

This document is important and requires your immediate attention. If you are in any doubt as to what action to take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in Daily Mail and General Trust plc (the **Company**), please send this document and the accompanying form of proxy to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

Daily Mail and General Trust plc

Notice of Annual General Meeting

Proposed New 2006 Executive Share Option Scheme

Changes to the DMGT Executive Bonus Scheme and the Long Term Incentive Plan and Other Business

The Notice of the Annual General Meeting of the Company to be held at 9.00 a.m. on Wednesday, 8th February 2006 is set out on pages 7, 8 and 9.

To be valid for use at the Annual General Meeting, the accompanying form of proxy must be completed, signed and returned, in accordance

with the instructions printed on it, to the Company's Registrars, Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6ZL so as to be received as soon as possible but in any event by not later than 9.00 am on Monday 6th February, 2006.

CIRCULAR

Daily Mail and General Trust plc

Registered in England No: 184594

Directors

The Viscount Rothermere
CJF Sinclair
JP Williams
JG Hemingway
SM Gray
IG Park
FP Lowy
DMM Dutton
PM Dacre
PM Fallon
CW Dunstone
FP Balsemão
TS Gillespie
DJ Verey
KJ Beatty

Registered Office

Northcliffe House
2 Derry Street
Kensington
London W8 5TT
Tel: 020 7938 6000

To the holders of Ordinary Shares of Daily Mail and General Trust plc (the **Company**) and, for information only, to the holders of 'A' Ordinary Non-Voting Shares and to members of the Company's 1997 Executive Share Option Scheme.

21st December, 2005

CHAIRMAN'S LETTER

Dear Shareholder,

Introduction

You will find enclosed with this letter a notice convening the Annual General Meeting of the Company to be held at 9.00 a.m. on 8th February, 2006 at the Kensington Roof Gardens, 99 Kensington High Street, London W8 (the entrance to which is in Derry Street). The formal notice convening the Annual General Meeting is set out on page 7 of this document and contains details of the resolutions to be put to Ordinary shareholders at the meeting.

Appointment and reappointment of directors

Charles Sinclair, Ian Park, Padraic Fallon and Francisco Balsemão will be proposed for reappointment at the Annual General Meeting in accordance with the Company's Articles of Association. Brief biographical details of these Directors are set out below the relevant resolution in the Notice of Meeting on page 7. Mr Park has been a non-executive Director for ten years and has now reached the age of 70, but his contribution continues to be effective and to demonstrate commitment to the role. Whilst he is not independent under the Combined Code, the Board believes that he makes an important contribution to its deliberations and has invaluable experience of the Company, its business and its staff.

The Board has chosen not to adopt the provision in the Combined Code that non-executive Directors who have served for more than nine years should be subject to annual re-election since the existing practice, which complies with Company law and with the Articles, works well.

Items of Special Business

The items of special business to be proposed at the Annual General Meeting are explained below.

Resolution 10

This special resolution provides the Company with a general authority to repurchase up to an aggregate of 1,988,000 Ordinary Shares of 12½ pence of its own shares in the market at or between the maximum and minimum prices specified in the resolution giving the authority. This maximum number of shares represented approximately 10% of the total number of Ordinary Shares in issue on 21st December, 2005.

Resolution 11

This special resolution provides the Company with a general authority to repurchase up to an aggregate of 38,168,000 'A' Ordinary Non-Voting Shares of 12½ pence of its own shares in the market at or between the maximum and minimum prices specified in the resolution giving the authority. This maximum number of shares represented approximately 10% of the total number of 'A' Ordinary Non-Voting Shares in issue on 21st December, 2005.

Resolutions 10 and 11

The authority provided by these resolutions will expire at the conclusion of the next Annual General Meeting. It is anticipated that renewal of the authority (in respect of up to 10% of the Company's issued ordinary share capital from time to time) will be requested at subsequent Annual General Meetings. The authority will only be exercised if the Directors believe that to do so would result in an increase in earnings per share and, taking into account the Company's cash resources and capital requirements, it is considered to be in the best interests of shareholders generally.

The total number of options to subscribe for 'A' Ordinary Non-Voting shares outstanding at 21st December, 2005 was 5,327,234 representing approximately 1.35% of the issued share capital of the Company (excluding treasury shares) at that date. If the authority to repurchase shares under these resolutions was exercised in full and all of the repurchased shares were cancelled, the total number of options to subscribe for 'A' Ordinary Non-Voting shares outstanding at 21st December, 2005 would, assuming no further 'A' Ordinary Non-Voting shares are issued after that date, represent 1.50% of the issued share capital (excluding treasury shares).

The Board considers it desirable that the power to make purchases of its own shares under appropriate circumstances remains available and this authority will also permit purchase of shares to hold as treasury shares as described below.

Treasury shares

Under the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003, companies are able to hold repurchased shares as treasury shares rather than cancelling them. Pursuant to the regulations, the treasury shares can be

CHAIRMAN'S LETTER

Continued

subsequently cancelled, sold for cash or used to satisfy share options and share awards under employee share option schemes.

The Company has again taken advantage of the authority, renewed at its 2005 Annual General Meeting, to purchase 2,540,736 shares as treasury shares to match obligations to provide shares under various incentive plans and under the Company's 1997 Executive Share Option Scheme. The Directors' objective is to eliminate dilution by keeping constant the aggregate of shares in issue, net of the total number of treasury shares held by the Company, and options and other likely obligations over shares.

The Directors would consider exercising the authority provided by this resolution to acquire and hold as treasury shares further shares equal to the number likely to be issued to satisfy any future share options and share awards under the DMGT Executive Bonus Scheme 2002, the Associated Newspapers Long Term Incentive Scheme and the DMG World Media Executive Incentive Plan, and any awards likely to vest under the DMGT Long Term Incentive Plan. The Directors believe holding such shares as treasury shares will provide the Company with increased flexibility in managing its share capital.

The Directors would consider holding as treasury shares any shares the Company repurchases pursuant to the authority provided by these resolutions. In relation to any repurchased shares held in treasury, unless such shares are subsequently cancelled, earnings per share will only be increased on a temporary basis until such time as the shares are subsequently sold out of treasury.

These resolutions comply with the current guidelines issued by the investor protection committees and the Directors will have regard to any guidelines issued by investor protection committees which may be published at the time of any such purchase, holding or resale of treasury shares.

Resolution 12

This ordinary resolution authorises your Board to allot shares of the Company having an aggregate nominal value of the unissued share capital of the Company. This represents approximately 1.60% of the Company's issued share capital at 21st December, 2005. As at 21st December, 2005, 6,253,518 shares in the Company were held as treasury shares.

This authority will expire at the conclusion of the next Annual General Meeting or 8th May, 2007, whichever is earlier. The Directors have no present intention of exercising the authority conferred by this resolution. This authority complies with the guidelines issued by the investor protection committees.

Resolution 13

This special resolution empowers the Board to allot shares of the Company (pursuant to the authority obtained in Resolution 12) and to sell treasury shares for cash as if the pre-emption provisions of section 89 of the Companies Act 1985 do not apply. This power would, however, be limited to the allotment of shares, or the sale of treasury shares for cash, having the same aggregate nominal value as those authorised to be allotted pursuant to Resolution 12 (approximately 1.60% of the Company's issued share capital at 21st December, 2005). The power provided by this Resolution will expire at the conclusion of the next Annual General Meeting or 8th May, 2007, whichever is the earlier. This power complies with the guidelines issued by the investor protection committees.

Background to Resolutions 14, 15 and 16

The Remuneration Committee believes that the Company's continuing success depends on its ability to attract and retain world-class executive talent. Following a review by independent consultants the Remuneration Committee has concluded that the structure of the existing incentive arrangements (comprising the annual bonus scheme, share options and Long Term Incentive Plan (**LTIP**)) is no longer appropriate. It is proposed to revise the performance measures to improve their alignment with the interests of long-term shareholders. Resolutions 14, 15 and 16 enable this objective to be met.

Resolution 14

Resolution 14 is an ordinary resolution seeking the approval of Ordinary shareholders for a new executive share option plan for the Company's executive directors and other senior executives. If approved, the plan will be called the Daily Mail and General Trust 2006 Executive Share Option Scheme (the **2006 Scheme**).

The Company's 1997 Executive Share Option Scheme (the **1997 Scheme**) was approved by Ordinary shareholders in February 1997,

CHAIRMAN'S LETTER

Continued

to provide share incentive arrangements for the Company's executive directors and senior executives. The 1997 Scheme includes an appendix, approved by HM Revenue and Customs, which enables potentially tax favoured option grants to be made up to the £30,000 limit introduced by the Finance Act 1996. The 1997 Scheme permits participation by the Group's employees working and residing in jurisdictions outside the U.K. The 1997 Scheme is due to expire in 2007. After a review of the 1997 Scheme in the light of developments in best practice since its introduction, the Remuneration Committee decided that a new scheme should be implemented. Options granted under the 2006 Scheme will be subject to an annual award limit normally of 100% salary. Options granted to executive directors and to other persons discharging managerial responsibility will have challenging performance conditions, with the provision for re-testing removed. In other respects the 2006 Scheme generally mirrors the 1997 Scheme.

A summary of the main features of the 2006 Scheme is set out in Appendix 1 to this letter.

Resolution 15

Resolution 15 is an ordinary resolution seeking the approval of Ordinary shareholders to amend the Daily Mail and General Trust Long Term Incentive Plan (the **LTIP**) for the Company's executive directors and certain other senior executives.

There are three main areas which will be changed. First, the current limit for awards of 200% salary over a 5 year period, with no annual limit, is unusual in terms of current market practice. It is proposed to replace this with an annual grant limit, of 100% of salary, and a cumulative limit of 250% salary over a 5 year period. Second, the current performance scale has large jumps in payouts at certain points. The proposed scale has a similar expected value to the current scale, starting from a lower threshold award level, of 20% at median Total Shareholder Return (**TSR**) performance, with smaller increments than at present. Third, the comparator group of companies has been reviewed and changes made. The new companies are better comparators than those that have been removed.

A summary of the main features of the LTIP, in its amended form, is set out in Appendix 2 to this letter.

Resolution 16

Resolution 16 is an ordinary resolution seeking the approval of Ordinary shareholders for changes to the DMGT Executive Bonus Scheme 2002, an executive bonus scheme introduced in 1992 and renewed in 2002. The maximum bonus that may be awarded to participants is currently 60% of basic salary. It is proposed to increase the maximum award to 100% of basic salary, but this will only be payable for higher EPS performance targets. For myself all of the bonus award will be based on Earnings Per Share (**EPS**) performance. For other participants, part of this award will be linked to EPS performance and part to individual performance goals. Participants must take at least 50% of the after-tax amount of any bonus in 'A' Ordinary Non-Voting shares (**Shares**), which must be retained for three years. Any percentage of a bonus not taken in Shares will be paid in cash.

A summary of the main features of the DMGT Executive Bonus Scheme 2002, in its amended form, is set out in Appendix 3 to this letter.

These and other resolutions are set out in the Notice of Meeting on pages 7, 8 and 9.

Action to be taken

Enclosed with this letter, for Ordinary shareholders only, is a form of proxy relating to the resolutions to be proposed at the Annual General Meeting. Ordinary shareholders are requested to complete, sign and return the form of proxy in accordance with the directions on it as soon as possible, but in any event so as to arrive at the offices of the Company's Registrars, Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6ZL no later than 48 hours before the time appointed for the Annual General Meeting. Completion and return of the form of proxy will not prevent you from attending and voting at the meeting if you so wish.

Recommendation

Your Directors unanimously believe that the proposals to renew the authority of the Company to purchase its own shares and to renew the power of the Directors to allot unissued shares, to allot such unissued shares for cash other than pro-rata to the existing shareholders the new 2006 Executive Share Option Scheme, changes to the DMGT Executive Bonus Scheme and the Long Term Incentive Plan are in the best interests of the Company and its

CHAIRMAN'S LETTER

Continued

shareholders as a whole. They therefore recommend shareholders to vote in favour of the resolutions to be proposed at the Annual General Meeting, as they intend to do in respect of their own holdings which amount to a total of 12,496,840 Ordinary Shares representing approximately 62.8% of the issued voting equity share capital of the Company as at 21st December, 2005.

Yours faithfully,
The Viscount Rothermere
Chairman

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London W8 5TT
Telephone 020 7938 6000
Facsimile 020 7938 4626

Registered number 184594
Registered in England
VAT number 243-5711-74

NOTICE OF MEETING

Daily Mail and General Trust plc

Notice is hereby given that the Eighty Fourth Annual General Meeting of the Company will be held at the Kensington Roof Gardens, 99 Kensington High Street, London W8 on Wednesday, 8th February, 2006 at 9.00 a.m. for the purpose of considering the ordinary business of the meeting as set out below and considering as special business and, if thought fit, passing the Special Resolutions set out at numbers 10, 11 and 13 and the Ordinary Resolutions set out at numbers 12, 14, 15 and 16 below:

As Ordinary Business

01. Report and Accounts

To receive the Directors' Report, the Accounts and the Auditors' Report for the year ended 2nd October, 2005.

02. Remuneration Report

To approve the Remuneration Report for the year ended 2nd October, 2005.

Note: the Remuneration Report forms pages 29 to 40 of the full Report and Accounts. It sets out the Company's policy towards, and gives details of, Directors' remuneration and other relevant information.

03. Dividend

To declare a final dividend on the Ordinary and 'A' Ordinary Non-Voting Shares.

Note: Subject to shareholder approval, the final dividend of 8.25 pence per share will be paid on 10th February, 2006.

Directors

Note: The Company's Articles of Association require Directors to retire and submit themselves for re-election every three years and the Companies Act requires them to retire and submit themselves for re-election on the first occasion of having reached the age of 70 years.

04. To re-elect Mr Sinclair as a Director.

Note: Charles Sinclair joined the Board in 1988 and became Chief Executive in 1989.

05. To confirm the following resolution of which special notice has been given: that Mr Park, who is 70 years of age, be re-elected as a Director.

Note: Ian Park has been a non-executive Director since 1994 and is a member of the Audit Committee and of the Remuneration Committee.

06. To re-elect Mr Fallon as a Director.

Note: Padraic Fallon has been an executive Director since 1999. He is the chairman of Euromoney Institutional Investor plc.

07. To re-elect Mr Balsemão as a Director.

Note: Francisco Balsemão has been an independent non-executive Director since 2002 and is a member of the Nominations Committee.

Auditors

08. To re-appoint Deloitte & Touche LLP as Auditors.

Note: The Company is required to appoint Auditors at each general meeting at which Accounts are laid to hold office until the conclusion of the next such meeting. Deloitte & Touche LLP have held office since 2001.

09. To authorise the Directors to determine the Auditors' remuneration.

Note: The resolution authorises the Directors to determine the remuneration of the Auditors in accordance with standard practice. The Audit Committee will approve the audit fees.

NOTICE OF MEETING

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As Special Business

Note: Items of special business are explained on pages 3 to 5.

10. That the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985 (as amended)) on the London Stock Exchange of up to:

(a) an aggregate of 1,988,000 Ordinary Shares of 12½ pence each in its capital at not more than the lower of 5% above the average of the middle market quotation taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date of purchase and £18.75 per share and at not less than 12½ pence per share (in each case exclusive of expenses);

(b) and that the authority conferred by this Resolution shall expire on the date of the next Annual General Meeting after the passing of this Resolution (except in relation to the purchase of shares the contract for which was concluded before such date and which would or might be executed wholly or partly after such date);

(c) and that upon the passing of this Resolution, the Resolution passed as Resolution 13 at the Annual General Meeting on 9th February, 2005 shall be of no further force or effect.

11. That the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985 (as amended)) on the London Stock Exchange of up to:

(a) an aggregate of 38,168,000 'A' Ordinary Non-Voting Shares of 12½ pence each in its capital at not more than the lower of 5% above the average of the middle market quotation taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date of purchase and £18.75 per share and at not less than 12½ pence per share (in each case exclusive of expenses);

(b) and that the authority conferred by this Resolution shall expire on the date of the next Annual General Meeting after the passing of this Resolution (except in relation to the purchase of

shares the contract for which was concluded before such date and which would or might be executed wholly or partly after such date);

(c) and that upon the passing of this Resolution, the Resolution passed as Resolution 14 at the Annual General Meeting on 9th February, 2005 shall be of no further force or effect.

12. That, the authority conferred on the Directors by Article 7.1 of the Company's articles of association be renewed for a period expiring at the next Annual General Meeting of the Company after the date on which this Resolution is passed or on 8th May, 2007, whichever is the earlier, and for that period the Section 80 amount shall be £803,264.

13. That, subject to the passing of the Resolutions numbered 12, the Directors be authorised to allot securities for cash in accordance with the power conferred on the Directors by Article 7.2 of the Company's articles of association, and to sell treasury shares for cash, for a period expiring at the end of the next Annual General Meeting of the Company after the date on which this Resolution is passed or on 8th May, 2007, whichever is the earlier, and for that period the Section 89 amount is £803,264.

14. That the Daily Mail and General Trust 2006 Executive Share Option Scheme, the main features of which are summarised in Appendix 1 to the document containing this Notice and a copy of the draft terms of which are produced to this Meeting and signed by the Chairman for the purpose of identification, be and are hereby approved and adopted and the Directors be and are hereby authorised to do all such acts and things as they may consider necessary or expedient to carry the same into effect.

15. That the amendments to the Daily Mail and General Trust Long Term Incentive Plan, the main features of which are summarised in Appendix 2 to the document containing this Notice and a copy of the revised draft rules of which are produced to this Meeting and signed by the Chairman for the purpose of identification, be and are hereby approved and adopted and the Directors be and are hereby authorised to do all such acts and things as they may consider necessary or expedient to carry the same into effect.

NOTICE OF MEETING

Continued

16. That the amendments to the DMGT Executive Bonus Scheme 2002, the main features of which are summarised in Appendix 3 to the document containing this Notice and a copy of the revised draft rules of which are produced to this Meeting and signed by the Chairman for the purpose of identification, be and are hereby approved and adopted and the Directors be and are hereby authorised to do all such acts and things as they may consider necessary or expedient to carry the same into effect.

By order of the Board

N D Jennings, FCA

21st December, 2005

(i) Any person holding Ordinary shares and entered on the register of members of the Company at 6.00 p.m. on Monday, 6th February, 2006 (a **member**) is entitled to attend and vote at this meeting pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001. Any changes to the register of members after the above time and date shall be disregarded in determining the rights of any person to attend and/or vote at the meeting.

(ii) A member entitled to attend the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company. The Form of Proxy and the authority (if any) under which it is signed or a notarially certified copy of such authority must be deposited at the office of the Company's Registrars, Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6ZL, not less than 48 hours before the time fixed for the meeting.

(iii) Ordinary shareholders who prefer to register the appointment of their proxy electronically via the internet can do so through the Lloyds TSB Registrars' website at www.sharevote.co.uk where full instructions on the procedure are given. The personal reference number, card identification and account number printed on the proxy form will be required to use this electronic proxy appointment system. Alternatively Ordinary shareholders who have already registered with Lloyds TSB Registrars' on-line portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at www.shareview.co.uk and clicking on 'Company Meetings'. A proxy appointment made electronically will not be valid if sent to any address

other than those provided or if received after 9.00 a.m. on Monday 6th February, 2006. Please note that any electronic communication found to contain a computer virus will not be accepted.

(iv) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on Wednesday 8th February, 2006 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA01) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST

NOTICE OF MEETING

Continued

sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertified Securities Regulations 2001.

(v) Particulars of contracts of service or letters of reappointment of Directors, together with the register of Directors' interests, the draft rules of the 2006 Scheme and the revised draft rules of the LTIP and the DMGT Executive Bonus Scheme 2002, will be available for inspection at the Registered Office of the Company during usual business hours until the date of the meeting and at the Kensington Roof Gardens, 99 Kensington High Street, London W8 from 8.45 a.m. until the conclusion of the meeting there on Wednesday 8th February, 2006.

APPENDIX 1

Summary of the main terms of The Daily Mail and General Trust plc 2006 Executive Share Option Scheme (the 2006 Scheme).

Any employee of the Company and participating companies under its control (the **Group**) who is required to devote substantially the whole of their working time to the business of the Group will be eligible to be nominated for participation in the 2006 Scheme, at the discretion of the Remuneration Committee.

Options may normally only be granted (over newly issued or existing 'A' Ordinary Non-Voting Shares in the Company (**Shares**)) during the period of six weeks following the publication of the Company's interim report and preliminary results, or any day on which the Remuneration Committee determines that exceptional circumstances so warrant. In its first year of operation, it is intended that grants will be made within 42 days of approval of the 2006 Scheme by Ordinary shareholders. No payment will be required for the grant of an option.

Options granted under the 2006 Scheme to executive directors and to other persons discharging managerial responsibility will normally only be exercisable if demanding performance conditions are satisfied. Options do not normally vest until three years after the award and the performance conditions have been met. Vesting of Shares under options is normally dependent on satisfying two performance conditions. One half of the Shares under option are subject to a performance condition based on total shareholder return (**TSR**). The remaining half is subject to a performance condition based on the Company's growth in earnings per share (**EPS**). For this purpose EPS means, for any financial year, the EPS of the Group, calculated in accordance with IFRS 33 issued by the International Accounting Standards Board, as certified by the Company's auditors, provided that to ensure comparability the Committee may adjust the figure to arrive at a figure which reflects the underlying business performance of the Group.

The first performance condition compares the TSR of the Company relative to that of the 250 largest companies in the FTSE index. No part of the option vests for below median TSR; 12.5% of the option vests at median TSR; 50% vests at upper quartile TSR; and pro-rata between these points.

The second condition relates to growth in EPS – 12.5% of the option vests at EPS growth of RPI +3% p.a. (nil below this); 50% vests at RPI +5% p.a.; and pro-rata between these points. Under the 2006 Scheme, should the performance conditions not be met based on three-year performance, re-testing is not permitted.

The Remuneration Committee may impose different conditions which they consider no less demanding than those above. Any revised conditions will be described to shareholders in the Directors' Remuneration Report for the relevant year.

Options will entitle the option holder to acquire Shares at a price per Share determined by the Remuneration Committee. The exercise price of options will be not less than the middle market quotation of a Share derived from the London Stock Exchange Daily Official List on the date of grant or, if greater, the nominal value of a Share.

Each individual's participation will be limited so that the aggregate price payable on the exercise of all options granted to him under the 2006 Scheme, or any other executive share option scheme, will not exceed 100% of his salary in any year in normal circumstances and 200% of salary in exceptional circumstances (e.g. on recruitment or when it is necessary to retain a key executive who otherwise might leave).

No option may be granted under the 2006 Scheme if it would cause:

(a) the number of Shares issued or issuable pursuant to options granted under all of the Company's share option schemes, or which have been issued under any other employee share incentive scheme, in the preceding ten years to exceed 10 per cent of the Company's issued share capital at the proposed date of grant; or

(b) the number of Shares issued or issuable pursuant to options granted under the 2006 Scheme (or the 1997 Scheme or any other executive share option scheme), in the preceding ten years to exceed 5 per cent of the Company's issued share capital at the proposed date of grant.

Treasury shares count towards the percentage limits set out above.

APPENDIX 1

Continued

Options may normally be exercised between the third and tenth anniversary of the date of grant, at the end of which period they will lapse. They will generally only be exercisable if the performance conditions which apply to them have been satisfied. Benefits arising under the 2006 Scheme are not pensionable.

In certain circumstances, early exercise of options is permitted where the option holder leaves employment with the Group in circumstances of death, disability, retirement or (if the Remuneration Committee so decides) for some other reason. In these circumstances (apart from retirement) options will be exercisable whether or not any performance conditions which apply to them have been satisfied.

In the event of a takeover, scheme of arrangement or winding up of the Company (not being an internal corporate reorganisation) during the performance period, Options vest to the extent that the Remuneration Committee considers that the TSR-related performance conditions (adjusted to reflect the shorter period to vesting) have been satisfied at the relevant time, normally with a pro rata reduction in the size of the award, unless the Remuneration Committee determines in exceptional circumstances that it would be inappropriate to apply a pro-rata reduction.

In the event of an internal corporate reorganisation to insert a new holding company for the Group, options will be replaced by equivalent new options over shares in the new holding company.

In the event of any capitalisation or rights issue by the Company, or any consolidation, sub-division, reduction or other variation of its share capital, the number of Shares under option and/or the exercise price may be adjusted by the Board where the auditors confirm in writing that the adjustment is, in their opinion, appropriate.

Options are not transferable and may only be exercised by the persons to whom they were granted or by their personal representatives. Shares allotted or transferred under the 2006 Scheme will rank *pari passu* with Shares of the same class then in issue (except in respect of entitlements arising prior to the date of exercise). The Company will apply for the listing of any newly issued Shares.

The rules of the 2006 Scheme may be altered by the Remuneration Committee, but amendments to the advantage of participants must be approved in advance by the Company in general meeting, except where the Remuneration Committee considers that they are amendments which are necessary or desirable to take account of new or existing legislation relating to option schemes or which benefit the administration of the 2006 Scheme. An Appendix to the 2006 Scheme contains additional provisions which apply to specified option grants. This Appendix will be submitted to the HM Revenue & Customs for approval under Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003, so as to permit the grant of potentially tax favoured options up to the £30,000 statutory limit.

A further appendix to the 2006 Scheme (the **US Appendix**) also permits the grant to executives of Incentive Stock Options, within the meaning of Section 422 of the United States Internal Revenue Code of 1986 as amended (the **Code**). Eligibility for participation under the US Appendix is intended to be limited to executives who are US taxpayers, and who are employees, whether directors or not, of the Company or subsidiary corporations of the Company within the meaning of Section 424(f) of the Code. The Company intends the aggregate number of Shares which may be issued or transferred pursuant to the exercise of Incentive Stock Options under the US Appendix to be limited to one million Shares. The overall limits on the use of newly issued shares contained in the Scheme will also apply.

The 2006 Scheme will terminate on the tenth anniversary of its approval by shareholders, or such earlier time as the Remuneration Committee may determine, but the rights of existing option holders will not thereby be affected. In the event of termination no further options will be granted.

APPENDIX 2

Summary of the main terms of the Daily Mail and General Trust Long Term Incentive Plan (the LTIP) (as revised).

Executive Directors and other senior executives of any member of the Group will be eligible to participate in the LTIP. It is anticipated that participation will be restricted to the executive directors, persons discharging managerial responsibility and to certain other senior executives.

The LTIP is supervised by the Remuneration Committee, and is operated in conjunction with an employee discretionary trust (the **Trust**). The Trust will acquire 'A' Ordinary Non-Voting Shares in the capital of Daily Mail and General Trust (**Shares**) to satisfy awards under the LTIP.

The Remuneration Committee may issue invitations to eligible employees to participate in the LTIP within the period of 42 days following the date on which the LTIP is amended by shareholders or thereafter within the period of 42 days following the announcement by the Company of its results for any period (or, in exceptional circumstances, at such other time as the Remuneration Committee thinks fit). The Remuneration Committee intends to continue to operate the LTIP annually.

Eligible employees invited to participate in the LTIP will be required to commit a specified number of Shares to the LTIP (**Committed Shares**) by a specified date (the **Commitment Date**). Only Shares that are beneficially owned by an eligible employee or his immediate family and not subject to any restrictions on disposal will qualify as Committed Shares. Executive Directors will be invited to commit Shares with a market value of up to 100% of their salary annually and not more than 250% of their annual salary over a five year period. Lower participation limits will apply for executives below main Board level who are invited to participate in the LTIP.

In return for committing Shares to the LTIP, awards over further Shares may be made by the trustee of the Trust (the **Trustee**) to eligible employees recommended by the Remuneration Committee (an **Award**). The number of Shares comprised in the Award will be equal to the number of Committed Shares held by a participant. If a participant disposes of any Committed Shares before the

maturity of an Award, the number of Shares comprised in the Award will be reduced accordingly.

Awards under the LTIP are subject to stringent performance conditions which determine whether, and to what extent, Shares under Awards vest. The performance condition relates to the total shareholder return (**TSR**) of the Company over a five year period against a peer group of UK and overseas companies determined by the Remuneration Committee (the **Performance Period**). The Performance Period is measured from 1 January of the year in which the award is made. TSR is the aggregate of Share price growth and dividends paid (assuming that such dividends are reinvested in Shares during the relevant Performance Period), and is commonly adopted as a measure of comparative performance. Awards will vest on a sliding scale depending on the Company's ranking within the peer group.

This comparator peer group is as follows:

Emap plc
Independent News and Media plc
Informa plc
McGraw-Hill Companies Inc
Pearson plc
Reed Elsevier plc
Reuters Group plc
The News Corporation plc
The Thomson Corporation plc
Trinity Mirror plc
United Business Media plc
Washington Post Co

No part of the award vest if TSR performance is below median of the comparators. At median 20% of the award vests. For upper quartile performance (i.e. 3rd or 4th rank) 100% or 80% of the award vests. For outstanding performance higher levels of awards vest. Awards will vest after the Performance Period to the extent of the percentage in the second right-hand column below according to the Company's place in the list of comparator companies as indicated in the left-hand column below.

At the end of the five-year performance period, participants may elect either to realise their awards at that time or to extend the performance period to seven years. If they elect to extend the performance period, the level of committed shares must be maintained throughout the extended period.

APPENDIX 2

Continued

At the end of the seven-year performance period, the Company's TSR performance will be measured. The awards will be realisable after the performance period to the extent of the percentage in the right-hand column below according to the Company's place in the list of comparator companies as indicated in the left-hand column below:

Company's Position in the TSR Ranking of Comparator Companies	% of Award realisable after 5 years	% of Award realisable if participant extends Performance Period to 7 years
First	200%	300%
Second	150%	225%
Third	100%	150%
Fourth	80%	120%
Fifth	60%	90%
Sixth	40%	60%
Seventh	20%	30%
Below seventh (i.e. below median)	nil	Nil

If a participant in the LTIP ceases to be an employee of a member of the Group at any time by reason of death, injury, disability or ill health (as determined by the Remuneration Committee) or the business in which he works is sold out of the Group, an Award will vest in respect of such number of Shares as the Remuneration Committee will determine (without necessarily having regard to the extent to which the performance condition has been met).

If a participant ceases to be an employee of a member of the Group for cause (that is, a material breach by a participant of his contract of employment), an Award will lapse automatically.

If a participant resigns or a participant's employment is terminated by his employing company for a reason other than one set out above, an Award will vest in respect of such number of Shares as the Remuneration Committee in its absolute discretion determines having regard to the extent to which the performance target has been met.

In the event of a takeover, scheme of arrangement or winding up of the Company (not being an internal

corporate reorganisation) during the performance period, awards vest to the extent that the Remuneration Committee considers that the TSR-related performance conditions (adjusted to reflect the shorter period to vesting) have been satisfied at the relevant time, normally with a pro rata reduction in the size of the award, unless the Remuneration Committee determines in exceptional circumstances that it would be inappropriate to apply a pro-rata reduction.

In the event of an internal corporate reorganisation awards will be replaced by equivalent new awards over shares in the new holding company.

Awards are not transferable and may only be realised by the person to whom they are awarded (or, in the case of death his personal representatives). Benefits under the LTIP are not pensionable.

In the event of a variation of the ordinary share capital of the Company, the number of shares subject to an Award may be adjusted by the Remuneration Committee in such manner as it thinks fit.

Awards may be satisfied using existing Shares acquired on the market by the Trust, or by an issue of new Shares, or by treasury shares. To the extent that Awards are to be satisfied using newly issued Shares or treasury Shares, equivalent limits to those set out in Appendix 1 will apply.

The Remuneration Committee may amend the LTIP provided that any amendments to the main terms of the LTIP (that is, those relating to eligibility, individual and scheme limits and adjustments to Awards) and which are to the advantage of eligible executives or participants require the prior approval of the Company in general meeting. Such a requirement will not apply to any minor amendment which is to benefit the administration of the LTIP, to take advantage of new legislative provisions or any development in the law or to obtain or maintain favourable tax, exchange control or regulatory treatment for the Group or participants.

No Awards may be made under the LTIP later than the tenth anniversary of its adoption by the Company in 2001.

APPENDIX 3

Summary of the main terms of the DMGT Executive Bonus Scheme 2002 (the Executive Bonus Scheme) (as revised).

Any employee of the Group is eligible to be invited by the Remuneration Committee, in its absolute discretion, to participate in the Executive Bonus Scheme. The Remuneration Committee will supervise all matters relating to the Executive Bonus Scheme.

Under the Executive Bonus Scheme, a bonus is calculated by the Remuneration Committee taking account of EPS performance and the achievement of individual performance goals or such other measures as the Remuneration Committee determines to be appropriate from time to time. In such cases the choice of performance measures will be reported to shareholders in the Directors' Remuneration Report. For the Chairman it is intended that the only performance measure will be EPS. The EPS for the year must be greater than those for the previous year, failing which any entitlement to a bonus is deferred until this requirement is satisfied. For this purpose EPS means, for any financial year, the EPS of the Group, calculated in accordance with IFRS 33 issued by the International Accounting Standards Board, as certified by the Company's auditors, provided that to ensure comparability the Committee may adjust the figure to arrive at a figure which reflects the underlying business performance of the Group.

The maximum bonus award is 100% of salary, split between EPS performance and personal goals as the Remuneration Committee determines. For 2005/06, the split will be 60% EPS performance and 40% personal goals.

The EPS performance target is graduated, but requires 20% growth for maximum bonus to be achieved. If more than 20% growth is achieved in any year, the excess over 20% can be carried forward to reduce the following year's target and correspondingly, any decrease can be carried forward to increase the following year's target. Compared to the scheme approved by Ordinary shareholders in 2003, which has required 33% real growth in EPS over a three year period, a higher growth is required in order to achieve a higher level of bonus.

Participants invited to participate in the Executive Bonus Scheme are asked to specify the proportion of after-tax bonus which is to be applied to the acquisition of Shares. At least 50% of the after-tax amount of any bonus must be paid to participants in Shares (the **Share Award**). Thus, the maximum cash bonus that can be paid in any year is 50% of salary.

The number of Shares comprised in a Share Award is determined by the trustees of DMGT Employee Share Trust (the **Trustees**) by reference to the market value of a Share on the date of the Share Award. The Shares under the award must be retained for three years from the Award date (the **Restricted Period**).

A participant becomes the beneficial owner of the Shares at the time of award, subject to the obligation not to dispose of the Shares for the Restricted Period. During the Restricted Period, the participant will have the right to receive all dividends in respect of such Shares.

If a participant ceases to be employed in the Group before the expiry of the Restricted Period, the Trustees shall, in their absolute discretion, determine whether the Shares comprised in a Share Award should continue to be held for the remainder of the Restricted Period or should be released to the participant immediately.

In the event of a change of control of the Company before the expiry of the Restricted Period, the Shares comprised in a Share Award shall be released to participants.

In the event of a capital reorganisation affecting the Company before the expiry of the Restricted Period, the Shares under a Share Award will be treated in the same manner as Shares held by other shareholders.

Only existing Shares may be used for the purposes of the Executive Bonus Scheme; no new Shares or treasury Shares may be issued.

The Remuneration Committee may amend the Executive Bonus Scheme. However, the provisions governing eligibility requirements, individual participation limits and the adjustments that may be made following a capital reorganisation cannot

APPENDIX 3

Continued

be altered to the advantage of eligible employees or participants without the prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the Executive Bonus Scheme, to take account of a change in legislation or developments in the law affecting the Executive Bonus Scheme or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any member of the group). In addition, no alteration may be made that would materially affect any subsisting rights of any participants without their prior consent.

No Awards may be made under the Executive Bonus Scheme later than the tenth anniversary of its renewal by the Company in 2003.

Benefits under the Executive Bonus Scheme are not pensionable.