

**Preliminary Results**  
**Year Ended 1 October 2006**

**Presentation To Analysts**  
**23 November 2006**

# Agenda

- 2006 Results
  - Peter Williams, Finance Director
- Current Trading / 2007 Outlook
  - Charles Sinclair, Chief Executive

# *2006 Results*

- 2006 Results
  - Peter Williams, Finance Director

# 2006 Statutory Results

Revenue	£2,176m	+ <b>2%</b>
Operating profit	£150m	- <b>37%</b>
Profit before tax	£311m	+ <b>59%</b>
Earnings per share	60.8p	+ <b>69%</b>
Dividend	13.05p	+ <b>9%</b>

# *2006 Adjusted Results*

- Revenue **up** 2% at £2,176m
- Adjusted operating profit **up** 6% to £300m
- Adjusted pretax profit **up** 9% to £260m
- Adjusted eps **up** 7% to 46.4p
- Dividend **up** 9% to 13.05p per share

# Associated Newspapers

<b>£ million</b>	<b>2006</b>	<b>2005</b>	<b>%</b>
Circulation	374	367	2
Advertising - display	332	346	-4
Advertising - classified	104	114	-9
Other revenues	15	25	-40
Print publications	825	852	-3
Digital	55	27	100
Teletext	51	63	-19
Revenue	931	941	-1

Percentages calculated on actual numbers to one decimal place

# *Associated Newspapers*

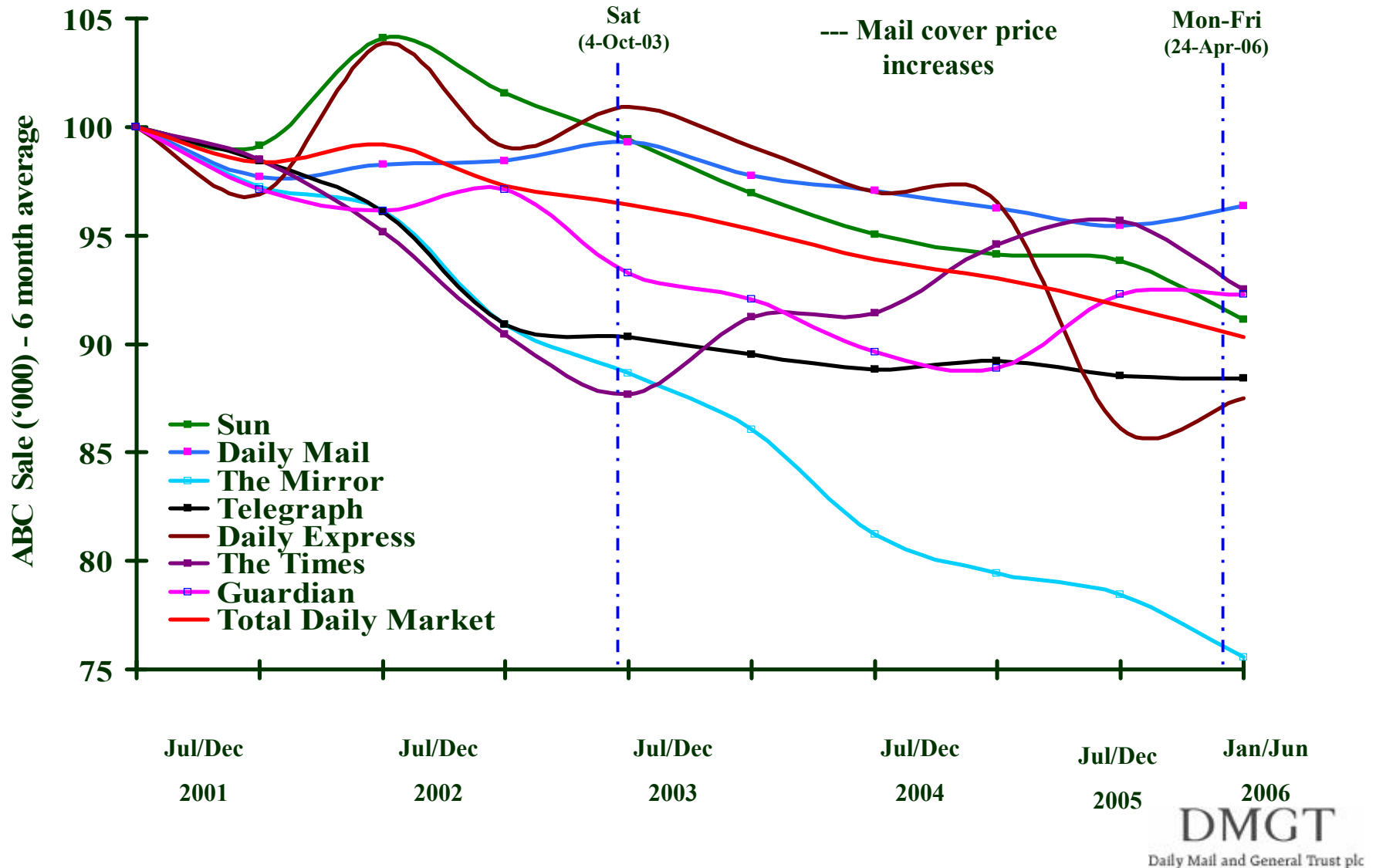
## *Summary of Circulation Figures : Yearly Averages*

	'000	Change	Market Change
Daily Mail	2,376	-0.4%	-2.8%
The Mail on Sunday	2,312	-1.7%	-4.5%
Evening Standard*	321	-7.8%	
Metro	1,060	5.4%	

\* excluding Lite edition

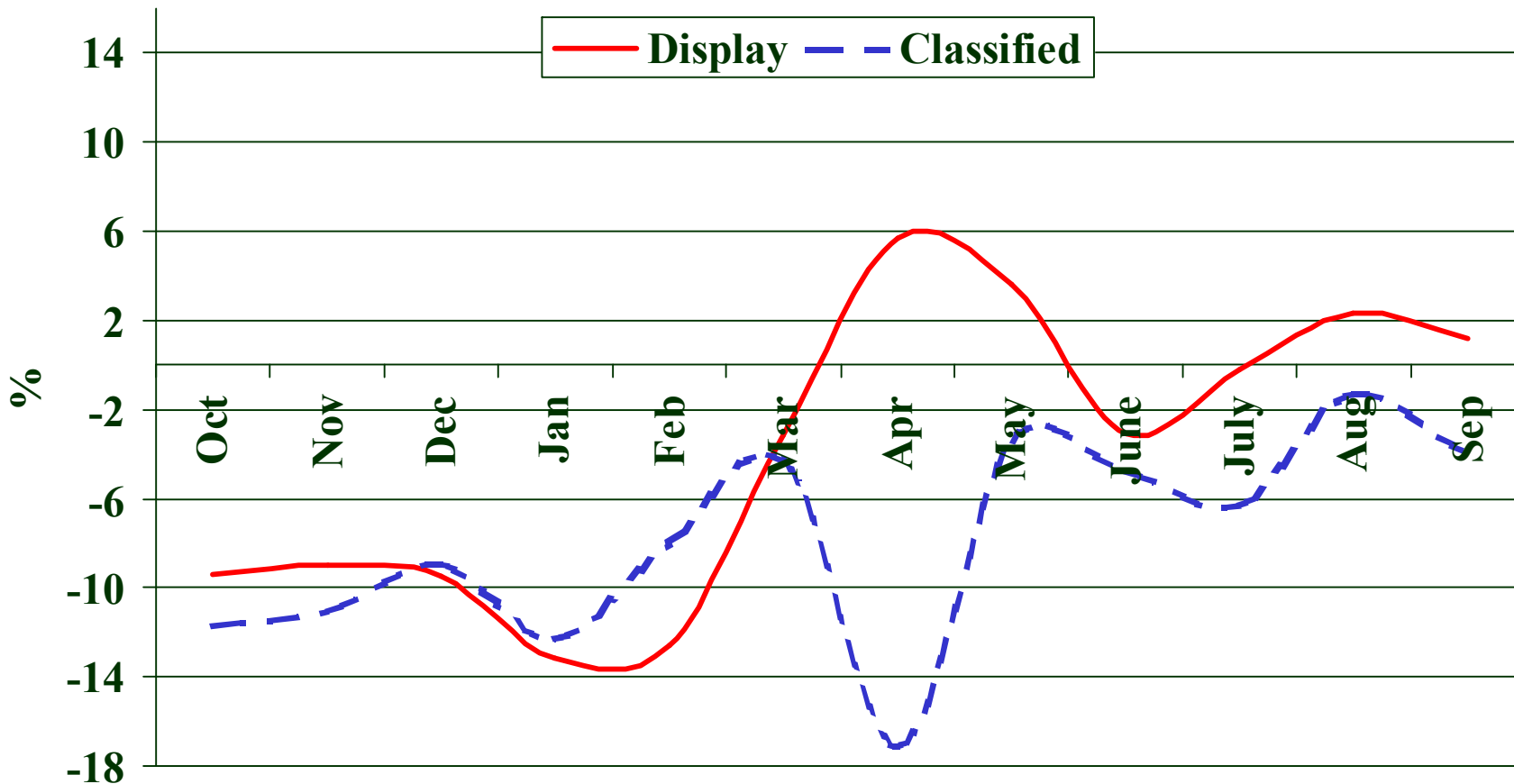
# Associated Newspapers

## Circulation Performance v Market Trend 2000/1 – 2005/6



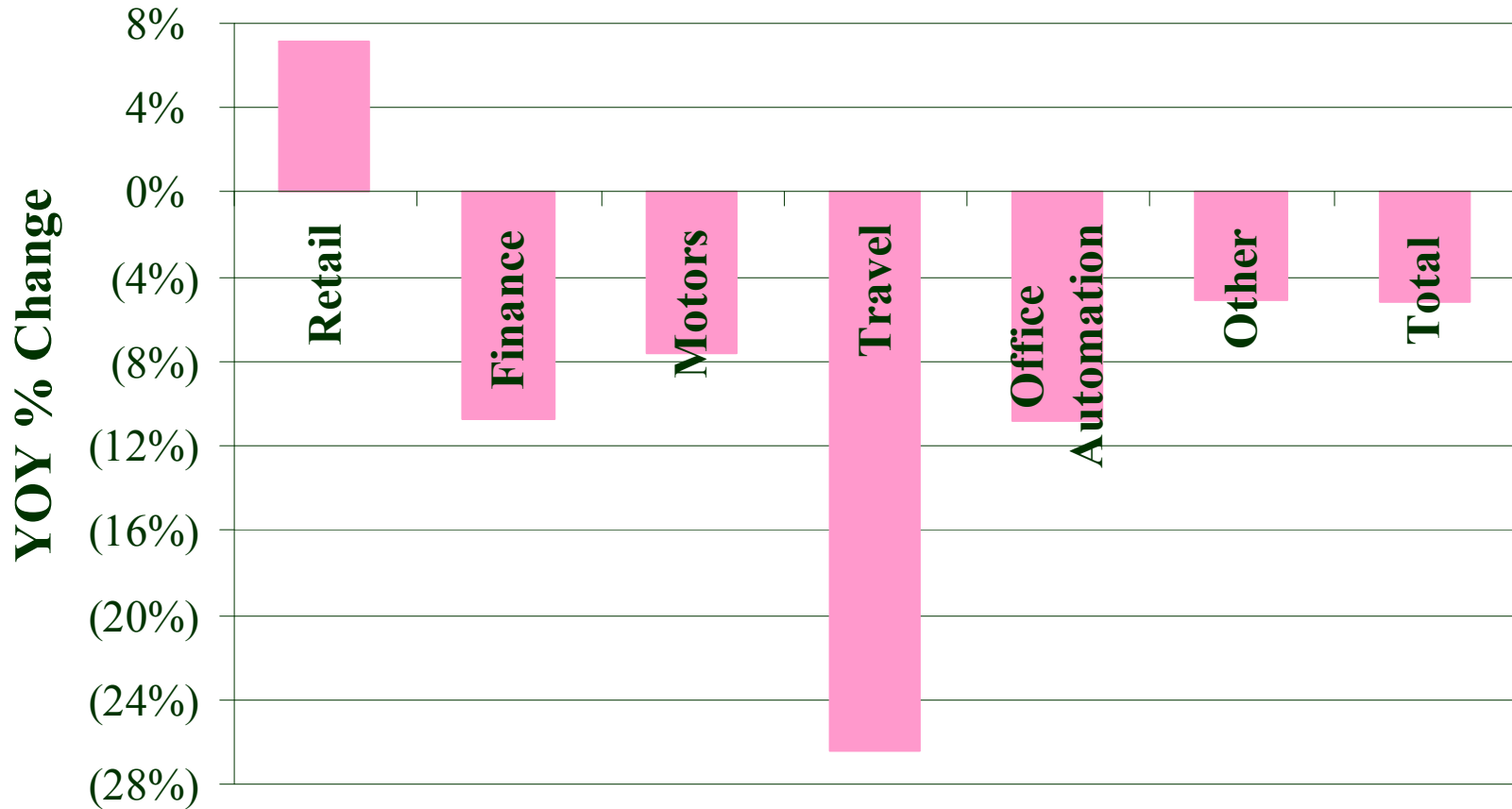
# Associated Newspapers

## Advertising Revenue Monthly y-o-y Total %



# *Associated Newspapers*

## *Daily Mail Display by Category*



# *Associated Newspapers Operating Profit*

<b>£ million</b>	<b>2006</b>	<b>2005</b>
Print publications	97	102
Digital activities	13	6
Television & Teletext	1	2
Unallocated costs	(14)	(14)
	<hr/>	<hr/>
	97	96
	<hr/>	<hr/>

# *Associated Newspapers*

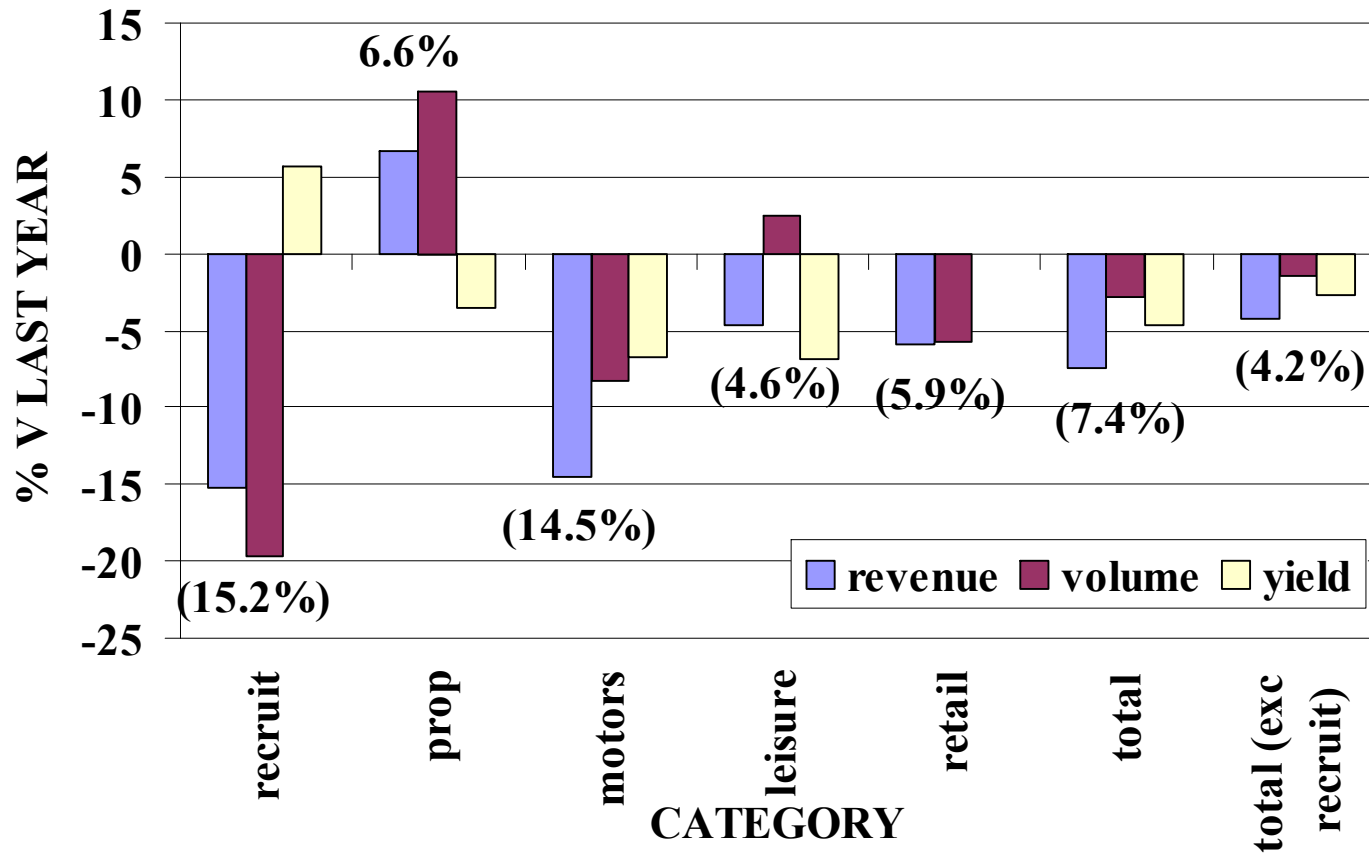
- Print profits down only £5m despite revenues down £26m ...
- ... and despite newsprint increase costing £7m
- Includes launch costs of London Lite
- Good underlying digital growth, as well as acquisition effect

# Northcliffe Newspapers

<b>£ million</b>	<b>2006</b>	<b>2005</b>	<b>+/- %</b>
Publishing			
Circulation	85	85	1%
Advertising	298	319	-7%
Other income	21	21	-2%
3rd party contract printing	21	23	-11%
Retail shops	34	33	3%
	<hr/> 460	<hr/> 482	-5%
Aberdeen	19	38	
Revenue	<hr/> 479	<hr/> 520	-8%
Operating Profit	92	100	
UK Publishing Margin	<b>20.5%</b>	<b>20.6%</b>	

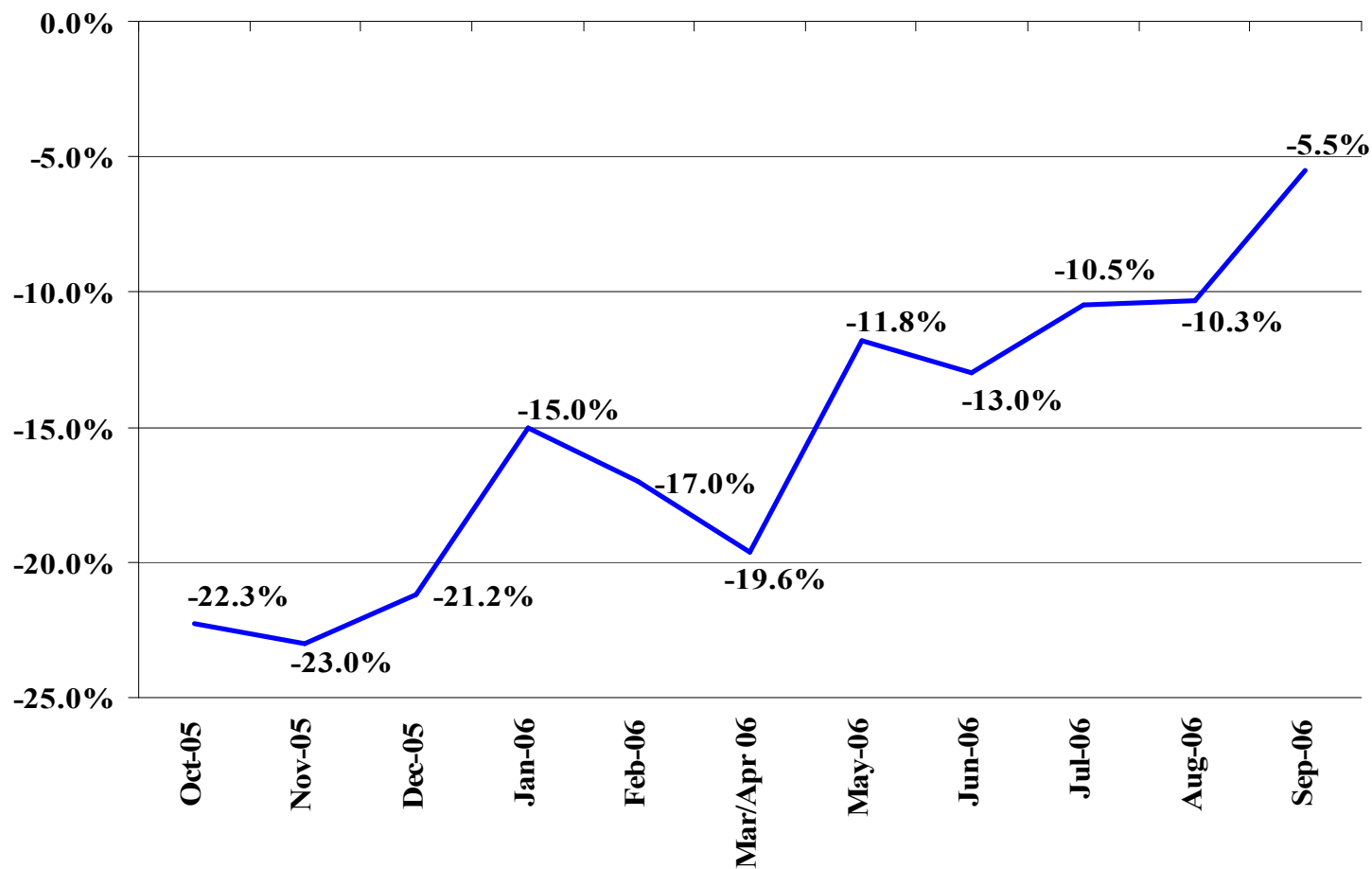
# Northcliffe Newspapers

## UK Advertising : Year on Year Change



# Northcliffe Newspapers

## Monthly year-on-year Performance of Recruitment



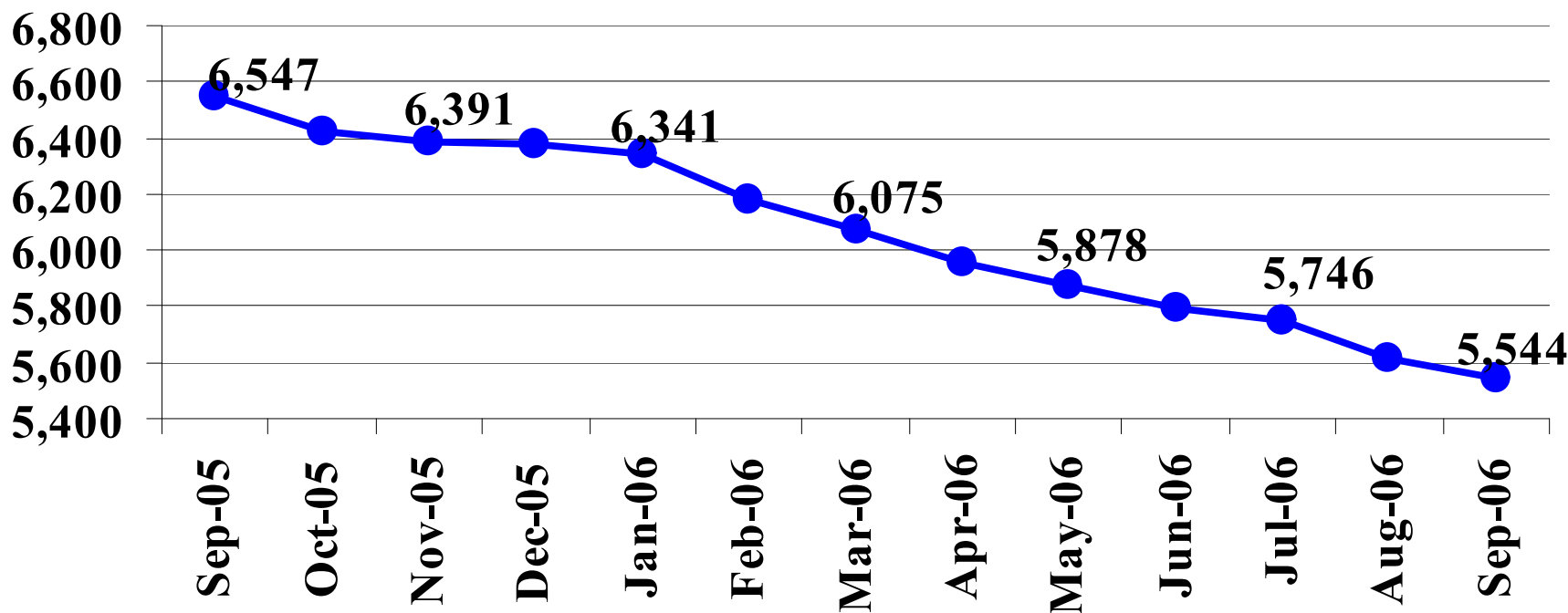
# *Northcliffe Newspapers*

## *Restructuring*

- Annualised savings at September 06 £35m
- Actual in year c.£24m
- 2 further print closures - Hull and Lincoln
- 1,000 Headcount reduction (15%)

# Northcliffe Newspapers

## UK Headcount (excluding Aberdeen)



# DMG Information

<b>£ million</b>		<b>2006</b>	<b>2005</b>	<b>+/- %</b>
Revenue	Continuing	256	202	27%
	Study Group	90	93	-4%
		<u>345</u>	<u>295</u>	17%
Operating profit	Continuing	68	46	48%
	Study Group	4	3	33%
	Central costs	(4)	(4)	
		<u>68</u>	<u>45</u>	53%
Margin	Continuing	<b>27%</b>	<b>23%</b>	

# DMG Information

£ million	FY 2006			FY 2005		
	Revenue	Profit	Margin	Revenue	Profit	Margin
Financial & Insurance	100	34	34%	79	21	27%
Property	92	27	29%	77	22	29%
Other B2B	64	7	11%	47	3	6%
Discontinued	89	4	4%	92	3	3%
Central Costs		(4)			(4)	
	<u>345</u>	<u>68</u>		<u>295</u>	<u>45</u>	
Growth	17%	53%				

# *DMG Information*

- RMS - new core hurricane & earthquake releases.
- Trepp - strongest growth of all DMGI companies
- Landmark - recovery in residential transaction numbers
- Hobsons - growth in B-to-B in US and Australia
- Genscape - very pleased with progress since acquisition

# *Euromoney Institutional Investor*

<b>£ million</b>	<b>2006</b>	<b>2005</b>	<b>+/- %</b>
Revenue	221	195	13%
Operating profit	43	39	9%
Less CAP charge	(4)	(1)	186%
	<hr/>	<hr/>	
	39	38	
Margin	19.5%	20.2%	

# *Euromoney Institutional Investor*

- Pre-CAP growth +9 %
- Excluding timing differences +20%
- Buoyant financial markets
- Subscription growth in print titles
- ISI / CEIC performance
- Metal Bulletin

# DMG World Media

<b>£ million</b>	<b>2006</b>	<b>2005</b>	<b>+/- %</b>
Turnover	163	152	7%
Operating profit	24	24	1%
Margin	<b>15%</b>	<b>16%</b>	

# *DMG World Media*

- Consumer and gift - tough in UK, US and Australia
- B-to-B growing well
  - particularly Dubai ...
  - ... and technology (ad:tech, Imedia, Evanta)
  - oil and gas (Global Petroleum Show) solid

# DMG Radio

<b>£ million</b>	<b>2006</b>	<b>2005</b>	<b>+/- %</b>
Turnover	37	34	9%
Operating loss	(4.9)	(0.4)	N/A
Margin	<b>-13%</b>	<b>-1%</b>	

# *DMG Radio*

- Sydney advertising market depressed
- Increase in Nova network profit
  - but slower than expected
- Vega launch unsuccessful
  - relaunched in final quarter

## *Adjusted Operating Profit by Division*

<b>£million</b>	<b>2006</b>	<b>2005</b>
National Newspapers	97	96
Regional Newspapers	91	100
Information Publishing	68	45
Euromoney	39	38
Exhibitions	24	24
Radio	(5)	(0)
Unallocated central costs	<u>(14)</u>	<u>(20)</u>
<b>Operating profit</b>	<b><u>300</u></b>	<b><u>283</u></b>

# *Adjusted Profit Before Tax*

<b>£ million</b>	<b>2006</b>	<b>2005</b>
Adjusted operating profit	300	283
Joint ventures & associates	7	5
Investment income	3	3
Interest and Finance Charges	(50)	(54)
Adjusted profit before tax	<u><u>260</u></u>	<u><u>237</u></u>

# Exceptional Items

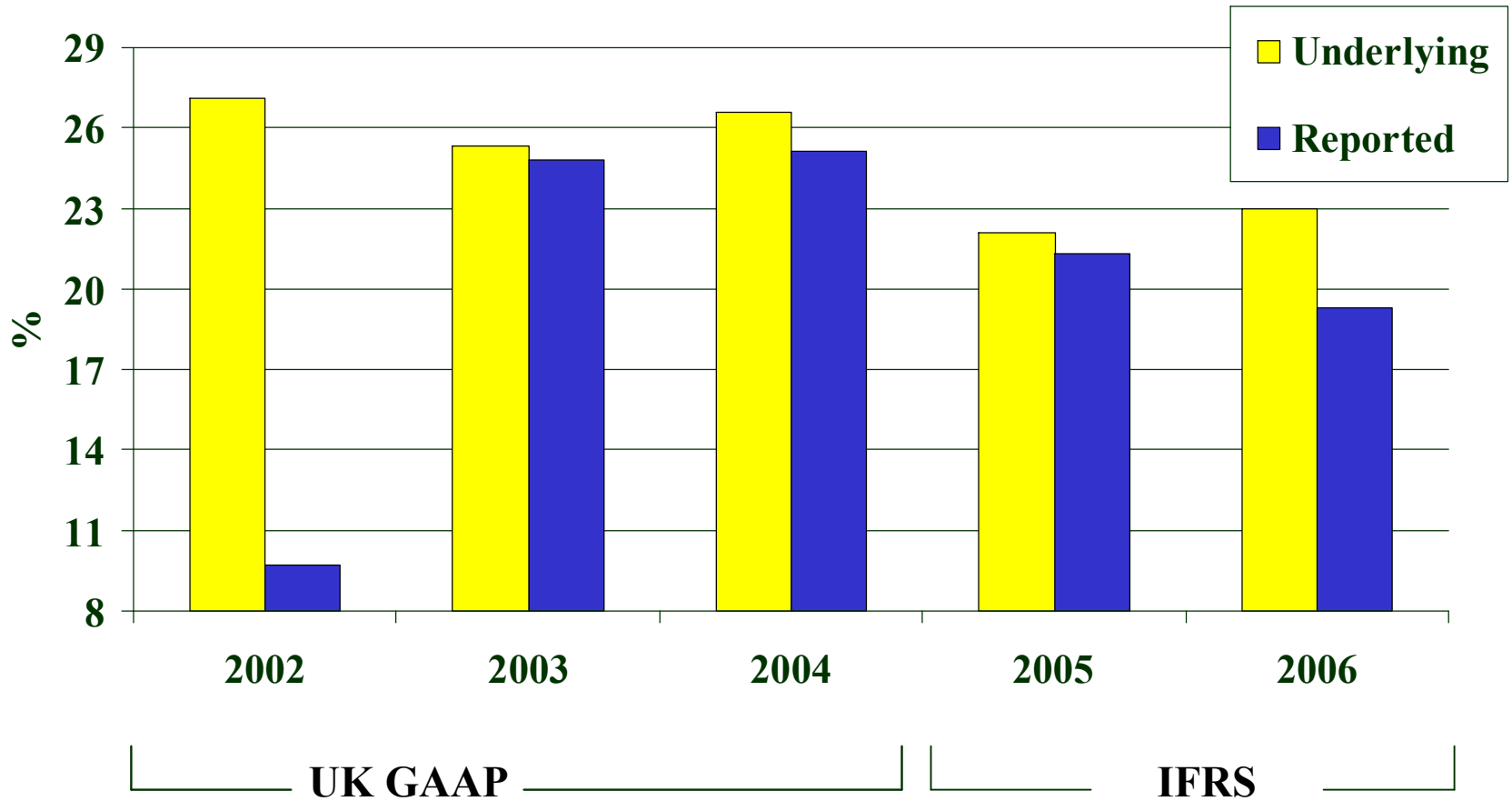
**£ million**

	2006	2005
Reorganisation and redundancy (including cost of strategic review)	(41)	(14)
Profits on sale of fixed assets	26	11
Profits on disposal of businesses	176	7
Amounts written off investments	(13)	(3)
Forex on hedge transactions	15	(2)
	<u>163</u>	<u>(1)</u>

# *Profit Before Tax*

<b>£ million</b>	<b>2006</b>	<b>2005</b>
Adjusted profit before tax	260	237
Amortisation	(52)	(33)
Impairment	(60)	(8)
Exceptional items	163	(1)
Profit before tax	<u><u>311</u></u>	<u><u>195</u></u>

# Taxation



# Adjusted Results

<b>£million</b>	<b>2006</b>	<b>2005</b>
Profit before tax	260	237
Taxation	(62)	(53)
Profit after tax	<u>198</u>	<u>184</u>
Minorities	(15)	(13)
Group Profit	<u><u>183</u></u>	<u><u>171</u></u>
Adjusted EPS	<b>46.4p</b>	<b>43.2p</b>

# Cashflow

**£ million**

Operating profit pre amortisation	300
Income from joint ventures and associates	5
Depreciation	71
Share based payments	12
	<hr/>
	388
	<hr/> <hr/>
Trading / Investment Cashflow	382
Conversion of profits into cash	98%

# *Movement in Net Debt*

<b>£ million</b>	<b>2006</b>	<b>2005</b>
Trading/Investment cashflow	382	367
Capital Expenditure	(117)	(95)
Debt servicing	(46)	(53)
Taxation	(21)	(36)
Equity Servicing	(56)	(51)
Free Cashflow	<b>142</b>	<b>132</b>
Hedging / Other	25	(9)
Own shares	(36)	(15)
Disposals	241	43
Acquisitions	(343)	(138)
<b>Change in net debt</b>	<b>29</b>	<b>13</b>

# Acquisitions During Year

£ million		<u>Valuation</u>	<u>Upfront</u>
<u>Associated New Ventures</u>			
Primelocation	Property	50.0	46.4
Allegran	Dating	30.0	21.3
DMR	Motors	21.0	13.3
Autoexposure, Interbase, The Appointment	Various	13.9	9.2
Villarenters	Travel	7.8	3.0
Simply Switch	Utilities	21.0	16.8
<u>Northcliffe</u>			
Perex	Publisher		
<u>DMGI</u>			
Earnouts	B2B	-	26.5
Genscape	B2B	110.0	72.5

DMGT

Daily Mail and General Trust plc

# Acquisitions During Year Continued

£ million		<u>Valuation</u>	<u>Upfront</u>
<u>Euromoney</u>			
Earnouts	IMN	-	8.0
Asia Business Forum	Event Business	17.6	3.0
<u>dmg world media</u>			
Expressions of Culture	Art & Antiques	-	2.5
Earnouts	Various	-	2.0
Evanta	Technology	15.9	8.3
ADIPEC	Oil & Gas	6.2	6.2

# *Disposals During Year*

<b>Proceeds</b>	<b>£million</b>
Study Group International	75
Aberdeen Journals	132

# *Estimated IAS19 deficit*



# Summary

- Record profit despite tough year for print consumer media
- Robust results from newspaper divisions
- Non-newspaper profits up to 47%

# *Outlook*

- 2007 Outlook
  - Charles Sinclair, Chief Executive

# *Current Trading and Outlook*

## *Associated Newspapers*

- Recent strong circulation performance for Mail titles
- Some improvement in advertising revenues
  - October up 2% (print)
- Newsprint - another increase likely
- London interesting!
- Good position in digital, both as extension of print titles and “stand alone”

# *Current Trading and Outlook*

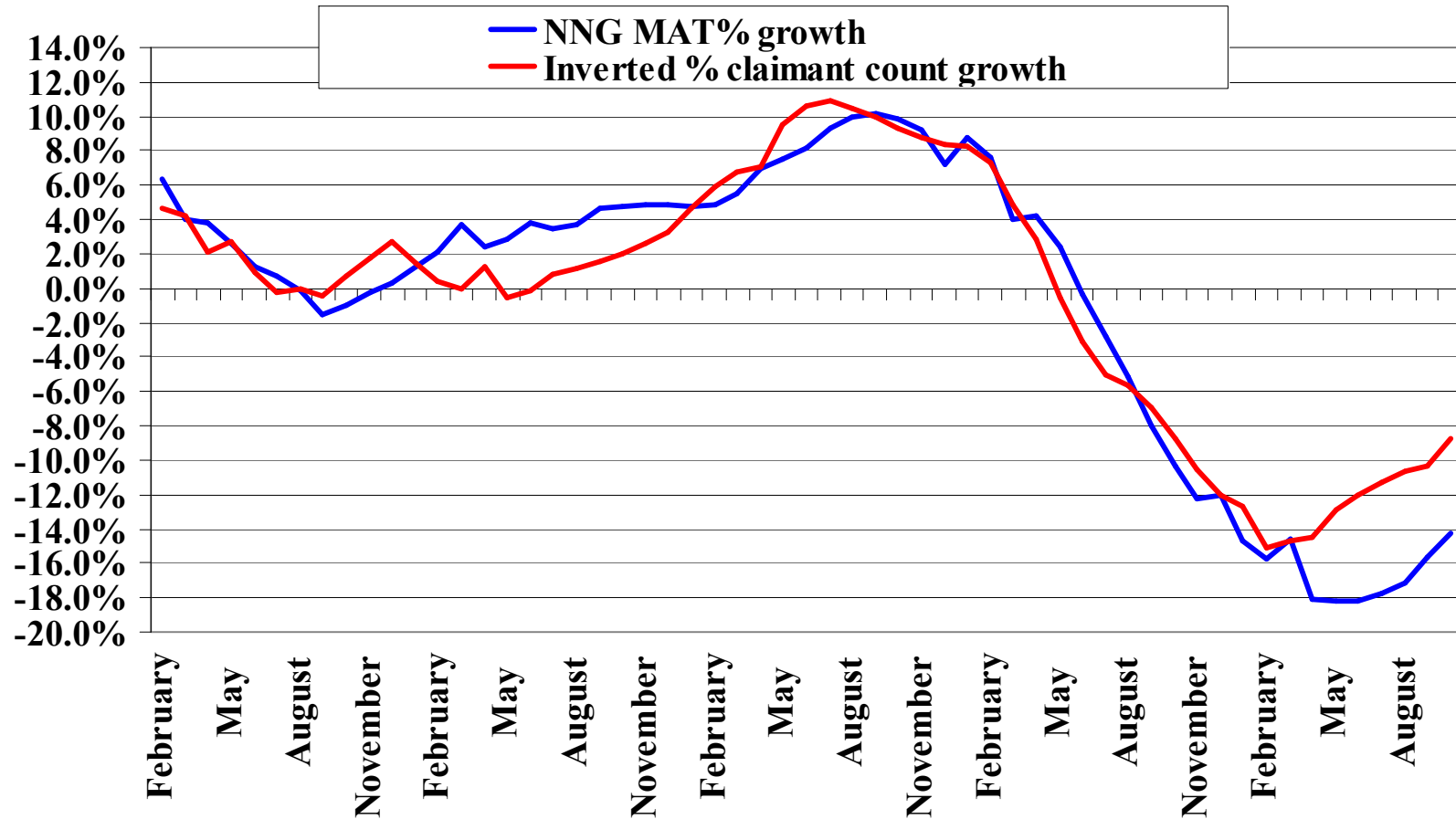
## *Northcliffe Newspapers*

- No real sign of improvement in underlying markets
- Recruitment on track to go positive early in 2007
- Other categories remain weak (except property)
- Implementation of reorganisation post strategic review
- On track to achieve £45m savings
- Happy with “Retain” decision!

# Current Trading and Outlook

Northcliffe Newspapers

Monthly Revenue From Recruitment : Advertisements Fy03/04-fy05/06



# *Current Trading and Outlook*

## *DMG Information*

- All businesses in portfolio trading well
- Good expansion opportunities, eg.
  - RMS into related areas
  - EDR residential reports
  - Genscape encouraging
- Growth development may hold back margin a touch

# *Current Trading and Outlook*

## *Euromoney*

- While financial markets thrive, Euromoney outlook is very good
- Strong organic growth
- Metal Bulletin
  - Integration risks
  - Looks a good fit

# *Current Trading and Outlook*

## *DMG World Media*

- Consumer divisions tough
  - Fall shows in US better
- Opportunity to expand strong brands
  - e.g. Dubai shows into India
  - ad:tech around the world

# *Current Trading and Outlook*

## *DMG Radio*

- Recent ratings encouraging
  - Vega getting some traction
  - Nova outside Sydney excellent
  - Sydney very competitive
- Expect to be in profit this year
- One year behind plan

# *Summary Outlook*

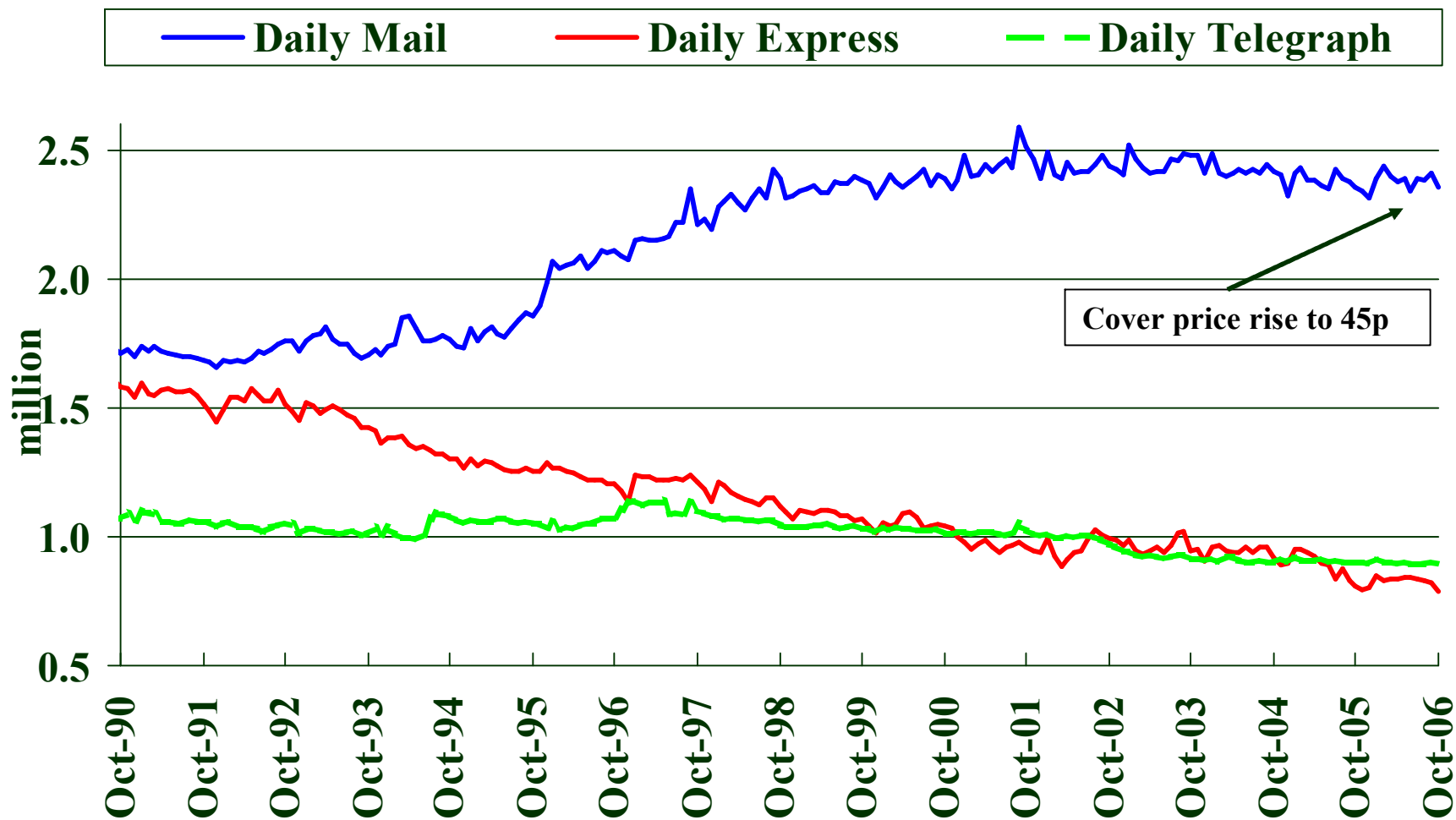
- Good start to new year, but early days
- Continued investment in digital activities
- Not expecting strong recovery in consumer advertising
- Post Metal Bulletin, less acquisitive - looking to reduce debt

# QUESTIONS & ANSWERS

# *Appendices*

# Associated Newspapers

## Daily Mail Circulation Comparison

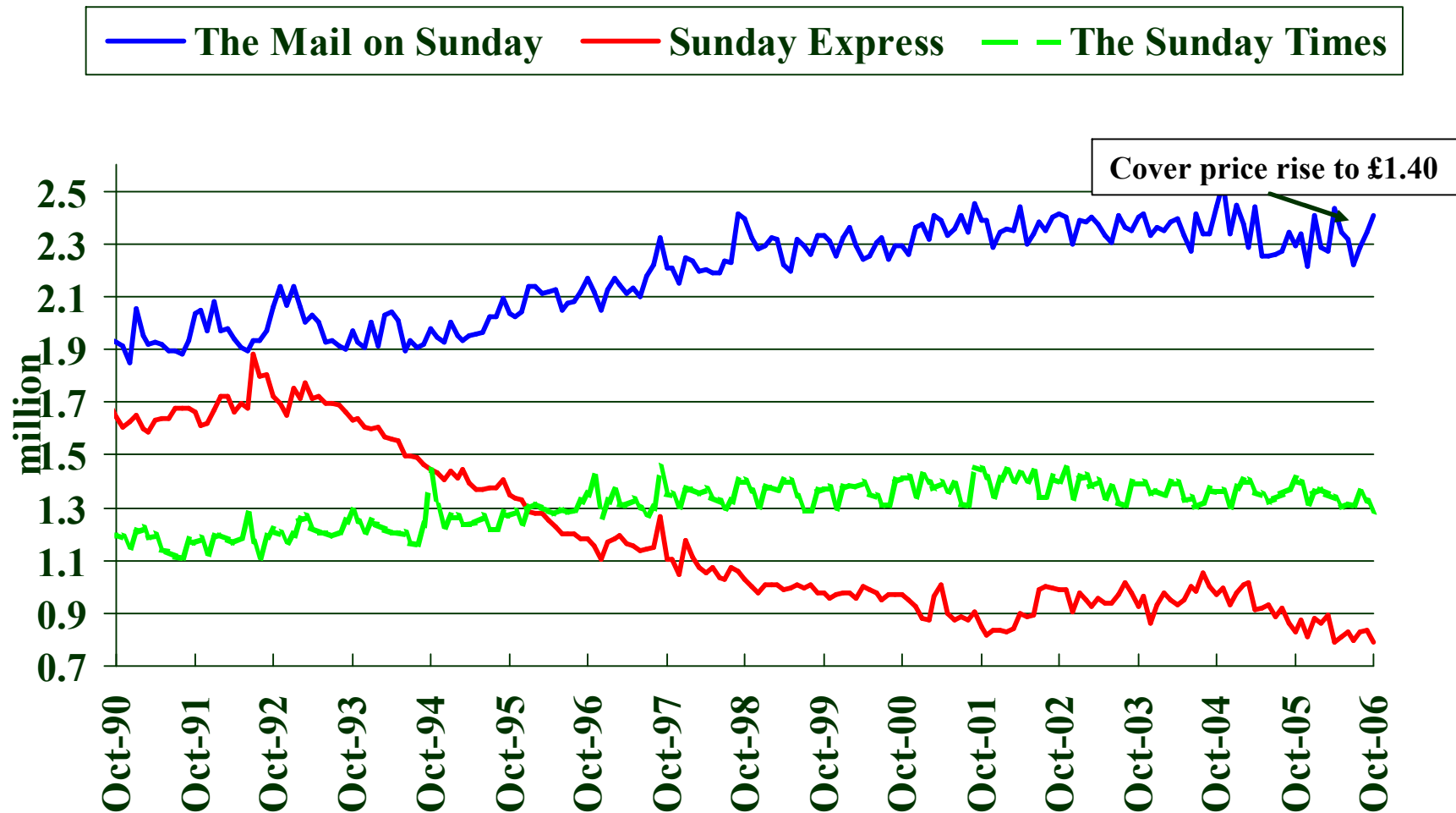


DMGT

Daily Mail and General Trust plc

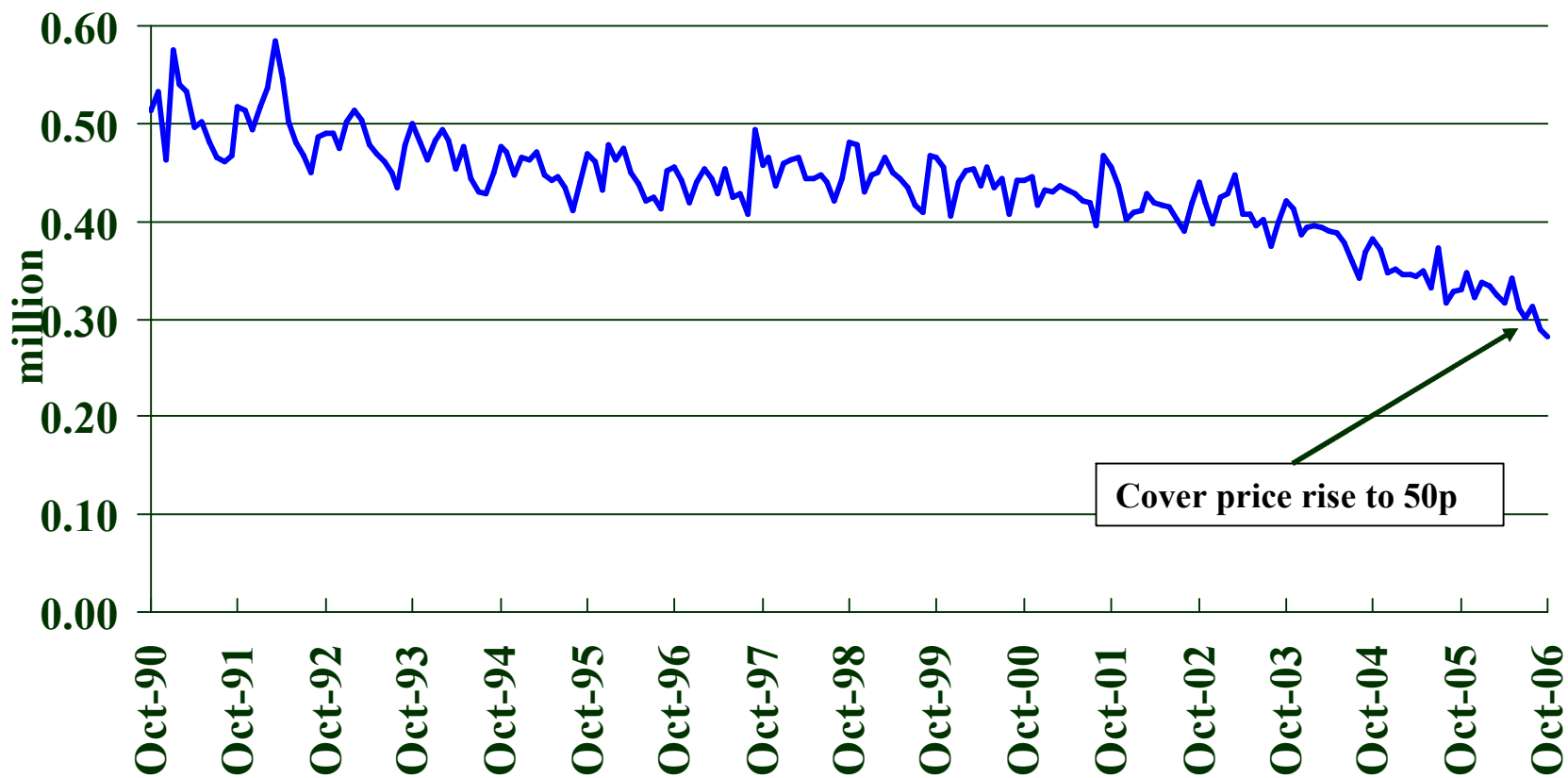
# Associated Newspapers

## The Mail On Sunday Circulation Comparison



# *Associated Newspapers*

## *Evening Standard Circulation*



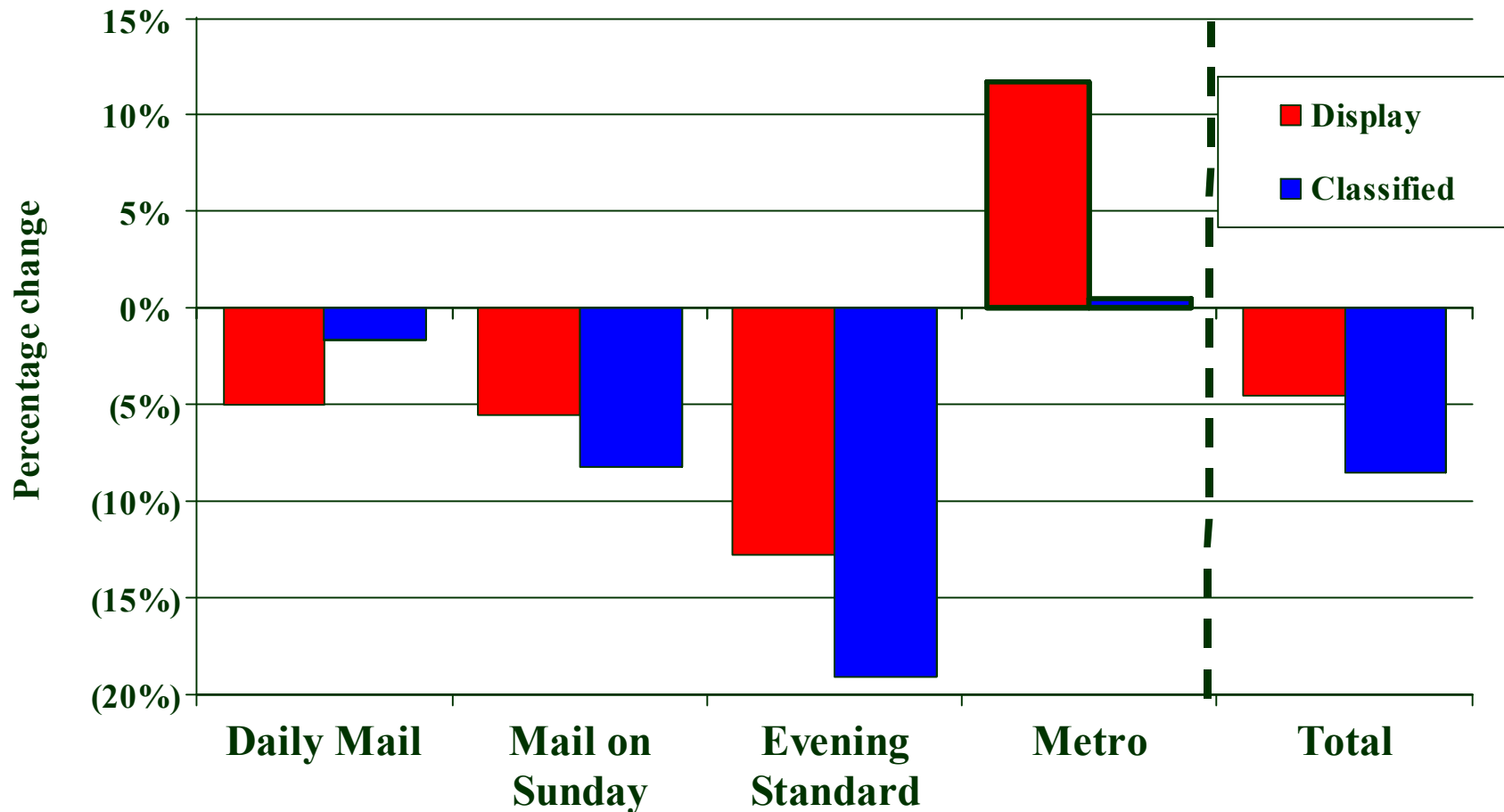
Cover price rise to 50p

DMGT

Daily Mail and General Trust plc

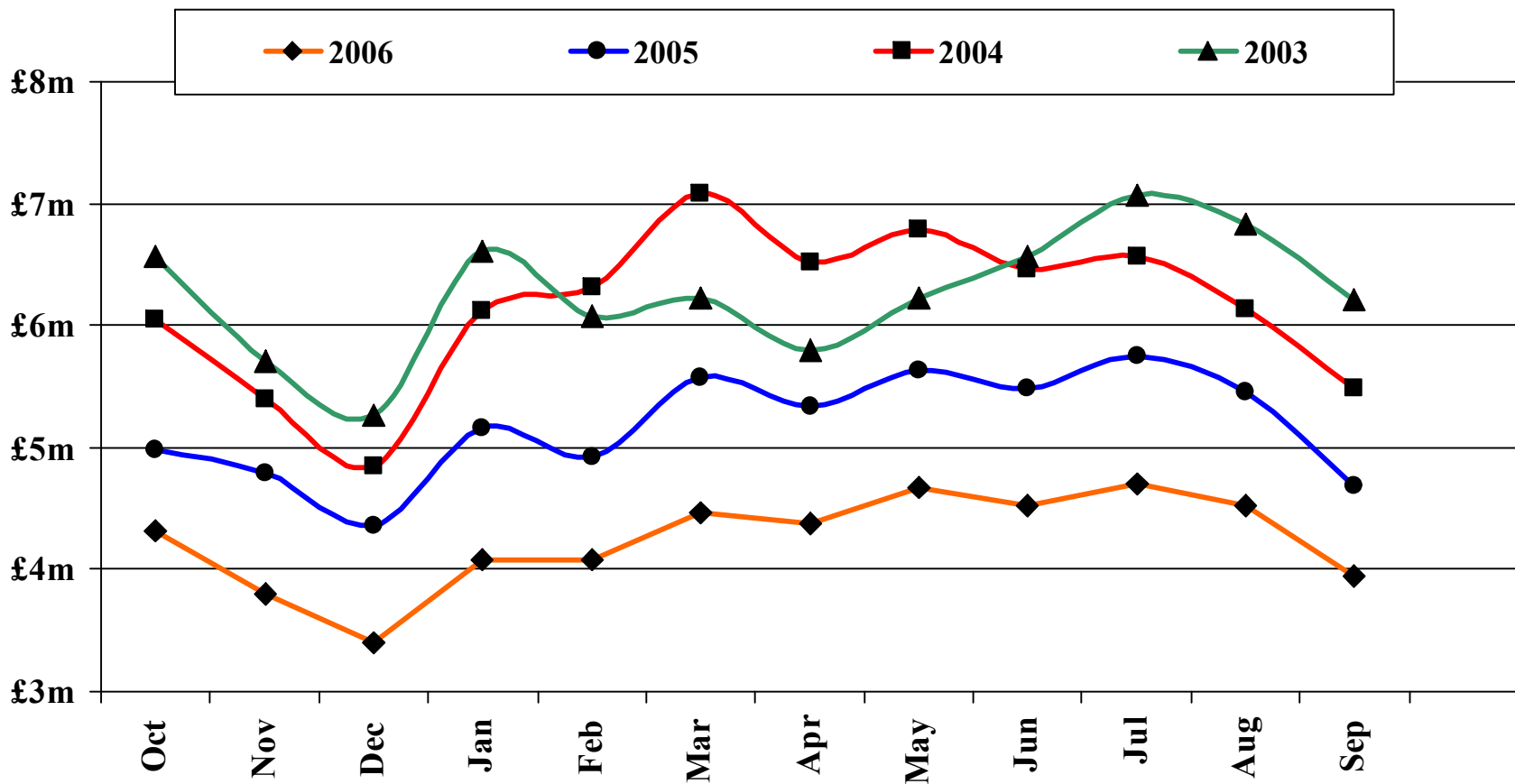
# Associated Newspapers

## Advertising Revenue: y-o-y Change



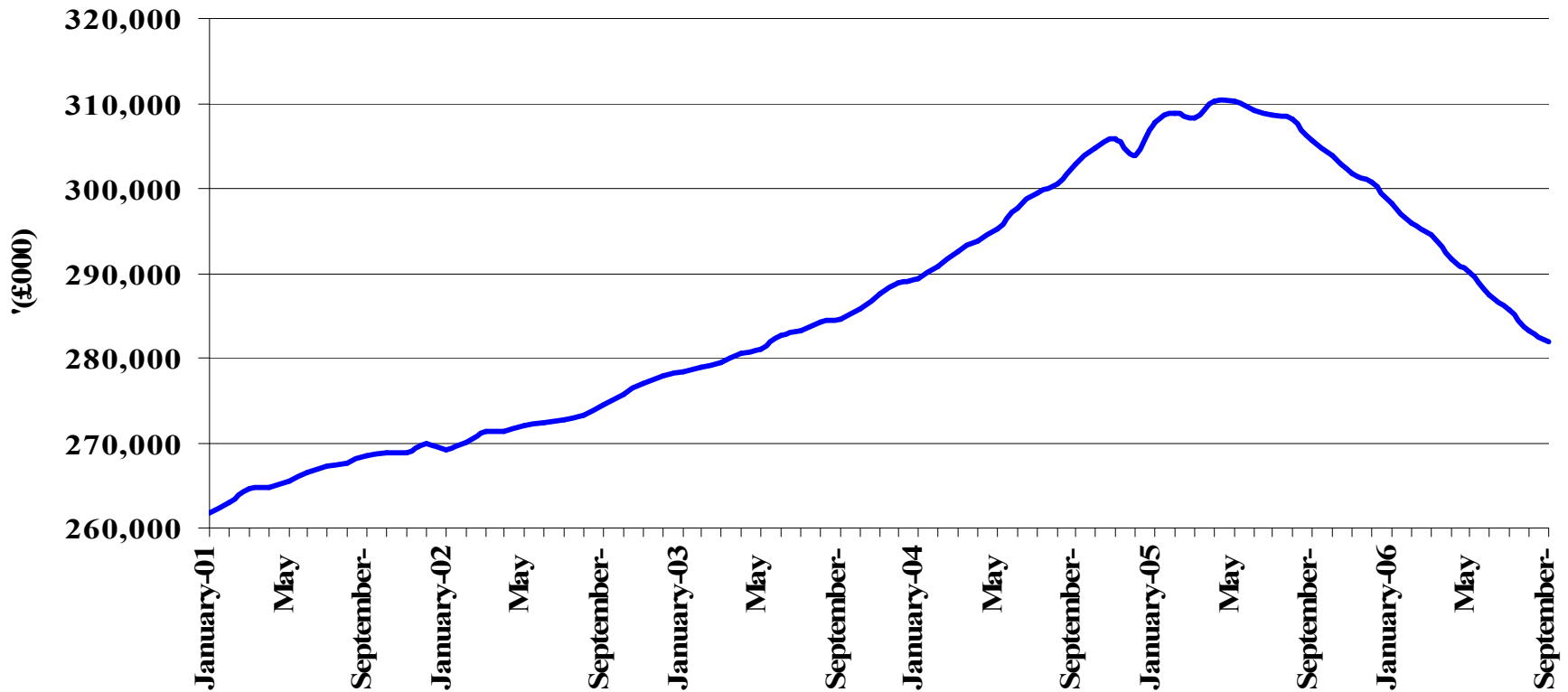
# Associated Newspapers

## Teletext Monthly Advertising Revenues



# Northcliffe Newspapers

Classified Total Revenues : Moving Annual Totals

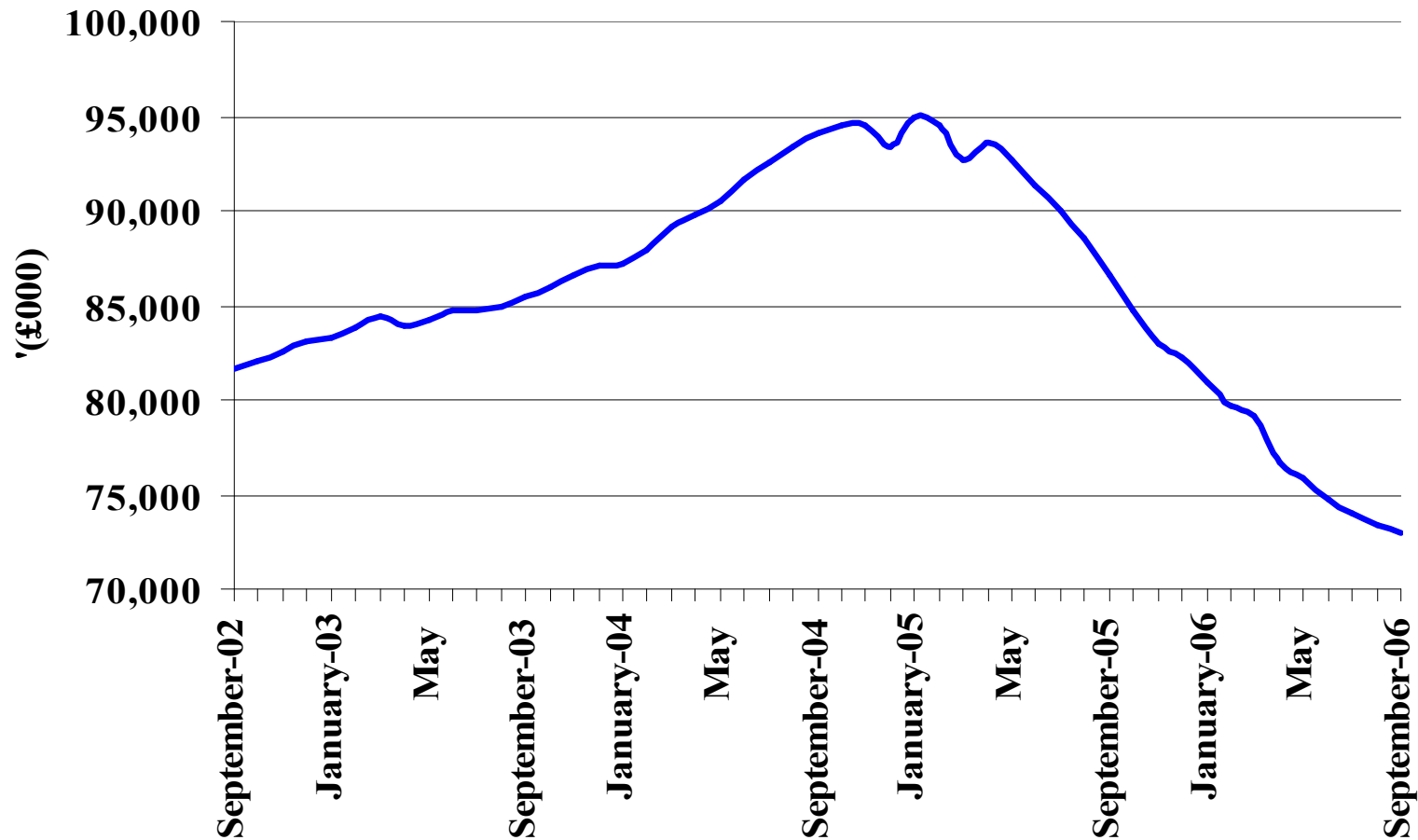


DMGT

Daily Mail and General Trust plc

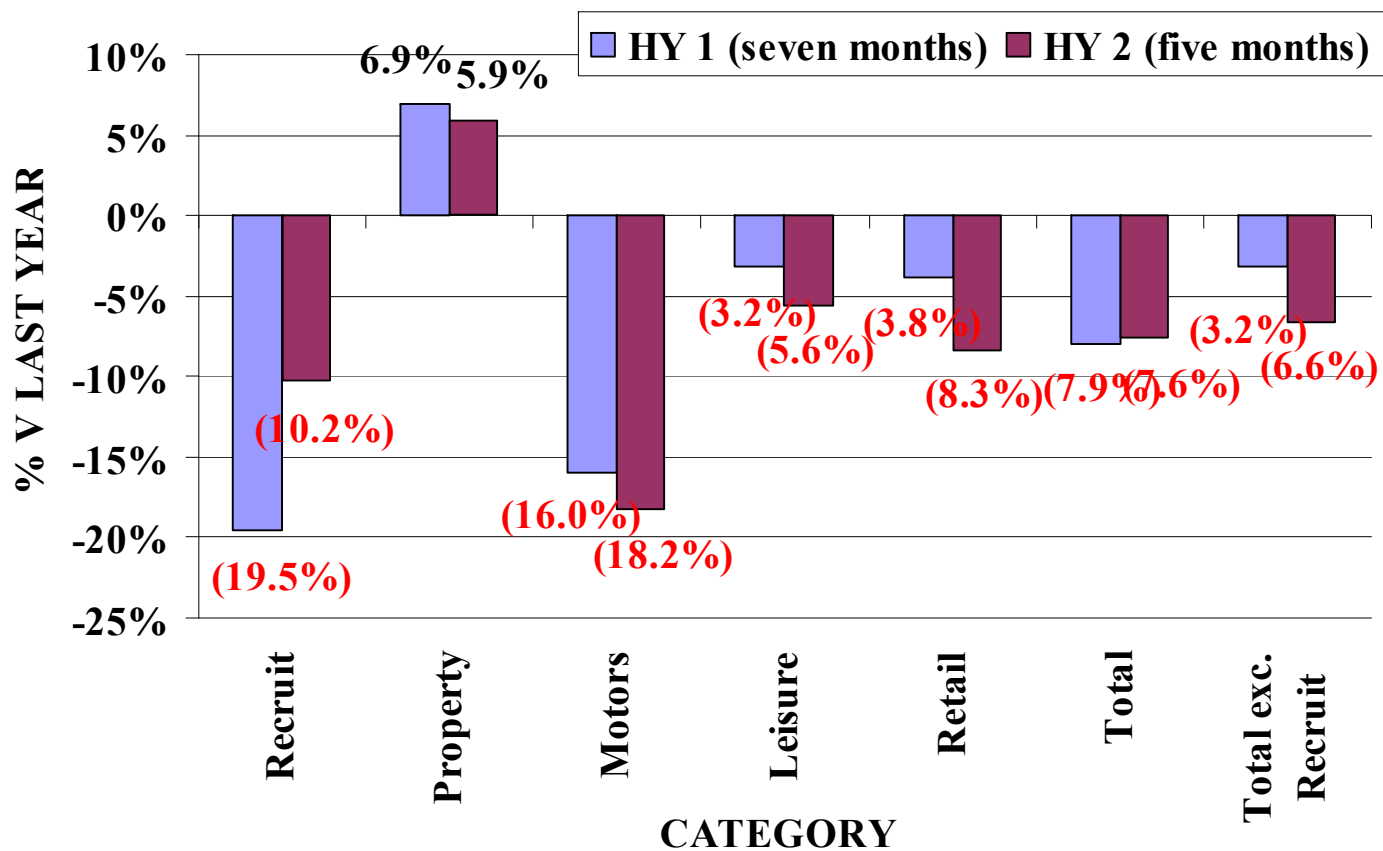
# Northcliffe Newspapers

## Classified Employment Revenues : Moving Annual Totals



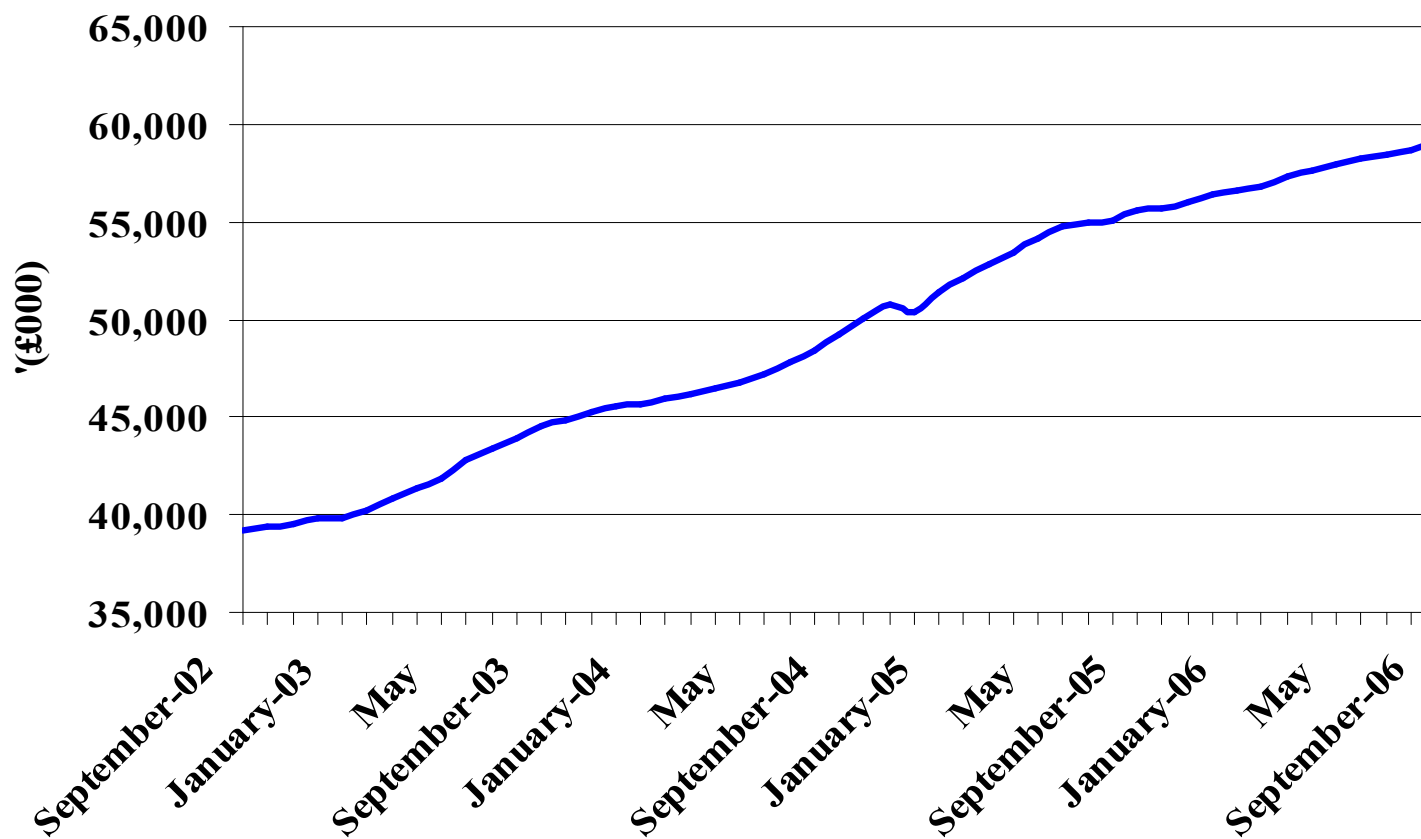
# Northcliffe Newspapers

## 1st / 2nd Half Revenue Split by Category



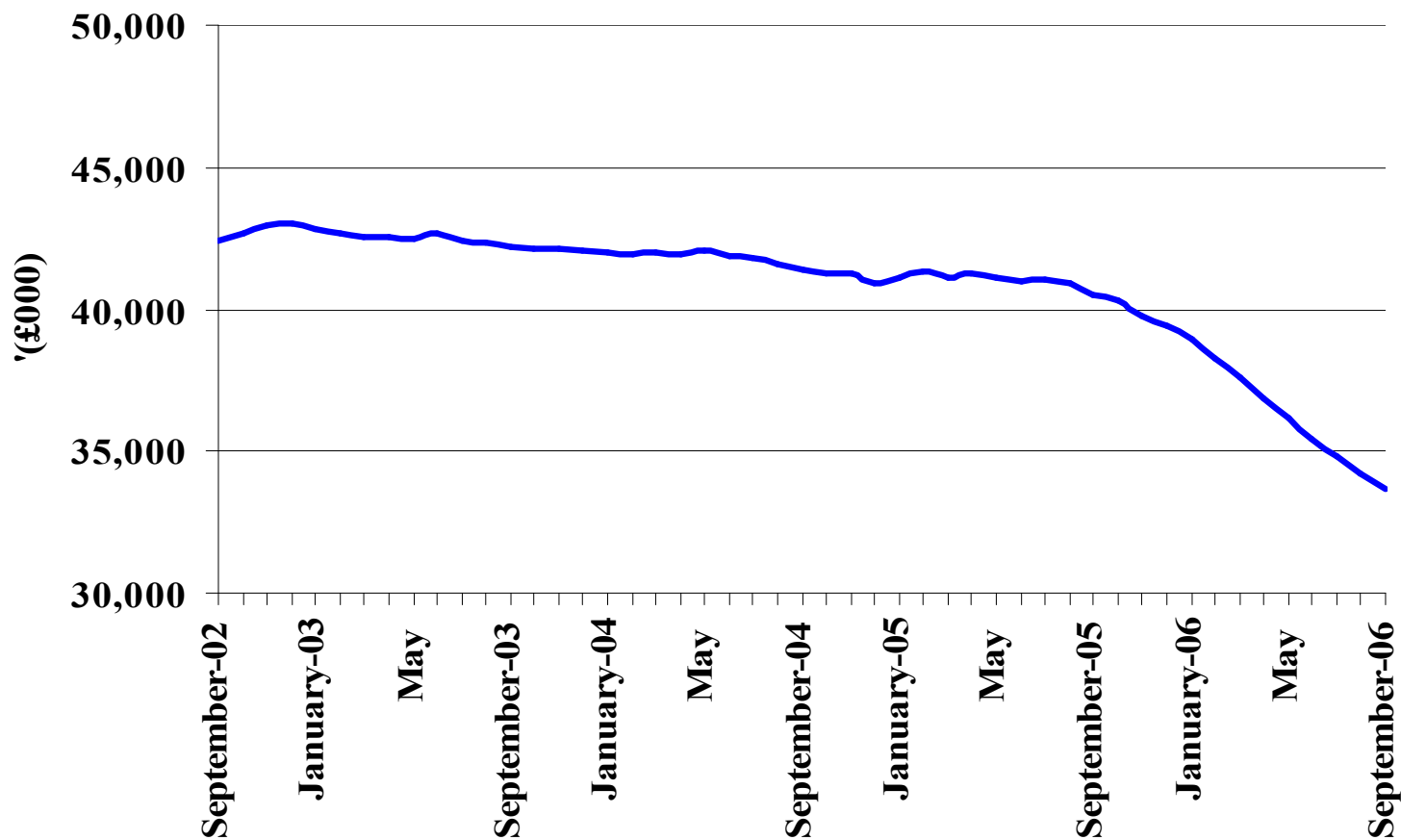
# Northcliffe Newspapers

## Monthly Revenue From Property : Moving Annual Totals



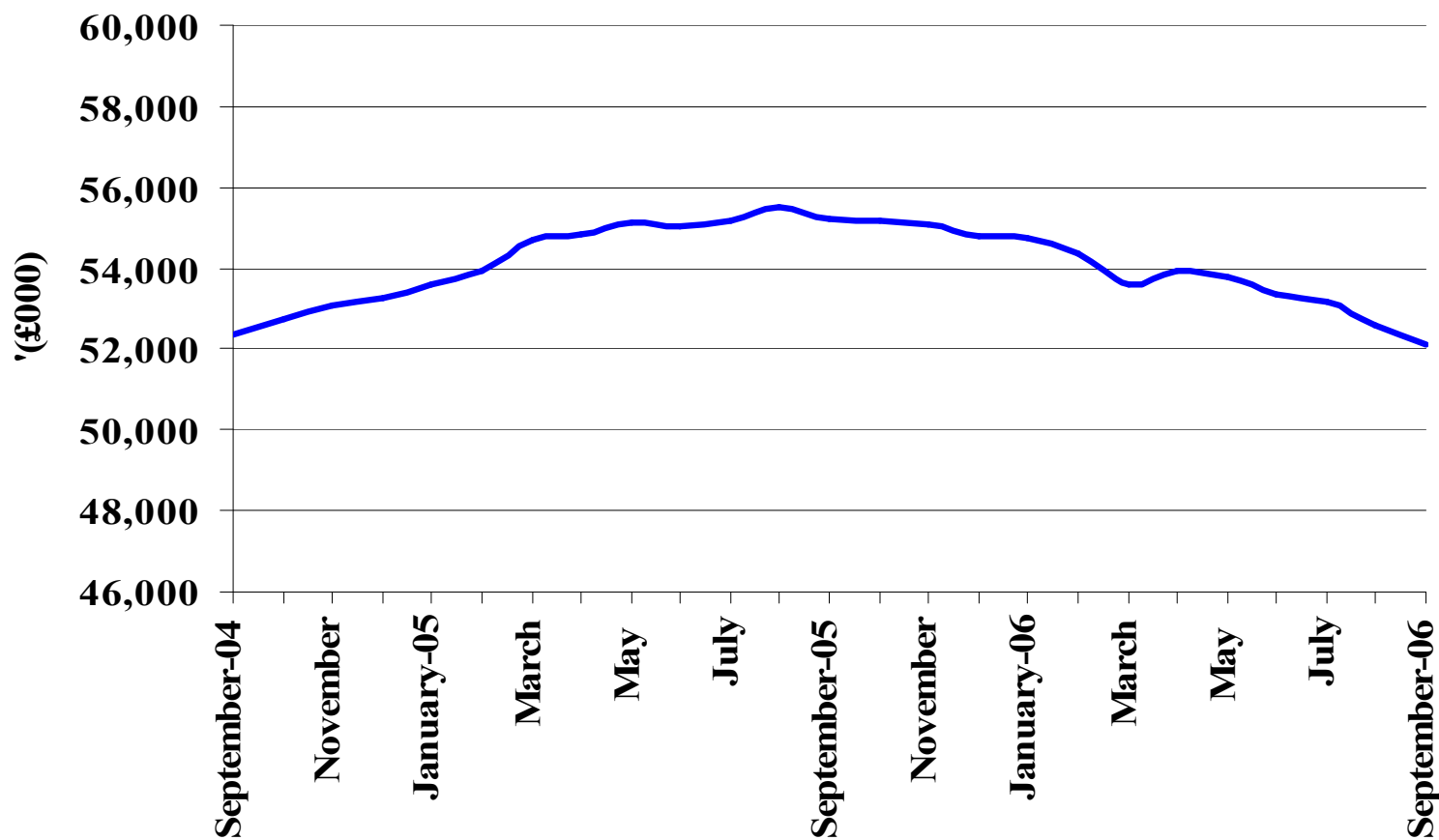
# Northcliffe Newspapers

## Monthly Revenue From Motors : Moving Annual Totals



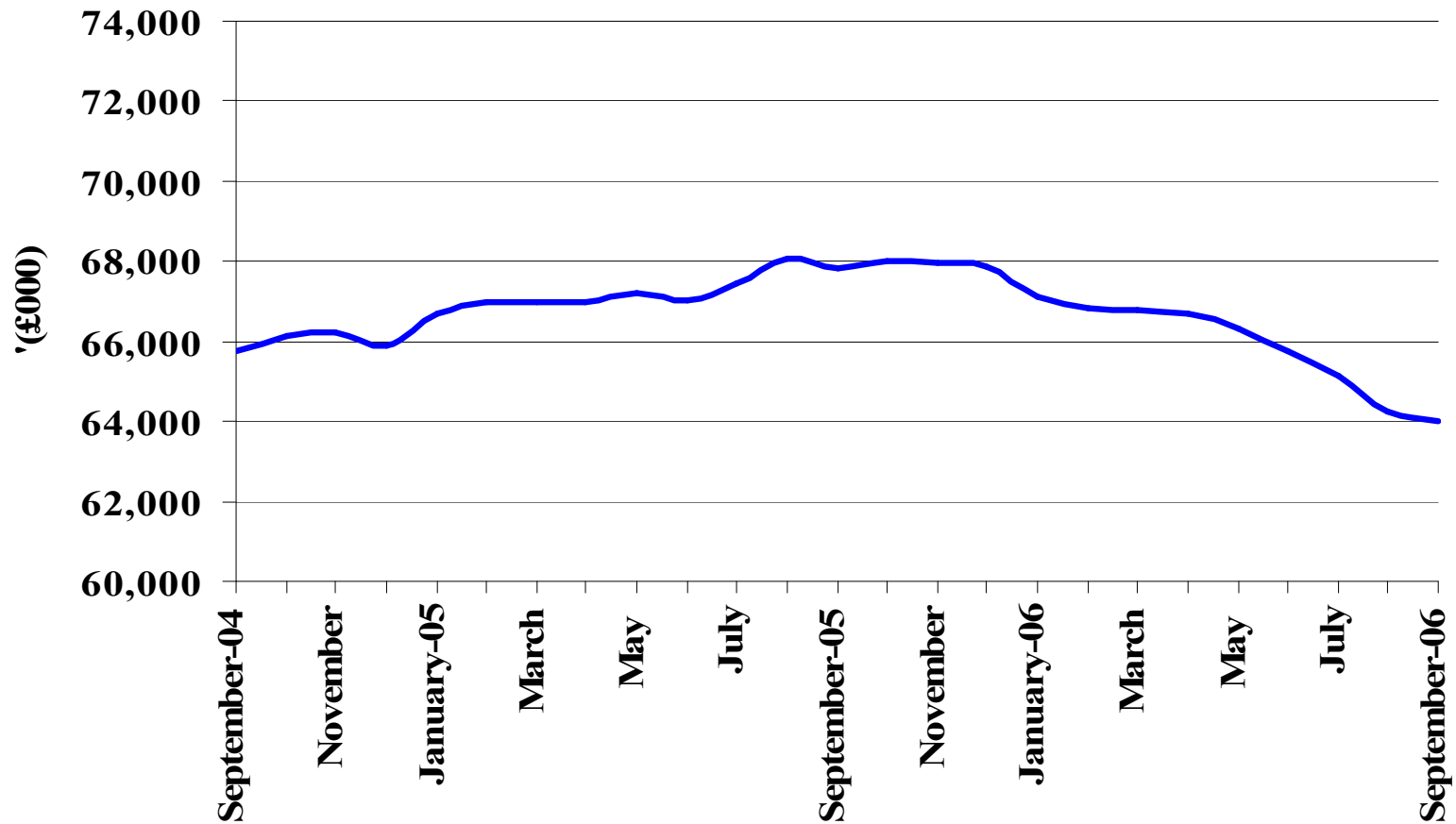
# Northcliffe Newspapers

## Monthly Revenue From Retail Advertising : Moving Annual Totals



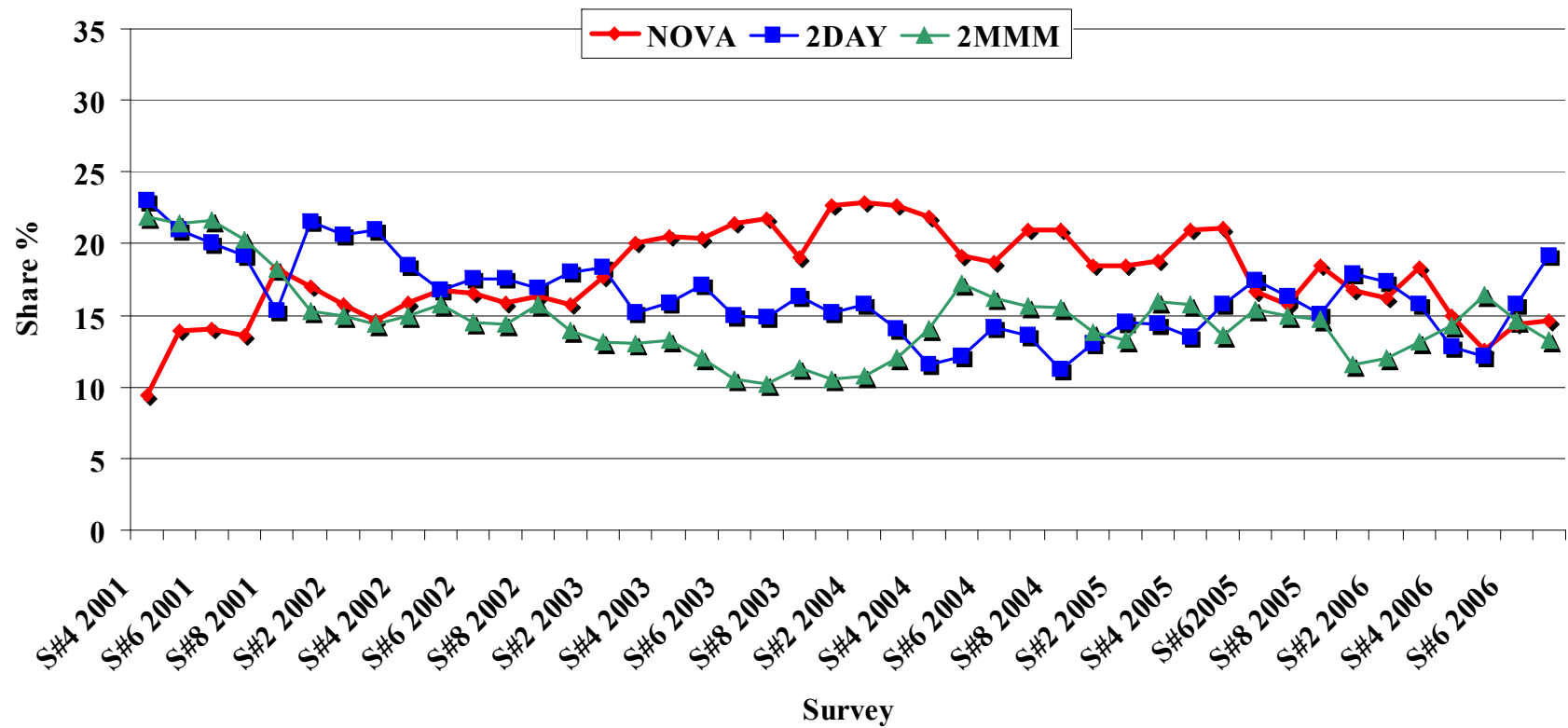
# Northcliffe Newspapers

## Monthly Revenue From Other Categories : Moving Annual Totals



# DMG Radio

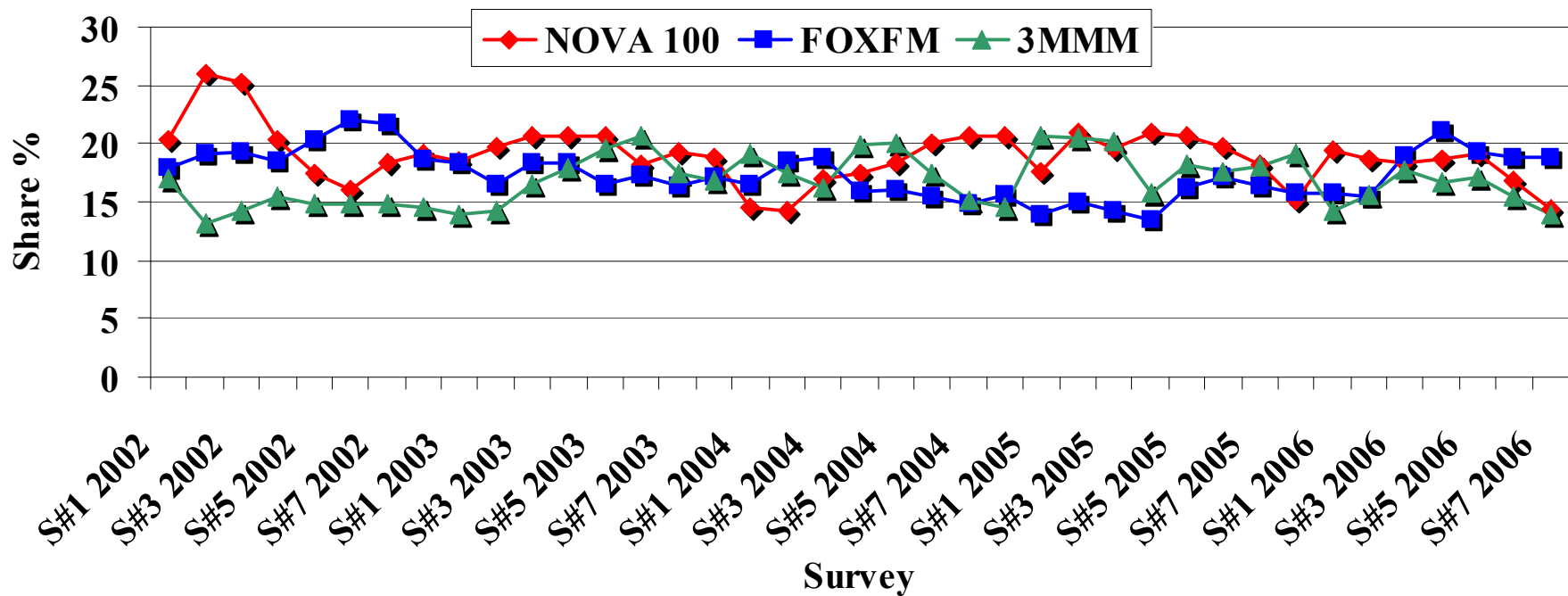
## Sydney Ratings Share 18-39 S4 2001 - S6 2006



# DMG Radio

Melbourne Ratings Share 18-39

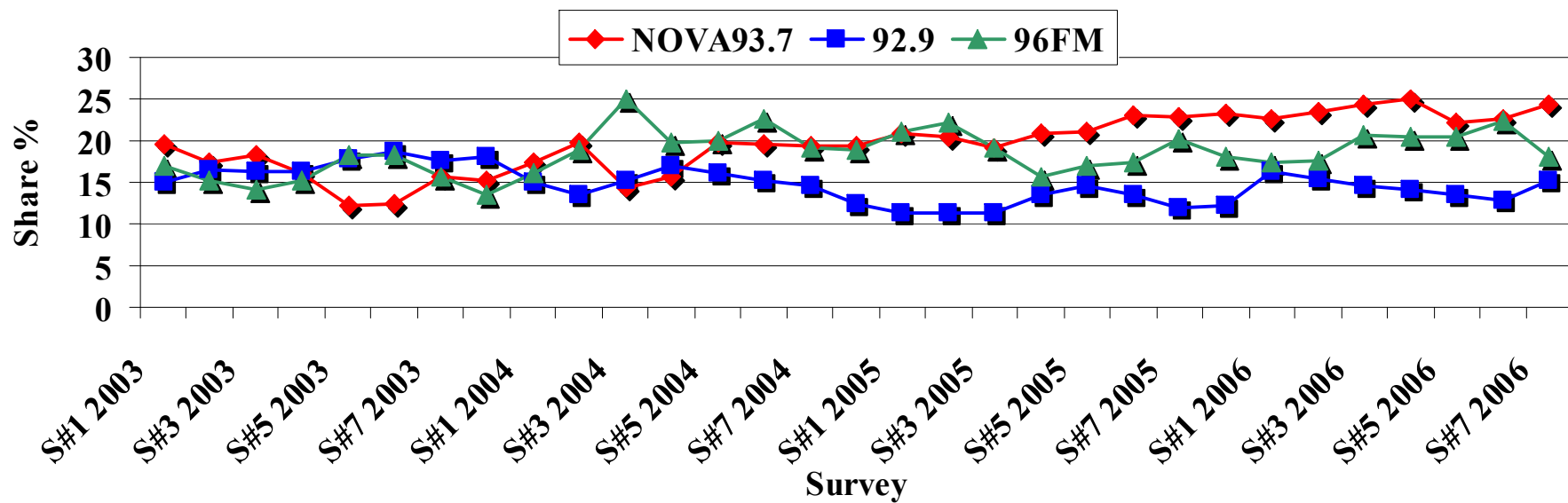
S1 2002 - S6 2006



# DMG Radio

Perth Ratings Share 18-39

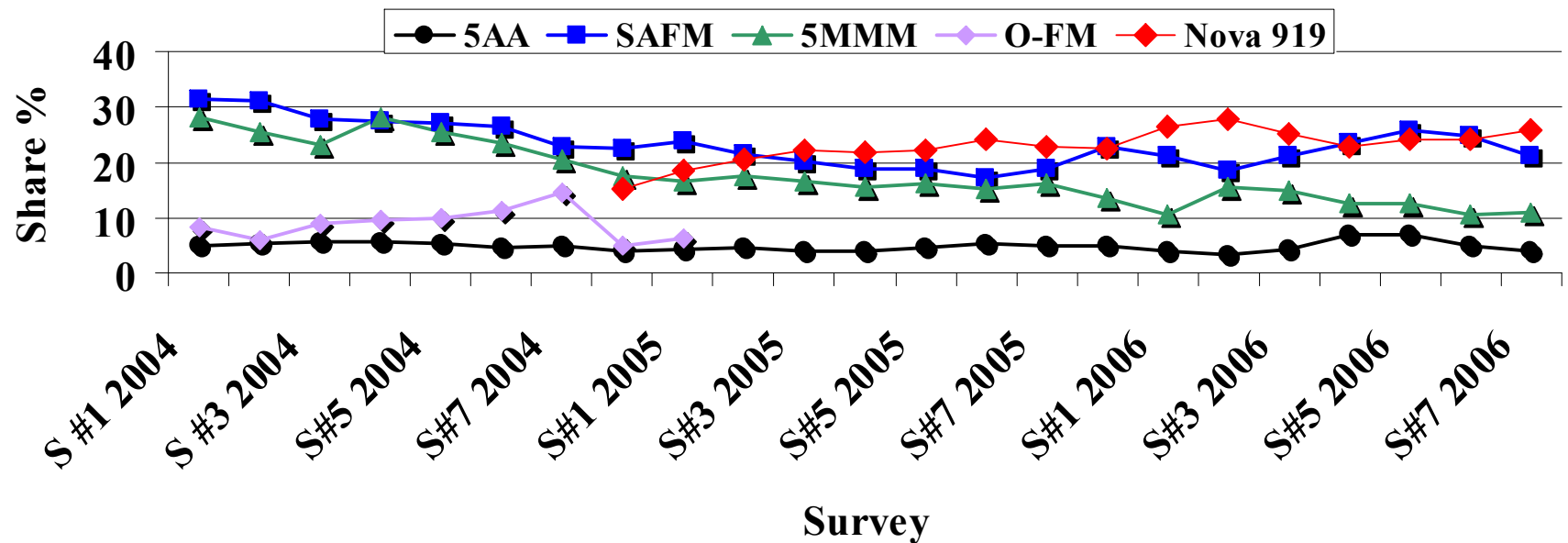
S1 2003 - S6 2006



# DMG Radio

Adelaide Ratings Share 18-39

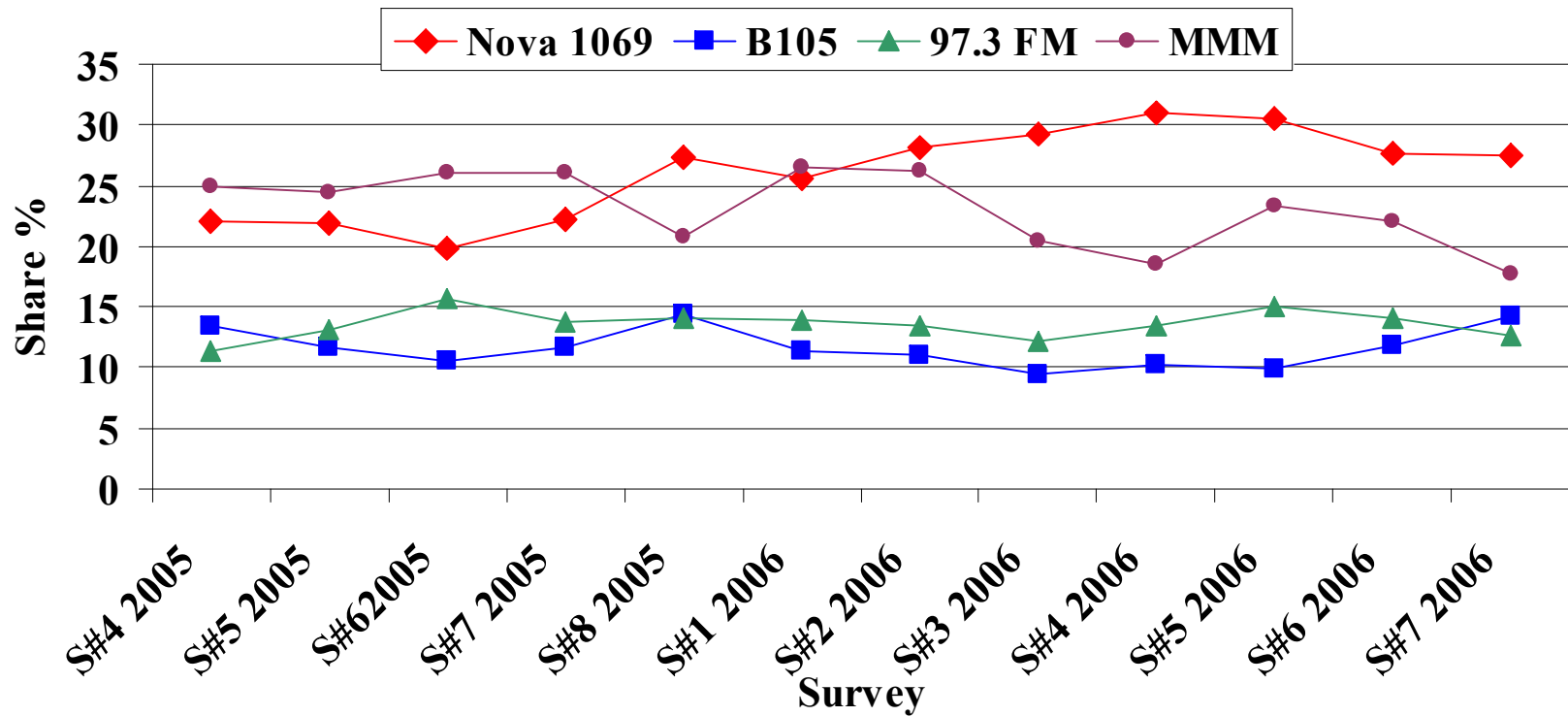
S1 2004 - S6 2006



# DMG Radio

Brisbane Ratings Share 18-39

S4 2005 - S6 2006



# DMGT Share Price and FTSE Movements Relative 1988 Base

