Euromoney Institutional InvestorPLC
24 November 2005

Euromoney Institutional Investor PLC

Preliminary Announcement

September 30 2005

Euromoney Institutional Investor PLC

2005 Record Profits and Dividend

Highlights	2005	2004	change
Turnover	£196.3m	£174.7m	+12%
Profit before tax, goodwill, exceptional items and Capital Appreciation Plan expense	£37.1m	£28.0m	+33%
Profit before tax	£29.1m	£20.5m	+42%
Adjusted diluted earnings a share before goodwill and exceptional items	35.6p	26.7p	+33%

Diluted earnings a share	28.0p	18.2p	+54%
Net debt	£65.8m	£62.5m	+5%

- Record profit driven by strong organic growth
- Profits increase across group: publishing, events and electronic information
- Group operating margin improves from 17.5% to 20.5%
- Net cash inflows from operating activities increase by 29% to £43.5m
- Recent acquisitions performing above management expectations
- Record dividend 16.2p, against 15p
- Results reflect early benefits of Capital Appreciation Plan

RECORD RESULTS

Euromoney Institutional Investor PLC, the international publishing, events and electronic information group, reports a record profit before tax* of £37.1 million for the year to September 30, a 33% increase on the previous 12 months. Profit before tax rose 42% to £29.1 million. Adjusted diluted earnings a share** increased 33% to 35.6p and the directors recommend a 10% increase in the final dividend to 11p, making a total for the year of 16.2p, a record.

These results reflect the key elements of the company's strategy for growing profit before tax* towards a target of £50m by 2008: driving top line growth from both new and existing products; reducing the dependence on advertising by building more robust subscription and repeat revenues; a focus on improving the operating margin; and acquisitions to strengthen the company's market position in key areas.

Commenting on the results, Padraic Fallon, Chairman said:

'These results reflect excellent progress in line with the company's strategy to achieve target profit before tax* of £50m by 2008, compared to the £21m reported in 2003. Our focus remains on driving organic growth through new and existing products; diversifying our revenue base while improving the operating margin; and strategic acquisitions that strengthen the company's market position.'

TRADING BACKGROUND

Turnover increased by 12% to £196 million. This improvement comes against 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. While the company's key customers continue to hold back advertising spend, many 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 profits* compared to 37% three years ago.

ORGANIC GROWTH

The company's focus on organic growth has been a key driver in increasing turnover. This comes largely from launching new products under existing brands and the geographical extension of existing products. 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 $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 as well as conferences in London and New York bringing together investors targeting key emerging markets such as China, India and Russia.

MARGIN

The company's operating margin improved from 17.5% to 20.5%. The company has traditionally maintained a policy of tight cost control and the margin improvement in 2005 reflects the high operational gearing of the business. The headcount, excluding acquisitions, was largely unchanged year-on-year. Although this positive gearing effect is likely to moderate in future, the company's focus remains the building of high margin, repeat annual revenues and the elimination of low margin products. During the year the group closed or merged several magazines and newsletters and in May it sold the loss-making Business Traveller group of titles, generating an exceptional loss on disposal of nearly £1 million.

ACQUISITIONS

The company's acquisition programme concentrates on small, specialised media companies which fill gaps in or enhance its own product/sector offering, preferably with entrepreneurial management who wish to remain with and grow their business under earn-out arrangements. Often these businesses have reached a stage in their development where they would benefit from the branding, marketing and infrastructure benefits of being part of a larger group. The recent acquisitions of the niche hedge fund publisher, HedgeFund Intelligence ('HFI'), and Information Management Network ('IMN'), the world leader in conferences for the securitisation and indexation sectors, demonstrate the success of this strategy, where both have exceeded growth expectations since acquisition.

In September, the company completed the acquisition of a 40% interest in TelCap at a cost of £2.1 million. TelCap is the publisher of Capacity, the leading wholesale telecommunications magazine, and also runs nine annual conferences in the sector. In addition, the group has targeted a number of information businesses which fit well with its existing data products and in March the acquisition of a 49% interest in CEIC was completed at a cost of £4.0 million. CEIC is one of the leading providers of time-series macro-economic data for Asia and provides an excellent fit with ISI's emerging markets information service.

MANAGEMENT INCENTIVE

In February, shareholders approved a new long-term incentive plan to replace the company's executive share option scheme. The Capital Appreciation Plan ('CAP') is a highly geared equity incentive designed to drive the company's profit before tax* towards a target of £50 million by 2008, compared to £21 million in the base year 2003. Almost 150 managers participate in the CAP. The incentive will directly reward each participant for the profit growth achieved by his or her business and has been a significant factor this year in motivating senior managers to drive organic growth and launch new products. If the £50 million CAP profit before tax* target is achieved in 2008, it will lead to the issue of up to 7.5 million new shares in the company between 2008 and the end of 2010. The cost of the CAP will be amortised over the life of the plan, and the 2005 results include a charge of £1.3 million.

BUSINESS REVIEW

Revenues and operating profits from publishing improved by 5% and 10% respectively. In general advertising markets remain tough as customers, particularly the global financial institutions, continue to withhold marketing spend on traditional display advertising. Nevertheless, advertising revenues increased by 6%, helped by the launch of new products such as roundtables, polls and research, as well as a focus on specialized areas such as hedge funds, private banking, real estate and project finance. Euromoney, 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% to £67.3 million and operating profits* by 55% to £18.8 million. This growth underpins the company's strategy of reducing its exposure to advertising and developing more robust revenue streams from sponsored conferences and membership organizations. With the exception of Adhesion (where the biennial wine exhibition Vinisud next runs in 2006), all of the group's event businesses increased profits through a combination of new products and a continued focus on building high margin, market leading events for their various sectors. IMN was particularly successful in both growing its market-leading securitization 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 which was moved from October to September for 2005 and 2006.

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

Operating profits* from databases and information services increased 15% to £3.9 million. 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% to $22.1 million and the revenue retention rate improved to an all-time high of 91%. In addition, CEIC, which was acquired in March, has performed ahead of expectations. CEIC is benefiting from operating in ISI's global sales environment while the cross-selling of both ISI's and CEIC's products has exceeded expectations.

CASH FLOW

Net debt at September 30 was £65.8 million, an increase of £3.3 million since the previous year end. The group continues to generate strong cash flows with nearly 50% of its revenues generated from subscriptions and delegates. Net cash inflows from operating activities increased by 29% to £43.5 million, helping finance acquisitions and investments of more than £23 million. These included the acquisitions of CEIC (£4.0 million) and TelCap (£2.1 million); further investments under deferred consideration agreements in HFI (£5.5 million) and IMN (£5.4 million); and £3.7 million on a head lease and capital improvements for the group's London offices.

TAX

The company has traditionally had a low rate due to the tax amortization of goodwill available on US acquisitions and the availability of brought forward tax losses for use against its US profits. The significant improvement in the profits of the US businesses has led to the recognition in 2005 of a deferred tax credit of £5.3 million for unused US tax losses. This, combined with recent changes in UK tax legislation which reduce the tax benefit from US acquisitions, means the company's underlying tax rate is likely to increase from 20% in 2005 to approximately 25% in 2006.

DIVIDEND

The increase in the final dividend is consistent with the company's strategy of moving gradually to a dividend cover of two times, while still delivering real dividend growth. The total payment to shareholders for the 2005 financial year will be £14.4 million, bringing the dividends returned to shareholders over the past five years to £66 million, all financed from operating cash flows.

MANAGEMENT

Under the terms of his service contract, the company's chairman is due to retire at age 60, in September 2006. Following an independent recommendation from the Nominations Committee, the board has resolved to extend the chairman's retirement date under his service contract to the date of the Annual General Meeting following his 63rd birthday.

OUTLOOK

The outlook for financial markets in 2006 remains positive, and the company will continue to focus on implementing its plans for organic growth, improved operating margin, and strategic acquisitions that create value for shareholders. For the new financial year the first quarter is the least significant in profit terms, and visibility for the second quarter is always limited at this stage. However, current trading is pleasing with advertising, sponsorship and delegate sales all ahead of the same period in 2004. The Capital Appreciation Plan is beginning to deliver results in terms of execution, and the company remains committed to implementing its stated strategy.

END

NOTE TO EDITORS

About Euromoney Institutional Investor PLC

Euromoney Institutional Investor PLC is listed on the London Stock Exchange and a member of the FTSE-250 share index. It is a leading international business-to-business media group focused primarily on the international finance sector. It publishes more than 100 magazines, newsletters and journals, including the leading financial market titles Euromoney and Institutional Investor. It also runs an extensive portfolio of conferences, seminars and training courses and is a leading provider of electronic information and data covering international finance and emerging markets. Its main offices are located in London, New York and Hong Kong and nearly half its revenues and profits are derived from the United States.

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* Before goodwill amortization, goodwill impairment, exceptional items, Capital Appreciation Plan expense as set out in the attached profit and loss account and note 2.

** Before goodwill amortization, goodwill impairment and exceptional items as set out and reconciled in note 6.

Euromoney Institutional Investor PLC

Group Profit and Loss Account

for the year ended September 30 2005

		2005	2004
	Note	£000's	£000's
Turnover	2		

Closed businesses		2,295	5,155
Other continuing operations (including share of joint ventures)		194,970	169,757
		197,265	174,912
Less: share of turnover of joint ventures		(999)	(258)
Total turnover from continuing operations		196,266	174,654
Operating profit before goodwill amortization and impairment and capital appreciation plan	2		
Closed businesses		(416)	(907)
Other continuing operations		40,727	31,513
		40,311	30,606
Goodwill amortization		(5,747)	(6,357)
Capital appreciation plan expense		(1,289)	-
Exceptional goodwill impairment	3	-	(1,177)
Operating profit	2		
Closed businesses		(416)	(907)
Other continuing operations		33,691	23,979
Total operating profit		33,275	23,072
Share of operating profit in associates and joint ventures		585	373
Exceptional loss on disposal of business	3	(972)	-
Profit on ordinary activities before interest and tax		32,888	23,445
Interest receivable and similar income		345	422
Interest payable and similar charges		(4,183)	(3,376)
Net interest		(3,838)	(2,954)

	Notes	2005	2004
Profit on ordinary activities before tax		29,050	20,491
Tax on profit on ordinary activities	4	(2,258)	(3,899)
Profit on ordinary activities after tax		26,792	16,592
Equity minority interests		(2,006)	(578)
Profit for the financial year		24,786	16,014
Dividends paid and proposed	5	(14,344)	(13,186)
Retained profit for the financial year		10,442	2,828
Basic earnings per share	6	28.08p	18.22p
Diluted earnings per share	6	28.01p	18.16p
Adjusted diluted earnings per share before goodwill amortization and exceptional items	6	35.60p	26.71p
Dividend per share	5	16.20p	15.00p

Euromoney Institutional Investor PLC

Group Balance Sheet

as at September 30 2005

	2005 £000's	2004 £000's
Fixed assets		
Intangible assets	60,678	60,989
Tangible assets	11,179	7,576
Investments	6,760	190

	78,617	68,755
Current assets		
Debtors	63,844	37,670
Cash at bank and in hand	25,680	23,563
	89,524	61,233
Creditors: amounts falling due within one year	(84,915)	(127,326)
Net current assets/(liabilities)	4,609	(66,093)
Total assets less current liabilities	83,226	2,662
Creditors: amounts falling due after more than one year	(71,207)	(10,611)
Provisions for liabilities and charges	(1,125)	(575)
Accruals	(23,225)	(18,569)
Deferred income	(37,491)	(35,317)
Accruals and deferred income falling due within one year	(60,716)	(53,886)
Net liabilities	(49,822)	(62,410)
Capital and reserves		
Called up share capital	222	220
Share premium account	37,351	34,393
Capital redemption reserve	8	8
Own shares	(74)	(74)

Profit and loss account	(89,258)	(97,697)
Equity shareholders' deficit	(51,751)	(63,150)
Equity minority interests	1,929	740
	(49,822)	(62,410)

Euromoney Institutional Investor PLC

Group Cash Flow Statement

for the year ended September 30 2005

	Note	2005 £000's	2004 £000's
Net cash inflow from operating activities	A	43,525	33,751
Dividends received from associate		-	570
Returns on investments and servicing of finance			
Interest received		345	422
Interest paid		(3,756)	(3,120)
Dividends paid to minorities		(943)	(150)
		(4,354)	(2,848)
Taxation			
UK tax paid		(5,155)	(3,530)
Overseas tax paid		(2,047)	(955)
UK tax received		16	319
Overseas tax received		389	308
		(6,797)	(3,858)

Capital expenditure and financial investment			
Purchase of tangible fixed assets		(5,387)	(1,240)
Sale of tangible fixed assets		20	78
		(5,367)	(1,162)
Acquisitions and disposals			
Purchase of subsidiary undertakings		(11,846)	(17,567)
Purchase of additional interests in subsidiary undertakings		(385)	(1,810)
Cash acquired with subsidiary undertakings		-	2,507
Purchase of associates and joint ventures		(6,097)	-
Proceeds on sale of business		500	-
		(17,828)	(16,870)
Equity dividends paid		(13,385)	(12,949)
Cash outflow before financing		(4,206)	(3,366)
Financing			
Issue of shares for cash			
New ordinary share capital and share premium		2,960	645
Redemption of secured loan stock		-	(37)
Revolving credit facilities:			
Increase in borrowings		42,932	2,468
Repayment of borrowings		(39,540)	(8,411)
Loan paid to DMGT group company		(15,384)	(26,003)
Loan received from DMGT group company		15,622	47,108
		6,590	15,770
Increase in cash during the year	B	2,384	12,404

Euromoney Institutional Investor PLC

Notes to the Group Cash Flow Statement

A - Reconciliation of operating profit to net cash inflow from operating activities

	2005	2004
	£000's	£000's
Group operating profit	33,275	23,072
Amortization of goodwill	5,747	6,357
Exceptional impairment of capitalized goodwill (note 3)	-	1,177
Capital appreciation plan expense	1,289	-
Depreciation of tangible fixed assets	1,745	1,960
Loss/(profit) on sale of tangible fixed assets	87	(23)
Increase in debtors	(4,151)	(3,095)
Increase in creditors	5,681	4,303
Utilization of property rental provision	(148)	-
Net cash inflow from continuing operating activities	43,525	33,751

B - Reconciliation of net cash flow to movement in net debt

	2005	2004

	£000's	£000's
Increase in cash during the year	2,384	12,404
Cash inflow from change in debt finance	(18,907)	(285)
Increase/(decrease) in net amounts due from DMGT group undertakings	15,384	(14,840)
	(1,139)	(2,721)
Other non-cash items:		
Currency translation differences	(2,098)	7,703
Other non-cash changes	(106)	(357)
Movement in net debt in the year	(3,343)	4,625
Net debt at October 1	(62,478)	(67,103)
Net debt at September 30	(65,821)	(62,478)

C - Analysis of changes in net debt

	At October 1 2004	Cash flow	Exchange movements	Other non-cash changes	At September 30 2005
	£000's	£000's	£000's	£000's	£000's
Cash at bank and in hand	23,563	1,961	156	-	25,680
Bank overdrafts	(553)	423	(9)	-	(139)
	23,010	2,384	147	-	25,541
Debt due within one year	(85,488)	(12,225)	(1,126)	53,546	(45,293)

Debt due in more than one year	-	(6,682)	(1,851)	(53,985)	(62,518)
	(85,488)	(18,907)	(2,977)	(439)	(107,811)
Amounts owed by DMGT group undertakings	-	15,384	732	333	16,449
Total	(62,478)	(1,139)	(2,098)	(106)	(65,821)

Other non-cash changes represent accrued interest charged on debt and a reclassification of the DMGT loan.

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Group Statement of Total Recognized Gains and Losses
for the year ended September 30 2005

	2005 £000's	2004 £000's
Profit for the financial year	24,786	16,014
Foreign exchange translation differences	(2,660)	6,866
Total recognized gains and losses for the year	22,126	22,880

Reconciliation of Movements in Equity Shareholders' Funds for the year ended September 30 2005

	2005	2004
	£000's	£000's
Profit for the financial year	24,786	16,014
Dividends paid and proposed	(14,344)	(13,186)
	10,442	2,828
Proceeds from issue of shares for cash	2,960	645
Reinstatement of goodwill on disposal	657	-
Other recognized gains and losses relating to the year	(2,660)	6,866
Net decrease in equity shareholders' deficit	11,399	10,339
Opening equity shareholders' deficit	(63,150)	(73,489)
Closing equity shareholders' deficit	(51,751)	(63,150)

Euromoney Institutional Investor PLC
Notes to the Accounts

1. Basis of Preparation

The financial information set out in this announcement does not constitute the company's statutory accounts for the year ended September 30 2005 but is derived from those accounts. Statutory accounts for 2004 have been delivered to the Registrar of Companies, and those for 2005 will be delivered following the company's annual general meeting. The auditors have reported on those accounts; their report was unqualified and did not contain statements under section 237 (2) or (3) of the Companies Act 1985.

The financial information for the year ending September 30 2005 has been prepared in accordance with the accounting policies set out in the group's 2004 annual report.

2. Segmental analysis

	United Kingdom		North America		Rest of World		Total	
	2005 £000's	2004 £000's	2005 £000's	2004 £000's	2005 £000's	2004 £000's	2005 £000's	20 £000
Turnover By destination:								
Other continuing businesses	31,604	28,457	90,245	71,720	72,122	69,322	193,971	169,4
Closed businesses	570	1,142	432	1,852	1,293	2,161	2,295	5,1
Group turnover	32,174	29,599	90,677	73,572	73,415	71,483	196,266	174,6
Joint ventures	229	258	-	-	770	-	999	2
	32,403	29,857	90,677	73,572	74,185	71,483	197,265	174,9

	United Kingdom		North America		Rest of World		Total	
	2005 £000's	2004 £000's	2005 £000's	2004 £000's	2005 £000's	2004 £000's	2005 £000's	20 £000
Turnover								

By activity and source:

Financial publishing	30,169	26,790	28,848	29,748	1,501	1,195	60,518	57,7
Business publishing	17,023	16,415	7,038	6,688	1,155	1,067	25,216	24,1
Training	16,296	14,965	6,421	5,215	2,133	1,887	24,850	22,0
Conferences and seminars	22,685	19,457	37,531	22,314	7,060	9,555	67,276	51,3
Databases and information services	4,938	4,396	3,829	3,488	7,344	6,319	16,111	14,2
Closed businesses	1,122	1,885	340	1,671	833	1,599	2,295	5,1
Group turnover	92,233	83,908	84,007	69,124	20,026	21,622	196,266	174,6
Joint ventures	229	258	-	-	770	-	999	2
	92,462	84,166	84,007	69,124	20,796	21,622	197,265	174,9

The Joint venture turnover of £999,000 (2004: £258,000) can be allocated as follows; Busin
publishing £229,000 (2004: £258,000); Databases and information £770,000 (2004: £nil).

	United Kingdom		North America		Rest of World		Total	
	2005	2004	2005	2004	2005	2004	2005	20
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000
Operating profit By activity								

and source:

Financial publishing	9,221	7,800	2,851	3,494	130	(142)	12,202	11,1
Business publishing	4,334	3,924	1,464	1,269	121	76	5,919	5,2
Training	3,894	3,356	1,623	962	634	588	6,151	4,9
Conferences and seminars	5,316	4,401	13,294	5,709	195	2,028	18,805	12,1
Databases and information services	2,769	2,531	1,551	871	(427)	(27)	3,893	3,3
Closed businesses	(111)	(597)	(232)	(310)	(73)	-	(416)	(9
Unallocated corporate costs	(5,554)	(5,700)	(561)	383	(128)	(10)	(6,243)	(5,3
	19,869	15,715	19,990	12,378	452	2,513	40,311	30,6
Capital appreciation plan expense	(739)	-	(508)	-	(42)	-	(1,289)	
Goodwill amortization and impairment	(2,058)	(3,358)	(3,654)	(4,107)	(35)	(69)	(5,747)	(7,5
Operating profit after goodwill amortization and impairment	17,072	12,357	15,828	8,271	375	2,444	33,275	23,0

The goodwill amortization and impairment and capital appreciation plan expense of £7,036,000 (2004: £7,534,000) can be allocated as follows; Financial publishing, £1,661,000 (2004: £1,666,000); Business publishing, £1,251,000 (2004: £2,222,000); Conferences and seminars, £2,257,000 (2004: £1,191,000); Databases and information services, £477,000 (2004: £2,072,000); Closed businesses, £101,000 (2004: £383,000); Unallocated corporate costs £1,289,000 (2004: £nil).

3. Exceptional items

Exceptional loss on disposal of business

In April 2005, the group sold the UK and German companies that formed part of the Business Traveller group for £500,000. After writing off goodwill of £931,000 and re-instating £657,000 of goodwill previously written off through reserves, the exceptional loss on sale was £972,000. There is no tax effect.

Prior year exceptional impairment

The group regularly performs a review of its portfolio and in 2004, the review resulted in additional goodwill write offs of £1,177,000. In 2005, no such write off was required.

4. Tax on profit on ordinary activities

	2005	2004
	£000's	£000's
United Kingdom		

Corporation tax at 30% (2004: 30%)	5,319	4,514
Associates	126	114
Under provision in respect of prior years	494	165
	5,939	4,793
Foreign tax		
Overseas taxation	1,531	1,063
Under provision of overseas taxation in respect of prior years	50	59
Total current tax	7,520	5,915
Deferred tax		
Origination and reversal of asset timing differences	(5,116)	(1,658)
Origination and reversal of liability timing differences	2,454	2,505
Increase in discount	(2,449)	(2,529)
Over provision of deferred taxation in respect of prior years	(151)	(334)
Total deferred tax	(5,262)	(2,016)
Tax on profit on ordinary activities	2,258	3,899

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

	2005 £000's	2004 £000's
Profit on ordinary activities before tax	29,050	20,491
Tax at 30%	8,715	6,147
Factors affecting tax charge:		

UK goodwill amortization	1,724	2,260
Non-taxable items and additional deductible UK items	(489)	(1,032)
US goodwill amortization and losses	(2,277)	(2,402)
Utilisation of tax losses brought forward	(2,758)	-
US state taxes	1,283	418
Disallowable expenditure	561	-
Movement in other timing differences	686	374
Capital allowance in excess of depreciation	(55)	45
Lower rates of tax on overseas profits	(414)	(119)
Under provisions in prior years	544	224
Current tax charge for the year	7,520	5,915

5. Dividends

	2005 £000's	2004 £000's
Interim paid 5.2p per share (2004: 5p)	4,587	4,397
Final proposed 11.00p per share (2004: 10.00p)	9,767	8,798
	14,354	13,195
Employees' Share Ownership Trust dividend	(10)	(9)
	14,344	13,186

The final dividend of 11.00p (2004: 10.00p) will be paid on January 27 2006 to shareholders on the register on December 2 2005. It is expected that the shares will be marked ex-dividend on November 30 2005. Holders of International

Depositary Receipts can receive their dividend on January 27 2006 by presentation of coupon number 37 to Banque Internationale a Luxembourg or to one of their agents.

6. Earnings per share

	2005 £000's	2004 £000's
Basic earnings	24,786	16,014
Goodwill amortization	5,747	6,357
Exceptional goodwill impairment (note 3)	-	1,177
Exceptional loss on disposal of business (note 3)	972	-
Adjusted earnings before goodwill amortization and exceptional items	31,505	23,548

	Number 000's	Number 000's
Weighted average number of shares	88,336	87,910
Shares held by the Employees' Share Ownership Trust	(59)	(59)
	88,277	87,851
Effect of dilutive share options	231	309
Diluted weighted average number of shares	88,508	88,160

	Pence per share	Pence per share

Basic earnings per share	28.08	18.22
Effect of dilutive share options	(0.07)	(0.06)
Diluted earnings per share	28.01	18.16
Effect of goodwill amortization	6.49	7.21
Effect of exceptional goodwill impairment	-	1.34
Effect of loss on disposal of business	1.10	-
Adjusted diluted earnings per share before goodwill amortization and exceptional items	35.60	26.71

The adjusted diluted earnings per share figure has been disclosed since the directors consider it to give a meaningful indication of the underlying trading performance.