

Group interim results for the half year ended 30th March, 2003.**Highlights**

	Statutory results			Adjusted results*		
	2003	2002	Change	2003	2002	Change
Turnover	£947.6m	£950.0m	0 %			
Operating profit	£77.2m	£70.4m	+ 10 %	£103.8m	£97.0m	+ 7 %
Profit before tax	£44.4m	£32.1m	+ 38 %	£77.4m	£65.2m	+ 19 %
Earnings per share	5.6p	2.5p	+ 124 %	13.5p	10.5p	+ 29 %
Dividend per share	3.15p	2.95p	+ 7 %			

*(before amortisation and impairment of intangible assets and exceptional items; see page 4 and reconciliation in Note 7).

*References to operating profit below are to adjusted operating profit.

Summary

The Group has had a successful half year and is pleased to report an adjusted profit before tax of £77.4 million for the six months to 30 March, 2003, an increase of 19% compared with the equivalent figure for the prior year. Reported profit before tax for the period is £44.4 million, up 38% on last year.

Associated Newspapers

Associated's revenues were broadly unchanged at £419 million. Circulation performance remained strong with the average *Daily Mail* sale up 0.2% to 2,441,000 and that of *The Mail on Sunday* up 1.2% to 2,381,000, despite continued discounting of cover prices by other titles. The *Evening Standard* average sale rose by 0.4% to 427,000 copies with the quarter to March 2003 up 3.6% to an average 425,000 copies.

Advertising revenues for the half year were up 0.4%. Performance has slowed from the levels achieved in October and November against weak comparatives. Display advertising was down by 1%, with February and March increasingly weak due to the effects of the war in Iraq on bookings. By category, retail and travel performed well; financial continued to be poor. Classified advertising rose by 4%, despite the *Evening Standard's* recruitment advertising experiencing a further 8% fall. All titles, and particularly the *Evening Standard*, improved their yields for both display and classified.

Metro continued to increase advertising revenues and was profitable throughout the half year. Its circulation in March had risen to 860,000. As regards recent acquisitions, *Ireland on Sunday* increased its average circulation in the period to 166,000, compared to 43,000 in the previous half year, backed by a strong series of promotions including a reduced cover price. It has now returned to its original cover price. *Loot* and its Irish equivalent, *Buy and Sell*, continued to make good progress.

Associated's operating profit was down year on year by 22% to £35.8 million, reflecting continuing investment in *Ireland on Sunday* following its relaunch in May 2002, additional investment in the *Evening Standard* and promotional expenditure for *The Mail on Sunday* in March, following a cover price increase. We expect the benefits from these expenditures to come through from the second half onwards.

Northcliffe Newspapers

Northcliffe continued its robust performance, increasing operating profit for the half year by 7% to £42.9 million on turnover up 2% to £237 million, despite the benefits of Easter trading falling outside the period in 2003.

Circulation revenues were up by 4.6%. Volumes showed diminishing declines, but weakened in March due to the negative impact of the war in Iraq on newspaper readership. The ABC figures covering July to December 2002 showed Northcliffe's titles again outperforming the industry. Ten daily titles implemented cover price increases in the period as a consequence of continued editorial improvements.

Advertising revenues were up by 3%, with recruitment advertising revenues up 7% and property revenues up 8%. Other categories showed little year on year movement.

Euromoney Institutional Investor

Euromoney experienced a further 12%, or £11 million, reduction in revenues to £78 million, as the global investment banks continued to cut costs in falling markets.

The uncertainty over the Middle East led many institutions to postpone advertising campaigns and to ban staff travel, particularly in the period after Christmas.

Tight cost controls limited the impact on its operating profit to a fall of £2.5 million to £10.8 million.

Broadcasting

Broadcasting increased its operating profit by £5.3 million to £9.6 million. Teletext increased its operating profit by £3 million due largely to cost savings achieved through greater efficiencies. Revenues rose by 4% with performance in February and March affected by the impact of the war in Iraq. Overseas holidays and flights advertising tailed off rapidly once the war started, although there has been some strengthening of the UK holiday sector. The web site, TeletextHolidays.co.uk, continues to grow strongly and the Teletext Holidays service on digital satellite is now the most popular holiday service on the Sky platform.

DMG Radio Australia returned to profit. Its regional stations increased their profits by 13%, despite continuing depressed conditions in much of rural Australia. The three NOVA stations, in Sydney, Melbourne and the newly launched 50% owned Perth station, have all achieved No.1 status for their core 18-39 audience in the latest ratings. Sydney and Melbourne are both in profit, despite aggressive competitive activity.

dmg world media

dmg world media reported an operating profit up £0.8 million to £10.1 million. Excluding a one-off charge taken in the prior half year, operating profit fell by 14% on turnover down 9%. This fall was due to the absence of large non-annual shows.

The home interest exhibition sector performed well with strong stand sales, although these were mitigated to an extent by the negative effect of war and SARS on attendance levels at the end of the period. Trading profits in the gift sector were generally in line with expectation, but conditions in the arts and antiques sector remained difficult across the market.

DMG Information

DMG Information made an operating profit of £3.2 million, compared to a first half loss of £9.1 million in the prior half year. Revenues rose by 14% to £96 million. The improvement was due to a combination of growth in the less seasonal business to business division and reduced costs in the careers division.

The business to business division increased revenues by 16% due to strong growth by Risk Management Solutions which was translated into sharply higher profits. The property information companies also achieved good overall profit growth.

Within the careers division Study Group halved its first half loss due to an improved performance by its academic business and US cost savings. Hobsons' first half losses were also much reduced as a result of the restructuring programme undertaken at the end the last financial year, but its graduate recruitment markets remained deeply depressed.

Joint ventures and associates

The Group's share of net operating profits of its joint ventures and associates rose by £1.1 million due mainly to a higher contribution from GWR Group plc. The contribution from George Little Management rose slightly, but this was offset by an initial loss from the newly launched radio station in Perth in which the Group has a 50% interest.

Other profit and loss items

Income from fixed asset investments reflects dividends received from the Press Association. Profits on disposal of businesses represent the Group's share of losses by GWR, offset by a sale by Northcliffe of Central Press Features and the sale of two titles owned by Asia Law and Practice within Euromoney. The fall in net interest payable is due to lower interest rates.

Net debt

Net debt at the end of the period was £907 million, a decrease of £15 million since the year end. This fall reflects the continuing high level of capital expenditure due to the UK press expansion programme. Capital expenditure amounted to £47 million, whilst acquisitions and disposals, net of disposal proceeds, cost £22 million, the main item being the purchase of Property & Portfolio Research within DMG Information.

Outlook

April has seen a continuation of weak advertising revenues for the Group's national titles. Travel advertising has been particularly weak which has also affected Teletext. May has seen some recovery, but we do not expect an improvement above pre-Iraq war levels in this financial year. The regionals are seeing slowing recruitment revenues, although strong property advertising. Elsewhere in the Group, Euromoney and to a lesser extent dmj world media are experiencing some impact from the SARS epidemic.

Nevertheless, the Group's businesses remain reassuringly strong with our newspapers increasing circulation revenues and our newer divisions now producing good underlying growth in profits, particularly within DMG Information's business to business division. We are continuing our policy of investing in our products.

Dividend

The Board has declared an interim dividend of 3.15 pence per Ordinary 'A' Ordinary Non-Voting share (2002 2.95 pence) which will be paid on 11th July, 2003 to shareholders on the register at the close of business on 6th June, 2003.

Daily Mail and General Trust plc Group Profit and Loss Account

	Notes	Unaudited Half year ended 30 th March 2003 Before amortisation, impairment and exceptional items £m	Unaudited Half year ended 30 th March 2003 Amortisation, impairment and exceptional items £m	Unaudited Half year ended 30 th March 2003 Total £m	Unaudited Half year ended 31 st March 2002 Total £m	Audited Year ended 29 th September 2002 Total £m
Turnover	2	947.6	-	947.6	950.0	1,944.5
Operating profit before amortisation of Intangible assets	3	103.8	-	103.8	97.0	241.6
Operating exceptional costs	3	-	-	-	-	(8.8)
Amortisation of intangible assets	3	-	(26.6)	(26.6)	(26.6)	(55.5)
Operating profit	3	103.8	(26.6)	77.2	70.4	177.3
Share of operating profits and losses of joint ventures and associates	4	2.3	(5.2)	(2.9)	(7.8)	(16.6)
Total operating profit- Group and share of joint ventures and associates		106.1	(31.8)	74.3	62.6	160.7
Profit on sale of fixed assets		-	-	-	2.9	3.5
(Loss) / profit on disposal and closure of businesses		-	(0.9)	(0.9)	0.7	8.6
Income from other fixed asset investments		3.1	-	3.1	3.2	5.2
Amounts written off investments		-	(0.3)	(0.3)	(1.1)	(1.2)
Profit on ordinary activities before interest and finance charges		109.2	(33.0)	76.2	68.3	176.8
Net interest payable		(30.7)	-	(30.7)	(35.5)	(67.6)
Other finance charges (net)		(1.1)	-	(1.1)	(0.7)	(1.8)
Net interest payable and similar charges		(31.8)	-	(31.8)	(36.2)	(69.4)
Profit on ordinary activities before taxation		77.4	(33.0)	44.4	32.1	107.4
Taxation on profit on ordinary activities	5	(20.7)	0.7	(20.0)	(19.8)	(17.8)
Profit on ordinary activities after taxation		56.7	(32.3)	24.4	12.3	89.6
Equity interest of minority shareholders		(3.0)	0.8	(2.2)	(2.4)	(6.8)
Group profit for the period		53.7	(31.5)	22.2	9.9	82.8
Dividends				(12.5)	(11.7)	(36.6)
Retained profit / (loss) for the period				9.7	(1.8)	46.2
Basic earnings per share				5.6p	2.5p	20.8p
Diluted earnings per share				5.6p	2.5p	20.8p
Adjusted earnings per share (before amortisation and impairment of intangible assets and exceptional items)	6	13.5p			10.5p	31.0p

Daily Mail and General Trust plc
Group Cash Flow Statement

	Unaudited Half year Ended 30 th March 2003 £m	Unaudited Half year Ended 31 st March 2002 £m	Audited Year ended 29 th September 2002 £m
Net cash inflow from operating activities (Note 8)	125.7	122.3	264.6
Dividends received from joint ventures and associates	3.3	3.1	6.9
Returns on investments and servicing of finance	(3.7)	(8.1)	(64.7)
Taxation paid (net)	(13.3)	(3.7)	(24.9)
Capital expenditure and financial investment (net)	(49.2)	(41.8)	(84.4)
Acquisitions and disposals	(22.0)	(85.8)	(101.0)
Equity dividends paid	(24.9)	(23.3)	(35.0)
Management of liquid resources	4.9	4.4	3.6
Net cash (outflow) / inflow from financing	<u>(36.4)</u>	<u>10.7</u>	<u>3.1</u>
Decrease in net cash	<u>(15.6)</u>	<u>(22.2)</u>	<u>(31.8)</u>
Reconciliation of net cash flow to movement in net debt			
Decrease in net cash	(15.6)	(22.2)	(31.8)
Cash outflow / (inflow) from change in debt and lease finance	39.3	(12.5)	(8.9)
Cash inflow from change in liquid resources	<u>(4.9)</u>	<u>(4.4)</u>	<u>(3.6)</u>
Change in net debt from cash flows	18.8	(39.1)	(44.3)
Loan notes issued and loans arising from acquisitions	-	(1.2)	(1.2)
Loan notes cancelled arising on disposals	-	-	3.0
Other non-cash items	<u>(3.9)</u>	<u>(7.8)</u>	<u>(3.9)</u>
Decrease / (increase) in net debt in the period	<u>14.9</u>	<u>(48.1)</u>	<u>(46.4)</u>
Net debt at beginning of year	<u>(921.8)</u>	<u>(875.4)</u>	<u>(875.4)</u>
Net debt at end of period	<u>(906.9)</u>	<u>(923.5)</u>	<u>(921.8)</u>

Daily Mail and General Trust plc Group Balance Sheet

	Unaudited 30 th March 2003 £m	Unaudited 31 st March 2002 (restated)* £m	Audited 29 th September 2002 (restated)* £m
Fixed Assets			
Intangible assets	650.0	675.8	652.6
Tangible assets	487.5	476.5	476.4
Investments	238.0	284.2	242.5
	<u>1,375.5</u>	<u>1,436.5</u>	<u>1,371.5</u>
Current Assets			
Stocks	33.5	32.5	27.3
Debtors	382.9	353.7	381.8
Short-term investments	5.5	9.5	10.3
Cash at bank and in hand	54.6	81.8	69.7
	<u>476.5</u>	<u>477.5</u>	<u>489.1</u>
Creditors			
Amounts falling due within one year	<u>(595.5)</u>	<u>(622.7)</u>	<u>(576.2)</u>
Net Current Liabilities	<u>(119.0)</u>	<u>(145.2)</u>	<u>(87.1)</u>
Total Assets less Current Liabilities	1,256.5	1,291.3	1,284.4
Creditors			
Amounts falling due after more than one year	(910.4)	(975.5)	(964.3)
Provisions for Liabilities and Charges	<u>(46.0)</u>	<u>(52.8)</u>	<u>(53.0)</u>
Net Assets	<u>300.1</u>	<u>263.0</u>	<u>267.1</u>
Capital and Reserves			
Called up share capital	50.2	50.1	50.1
Share premium account	7.1	6.5	6.6
Revaluation reserve	73.1	53.3	52.5
Profit and loss account	185.0	125.6	172.9
	<u>315.4</u>	<u>235.5</u>	<u>282.1</u>
Equity Shareholders' Funds	<u>315.4</u>	<u>235.5</u>	<u>282.1</u>
Minority interests	(15.3)	27.5	(15.0)
	<u>300.1</u>	<u>263.0</u>	<u>267.1</u>

* See note 1.

Approved by the Board of Directors on 28th May, 2003.

Daily Mail and General Trust plc
Statement of Group Total Recognised Gains and Losses

	Unaudited Half year ended 30 th March 2003 £m	Unaudited Half year ended 31 st March 2002 (restated)* £m	Audited Year ended 29 th September 2002 (restated)* £m
Recognised gains and losses:			
Group profit for the period	22.2	9.9	82.8
Write back of taxation on unrealised gain on disposal of businesses (Note 9)	<u>21.6</u>	<u>-</u>	<u>-</u>
	43.8	9.9	82.8
Currency translation differences	1.5	(8.2)	(10.0)
Taxation on translation differences	(0.9)	1.4	5.7
Minority interests	<u>2.2</u>	<u>-</u>	<u>(1.9)</u>
Total gains and losses recognised in the period	<u>46.6</u>	<u>3.1</u>	<u>76.6</u>
Prior year adjustment (Note 1)	<u>(10.7)</u>		
Total gains and losses recognised since the last Annual Report	<u>35.9</u>		

Reconciliation of Movement in Group Shareholders' Funds

	Unaudited Half year Ended 30th March 2003 £m	Unaudited Half year ended 31 st March 2002 (restated)* £m	Audited Year ended 29 th September 2002 (restated)* £m
Group profit for the period	22.2	9.9	82.8
Dividends	<u>(12.5)</u>	<u>(11.7)</u>	<u>(36.6)</u>
	9.7	(1.8)	46.2
Other recognised gains and losses	24.4	(6.8)	(6.2)
New share capital subscribed	0.6	0.2	0.3
Adjustment to goodwill in respect of deferred consideration	(1.7)	1.1	(0.5)
Goodwill written back on disposals and closures	<u>0.3</u>	<u>0.5</u>	<u>-</u>
Net movement in shareholders' funds	<u>33.3</u>	<u>(6.8)</u>	<u>39.8</u>
Opening shareholders' funds (restated)	<u>282.1</u>	<u>242.3</u>	<u>242.3</u>
Closing shareholders' funds	<u>315.4</u>	<u>235.5</u>	<u>282.1</u>

* See note 1.

NOTES

1. Accounting policies

The financial information for the period has been prepared in accordance with the accounting policies adopted in the Group's 2002 Annual Report, as amended to show listed investments, included within other investments, at cost less impairment, if any, rather than at market value. The previous policy was established for the Group's holding of Reuters shares in view of the issue by the Group of bonds exchangeable for some of those shares. Following the repayment of the last of those bonds in October 2002, the Directors believe that the revised policy is more appropriate.

The effect of this change is that the Group's Reuters shares have been written down from market value of £30.7 million at 29th September, 2002 to historical cost of £20.0 million. The prior period Balance Sheets and Statements of Total Recognised Gains and Losses have been restated to reflect this change of policy. Had the former policy been retained at 30th March, 2003, this investment would have been written down by a further £5.9 million which would have given rise to a corresponding exceptional charge. This would have reversed entirely at close of business on 28th May, 2003 due to the subsequent recovery in the Reuters share price which increased the market value to £23.4 million. The change in policy eliminates this volatility.

2. Turnover

	Unaudited Half year ended 30 th March 2003 £m	Unaudited Half year ended 31 st March 2002 £m	Audited Year ended 29 th September 2002 £m
By activity:			
National newspapers and related activities	418.5	422.4	827.8
Regional newspapers and related activities	236.8	233.1	472.3
Euromoney Institutional Investor	78.1	89.0	179.7
Broadcasting	55.7	52.3	114.7
Exhibitions and related activities	62.9	69.2	141.0
Business to business information and careers	95.6	84.0	209.0
	947.6	950.0	1,944.5

3. Operating profit

	Unaudited Half year ended 30 th March 2003 £m	Unaudited Half year ended 31 st March 2002 £m	Audited Year ended 29 th September 2002 £m
By activity:			
National newspapers and related activities	35.8	45.8	80.3
Regional newspapers and related activities	42.9	40.2	90.2
Euromoney Institutional Investor	10.8	13.3	29.1
Broadcasting	9.6	4.3	16.7
Exhibitions and related activities	10.1	9.3	24.8
Business to business information and careers	3.2	(9.1)	14.0
Unallocated central costs	(8.6)	(6.8)	(13.5)
	103.8	97.0	241.6
Less: exceptional operating costs	-	-	(8.8)
Less: amortisation of intangible assets	(26.6)	(26.6)	(55.5)
	77.2	70.4	177.3

NOTES

4. Share of operating profits and losses of joint ventures and associates

	Unaudited Half year Ended 30 th March 2003 £m	Unaudited Half year ended 31 st March 2002 £m	Audited Year ended 29 th September 2002 £m
Share of operating (losses)/ profits of joint ventures	(0.2)	0.3	0.2
Share of operating profits of associates	2.5	0.9	4.9
Before amortisation and impairment of goodwill and exceptional items	2.3	1.2	5.1
Share of amortisation of intangible assets of joint ventures and associates	(1.4)	(1.2)	(3.1)
Share of impairment of goodwill of associates	1.5	(2.7)	(6.5)
Amortisation of goodwill of joint ventures and associates	(5.3)	(5.1)	(12.1)
	(2.9)	(7.8)	(16.6)

5. Taxation charge

The tax charge for the period amounted to £20.0 million (2002 £19.8 million). The charge for taxation has been computed at a rate of 30.0% on UK taxable profits. The underlying tax on profits before amortisation and impairment of intangible assets and exceptional items amounted to £20.7 million (2002 £20.1 million) and the resulting rate is 26.7% (2002 30.8%).

6. Adjusted earnings per share

Adjusted earnings per share are calculated on profit before amortisation and impairment of intangible assets and exceptional items, after charging the taxation and minority interests associated with those profits, of £53.7 million (2002 £41.6 million), as set out in note 7 below, and on the weighted average number of ordinary shares in issue during the period. The weighted average number of shares amounted to 398.0 million (2002 397.9 million). As in previous years, adjusted earnings per share have been disclosed since the Directors consider that this alternative measure gives a more comparable indication of the Group's underlying trading performance.

7. Adjusted profit (before amortisation and impairment of intangible assets and exceptional items)

	Unaudited Half year Ended 30 th March 2003 £m	Unaudited Half year ended 31 st March 2002 £m	Audited Year ended 29 th September 2002 £m
Profit before tax	44.4	32.1	107.4
Add back:			
Amortisation of intangible assets in Group operating profit and in share of joint venture and associates	33.3	32.9	70.7
Share of impairment of goodwill of associates	(1.5)	2.7	6.5
Operating exceptional losses	-	-	8.8
Profit on sale of fixed assets	-	(2.9)	(3.5)
Loss / (profit) on disposal and closure of businesses	0.9	(0.7)	(8.6)
Amounts written off investments	0.3	1.1	1.2
Adjusted profit before tax (before amortisation and impairment of intangible assets and exceptional items)	77.4	65.2	182.5
Taxation charge	(20.7)	(20.1)	(49.5)
Interest of minority shareholders	(3.0)	(3.5)	(9.6)
Profit before amortisation and impairment of intangible assets and exceptional items, after taxation and minority interests	53.7	41.6	123.4

NOTES

8. Net cash inflow from operating activities

	Unaudited Half year Ended 30 th March 2003 £m	Unaudited Half year ended 31 st March 2002 £m	Audited Year ended 29 th September 2002 £m
Operating profit	77.2	70.4	177.3
Depreciation charge	35.5	36.9	74.7
Amortisation of intangible assets	26.6	26.6	55.5
Working capital movement	(13.6)	(11.6)	(42.9)
Net cash inflow from operating activities	125.7	122.3	264.6

9. A tax provision of £21.6 million, relating to the sale of certain assets of DMG Radio in 2000, has been written back in the period. This has been credited to the revaluation reserve, reversing the treatment adopted in 2000 when the gain on sale was unrealised.
10. The figures for the year ended 29th September, 2002 set out above are not full accounts within the meaning of s.240 of the Companies Act 1985. Full statutory accounts for that year have been delivered to the Registrar of Companies. The auditors' report on those accounts was not qualified and did not contain a statement under s.237 (2) or (3) of the Companies Act 1985. The financial information for the six months ended 30th March, 2003 and 31st March, 2002 has been reviewed by the auditors.

Copies of the Interim Report are being posted to shareholders on or around 5th June, 2003 and will be available thereafter from the Secretary, Daily Mail and General Trust plc, Northcliffe House, 2 Derry Street, London, W8 5TT.

Highlights of this announcement will be advertised on 29th May, 2003 in *the Evening Standard*, on 30th May in the *Daily Mail*, *Metro*, *Aberdeen Press & Journal*, *Western Morning News* and the *Western Daily Press* and on 1st June in *The Mail on Sunday*.

A webcast of the Interim Results presentation to City analysts will be available for viewing from 9.30 am on 29th May, 2003 at http://www.dmgmt.co.uk/Article.go?id=108&category_id=null.

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Independent review report to Daily Mail and General Trust plc

Introduction

We have been instructed by the Company to review the financial information for the six months ended 30th March, 2003 which comprises the Profit and Loss Account, the Cash Flow Statement, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Reconciliation of Group Shareholders' Funds and related notes 1 to 10. We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Company in accordance with Bulletin 1999/4 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review 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, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The Interim Report, including the financial information contained therein, is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Interim Report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with the guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of Group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom auditing standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30th March, 2003.

Deloitte & Touche
Chartered Accountants
London
28th May, 2003