

EUROMONEY INSTITUTIONAL INVESTOR



Padraic Fallon
Chairman (left)
Richard Ensor
Managing Director (right)

Financial highlights

Turnover

£196m

Operating profit*

£39m

Operating margin*

20%

*Adjusted operating profit (before exceptional items and amortisation and impairment of intangible assets)

10+

The group now has more than 10 market-leading annual events with revenues in excess of US\$1 million.

Turnover increased by 12% to £196 million. Euromoney's successful performance was assisted by a robust trading background. Strong financial markets have generated record profits for the global financial institutions and emerging markets remain attractive to capital flows and investment.

Euromoney's key customers are refocusing their marketing efforts on face-to-face events, a key growth area for the group. Moreover, the financial success of these customers is driving an increase in demand for training and information. The events and training businesses now contribute more than 53% of operating profit* compared to 37% three years ago.

The company's focus on organic growth has been a key driver in increasing turnover. Some of the successes during the year have included Euromoney's coverage of real estate, the Institutional Investor hedge fund institute, new conference and seminar businesses in Asia, and expansion of ISI into 18 sub-Saharan Africa countries.

The focus with events is on quality rather than quantity. The group now has more than 10 market-leading annual events with revenues in excess of US\$1 million, and the strategy is to continue to grow these events by both investing in the content and building new revenue streams such as vendor exhibitions, awards dinners and business meetings. In addition successful new events were launched covering such diverse areas as Native American finance, condo hotels, renewable energy and inflation-linked bonds.

Revenues and operating profit* from publishing improved by 5% and 10% respectively. Advertising revenues increased by 6% in generally tough markets, helped by the launch of new products such as roundtables, polls and research. Euromoney magazine, Asiamoney and Euroweek all achieved above average increases in advertising revenues.

The fastest growing part of the business is events, including conferences, seminars and awards dinners. Revenues increased by 31% and operating profit* by 55%. This growth underpins the company's strategy of reducing its exposure to advertising.

With the exception of Adhesion, all of the group's event businesses increased profits. IMN was particularly successful in both growing its market-leading securitisation conferences as well as launching new events, and its performance since acquisition has significantly exceeded expectations. IMN's results also benefited from the timing of its ABS East conference.

Training continued the strong growth seen in 2004 with revenues up 13% and operating profit* increasing 25%. In general the improvement was driven by growth in the volume of courses delivered, particularly in emerging markets. In addition, new legislation and compliance requirements in the United States helped MIS, the Boston-based audit and information security business, to grow.

Operating profit* from databases and information services increased 15%. The main driver of the growth was ISI's Emerging Markets Information Service where gross sales were the highest since launch. ISI's subscription revenues increased by 20% and the revenue retention rate improved to an all-time high of 91%. CEIC, which was acquired in March, has performed ahead of expectations.

Euromoney Institutional Investor ISI revenue (US\$ million)

