

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1998-07-22** | Period of Report: **1998-03-31**
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FILER

GLOBAL DECISIONS GROUP LLC

CIK: **1044272** | State of Incorporation: **DE** | Fiscal Year End: **0630**
Type: **10-Q** | Act: **34** | File No.: **333-34477** | Film No.: **98669948**
SIC: **6282** Investment advice

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CAMBRIDGE MA 02138

Business Address
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MAFFEI
1 CHASE MANHATTAN PLAZA
NEW YORK NY 10005
6174976446

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1998

OR

[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from ----- to -----

Commission file number 333 34 477

GLOBAL DECISIONS GROUP LLC

(Exact name of registrant as specified in its charter)

Delaware

13-3963605

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

c/o MCCARTHY, CRISANTI & MAFFEI, INC.
590 MADISON AVENUE, NEW YORK, NY 10022

(Address of principal executive offices)
(Zip Code)

212 - 896 - 7510

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year,
if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports
to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during
the preceding 12 months (or for such shorter period that the registrant was
required to file such reports), and (2) has been subject to such filing
requirements for the past 90 days.

Yes / / No /x/.

At July 22, 1998 there were 4,838,710 limited liability company units
outstanding.

PART I FINANCIAL INFORMATION

GLOBAL DECISIONS GROUP LLC
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTERLY PERIOD ENDED
MARCH 31, 1998
(UNAUDITED)

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GLOBAL DECISIONS GROUP LLC

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)
(in 000's except per unit and unit amounts)

<TABLE>
<CAPTION>

ASSETS	MARCH 31, 1998 -----	DECEMBER 31, 1997 -----
	<C>	<C>
<S>		
Current assets:		
Cash and cash equivalents	\$ 4,210	\$15,979
Accounts receivable, net of allowance for doubtful accounts of \$557 at March 31, 1998 and \$307 at December 31, 1997	15,575	4,387
Prepaid expenses and other assets	1,359	397
	-----	-----
Total current assets	21,144	20,763
Furniture, equipment and leasehold improvements, net	3,368	1,842
Intangible assets, net	65,986	17,497
Other assets	696	455
	-----	-----
Total assets	\$91,194 =====	\$40,557 =====
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 4,622	\$ 2,370
Deferred revenue	10,065	70
Income taxes payable	1,299	2,012
Bank loans payable	1,020	577
Payroll and benefit-related liabilities	4,931	2,405
	-----	-----
Total current liabilities	21,937	7,434
Long term debt	15,000	--
Deferred income taxes payable	4,418	456
Other liabilities, including minority interest	1,089	1,068
	-----	-----
Total liabilities	42,444	8,958
Commitments and contingencies		
Redeemable voting LLC units:		
Voting LLC units, 275,530 and 168,655 units issued and outstanding at redemption value of \$11.05 and \$10.47 per unit at March 31, 1998 and December 31, 1997, respectively, less notes receivable from members of \$885 at March 31, 1998 and December 31, 1997	2,159	880
Members' equity:		
Voting LLC units, 4,563,179 and 3,170,054 issued and outstanding at March 31, 1998 and December 31, 1997, respectively	38,176	22,182

Undistributed earnings	8,415	8,537
	-----	-----
Total members' equity	46,591	30,719
	-----	-----
Total liabilities and members' equity	\$91,194	\$40,557
	=====	=====

</TABLE>

The accompanying notes are an integral part of these condensed consolidated financial statements.

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GLOBAL DECISIONS GROUP LLC

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In 000's except per unit and unit amounts)

<TABLE>

<CAPTION>

	THREE MONTHS ENDED MARCH 31, 1998	THREE MONTHS ENDED MARCH 31, 1997
	-----	-----
<S>	<C>	<C>
Revenues:		
Research services	\$ 14,491	\$ 9,787
Expenses:		
Sales, distribution, administrative and other operating	14,081	7,679
Amortization of intangibles	529	195
	-----	-----
Total expenses	14,610	7,874
Operating (loss) income	(119)	1,913
Other income - net	217	129
Interest expense	(142)	--
	-----	-----
(Loss) income before income taxes	(44)	2,042
Income taxes	(20)	953
	-----	-----
Net (loss) income	\$ (24)	\$ 1,089
	=====	=====
Per LLC unit:		
Net (loss) income per LLC unit:		
- Basic and diluted	\$ (0.01)	\$ 0.33
Weighted-average units outstanding	4,108,980	3,319,598

</TABLE>

The accompanying notes are an integral part of these condensed consolidated financial statements.

GLOBAL DECISIONS GROUP LLC

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)
(in 000's)

<TABLE>
<CAPTION>

	THREE MONTHS ENDED MARCH 31, 1998 ----- <C>	THREE MONTHS ENDED MARCH 31, 1997 ----- <C>
<S>		
Cash flows from operating activities:		
Net income (loss)	\$ (24)	\$ 1,089
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	598	286
Grant of LLC units	1,181	--
Changes in assets and liabilities, net of effect of acquisition of CERA	(3,922)	(688)
	-----	-----
Net cash (used in) provided by operating activities	(2,167)	687
	-----	-----
Cash flows used in investing activities:		
Acquisition of CERA, net of cash acquired	(24,931)	--
Capital expenditures	(114)	(46)
	-----	-----
Net cash used in investing activities	(25,045)	(46)
	-----	-----
Cash flows from financing activities:		
Net bank loan issuances (repayments)	443	(30)
Issuance of long term debt	15,000	--
	-----	-----
Net cash provided by (used in) financing activities	15,443	(30)
Net (decrease) increase in cash	(11,769)	611
Cash and cash equivalents at beginning of year	15,979	9,877
	-----	-----
Cash and cash equivalents at March 31	\$ 4,210	\$ 10,488
	=====	=====
Supplemental information on business acquired:		
Fair value of assets acquired	\$ 58,835	
Less: liabilities assumed	(14,126)	
LLC units issued	(15,394)	
Options issued	(600)	
Direct transaction costs paid in 1997	(1,809)	

Cash paid	26,906	
Less: cash acquired	(1,975)	

Net cash paid	\$ 24,931	
	=====	

</TABLE>

The accompanying notes are an integral part of these condensed consolidated financial statements.

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GLOBAL DECISIONS GROUP LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. BASIS OF PRESENTATION:

MCM Group, Inc. ("MGI" or the "Predecessor Company"), a Delaware corporation, was incorporated on August 21, 1996 as a wholly owned subsidiary of VK/AC Holding, Inc. ("Holding"). On that date, Holding was a majority owned subsidiary of The Clayton & Dubilier Private Equity Fund IV Limited Partnership ("C&D Fund IV"), which is managed by Clayton Dubilier & Rice, Inc. Prior to August 31, 1996, McCarthy, Crisanti & Maffei, Inc. ("MCM") was a wholly owned subsidiary of Holding. On August 31, 1996, Holding's ownership interest in MCM was transferred to MGI. On August 31, 1996, 100% of the outstanding Class A common stock of MGI was distributed to the stockholders of record of Holding as a dividend on their shares of Holding's common stock. Upon the distribution, MGI became a majority owned subsidiary of C&D Fund IV.

Global Decisions Group LLC, the successor company ("GDG"), a Delaware limited liability company was formed by MGI and MCM on June 30, 1997, for the purpose of effecting the Merger, as discussed in Note 2, whereby a wholly owned subsidiary of GDG was merged into MGI on February 12, 1998, with MGI as the surviving corporation. Pursuant to this Merger each outstanding share of MGI common stock was converted into the right to receive limited liability company units of GDG. Therefore, the Merger has been accounted for in a manner similar to the pooling of interests method due to the common ownership of MGI and GDG.

The financial statements include the accounts of GDG, MGI and MCM and its subsidiaries (collectively, "the Company") and reflect the exchange of MGI common stock for GDG units in the Merger. All material intercompany accounts and transactions have been eliminated in consolidation.

The accompanying unaudited condensed consolidated financial statements reflect all adjustments considered necessary by management to present fairly the Company's consolidated financial position as of March 31, 1998, and December 31, 1997, and the consolidated results of operations and the consolidated cash flows for the three-month periods ended March 31, 1998 and 1997. The statement of income for the three months ended March 31, 1997 has been derived from the unaudited financial statements of the Predecessor Company for such period. All adjustments reflected in the accompanying unaudited condensed consolidated financial statements are of a normal recurring nature. The results of operations for the respective interim periods are not necessarily indicative of the results to be expected for the full year.

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GLOBAL DECISIONS GROUP LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

(Unaudited)

2. MERGER AND EXCHANGE TRANSACTION:

On August 1, 1997, MGI entered into the Plan of Merger and Exchange Agreement (the "Merger Agreement") by and among MGI, GDG, the stockholders of Cambridge Energy Research Associates, Inc. ("CERA"), and The Goldman Sachs Group, L.P. ("Goldman"). On February 12, 1998, in accordance with the Merger Agreement, GDG Merger Corporation, a wholly owned subsidiary of GDG which was formed specifically for the purpose of the Merger, was merged into MGI (the "Merger"). MGI was the surviving corporation and became a wholly owned subsidiary of GDG. Each share of MGI Class A and Class C common stock ceased to be outstanding and was converted into the right to receive 9.55555 limited liability company units of GDG ("Units"), as provided in the Merger Agreement.

The CERA stockholders exchanged each outstanding share of common stock and non-voting common stock of CERA for 5.17956 Units, 1,243,125 Units in total, the contingent right to receive from 0.49875 to 2.94851 additional Units, and a contingent option to purchase 0.37028 additional Units. Goldman exchanged a portion of its limited partnership interest in Cambridge Energy Research Associates Limited Partnership ("CERA LP"), which was immediately transferred to CERA, for 150,000 Units, the contingent right to receive from 14,444 to 85,389 additional Units, and a contingent option to purchase 9,874 additional Units. The contingent rights and the contingent options are subject to the attainment of certain revenue growth rates by CERA.

On February 11, 1998, MCM entered into a five year revolving credit agreement with Chase Manhattan Bank and Bank of America National Trust and Savings Association which provides for a \$30,000,000 facility. In accordance with the Merger Agreement, on February 12, 1998, MCM loaned \$25,000,000 to CERA. CERA used these funds to distribute \$21,510,000 to its stockholders and to purchase a portion of the limited partnership interest in CERA LP from Goldman for \$2,390,000.

As a result of these transactions, CERA became a wholly owned subsidiary of GDG, and CERA LP was dissolved and its assets and liabilities transferred to CERA.

The acquisition of CERA on February 12, 1998, for approximately \$46,000,000 (\$16,000,000 in Units and \$30,000,000 in cash) has been accounted for as a purchase in accordance with Accounting Principles Board Opinion No. 16. Intangibles (principally goodwill) of approximately \$46,000,000 arising on the acquisition are to be amortized over their estimated useful lives of five to twenty-five years. As of March 31, 1998, the Company capitalized approximately \$6,000,000 of acquisition costs as an addition to intangible assets. Upon the closing of the transaction, amortization of such costs commenced. In addition, the Company

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GLOBAL DECISIONS GROUP LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

(Unaudited)

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recorded deferred tax liabilities of \$5,700,000 arising from the purchase of identifiable intangible assets.

Under the terms of the Merger Agreement, on February 23, 1998, CERA employees were granted an aggregate of 106,875 Units in accordance with the CERA LLC Unit Grant Plan. As a result, the Company recorded a one-time

charge of \$1,716,000 against earnings, including employees' related income tax benefits of \$535,000. The Company also granted the employees contingent rights to receive 10,291 to 60,840 Units, and options to purchase 231,500 Units. The contingent rights are subject to the attainment of certain revenue growth rates by CERA.

Had the acquisition of CERA occurred on January 1, 1997, the unaudited pro forma revenues, net income and basic earnings per Unit for the three months ended March 31, 1998 and 1997, would have been \$18,358,000, \$217,000 and \$0.04 and \$17,470,000, \$83,000 and \$0.02, respectively. The pro forma results are based on various assumptions and are not necessarily indicative of what would have occurred had the transaction been consummated on January 1, 1997.

3. PER UNIT AMOUNTS:

Options outstanding at March 31, 1998, have been excluded from the diluted loss per Unit calculation in 1998 because to include such Units would be antidilutive.

Options outstanding at March 31, 1997, have been excluded from the diluted earnings per Unit calculation in 1997 because the options' exercise prices were greater than the average fair value during the period.

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GLOBAL DECISIONS GROUP LLC

PART II. OTHER INFORMATION

ITEM 5. OTHER INFORMATION

On April 21, 1997, the Board of Directors of MCM Group, Inc. ("MGI") voted to change MGI's fiscal accounting year to begin July 1 and end June 30. MGI had been operating under a fiscal year that began January 1 and ended December 31. As a result of this action, the Company's 1998 fiscal year will end on June 30, 1998, and will be covered by a report filed on Form 10-K.

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GLOBAL DECISIONS GROUP LLC
MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

The following is a discussion and analysis of the historical consolidated results of operations and financial condition of Global Decisions Group LLC (the "Company", "GDG" or the "Parent") and its subsidiaries and factors affecting their financial resources. This discussion should be read in conjunction with GDG's unaudited condensed consolidated financial statements and the notes thereto.

The following discussion will assist in the understanding of the Company's financial position and results of operations. The information below should be read in conjunction with the financial statements, the related notes to the financial statements and the Company's special report on Form 10-K for the year ended December 31, 1997. The results for the three month periods for each year are not comparable due to the acquisition of CERA on February 12, 1998. CERA's

results are included in the 1998 numbers from that date to March 31, 1998, but its results are not included in the Company's results for the same period in 1997.

MCM Group, Inc ("MGI") and Cambridge Energy Research Associates, Inc. ("CERA") are each wholly owned subsidiaries of GDG (see "Merger and Exchange History") and are operated as separate though affiliated businesses.

MERGER AND EXCHANGE HISTORY

GDG was formed in connection with the Plan of Merger and Exchange Agreement dated as of August 1, 1997 (the "Merger Agreement") by and among MGI, GDG, GDG Merger Corporation, the stockholders of CERA, and The Goldman Sachs Group, L.P. On February 11, 1998 in accordance with the Merger Agreement, McCarthy, Crisanti & Maffei, Inc. ("MCM, Inc."), the principal direct subsidiary of MGI, entered into a five year revolving credit agreement with the Chase Manhattan Bank and Bank of America National Trust and Savings Association (the "Credit Agreement") (see "Liquidity and Capital Resources"), and on the same date loaned \$25,000,000 to CERA (the "CERA Loan"), which used the funds to pay cash distributions of \$21,510,000 to the founding CERA stockholders, and to purchase a portion of the limited liability partnership interests in Cambridge Energy Research Associates Limited Partnership ("CERA L.P.") owned by the Goldman Sachs Group, L.P. for \$2,390,000. The loan to CERA was funded using available cash and \$15,000,000 in loans under the Credit Agreement. On February 12, 1998, MGI merged with GDG Merger Corporation (the "Merger"), a wholly owned subsidiary of GDG, which was formed specifically for the purpose of the Merger Agreement. MGI was the surviving corporation and became a

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wholly owned subsidiary of GDG. As a result of the Merger, each share of MGI common stock ceased to be outstanding and was converted into rights to receive Limited Liability Company units of GDG (the "LLC Units"), as provided in the Merger Agreement. In addition, on that date, GDG acquired all of the outstanding shares of CERA's common stock and the remaining limited partnership interests in CERA L.P. (which interests were immediately transferred to CERA) in exchange for LLC Units and certain contingent options and rights (the "CERA Acquisition"). As a result, CERA also became a wholly owned subsidiary of GDG, and CERA L.P. was dissolved by operation of law, and its assets and liabilities were transferred to CERA.

The acquisition of CERA on February 12, 1998, for approximately \$46,000,000 (\$16,000,000 in Units and \$30,000,000 in cash) has been accounted for as a purchase in accordance with Accounting Principles Board Opinion No. 16. Intangibles (principally goodwill) of approximately \$46,000,000 arising on the acquisition are to be amortized over their estimated useful lives of five to twenty-five years. As of March 31, 1998, the Company capitalized approximately \$6,000,000 of acquisition costs as an addition to intangible assets. Upon the closing of the transaction, amortization of such costs commenced. In addition, the Company recorded deferred tax liabilities of \$5,700,000 arising from the purchase of identifiable intangible assets.

MCM GROUP, INC.

MGI's only subsidiary, MCM, Inc., and its subsidiaries, MCM S.A., MCM Asia Pacific, Ltd. and McCarthy, Crisanti & Maffei (Europe), Ltd. (collectively "MCM"), provide specialized on-line financial information and analysis relating to developments in the U.S. and international corporate securities, fixed income and currency markets. MCM distributes its services almost exclusively through on-line telecommunications information network firms such as Bridge-Telerate, formerly Dow Jones Markets ("DJM"), Reuters Limited, Bloomberg L.P., ADP Financial Information Services, and Kabushiki Kaisha Quick (collectively, the "Vendor Distribution Firms") to subscribers in 57 countries. Subscribers to MCM's electronic information services consist almost exclusively of institutional clients (e.g., major banks, brokers, dealers, government bond and financial futures trading operations, foreign exchange trading operations, and treasury departments of major corporations). In addition to MCM's headquarters in New York, MCM maintains offices in Boston, London, Paris, Tokyo, Hong Kong,

and Singapore.

At March 31, 1998 nearly half of MCM's research services revenues were attributable to customers located in the United States. European-based customers accounted for approximately one third of total revenue and customers based in Asia accounted for the balance. The CorporateWatch (R) service is responsible for a substantial portion of MCM's revenue earned in the United States, while the CurrencyWatch (R)

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service is responsible for a substantial portion of the revenue earned in the European and Asian markets.

Revenue from MCM's research services has grown substantially since 1992, principally as a result of investments made by MCM to expand its distribution and marketing capabilities and enhance its service offerings throughout the global financial markets. The substantial increases in revenues have been offset to some extent by (i) increases in vendor royalties resulting from MCM's decision in late 1993 to distribute its services on a non-exclusive basis over various Vendor Distribution Firms and (ii) increases in compensation and benefits resulting from MCM's hiring of personnel to expand the services offered by its product lines.

Vendor royalties currently represent MCM's largest expense. Vendor royalties are commissions paid to Vendor Distribution Firms, mainly DJM. Historically, MCM provided its services, with limited exceptions exclusively through screens provided by DJM. In late 1993 MCM exercised its option to discontinue its exclusive distribution agreement with DJM, and as a result DJM's royalty increased to a level substantially greater than that in effect while distribution of MCM's services was made exclusively through DJM. Since moving to a multi-vendor distribution system, MCM has increased its sales volume and believes that this strategy will continue to increase revenues to more than offset the additional vendor royalty costs. However, there can be no assurance that MCM's strategy will continue to be successful.

Compensation and benefits costs also have increased as MCM has invested in additional professional staff to enhance certain product lines, particularly CurrencyWatch(R), and YieldWatch (R), MCM's two fastest growing services. While revenues for these two services have grown substantially, the corresponding additional investment in personnel has kept profit margins on these services relatively low. MCM believes that if CurrencyWatch (R) and YieldWatch (R) revenues continue to grow, profit margins may significantly improve, although there can be no assurance in this regard.

CAMBRIDGE ENERGY RESEARCH ASSOCIATES, INC.

Since February 12, 1998 CERA has been under common ownership with MGI (see "Merger and Exchange History"). CERA's core business is research, analysis and strategic information on energy industry developments and trends, which is sold, primarily, on a continuous, renewable retainer basis. CERA offers a number of different retainer advisory services, which are sold, principally, as annual, renewable contracts. These contracts can vary in price depending on the level of service and/or the number of advisory services purchased. The majority of CERA's retainer clients purchase more than one service. Revenue from retainer advisory services constitutes slightly more than half of CERA's total revenue in each of the prior two fiscal years ended June 30, 1996 and 1997.

The balance of CERA's revenue is derived from custom projects and several different activities collectively called "retainer related."

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Custom projects (also described as retainer applications and consulting)

are, generally, client-specific applications of research data and knowledge derived from the retainer advisory business. Most projects are priced on a fixed-fee basis, plus expenses, with a limited number of projects priced on a per-diem rate basis. The majority of project clients are also (or become) retainer advisory clients. The revenue is less predictable than retainer advisory revenue. It also can be more affected, year-to-year, by singular, non-recurring large projects. The revenue is recognized on a percentage-of-completion basis over the course of the project. Project revenue constituted slightly more than one quarter of CERA's revenue for the fiscal year ended June 30, 1997.

Retainer-related revenue encompasses several activities, including separately-charged presentations and consulting days, individual sales of research reports, fees for attending CERA events, and major, multi-client sponsored research studies. These activities are generally connected to the retainer advisory business with respect to content, staffing and clients. This revenue represented roughly one-fifth of CERA's total revenue for the fiscal year ended June 30, 1997.

RESULTS OF OPERATIONS

Three-Months Ended March 31, 1998 compared to Three Months Ended March 31, 1997

The Company's results for each year are not comparable due to the CERA Acquisition on February 12, 1998. CERA's results from that date to March 31, 1998 are included in the 1998 numbers, but its results are not included in the corresponding 1997 figures.

Revenues

Revenue from research services grew from \$9.8 million during the first three months of 1997 to \$14.5 million during the same period of 1998. The increase is primarily due to the inclusion of CERA in the current year's results after the CERA Acquisition. MCM's revenue actually grew 5.6% to \$10.3 million. CERA contributed an additional \$4.2 million of revenue from its retainer, applications and retainer-related businesses from the CERA Acquisition date, February 12, 1998 through the end of the quarter. The growth in MCM's revenues was due primarily to the expansion of MCM's international marketing initiative and the delivery of research services through multiple Vendor Distribution Firms.

Expenses

Total Expenses in the first three months of 1998 were \$14.6 million, or \$6.7 million more than the same period in 1997, an increase of 86%. \$5.1 million of this increase resulted from the inclusion of CERA's expenses for the period from February 12, 1998 to March 31, 1998.

MCM's costs increased by approximately 14%, reflecting higher compensation and benefits costs, and the hiring of additional analysts and research assistants to enhance MCM's product lines, as well as from increases in occupancy expense and in expenses associated with the hiring of additional administrative personnel and investments in computer system enhancements. MCM formerly had a services agreement with Van Kampen American Capital, Inc., its former parent, for all accounting and administrative support functions. MCM has been assuming those functions internally, which has resulted in the increase in administrative staffing costs. These increased costs at MCM were partially offset by overall lower vendor royalties as a percentage of subscription revenues, reflecting MCM's continuing success in increasing revenues through the distribution of its services through multiple Vendor Distribution Firms.

CERA's operating costs from February 12, 1998 to March 31, 1998 were \$5.2

million, of which \$3.2 million were directly related to operations. The balance was incurred as result of the purchase of LLC Units for distribution to CERA employees as a part of the Merger and the CERA Acquisition and due to other merger related costs. In addition, \$0.2 million of GDG corporate expenses are included in the total for the three months.

Interest Expense for the three months was \$0.14 million compared to no interest expense in the corresponding period for the prior year. This reflects the borrowings under the Credit Agreement of \$15 million to finance the CERA Loan.

Amortization expense of \$0.5 million for the three months was \$0.3 million higher than for the same period in 1997. This increase is due to the additional amortization of goodwill and intangible assets associated with the CERA Acquisition.

Other Income increased from \$0.13 million in the 1997 period to \$0.22 million in 1998, representing greater interest income due to the high level of cash maintained on MCM's books until it made the loan to CERA in mid-February.

Income taxes were \$(0.02) million compared to \$1.0 million for the same period in 1997, primarily as a result of one time losses incurred by CERA relating to the CERA Acquisition.

Net Income

The Company reported a net loss of \$0.024 million for the three months ended March 31, 1998, a decrease of \$1.1 million from the net income of the prior year's period. Net Income decreased as a result of a nonrecurring compensation charge related to distributing LLC Units to CERA employees and increased interest expense relating to the financing for the CERA Loan.

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LIQUIDITY AND CAPITAL RESOURCES

The Company generated cash flow from operations in the amounts of \$0.3 million and \$0.7 million for the three months ended March 31, 1998 and 1997, respectively. CERA contributed \$0.6 million in cash flow from operations from the CERA Acquisition date to March 31, 1998.

Funds used in investment activities were \$27.5 million for the three months ended March 31, 1998 compared to \$0.05 million in the prior year's period. The large increase in investment is attributable to the CERA Acquisition. In order to finance the CERA Loan, MCM, Inc. received financing proceeds of \$15,000,000 under the Credit Agreement. The Credit Agreement, which also provides for a \$10,000,000 facility to finance future acquisitions and a \$5,000,000 working capital revolving credit facility, expires on February 11, 2003. Repayments of the term loan under the Credit Agreement are due in \$750,000 quarterly installments from March 31, 1999 through December 31, 1999, and then increase to \$1,000,000 quarterly installments through December 31, 2002. The weighted-average interest rate on the term loan issued under the Credit Agreement for the period ended March 31, 1998 was 6.88% based on a LIBOR rate of 5.63% plus a margin of 1.25%.

As of March 31, 1998, MCM, Inc had no borrowings under the acquisition facility or the revolving credit facility. Management believes that cash from operations and the revolving credit facility will be sufficient to meet the Company's operating costs, capital investment needs and increased debt service costs associated with the term loan.

YEAR 2000

The issues associated with the "Year 2000" computer dating changes, which are necessary to permit correct recording of yearly dates for year 2000 and

beyond, principally apply to MCM, which creates and delivers its products to its Vendor Distribution Firms via a system utilizing specialized software applications. MCM is currently engaged in a capital project to upgrade the software platform and network underlying this system. As a consequence of this technological restructuring, MCM will not incur any Year 2000 specific costs as those issues are being dealt with in the current implementation of the new contribution and distribution system.

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PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

Not applicable

ITEM 2. CHANGES IN SECURITIES.

Not applicable

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

Not applicable

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Not applicable

ITEM 5. OTHER INFORMATION.

Not applicable

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

Not applicable

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GLOBAL DECISIONS GROUP LLC

(Registrant)

Date: July 21, 1998

By: /s/ GORDON McMAHON

GORDON McMAHON
Vice President and Secretary

Date: July 21, 1998

By: /s/ CHAUNCEY MORGAN

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<PREFERRED>	0
<COMMON>	38,176
<OTHER-SE>	8,415
<TOTAL-LIABILITY-AND-EQUITY>	91,194
<SALES>	14,491
<TOTAL-REVENUES>	14,491
<CGS>	14,081
<TOTAL-COSTS>	14,610
<OTHER-EXPENSES>	0
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	75<F1>
<INCOME-PRETAX>	(44)
<INCOME-TAX>	20
<INCOME-CONTINUING>	(24)
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	(24)
<EPS-PRIMARY>	(0.01)
<EPS-DILUTED>	(0.01)
<FN>	
<F1>VALUE IS FOR INCOME INTEREST EXPENSE.	
</FN>	

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