminate upon a change of control of the company following a takeover bid, such as commercial contracts, bank loan agreements, property lease arrangements, directors' service agreements and employees' share plans None of these are deemed to be significant in terms of their potential impact on the business of the group as a whole

10 Authority to purchase and allot own shares

The company's authority to purchase up to 10% of its own shares expires at the conclusion of the company's next Annual General Meeting A resolution to renew this authority for a further period will be put to shareholders at this meeting

At the Extraordinary General Meeting of the company on September 20 2006, the shareholders authorised the directors to allot shares up to an aggregate nominal amount of £85,850 expiring at the conclusion of the Annual General Meeting to be held in 2008 A resolution to renew this authority for a further period will be put to shareholders at this meeting

11 Political and charitable contributions

During the year the group raised charitable contributions of £390,000 (2006 £205,000), including £287,000 for the Indian Eye Hospital in Kalinga (section 5 above) There were no political contributions in either year

12 Disabled employees

It is the group's policy to give full and fair consideration to applications for employment from people who are disabled, to continue wherever possible the employment of and to arrange appropriate training for, employees who become disabled, and to provide opportunities for the career development, training and promotion of disabled employees

13 Employee involvement and training

The group believes it is important to provide skills and management training for its employees around the world It continues to develop these programmes and tries to ensure that as many employees as possible benefit from internal and external training The group is continually developing and expanding the training programmes provided

The group recognizes the importance of good communication in relationships with its staff This is pursued in a number of ways including training and regular meetings between management and staff, which seek to achieve common awareness on the part of all employees of the financial and economic circumstances affecting the group's performance Many employees participate directly in the success of the business through involvement in the group's profit sharing schemes, the Capital Appreciation Plan and in the savings related share option scheme

14 Supplier payment policy

Each Euromoney Institutional Investor business agrees payment terms with its suppliers on an individual basis and it is group policy to make payments in accordance with these terms The group had 76 days of purchases in creditors at September 30 2007 (2006 62 days)

15 Annual General Meeting

The company's Annual General Meeting will be held on January 30 2008

16 Auditors

A resolution to re-appoint Deloitte & Touche LLP as the company's auditor is expected to be proposed at the forthcoming Annual General Meeting

17 Disclosure of information to auditors

In the case of each of the persons who is a director of the company at November 14 2007

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware, and
- each of the directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of the information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

By order of the board

Colin Jones
Company Secretary
November 14 2007

Directors and Advisors

Executive Directors

Chairman

‡ Mr PM Fallon (aged 61) is chairman He joined the company in 1974 and was appointed an executive director in October 1975 He was appointed managing director in 1985, chief executive in 1989 and chairman in 1992 He is chairman of the nominations committee He is also an executive director of Daily Mail and General Trust plc and a member of the board of the Trinity College Dublin Foundation

Managing Director

‡ Mr PR Ensor (aged 59) is the managing director He joined the company in 1976 and was appointed an executive director in 1983 He was appointed managing director in 1992 and is a member of the nominations committee He is also a director of Internet Securities, Inc and BCA Publications Limited

Mr NF Osborn (aged 58) joined the company in 1983 and was appointed an executive director in February 1988 He is the publisher of *Euromoney* He is also a director of Internet Securities, Inc, and of OAO RBC Information Systems, a Russian public company

Mr DC Cohen (aged 49) joined the company in 1984 and was appointed an executive director in September 1989 He is managing director of the training division

Mr CR Brown (aged 53) joined the company in 1982 and was appointed an executive director in September 1989 He is based in the United States and is president of Institutional Investor, Inc

Mr CR Jones (aged 47) is the finance director He joined the company in July 1996 and was appointed finance director in November 1996 He is also the company secretary and a director of Institutional Investor, Inc, Information Management Network, Inc, Internet Securities, Inc and BCA Publications Limited

Mr SM Brady (aged 42) joined the company in 1988 and was appointed an executive director in May 1999 He is managing director of *Euromoney*

Mr RT Lamont (aged 60) joined Institutional Investor, Inc in 1976 and was appointed an executive director in May 1999 He is editor of Institutional Investor's newsletter division and a director of Institutional Investor, Inc

Ms D Alfano (aged 51) joined Institutional Investor, Inc in 1984 and was appointed an executive director in July 2000 She is managing director of Institutional Investor's conference division and a director of Institutional Investor, Inc

Mr G Mueller (aged 41) is chairman of Internet Securities, Inc (ISI), which he founded in 1994 Euromoney acquired ISI in 1999, at which point Mr Mueller joined the company He was appointed an executive director in July 2000 He is also chairman and CEO of Institutional Investor and a director and chairman of Information Management Network, Inc

Mr MJ Carroll (aged 50) joined Institutional Investor, Inc in 1994 and was appointed an executive director in May 2002 He is the editor of *Institutional Investor* and a director of Institutional Investor, Inc

Mr CHC Fordham (aged 47) joined the company in 2000 and was appointed an executive director in July 2003 He is the director responsible for acquisitions and disposals as well as some of the company's publishing businesses, including the Legal Media Group, HedgeFund Intelligence, Total Derivatives and the Metals, Minerals & Mining division of Metal Bulletin

Ms JL Wilkinson (aged 42) joined the company in 2000 and was appointed an executive director in March 2007 She is director of marketing for the group, and a director of Adhesion SA, the French events business

Non-executive Directors

†‡ **The Viscount Rothermere** (aged 39) was appointed a non-executive director in September 1998 and is a member of the remuneration and nominations committees He is chairman of Daily Mail and General Trust plc

†§ **Sir Patrick Sergeant** (aged 83) is a non-executive director and president He founded the company in 1969 and was managing director until 1985 when he became chairman He retired as chairman in September 1992 when he was appointed president and non-executive director He is a member of the audit and nominations committees

†‡ **Mr CJF Sinclair** (aged 59) was appointed a non-executive director in November 1985 and is a member of the remuneration and nominations committees He is chief executive of Daily Mail and General Trust plc and a non-executive director of SVG Capital plc

§ **Mr JP Williams** (aged 54) was appointed a non-executive director in June 1991 and is a member of the audit committee He is finance director of Daily Mail and General Trust plc and a non-executive director of GCap Media plc

†‡§ **Mr JC Botts** (aged 66) was appointed a non-executive director in December 1992 and is chairman of the audit and remuneration committees and a member of the nominations committee He is chairman of Botts & Company Limited, non-executive chairman of United Business Media Plc and a non-executive director of Convera Corporation, a US-listed search technology company

§ **Mr JC Gonzalez** (aged 62) was appointed a non-executive director in November 2004 He is chairman and chief executive of American Orient Capital Partners Holdings Limited, an investment and financial advisory services firm based in Hong Kong covering the Asia Pacific region He is also a director of a number of publicly listed companies in the Philippines

† member of the remuneration committee
‡ member of the nominations committee
§ member of the audit committee

President
Sir Patrick Sergeant

Company Secretary
CR Jones

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Corporate Governance

The Financial Reporting Council's Combined Code on corporate governance is part of the Listing Rules of the Financial Services Authority The paragraphs below and in the Directors' Remuneration Report on pages 25 to 35 set out how the company has applied the principles laid down by the Code

During 2007, JL Wilkinson was appointed an executive director and JC Gonzalez, an independent non-executive director, was appointed as a member of the audit committee

The company continues substantially to comply with the Code, save for the exceptions disclosed in the directors' compliance statement on page 24

Directors

The board and its role

Details of directors who served during the year are set out on pages 18 and 19 The board comprises the chairman (PM Fallon), managing director (PR Ensor), 11 other executive directors and six non-executive directors Two of the six non-executive directors are independent, one is the founder and ex-chairman of the company, and the other three are also directors of Daily Mail and General Trust plc, an intermediate parent company There are clear divisions of responsibility within the board such that no one individual has unfettered powers of decision The board although large does not consider itself to be unwieldy and believes it is beneficial to have representatives from all key areas of the business at board meetings There is a procedure for all directors in the furtherance of their duties to take independent professional advice, at the company's expense They also have access to the advice and services of the company secretary All directors submit themselves for re-election at least once every three years Newly appointed directors are submitted for election at the first available opportunity after their appointment

The board meets every two months and there is frequent contact between meetings Board meetings take place in London, New York, Montreal and Hong Kong, and in other locations where the group has operations The board has delegated specific aspects of the group's affairs to standing committees, each of which operates within defined terms of reference Details of these are set out below However, to ensure its overall control of the group's affairs, the board has reserved certain matters to itself for decision Board meetings are held to set and monitor strategy, identify, evaluate and manage material risks, to review trading performance, ensure adequate funding, examine major acquisition possibilities and approve reports to shareholders Procedures are established to ensure that appropriate information is communicated to the board in a timely manner to enable it to fulfil its duties

Executive committee

Chaired by the company's chairman, the executive committee also comprises the divisional directors of the group's main businesses, together with the managing director and finance director The committee is responsible for the approval of acquisitions, divestments, capital expenditure and contractual commitments below the level that the board has reserved to itself for decision, and for certain operational, administrative and other routine matters The committee also regularly reviews and reports to the board on the performance of the group's businesses At least 10 meetings are held each year and other senior executives frequently attend by invitation

Nominations committee

The nominations committee is responsible for proposing candidates for appointment to the board having regard to the balance of skills and structure of the board and ensuring the appointees have sufficient time available to devote to the role The committee meets when required and comprises PM Fallon (chairman of the nominations committee), PR Ensor and four non-executive directors, Sir Patrick Sergeant, The Viscount Rothermere, CJF Sinclair, and JC Botts (independent) The committee's terms of reference are available on the company's web site

The nominations committee met during the year to nominate, for board approval, JL Wilkinson as an executive director and JC Gonzalez as a member of the audit committee They also met to recommend to the board the re-election of directors retiring by rotation this year as set out in the Directors' Report

Remuneration committee

The remuneration committee meets twice a year and additionally as required It is responsible for determining the contract terms, remuneration and other benefits for executive directors, including performance related profit share schemes The committee also recommends and monitors the level of remuneration for senior management and for the rest of the group The composition of the committee, details of directors' remuneration and interests in share options, together with information on directors' service contracts, are set out in the Directors' Remuneration Report on pages 25 to 35 The committee's terms of reference are available on the company's web site

Audit committee

Details of the members and role of the audit committee are set out on page 23 On November 15 2006, JC Gonzalez (independent non-executive director) was appointed a member of the committee The committee's terms of reference are available on the company's web site

Tax and treasury committee

Details of the members and role of the tax and treasury committee are set out in the Directors' Report on page 11

Non-executive directors

The non-executive directors bring both independent views and the views of the company's major shareholder to the board

The non-executive directors, whose biographies can be found on page 19 of the accounts, are The Viscount Rothermere, Sir Patrick Sergeant, CJF Sinclair, JP Williams, JC Botts and JC Gonzalez At least once a year the company's chairman meets the non-executive directors without the executive directors being present

The board considers JC Botts and JC Gonzalez to be independent non-executive directors Although JC Botts has been on the board for more than the recommended term of nine years under the Code, the board believes that his length of service enhances his role as an independent director JC Botts also holds options to subscribe for common stock in Internet Securities, Inc a subsidiary of the company However, the number of options held by JC Botts is not material to him or to the company

The Viscount Rothermere has a significant shareholding in the company through his beneficial holding in Daily Mail and General Trust plc and because of this he is not considered independent

Sir Patrick Sergeant has a significant shareholding in the company and in addition has served on the board in various roles since founding the company in 1969 and has been a non-executive director since 1992 and hence, under the Code, is not considered independent

The Viscount Rothermere, CJF Sinclair, and JP Williams are also executive directors of Daily Mail and General Trust plc, an intermediate parent company However, the company is run as a separate, distinct and decentralised subsidiary of Daily Mail and General Trust plc and these directors have no involvement in the day-to-day management of the company They bring valuable experience and advice to the company but the board does not believe these non-executive directors are able to exert undue influence on decisions taken by the board, nor does it consider their independence to be impaired by their positions with Daily Mail and General Trust plc However, their relationship with Daily Mail and General Trust plc means they do not meet the Code's definition of independence

Board and committee meetings

Board and committee meetings are arranged well in advance of the meeting date and papers covering the points to be discussed are distributed to its members in advance of the meetings The following table sets out the number of board and committee meetings attended by the directors during 2007

	Board meetings	Executive committee	Remuneration committee	Nominations committee	Audit committee	Tax & treasury committee
Number of meetings held during year	6	10	2	3	3	2
Executive directors						
PM Fallon – Chairman	6	10	–	3	–	0
PR Ensor – Managing Director	6	8	–	3	–	2
NF Osborn	6	10	–	–	–	–
DC Cohen	6	10	–	–	–	–
CR Brown	6	10	–	–	–	–
CR Jones - Finance Director	6	10	–	–	–	2
RT Lamont	5	9	–	–	–	–
SM Brady	5	7	–	–	–	–
D Alfano	6	9	–	–	–	–
G Mueller	6	10	–	–	–	–
MJ Carroll	5	9	–	–	–	–
CHC Fordham	6	9	–	–	–	–
JL Wilkinson*	3	9	–	–	–	–
Non-executive directors						
The Viscount Rothermere	2	–	2	3	–	–
Sir Patrick Sergeant	4	–	–	0	3	–
CJF Sinclair	6	–	2	3	–	–
JP Williams	6	–	–	–	3	2
JC Botts	4	–	2	3	3	–
JC Gonzalez†	3	–	–	–	2	–

* Appointed a director on March 21 2007
† Appointed to audit committee on November 15 2006

Board and committee effectiveness

During the year the board, through its chairman, assessed its performance and that of its committees The chairman distributed a detailed questionnaire to each of the board members and together with personal interviews evaluated the strengths and weaknesses of the board and its members In addition, each of the main committees completed a detailed questionnaire encompassing key areas within their mandates The results of the assessment were presented and discussed at a board meeting and it was concluded that the board and its committees had been effective throughout the year

Communication with shareholders

The company's chairman, together with the board, encourages regular dialogue with shareholders Meetings are held, both in the US and UK, to discuss annual and interim results and highlight significant acquisitions or disposals, or at the request of institutional shareholders Private shareholders are encouraged to participate in the annual general meeting In line with best practice all shareholders have at least 20 working days notice of the annual general meeting at which the executive directors, non-executive directors and committee chairs are available for questioning

Internal control and risk management

The board is responsible for the group's system of internal control and for reviewing its effectiveness Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss

In accordance with the guidance published by the Internal Control Working Party of the Institute of Chartered Accountants in England and Wales (the Turnbull Report), the board has implemented a continuing process for identifying, evaluating and managing the material risks faced by the group

The board has reviewed the effectiveness of the group's system of internal control and has taken account of material developments which have taken place since September 30 2006 It has considered the major business and financial risks, the control environment and the results of internal audit Steps have been taken to embed internal control and risk management further into the operations of the group and to deal with areas of improvement which have come to management's and the board's attention

Key procedures which the directors have established with a view to providing effective internal control, and which have been in place throughout the year, are as follows

The board of directors

- the board normally meets six times a year to consider group strategy, risk management, financial performance, acquisitions, business development and management issues,
- the board has overall responsibility for the group and there is a formal schedule of matters specifically reserved for decision by the board,
- each executive director has been given responsibility for specific aspects of the group's affairs,
- the board divides the group's key risks into six broad categories and reviews and assesses each of these at least annually,
- the board seeks assurance that effective control is being maintained through regular reports from business group management, the audit committee and various independent monitoring functions, and
- the board approves the annual forecast after performing a review of key risk factors Performance is monitored regularly by way of variances and key performance indicators to enable relevant action to be taken and forecasts are updated each quarter The board considers longer-term financial projections as part of its regular discussions on the group's strategy

Quality, integrity of personnel and whistle blowing arrangements

The integrity and competence of personnel is ensured through high recruitment standards and a commitment to management and business skills training High-quality personnel are an essential part of the control environment and the high ethical standards expected are communicated by management and through the employee handbook which is provided to all employees The employee handbook also sets out the procedures available to staff to raise, in confidence, possible improprieties in matters of financial reporting or other matters

Social responsibility

The group is keen to maintain a high level of social responsibility and has procedures embedded in its internal systems and controls to ensure its social standards are monitored regularly and are not breached The group supports and encourages employees who become involved in social projects and examples of these are given in the Directors' Report

Environmental responsibility

The group does not operate directly in industries where there is the potential for serious industrial pollution It does not print products in-house or have any investments in printing works It takes its environmental responsibility seriously and complies with all relevant environmental laws and regulations in each country in which it operates Wherever economically feasible, account is taken of environmental issues when placing contracts with suppliers of goods and services and these suppliers are regularly reviewed and monitored For instance, the group's two biggest print contracts are outsourced to companies who have environment management systems compliant to the ISO 14001 standard The paper used for the group's publications is produced from pulp obtained from sustainable forests, manufactured under strict, monitored and accountable environmental standards The group is not a heavy user of energy, however, it does manage its energy requirements sensibly using low-energy office equipment where possible and using a common sense approach such as switching off equipment, air-conditioning, heating and lights when not required

Health and safety
The group is committed to the health and safety of its employees and communities in which it operates The group complies with all local health and safety regulations and makes use of external health and safety advisors where appropriate The UK businesses benefit from a monthly assessment of the working environment by experienced assessors and regular training of all existing and new UK employees in health and safety matters

Investment appraisal
The managing director, finance director and business group managers consider proposals for acquisitions and new businesses Proposals beyond specified limits are put to the board for approval and are subject to due diligence by the group's finance team and, if necessary, independent advisers Capital expenditure is regulated by strict authorization controls For capital expenditure above specified levels, detailed written proposals must be submitted to the board and reviews are carried out to monitor progress against budget

Accounting and computer systems controls and procedures
Accounting controls and procedures are regularly reviewed and communicated throughout the group Particular attention is paid to authorisation levels and segregation of duties The group's tax, financing and foreign exchange positions are overseen by the tax and treasury committee, which meets at least twice a year Controls and procedures over the security of data and disaster recovery are periodically reviewed and are subject to internal audit

Internal audit
The group has an internal audit function which is managed by Daily Mail and General Trust Plc's internal audit department, working closely with the company's finance director Internal audit draws on the services of the group's central finance team to assist in completing the audit assignments Internal audit aims to provide an independent assessment as to whether effective systems and controls are in place and being operated to manage significant operating and financial risks It also aims to support management by providing cost effective recommendations to mitigate risk and control weaknesses identified during the audit process, as well as provide insight into where cost efficiencies and monetary gains might be made by improving the operations of the business Businesses and central departments are selected for an internal audit visit on a risk-focused basis, taking account of the risks identified as part of the risk management process, the risk and materiality of each the group's businesses, the scope and findings of external audit work, and the departments and businesses reviewed previously and the findings from these reviews This approach ensures that the internal audit focus is placed on the higher risk areas of the group, while ensuring an appropriate breadth of coverage DMGT's internal audit reports its findings to management and to the audit committee

Accountability and audit
Audit committee
The audit committee comprises four non-executive directors JC Botts (chairman), Sir Patrick Sergeant, JP Williams and, from November 15 2006, JC Gonzalez and meets three times each financial year The committee is responsible for reviewing the interim report, the annual report and accounts and other related formal statements before their submission to the board, and reviewing and overseeing controls necessary to ensure the integrity of the financial information reported to the shareholders The audit committee advises the board on the appointment of external auditors and on their remuneration, both for audit and non-audit work It has set and applied a formal policy, which focuses on the effectiveness, independence and objectivity of the external audit, the type of non-audit work permissible and a diminimus level of fees acceptable Any non-audit work performed outside this remit is assessed and where appropriate approved by the committee The committee discusses the nature, scope and findings of the audit with the external auditors and considers and determines relevant action in respect of any control issues raised by the external auditors The audit committee is also responsible for monitoring and assessing the effectiveness of internal audit, and reviews the internal audit programme and receives periodic reports on its findings It reviews the whistle blowing arrangements available to staff The audit committee's terms of reference are available on the company's website

Going concern basis
After making enquiries, the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future For this reason the directors continue to adopt the going concern basis in preparing the financial statements

Statement of directors' responsibilities in respect of the accounts
The directors are responsible for preparing the annual report and the financial statements The directors have chosen to prepare accounts for the group in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, the Companies Act 1985 and Article 4 of the IAS Regulation, and for the company in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards applicable law)

In the case of UK GAAP accounts, the directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, and
- prepare the financial statements on the going concern basis

In the case of IFRS accounts International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position financial performance and cash flows This requires the faithful representation of the effects of transactions other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and Presentation of Financial Statements' In virtually all circumstances a fair presentation will be achieved by compliance with all applicable IFRSs Directors are also required to

- properly select and apply accounting policies,
- present information including accounting policies, in a manner that provides relevant reliable, comparable and understandable information, and
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a directors' report and directors' remuneration report which comply with the requirements of the Companies Act 1985

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions

The directors confirm that these requirements have been satisfied

Statement by the directors on compliance with the Combined Code

The Listing Rules require the board to report on compliance throughout the accounting year with the 49 provisions of the July 2003 Financial Reporting Council's Combined Code on Corporate Governance issued by the Financial Services Authority Save for the exceptions outlined below, the group has complied throughout the financial year ended September 30 2007 with the provisions set out in Section 1 of the Combined Code

Provision A 3 2 states that half the board, excluding the chairman, should be comprised of non-executive directors determined by the board to be independent The board comprises 19 directors of whom two are considered to be independent non-executive directors

Contrary to provision A 3 3, the board has not identified a senior independent non-executive director as the directors are of the opinion that all matters relating to the effective governance of the group must be dealt with by the board as a whole

Provision A.4 1 requires that the majority of the nominations committee should be comprised of independent non-executive directors Although the committee consists of four non-executive and two executive directors, only one of the non-executive directors can be considered independent under the Combined Code

Provision A 4 4 states that the terms and conditions of appointment of non-executive directors should be available for inspection As explained in the Directors' Remuneration Report, the non-executive directors do not have service contracts

Provisions B 2 1 and C 3 1 require the remuneration and audit committees to comprise entirely of independent non-executive directors The remuneration committee is comprised of three non-executive directors, none of whom can be considered independent under the Combined Code The audit committee is comprised of four non-executive directors, only one of which can be considered independent under the Combined Code

On behalf of the board

Padraic Fallon
Chairman
November 14 2007

Directors' Remuneration Report

Introduction
This remuneration report sets out the group's policy and structure for the remuneration of executive and non-executive directors together with details of directors' remuneration packages and service contracts The report has been prepared in accordance with the Directors' Remuneration Report Regulations 2002 and shareholders will be invited to approve this report at the Annual General Meeting on January 30 2008

The remuneration committee
The remuneration committee is chaired by JC Botts Its other members are The Viscount Rothermere and CJF Sinclair All members of the committee are non-executive directors of the company The Viscount Rothermere and CJF Sinclair are also directors of Daily Mail and General Trust plc but have no personal financial interests in the company (other than as shareholders), and no day-to-day involvement in running the business The executive chairman normally attends meetings of the remuneration committee, but is not present at any discussion concerning his own remuneration For the year under review, the committee also sought advice and information from the company's managing director and finance director The committee's terms of reference permit its members to obtain professional external advice on any matter, at the company's expense, although none did so in 2007 The group itself can take external advice and information from many sources in preparing proposals for the remuneration committee, but no material assistance from a single source was received in relation to remuneration decisions for 2007

Remuneration policy
The group believes in aligning the interests of management with those of shareholders The two consistent objectives in its remuneration policy since the company's inception in 1969 have been the maximization of earnings per share and the creation of shareholder value

The first objective is achieved through a comprehensive profit sharing scheme that links the pay of executive directors and key managers to the profits and growth in profits of the group or relevant parts of the group This scheme is completely variable with no guaranteed floor and no ceiling

To support the implementation of the policy of profit sharing, the group is divided into a number of profit centres The manager of each profit centre is paid a profit share related to the profit centre's profits and profit growth Each profit centre is part of a larger business group Each business group manager has an incentive based on the business group's profits and profit growth Profit sharing encourages directors and managers to grow their businesses, to launch new ventures and to search for acquisitions that would fit well with their businesses

All executives on profit shares are aware that if profits rise, so does their pay Similarly if profits fall, so do their profit shares The profit shares of executive directors and senior managers make up much of their total pay For example, of the total remuneration of the 13 executive directors who served in the year, 86% was derived from profit shares

The creation of shareholder value is also encouraged through an executive share option scheme and, from October 2003, the Capital Appreciation Plan (CAP) The current executive share option scheme was approved by shareholders in January 1996 The performance criteria under which options granted under this scheme may be exercised are set out on page 27 This scheme expired and closed in 2006, but no share options have been issued under it since February 2004 although options previously granted may be exercised before various dates to February 2014 The CAP was approved by shareholders in February 2005, and is a highly geared performance-based share option scheme which not only directly rewards growth in profits of each executive's businesses but also links more robustly equity reward with the delivery of economic shareholder value The CAP profit target was achieved this year, a year ahead of expectations A more detailed explanation of the CAP is given on page 27

The directors believe that these profit sharing and share option arrangements are responsible for much of the company's success since 1969 These arrangements serve shareholders by aligning the interests of the directors and managers with those of shareholders and are considered an important driver of the company's growth strategy

The remuneration of the non-executive directors is determined by the board

Remuneration structure

Executive directors

It is the group's policy to construct executive remuneration packages such that a significant part of a director's compensation is based on the growth in the group's profits contributed by that director The details of the remuneration packages of individual directors are set out below

Basic salary and benefits

The basic salary and benefits are generally not the most significant part of a director's overall compensation package Each executive director receives a salary which is reviewed annually by the committee Certain non-cash benefits are also provided including private health care, and life assurance through the membership of one of the pension schemes

Remuneration structure *continued*

Pension schemes

Each UK-based director is entitled to participate in the Harmsworth Pension Scheme (a defined benefit scheme, closed to new directors), the Euromoney Pension Plan (a money purchase plan) or their own private pension scheme Directors based overseas are entitled to participate in the pension scheme arrangements applicable to the country where they work Currently, NF Osborn, CR Brown, RT Lamont, D Alfano, G Mueller and MJ Carroll participate in the group's US 401(k) plan Details of pension scheme contributions can be found on page 31 of this report There are no other post-retirement benefits

Profit share scheme

The group believes in aligning the economic interests of management with those of shareholders and achieves this through a comprehensive profit sharing scheme that links the pay of each executive director to the profits and growth in profits of the businesses that the executive director manages

The executive directors who manage business divisions are set profit thresholds for the businesses for which they are responsible The profit thresholds are set at the time the director takes on responsibility for the businesses concerned, usually based on the profits of the previous 12 months, and are adjusted if such responsibilities change The normal profit share arrangement pays 1% of profits from zero up to a threshold and then 5% of profits achieved in excess of this threshold Some of the directors have schemes which have been in place for a number of years and pay profit shares at slightly higher rates or which are subject to additional thresholds

The profit shares of the chairman and managing director are based on an adjusted pre-tax post-minority profits of the group, thereby matching their profit share with the pre-tax return the group generates for its shareholders The chairman is entitled to 5 62% (2006 6 49%) of an adjusted pre-tax profit The managing director is entitled to 3 32% (2006 3 84%) of an adjusted pre-tax profit up to a threshold of £30,450,138 and an additional 1 25% (2006 1 44%) of adjusted pre-tax profits in excess of this threshold

The finance director receives a profit share linked to a pre-tax adjusted earnings per share of the group (EPS) A fixed sum is payable for every percentage point the EPS is above 11 00p and an additional fixed sum is payable for every percentage point that EPS is above 20 00p

CHC Fordham, in addition to his profit share, has a second incentive linked to the performance of acquisitions

JL Wilkinson, who is responsible for all the group's marketing activities, receives an incentive based on the growth in the group's subscription and delegate revenues

All of the profit share schemes are completely variable with no guaranteed floor and no ceiling and are designed to be the most significant part of the executive director's remuneration package Each director's profit share scheme is subject to remuneration committee approval, and can be revised at any time if the director's responsibilities are changed

The table below shows the 2007 percentage split of the fixed and variable elements of each director's remuneration package

Executive directors	Fixed *Salary & benefits*	Variable *Profit share*
PM Fallon	5%	95%
PR Ensor	6%	94%
NF Osborn	22%	78%
DC Cohen	17%	83%
CR Brown	27%	73%
CR Jones	32%	68%
RT Lamont	62%	38%
SM Brady	46%	54%
D Alfano	21%	79%
G Mueller	17%	83%
MJ Carroll	57%	43%
CHC Fordham	20%	80%
JL Wilkinson*	38%	62%
Total	14%	86%

*appointed as a director on April 3 2007

Remuneration structure *continued*

SAYE scheme

The group operates an all employee save as you earn scheme in which those directors employed in the UK are eligible to participate Participants save a fixed monthly amount of up to £250 for three years and are then able to buy shares in the company at a price set at a 20% discount to the market value at the start of the savings period In line with market practice, no performance conditions attach to options granted under this plan The executive directors who are currently participating in this scheme are PM Fallon, PR Ensor, NF Osborn, CR Jones, SM Brady and CHC Fordham, details of which can be found on pages 32 and 33 of this report

Share option schemes

The directors consider that share option schemes are an important part of overall compensation and align the interests of directors and employees with those of shareholders

Capital Appreciation Plan (CAP)

The CAP was approved by shareholders on February 1 2005 and replaced the 1996 executive share option scheme Each CAP award comprises an option to subscribe for ordinary shares of 0 25p each in the company for an exercise price of 0 25p per ordinary share In accordance with the terms of CAP, no consideration was paid for the grant of the awards The awards vest in three equal tranches The first tranche of awards become exercisable on satisfaction of a primary performance condition and lapse to the extent unexercised on September 30 2014 The two future tranches of awards become exercisable one year and two years, respectively, following the financial year in which the primary performance target was achieved The second and third tranches only vest on satisfaction of the primary and a secondary performance condition The scheme is potentially available to all employees

The primary performance condition, broadly, requires that the company achieve pre-tax profits (before goodwill amortisation or impairment, exceptional items and before the cost of the CAP) of £57 million by no later than the financial year ending September 30 2008 and remain at at least this level for the future vesting periods of the following two tranches This target was increased from £50 million following the acquisition of Metal Bulletin The secondary performance condition requires that the profits of the respective participants' businesses in the subsequent two vesting periods remain at at least 75% of that achieved in the year the primary performance condition was met

The CAP profit target was achieved in financial year 2007 and the option pool (of a maximum of 7 5 million shares) will be allocated between the holders of outstanding awards by reference to their contribution to the achievement of the primary performance condition, subject to conditions that no individual may have an option over more than 10% of the option pool One third of the awards will vest immediately, with the other two thirds vesting in equal tranches in the following two years, but only if the primary and secondary performance conditions are met Otherwise vesting is deferred until both the profit target of £57 million achieved in 2007 is achieved again, and the profits of the individual participants businesses are at least 75% of that achieved in 2007 but no later than by reference to the year ending September 30 2012

Thus the CAP is designed so that profit growth must be sustained if awards are to vest in full Accordingly, and subject as described above, the award to each director comprises an option to subscribe for up to 750,000 shares The actual value of the CAP award to each director will depend on the relative profit contribution of his/her businesses to the achievement of the performance condition The provisional number of options anticipated to be received by the directors for the first tranche is given in the directors share option table on pages 32 and 33

The fair value per option granted and the assumptions used to calculate its value are set out in note 23

1996 executive share option scheme

All executive directors have options from a previous executive share option scheme approved by shareholders in 1996 in which potentially all employees could receive options This scheme expired in 2006 and no share options have been issued under this scheme since February 2004 although options granted may be exercised before various dates to February 2014 Options were issued to a selection of individual employees, including directors, on a merit basis These options are exercisable at least three years after their grant and are subject to certain performance conditions For options that expired on February 7 2007, and those expiring on January 29 2009, February 11 2009, June 25 2009 and January 5 2010 the performance test set by the remuneration committee requires the growth in the company's earnings per share for the three consecutive financial years commencing from the year of grant to exceed the growth in the retail prices index by an average of 4% a year For the options expiring on June 25 2009 only, there is an additional performance condition which requires that Internet Securities, Inc must have achieved an operating profit for three consecutive months and a cumulative operating profit over a period of six months For all other options expiring after 2005, the performance test set by the remuneration committee requires that the Total Shareholder Return (TSR) of the company exceeds that of the average TSR for the FTSE 250 index for the same period For the performance condition to be satisfied, the TSR of the company must exceed that of the FTSE 250 on a cumulative basis, measured from the date of grant of the option, in any four out of six consecutive months starting 30 months after the option grant date

The fair value per option granted and the assumptions used to calculate its value are set out in note 23

Remuneration structure *continued*

Internet Securities, Inc option scheme

G Mueller, NF Osborn and JC Botts are also participants in the Internet Securities, Inc option scheme There are no performance conditions attached to these options Their options, all of which are fully vested and exercisable, are set out on page 34 The market price at the date of exercise is determined by an independent financial valuation of Internet Securities, Inc

Details of directors' share options can be found on pages 32 to 34

Put options

G Mueller has a put option whereby he is able to sell his 5% holding of shares in Internet Securities, Inc (ISI), a subsidiary of the group, to Euromoney Institutional Investor PLC at a fair market value as determined by an independent external valuation of the company G Mueller retains the rights granted under this put option should his employment contract terminate In addition G Mueller has an IPO registration right over ISI that he may exercise every six months subject to the agreement of the other shareholders If an agreement cannot be reached the company has the right to purchase his shares at a fair market value as determined by the average valuation from three investment banks If G Mueller has not exercised his option by 2011 the company has the right to purchase his shares at a pre-determined premium to an independent external valuation of the company

Non-executive directors

The remuneration of the non-executive directors is determined by the chairman and executive board with the aid of external professional advice if necessary Non-executive directors receive a fee and are re-imbursed for expenses incurred in attending meetings They do not receive any performance related bonuses, pension provisions, share options or other forms of benefits apart from Sir Patrick Sergeant, who receives an expense allowance, and JC Botts who is a participant in the Internet Securities, Inc option scheme

Total shareholder return (TSR)

Shown below is the group's TSR for the five years to September 30 2007 compared to the TSR achieved by the FTSE 250 index over the same period This index has been presented as it comprises the comparator group for the performance conditions attached to the share option scheme referred to above The TSR calculations assume the re-investment of dividends

Service contracts

The group's policy is normally to employ executive directors on twelve month-rolling service contracts The remuneration committee seeks to minimise termination payments and believes these should be restricted to the value of remuneration for the notice period With the exception of Sir Patrick Sergeant, none of the non-executive directors has a service contract All executive service contracts are reviewed from time to time and updated where necessary A service contract terminates automatically on the director reaching his/her respective retirement age

Service contracts *continued*

Executive directors	Date of service contract	Notice period (months)	Retirement age	Benefits accruing if contract terminated*	Benefits accruing if contract terminated due to incapacity/death **	Note
PM Fallon	Jun 2 1986	12	63	12 months' salary profit share pension and car allowance	9 months salary, profit share, pension and car allowance	(1), (3)
PR Ensor	Jan 13 1993	12	62	12 months salary, profit share, pension and car allowance	6 months' salary, profit share, pension and car allowance	(3)
NF Osborn	Jan 4 1991	12	60	12 months' salary, pension and a pro-rated profit share up to the date notice of termination is given	1 month's salary, pension and a pro-rated profit share up to the date of termination	(2) (3)
DC Cohen	Nov 2 1992	12	60	12 months' salary, pension, car allowance and a pro-rated profit share up to the date notice of termination is given	1 month's salary, pension car allowance and pro-rated profit share up to the date of termination	(3)
CR Brown	Dec 31 1991	12	60	12 months' salary, pension and a pro-rated profit share up to the date notice of termination is given	1 month's salary, pension and a pro-rated profit share up to the date of termination	(3)
CR Jones	Aug 27 1997	12	60	12 months' salary, pension and a pro-rated profit share up to the date notice of termination is given	6 months' salary, pension and a pro-rated profit share up to the date of termination	(3)
RT Lamont	Jan 6 2000	6	60	9 months' salary, pension and a pro-rated profit share up to the date notice of termination is given	3 months' salary pension and profit share if already paid	(3), (4) (6)
SM Brady	Feb 17 2000	12	60	12 months' salary, pension and a pro-rated profit share up to the date notice of termination is given	6 months' salary pension and pro-rated profit share up to the date of termination	(3)
D Alfano	Jan 10 2001	6	60	6 months salary, pension and a pro-rated profit share up to the date notice of termination is given	The contract is terminated immediately The director is entitled to her salary pension and profit share earned up to the date of termination	(3) (6)
G Mueller	Jan 25 1999	12	60	12 months' salary pension and a pro-rated bonus up to the date notice of termination is given In addition, if the company terminates the contract without cause, Mr Mueller is entitled to exercise immediately any outstanding and unvested options due to invest in two years	The contract is terminated immediately The director is entitled to his salary and pension earned up to the date of termination and any incentive earned provided it has already been paid	(3), (5)
MJ Carroll	Mar 18 1999	6	60	6 months salary, pension and a pro-rated profit share up to the date notice of termination is given	6 months' salary, pension and pro-rated profit share up to the date of termination	(3) (6)
CHC Fordham	Sep 21 2004	12	60	12 months' salary, pension and a pro-rated profit share up to the date notice of termination is given	6 months salary, pension and pro-rated profit share up to the date of termination	(3)
JL Wilkinson	July 26 2000	6	60	6 months' salary, pension and a pro-rated profit share up to the date notice of termination is given	6 months salary pension and a pro-rated profit share up to the date notice of termination is given	(3)
Non executive director						
Sir Patrick Sergeant	Jan 10 1993	12	n/a	12 months' expense allowance	The contract is terminated immediately The director is entitled to his expense allowance up to the date of termination	

Director's Remuneration Report *continued*

Service contracts *continued*

* If the director's contract is terminated and the respective director reaches retirement age before the expiration of their notice period then benefits will only be paid up to the date of retirement

** This also applies if the director gives less than their notice period to the company If the contract is terminated for reasons of bankruptcy or serious misconduct it is terminated immediately without any payment in lieu of notice

(1) PM Fallon has a second service contract with a subsidiary of the group, Euromoney Institutional Investor (Jersey) Limited (EIIJ) dated April 1 2006 This service contract has the same terms as his contract with Euromoney Institutional Investor PLC Any termination payment would include profit share based on EIIJ's results In addition, if Mr Fallon be adjudicated bankrupt, he is entitled to 7 days salary and profit share from EIIJ

(2) NF Osborn has a second service contract with a subsidiary of the group, Euromoney Inc, dated January 4 1991 normally terminated by 12 months notice In the event of termination Mr Osborn is entitled to 12 months base salary and pension, plus a prorated profit share to the date notice of termination is given The company may also terminate his agreement due to incapacity giving 3 months notice and Mr Osborn would be entitled to 3 months salary, pension and pro-rated profit share **

(3) On termination, profit share is calculated as though the director has been employed for the full financial year and then pro-rated accordingly to the date of termination unless otherwise stated

(4) If employment is terminated due to a breach of contract and the company is judged to have breached RT Lamont's editorial independence, the company shall pay $87,500 to the United Way of Greater New York

(5) G Mueller's service agreement is with Internet Securities Inc

(6) RT Lamont, D Alfano and MJ Carroll's service agreements are with Institutional Investor, Inc If MJ Carroll's contract is terminated due to just cause he is entitled to his salary and pension up to the date of termination but no profit share unless already paid

Information subject to audit

Directors' remuneration table

	Year to September 30				
	Salary and fees 2007 £	Benefits in kind 2007 £	Profit share 2007 £	Total 2007 £	Total 2006 £
Executive directors					
PM Fallon	212,000	752	3,750,850	3,963,602	2,908,324
PR Ensor	175,500	752	3,018,393	3,194,645	2,229,053
NF Osborn	120,490	5,252	455,599	581,341	382,241
DC Cohen	115,700	940	589,312	705,952	502,522
CR Brown	129,387	6,077	359,444	494,908	336,362
E Bounous[1]	–	–	–	–	241,026
CR Jones	202,919	407	431,778	635,104	508,847
RT Lamont	108,290	6,585	71,552	186,427	158,531
SM Brady	137,800	876	165,520	304,196	207,907
D Alfano	103,949	6,720	417,086	527,755	466,079
G Mueller	118,864	9,750	613,487	742,101	458,235
MJ Carroll	126,168	8,887	101,291	236,346	174,413
CHC Fordham	141,300	940	552,140	694,380	398,507
JL Wilkinson[2]	51,781	185	84,811	136,777	–
Non-executive directors					
The Viscount Rothermere	28,000	–	–	28,000	28,000
Sir Patrick Sergeant	28,000	–	–	28,000	28,000
CJF Sinclair	28,000	–	–	28,000	28,000
JP Williams	28,000	–	–	28,000	28,000
JC Botts	37,750	–	–	37,750	37,750
JC Gonzalez	28,000	–	–	28,000	28,000
	1,921,898	48,123	10,611,263	12,581,284	9,149,797

[1] retired as a director on April 13 2006

[2] appointed as a director on April 3 2007

Fees as a director include fees paid as a director of subsidiary companies

NF Osborn has waived £8,674 of profit share in respect of the current and future years The profit share waived was paid into a private pension scheme on the director's behalf This waiver has not been deducted from the profit shares above

PM Fallon was also a non-executive director of Allied Irish Banks Plc He retired from this position on May 9 2007 During the year Mr Fallon retained earnings of €33,000 (2006 €53,000) in relation to this role

Directors' pensions

Executive directors can participate in the Harmsworth Pension Scheme (a defined benefit scheme, closed to new directors), the Euromoney Pension Plan (a money purchase plan) or their own private pension scheme

Pension contributions

	Harmsworth Pension Scheme 2007 £	Euromoney Pension Plan 2007 £	Private schemes 2007 £	Total 2007 £	Total 2006 £
Director					
PM Fallon	–	–	–	–	–
PR Ensor	–	–	–	–	22,712
NF Osborn	–	7,548	744	8,292	8,100
DC Cohen	19,954	–	–	19,954	16,975
CR Brown	–	–	2,880	2,880	2,992
E Bounous[1]	–	–	–	–	4,194
CR Jones	32,985	–	–	32,985	19,581
RT Lamont	–	–	2,701	2,701	2,856
SM Brady	–	12,136	–	12,136	11,459
D Alfano	–	–	2,622	2,622	2,713
G Mueller	–	–	2,375	2,375	2,360
MJ Carroll	–	–	2,878	2,878	3,018
CHC Fordham	–	12,478	–	12,478	11,809
JL Wilkinson[2]	–	–	–	–	–
	52,939	32,162	14,200	99,301	108,769

[1] retired as a director on April 13 2006

[2] appointed as a director on April 3 2007

In addition to the company pension contributions NF Osborn has elected to waive part of his profit share The profit share waived is paid by the company into a private pension scheme as set out on page 30

Under the Harmsworth Pension Scheme*, the following pension benefits were earned by the directors

	Increase in accrued annual pension during the year £	Accrued annual pension at September 30 2007 £	Transfer value September 30 2007 £	Transfer value September 30 2006 £	Increase in transfer value (net of directors' contributions) £
Director					
PM Fallon*	500	7,300	140,000	140,000	–
PR Ensor	2,400	61,700	1,180,000	1,080,000	100,000
DC Cohen	3,200	22,500	250,000	190,000	60,000
CR Jones	19,700	25,100	240,000	80,000	160,000

The accrued annual pension entitlement is that which would be paid annually on retirement based on service to September 30 2007 and ignores any increase for future inflation All transfer values have been calculated on the basis of actuarial advice in accordance with 'Retirement Benefit Schemes – Transfer Values (GN11)' published by the Institute of Actuaries and the Faculty of Actuaries The transfer values of the accrued entitlement represent the value of assets that the pension scheme would need to transfer to another pension provider on transferring the scheme's liability in respect of each director's pension benefits They do not represent a sum paid or payable to individual directors and therefore cannot be added meaningfully to annual remuneration Members of the scheme have the option of paying Additional Voluntary Contributions Neither the contributions nor the resulting benefits are included in the above table The normal retirement age for the Harmsworth Pension Scheme is 62 years

* PM Fallon s pension benefits relate to a deferred pension in the Mail Newspapers Pension Scheme for pensionable service between April 1 1978 and April 1 1986 No further contributions have been made to this scheme by the group or PM Fallon

Directors' share options

The directors hold options to subscribe for new ordinary shares of 0 25p each in the company as follows

	At start of year	Granted during year	Exercised/ lapsed during year	At end of year/date of retirement	Exercise price	Date from which exercisable	Expiry date
PM Fallon	85,000	–	–	85,000	£3 95	now	Feb 11 09
	255,000	–	–	255,000	£4 31	now	Jun 25 09
	2,533	–	–	2,533**	£3 69	Feb 01 09	Aug 01 12
	–	43,722	–	43,722†	£0 0025	Feb 14 08	Sept 30 14
	342,533	43,722	–	386,255			
PR Ensor	75,000	–	–	75,000	£3 95	now	Feb 11 09
	225,000	–	–	225,000	£4 31	now	Jun 25 09
	2,533	–	–	2,533**	£3 69	Feb 01 09	Aug 01 12
	–	43,722	–	43,722†	£0 0025	Feb 14 08	Sept 30 14
	302,533	43,722	–	346,255			
NF Osborn	5,000	–	–	5,000	£4 19	TSR criteria not satisfied	Jan 28 14
	2,533	–	–	2,533**	£3 69	Feb 01 09	Aug 01 12
	–	17,803	–	17,803†	£0 0025	Feb 14 08	Sept 30 14
	7,533	17,803	–	25,336			
DC Cohen	8,000	–	–	8,000	£5 38	TSR criteria not satisfied	Mar 02 11
	6,000	–	–	6,000	£3 35	now	Jan 23 12
	10,000	–	–	10,000	£2 59	TSR criteria not satisfied	Dec 04 12
	5,000	–	–	5,000	£4 19	TSR criteria not satisfied	Jan 28 14
	–	60,888	–	60,888†	£0 0025	Feb 14 08	Sept 30 14
	29,000	60,888	–	89,888			
CR Brown	28,000	–	–	28,000	£4 19	now	Jan 29 09
	8,000	–	–	8,000	£5 38	TSR criteria not satisfied	Mar 02 11
	40,000	–	–	40,000	£2 59	TSR criteria not satisfied	Dec 04 12
	30,000	–	–	30,000	£4 19	TSR criteria not satisfied	Jan 28 14
	–	63,127	–	63,127†	£0 0025	Feb 14 08	Sept 30 14
	106,000	63,127	–	169,127			
CR Jones	8,448	–	(8,448)	–	£3 55	exercised1	Feb 07 07
	32,000	–	–	32,000	£4 19	now	Jan 29 09
	60,000	–	–	60,000	£4 31	now	Jun 25 09
	8,000	–	–	8,000	£5 38	TSR criteria not satisfied	Mar 02 11
	6,000	–	–	6,000	£3 35	now	Jan 23 12
	20,000	–	–	20,000	£2 59	TSR criteria not satisfied	Dec 04 12
	15,000	–	–	15,000	£4 19	TSR criteria not satisfied	Jan 28 14
	2,533	–	–	2,533**	£3 69	Feb 01 09	Aug 01 12
	–	43,722	–	43,722†	£0 0025	Feb 14 08	Sept 30 14
	151,981	43,722	(8,448)	187,255			
RT Lamont	10,000	–	–	10,000	£4 19	now	Jan 29 09
	5,000	–	–	5,000	£5 38	TSR criteria not satisfied	Mar 02 11
	–	17,315	–	17,315†	£0 0025	Feb 14 08	Sept 30 14
	15,000	17,315	–	32,315			
SM Brady	16,000	–	–	16,000	£4 19	now	Jan 29 09
	8,000	–	–	8,000	£5 38	TSR criteria not satisfied	Mar 02 11
	6,000	–	–	6,000	£3 35	now	Jan 23 12
	20,000	–	–	20,000	£2 59	TSR criteria not satisfied	Dec 04 12
	10,000	–	–	10,000	£4 19	TSR criteria not satisfied	Jan 28 14
	2,847	–	(2,847)	–*	£3 24	exercised2	Aug 01 07
	–	2,255	–	2,255***	£4 19	Feb 01 10	Aug 1 10
	–	44,119	–	44,119†	£0 0025	Feb 14 08	Sept 30 14
	62,847	46,374	(2,847)	106,374			

Directors' share options *continued*

	At start of year	Granted during year	Exercised/ lapsed during year	At end of year/date of retirement	Exercise price	Date from which exercisable	Expiry date
D Alfano	10,000	–	–	10,000	£4 19	now	Jan 29 09
	8,000	–	–	8,000	£5 62	now	Jan 05 10
	5,000	–	–	5,000	£5 38	TSR criteria not satisfied	Mar 02 11
	10,000	–	–	10,000	£2 59	TSR criteria not satisfied	Dec 04 12
	10,000	–	–	10,000	£4 19	TSR criteria not satisfied	Jan 28 14
	–	45,191	–	45,191†	£0 0025	Feb 14 08	Sept 30 14
	43,000	45,191	–	88,191			
G Mueller	10,000	–	–	10,000	£5 38	TSR criteria not satisfied	Mar 02 11
	6,000	–	–	6,000	£3 35	now	Jan 23 12
	20,000	–	–	20,000	£2 59	TSR criteria not satisfied	Dec 04 12
	–	64,072	–	64,072†	£0 0025	Feb 14 08	Sept 30 14
	36,000	64,072	–	100,072			
MJ Carroll	4,000	–	–	4,000	£4 19	now	Jan 29 09
	8,000	–	–	8,000	£5 62	now	Jan 05 10
	4,000	–	–	4,000	£5 38	TSR criteria not satisfied	Mar 02 11
	20,000	–	–	20,000	£2 59	TSR criteria not satisfied	Dec 04 12
	10,000	–	–	10,000	£4 19	TSR criteria not satisfied	Jan 28 14
	–	37,105	–	37,105†	£0 0025	Feb 14 08	Sept 30 14
	46,000	37,105	–	83,105			
CHC Fordham	10,000	–	–	10,000	£5 38	TSR criteria not satisfied	Mar 02 11
	6,000	–	–	6,000	£3 35	now	Jan 23 12
	20,000	–	–	20,000	£2 59	TSR criteria not satisfied	Dec 04 12
	10,000	–	–	10,000	£4 19	TSR criteria not satisfied	Jan 28 14
	2,533	–	–	2,533**	£3 69	Feb 01 09	Aug 01 12
	–	46,773	–	46,773†	£0 0025	Feb 14 08	Sept 30 14
	48,533	46,773	–	95,306			
JL Wilkinson	8,000	–	–	8,000	£3 35	now	Jan 23 12
	8,000	–	–	8,000	£2 59	TSR criteria not satisfied	Dec 04 12
	8,000	–	–	8,000	£4 19	TSR criteria not satisfied	Jan 28 14
	–	36,289	–	36,289†	£0 0025	Feb 14 08	Sept 30 14
	24,000	36,289	–	60,289			
Total	1,214,960	566,103	(11,295)	1,769,768			

* issued under the Euromoney Institutional Investor PLC Save As You Earn scheme 2004
** issued under the Euromoney Institutional Investor PLC Save As You Earn scheme 2006
*** issued under the Euromoney Institutional Investor PLC Save As You Earn scheme 2007

1 CR Jones options were exercised on February 1 2007 when the market price per share was £5 75 resulting in a gain of £18 586 He retained 4 224 of the shares.

2 SM Brady s options were exercised on February 15 2007 when the market price per share was £5 945 resulting in a gain of £7,701 He sold all his shares

† Options granted relate to those that are likely to be issued under the first tranche of the CAP which vest on February 14 2008 three months following the announcement of the company's results The number of options granted to each director is provisional and will primarily require adjustment for the allocation of options belonging to future leavers and adjustments to profits of the respective directors individual businesses from true-up adjustments during the period to December 31 2007 as required by the remuneration committee As such the actual number of options granted will vary from that disclosed

Directors' share options *continued*

The market price of the company's shares on September 30 2007 was £5 29 The high and low share prices during the year were £6 89 and £4 39 respectively There were no options granted during the year The aggregate gain made by directors on the exercise of share options in the year was £26,287 (2006 £86,308)

In addition, the following directors hold options to subscribe for common stock of US$0 001 each in Internet Securities, Inc, a subsidiary of the company All of these options are fully vested and exercisable

	At start of year	Granted during year	Exercised/ lapsed during year	At end of year	Exercise price	Date from which exercisable	Expiry date
JC Botts	6,000	–	–	6,000	US$7 40	now	May 13 09
G Mueller	5,063	–	–	5,063	US$7 07	now	Feb 02 14
NF Osborn	5,000	–	–	5,000	US$8 95	now	Sept 05 10
Total	16,063	–	–	16,063			

No options in Internet Securities, Inc were granted or exercised during the year

Information not subject to audit

Directors' interests in the company

The interests of the directors and their families in the ordinary shares of the company and its subsidiaries as at September 30 were as follows

	Ordinary shares of 0 25p each 2007	2006
Beneficial		
PM Fallon	486,872	966,872
PR Ensor	56,151	256,151
NF Osborn	42,590	42,590
DC Cohen	36,664	36,664
CR Brown	41,111	41,111
CR Jones	21,761	17,537
RT Lamont	25,503	25,503
SM Brady	–	–
D Alfano	1,747	1,747
G Mueller	20,503	20,503
MJ Carroll	–	–
CHC Fordham	873	873
JL Wilkinson	–	–
The Viscount Rothermere	20,864	20,864
Sir Patrick Sergeant	285,304	285,304
CJF Sinclair	7,494	7,494
JP Williams	3,075	3,075
JC Botts	5,503	5,503
	1,056,015	1,731,791

At September 30 2007 G Mueller was beneficially interested in 380,000 shares of Internet Securities, Inc a subsidiary of the group (2006 380,000 shares)

Directors' interests in Daily Mail and General Trust plc

The interests of the directors to be disclosed under chapter 9 8 6 of the UKLA Listing Rules, in the shares of Daily Mail and General Trust plc as at September 30 were as follows

	Ordinary shares of 12 5p each		A' ordinary non-voting shares of 12 5p each	
	2007	2006	2007	2006
The Viscount Rothermere[1&2]	11,878,132	11,827 632	76,195,913	76,853 439
PM Fallon	-	-	41,500	41,500
Sir Patrick Sergeant	-	-	80,000	80 000
CJF Sinclair[1&2]	-	-	438,150	426 993
JP Williams[1&2]	-	-	229,552	224,871

[1] The figures in the table above include A shares committed by executives under a long-term incentive plan details of which are set out in the Daily Mail and General Trust Plc's annual report

[2] The figures in the table above include A shares awarded to executives under the DMGT Executive Bonus Scheme For The Viscount Rothermere, CJF Sinclair and JP Williams respectively 32 108 33 263 18 389 of these shares were subject to restrictions as explained in the Daily Mail and General Trust Plc annual report. The comparable figures at October 1 2006 were 24 235 22 106 and 12 208 respectively

The Viscount Rothermere had non-beneficial interests as a trustee at September 30 2007 in 5,540 000 'A' ordinary non-voting shares of 12 5p each (2006 5,540 000 shares) plus 665 208 ordinary shares (2006 669 208 shares)

Daily Mail and General Trust plc has been notified that, under section 824 of the Companies Act 2006 and including the interests shown in the table above, The Viscount Rothermere is deemed to have been interested in 12,543,340 ordinary shares of 12 5p each (2006 12 496 840 shares)

At September 30 2007 and September 30 2006, The Viscount Rothermere was beneficially interested in 756 700 ordinary shares of Rothermere Continuation Limited, the company's ultimate parent company

The Viscount Rothermere, CJF Sinclair and JP Williams had options over 436,000, 698,000 and 365,000 'A' ordinary non-voting shares in Daily Mail and General Trust plc at September 30 2007 respectively (2006 371,000 606,000 and 320 000 respectively) The exercise price of these options range from £5 73 to £10 30 Further details of these options are listed in the Daily Mail and General Trust plc group accounts

There have been no changes in directors' interests since September 30 2007

John Botts
Chairman of the Remuneration Committee
November 14 2007

Independent Auditors' Report

Independent auditors' report to the members of Euromoney Institutional Investor PLC

We have audited the group financial statements of Euromoney Institutional Investor PLC for the year ended September 30 2007 which comprise the Group Income Statement, the Group Balance Sheet, the Group Cash Flow Statement, the Group Statement of Recognised Income and Expense and the related notes 1 to 29 These group financial statements have been prepared under the accounting policies set out therein We have also audited the information in the Directors' Remuneration Report that is described as having been audited

We have reported separately on the parent company financial statements of Euromoney Institutional Investor PLC for the year ended September 30 2007

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the group financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the group financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the group financial statements give a true and fair view, whether the group financial statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation and whether the part of the directors' remuneration report described as having been audited has been properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Directors' Report is consistent with the group financial statements

In addition we report to you if, in our opinion, we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed

We review whether the Corporate Governance Statement reflects the company's compliance with the nine provisions of the 2003 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the group's corporate governance procedures or its risk and control procedures

We read the other information contained in the Annual Report as described in the contents section and consider whether it is consistent with the audited group financial statements We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the group financial statements Our responsibilities do not extend to any further information outside the Annual Report

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the group financial statements and the part of the Directors' Remuneration Report to be audited It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the group financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the group financial statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the group financial statements and the part of the Directors' Remuneration Report to be audited

Opinion

In our opinion

- the group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group's affairs as at September 30 2007 and of its profit for the year then ended,
- the group financial statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation,
- the part of the directors' remuneration report described as having been audited has been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the group financial statements

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London
November 14 2007

Group Income Statement

for the year ended September 30 2007

	Notes	2007 £000's	2006 £000's
Revenue			
Continuing operations	3	305,594	222,276
Less share of revenue of joint ventures		(441)	(1,800)
Total revenue	3	305,153	220,476
Operating profit before acquired intangible amortisation, share option expense and exceptional items	3	78,606	43,812
Acquired intangible amortisation	11	(15,716)	(144)
Share option expense		(6,993)	(4,428)
Accelerated share option expense		(3,183)	–
Exceptional items	5	855	(716)
Operating profit before associates and joint ventures	3, 4	53,569	38,524
Share of results in associates and joint ventures		490	1,208
Operating profit		54,059	39,732
Finance income	7	5,496	772
Finance expense	7	(18,427)	(5,270)
Net finance costs	7	(12,931)	(4,498)
Profit before tax		41,128	35,234
Tax on profit		(11,401)	(10,137)
Deferred tax asset recognition		3,178	13,649
Tax (charge)/credit on profit on ordinary activities	8	(8,223)	3,512
Profit after tax from continuing operations		32,905	38,746
Discontinued operations			
Profit for the year from discontinued operations	15	500	–
Profit for the year		33,405	38,746
Attributable to			
Equity holders of the parent		31,822	37,430
Equity minority interests		1,583	1,316
		33,405	38,746
Basic earnings per share – continuing operations	10	30 66p	42 11p
Basic earnings per share – continuing and discontinued operations	10	31 16p	42 11p
Diluted earnings per share – continuing operations	10	29 86p	41 90p
Diluted earnings per share – continuing and discontinued operations	10	30 34p	41 90p
Adjusted diluted earnings per share	10	32 70p	28 61p
Dividend per share (including proposed dividends)	9	19 00p	17 00p

Group Balance Sheet

as at September 30 2007

	Notes	2007 £000's	2006 £000's
Non-current assets			
Intangible assets			
Goodwill	11	248,137	68,452
Other intangible assets	11	131,885	3,146
Property, plant and equipment	12	20,917	14,643
Investments	13	252	25,846
Deferred tax assets	21	11,508	22,917
Net pension surplus	6	364	–
		413,063	135,004
Current assets			
Trade and other receivables	16	67,458	73,512
Cash and cash equivalents		26,711	27,503
Derivative financial instruments	18	8,093	3,069
		102,262	104,084
Current liabilities			
Acquisition option commitments	25	(14,899)	–
Trade and other payables	17	(42,827)	(95,515)
Accruals		(43,424)	(29,478)
Deferred income		(73,382)	(45,324)
Provisions	20	(1,469)	(329)
Loan notes	19	(11,796)	–
Bank overdrafts	19	(5,935)	(1,235)
		(193,732)	(171,881)
Net current liabilities		(91,470)	(67,797)
Total assets less current liabilities		321,593	67,207
Non-current liabilities			
Acquisition option commitments	25	(18,436)	(24,332)
Other non-current liabilities		(1,189)	(597)
Committed loan facility	19	(213,559)	(65,530)
Deferred tax liabilities	21	(31,650)	(3,074)
Derivative financial instruments	18	(596)	–
Provisions	20	(383)	(448)
		(265,813)	(93,981)
Net assets/(liabilities)		55,780	(26,774)
Shareholders' equity			
Called up share capital	22	258	223
Share premium account	24	38,509	38,081
Other reserve	24	64,981	–
Capital redemption reserve	24	8	8
Own shares	24	(74)	(74)
Liability for share based payments	24	15,737	5,907
Fair value reserve	24	18,176	6,618
Translation reserve	24	(15,335)	(244)
Retained earnings	24	(69,975)	(78,642)
Equity shareholders' surplus/(deficit)		52,285	(28,123)
Equity minority interests		3,495	1,349
Total equity		55,780	(26,774)

The accounts were approved by the board of directors on November 14 2007

Richard Ensor
Colin Jones
Directors

Group Cash Flow Statement

for the year ended September 30 2007

	2007 £000's	2006 £000's
Cash flow from operating activities		
Operating profit	54,059	39,732
Share of results in associates and joint ventures	(490)	(1,208)
Operating profit from discontinued operations	885	–
(Profit)/loss on disposal of businesses	(6,780)	1,483
Acquired intangible amortisation	15,716	144
Licences and software amortisation	289	237
Goodwill impairment	–	519
Share option expense	10,176	4,428
Depreciation of property, plant and equipment	2,585	2,925
Movement in property rental provision	1,119	(348)
Loss/(profit) on disposal of property, plant and equipment	297	(1,286)
Operating cash flows before movements in working capital	77,856	46,626
Increase in receivables	(11,570)	(9,822)
Increase in payables	23,895	22,753
Cash generated by operations	90,181	59,557
Income taxes paid	(9,773)	(6,884)
Net cash from operating activities	80,408	52,673
Investing activities		
Dividends paid to minorities	(1,511)	(1,724)
Dividends received from associates	646	756
Interest received	2,162	662
Purchases of property, plant and equipment	(8,001)	(7,694)
Proceeds on disposal of property, plant and equipment	1,106	1,975
Purchase of available for sale investments	–	(19,740)
Purchase of additional interest in subsidiary undertakings	(18,594)	(14,507)
Acquisition of associates and joint ventures	(6)	(3,424)
Acquisition of subsidiary undertakings	(151,317)	–
Proceeds from disposal of businesses	14,778	150
Net cash used in investing activities	(160,737)	(43,546)
Financing activities		
Dividends paid	(18,110)	(14,563)
Interest paid	(17,855)	(696)
Issue of new share capital	428	730
(Repayment)/increase in borrowings	(78,136)	3,336
Redemption of loan notes	(915)	–
Loan repaid to DMGT group company	(61,350)	(71,991)
Loan received from DMGT group company	251,297	76,399
Net cash from/(used in) financing activities	75,359	(6,785)
Net (decrease)/increase in cash and cash equivalents	(4,970)	2,342
Cash and cash equivalents at beginning of year	26,268	24,932
Effect of foreign exchange rate movements	(522)	(1,006)
Cash and cash equivalents at end of year	20,776	26,268

Note to the Group Cash Flow Statement

Net Debt

	2007 £000's	2006 £000's
Net debt at beginning of period	(73,438)	(66,430)
(Decrease)/increase in cash and cash equivalents	(4,970)	2,342
Decrease/(increase) in loans	78,136	(15,716)
(Increase)/decrease in amounts owed to DMGT group company	(189,947)	7,972
Debt acquired on acquisition of Metal Bulletin	(12,606)	-
Non cash changes issue of loan notes	(11,796)	-
Other non cash changes	(1,422)	(4,973)
Effect of foreign exchange rate movements	11,464	3,367
Net debt at end of period	(204,579)	(73,438)

Net debt comprises cash at bank and in hand, bank overdrafts, bank loans and other borrowings

Cash and cash equivalents in the cash flow statement includes banks overdrafts

Group Statement of Recognised Income and Expense

for the year ended September 30 2007

	2007 £000's	2006 £000's
Gains on sale of available-for-sale investments taken to equity	(405)	405
Gains on cash flow hedges	6,392	3,629
Gains on revaluation of intangible assets	2,384	–
Net exchange differences on translation of foreign operations	(15,001)	1,056
Net exchange differences on foreign currency loans	5,886	3,183
Actuarial gains on defined benefit pension schemes	4,158	–
Tax on items taken directly to equity (note 21)	2,082	(265)
Other movements	–	(23)
Net income recognised directly in equity	5,496	7,985
Translation reserves recycled to the income statement on disposals	(90)	–
Transfer of gain on cash flow hedges from fair value reserves to income statement	(2,699)	–
Profit for the year	33,405	38,746
Total recognised income and expense for the year	36,112	46,731
Attributable to		
Equity holders of the parent	34,529	45,415
Equity minority interests	1,583	1,316
	36,112	46,731

Notes to the Accounts

1 Accounting policies

General information

Euromoney Institutional Investor PLC (the 'company') is a company incorporated in the UK

The group financial statements consolidate those of the company and its subsidiaries (together referred to as the 'group') and equity-account the group's interest in associates and jointly controlled entities The parent company financial statements present information about the entity and not about its group

The group financial statements have been prepared and approved by the directors in accordance with the International Financial Reporting Standards adopted for use in the European Union and therefore comply with Article 4 of the EU IAS Regulation The company has elected to prepare its parent company financial statements in accordance with UK GAAP

Judgements made by the directors in the application of these accounting policies that have a significant effect on the financial statements, and estimates with a significant risk of material adjustment in the next year, are discussed in note 2

At the date of authorisation of these financial statements, the following new accounting standards, or amendments and interpretations to existing standards have not been applied as they are not yet effective IFRS 7 'Financial Instruments Disclosures' (effective for annual periods beginning on or after January 1 2007), Amendment to IAS 1 'Presentation of Financial Statements Capital Disclosures' (effective for annual periods beginning on or after January 1 2009), IFRIC 11 'IFRS 2 - Group and Treasury Share Transactions' (effective for annual periods beginning on or after January 1 2007), IFRIC 14 'IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction' (effective for annual periods beginning on or after January 1 2008), Amendment to IAS 23 'Borrowing Costs' (effective for annual periods beginning on or after July 1 2009), and IFRS 8 'Operating Segments' (effective for annual periods beginning on or after January 1 2009) The directors anticipate that the adoption of these standards in future periods will have no material impact on the financial statements of the group except for additional disclosures In addition, certain other standards and interpretations were issued during the period which either do not apply to the group or are not expected to have any material effect

Basis of preparation

The accounts have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these group financial statements

Basis of consolidation

The consolidated accounts incorporate the accounts of the company and entities controlled by the company (its 'subsidiaries') Control is achieved where the company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities

An associate is an entity over which the group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee A joint venture is an entity over which the group is in a position to exercise joint control over the financial and operating policies of the investee The results and assets and liabilities of associates and joint ventures are incorporated in these financial statements using the equity method of accounting

Where the group owns a non-controlling interest in the equity share capital of a non-quoted company and does not exercise significant influence, it is held as an investment and stated in the balance sheet at the lower of cost and net realisable value

The results of subsidiary and associated undertakings acquired during the year are incorporated from the effective date of acquisition Acquisitions are accounted for under the acquisition method, with consideration given and the assets and liabilities acquired being recorded at fair value

Minority interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination Losses applicable to the minority in excess of the minority interest in the subsidiary's equity are allocated against the interests of the group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses

1 Accounting policies *continued*

Revenue

Turnover represents income from advertising, subscriptions, sponsorship and delegate fees, net of value added tax

- Advertising revenues are recognized in the income statement on the date of publication
- Subscription revenues are recognized in the income statement on a straight-line basis over the period of the subscription
- Sponsorship and delegate revenues are recognized in the income statement over the period the event is run

Revenues invoiced but relating to future periods are deferred and treated as deferred income in the balance sheet

Derivatives and other financial instruments

The group uses various derivative financial instruments to manage its exposure to foreign exchange and interest rate risks, including forward foreign currency contracts and interest rate swaps

All derivative instruments are recorded in the balance sheet at fair value The recognition of gains or losses on derivative instruments depends on whether the instrument is designated as a hedge and the type of exposure it is designed to hedge

The effective portion of gains or losses on cash flow hedges are deferred in equity until the impact from the hedged item is recognized in the income statement The ineffective portion of such gains and losses is recognized in the income statement immediately

Gains or losses on the qualifying part of net investment hedges are recognized in equity together with the gains and losses on the underlying net investment The ineffective portion of such gains and losses is recognized in the income statement immediately

Changes in the fair value of the derivative financial instruments that do not qualify for hedge accounting are recognized in the income statement as they arise

The premium or discount on interest rate instruments is recognized as part of net interest payable over the period of the contract Interest rate swaps are accounted for on an accruals basis

Liabilities for put options over the remaining minority interests in subsidiaries are recorded in the balance sheet at their estimated discounted present value These discounts are unwound and charged to the income statement as notional interest over the period up to the date of the potential future payment In respect of options over further interests in joint ventures and associates, only movements in their fair value are recognized

Foreign currencies

The functional and presentation currency of Euromoney Institutional Investor PLC and its UK subsidiaries is Sterling (£) The functional currency of subsidiaries, associates and joint ventures is the currency of the primary economic environment in which they operate

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates ruling at the balance sheet date

The income statements of overseas operations are translated into sterling at the average exchange rates for the year and their balance sheets are translated into sterling at the exchange rates ruling at the balance sheet date All exchange differences arising on consolidation are taken to equity In the event of the disposal of an operation, the related cumulative translation differences are recognised in the income statement in the period of disposal

Gains and losses arising on foreign currency borrowings and derivative instruments, to the extent that they are used to provide a hedge against the group's equity investments in overseas undertakings, are taken to equity together with the exchange difference arising on the net investment in those undertakings All other exchange differences are taken to the income statement

Leased assets

Operating lease rentals are charged to the income statement on a straight-line or other systematic basis as allowed by IAS 17 'Leases '

1 Accounting policies *continued*

Pensions

Contributions to pension schemes in respect of current and past service, ex-gratia pensions, and cost of living adjustments to existing pensions are based on the advice of independent actuaries

Payments to the Euromoney Pension Plan and the Metal Bulletin Group Personal Pension Plan, defined contribution pension schemes, are charged as an expense as they fall due

The company operates the Metal Bulletin plc Pension Scheme, a defined benefit scheme The cost of providing benefits is determined by triennial valuations using the attained age method, with actuarial valuations being carried out at each balance sheet date Actuarial gains and losses are recognised in full in the period in which they occur The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets

The company also participates in the Harmsworth Pension Scheme, a defined benefit pension scheme which is operated by Daily Mail and General Trust plc As there is no contractual agreement or stated policy for charging the net defined benefit cost for the plan as a whole to the individual entities, the company recognises an expense equal to its contributions payable in the period and does not recognise any unfunded liability of this pension scheme on its balance sheet

Earnings per share

The earnings per share and diluted earnings per share calculations follow the provisions of IAS 33 'Earnings per share ' The diluted earnings per share figure is calculated by adjusting for the dilution effect of the exercise of all ordinary share options, SAYE options and the Capital Appreciation Plan options granted by the company, but excluding the ordinary shares held by the Euromoney Employees' Share Ownership Trust

Depreciation

Depreciation of tangible fixed assets is provided on the straight-line basis over their expected useful lives at the following rates per year

Freehold land and buildings	2%
Long-term leasehold premises	over term of lease
Short-term leasehold premises	over term of lease
Office equipment	11% – 33%
Motor vehicles	20%

All tangible assets are reviewed for impairment in accordance with IAS 36 'Impairment of Assets' when there are indications that the carrying value may not be recoverable

Trade and other receivables

Trade receivables are recognised and carried at original invoice amount, less provision for impairment A provision is made and charged to the income statement when there is objective evidence that the group will not be able to collect all amounts due according to the original terms

Cash and cash equivalents

Cash and cash equivalents includes cash, short-term deposits and other short-term highly liquid investments with an original maturity of three months or less

For the purpose of the group cash flow statement, cash and cash equivalents are as defined above, net of outstanding bank overdrafts

Dividends

Dividends are recognized as an expense in the period in which they are approved by the company's shareholders Interim dividends are recorded in the period in which they are paid

Own shares held by Employees' Share Ownership trust

Transactions of the group-sponsored trust are included in the group financial statements In particular, the trust's holdings of shares in the company are debited direct to equity

1 Accounting policies *continued*

Provisions

A provision is recognized in the balance sheet when the group has a present legal or constructive obligation as a result of a past event, and it is probable that economic benefits will be required to settle the obligation If it is material, provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability

Intangible assets

Goodwill

Goodwill represents the excess of the fair value of purchase consideration over the net fair value of identifiable assets and liabilities acquired

Goodwill is recognised as an asset at cost and subsequently measured at cost less accumulated impairment For the purposes of impairment testing, goodwill is allocated to those cash generating units that have benefited from the acquisition The carrying value of goodwill is reviewed for impairment at least annually or where there is an indication that goodwill may be impaired If the recoverable amount of the cash generating unit is less than its carrying amount, then the impairment loss is allocated first to reduce the carrying amount of the goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis Any impairment is recognised immediately in the income statement and may not subsequently be reversed On disposal of a subsidiary undertaking, the attributable amount of goodwill is included in the determination of the profit and loss on disposal

Goodwill arising on foreign subsidiary investments held in the consolidated balance sheet are retranslated into Sterling at the applicable period end exchange rates Any exchange differences arising are taken directly to equity as part of the retranslation of the net assets of the subsidiary

Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts having been tested for impairment at that date Goodwill written off to reserves under UK GAAP before October 1 1998 has not been reinstated and is not included in determining any subsequent profit or loss on disposal

Other intangible assets

The group makes an assessment of the fair value of intangible assets arising on acquisitions An intangible asset will be recognised as long as the asset is separable or arises from contractual or other legal rights, and its fair value can be measured reliably

Amortisation is charged so as to write off the costs of intangible assets over their estimated useful lives, using the straight-line or reducing balance method

All intangible assets are reviewed for impairment in accordance with IAS 36 'Impairment of assets' when there are indications that the carrying value may not be recoverable

The costs of acquiring and developing software that is not integral to the related hardware is capitalised separately as an intangible asset These intangibles are stated at cost less accumulated amortisation and impairment losses

Amortisation

Amortisation of intangible assets is provided on a reducing balance basis or straight-line basis as appropriate over their expected useful lives at the following rates per year

Brands	20 – 30 years
Data providers contracts	5 years
Customer relationships	3 – 16 years

Business combinations achieved in stages

Where a business combination is achieved by more than one exchange transaction, goodwill is calculated separately for each transaction with the appropriate share of the acquiree's net assets based on the net fair values at the time of each exchange transaction Any adjustment to fair values related to previously held interests is a revaluation which is accounted for as an adjustment to equity

Purchases and sale of shares in a controlled entity

Where the group's interest in a controlled entity increases, which does not result in a change of control, the group calculates the goodwill arising as the difference between the cost of the additional interest acquired and the fair value of the group's interest in the subsidiary's net assets at the date of the change in interest All of the assets and liabilities are fair valued at the date of acquisition of the additional controlling stake

1 Accounting policies *continued*

Share-based payments

The group makes share-based payments to certain employees These payments are measured at their estimated fair value at the date of grant, calculated using an appropriate option pricing model The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of the number of shares that will eventually vest At the period end the vesting assumptions are revisited and the charge associated with the fair value of these options updated In accordance with the transitional provisions of IFRS 1, IFRS 2 'Share-based payments' has been applied to all grants of options after November 7 2002, that were unvested at October 1 2004, the date of transition to IFRS

For cash settled share based payments a liability equal to the portion of the goods and services received is recognised at the current fair value as determined at each balance sheet date

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred taxation is calculated under the provisions of IAS 12 'Income tax' and is recognised on differences between the carrying amounts of assets and liabilities in the accounts and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised No provision is made for temporary differences on unremitted earnings of foreign subsidiaries, joint ventures or associates where the group has control and the reversal of the temporary difference is not foreseeable

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current assets and liabilities on a net basis

Exceptional items

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

2 Key judgemental areas adopted in preparing these accounts

The group prepares its group financial statements in accordance with IFRS, the application of which often requires judgements to be made by management when formulating the group's financial position and results Under IFRS, the directors are required to adopt those accounting policies most appropriate to the group's circumstances for the purpose of presenting fairly the group's financial position, financial performance and cash flows

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the group should it later be determined that a different choice would have been more appropriate

Management considers the accounting estimates and assumptions discussed below to be its key judgemental areas and, accordingly, provides an explanation of each below Management has discussed its critical accounting estimates and associated disclosures with the group's Audit Committee

The discussion below should also be read in conjunction with the group's disclosure of IFRS accounting policies, which is provided in note 1

2 Key judgemental areas adopted in preparing these accounts *continued*

Acquisitions

The group's accounting policy is that on acquisition of a subsidiary or business, the purchase consideration is allocated over the net fair value of identifiable assets, liabilities and contingent liabilities acquired, with any excess purchase consideration representing goodwill

Fair value

Determining the fair value of assets, liabilities and contingent liabilities acquired requires management's judgement and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash flows, recoverability of assets, and unprovided liabilities and commitments particularly in relation to tax and VAT

Intangible assets

The group makes an assessment of the fair value of intangible assets arising on acquisitions An intangible asset will be recognised as long as the asset is separable or arises from contractual or other legal rights, and its fair value can be measured reliably

The measurement of the fair value of intangible assets acquired requires significant management judgement particularly in relation to the expected future cash flows from the acquired marketing databases (which are generally based on managements estimate of marketing response rates), trademarks, brands, repeat and well established events At September 30 2007 the net book value of intangible assets was £131 5 million (2006 £2 6 million)

Goodwill

Goodwill is recognised as an asset at cost and subsequently measured at cost less accumulated impairment For the purposes of impairment testing, goodwill is allocated to those cash generating units that have benefited from the acquisition The carrying value of goodwill is reviewed for impairment at least annually or where there is an indication that goodwill may be impaired

Goodwill is impaired where the carrying value of goodwill is higher than the net present value of future cash flows of those cash generating units to which it relates Key areas of judgement in calculating the net present value are the forecast cash flows, the long term growth rate of the applicable businesses and the discount rate applied to those cash flows Based on the latest valuations, no goodwill was impaired at September 30 2007 Goodwill held on the balance sheet at September 30 2007 was £248 1 million (2006 £68 5 million)

Deferred consideration on acquisitions

The group has subsidiaries or businesses that were acquired by the group where payment for part of that entity is made at a later date at a price determined by post acquisition profits Where this is the case, the net present value of the estimated deferred payment is recognised as a liability on the balance sheet with a corresponding increase in goodwill These discounts are unwound as an interest charge to the income statement In estimating the deferred payment management make assumptions on the post acquisition future earnings of the acquired entity and on an appropriate discount rate The deferred consideration is re-estimated regularly and, should the actual deferred payment be different to that estimated a correction is required to goodwill, the amount of cash paid/to be paid and the interest charge At September 30 2007 the present value of the deferred consideration on acquisitions was £nil (2006 £8 1 million)

Acquisition option commitments

The group is party to a number of put and call options over the remaining minority interests in some of its subsidiaries IAS 39 requires the discounted present value of these acquisition option commitments to be recognised as a liability on the balance sheet with a corresponding decrease in reserves The discounts are unwound as a notional interest charge to the income statement Key areas of judgement in calculating the discounted present value of the options are the expected future cash flows and earnings of the business, the period remaining until the option is exercised and the discount rate At September 30 2007 the discounted present value of these acquisition option commitments was £33 3 million (2006 £24 3 million)

Share-based payments

The group makes share-based payments to certain employees These payments are measured at their estimated fair value at the date of grant, calculated using an appropriate option pricing model The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of the number of shares that will eventually vest The key assumptions used in calculating the fair value of the options are the discount rate, the group's share price volatility, dividend yield, risk free rate of return, and expected option lives These assumptions are set out in note 23 Management regularly perform a true-up of the estimate of the number of shares that are expected to vest, which is dependent on the anticipated number of leavers

The Capital Appreciation Plan is explained in detail in the Directors' Remuneration Report The number of shares available for award is dependent on the future profits of the group up to at least 2009 which, in addition to the key assumptions above, management are required to estimate A fall in the estimate of these profits would result in a lower cumulative charge to the income statement

The charge for share-based payments for the year ended September 30 2007 is £10 2 million (2006 £4 4 million)

2 Key judgemental areas adopted in preparing these accounts *continued*

Defined benefit pension scheme

The surplus or deficit in the defined benefit pension scheme that is recognised through the statement of recognised income and expense is subject to a number of assumptions and uncertainties The calculated liabilities of the scheme are based on assumptions regarding salary increases, inflation rates, discount rates, the long term expected return on the scheme's assets and member longevity Details of the assumptions used are shown in note 6 Such assumptions are based on actuarial advice and are benchmarked against similar pension schemes

Taxation

The group's tax charge on ordinary activities is the sum of the total current and deferred tax charges The calculation of the group's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process The final resolution of some of these items may give rise to material profit and loss and/or cash flow variances

The group is a multi-national group with tax affairs in many geographical locations This inherently leads to a higher than usual complexity to the group's tax structure and makes the degree of estimation and judgement more challenging The resolution of issues is not always within the control of the group and it is often dependent on the efficiency of the legislative processes in the relevant taxing jurisdictions in which the group operates Issues can, and often do, take many years to resolve Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items As a result, there can be substantial differences between the tax charge in the income statement and tax payments

The group has certain significant open items in several tax jurisdictions and as a result the amounts recognised in the group financial statements in respect of these items are derived from the group's best estimation and judgement, as described above However, the inherent uncertainty regarding the outcome of these items means eventual resolution could differ from the accounting estimates and therefore affect the group's results and cash flows

Recognition of deferred tax assets

The recognition of net deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future, against which the reversal of temporary differences can be deducted Recognition, therefore, involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised

Historical differences between forecast and actual taxable profits have not resulted in material adjustments to the recognition of deferred tax assets At September 30 2007, the group had a deferred tax asset of £11 5 million (2006 £22 9 million)

Treasury

Interest rate exposure

Interest rate swaps and caps are used to manage the group's exposure to fluctuations in interest rates on its floating rate borrowings The maturity profile of these derivatives is matched with the expected future debt profile of the group The group's policy is to fix the interest rates on approximately 80% of its term debt looking forward over five years The expected future debt profile of the group is based on estimates of both timings and size of future, as yet unknown, acquisitions offset by an estimate of the cash generated by the group over a five year period If management materially underestimate the group's future debt profile this would lead to too few interest rate instruments being in place and the group more exposed to swings in interest rates An overestimate of the group's future debt profile would lead to associated costs in unwinding the excess interest rate instruments At September 30 2007, the fair value of the group's interest rate swaps was a liability £0 6 million (2006 asset of £2 1 million)

Forward contracts

The group is exposed to foreign exchange risk in the form of transactions in foreign currencies entered into by group companies and by the translation of the results of foreign subsidiaries into sterling for reporting purposes

The group does not hedge the translation of the results of foreign subsidiaries, consequently, fluctuations in the value of pounds sterling versus currencies could materially affect the amount of these items in the consolidated financial statements, even if their values has not changed in their original currency The group does endeavour to match foreign currency borrowings to investments in order to provide a natural hedge for the translation of the net assets of overseas subsidiaries

2 Key judgemental areas adopted in preparing these accounts *continued*

Approximately 60% of the group's revenues are in US dollars Subsidiaries normally do not hedge transactions in foreign currencies into the functional currency of their own operations However, at a group level a series of US dollar forward contracts is put in place up to 48 months forward partially to hedge its dollar revenues into sterling The timing and value of these forward contracts is based on managements estimate of its future US dollar revenues over a 48 month period If management materially underestimated the group's future US dollar revenues this would lead to too few forward contracts being in place and the group being more exposed to swings in US dollar to sterling exchange rates An overestimate of the group's US dollar revenue would lead to associated costs in unwinding the excess forward contracts At September 30 2007, the fair value of the group's forward contracts was an asset of £8 1 million (2006 £1 0 million)

Details of the financial instruments used are set out in note 18 to the accounts

3 Segmental analysis

Primary reporting format

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

Secondary reporting format

The group divides the operation of its businesses across three main geographical areas United Kingdom, North America, and Rest of World (which primarily includes Asia) These geographical areas are considered as the secondary reporting format

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

	United Kingdom		North America		Rest of World		Eliminations		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	£000's	£000s	£000's	£000s	£000's	£000s	£000's	£000's	£000's	£000's
Revenue										
By division and source										
Financial publishing	**41,469**	32,803	**33,180**	31,608	**1,669**	1,605	**(1,109)**	(932)	**75,209**	65,084
Business publishing	**29,062**	14,570	**10,678**	5,772	**1,399**	1,291	**(481)**	(312)	**40,658**	21,321
Training	**25,466**	20,214	**7,660**	7,143	**2,662**	2,243	**(616)**	(585)	**35,172**	29,015
Conferences and seminars	**41,138**	27,827	**47,540**	40,575	**14,090**	11,960	**(4,540)**	(3,696)	**98,228**	76,666
Databases and information services	**6,835**	5,303	**31,141**	3,904	**13,794**	10,689	**(141)**	(52)	**51,629**	19,844
Sold/closed businesses	**1,321**	3,773	**2,951**	4,688	**–**	146	**(15)**	(61)	**4,257**	8,546
Group revenue	**145,291**	104,490	**133,150**	93,690	**33,614**	27,934	**(6,902)**	(5,638)	**305,153**	220,476
Joint ventures	**–**	915	**–**	–	**441**	885	**–**	–	**441**	1,800
	145,291	105,405	**133,150**	93,690	**34,055**	28,819	**(6,902)**	(5,638)	**305,594**	222,276

The joint venture revenues of £441,000 (2006 £1,800,000) can be allocated as follows Business publishing £nil (2006 £915,000), Conferences and seminars £353,000 (2006 £nil), Training £88,000 (2006 £nil), Databases and information services £nil (2006 £885,000)

Revenues of £54,507,000 from Metal Bulletin are included within the figures above as follows Financial publishing £2,603,000, Business publishing £16,337,000, Conferences and seminars £9,559,000, Databases and information services £26,008,000

3 Segmental analysis *continued*

	2007 £000's	2006 £000's
Revenue by type		
Advertising	65,356	54,177
Subscriptions	104,046	55,373
Sponsorship	46,314	36,744
Delegates	74,376	57,001
Other	10,804	8,635
Sold/closed businesses	4,257	8,546
Total revenue	305,153	220,476
Investment income (note 7)	653	733
Total revenue and investment income	305,806	221,209

	United Kingdom 2007 £000's	United Kingdom 2006 £000's	North America 2007 £000's	North America 2006 £000's	Rest of World 2007 £000's	Rest of World 2006 £000's	Eliminations 2007 £000's	Eliminations 2006 £000's	Total 2007 £000's	Total 2006 £000's
Revenue										
By destination										
Sale of goods	31,633	21,845	91,888	53,189	58,659	37,413	(1,759)	(1,270)	180,421	111,177
Sale of services	17,422	14,654	52,170	43,999	56,012	46,399	(5,129)	(4,299)	120,475	100,753
Closed businesses (sale of goods)	497	887	3,081	5,437	694	2,292	(15)	(70)	4,257	8,546
Group revenue	49,552	37,386	147,139	102,625	115,365	86,104	(6,903)	(5,639)	305,153	220,476
Joint ventures (sale of goods)	–	60	–	152	441	1,588	–	–	441	1,800
Total revenue	49,552	37,446	147,139	102,777	115,806	87,692	(6,903)	(5,639)	305,594	222,276
Investment income	267	284	386	366	–	83	–	–	653	733
Total revenue (including share of joint venture revenue) and investment income	49,819	37,730	147,525	103,143	115,806	87,775	(6,903)	(5,639)	306,247	223,009

	United Kingdom 2007 £000's	United Kingdom 2006 £000's	North America 2007 £000's	North America 2006 £000's	Rest of World 2007 £000's	Rest of World 2006 £000's	Total 2007 £000's	Total 2006 £000's
Operating profit[1]								
By division and source								
Financial publishing	12,938	8,526	5,974	4,721	114	(13)	19,026	13,234
Business publishing	10,716	4,934	3,409	1,561	(175)	204	13,950	6,699
Training	7,348	5,069	1,833	1,460	635	456	9,816	6,985
Conferences and seminars	13,990	7,502	13,840	11,091	2,015	1,694	29,845	20,287
Databases and information services	5,211	3,792	11,144	(121)	2,329	1,380	18,684	5,051
Closed businesses	544	(9)	(1)	–	(3)	8	540	(1)
Unallocated corporate costs	(11,993)	(7,577)	(950)	(1,182)	(312)	316	(13,255)	(8,443)
	38,754	22,237	35,249	17,530	4,603	4,045	78,606	43,812
Acquired intangible amortisation[2]	(5,703)	–	(9,216)	–	(797)	(144)	(15,716)	(144)
Share option expense	(6,503)	(2,241)	(3,317)	(1,944)	(356)	(243)	(10,176)	(4,428)
Exceptional items (note 5)	(727)	(716)	1,582	–	–	–	855	(716)
Operating profit before associates and joint ventures	25,821	19,280	24,298	15,586	3,450	3,658	53,569	38,524
Share of results in associates and joint ventures							490	1,208
Net finance costs (note 7)							(12,931)	(4,498)
Profit before tax							41,128	35,234
Tax (charge)/credit (note 8)							(8,223)	3,512
Profit after tax							32,905	38,746

[1] Operating profit before acquired intangible amortisation share option expense and exceptional items
[2] Intangible amortisation represents amortisation on acquisition related non-goodwill assets such as brands database content and trademarks

3 Segmental analysis *continued*

The exceptional gain of £855,000 (2006 loss of £716,000) can be allocated as follows Business publishing £3,628,000 (2006 £2,002,000), Databases and information services loss £303,000 (2006 £nil), Unallocated corporate costs, loss £2,470,000 (2006 £1,286,000)

Share option expense of £10,176,000 (2006 £4,428,000) can be allocated as follows Financial publishing £2,543,000 (2006 £1,198,000), Business publishing £1,337,000 (2006 £464,000), Training £2,160,000 (2006 £577,000), Conferences and seminars £1,333,000 (2006 £1,253,000), Databases and information services £1,147,000 (2006 £302,000), Unallocated corporate costs £1,656,000 (2006 £634,000)

Acquired intangible amortisation of £15,716,000 (2006 £144,000) can be allocated as follows Financial publishing £1,760,000 (2006 £nil), Business publishing £4,418,000 (2006 £nil), Conferences and seminars £248,000 (2006 £nil), Databases and information services £9,133,000 (2006 £144,000), Unallocated corporate costs £157,000 (2006 £nil)

Operating profit of £21,142,000 from Metal Bulletin is included within the figures above This can been allocated as follows Financial publishing £88,000, Business publishing £6,149,000, Conferences and seminars £3,415,000 Databases and information services £11,490,000

	Financial publishing £000's	Business publishing £000's	Training £000's	Conferences and seminars £000's	Databases and information services £000's	Closed businesses £000's	Non-operating assets/ (liabilities) £000's	Total £000's
Net assets/(liabilities) by division								
As at September 30 2007								
Assets	33,682	12,798	1,921	24,399	229,387	4,944	208,194	515,325
Liabilities	(63,567)	(36,249)	(1,040)	(24,778)	(58,616)	(3,734)	(271,561)	(459,545)
Net assets/(liabilities)	(29,885)	(23,451)	881	(379)	170,771	1,210	(63,367)	55,780
Capital expenditure (excluding intangibles)	(1,549)	(132)	(33)	(84)	(469)	(11)	(5,611)	(7,889)
Depreciation (excluding intangibles)	(500)	(141)	(12)	(97)	(464)	(32)	(1,339)	(2,585)
Amortisation	(1,780)	(4,577)	(15)	(249)	(9,297)	–	(87)	(16,005)
Acquisition put option commitments	(8,578)	(6,003)	–	(9,532)	(9,222)	–	–	(33,335)

	Financial publishing £000's	Business publishing £000's	Training £000's	Conferences and seminars £000's	Databases and information services £000's	Closed businesses £000's	Non-operating assets/ (liabilities) £000's	Total £000's
Net assets/(liabilities) by division								
As at September 30 2006								
Assets	52,632	28,863	15,969	64,812	27,878	5,766	43,168	239,088
Liabilities	(56,472)	(9,954)	(6,021)	(16,906)	(34,261)	(1,717)	(140,531)	(265,862)
Net assets/(liabilities)	(3,840)	18,909	9,948	47,906	(6,383)	4,049	(97,363)	(26,774)
Capital expenditure (excluding intangibles)	(294)	(78)	(39)	(127)	(144)	(28)	(6,984)	(7,694)
Depreciation (excluding intangibles)	(524)	(126)	(30)	(78)	(514)	–	(1,653)	(2,925)
Amortisation	(14)	(7)	–	(2)	(321)	–	(37)	(381)
Impairment losses	(291)	(228)	–	–	–	–	–	(519)
Acquisition put option commitments	(491)	–	–	(8,703)	(15,138)	–	–	(24,332)

3 Segmental analysis *continued*

Non-operating assets and liabilities principally include deferred tax, corporation tax, external bank loans, loans to and from DMGT, dividend receivable, deferred consideration, acquisition option commitments, and assets held for resale

	United Kingdom		North America		Rest of World		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Net assets/(liabilities)								
By location								
Assets	189,953	94,836	96,690	127,416	228,682	16,836	515,325	239,088
Liabilities	(163,484)	(71,536)	(228,032)	(166,235)	(68,029)	(28,091)	(459,545)	(265,862)
Net assets/(liabilities)	26,469	23,300	(131,342)	(38,819)	160,653	(11,255)	55,780	(26,774)
Capital expenditure by location	5,627	6,984	1,752	629	510	81	7,889	7,694

4 Operating profit

	Total 2007 £000's	Total 2006 £000's
Revenue	305,153	220,476
Cost of sales	(92,169)	(74,924)
Gross profit	212,984	145,552
Distribution costs	(6,005)	(4,625)
Administrative expenses	(153,410)	(102,403)
Operating profit before associates and joint ventures	53,569	38,524

Administrative expenses include a profit on sale of property of £nil (2006 £1,286,000), profit on disposal of businesses of £6,780,000 (2006 loss £1,483,000), goodwill impairment of £nil (2006 £519,000) and reorganisation and restructuring costs of £5,925,000 (2006 £nil) (note 5)

Operating profit is stated after charging/(crediting)	2007 £000's	2006 £000's
Staff costs (note 6)	110,981	75,567
Intangible amortisation		
Acquired intangible amortisation	15,716	144
Licenses and software	289	237
Goodwill impairment	–	519
Depreciation of property, plant and equipment	2,585	2,925
Auditors' remuneration		
Group audit	737	512
Non-audit	302	222
Property operating lease rentals	5,214	4,431
Loss/(profit) on sale of property, plant and equipment	297	(1,286)
Reorganisation and restructuring costs	5,925	–
Foreign exchange (gain)/loss	(1,686)	503

4 Operating profit *continued*

Audit and non-audit services relate to

	2007 £000's	2006 £000's
Fees payable for the audit of the company's annual accounts	491	318
Fees payable for other services to the group		
The audit of subsidiaries pursuant to local legislation	246	194
Total audit fees	737	512
Other audit services		
Other services pursuant to local legislation	80	85
Tax services	60	110
Other services	–	27
Total non-audit fees	140	222

In addition to the above amounts, non-audit fees of £99,000 (2006 £365,000) was capitalised in respect of acquisitions

5 Exceptional items

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

	2007 £000's	2006 £000's
Profit on sale of property	–	1,286
Profit/(loss) on disposal of businesses	6,780	(1,483)
Goodwill impairment (note 11)	–	(519)
Reorganisation and restructuring costs	(5,925)	–
	855	(716)

In March 2007 the group sold the net assets of Raven Fox, a leading duty-free and luxury goods publishing and events business, resulting in a profit of £1 8 million (note 15) and a corresponding tax charge of £0 2 million, after utilisation of capital losses brought forward

In August 2007 the group sold its equity interest in Med Ad Inc, a leading provider of marketing and clinical research information to the pharmaceutical industry, resulting in a profit of £5 0 million (note 15) and a corresponding tax charge of £1 9 million

Subsequent to the acquisition of Metal Bulletin plc in October 2006 (note 14) the group has restructured and reorganised the acquired group's operations and incurred associated costs of £5 9 million This primarily includes restructuring costs and provisions for onerous property leases This results in a related tax credit of £1 3 million

6 Staff costs

(i) Directors' emoluments

The emoluments of the directors of Euromoney Institutional Investor PLC were as follows

	2007 £000's	2006 £000's
Directors' salaries and fees, benefits in kind and profit shares	12,573	8,431
Pension contributions (including waiver of profit shares)	108	828
	12,681	9,259

Details of directors' remuneration are set out in the Directors' Remuneration Report on pages 25 to 35

6 Staff costs *continued*

(ii) Number of staff (including directors)

	2007 Average	2006 Average
By business segment		
Financial publishing	461	416
Business publishing	336	207
Training	157	142
Conferences and seminars	403	321
Databases and information services	579	360
Central	396	288
	2,332	1,734

By geographical location	2007 Average	2006 Average
United Kingdom	884	621
North America	777	647
Rest of World	671	466
	2,332	1,734

(iii) Staff costs (including directors)

	2007 £000's	2006 £000s
Salaries, wages and incentives	89,240	63,344
Social security costs	9,939	6,525
Pension contributions	1,626	1,270
Share-based compensation costs	10,176	4,428
	110,981	75,567

(iv) Pension contributions

Defined contribution schemes

The company operates the following defined contribution schemes Euromoney Pension Plan, the Metal Bulletin Group Personal Pension Plan in the UK and the 401(k) savings and investment plan in the US It also participates in the Harmsworth Pension Scheme, a defined benefit scheme which is operated by Daily Mail and General Trust plc but is accounted for in Euromoney Institutional Investor PLC as a defined contribution scheme

The pension charge in respect of defined contribution schemes for the year ended September 30 comprised

	2007 £000's	2006 £000's
Euromoney Pension Plan	460	532
Metal Bulletin Group Personal Pension Plan	63	–
Private schemes	596	495
Harmsworth Pension Scheme	184	243
	1,303	1,270

Euromoney Pension Plan

The Euromoney Pension Plan is a defined contribution arrangement under which contributions are paid by the employer and employees The Plan is a part of the DMGT Pension Trust, an umbrella trust under which DMGT UK defined contribution plans are held Insured death benefits are also held under this trust

The plan is contracted-in to the State Second Pension and its assets are invested under trust in funds selected by members and held independently from the company's finances The investment and administration of the plan is undertaken by Fidelity Pension Management

6 Staff costs *continued*

Metal Bulletin Group Personal Pension Plan

The Metal Bulletin Group Personal Pension Plan is a defined contribution arrangement under which contributions are paid by the employer and employees The scheme is closed to new members

The plan is contracted-in to the State Second Pension and its assets are invested under trust in funds selected by members and held independently from the company's finances The investment and administration of the plan is undertaken by Skandia Life Group

Private schemes

Institutional Investor, Inc contributes to a 401(k) savings and investment plan for its employees which is administered by an independent investment provider Employees are able to contribute up to 15% of salary with the company matching up to 50% of the employee contributions, up to 5% of salary

Stakeholder pensions

The company provides access to a stakeholder pension plan for relevant employees who are not eligible for other pension schemes operated by the group

Harmsworth Pension Scheme

The Harmsworth Pension Scheme is a defined benefit scheme operated by Daily Mail and General Trust plc providing service-related benefits based on final pensionable salary The assets of the scheme are held independently from the company's finances and are administered by a trustee company which is required to act in the best interests of the beneficiaries of the scheme

The contributions payable to the scheme are determined by the trustee company after taking advice from an independent qualified actuary, and following agreement with the company This scheme is no longer offered to new employees of the company The most recent actuarial valuation of the scheme, upon which the current contributions are based, was carried out as at March 31 2004 using the projected unit credit method and the key financial assumptions adopted were as follows

Long-term assumed rate of investment return	7 0% p a
Price inflation	2 75% p a
Salary increases	4 5% p a
Pension increases	2 75% p a
Discount rate for accrued liabilities	6 6% p a

The company cash contribution rate to the Harmsworth Pension Scheme during the year ended September 30 2007 was 18% of pensionable salaries (2006 18%)

Work in connection with the actuarial valuations of the scheme as at March 31 2007 has already begun but the results are not expected to become available until early 2008

The Harmsworth Pension Scheme has a two-tiered benefit structure represented by a "Standard" section and a "Pension +" section In the "Standard" section, employees pay contributions of 5% of pensionable salaries and have benefits based on a normal retirement age of 65 Under the "Pension +" section, employees currently pay contributions of 7 5% and enjoy a higher benefit accrual rate and lower normal retirement age than in the "Standard" section

Members are able to make additional voluntary contributions (AVCs) into unit-linked funds held within each scheme No benefit obligation arises to the Daily Mail and General Trust plc, or the company, from these AVCs and the related unit-linked AVC assets have been excluded from the valuation of assets and liabilities reported below

The Daily Mail and General Trust plc, as principal employer for the schemes, has informed the trustees of its two main defined benefit schemes, one of which is the Harmsworth Pension Scheme, of its intention to merge these schemes The trustees of both schemes have set up a sub-committee to consider the impact of the merger and, in particular, to ensure that the benefits and interests of all scheme members are protected There will be no change in the benefits provided to any members as a result of the merger It is expected that the merger will be completed by November 30 2007

The company's pension charge for the Harmsworth Pension Scheme for the year ended September 30 2007 was £184,000 (2006 £243,000)

A prepayment of £143,000 (2006 £209,000) is included under debtors, representing prepaid contributions for the year to September 30 2008 paid in accordance with the schedule of contributions currently in force

6 Staff costs *continued*

The company is unable to identify its share of the underlying assets and liabilities in the Harmsworth Pension Scheme The scheme is operated on an aggregate basis with no segregation of the assets to individual participating employers and, therefore, the same contribution rate is charged to all participating employers (i e the contribution rate charged to each employer is affected by the experience of the schemes as a whole) The scheme is therefore accounted for as a defined contribution scheme by the company This means that the pension charge reported in these financial statements is the same as the cash contributions due in the period

The ultimate parent company, Daily Mail and General Trust plc, is required to account for the Harmsworth Pension Scheme under International Accounting Standard 19 'Employee Benefits' (IAS 19) The IAS 19 disclosures in the Annual Report and Accounts of Daily Mail and General Trust plc have been based on calculations performed as part of the work being carried out for the formal valuation of the scheme as at March 31 2007, and adjusted to September 30 2007 by the actuary The calculations are adjusted to allow for the assumptions and actuarial methodology required by IAS 19 These showed that the market value of the scheme's assets was £650 0 million (2006 £602 3 million) and that the actuarial value of these assets represented 106% (2006 90%) of the benefits that had accrued to members (also calculated in accordance with IAS 19) The valuations and disclosures required under IAS 19 for the financial statements of Daily Mail and General Trust plc are not materially different to the valuations and disclosures required under FRS 17

Defined benefit scheme

The company operates the Metal Bulletin plc Pension Scheme (closed to new members), a defined benefit scheme

Metal Bulletin plc Pension Scheme

The acquisition by the group of Metal Bulletin plc on October 6 2006 included a defined benefit obligation in respect of the Metal Bulletin plc Pension Scheme (MBPS) As a result, at that date the company acquired a defined benefit obligation of £21 7 million along with a fair value of pension scheme assets of £17 7 million resulting in a net pension liability of £4 0 million The impact of the acquisition of MBPS on the balance sheet disclosures, and the subsequent pension costs arising, are included in the figures reported below

The MBPS is a defined benefit scheme providing service-related benefits based on final pensionable salary The assets of the scheme are held independently from the company's finances, being invested with the Norwich Union Life Insurance Society, Schroder Investment Management Ltd, and certain other specific investments managed directly by the Trustees Contributions to the scheme are charged to the income statement so as to spread the cost of pensions over employees' working lives with the group The contributions are determined by an independent qualified actuary on the basis of triennial valuations using the attained age method The most recent actuarial valuation of the scheme, upon which the current contributions are based, was carried out as at June 1 2004

The company cash contribution rate to the scheme during the year was 22 8% of pensionable salaries

This MBPS is closed to new members The figures in this note are based on calculations carried out in connection with the actuarial valuation of the scheme as at June 1 2004 and adjusted to September 30 2007 by the actuary The key financial assumptions adopted were as follows

	2007	2006
Long-term assumed rate of		
Pensionable salary growth	4 6% p a	4 1% p a
Pension escalation in payment (pre January 1997 members)	5 0% p a	5 0% p a
Pension escalation in payment (limited price escalation) (post January 1997 members)	3 3% p a	3 1% p a
Discount rate for accrued liabilities	5 9% p a	5 1% p a
Inflation	3 3% p a	3 1% p a
Pension increase in deferment	3 3% p a	3 1% p a

The discount rate for scheme liabilities reflects yields at the balance sheet date on high quality corporate bonds All assumptions were selected after taking actuarial advice Assumptions on mortality will be reviewed as part of the actuarial valuation as at June 1 2007 The results of this valuation are not expected to become known until 2008

6 Staff costs *continued*

Metal Bulletin plc Pension Scheme *continued*

The fair value of the assets held by the MBPS and the long-term expected rate of return on each class of assets are shown in the following table

	Equities	Bonds	Property	With profits policy	Cash	Total
2007						
Value at September 30 2007 (£000's)	**3,440**	**3,240**	**–**	**6,120**	**7,065**	**19,865**
% of assets held	**17 3%**	**16 3%**	**0 0%**	**30 8%**	**35 6%**	**100 0%**
Long-term rate of return expected at September 30 2007	**7 75%**	**5 00%**	**4 50%**	**5 50%**	**4 50%**	

	Equities	Bonds	Property	With profits policy	Cash	Total
2006						
Value at acquisition October 6 2006 (£000's)	3,083	298	87	5,189	9,023	17,680
% of assets held	17 4%	1 7%	0 5%	29 3%	51 1%	100 0%
Long-term rate of return expected at October 5 2006	7 75%	5 00%	4 50%	5 50%	4 50%	

A reconciliation of the net pension surplus reported in the balance sheet is shown in the following table

	2007 £000's
Present value of defined benefit obligation	**(19,501)**
Assets at fair value	**19,865**
Surplus reported in the balance sheet	**364**

The International Financial Reporting Interpretations Committee, in its document IFRIC 14, has interpreted the extent to which a company can recognise a pension surplus on its balance sheet Having taken account of the rules of the scheme, the fact that the scheme remains open to new accrual, and the current levels of service cost and cash contributions, the company considers that recognition of the scheme's surplus on its balance sheet is in accordance with the interpretations of IFRIC 14 The surplus for the year excludes a related deferred tax liability of £109,000

Changes in the present value of the defined benefit obligation are as follows

	2007 £000's
Present value of obligation on acquisition (October 6 2006)	(21,708)
Service cost	(323)
Interest cost	(1,114)
Benefits paid	315
Members contributions	(37)
Actuarial movement	3,366
Present value of obligation at September 30 2007	**(19,501)**

Changes in the fair value of plan assets are as follows

	2007 £000's
Present value of plan assets on acquisition (October 6 2006)	17,680
Expected return on plan assets	958
Contributions	
Employer	713
Members	37
Actual return less expected return on pension scheme assets	792
Benefits paid	(315)
Fair value of plan assets at September 30 2007	**19,865**

6 Staff costs *continued*

The actual return on plan assets was £1,750,000 representing the expected return plus the associated actuarial gain or loss during the year

The amounts charged to the income statement based on the above assumptions are as follows

	2007 £000's
Current service costs (charged to administrative costs)	323
Interest cost (note 7)	1,114
Expected return on plan assets (note 7)	(958)
Total charge recognised in income statement	**479**

Pension costs and the size of any pension surplus or deficit are sensitive to the assumptions adopted The table below indicates the effect of changes in the principal assumptions used above

		2007 £000's
Mortality		
Change in pension obligation at September 30 2007 from a 1 year change in life expectancy	+/-	583
Change in 2007 pension cost from a 1 year change	+/-	79
Salary Increases		
Change in pension obligation at September 30 2007 from a 0 25% change	+/-	70
Discount Rate		
Change in pension obligation at September 30 2007 from a 0 1% change	+/-	429

Amounts recognised in the statement of recognised income and expense (SORIE) are shown in the following table

	2007 £000's
Actual return less expected return on pension scheme assets	792
Experience gains on liabilities	498
Gains arising from changes in assumptions	2,868
Total gains recognised in SORIE	4,158
Cumulative actuarial gain recognised in SORIE at beginning of year	–
Cumulative actuarial gain recognised in SORIE at end of year	4,158

History of experience gains and losses

	2007 £000's
Present value of defined benefit obligation	(19,501)
Fair value of scheme assets	19,865
Surplus in scheme	364
Experience gain on defined benefit obligation	498
Percentage of present value of defined benefit obligation	2 5%
Experience gain on fair value of scheme assets	792
Percentage of the fair value of the scheme assets	4 0%

The group expects to contribute approximately £630,000 to the MBPS during the 2008 financial year

7 Finance income and expense

	2007 £000's	2006 £000's
Finance income		
Interest receivable from short-term investments	653	623
Dividends receivable from assets held for sale	–	110
Ineffectiveness of interest rate swaps	–	39
Net movements in acquisition option commitment values	3,885	–
Expected return on pension scheme assets	958	–
	5,496	772
Finance expense		
Committed borrowings	(14,915)	(4,020)
Imputed interest on acquisition option commitments	(1,603)	(916)
Net tax equalisation swap expense	(190)	–
Notional interest on deferred consideration	–	(334)
Ineffectiveness of interest rate swaps	(27)	–
Interest payable on loan stock	(578)	–
Interest on pension scheme liabilities	(1,114)	–
	(18,427)	(5,270)
Net finance costs	(12,931)	(4,498)

The tax equalisation swap expense relates to tax hedges on intra-group financing, of which £1 8 million is in relation to foreign exchange losses This foreign exchange element is equal to tax credit on the losses on this intra-group financing (note 8)

8 Tax on profit on ordinary activities

	2007 £000's	2006 £000's
Current tax expense		
UK corporation tax	4,946	6,119
Foreign tax	6,343	1,533
Adjustments in respect of prior years	494	107
	11,783	7,759
Deferred tax (credit)/expense		
Current year	(4,031)	(11,361)
Adjustments in respect of prior years	471	90
	(3,560)	(11,271)
Total tax charge/(credit) in income statement	8,223	(3,512)

8 Tax on profit on ordinary activities *continued*

The effective rate of tax for the year is 20% (2006 credit (10%)) The underlying tax rate for 2007 is 25% based on adjusted profit before tax (see glossary page 5), prior year items and foreign exchange on the tax equitisation swap (note 7) but increases to 34% after stripping out the effect of other non-recurring items The actual total tax charge for the year is different from 30% of profit before tax for the reasons set out in the following reconciliation

	2007 £000's	2006 £000's
Profit before tax	**41,128**	35,234
Tax at 30%	12,338	10,570
Factors affecting tax charge		
Rates of tax on overseas profits	463	(338)
Joint venture and associate income reported net of tax	(147)	(362)
US State taxes	615	756
US goodwill	(1,201)	(13,120)
UK goodwill	-	161
Disallowable expenditure	689	136
Tax effects of intra-group transactions eliminated on consolidation	(3,901)	-
Recognition of previously unrecognised tax losses	(1,890)	(1,957)
Non deductible loss on sale of business	-	445
Deferred tax charge arising from changes in tax laws	292	-
Prior year adjustments	965	197
Total tax charge/(credit) for the year	8,223	(3,512)

No tax charge arose on the sale of Atalink and EIC The tax charge on the disposal of Raven Fox was £223,000 Following the sale of Med Ad Inc in the year, the US group's tax losses (excluding Metal Bulletin US), have been fully utilised The tax charge on the disposal was £1,908,000 A tax credit of £1,354,000 arises in relation to the exceptional costs on the acquisition of Metal Bulletin Following a reassessment of the recoverability of the potential US deferred tax asset, an additional asset of £3,178,000 (2006 £13,649,000) was recognised during the year

The actual tax credited directly to equity was £2,082,000 (2006 charge of £265,000) A credit of £1,826,000 (2006 £nil) relating to tax on foreign exchange losses has been treated as exceptional as it is hedged by foreign exchange losses of £1,826,000 (2006 £nil) on tax equalisation swaps within finance costs (see note 7)

9 Dividends

	2007 £000's	2006 £000's
Amounts recognisable as distributable to equity holders in period		
Final dividend for the year ended September 30 2006 of 11 6p (2005 11 0p)	11,943	9,767
Interim dividend for year ended September 30 2007 of 6 0p (2006 5 4p)	6,177	4,806
	18,120	14,573
Employees' Share Ownership Trust dividend	(10)	(10)
	18,110	14,563
Proposed final dividend for the period ended September 30	13,386	11,943
Employees' Share Ownership Trust dividend	(8)	(7)
	13,378	11,936

The proposed final dividend of 13 0p (2006 11 6p) is subject to approval at the Annual General Meeting on January 30 2008 and has not been included as a liability in these financial statements in accordance with IAS 10 'Events after the balance sheet date'

10 Earnings per share

	2007 £000's	2006 £000's
Earnings attributable to equity holders of the parent	31,822	37,430
Less earnings from discontinued operations	(500)	–
Basic earnings – continuing operations	31,322	37,430
Intangible amortisation	15,716	144
Exceptional items	(855)	716
Deferred tax assets recognition	(3,178)	(13,649)
Imputed interest on acquisition option commitments	1,603	916
Net movements in acquisition option commitment values	(3,885)	–
Tax on above adjustments	(3,831)	–
Tax credit on non-recurring intergroup transactions	(2,588)	–
Adjusted earnings	34,304	25,557
Basic earnings – continuing and discontinued operations	31,822	37,430
	Number 000's	Number 000's
Weighted average number of shares	102,196	88,943
Shares held by the Employees' Share Ownership Trust	(59)	(59)
	102,137	88,884
Effect of dilutive share options	2,752	456
Diluted weighted average number of shares	104,889	89,340
	Pence per share	Pence per share
Basic earnings per share – continuing operations	30 66	42 11
Effect of dilutive share options	(0 80)	(0 21)
Diluted earnings per share – continuing operations	29 86	41 90
Effect of intangible amortisation	14 98	0 16
Effect of exceptional items	(0 82)	0 80
Effect of deferred tax assets recognition	(3 03)	(15 28)
Effect of imputed interest on acquisition option commitments	1 53	1 03
Effect of net movements in acquisition option commitment values	(3 70)	–
Effect of tax on the above adjustments	(3 65)	–
Effect of tax credit on non-recurring intergroup transactions	(2 47)	–
Adjusted diluted earnings per share	32 70	28 61
Basic earnings per share – continuing and discontinued operations	31 16	42 11
Effect of dilutive share options	(0 82)	(0 21)
Diluted earnings per share – continuing and discontinued operations	30 34	41 90

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

11 Goodwill and other intangibles

	Intangibles acquired on acquisition 2007 £000's	Licenses & software 2007 £000's	Goodwill 2007 £000's	Intangibles acquired on acquisition 2006 £000's	Licenses & software 2006 £000's	Goodwill 2006 £000's
Cost/ carrying amount						
At October 1 2006	2,770	1,295	68,971	–	1,048	66,029
Additions	–	112	–	–	296	1,631
Acquisitions (note 14)	152,661	71	196,006	2,770	–	5,609
Disposals	–	(7)	(1,871)	–	–	(1,651)
Exchange differences	(8,473)	(57)	(14,450)	–	(49)	(2,647)
At September 30 2007	**146,958**	**1,414**	**248,656**	2,770	1,295	68,971
Amortization and impairment						
At October 1 2006	144	775	519	–	569	–
Amortisation charge for the year	15,716	289	–	144	237	–
Impairment losses	–	–	–	–	–	519
Disposals	–	(7)	–	–	–	–
Exchange differences	(387)	(43)	–	–	(31)	–
At September 30 2007	**15,473**	**1,014**	**519**	144	775	519
Net book value/carrying amount at September 30 2007	**131,485**	**400**	**248,137**	2,626	520	68,452

The carrying amounts of goodwill by business are as follows

	2007 £000's	2006 £000's
CEIC	**10,385**	5,609
Internet Securities, Inc	**4,037**	3,303
MIS	**2,022**	2,205
Engel publishing	–	1,871
Petroleum Economist	**236**	236
Gulf Publishing	**3,744**	4,083
HedgeFund Intelligence	**14,718**	14,718
Information Management Network	**31,992**	36,419
MAR	**160**	–
BCA	**113,487**	–
Metal Bulletin publishing businesses	**55,494**	–
FOW	**196**	–
Total Derivatives	**3,761**	–
Telcap	**2,917**	–
Asia Business Forum	**4,980**	–
Other	**8**	8
Total	**248,137**	68,452

During the year the goodwill in respect of each of the above businesses was tested for impairment in accordance with IAS 36 With the exception of Engel publishing, which was sold during the year, no adjustments to goodwill were considered necessary other than exchange rate fluctuations

The key assumptions in the value in use calculations were

- Forecasts by business based on pre-tax cash flows derived from approved budgets for 2008 Management believe these budgets to be reasonably achievable
- Subsequent cash flows for between one and three additional years were increased in line with growth expectations of the applicable business,
- The pre-tax discount rate used was 8 7%, the same as that used in assessing potential acquisitions, and
- Long term growth rate assumed to be 3%

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units that are expected to benefit from that business combination

12 Property, plant and equipment

	Freehold land and buildings 2007 £000's	Long-term leasehold premises 2007 £000's	Short-term leasehold premises 2007 £000's	Office equipment 2007 £000's	Motor vehicles 2007 £000's	Total 2007 £000's
2007						
Cost						
At October 1 2006	–	2,575	12,837	15,592	36	31,040
Additions	3,899	–	2,373	1,617	–	7,889
Acquisitions (note 14)	1,543	114	206	874	–	2,737
Disposals	(397)	–	(981)	(1,902)	(29)	(3,309)
Exchange differences	–	(4)	(347)	(676)	–	(1,027)
At September 30 2007	**5,045**	**2,685**	**14,088**	**15,505**	**7**	**37,330**
Depreciation						
At October 1 2006	–	159	4,087	12,115	36	16,397
Charge for the year	19	55	873	1,638	–	2,585
Disposals	–	–	(564)	(1,274)	(29)	(1,867)
Exchange differences	–	–	(126)	(576)	–	(702)
At September 30 2007	**19**	**214**	**4,270**	**11,903**	**7**	**16,413**
Net book value at September 30 2007	**5,026**	**2,471**	**9,818**	**3,602**	**–**	**20,917**
Net book value at September 30 2006	–	2,416	8,750	3,477	–	14,643

	Freehold land and buildings 2006 £000's	Long-term leasehold premises 2006 £000's	Short-term leasehold premises 2006 £000's	Office equipment 2006 £000's	Motor vehicles 2006 £000's	Total 2006 £000's
2006						
Cost						
At October 1 2005	862	2,575	6,961	14,678	36	25,112
Additions	–	–	6,101	1,593	–	7,694
Disposals	(862)	–	–	(151)	–	(1,013)
Exchange differences	–	–	(225)	(528)	–	(753)
At September 30 2006	–	2,575	12,837	15,592	36	31,040
Depreciation						
At October 1 2005	217	159	2,804	11,160	25	14,365
Charge for the year	16	–	1,367	1,531	11	2,925
Disposals	(233)	–	–	(149)	–	(382)
Exchange differences	–	–	(84)	(427)	–	(511)
At September 30 2006	–	159	4,087	12,115	36	16,397
Net book value at September 30 2006	–	2,416	8,750	3,477	–	14,643
Net book value at September 30 2005	645	2,416	4,157	3,518	11	10,747

The directors do not consider the market value of freehold land and buildings to be significantly different from its book value

13 Investments

	Investments in associated undertakings £000's	Investments in joint ventures £000's	Available for sale investments £000's	Trade investment £000's	Total £000's
2007					
At October 1 2006	1,944	3,743	20,145	14	25,846
Additions	6	–	–	–	6
Share of profits retained	425	65	–	–	490
Decrease in fair value	–	–	(405)	–	(405)
Transfer to subsidiaries	(1,775)	(3,510)	(19,740)	–	(25,025)
Dividends	(348)	(298)	–	–	(646)
Transfer from provisions	–	–	–	(14)	(14)
At September 30 2007	**252**	**–**	**–**	**–**	**252**

	Investments in associated undertakings £000's	Investments in joint ventures £000's	Available for sale investments £000's	Trade investment £000's	Total £000's
2006					
At October 1 2005	2,479	4,587	–	14	7,080
Additions	–	3,424	19,740	–	23,164
Share of profits retained	419	788	–	–	1,207
Increase in fair value	–	–	405	–	405
Transfer to subsidiaries	–	(5,056)	–	–	(5,056)
Dividends	(756)	–	–	–	(756)
Provision	(198)	–	–	–	(198)
At September 30 2006	1,944	3,743	20,145	14	25,846

Associated undertakings

The associated undertaking at September 30 2007 was Capital NET Limited whose principal activity is the provision of electronic database services The group has a 48 4% (2006 48 4%) interest in Capital NET Limited At September 30 2006 the group, in addition to Capital NET, had a 40% interest in TelCap Limited whose principal activity is business publishing In February 2007, TelCap Limited became a subsidiary undertaking

Capital NET Limited does not have a coterminous year end with the group The total assets, liabilities, revenues and profit after tax generated by Capital NET Limited from its latest available audited accounts are set out below (2006 Capital NET Limited and TelCap Limited)

	Associates 2007 £000's	Associates 2006 £000's
Total assets	639	1,879
Total liabilities	(273)	(1,012)
Total revenues	2,265	3,604
Profit after tax	682	1,049

13 Investments *continued*

Joint ventures

For the three months to December 2006 the group had a 47 5% (2006 47 5%) interest in Asia Business Forum whose principal activity is conferences and training In January 2007, the group increased its equity shareholding in Asia Business Forum to 90% and from that date has treated it as a subsidiary undertaking

For the six months to March 31 2006 the group had a 49% interest in CEIC Holdings Limited In April 2006, the group increased its investment in CEIC Holdings Limited to 74% and from that date has treated it as a subsidiary undertaking In April 2007, the group purchased the remaining 26% of the equity interest in CEIC Holdings Limited increasing the group's holding to 100%

The group's joint ventures do not have coterminous year ends with the group The current assets, long-term assets, current liabilities, long-term liabilities, income and expenses generated by the group's joint ventures at September 30 from their respective latest available audited accounts are set out below

	Joint ventures 2007 £000's	Joint ventures 2006 £000's
Current assets	–	1,673
Long-term assets	–	72
Current liabilities	–	605
Long-term liabilities	–	28
Income	–	3,121
Expenses	–	(2,101)

The group's share of income and expenses during the year ended September 30 2007 was £441,000 and £355,000 respectively (2006 £1,800,000 and £838,000)

Available for sale investments

At September 30 2006, the available for sale investments represented the initial tranche of 4,931,595 Metal Bulletin plc shares acquired by the group in August 2006 This represented 8 9% of the equity share capital of Metal Bulletin plc at the time of acquisition In October the remaining equity share capital was purchased and from that date Metal Bulletin was treated as a subsidiary undertaking

Trade investments

The group has a 50% interest in Capital DATA Limited The ordinary share capital of Capital DATA is divided into 50 'A' shares and 50 'B' shares with the group owning the 50 'A' shares Under the terms of the Articles of Association of Capital DATA, the 'A' shares held by the group do not carry entitlement to any share of dividends or other distribution of profits of Capital DATA The group does not have the ability to exercise significant influence nor is it involved in the day to day running of Capital DATA As such Capital DATA is accounted for as a trade investment The group is entitled to 28 2% of Capital DATA's revenues being £3,141,000 in the year (2006 £2,746,000) At December 31 2006, based on its latest available audited accounts, Capital DATA Limited had £787,000 of issued share capital and reserves (December 31 2005 £195,000), and its profit for the year then ended was £581,000 (December 31 2005 loss £29,000)

13 Investments *continued*

Details of the company and its principal subsidiary undertakings included in these consolidated financial statements at September 30 2007 are as follows

Company	Proportion held	Principal activity and operation	Country of incorporation
Euromoney Institutional Investor PLC	n/a	Publishing, training and events	Great Britain
Direct investments			
Adhesion (UK) Limited	100%	Conventions	Great Britain
Coaltrans Conferences Limited	95%	Conferences	Great Britain
EII US, Inc	100%	Investment holding company	US
Euromoney Hedging Limited	100%	Investment company	Great Britain
Euromoney Institutional Investor (Jersey) Limited	100%†	Publishing	Jersey
Euromoney Lending (UK) Limited	100%	Investment holding company	Great Britain
Euromoney Publications (Jersey) Limited	100%^	Non-trading	Jersey
Glenprint Limited	100%	Publishing	Great Britain
HedgeFund Intelligence Limited	100%	Publishing	Great Britain
The Petroleum Economist Limited	100%	Publishing	Great Britain
Tipall Limited	100%	Property holding	Great Britain
World Link Publications Limited	100%	Non-trading	Great Britain
Indirect investments			
Adhesion et Associes SA	100%	Conventions	France
American Metal Market, LLC	100%	Publishing	US
AMM Marketwatch, LLC	100%	Information Services	US
Asia Business Forum (Singapore) Pte Limited	90%	Conferences	Singapore
BCA Publications Limited	100%	Information Services	Canada
Business Conventions Internationale	100%	Conventions	France
Carlcroft Limited	100%	Publishing	Great Britain
CEIC Holdings Limited	100%	Information Services	Hong Kong
EII Holdings, Inc	100%*	Investment holding company	US
Euromoney (Singapore) Pte Limited	100%	Training	Singapore
Euromoney Funding (UK) Limited	100%	Investment holding company	Great Britain
Euromoney Institutional Investor (Ventures) Limited	100%	Investment holding company	Great Britain
Euromoney Jersey (Finance) Limited	100%	Non-trading	Jersey
Euromoney Publications (Overseas) Limited	100%	Dormant	Great Britain
Euromoney Training, Inc	100%	Training	US
Euromoney US Holdings LP	100%	Dormant	US
Euromoney Yen Finance Limited	100%	Investment company	Great Britain
Euromoney, Inc	100%	Training	US
GSCS Benchmarks Limited	100%	Publishing	Great Britain
Gulf Publishing Company	100%	Publishing	US
Information Management Network, Inc	80%	Conferences	US
Institutional Investor, Inc	100%	Publishing	US
Internet Securities, Inc	93%	Information Services	US
Latin American Financial Publications, Inc	100%	Publishing	US
Managed Account Reports, LLC	100%	Non-trading	US
MB Marketwatch Limited	100%	Information Services	Great Britain
Metal Bulletin Billericay Limited	100%	Dormant	Great Britain
Metal Bulletin Canada, Inc	100%	Investment holding company	Canada
Metal Bulletin Holdings Corporation	100%	Investment holding company	US
Metal Bulletin Investments Limited	100%	Investment holding company	Great Britain
Metal Bulletin Limited	100%	Publishing	Great Britain
MIS Training (UK) Limited	100%	Training	Great Britain
Sea Net Limited	100%	Non-trading	Great Britain
Storas Holdings Pte Limited	90%	Investment holding company	Singapore
TelCap Limited	55%	Publishing	Great Britain
Total Derivatives Limited	67%	Publishing	Great Britain
Joint ventures and associates			
Capital NET Limited	48%	Databases	Great Britain

All holdings are of ordinary shares

In addition to the above, the group has a small number of branches outside the United Kingdom

* 100% preference shares held in addition

† Euromoney Institutional Investor (Jersey) Limited's principal country of operation is Hong Kong

^ Euromoney Publications (Jersey) Limited's principal country of operation is Great Britain

14 Acquisitions

Metal Bulletin

On October 6 2006, the group acquired 100% of the issued share capital of Metal Bulletin plc for cash consideration of £239 6 million Metal Bulletin plc is the parent company of a group of companies operating as a leading global information provider of must-have market-sensitive data in niche, business-to-business markets Its revenues are derived from a range of publications, electronic products and services, conferences and research This transaction has been accounted for using the purchase method of accounting

The directors have adjusted the consolidated balance sheet of Metal Bulletin plc at October 6 2006 for the following adjustments that they believe represent the fair value of the assets at acquisition The fair values in the interim report were provisional and have been finalised during the second half of the year

	Book value £000's	Accounting policy alignment £000's	Fair value adjustments £000's	Fair value £000's
Net assets acquired				
Goodwill	32,438	(32,438)	–	–
Intangible assets	5,456	–	133,043	138,499
Software	1,092	–	–	1,092
Other non-current assets	3,226	446	6,292	9,964
Cash and cash equivalents	2,821	–	–	2,821
Other current assets	9,234	(47)	(4,106)	5,081
Trade creditors and other payables	(24,016)	(133)	(1,065)	(25,214)
Bank overdrafts	(5,914)	–	–	(5,914)
Other current liabilities	(6,033)	–	(81)	(6,114)
Non-current liabilities	(15,364)	(1,593)	(43,296)	(60,253)
	2,940	(33,765)	90,787	59,962
Goodwill				179,629
Total consideration				239,591
Consideration satisfied by				
Cash				156,410
Shares (13,833,249 shares issued at market value of £4 70)				65,016
Loan notes				12,711
Directly attributable costs				5,454
				239,591

Intangible assets represent trade marks, subscriber relationships, advertiser relationships, and databases for which amortisation of £12 9 million has been charged in the year Goodwill is attributable to the value of the workforce and anticipated future operating synergies Non-current liabilities includes primarily a deferred tax liability arising on the intangible assets

The Metal Bulletin group contributed £54 5 million to the group's revenue, £21 1 million to the group's operating profit and £10 1 million to the group's profit before tax for the period between the date of acquisition and September 30 2007

Since acquisition, three non-core businesses owned by Metal Bulletin plc have been sold (note 15)

Total Derivatives

On October 19 2006, the group signed an agreement to acquire 67% of Total Derivatives Limited, a leading provider of real-time news and analysis of the global fixed income derivatives markets The price was £7 3 million including acquisition costs and a working capital adjustment resulting in provisional goodwill and intangible assets of £3 8 million and £6 9 million respectively In addition, the management team will stay with the business and have options to sell their remaining shares to the group at prices linked to profits for the financial years 2007, 2008 and 2009 The transaction is subject to a maximum consideration of 24 9% of Euromoney's market capitalisation at the date of completion

Total Derivatives contributed £2 3 million to the group's revenue, £1 3 million to the group's operating profit and £1 4 million to the group's profit before tax for the period between the date of acquisition and September 30 2007

14 Acquisitions *continued*

Other acquisitions

Payments of deferred consideration

In March 2007, in accordance with the purchase agreement, the group paid the final instalment of $12 3 million (£6 2 million) for the 80% stake in Information Management Network, a financial conference organiser, purchased in February 2004

Increase in equity holdings

In January 2007, the group exercised its option to purchase the second tranche of Asia Business Forum (ABF) increasing its equity holding from 47 5% to 90% The equity was purchased for £3 5 million resulting in additional goodwill of £2 6 million and bringing total goodwill to £5 0 million From January 2007 ABF is treated as a subsidiary undertaking and contributed £3 2 million to the group's revenue, £1 0 million to the group's operating profit and £1 0 million to the group's profit before tax for the period between that date and September 30 2007

In February 2007, the group purchased a further 1 2% of the equity share capital of Internet Securities, Inc (ISI) for a cash consideration of $2 6 million (£1 3 million) resulting in additional goodwill of £1 0 million bringing the total goodwill to £4 2 million The group's equity shareholding in ISI increased to 93 4%

In February 2007, the group purchased a further 15% of the equity share capital of TelCap Limited for a cash consideration of £1 7 million payable in April 2007 and resulting in additional goodwill of £1 4 million bringing total goodwill to £2 9 million The group's equity shareholding in TelCap Limited increased to 55% and, from February 2007, is classified as a subsidiary undertaking TelCap contributed £1 7 million to the group's revenue, £0 6 million to the group's operating profit and £0 6 million to the group's profit before tax for the period between the date of it becoming a subsidiary and September 30 2007

In April 2007, the group purchased the final 26% of the equity share capital of CEIC Holdings Limited (CEIC) for a cash consideration of $11 7 million (£5 8 million) paid in September 2007, resulting in additional goodwill of £4 5 million and bringing the total goodwill to £10 4 million The group's equity shareholding in CEIC increased to 100%

	Total Derivatives (67%) £000's	ABF (additional 42 5%) £000's	CEIC (final 26% tranche) £000's	Telcap (15% tranche) £000's
Book value				
Cash	1,240	1,370	1,793	173
Other assets	216	646	791	526
Liabilities	(985)	(1,682)	(2,525)	(451)
Total	471	334	59	248
Provisional fair value adjustments				
Intangible assets	6,907	2,381	5,920	1,723
Deferred tax	(2,072)	(571)	(1,036)	(517)
	4,835	1,810	4,884	1,206
Provisional fair value of net assets	5,306	2,144	4,943	1,454
Net assets acquired				
%	67 45%	42 5%	26%	15%
£000's	3,579	911	1,285	218
Goodwill	3,761	2,610	4,546	1,446
Consideration (satisfied by cash)	7,340	3,521	5,831	1,664

If the acquisitions in the table above had been completed on the first day of the financial year, group revenues for the period would have been £1 5 million higher and group profit attributable to equity holders of the parent would have been £0 2 million higher

15 Disposals and discontinued operations

Disposals

On March 12 2007, the group disposed of Raven Fox, a leading duty-free and luxury goods publishing and events business for cash consideration of £1 8 million Raven Fox's net liabilities on disposal were £0 2 million resulting in profit on sale, after related sale costs of £1 8 million This results in a tax charge of £0 2 million The results of Raven Fox are included in the consolidated accounts up to the date of their disposal as part of closed businesses

On August 31 2007, the group sold Med Ad Inc, a provider of marketing and clinical research information to managers and executives in the pharmaceutical industry, for £6 3 million on completion with a further payment expected to be £0 5 million, to be received for the net current assets of the company on agreement of the completion accounts Profit on sale, after related sale costs, was £5 0 million resulting in a tax charge of £1 9 million The results of Med Ad Inc are included in the consolidated accounts up to the date of their disposal as part of closed businesses

Discontinued operations

The first of the non-core Metal Bulletin operations, Atalink Limited, a specialist and direct response publication company, was sold on March 30 2007 for £1 8 million A further payment, expected to be £0 7 million, will be received for the net current assets of the company on agreement of the completion accounts An additional final payment of £0 5 million is payable on March 30 2008 No profit or loss was made on disposal The results of Atalink Limited are included in the consolidated accounts up to the date of their disposal as part of discontinued operations

On April 12 2007 the group sold Energy Information Centre Limited, a leading company in the provision of wholesale and retail market intelligence, outsourced procurement and energy risk management strategy The group received £4 7 million on completion with a further payment, anticipated to be £0 3 million, to be received for the net current assets of the company on agreement of the completion accounts No profit or loss was made on disposal The results of Energy Information Centre Limited are included in the consolidated accounts up to the date of their disposal as part of discontinued operations

On May 15 2007 the group sold the business and net assets of Systematics International Limited, a database business principally in the farm machinery and construction sector, for £100,000 on completion plus £25,000 deferred for one year No profit or loss was made on disposal The results of Systematics Limited are included in the consolidated accounts up to the date of their disposal as part of discontinued operations

The group's income statement includes the following results from discontinued operations

	£000's
Revenue	5,000
Expenses	(4,115)
Profit before tax	885
Tax	(385)
Profit after tax	500

16 Trade and other receivables

	2007 £000's	2006 £000's
Amounts falling due within one year		
Trade debtors	50,865	35,134
Amounts owed by DMGT group undertakings (note 28)	–	23,259
Other debtors	8,406	6,923
Prepayments and accrued income	8,187	8,196
	67,458	73,512

The directors consider the carrying amount of trade and other receivables approximates their fair values

The bad debt provision at September 30 2007 is £4 3 million (2006 £3 8 million)

17 Trade and other payables

	2007 £000's	2006 £000's
Trade creditors	3,999	2,841
Amounts owed to DMGT group undertakings (note 28)	4,142	60,451
Other creditors	25,005	16,887
Corporation tax	9,681	7,246
Deferred consideration for acquisitions	–	8,090
	42,827	95,515

The directors consider the carrying amount of trade and other payables approximates their fair values

18 Financial instruments

Details of the objectives policies and strategies pursued by the group in relation to financial instruments are set out on page 44 of the accounting policies and pages 49 and 50 of the key judgemental areas The main financial risks faced by the group are market risks including the effect of changes in foreign exchange rates, interest rates and liquidity risks Derivatives are used to hedge or reduce the risks of interest rate and exchange rate movements and are not entered into unless such risks exists Derivatives used for hedging a particular risk are not specialised and are generally available from numerous sources

Liquidity risk

The group's liquidity risk is described in detail in section 4 of the Directors' Report Fixed and floating rate borrowings analysed by maturity are analysed below Borrowings are shown after taking account of related interest rate derivatives in designated hedging relationships

	2007			2006		
	Variable rate borrowings £000's	Fixed rate borrowings £000's	Total value £000's	Variable rate borrowings £000's	Fixed rate borrowings £000's	Total value £000's
Within one year	17,731	–	17,731	58,666	–	58,666
after 2 years but within 3 years	45,486	168,073	213,559	2,361	63,169	65,530
	63,217	168,073	231,290	61,027	63,169	124,196

At September 30 2007, £130 6 million (2006 £104 0 million) of borrowings were designated in US dollars with the remainder in sterling The average rate of interest paid on the debt was 6 09% (2006 3 2%)

Interest rate risks

The group's interest rate risk is described in detail in section 4 of the Directors' Report The group's interest rate exposure management policy is aimed at optimising net interest cost and reducing volatility This is achieved by modifying the interest rate exposure of debt and cash positions through the use of interest rate swaps

At September 30 2007, interest rates were fixed for 82% of the group's net cash and borrowing positions (2006 86%) At September 30 2007, the fair value of the group's interest rate swaps was a liability of £0 6 million (2006 asset £2 1 million)

The following sensitivity analysis of borrowings and derivative financial instruments to interest rate movements assumes an immediate 100 basis point change in interest rates across all the group's borrowings and derivative instruments, regardless of their currencies and maturities, from their levels at September 30 2007 All other variables are held constant The directors regard these change assumptions as reasonably possible over a one year period

18 Financial instruments *continued*

A 100 basis point reduction in interest rates would result in an estimated decrease in the group's net interest expense of £0 4 million, based on the composition of financial instruments including cash, cash equivalents and bank loans as at September 30 2007 A 100 basis point rise in interest rates would result in an estimated increase in the group's net interest expense of £0 4 million The sensitivity of the fair value of financial instruments at September 30 2007 to changes in interest rates is set out in the table below

		Fair value	
	Carrying/ fair value £000's	+100 basis points £000's	−100 basis points £000's
Short-term borrowings	17,731	17,731	17,731
Long-term borrowings	213,559	225,355	225,355
Interest rate swaps (liability)/asset	(596)	3,173	(4,365)

Short-term borrowings comprise bank loans, net loans from DMGT companies and overdrafts due within one year Long-term borrowings include only long-term loans A 100 point basis change in interest rate would not result in a material change to the fair value of any other financial instrument

Foreign exchange rate risk

The group's foreign exchange rate risk is described in detail in section 4 of the Directors' Report The group operates in many countries and is subject to risks from changes in foreign currency values, particularly US dollars These exposures are hedged by the use of forward exchange contracts

At September 30 2007, the fair value of the group's currency derivatives is estimated to be £8 1 million (2006 £1 0 million) and included as a current asset in the group's balance sheet These amounts are based on market values of equivalent instruments at the balance sheet date All currency derivatives have been designated as hedges and tested as effective The movements in fair values have been deferred to equity

The following sensitivity analysis of net borrowings and derivative financial instruments to foreign exchange rate movements assumes an immediate 5% change in all foreign exchange rates against sterling from their levels at September 30 2007 All other variables remain constant A +5% change indicates a strengthening of the currency against sterling and a -5% change indicates a weakening of the currency against sterling The directors regard these change assumptions as reasonably possible over a one-year period

All foreign exchange contracts are designated as hedges of future forecast transactions

		Fair value	
	Carrying/ fair value £000's	+5% points £000's	−5% points £000's
Fair value of forward foreign exchange contracts	8,093	3,085	11,063

A 5% change in foreign currency exchange rates would not result in a material change to the fair value of any other financial instrument

19 Bank overdrafts and loans

	2007 £000's	2006 £000's
Bank overdraft	5,935	1,235
Committed loan facility	213,559	65,530
Loan notes	11,796	–

Committed loan facility

The group has a dedicated £300 million three-year multi-currency facility with a subsidiary of DMGT which expires in August 2009 Interest is payable on this facility at a variable rate of between 0 4% and 1 6% above LIBOR dependent on the ratio of net debt to EBITDA At September 30 2006, the group had not drawn down on this facility but remained a borrower under its existing five-year committed facility During October 2006 the group, funded by the new multi-currency facility, repaid all monies owing on its then existing committed facility and drew down further amounts to fund the purchase of Metal Bulletin plc and to settle related acquired debt

As at September 30 2007 there were £86 4 million (2006 £200 4 million) of other uncommitted un-drawn facilities directly available to the group

Loan notes

Loan notes for £12 7 million were issued in October and November 2006 to fund the purchase of Metal Bulletin plc Interest is payable on these loan notes at a variable rate of 0 75% below LIBOR payable in June and December Loan notes can be redeemed at the option of the loan note holder twice a year on the interest payment dates above At least 20 business days' written notice prior to the redemption date is required At the end of June 2007, £0 9 million of these loan notes were redeemed reducing the debt to £11 8 million

20 Provisions

	Onerous lease provision £000's	Other provisions £000's	Group total £000's
At October 1 2006	763	14	777
Provision	1,906	–	1,906
Acquisitions	82	–	82
Used in the year	(869)	–	(869)
Transfer to investments	–	(14)	(14)
Exchange differences	(30)	–	(30)
At September 30 2007	**1,852**	**–**	**1,852**

Maturity profile of provisions

	2007 £000's	2006 £000's
Within 1 year (included in current liabilities)	1,469	329
Between 1 and 2 years (included in non-current liabilities)	140	310
Between 2 and 5 years (included in non-current liabilities)	243	138
	1,852	777

Onerous lease provision

The onerous lease provision relates to certain buildings within the property portfolio which either at acquisition were rented at non-market rates, or are no longer occupied by the group

21 Deferred taxation

The net deferred tax asset at September 30 2007 comprised

	2006 £000's	Income statement £000's	Equity £000's	Acquisitions and disposals £000's	Exchange differences £000's	2007 £000's
Capitalised goodwill and intangibles	(1,971)	4,285	–	(45,949)	1,322	(42,313)
Tax deductible goodwill amortisation	12,078	(849)	–	–	(912)	10,317
US and other overseas tax losses	3,722	(2,405)	–	–	–	1,317
Financial instruments	(773)	(28)	(977)	–	–	(1,778)
Other short-term temporary differences	6,787	2,557	3,059	(69)	(19)	12,315
Deferred tax	19,843	3,560	2,082	(46,018)	391	(20,142)

	2006	2007
Comprising		
Deferred tax assets	22,917	11,508
Deferred tax liabilities	(3,074)	(31,650)
	19,843	(20,142)

At the balance sheet date, the group has unused tax losses available for offset against future profits A deferred tax asset of £1,317,000 (2006 £3,722,000) has been recognized The US losses can be carried forward for a period of 20 years from the date they arose The losses have expiry dates of January 2026

A net deferred tax asset of £10,190,000 (2006 £14,317,000) has been recognized in respect of US tax deductible goodwill amortisation and other overseas short-term timing differences The directors are of the opinion that based on recent and forecast trading, it is probable that the level of profits in the future years are sufficient to enable the asset to be recovered

A deferred tax asset of £5,404,000 has not been recognized in respect of overseas tax losses and other short term temporary differences (2006 £5,975,000) as the directors do not believe there is sufficient evidence that it is probable they will be recovered

At the balance sheet date, the aggregate amount of temporary differences with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was £86,062,000 (2006 £65,611,000) No liability has been recognised in respect of these differences because the group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future

22 Called up share capital

	2007 £000's	2006 £000's
Authorised		
137,364,850 ordinary shares of 0 25p each (2006 112,000,000 ordinary shares of 0 25p each)	343	280
Allotted, called up and fully paid		
102,972,478 ordinary shares of 0 25p each (2006 89,032,180 ordinary shares of 0 25p each)	258	223

On September 20 2006, at an Extraordinary General Meeting (EGM) of the company's shareholders, the authorised share capital of the company was increased, conditional on Metal Bulletin being acquired, by 25,364,850 shares to provide the company with sufficient headroom for the partial share alternative for the acquisition of Metal Bulletin plc

During the year the company issued 13,833,249 ordinary shares with a nominal value of 0 25p each, as approved at the EGM, in relation to the partial share alternative for the acquisition of Metal Bulletin plc

In addition, 107,049 ordinary shares of 0 25p each (2006 239,816 ordinary shares) with an aggregate nominal value of £268 (2006 £600) were issued during the year for a cash consideration of £428,076 (2006 £730,344) following the exercise of share options granted under the company's share option schemes

23 Share-based payments

Equity settled options

The following options are outstanding at September 30 and are options to subscribe for new ordinary shares of 0 25p each in the company

Number of ordinary shares under option 2007

Period during which option may be exercised	2006	Granted during year	Exercised during year	Lapsed during year	2007	Option price £	Weighted average market price at date of exercise £
Before February 6 2007	20,448	–	(20,448)	–	–	3 55	5 82
Before January 6 2008	17,984	–	–	–	17,984	3 96	–
Before January 28 2009	190,000	–	(32,000)	(8,000)	150,000	4 19	5 66
Before February 10 2009	160,000	–	–	–	160,000	3 96	–
Before June 24 2009	540,000	–	–	–	540,000	4 31	–
Before January 4 2010	156,000	–	(18,352)	(18,000)	119,648	5 63	6 45
Before March 1 2011	257,000	–	–	(48,000)	209,000	5 38	–
Before January 22 2012	138,000	–	(8,000)	(14,000)	116,000	3 35	6 04
Before December 3 2012	428,000	–	–	(52,000)	376,000	2 59	–
Before January 27 2014	394,000	–	–	(59,000)	335,000	4 19	–
Before July 31 2007	29,999	–	(26,469)	(2,392)	1,138	3 24	5 90
Between January 4 2008 and July 3 2008	32,954	–	–	(6,811)	26,143	3 38	–
Between February 1 2009 and July 31 2009	83,580	–	(1,685)	(4,645)	77,250	3 69	5 42
Between January 5 2010 and July 4 2010	–	140,578	(95)	(14,920)	125,563	4 19	5 20
	2,447,965	140,578	(107,049)	(227,768)	2,253,726		

The options outstanding at September 30 2007 had a weighted average exercise price of £4 05 and a weighted average remaining contractual life of 3 3 years

Number of ordinary shares under option 2006

Period during which option may be exercised	2005	Granted during year	Exercised during year	Lapsed during year	2006	Option price £	Weighted average market price at date of exercise £
Before February 7 2006	10,000	–	(10,000)	–	–	3 33	4 85
Before February 6 2007	28,448	–	(8,000)	–	20,448	3 55	5 10
Before January 6 2008	35,564	–	(13,580)	(4,000)	17,984	3 96	4 64
Before January 28 2009	244,000	–	(46,000)	(8,000)	190,000	4 19	4 90
Before February 10 2009	160,000	–	–	–	160,000	3 96	–
Before June 24 2009	540,000	–	–	–	540,000	4 31	–
Before January 4 2010	160,000	–	–	(4,000)	156,000	5 63	–
Before March 1 2011	282,000	–	–	(25,000)	257,000	5 38	–
Before January 22 2012	188,000	–	(44,000)	(6,000)	138,000	3 35	4 85
Before December 4 2005 and December 3 2012	448,000	–	(8,000)	(12,000)	428,000	2 59	4 74
Before February 1 2006 and July 31 2006	103,205	–	(95,298)	(7,907)	–	2 08	5 06
Before January 28 2007 and January 27 2014	426,000	–	(4,000)	(28,000)	394,000	4 19	4 95
Before February 1 2007 and July 31 2007	39,047	–	–	(9,048)	29,999	3 24	–
Between January 4 2008 and July 3 2008	42,424	–	–	(9,470)	32,954	3 38	–
Between February 1 2009 and July 31 2009	–	92,393	–	(8,813)	83,580	3 69	–
	2,706,688	92,393	(228,878)	(122,238)	2,447,965		

The options outstanding at September 30 2006 had a weighted average exercise price of £4 05 and a weighted average remaining contractual life of 4 3 years

23 Share-based payments *continued*

Capital Appreciation Plan (CAP)

The CAP executive share option scheme was approved by shareholders on February 1 2005 Each of the CAP awards comprises an option to subscribe for ordinary shares of 0 25p each in the company for an exercise price of 0 25p per ordinary share The awards become exercisable on satisfaction of certain performance conditions and lapse to the extent unexercised on September 30 2014 The initial performance condition (increased during 2007 to reflect the acquisition of Metal Bulletin) was achieved in the financial year 2007 and the option pool (a maximum of 7 5 million shares) will be allocated between the holders of outstanding awards One third of the awards will vest on February 14 2008, with the other two thirds vesting in equal tranches in the following two years, but only if the primary and secondary performance conditions are met (page 27) Otherwise vesting is deferred until both the profit target of £57 million achieved in 2007 is achieved again, and the profits of the individual participants businesses are at least 75% of that achieved in 2007 but no later than by reference to the year ending September 30 2012

Share Option Schemes

The company has 12 share option schemes for which an IFRS 2 'Share based payments' charge has been recognized Details of these schemes are set out in the Directors Remuneration Report on pages 25 to 35 The fair value per option granted and the assumptions used in the calculation are shown below

The executive and Save as You Earn Options were valued using the Black-Scholes option-pricing model Expected volatility was determined by calculating the historical volatility of the group's share price over the previous 14 years The executive options' fair values have been discounted at a rate of 10% to reflect their performance conditions The expected term of the option used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations The expense recognised in the year in respect of these options was £202,000 (2006 £121,000)

	Executive Options		SAYE			
			5	6	7	8
Date of grant	December 4 2002	January 28 2004	February 1 2004	January 4 2005	February 1 2006	January 5 2007
Market value at date of grant (p)	259	419	405	423	461	524
Option Price (p)	259	419	324	338	369	419
Number of share options outstanding	376,000	335,000	1,138	26,143	77,250	125,563
Option life (years)	10	10	3 5	3 5	3 5	3 5
Expected term of option (grant to exercise (years))	5 5	5 5	3	3	3	3
Exercise price (p)	259	419	324	338	369	419
Risk-free rate	4 10%	4 10%	4 80%	4 80%	4 80%	4 75%
Dividend yield	3 93%	3 93%	3 35%	3 35%	3 35%	3 35%
Volatility	30%	30%	30%	30%	30%	30%
Fair value per option (£)	0 52	0 72	1 11	1 22	1 24	1 51

The Capital Appreciation Plan (CAP) options were valued using a fair value model that adjusted the share price at the date of grant for the net present value of expected future dividend streams up to the date of expected exercise Under IFRS 2, Internet Securities, Inc options are classified as cash settled options As such their related fair value equates to the fair value at the balance sheet date For both these option schemes, the expected term of the option used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations The share based expense recognised in the year for the CAP options was £9,629,000 (2006 £4,307,000), and for Internet Securities, Inc options was £345,000 (2006 £nil)

	CAP			Internet Securities, Inc cash settled options		
	Tranche 1	Tranche 2	Tranche 3			
Date of grant	June 20 2005	June 20 2005	June 20 2005	February 2 2004	May 11 2005	February 28 2006
Market value at date of grant (p)	401	401	401	n/a	n/a	n/a
Option Price (p)	0 25	0 25	0 25	n/a	n/a	n/a
Number of share options outstanding	2,500,000	2,500,000	2,500,000	77,282	2,500	51,000
Option life (years)	10	10	10	10	10	10
Expected term of option (grant to exercise (years))	3 28	4 53	5 53	6 5	5 5	4 5
Exercise price (p)	0 25	0 25	0 25	n/a	n/a	n/a
Risk-free rate	5 0%	5 0%	5 0%	n/a	n/a	n/a
Dividend growth	8 44%	8 44%	8 44%	n/a	n/a	n/a
Fair value per option (£)	3 28	3 02	2 82	US$18 57	US$18 57	US$18 57

24 Statement of movement on reserves

	Share premium account £000's	Other reserve £000's	Capital redemption reserve £000's	Own shares £000's	Liability for share based payment £000's	Fair value reserves £000's	Translation reserves £000's	Retained earnings £000's	Total £000's
At September 30 2005	37,351	–	8	(74)	1,479	–	(1,300)	(75,245)	(37,781)
Impact of adoption of IAS 39 on October 1 2005	–	–	–	–	–	(599)	–	(21,248)	(21,847)
Retained profit for the year	–	–	–	–	–	–	–	37,430	37,430
Changes in acquisition commitments	–	–	–	–	–	–	–	(4,728)	(4,728)
Exchange differences arising on translation of net investments in overseas subsidiary undertakings	–	–	–	–	–	–	1,056	–	1,056
Net exchange difference on foreign currency loans	–	–	–	–	–	3,183	–	–	3,183
Change in fair value of available for sale investments	–	–	–	–	–	405	–	–	405
Change in fair value of hedges	–	–	–	–	–	3,629	–	–	3,629
Credit for share-based payments	–	–	–	–	4,428	–	–	–	4,428
Dividends paid	–	–	–	–	–	–	–	(14,563)	(14,563)
Exercise of share options	730	–	–	–	–	–	–	–	730
Tax on items going through reserves	–	–	–	–	–	–	–	(265)	(265)
Other movements	–	–	–	–	–	–	–	(23)	(23)
At September 30 2006	38,081	–	8	(74)	5,907	6,618	(244)	(78,642)	(28,346)
Retained profit for the year	–	–	–	–	–	–	–	31,822	31,822
Premium on shares issued for acquisition of Metal Bulletin plc	–	64,981	–	–	–	–	–	–	64,981
Recognition of acquisition option commitments	–	–	–	–	–	–	–	(18,533)	(18,533)
Exercise of acquisition option commitments	–	–	–	–	–	–	–	7,248	7,248
Exchange differences arising on translation of net investments in overseas subsidiary undertakings	–	–	–	–	–	–	(15,001)	–	(15,001)
Translation reserves recycled to the income statement on disposals							(90)	–	(90)
Net exchange difference on foreign currency loans	–	–	–	–	–	5,886	–	–	5,886
Change in fair value of available for sale investments	–	–			–	(405)	–	–	(405)
Change in fair value of hedges	–	–	–	–	–	6,392	–	–	6,392
Transfer of gain on cash flow hedges from fair value reserves to income statement	–	–	–	–	–	(2,699)	–	–	(2,699)
Change in fair value of intangibles						2,384	–	–	2,384
Credit for share-based payments	–	–	–	–	9,830	–	–	–	9,830
Dividends paid	–	–	–	–	–	–	–	(18,110)	(18,110)
Change in actuarial assumptions in defined benefit scheme	–	–	–	–	–	–	–	4,158	4,158
Exercise of share options	428	–	–	–	–	–	–	–	428
Tax on items going through reserves	–	–	–	–	–	–	–	2,082	2,082
At September 30 2007	38,509	64,981	8	(74)	15,737	18,176	(15,335)	(69,975)	52,027

The investment in own shares is held by the Euromoney Employees' Share Ownership Trust (ESOT) At September 30 2007 the ESOT held 58,976 shares (2006 58,976 shares) carried at a historic cost of £1 25 per share with a market value of £312,000 (2006 £270,000), and waived the rights to receive dividends Interest and administrative costs are charged to the profit and loss account of the ESOT as incurred

25 Acquisition option commitments

The group is party to a number of put options over the remaining minority interests in some of its subsidiaries IAS 39 'Financial Instruments' requires the recognition of acquisition liabilities The group regularly performs a review of the underlying businesses with option commitments and in 2007 the review resulted in a net decrease in the fair value of the group's option commitments of £3,885,000 This decrease is reported as finance income in the income statement New option commitments of £18,533,000 have been recognised relating to subsidiaries acquired in the year and existing options have been exercised totalling £7,248,000 As at September 30 2007, the discounted present value of the remaining put option commitments is £33,335,000 (2006 £24,332,000) These discounts are unwound as a notional interest charge to the income statement

26 Commitments

At September 30 the group has committed to make the following payments in respect of operating leases on land and buildings

	2007 £000's	2006 £000's
Within one year	4,764	3,721
Between two and five years	16,213	12,931
After five years	19,385	17,772
	40,362	34,424

The group's operating leases do not include any significant leasing terms or conditions

27 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 The total amount claimed is 280 million Malaysian ringgits (£40 3 million) 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

28 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) In 2006, the company had a credit facility with Daily Mail and General Holdings Limited In August 2006, the group entered into a new credit agreement with DMGR Holdings Limited and in October 2006, the group, funded by the new credit facility, repaid all monies owing on the original credit facility with Daily Mail and General Holdings Limited As at September 30 2007 the amounts owing under the respective facilities were $266 0 million (£130 6 million) (2006 $22 5 million (£14 2 million)), and £83 0 million (2006 £19 9 million) In 2006, a loan arrangement fee of £1 1 million was paid to DMGR Holdings Limited in respect of the new credit facility A commitment fee is payable on the unused portion of the available facility which was £0 8 million (2006 £nil)

In 2006 the group provided a loan facility to Associated Newspapers North America, Inc As part of the new credit arrangements above, this was repaid in 2007 The amount receivable at September 30 2007 was £nil million (2006 £23 3 million which included accrued interest)

The group expensed £132,000 (2006 £390,000) for services provided by Daily Mail and General Trust plc

(ii) At September 30 2007 the group had £163 2 million (2006 £63 2 million) fixed rate interest rate swaps outstanding with Daily Mail and General Holdings Limited amounting to $200 0 million (2006 $118 0 million) at interest rates between 2 9% and 5 3% and termination dates between March 30 2008 and March 28 2013 and £65 0 million (2006 £nil) at interest rates between 5 2% and 6 2% and termination dates between March 30 2008 and September 28 2012 During the year the group received $2 3 million (2006 received $1 2 million) and £0 1 million of interest from Daily Mail and General Holdings Limited in respect of interest rate swaps

28 Related party transactions *continued*

(iii) In May 2007 (2006 April), CR Brown, a director of the company, was advanced, under the terms of his contract, $25,000 (2006 $100,000) in respect of part of his profit share payment normally paid to him at the end of the year At September 30 2007 the balance owed by CR Brown to the group was $nil (2006 $nil)

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

In 2006, under the put option agreement, G Mueller sold 67,614 shares valued at $13 10 for a total consideration of $885,743 Also in 2006, G Mueller exercised 27,024 options with an exercise price of $7 40, 16,653 options with an exercise price of $8 95 and 3,937 options with an exercise price of $7 07 realising a gain of $154,036, $69,110 and $23,740 respectively G Mueller retained the shares No such shares or options were sold or exercised in 2007

(v) The compensation paid or payable for key management is set out below Key management includes the executive and non-executive directors as set out in the remuneration report and other key divisional directors who are not on the board

	2007 £000's	2006 £000's
Key management compensation		
Salaries and short-term employee benefits	14,973	9,702
Non-executive director's fees	178	178
Post-employment benefits	156	883
Other long-term benefits (all share-based)	3,894	1,386
	19,201	12,149
Of which		
Executive directors	13,947	10,030
Non-executive directors	178	178
Divisional directors	5,076	1,941
	19,201	12,149

Details of the remuneration of directors is given in the Directors' Remuneration Report

29 Ultimate parent undertaking and controlling party

The directors regard the ultimate parent undertaking as Rothermere Continuation Limited, which is incorporated in Bermuda The ultimate controlling party is The Viscount Rothermere The largest and smallest group of which the company is a member and for which group accounts are drawn up is that of Daily Mail and General Trust plc, incorporated in Great Britain and registered in England and Wales Copies of the report and accounts are available from

The Company Secretary
Daily Mail and General Trust plc
Northcliffe House, 2 Derry Street
London W8 5TT

Independent Auditors' Company Report

Independent auditors' report to the members of Euromoney Institutional Investor PLC
We have audited the parent company financial statements of Euromoney Institutional Investor PLC for the year ended September 30 2007 which comprise the Company Balance Sheet and the related notes 1 to 19 These parent company financial statements have been prepared under the accounting policies set out therein

We have reported separately on the group financial statements of Euromoney Institutional Investor PLC for the year ended September 30 2007 and on the information in the Directors' Remuneration Report that is described as having been audited

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors
The directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the parent company financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the parent company financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the parent company financial statements give a true and fair view and whether the parent company financial statements have been properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the Directors' Report is consistent with the parent company financial statements

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the other information contained in the Annual Report as described in the contents section and consider whether it is consistent with the audited parent company financial statements We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the parent company financial statements Our responsibilities do not extend to any further information outside the Annual Report

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the parent company financial statements It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the parent company financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the parent company financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the parent company financial statements

Opinion
In our opinion

- the parent company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at September 30 2007,
- the parent company financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the parent company financial statements

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London
November 14 2007

Company Balance Sheet

as at September 30 2007

	Notes	2007 £000's	2006 £000's
Fixed assets			
Intangible assets	6	2,765	8,228
Tangible assets	7	13,745	8,743
Investments	5	456,121	117,641
		472,631	134,612
Current assets			
Debtors	8	114,352	51,402
Cash at bank and in hand		-	5,870
Derivative financial instruments	15	7,331	1,031
		121,683	58,303
Creditors amounts falling due within one year	9	(98,932)	(78,719)
Net current assets/(liabilities)		22,751	(20,416)
Total assets less current liabilities		495,382	114,196
Creditors amounts falling due after more than one year			
Committed facility		(213,559)	-
Provision for liabilities	10	(22)	(505)
Accruals		(22,165)	(18,505)
Deferred income		(10,617)	(10,684)
Accruals and deferred income falling due within one year		(32,782)	(29,189)
Net assets		249,019	84,502
Capital and reserves			
Called up share capital		258	223
Share premium account		38,509	38,080
Capital redemption reserve		8	8
Capital reserve		1,842	1,842
Other reserve		64,981	-
Own shares		(74)	(74)
Liability for share based payments	13	9,174	2,893
Profit and loss account	12	134,321	41,530
Equity shareholders' funds		249,019	84,502

Euromoney Institutional Investor PLC has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in these accounts The profit after taxation of Euromoney Institutional Investor PLC included in the group profit for the year is £112,357,000 (2006 £42,330,000)

The accounts were approved by the board of directors on November 14 2007

Richard Ensor
Colin Jones
Directors

Notes to the Company Accounts

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention except for derivatives financial instruments which have been measured at fair value and in accordance with applicable United Kingdom accounting standards and the United Kingdom Companies Act 1985 The according policies set out below have, unless otherwise stated, been applied consistently through current and prior year

Accounting policies

Revenue

Turnover represents income from advertising, subscriptions, sponsorship and delegate fees, net of value added tax

- Advertising revenues are recognized in the income statement on the date of publication
- Subscription revenues are recognized in the income statement on a straight-line basis over the period of the subscription
- Sponsorship and delegate revenues are recognized in the income statement over the period the event is run

Revenues invoiced but relating to future periods are deferred and treated as deferred income in the balance sheet

Leased assets

Operating lease rentals are charged to the profit and loss account on a straight line or other systematic basis as allowed by SSAP 21 'Accounting for Leases and Hire Purchase Contracts'

Pension schemes

Details of the company's pension schemes are set out in note 6 to the group accounts The company participates in the Harmsworth Pension Scheme It is unable to identify its share of the underlying assets and liabilities in this scheme The scheme is operated on an aggregate basis with no segregation of the assets to individual participating employers and, therefore, the same contribution rate is charged to all participating employers (i e the contribution rate charged to each employer is affected by the experience of the scheme as a whole) The scheme is therefore accounted for as a defined contribution scheme by the company This means that the pension charge included in these financial statements is the same as the cash contributions due in the period

Depreciation

Depreciation of tangible fixed assets is provided on the straight-line basis over their expected useful lives at the following rates per year

Freehold land and buildings	2%
Short-term leasehold premises	over term of lease
Office equipment	11% - 33%

Goodwill

Where the company has divisionalized the unincorporated businesses of its subsidiaries, the investment in the subsidiary then has the substance of goodwill and is reclassified accordingly Goodwill arising in these circumstances is not amortized in the company where the directors are of the view that the goodwill has an indefinite economic life, but is reviewed annually for impairment The non-amortization of goodwill represents a departure from the Companies Act 1985 but is necessary to give a true and fair view under the provisions of FRS 10 'Goodwill and Intangible Assets' It is not possible to quantify the impact of this departure, as it would depend on the life adopted As at September 30 2007, the total of such goodwill was £2,765,000 (2006 £8,228,000)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred taxation is calculated under the provisions of FRS 19 'Deferred Taxation', and is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when the timing differences crystallize based on current tax rates and law Deferred tax is not provided on timing differences on un-remitted earnings of subsidiaries and associates where there is no commitment to remit these earnings Deferred tax assets are only recognized to the extent that it is regarded as more likely than not that they will be recovered

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange of the related foreign exchange contract Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates ruling at the balance sheet date

Derivatives and other financial instruments

The company uses various derivative financial instruments to manage its exposure to foreign exchange and interest rate risks, including forward foreign currency contracts and interest rate swaps

All derivative instruments are recorded in the balance sheet at fair value Recognition of gains or losses on derivative instruments depends on whether the instrument is designated as a hedge and the type of exposure it is designed to hedge

The effective portion of gains or losses on cash flow hedges are deferred in equity until the impact from the hedged item is recognised in the profit and loss account The ineffective portion of such gains and losses is recognized in the profit and loss account immediately

Gains or losses on the qualifying part of net investment hedges are recognized in equity together with the gains and losses on the underlying net investment The ineffective portion of such gains and losses is recognized in the profit and loss account immediately

Changes in the fair value of the derivative financial instruments that do not qualify for hedge accounting are recognized in the profit and loss account as they arise

The premium or discount on interest rate instruments is recognized as part of net interest payable over the period of the contract Interest rate swaps are accounted for on an accruals basis

Liabilities for put options over the remaining minority interests in subsidiaries are recorded in the balance sheet at their estimated discounted present value These discounts are unwound and charged to the income statement as notional interest over the period up to the date of the potential future payment In respect of options over further interests in joint ventures and associates, only movements in their fair value are recognised

Trade and other receivables

Trade receivables are recognised and carried at original invoice amount, less provision for impairment A provision is made and charged to the profit and loss account when there is objective evidence that the company will not be able to collect all amounts due according to the original terms

Cash at bank and in hand

Cash at bank and in hand includes cash, short-term deposits and other short-term highly liquid investments with an original maturity of three months or less

Dividends

Dividends are recognized as an expense in the period in which they are approved by the company's shareholders Interim dividends are recorded in the period in which they are paid

Provisions

A provision is recognized in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, and it is probable that economic benefits will be required to settle the obligation If it is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability

Share-based payments

The company makes share-based payments to certain employees These payments are measured at their estimated fair value at the date of grant, calculated using an appropriate option pricing model The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of the number of shares that will eventually vest At the period end the vesting assumptions are revisited and the charge associated with the fair value of these options updated In accordance with the transitional provisions of FRS 20 'Share-based payments' has been applied to all grants of options after November 7 2002, that were unvested at October 1 2004, the date of application of FRS 20

2 Staff costs

	2007 £000's	2006 £000's
Salaries, wages and incentives	31,421	26,897
Social security costs	4,356	2,771
Pension contributions	492	621
Share based compensation costs	6,281	2,241
	42,550	32,530

Details of directors' remuneration are set out in the Directors' Remuneration Report on pages 25 to 35 and in note 6 of the group accounts

The ultimate parent company, Daily Mail and General Trust plc, is required to account for the defined benefit scheme under International Accounting Standard 19 'Employee Benefits' (IAS 19) The IAS 19 disclosures in the Annual Report and Accounts of Daily Mail and General Trust plc have been based on the results of the actuarial valuation of the defined benefit scheme as at March 31 2004 adjusted to allow for the assumptions and actuarial methodology required by IAS 19 and updated to October 1 2006 by the scheme's actuary These showed that the market value of the principal scheme's assets was £650 0 million (2006 £602 3 million) and that the actuarial value of these assets represented 106% (2006 90%) of the benefits that had accrued to members (also calculated in accordance with IAS 19) The valuations and disclosures required under IAS 19 for the financial statements of Daily Mail and General Trust plc are not materially different to the valuations and disclosures required under FRS 17

3 Number of staff

	2007 Average	2006 Average
Financial publishing	174	163
Business publishing	85	102
Training	89	77
Conferences and seminars	90	83
Databases and information services	16	11
Central	208	185
Total	662	621

4 Remuneration of auditors

	2007 £000's	2006 £000's
Parent company audit fee	491	318

5 Investments

	Subsidiaries £000's	Investments in associated undertakings £000's	Available for sale investments £000's	Trade investment £000's	Total £000's
At October 1 2006	97,448	34	20,145	14	117,641
Disposal	(71,151)	(5)	(19,740)	–	(90,896)
Acquisition	429,795	–	–	–	429,795
Decrease in fair value	–	–	(405)	–	(405)
Transfer from provisions	–	–	–	(14)	(14)
At September 30 2007	456,092	29	–	–	456,121

Details of the principal subsidiary undertakings of the company at September 30 2007 can be found in note 13 to the group accounts

6 Intangible fixed assets

	Goodwill £000's
Cost	
At October 1 2006	11,051
Disposal	(6,001)
At September 30 2007	5,050
Amortization	
At October 1 2006	2,823
Disposal	(2,000)
Impairment	1,462
At September 30 2007	2,285
Net book value at September 30 2007	2,765
Net book value at September 30 2006	8,228

The company does not amortize its goodwill (note 1)

7 Tangible Fixed Assets

	Freehold land and buildings £000's	Short-term leasehold premises £000's	Office equipment £000's	Total £000's
Cost				
At October 1 2006	–	8,984	7,929	16,913
Additions	5,252	593	835	6,680
Disposals	(207)	(826)	(254)	(1,287)
At September 30 2007	5,045	8,751	8,510	22,306
Depreciation				
At October 1 2006	–	2,698	5,472	8,170
Charge for the year	19	609	706	1,334
Disposals	–	(689)	(254)	(943)
At September 30 2007	19	2,618	5,924	8,561
Net book value at September 30 2007	5,026	6,133	2,586	13,745
Net book value at September 30 2006	–	6,286	2,457	8,743

8 Debtors

	2007 £000's	2006 £000's
Due within one year		
Trade debtors	**14,309**	15,494
Amounts owed by subsidiary undertakings	**92,315**	26,571
Other debtors	**108**	1,168
Deferred tax (note 11)	**3,826**	3,181
Prepayments and accrued income	**3,794**	4,988
	114,352	51,402

9 Creditors

	2007 £000's	2006 £000's
Due within one year		
Bank overdraft	3,483	–
Trade creditors	1,048	2,913
Amounts owed to DMGT group undertakings	4,142	63,707
Amounts owed to subsidiary undertakings	61,166	674
Other creditors	11,435	8,284
Corporation tax	4,288	2,651
Derivative liability	596	–
Acquisition option commitments	978	490
Loan notes	11,796	–
	98,932	78,719

10 Provisions for liabilities

	2007 £000's	2006 £000's
Onerous lease provision		
At October 1	505	674
Used in the year	(483)	(169)
At September 30	22	505

	2007 £000's	2006 £000s
Maturity profile of provisions		
Within 1 year	22	184
Between 1 and 2 years	–	184
Between 2 and 5 years	–	137
	22	505

The onerous lease provision relates to certain buildings within the property portfolio which either through acquisition were rented at non-market rates or are no longer occupied by the group

11 Deferred tax

The deferred tax asset at September 30 2007 comprised

	2007 £000's	2006 £000's
Accelerated tax depreciation	(224)	(42)
Other short-term timing differences	4,050	3,223
Deferred tax	3,826	3,181

	£000's
Movement in deferred tax	
Deferred tax asset at October 1 2006	3,181
Deferred tax charge in the profit and loss account	645
Deferred tax asset at September 30 2007	3,826

A deferred tax asset of £3,826,000 (2006 £3,181,000) has been recognized in respect of depreciation in excess of UK capital allowances and other short-term timing differences The directors are of the opinion that based on recent and forecast trading, the level of profits in future years are more likely than not to be sufficient to enable the asset to be recovered

12 Profit and loss account

	2007 £000's	2006 £000's
At October 1	41,530	13,368
Profit for the year	112,357	42,330
Final dividend 2005 on ordinary shares of 11 0p	–	(9,767)
Final dividend 2006 on ordinary shares of 11 6p	(11,936)	–
Interim dividend 2006 on ordinary shares of 5 4p	–	(4,806)
Interim dividend 2007 on ordinary shares of 6 0p	(6,174)	–
Gains on cash flow hedges	(552)	–
Tax on items taken directly to equity	(499)	–
Change in Fair value of available for sale investments	(405)	405
September 30	134,321	41,530

13 Liability for share based payments

	2007 £000's	2006 £000s
At October 1	2,893	652
Credit to equity for share based payments	6,281	2,241
September 30	9,174	2,893

An explanation of the company's share based payment arrangements are set out in the Directors' Remuneration Report on page 27 The number of shares under option, the fair value per option granted and the assumptions used to determine their values is given in note 23 to the group accounts Their dilutive effect on the number of weighted average shares of the company is given in note 10 to the group accounts

14 Commitments

	2007 £000's	2006 £000's
Operating leases which expire		
Within one year	65	65
Between two and five years	100	253
Over five years	892	892
	1,057	1,210

15 Financial instruments

Under FRS 26 'Financial Instruments' the company has recognized forward exchange contracts with a fair value asset of £7,331,000 (2006 £1,031,000) Full details regarding these can be found in note 18 to the group accounts

Under FRS 26 'Financial Instruments' the company has recognized interest rate swaps with a fair value liability of £596,000 (2006 £nil) Full details regarding these can be found in note 18 to the group accounts

16 Share capital

Details of the company's share capital is given in note 22 to the group accounts

Notes to the Company Accounts *continued*

17 Reconciliation of movements in equity shareholders' funds

	2007 £000's	2006 £000's
Profit for the financial year	112,357	42,330
Dividends paid	(18,110)	(14,573)
	94,247	27,757
Issue of shares	65,444	730
Gains on cash flow hedges	(552)	-
Tax on items taken directly to equity	(499)	-
Change in fair value of available for sale investments	(405)	405
Credit to equity for share based payments	6,281	2,241
Net increase in equity shareholders' funds	164,516	31,133
Opening equity shareholders' funds	84,502	53,369
Closing equity shareholders' funds	249,018	84,502

18 Post balance sheet event

The directors propose a final dividend of 13 0p per share (2006 11 6p) totalling £13,386,000 (2006 £11,907,000) for the year ended September 30 2007 The dividend will be submitted for formal approval at the Annual General Meeting to be held on January 30 2008 In accordance with FRS 21 'Post balance sheet events', these financial statements do not reflect this dividend payable but will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending September 30 2008 During 2007, a final dividend of 11 6p (2006 11 0p) per share totalling £11,936,000 (2006 £9,767,000) was paid in respect of the dividend declared for the year ended September 30 2006

19 Ultimate parent undertaking and controlling party

The directors regard the ultimate parent undertaking as Rothermere Continuation Limited, which is incorporated in Bermuda The ultimate controlling party is The Viscount Rothermere The largest and smallest group of which the company is a member and for which group accounts are drawn up is that of Daily Mail and General Trust plc, incorporated in Great Britain and registered in England and Wales Copies of the report and accounts are available from

The Company Secretary
Daily Mail and General Trust plc
Northcliffe House, 2 Derry Street
London W8 5TT

Five Year Record

Group income statement extracts

	UK GAAP		IFRS		
	2003 £000's	2004 £000's	2005 £000's	2006 £000's	2007 £000's
Revenue	158,942	174,654	196,266	222,276	**305,594**
Operating profit before acquired intangible amortisation, share option expense and exceptional items	23,812	30,606	39,348	43,812	**78,606**
Goodwill amortization	(14,617)	(7,534)	n/a	n/a	**n/a**
Acquired intangible amortisation	–	–	–	(144)	**(15,716)**
Share option expense	–	–	(1,380)	(4,428)	**(10,176)**
Exceptional items	–	–	(315)	(716)	**855**
Operating profit before associates and joint ventures	9,195	23,072	37,653	38,524	**53,569**
Share of results in associates and joint ventures	418	373	624	1,208	**490**
Operating profit	9,613	23,445	38,277	39,732	**54,059**
Exceptional profit on disposal/closure of businesses	701	–	–	–	**–**
Net finance costs	(2,918)	(2,954)	(3,843)	(4,498)	**(12,931)**
Profit on ordinary activities before tax	7,396	20,491	34,434	35,234	**41,128**
Tax (charge)/credit on profit on ordinary activities	(3,101)	(3,899)	(2,417)	3,512	**(8,223)**
Profit on ordinary activities after tax	4,295	16,592	32,017	38,746	**32,905**
Profit from discontinued operations	–	–	–	–	**500**
Profit for the period	4,295	16,592	32,017	38,746	**33,405**
Attributable to					
Equity holders of the parent	4,069	16,014	30,181	37,430	**31,822**
Equity minority interests	226	578	1,836	1,316	**1,583**
Profit for the financial year	4,295	16,592	32,017	38,746	**33,405**
Basic earnings per share	4 64p	18 22p	34 19p	42 11p	**30 66p**
Diluted earnings per share	4 64p	18 16p	34 10p	41 90p	**29 86p**
Adjusted diluted earnings per share	20 50p	26 71p	26 28p	28 61p	**32 70p**
Diluted weighted average number of ordinary shares	87,737,261	88,160,349	88,508,359	89,340,024	**104,888,887**
Dividend per share	14 75p	15 00p	16 20p	17 00p	**19 00p**

Group balance sheet extracts

	2003	2004	2005	2006	2007
Intangible fixed assets	33,757	60,989	66,508	71,598	**380,022**
Tangible fixed assets	9,097	7,766	27,647	63,406	**33,041**
Accruals	(17,032)	(18,569)	(23,225)	(29,478)	**(43,424)**
Deferred income liability	(32,330)	(35,317)	(37,491)	(45,324)	**(73,382)**
Other net current assets/(liabilities)	(2,118)	(66,093)	3,924	7,334	**25,336**
Non-current liabilities	(64,680)	(11,186)	(73,313)	(94,310)	**(265,813)**
Net liabilities	(73,306)	(62,410)	(35,950)	(26,774)	**55,780**

The income statements, earnings per share and dividends per share for 2005, 2006 and 2007 have been prepared under IFRS 2004 and earlier periods have not been adjusted from UK GAAP as it is not practicable to restate these years reports in accordance with IFRS Due to differences between IFRS and UK GAAP, there are some comparative inconsistencies in the above tables Refer to the group's September 30 2006 annual report, note 29 for an indication of the adjustments to comply with IFRS

Internet Sites

Euromoney Institutional Investor Internet Sites (all www)

abf-asia com
abf com sg
absolutereturn net
adhes com
airfinancejournal com
airtrafficmanagement net
amm com
asialaw com
asiamoney com
bcaresearch com
ceicdata com
chinalawandpractice com
coaltrans com
dcgtraining com
dealogic com
emergingmarkets org
euromoney com
euromoneybooks com
euromoneyconferences com
euromoneyleasetraining com
euromoneyplc com
euromoneyseminars com
euromoneytraining com
euromoney-yearbooks com
euroweek com
expertguides com
financialdirectories com
fow com
fowevents com
fowtradedata com
globalinvestormagazine com
globaltelecomsbusiness com
gulfpub com
hedgefundintelligence com
hydrocarbonprocessing com
iflr com
iflr1000 com
iiconferences com
iievents com
iijournals com
iimemberships com
iinews com
iiresearchgroup com
iisearches com
imn org
indmin org
institutionalinvestor com
internationaltaxreview com
isfmagazine com
latinfinance com
legalmediagroup com
managingip com
metalbulletin com
misti com
mistieurope com
petroleum-economist com
projectfinancemagazine com
reactionsnet com
securities com
sfinews net
telcap co uk
totalderivatives com
totalsecuritization com
tradefinancemagazine com
worldoil com

For further information on all Euromoney Institutional Investor products, call the Hotline on

(UK) +44 (0) 207 779 8999
(US) +1 800 437 9997 or
+1 212 224 3570

or e-mail to
hotline@euromoneyplc com

Financial Calendar and Shareholder Information

2007 Final results announcement	Thursday November 15 2007
Final dividend ex-dividend date	Wednesday November 21 2007
Final dividend record date	Friday November 23 2007
2008 AGM (approval of final dividend)	Wednesday January 30 2008
Payment of final dividend	Wednesday February 6 2008
2008 interim results announcement	Thursday May 15 2008
Interim dividend ex-dividend date	Wednesday May 21 2008
Interim dividend record date	Friday May 23 2008
Payment of 2008 interim dividend	Monday June 23 2008*
2008 final results announcement	Thursday November 13 2008

Holders of International Depositary Receipts can receive their

Final 2007 year end dividend from	Wednesday February 6 2008
Interim 2008 dividend from	Monday June 23 2008*

Loan note interest paid to holders of loan notes on	Monday December 31 2007 Monday June 30 2008

* Provisional dates and are subject to change

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

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

Telephone 0870 162 3100
(from outside the UK +44 (0) 20 8639 3399)

E-mail ssd@capitaregistrars com
www capitaregistrars com

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

Registered office
Nestor House
Playhouse Yard
London
EC4V 5EX

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