

DMGT

Preliminary results

Year to 29 September 2002
28 November 2002

DMGT

Financial Highlights

- Turnover down 1% to £1,945m
- Operating profit up 1% to £241.6m
- Adjusted pretax profit up 3% to £182.5m
- Reported profit after tax up 96% to £89.6m
- Adjusted eps up 5% to 31.0p
- Dividend up 7% to 6.25p per share

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Associated Newspapers

£ million	2002	2001	%
Turnover	828	834	-1%
Operating profit	80	83	-3%
Margin	10%	10%	

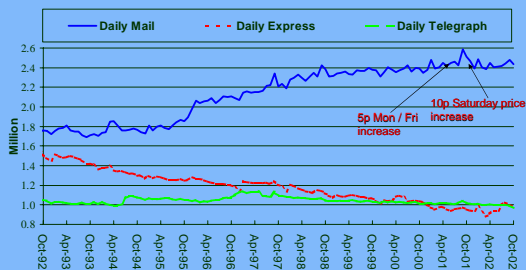
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Associated Newspapers

- Circulations stable despite
 - v tough comparatives
 - cover price increases by us
 - cover price decreases by them!

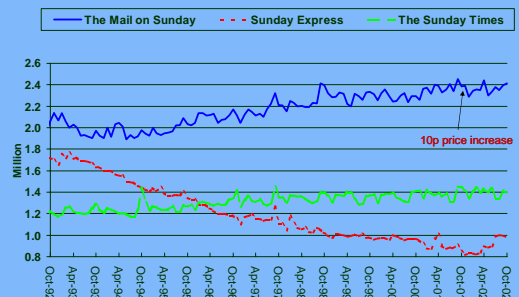
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Daily Mail Circulation comparison



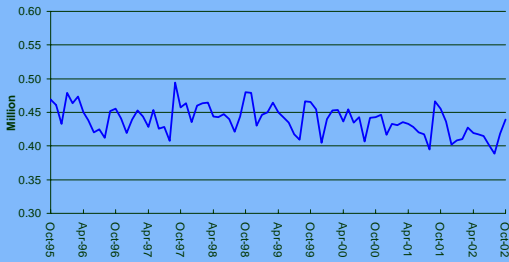
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The Mail on Sunday Circulation comparison



ABC audited figures

Evening Standard Circulation



ABC audited figures

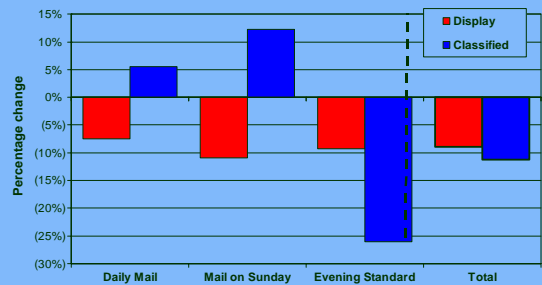
Associated Newspapers

- Advertising
 - volumes tough
 - but yields up
- Newsprint price reduction

Associated Newspapers

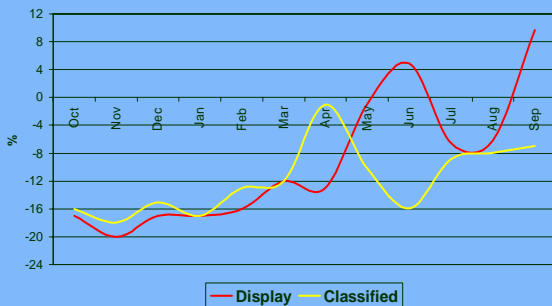
- Metro profit in last quarter - on plan
- Investment in Ireland on Sunday
 - circulation up 174%
 - now improving advertising
- Loot going well

Associated Newspapers Advertising revenue: Y-o-Y change



52 weeks v 52 weeks

Associated Newspapers Advertising revenue: Monthly Y-o-Y Total %



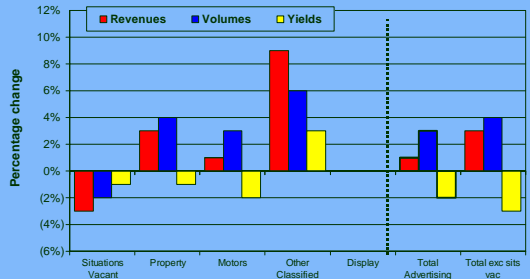
Northcliffe Newspapers

£ million	2002	2001	%
Turnover	472	477	-1%
Operating profit	90	97	-7%
Margin	19%	20%	

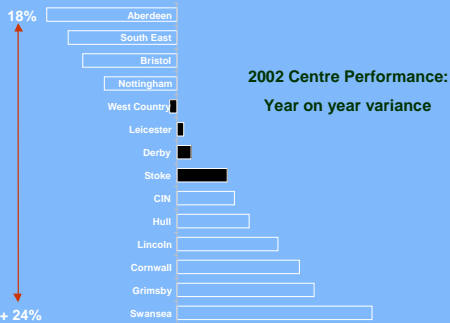
Northcliffe Newspapers

- Signs of circulation improvement
 - reduced rate of decline to June 02
 - ahead of peers
 - some plus figures!
- Advertising holding up overall
- Reduced electronic publishing spend
- Reduced level of contract printing
- Establishment of accounting centre

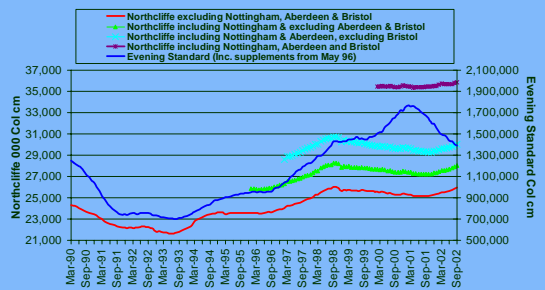
Northcliffe Newspapers Advertising: Y-o-Y change : Year to September 2002



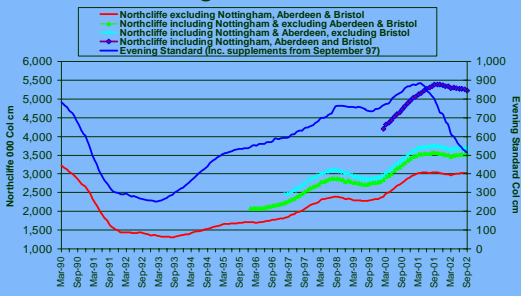
Northcliffe - Situations Vacant Advertising



Classified Total Volumes Moving Annual Totals



Classified Employment Volumes Moving Annual Totals



Euromoney Institutional Investor

£ million	2002	2001	%
Turnover	180	205	-12%
Operating profit	29	28	4%
Margin	16%	14%	

Euromoney Institutional Investor

- Very difficult markets, especially post September 11
- Very quick to respond
 - reduction in headcount
 - all other costs vigorously attacked
 - loss making businesses closed
 - ISI into profit by year end
- Portfolio of businesses proving beneficial
 - Not too dependent on major investment banks
 - spread outside financial publishing

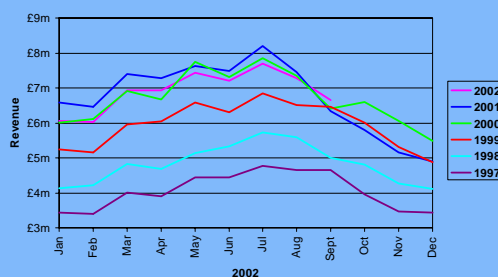
Broadcasting

£ million	2002	2001	%
Turnover	115	112	3%
Operating profit	17	12	39%
Margin	15%	11%	

DMG Radio

- Australia making good progress
 - Nova Sydney - into profit and ratings rising
 - Nova Melbourne launched in Dec 01 - as for Sydney
 - Perth (50%) acquired and launches next week
 - FM licences acquired in Gosford and Sunshine Coast
 - Regional stations recovering, but now drought impact

Teletext monthly advertising revenues



Exhibitions

£ million	2002	2001	%
Turnover	141	134	5%
Operating profit	25	17	45%
Margin	18%	13%	

Exhibitions

- Focus on organic growth and improved margins
- No acquisitions this year
- North American home shows proving robust in softening economy - attendances up
- Record Ideal Home Exhibition
- Some cyclical - Global Petroleum Show

DMG Information

£ million		2002	2001	%
Turnover :	Careers	101	113	-11%
	B2B	108	89	21%
		<u>209</u>	<u>202</u>	
Operating profit:	Careers	(1)	9	-111%
	B2B	18	9	100%
	Central costs	<u>(3)</u>	<u>(3)</u>	
		<u>14</u>	<u>15</u>	
Margin:	Careers	-1%	8%	
	B2B	17%	10%	

DMG Information

- Hobsons graduate market tough, especially in Europe
- Study Group
 - well down as a result of September 11
 - Australia, UK, New Zealand going well
- RMS into profit and strong order book
- Environmental businesses strong
 - EDR's acquisition of Vista
 - Landmark growth despite development costs

Profit before tax

- Pre amortisation and exceptional items up 3% to £183m
- Published Pretax up 30% to £107m

Adjusted profit before tax

£million	2002	2001
Operating profit	241.6	238.9
Joint Ventures & Associates	5.1	0.4
Investment income	5.2	6.7
Net interest	<u>(69.4)</u>	<u>(68.5)</u>
Adjusted profit before tax	<u>182.5</u>	<u>177.5</u>

Profit before tax

£million	2002	2001
Adjusted profit before tax	182.5	177.5
Amortisation	(77.2)	(78.2)
Reorganisation costs	(8.8)	(10.2)
Exceptional items	<u>10.9</u>	<u>(6.2)</u>
Profit before tax	<u>107.4</u>	<u>82.9</u>

Results

£million	2002	2001
Turnover	<u>1,945</u>	<u>1,963</u>
Profit before tax	107	83
Taxation	<u>(18)</u>	<u>(37)</u>
Profit after tax	90	46
Minorities	<u>(7)</u>	<u>(3)</u>
Group Profit	<u>83</u>	<u>43</u>
Adjusted EPS	31.0p	29.4p

Pensions

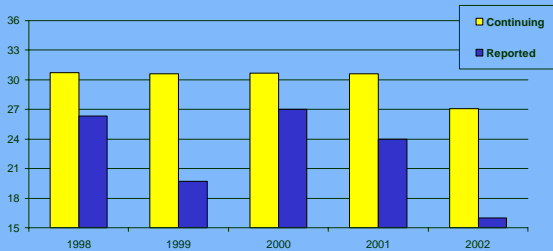
- DB schemes in much of Associated and Northcliffe
- DC schemes elsewhere in Group
- Design schemes appropriate for workforce
- DB schemes not mature
 - income greater than outgoings
 - no sales of assets required for many years

Pensions

- Actuarial valuation this year
 - funds remain comfortably in surplus
 - continue contributions at current 12% of pensionable pay
- MFR valuations
 - over 130% funded
 - no cash injections required
- FRS17 - accounting figures only
 - no cash implications
 - in deficit, but so what?

Tax Rate

(as a percentage of profits before amortisation)



Cashflow

Operating profit before amortisation	232.8
Depreciation	74.7
Working capital	(41.1)
Adjustment for year end change	34.0
	<u>304.4</u>
Less capex	(84.7)
	<u>219.7</u>
Conversion of profits into cash	94%

Summary cash flow

£million

Opening net debt	(875)
Trading cash flow	265
Acquisitions and disposals	(101)
Capital expenditure	(84)
Taxation	(25)
Interest and dividends	(93)
Changes in financing	<u>(9)</u>
Closing net debt	<u>(922)</u>

Acquisitions during the year

Associated Newspapers

Loot	
Buy & Sell	£45m

Northcliffe Newspapers

Leek Post and Times	£6m
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DMGI

Vista (EDR)	£11m
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Acquisitions - continued

DMG Radio

25% purchase from GWR	£37m
4BH	£2m
Gosford	£5m
Perth	£4m

Post year end

PPR	£11m
Sunshine Coast	£3m

Outlook

- Improved advertising markets in first quarter
 - Associated up 5% so far but weak comparatives
 - Northcliffe up 6% so far
- Euromoney still weak, but cost savings
- DMG World Media - Solid start to year
- DMG Information - as for last year!
- No visibility after Christmas

END

www.dmgt.co.uk