

Daily Mail and General Trust plc ('DMGT')

Group audited preliminary results for the year ended 1st October, 2006.

	Adjusted results*			Statutory results		
	2006	2005+	Change	2006	2005+	Change
Revenue	£2,176 m	£2,136 m	+2%	£2,176 m	£2,136 m	+2%
Operating profit	£300 m	£283 m	+6%	£150 m	£236 m	-37%
Profit before tax	£260 m	£237 m	+9%	£311 m	£195 m	+59%
Earnings per share	46.4 p	43.2 p	+7%	60.8 p	35.9 p	+69%
Dividend per share				13.05 p	12.00 p	+9%

- **Another record year due to excellent growth in our business-to-business and digital divisions.**
- **Robust results in difficult trading conditions for our newspapers and other consumer businesses.**
- **Continued good progress on regional newspaper restructuring.**

*(before amortisation and impairment of intangible assets and exceptional items; see Consolidated Income Statement and reconciliation in Note 8).

+ All numbers, including those of the prior year, are prepared under International Financial Reporting Standards (IFRS).

A webcast of the Preliminary Results presentation to City analysts will be available for viewing from 9.30 a.m. on 23rd November, 2006 at <http://www.dmgmt.co.uk>.

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Daily Mail and General Trust plc

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Summary

DMGT is pleased to report another record year with an adjusted profit* before tax of £260 million, up 9% on the equivalent figure for last year. This improvement was due particularly to strong growth from DMG Information. The Group's business-facing divisions generally enjoyed strong growth, whilst its consumer operations, particularly its newspapers, performed creditably under difficult trading conditions. The digital operations of our newspaper divisions expanded rapidly and are producing good returns.

47% of this year's operating profit* was generated other than by the Group's print newspaper titles, up from 40% last year.

Outlook

The new financial year has started well with signs of a gentle recovery in some sectors of the national advertising market with our national titles producing strong circulation results in an ever competitive market. Whilst Northcliffe is not yet seeing much improvement in advertising conditions, continued falls in revenues are being offset by cost reductions. We expect DMG Information to maintain its strong underlying revenue growth, albeit with profit growth possibly tempered a little this year by investment in new products, and for Associated Northcliffe Digital to have another growth year. Pre-tax profits should also benefit from Euromoney Institutional Investor's continuing organic growth and from its acquisition of Metal Bulletin.

Overall the Board is cautiously optimistic of achieving another year of progress.

Results

The Group's results have been produced in accordance with International Financial Reporting Standards; as reported in May the prior year's results have been restated, reducing adjusted profit before tax* by £16 million.

Statutory operating profit of £150 million was 37% lower than last year's figure due to higher amortisation and impairment charges and exceptional operating costs. The statutory profit before tax of £311 million was 59% higher than last year due to the inclusion of profits on disposal of businesses and other assets.

National newspapers and related activities

Associated Newspapers achieved operating profits* of £97.0 million, up from £95.9 million last year, on revenues down 1% to £931 million. This robust result was a record for the third successive year and was achieved despite a further decline in the print advertising market, a newsprint price increase well ahead of inflation and the launch costs of a new free title, London Lite. It resulted from close attention to costs, particularly at the Evening Standard, and from growth in profits from digital activities. Total costs were £11 million lower than last year, despite spending £7 million more on newsprint.

*References to operating profit in the narrative above are to adjusted operating profit (before amortisation and impairment of intangible assets and exceptional items); see note 2.

+ All numbers, including those of the prior year, are prepared under IFRS.

Overall circulation revenues for the year were 2% higher than last year. The Daily Mail again outperformed its peers, increasing its market share to 19.7%, a rise of 0.5% and the highest market share growth of any national newspaper. Its average daily circulation was down by only 0.4%, despite a 5 pence Monday to Friday cover price increase in April. The Mail on Sunday circulation was down 1.7% in an overall market that fell by 4.5%. A new Irish edition was launched on 24 September, incorporating Ireland on Sunday, and circulation figures have been very encouraging. The average paid-for circulation of the Evening Standard fell by 8%. In the UK, Metro's distribution grew by 5.7%, to an average of over 1,060,000 copies daily. With partners, an edition was published in Dublin in December 2005, and an interest has been acquired in a similar Dubai product, 7 Days. In August, London Lite was launched, adding to Associated's substantial presence in the free daily newspaper market. Trading performance has so far been ahead of expectations, although it remains early days for this title.

Print advertising revenues were down 6% to £436 million, with display advertising down 4% and classified down 9%. Metro has bucked the trend by achieving an increase of over 8%, and the Mail titles are outperforming the wider newspaper advertising market. By sector, retail advertising across the titles was up 7%, but there were falls in most other categories. Recent trends have been more encouraging, with a rise of 1% in display in September and year on year growth continuing into the new financial year.

The construction of a new print site at Didcot and enhancements at Surrey Quays are proceeding well and are on schedule to provide the titles with increased pagination and full colour by early 2008 within the original budget.

Teletext is now included in this division and prior year's figures have been restated to reflect this. As expected, revenues from Teletext again declined, by 19% to £51 million, as the analogue television market migrates to digital. The cost base had been reduced in anticipation and, as a result, Teletext remained modestly in profit. Encouragingly, Teletext's digital audience is now building well and digital revenues rose by 60%. Its travel websites have also continued to grow well.

Expanding the digital operations of our newspaper titles is a high priority for the Group. Associated's digital operations have grown significantly during the last year, both organically and by acquisition. In total, revenues doubled to £55 million; excluding acquisitions, growth was still a healthy 29%. The sites contributed an operating profit* of £13 million.

Recruitment remains the largest generator of revenue through the Jobsite network of sites. The Group's property offering was increased by the £49 million acquisition of Primelocation. It also acquired Allegran, the owner of some of the UK's leading dating sites, Carsource, a motors site, and SimplySwitch, a leading utility switching site. The companion sites to the Group's print titles have seen strong growth in traffic and revenues, although profitability remains elusive.

During the year, the digital activities of Associated and Northcliffe were merged to form Associated Northcliffe Digital and they will in future be reported as a single entity. Their total network of sites now reaches over a quarter of UK internet users every month. Annualised revenues are around £90 million with a current profit* margin of around 20%.

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Regional newspapers and related activities

Excluding the results of Aberdeen Journals, which was sold in March 2006, Northcliffe Newspapers achieved operating profits* of £86.8 million, which were £5.1 million or 6% below last year. On a similar basis, revenues were down 5% to £460 million.

Following the Board's decision in January to retain Northcliffe, the Northcliffe management have successfully implemented the continuation plan constructed during the strategic review. This included regionalising the management structure, increasing focus on Northcliffe's digital activities and obtaining the benefits of increased co-operation with Associated, particularly in printing and in digital. We are pleased with progress in all these areas.

On a like for like basis, UK advertising income fell by nearly 8% or £24 million. Those categories most affected were recruitment, motors and retail, recording decreases of 16%, 17% and 6% respectively. Property advertising, on the other hand, continued to perform well with growth of over 6%.

Circulations again declined, although Northcliffe's market share and overall reach remain steady. Audited circulation of daily titles fell by 3.8% in the July to December 2005 ABC period and by 4.9% in the January to June 2006 ABC period, with the decline worst in the larger titles. These figures, although disappointing, were marginally ahead of the industry results. Northcliffe's weekly titles, which include some of the UK's largest weekly titles, under-performed against the rest of the regional press, their audited circulations falling by 3.1% and 4.5% in the same two periods.

Excluding Aberdeen Journals, total UK publishing revenues fell by £31 million, yet operating profits* on the same basis were only down £7 million due to a substantial reduction in Northcliffe's cost base. Throughout 2006, there was continued focus on improving Northcliffe's operating efficiency. By September 2006, annualised savings of £35 million had been realised, including the closure of two further printing plants in Hull and Lincoln.

Over the past twelve months, Northcliffe's digital activities have grown substantially, with the number of unique users of its sites climbing 32% to just over 2 million per month. Digital revenues approached £8 million.

The international division continues to make encouraging progress. Operating profits* were up 19% to over £5 million helped by a full year's contribution from acquisitions in Slovakia. The market leading Slovakian jobs board, profesia.sk, acquired in November 2005, performed much better than expected and has now expanded into Hungary.

An exceptional restructuring charge of £32 million has been taken which includes the costs for the second phase of Northcliffe's reorganisation programme, together with the professional costs of the strategic review of the business.

Recent recruitment advertising trends have been more encouraging, with year on year declines down to below 5%. As yet the trend for other print categories shows little sign of improvement, although digital revenues continue to expand encouragingly. Achieved annualised cost savings have now risen to £40 million.

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Information publishing

DMG Information had an excellent year with operating profit* growing by £23.5 million or 53% to £68.0 million on revenue up 17% to £345 million and operating profit* margin improving to 20%. The net effect of acquisitions and disposals on these figures was small.

Operating profit* from the financial and insurance division rose by £14 million or 70% to £33 million on revenue up 27% to £100 million. Risk Management Solutions continued its record of strong growth. The demand for sophisticated modelling of catastrophes and of other perils by the insurance sector continues to expand. During the year RMS successfully released its most comprehensive product upgrade to date, including new versions of its core U.S. earthquake and hurricane models, with the latter incorporating the latest science and data from the highly active 2005 US hurricane season. New advisory and analytical services were also successfully introduced.

Our financial information companies, Trepp and Lewtan, had excellent years. The level of new issuance in the commercial mortgage-backed securities market, served by Trepp, reached record levels which assisted Trepp in continuing its excellent growth record whilst Lewtan's growth included expansion of its European offerings.

Operating profit* from the property division rose by £5 million or 22% to £27 million on revenue up 19% to £92 million. Landmark enjoyed an excellent year. A resurgent U.K. home property market saw transaction volumes increase by approximately 20% and was coupled with further growth in sales of electronic mapping and environmental reports to commercial property market participants.

Environmental Data Resources, operating in the US, experienced less favourable market conditions, with the volume of transactions remaining flat year on year. It was still able to grow satisfactorily by expanding further its products to commercial property lenders.

Property & Portfolio Research had a good year, increasing the number of U.S. cities covered by its property research services and launching coverage of major European cities.

Operating profit* from our other business to business companies rose by £3.5 million or 80% to £8 million on revenue up 36% to £64 million. This included Genscape, the market leading provider of real-time energy generation and transmission information to North American and European markets. Genscape has met all expectations since its acquisition in May, and continues to expand its product offering.

Hobsons had another excellent year delivering an increase of more than 70% in operating profit*. The driver of growth was primarily the U.S. business, which offers publishing and technology recruitment solutions to U.S. colleges, but the Australian business also grew strongly and there was a pleasing upturn in Germany after several difficult years.

Study Group traded substantially up on last year and was successfully sold in September.

The prospects for DMGI remain encouraging. The businesses are identifying opportunities to expand organically and, while this may result in some additional short term revenue investment, it augurs well for their longer term growth prospects.

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Financial publishing

Euromoney Institutional Investor announced its preliminary results last week. Its operating profit* increased to a record £39 million, despite an increase of £3 million in the charge for its management incentive scheme, the CAP. Excluding this charge, operating profit* rose 11%, although this itself includes the impact of some detrimental timing differences arising from the timing of conferences. Allowing for these, underlying growth in operating profit* was 20%.

Revenue increased by 13% to £221 million, assisted by a positive trading environment in the financial markets that Euromoney primarily serves. Particularly pleasing was the growth in subscription numbers, rates and renewals for its print titles, driven by increased investment in marketing. Each of the group's divisions increased profits. Financial publishing grew most in absolute terms, but the database and information services products showed the highest growth rate, up 38%. CEIC, consolidated from April 2006, is proving an excellent addition to ISI.

The new year has started well, although the first quarter is Euromoney's least significant in profit terms. The focus will be on the integration of the newly acquired Metal Bulletin businesses.

Exhibitions

DMG World Media's operating profit* rose by £0.3 million (1%) to £24.4 million on revenue up 7% to £163 million. Whilst its business to business shows thrived, its two largest business sectors (Consumer and Gift) had a tough year.

Consumer shows, which comprise just over a third of the business, struggled with profits* falling by 20% due to slower high street spending and weakening consumer confidence. This was a trend across the UK, North America and Australia, although inevitably the impact on the London Ideal Home Show was most significant.

Once again dmg world media's business in Dubai grew strongly; in particular its two newer shows in the region - Hotel and Office - both produced strong results. The Big 5 construction show and Index, a commercial interior design show, continue to be two of the three largest shows staged in the Middle East. Both have also been launched in India this year.

The Technology sector overall grew impressively, fuelled by the substantial growth of ad:tech, dmg world media's interactive advertising and technology series of conferences and exhibitions. In 2006, dmg world media also acquired Evanta, a US-based business producing twelve Chief Information Officer Executive Summits in the major North American markets.

The Oil and Gas sector remains a steady performer for dmg world media as the biennial Global Petroleum Show reported strong sales and attendance. This sector was strengthened by the acquisition of the Abu Dhabi International Petroleum Exhibition and Conference, the largest oil and gas show in the Middle East.

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Radio

DMG Radio Australia made an operating loss* of £4.9 million, a fall of £4.5 million on revenue which was up 10% to £37 million. Whilst losses were expected on the newly launched Vega stations, this was a disappointing year in the context of the company's growth plan.

The key Nova Sydney station had a tough year, partly due to weakness in the Sydney advertising market. However, the Nova network was again the leading national network in its target audience of Under 40 in every survey during the year and the network increased its profits over last year.. Nova Brisbane, launched in April 2005, has been a spectacular success and moved into operating profit* in the year.

The new Vega FM stations in Sydney and Melbourne, which target listeners aged 40-54, relaunched late in the year. Recent survey results are more encouraging.

Joint ventures and associates

The Group's share of the results** of its joint ventures and associates rose by £2.0 million to £7.1 million due mainly to lower losses from Northcliffe's digital associates and to a larger contribution from Euromoney's associates. These were partly offset by the absence of a contribution from GWR Group plc (which merged into GCap Media plc in May 2005 with the Group's interest now accounted for as an investment). Also included are start-up losses from Metro Ireland and lower profits from GLM, the North American gift exhibition organiser.

Net financing costs

A first dividend from Gcap Media outweighed a fall in dividends from Reuters plc resulting from the Group selling its remaining interest.

Net interest payable (excluding dividend income and deemed finance charges but including interest receivable) fell by £4.4 million to £48.3 million.

The Group's interest cover, calculated as the ratio of adjusted profits* before interest and depreciation (EBITDA) to net interest payable, was 7.8 times this year, up from 7.2 in 2005 and above the Group's current target of six times. The Group's ratio of year end net debt to EBITDA was 1.9 times.

*References to operating profit or loss in the narrative above are to adjusted operating profit or loss (before amortisation and impairment of intangible assets and exceptional items); see note 2.

**References to share of the results of joint ventures and associates in the narrative above are to adjusted share of the results of joint ventures and associates (before amortisation and impairment of intangible assets); see note 3.

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Other income statement items

The Group has charged £41 million as exceptional operating costs. This charge comprised the costs for the second phase of Northcliffe's reorganisation programme, together with the professional costs of its strategic review, reorganisation costs within Associated and a restructuring charge within dmg world media and DMG Information.

The charge for amortisation of intangible assets rose by £19 million to £51 million. The Group has also made an impairment charge of £59 million, principally relating to a number of consumer and gift shows, the Vega radio licences and Associated's Loot business.

The Group recorded other exceptional gains and losses of £189 million. Of these, profits on disposal of businesses of £175 million arose from the sale of Aberdeen Journals and Study Group and profits of £17 million arose on the sale of investments, mainly from the sale of the remaining shares in Reuters. Profits of £9 million arose on the sale of properties and other fixed assets. These profits were offset partly by write downs resulting from a review of the carrying values of Group investments.

The Group generated £17 million of foreign exchange gains on tax hedging transactions, with an equal and opposite tax liability. Under IAS39 we are required to show these as a credit in net finance costs and a charge in taxation. Both have been excluded from adjusted earnings.

Taxation

After allowing for the effect of exceptional and other items that are not expected to recur, the underlying tax rate rose to 23.9% from 22.1% due to a number of reasons but mainly due to a higher proportion of profits coming from the United States, albeit partly offset by the accounting benefit of the last of the unrecognised US tax losses. Over the next few years the adjusted rate is expected to increase to around 30%.

Exceptional tax amounted to a net credit of £2 million, including the £17 million of tax on exchange differences on intra-group financings.

Net debt

Net debt fell during the year from £767 million to £738 million. Operating cash flows of £382 million showed the cash generative nature of the Group's businesses. Capital expenditure was high at £118 million, as Associated expanded their print facilities. Acquisitions cost £343 million, the major items being DMGI's purchase of Genscape for an initial £73 million and a total of £110 million spent on Associated's digital division. Receipts from disposals totalled £241 million.

Since the year end, Euromoney has completed the acquisition of Metal Bulletin, including a cash and loan note component of £175 million. The issue of equity in Euromoney to provide a quarter of the consideration has been well received by the market, with Euromoney's share price up over 25% since the transaction was announced. Following this transaction, the Group retains a 61% shareholding in Euromoney.

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Dividend and share buybacks

The Board is recommending payment on the issued Ordinary and 'A' Ordinary Non-Voting shares of the Company of a final dividend of 9.00 pence per share for the year ended 1st October, 2006 (2005 8.25 pence). This will make a total for the year of 13.05 pence (2005 12.00 pence per share). For transferees to receive this dividend, which will be paid on 9th February 2007, transfers must be lodged with the Registrar by 1st December 2006.

During the year, the Company acquired for Treasury 3.5 million 'A' Ordinary shares for £21.5 million as part of its share buyback programme.

Board Changes

Frank Lowy, the Chairman of Westfield Holdings, has decided to stand down as a Director of the Company at the Annual General Meeting on 7th February, 2007. During over 12 years on the Board, his incisive analysis of issues has made an invaluable contribution to the Board's deliberations. His assistance and advice to the Group's executives has been greatly appreciated.

At its meeting yesterday, the Board agreed to recommend the appointment of a new independent non-executive director by Ordinary shareholders at the Annual General Meeting, with the appointment to take effect from the conclusion of that meeting. Nicholas Berry, 64, is chairman of Stancroft Trust Limited with wide experience in media and investment in emerging markets.

The Viscount Rothermere
Chairman

Daily Mail and General Trust plc
Consolidated Income Statement
for the year ended 1st October, 2006

	Notes	2006 Total £m	2005 Total £m
Revenue	2	2,176.0	2,136.3
Operating profit before amortisation and impairment of goodwill and intangible assets and exceptional items	2	300.4	283.4
Exceptional operating costs	2	(41.1)	(13.9)
Amortisation and impairment of goodwill and intangible assets		(109.8)	(34.0)
Operating profit	2	149.5	235.5
Share of results of joint ventures and associates	3	5.6	(2.3)
Total operating profit		155.1	233.2
Other gains and losses	4	188.6	15.5
Profit from operations		343.7	248.7
Investment revenue	5	7.1	6.7
Finance costs	6	(39.3)	(60.1)
Net finance costs		(32.2)	(53.4)
Profit before tax		311.5	195.3
Tax	7	(60.0)	(39.9)
Profit for the year from continuing operations		251.5	155.4
Attributable to :			
Equity shareholders		239.8	142.1
Minority interests		11.7	13.3
Profit for the year		251.5	155.4
Earnings per share			
From continuing operations			
Basic		60.8p	35.9p
Diluted		60.7p	35.8p

Daily Mail and General Trust plc
Consolidated Statement of Recognised Income and Expense
for the year ended 1st October, 2006

	2006	2005
	£m	£m
Profit for the year	251.5	155.4
Foreign exchange differences on translation of foreign operations	(15.2)	15.1
Fair value movements on available for sale investments	(26.7)	-
Change in value of hedges recorded in equity	11.3	-
Actuarial gains on defined benefit pension schemes	34.6	15.2
Deferred tax on actuarial movement	(10.4)	(7.2)
Tax on other items recognised directly in equity	(0.3)	4.8
Net income recognised directly in equity	244.8	183.3
Transfers		
Transfer to income statement on disposal of available for sale assets	(15.7)	-
Transfers	(15.7)	-
Transition adjustment on adoption of IAS39	(2.3)	-
Total recognised income and expense for the year	226.8	183.3
Attributable to :		
Equity shareholders	215.1	170.0
Minority interests	11.7	13.3
	226.8	183.3

Reconciliation of Movements in Equity
for the year ended 1 October, 2006

	2006	2005
	£m	£m
Total recognised income and expense for the year	226.8	183.3
Dividends	(48.6)	(44.9)
Dividends paid to minority	(7.7)	(5.7)
Shares issued to minorities	0.7	3.2
Transactions with minorities	1.3	(11.3)
Put options granted in period to minority interests yet to be acquired	(8.4)	-
Issue of share capital	1.4	1.0
Shares purchased to be held in treasury (net)	(23.1)	(13.7)
Reclassification of share option scheme	-	50.8
Settlement of exercised share options of subsidiary	(25.3)	-
Other movements on share option schemes	4.7	5.7
	121.8	168.4
Shareholders equity at the beginning of the year	353.5	185.1
Shareholders' equity at the end of year	475.3	353.5

Daily Mail and General Trust plc
Consolidated Cash Flow Statement

	2006	2005
Notes	£m	£m
Operating profit	149.5	235.5
Adjustments for:		
Share based payments	11.6	10.6
Depreciation	70.6	71.1
Non exceptional loss on disposal of property, plant and equipment	-	0.3
Amortisation of intangible assets	50.6	28.7
Impairment of goodwill and intangible assets	59.1	5.3
Operating cash flows before movements in working capital	341.4	351.5
Increase in inventories	(5.4)	(1.9)
Increase in trade and other receivables	(13.6)	(38.0)
Increase in trade and other payables	47.1	60.0
Decrease / (increase) in provisions	1.9	(3.1)
Cash generated by operations	371.4	368.5
Taxation paid	(29.1)	(44.6)
Taxation received	8.5	9.0
Net cash inflow from operating activities	350.8	332.9
Investing activities		
Interest received	3.5	4.1
Dividends received from joint ventures and associates	7.0	6.8
Dividends received from other investments	3.8	2.6
Purchase of property, plant and equipment	(117.5)	(95.0)
Purchase of investments	(21.6)	(0.4)
Proceeds on disposal of property, plant and equipment	19.1	6.2
Proceeds on disposal of investments	28.6	16.0
Acquisition of subsidiaries	(303.9)	(102.2)
Treasury hedging activities (net)	5.3	0.4
Acquisition of investments in joint ventures and associates	(13.7)	(29.7)
Proceeds on disposal of subsidiaries	186.5	15.7
Net cash used in investing activities	(202.9)	(175.5)
Financing activities		
Equity dividends paid	(48.6)	(44.9)
Dividends paid to minority shareholders	(7.7)	(5.7)
Issue of share capital	1.4	1.0
Issue of shares by Group companies to minority interests	2.2	3.2
Purchase of own shares	(37.4)	(15.4)
Interest paid	(50.1)	(68.7)
Interest element of finance lease rental payments	(0.1)	(2.0)
Redemption of bonds	-	(87.7)
Loan notes repaid	(2.1)	-
(Repayment) / increase of other borrowings	(23.7)	100.4
Capital element of finance lease rental payments	(7.2)	(5.4)
Net cash used in financing activities	(173.3)	(125.2)
Net (decrease)/increase in cash and cash equivalents	(25.4)	32.2
Cash and cash equivalents at beginning of year	124.0	91.4
Exchange (loss)/gain on cash and cash equivalents	(2.5)	0.4
Cash and cash equivalents at end of year	96.1	124.0

Daily Mail and General Trust plc
Consolidated Balance Sheet
as at 1st October 2006

	2006 £m	2005 £m
ASSETS		
Non-current assets		
Goodwill	675.5	560.1
Other intangible assets	449.4	356.1
Property, plant and equipment	513.7	500.8
Investments		
Joint ventures	18.9	22.8
Associates	<u>68.1</u>	<u>68.4</u>
	87.0	91.2
Available for sale investments	73.2	91.4
Deferred tax assets	15.7	12.5
Trade and other receivables	<u>4.6</u>	<u>8.6</u>
	<u>1,819.1</u>	<u>1,620.7</u>
Current assets		
Inventories	31.3	26.6
Trade and other receivables	363.0	388.5
Current tax assets	-	-
Trading investments	-	10.5
Derivative financial assets	39.3	-
Cash and cash equivalents	97.3	124.2
	<u>530.9</u>	<u>549.8</u>
Total assets	<u>2,350.0</u>	<u>2,170.5</u>
LIABILITIES		
Current liabilities		
Trade and other payables	(536.2)	(529.0)
Current tax payable	(168.5)	(123.2)
Financial liabilities	(12.3)	(17.8)
Derivative financial liabilities	(4.5)	(3.5)
Provisions	<u>(46.2)</u>	<u>(50.7)</u>
	(767.7)	(724.2)
Non-current liabilities		
Other non-current liabilities	(1.6)	(9.1)
Financial liabilities	(864.7)	(869.9)
Pension benefit obligations	(151.3)	(178.7)
Provisions	(47.1)	(34.1)
Deferred tax liabilities	(42.3)	(1.0)
	<u>(1,107.0)</u>	<u>(1,092.8)</u>
Total liabilities	<u>(1,874.7)</u>	<u>(1,817.0)</u>
Net assets	<u>475.3</u>	<u>353.5</u>
SHAREHOLDERS' EQUITY		
Called up share capital	50.2	50.2
Share premium account	9.7	8.3
Share capital	59.9	58.5
Revaluation reserve	46.5	71.1
Shares held in treasury	(63.1)	(40.0)
Translation reserve	14.9	19.1
Retained earnings	<u>417.1</u>	<u>244.8</u>
Total equity	<u>475.3</u>	<u>353.5</u>

Approved by the Board of Directors on 22nd November, 2006.

NOTES

1. Basis of preparation

DMGT has historically prepared its audited annual accounts in accordance with U.K. generally accepted accounting practice (UK GAAP). Following European regulation issued in 2002, the Group now presents its Annual report and consolidated accounts in accordance with International Financial Reporting Standards (IFRS).

The information contained in this preliminary announcement for the year ended 1st October, 2006 does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985 but has been extracted from those accounts. The IFRS information for the year ended 2nd October, 2005 is a restatement of information extracted from the statutory financial statements prepared under UK GAAP on the historical cost basis. The statutory financial statements for the year ended 2nd October, 2005 have been filed with the Registrar of Companies and those for the year ended 1st October, 2006 will be filed following the Group's Annual General Meeting. The auditors' report on those accounts was unqualified and did not contain statements under section 237(2) or 237(3) of the Companies Act 1985. Whilst the financial information included in this preliminary announcement has been computed in accordance with IFRS, this announcement does not itself contain sufficient information to comply with IFRS. The Group expects to publish its full IFRS financial statements for the year ended 1st October, 2006 on 10th January, 2007.

IFRS 1 First-time Adoption of International Financial Reporting Standards permits companies adopting IFRS for the first time to take some exemptions from the full requirements of IFRS and also certain elections in the transition period. The exemptions and elections adopted by the Group are shown in the Group's Annual Report and Accounts for the year ended 2nd October, 2005 and are available on the Group's website www.dmgmt.co.uk together with full details of the Group's IFRS accounting policies.

2. Segmental analysis**Analysis of revenue by activity**

	2006	2005
	£m	£m
National newspapers and related activities	931.0	940.7
Regional newspapers and related activities	478.8	520.1
Business to business information and careers	345.1	294.6
Euromoney Institutional Investor	220.5	194.9
Exhibitions and related activities	163.2	152.1
Radio	37.4	33.9
Revenue – continuing operations	<u>2,176.0</u>	<u>2,136.3</u>

Analysis of revenue by geographic origin

	2006	2005
	£m	£m
UK	1,627.0	1,659.9
Rest of Europe	62.2	55.4
North America	361.1	312.4
Australia	84.1	81.6
Rest of the World	41.6	27.0
Revenue – continuing operations	<u>2,176.0</u>	<u>2,136.3</u>

Revenue of regional newspapers and related activities excludes intra-group revenue of £14.1 million (2005 £17.1 million) and revenue from Aberdeen Journals of £19.1 million (2005 £38.2 million).

Following internal reorganisation to manage all of the Group's national brands together, revenue from national newspapers has been restated to include television of £51.0 million (2005 £63.2 million), which was previously reported with radio under broadcasting.

Revenue of business to business information and careers comprises £255.6 million (2005 £201.8 million) from continuing businesses and £89.5 million (2005 £92.8 million) from Study Group.

Analysis of profit from operations before exceptional operating costs, amortisation and impairment charges, by activity

	2006	2005
	£m	£m
National newspapers and related activities	97.0	95.9
Regional newspapers and related activities	91.4	100.3
Business to business information and careers	68.0	44.5
Euromoney Institutional Investor	39.1	38.1
Exhibitions and related activities	24.4	24.1
Radio	(4.9)	(0.4)
Unallocated central costs	(14.6)	(19.1)
	300.4	283.4
Less: exceptional operating costs	(41.1)	(13.9)
Less: impairment of intangible assets	(59.2)	(5.3)
Less: amortisation of intangible assets	(50.6)	(28.7)
Adjusted Group operating profit	149.5	235.5

Operating profits of national newspapers have been restated to include a profit from television of £0.3 million (2005 £2.2 million), which was previously reported with radio under broadcasting.

Operating profits of regional newspapers include those of Aberdeen Journals of £4.6 million (2005 £8.4 million).

Operating profits of business to business information and careers comprised £68.0 million (2005 £45.9 million) from continuing businesses and £4.2 million (2005 £2.5 million) from Study Group, offset by unallocated central costs of £4.2 million (2005 £3.9 million).

Exceptional operating costs comprise Northcliffe's restructuring and strategic review costs totalling £31.9 million, together with reorganisation costs of £5.8 million within national newspapers, £0.6 million within business to business and £2.8 million within exhibitions.

Profit from operations is analysed further by segment as follows:

Analysis of profit from operations after exceptional operating costs, amortisation and impairment charges, by activity

	2006	2005
	£m	£m
National newspapers and related activities	55.4	86.5
Regional newspapers and related activities	49.9	78.5
Business to business information and careers	60.8	40.9
Euromoney Institutional Investor	36.4	36.0
Exhibitions and related activities	(0.7)	19.9
Radio	(37.7)	(7.2)
Unallocated central costs	(14.6)	(19.1)
Adjusted Group operating profit	149.5	235.5

3. Share of results of joint ventures and associates

	2006	2005
	£m	£m
Share of results of joint ventures	1.2	1.0
Share of results of associates	5.9	4.1
	<u>7.1</u>	<u>5.1</u>
Before amortisation and impairment of intangible assets		
Share of amortisation of intangible assets of joint ventures and associates	(0.9)	(2.1)
Impairment of intangible assets of associates	(0.6)	(2.5)
Amortisation of intangible assets of joint ventures and associates	-	(2.1)
Share of associates' loss on sale of businesses	-	(0.7)
	<u>5.6</u>	<u>(2.3)</u>

4. Other gains and losses

	2006	2005
	£m	£m
Profit on sale of fixed asset investments	17.0	9.9
Profit on sale of tangible fixed assets	9.0	1.0
Impairment of available for sale assets	(13.0)	(2.5)
Profit on disposal of businesses	174.8	0.1
Profit on sale of associates and joint ventures	0.8	7.0
	<u>188.6</u>	<u>15.5</u>

The profit on sale of businesses mainly comprises the profit on sale of Aberdeen Journals and of Study Group.

The gain on sale of fixed asset investments arose on disposal of shares in Reuters Group plc.

5. Investment revenue

	2006	2005
	£m	£m
Available for sale investments		
Reuters Group plc	0.5	0.8
The Press Association Limited	0.4	0.4
Trading investments		
GCap Media plc	2.3	1.4
Interest receivable from short-term deposits	3.9	4.1
	<u>7.1</u>	<u>6.7</u>

6. Finance costs

	2006	2005
	£m	£m
Interest payable on loans and bonds	(61.5)	(63.5)
Interest payable on finance leases	(0.1)	(2.0)
Change in fair value of derivatives not designed for hedge accounting	0.4	-
	(61.2)	(65.5)
Tax equalisation swap income	25.5	8.7
Change in fair value of put options	(0.9)	-
Change in fair value of derivatives hedge or bond	(2.3)	-
Change in fair value of hedged portion of bond	2.3	-
Finance charge on discounting of deferred consideration	(2.7)	(3.3)
	(21.9)	(5.4)
	(39.3)	(60.1)

7. Taxation charge

The tax charge for the year amounted to £60.0 million (2005 £39.9 million) which included a charge of £14.2 million (2005 £4.7 million) in respect of overseas tax. The adjusted tax on profits before amortisation and impairment of intangible assets, exceptional items and significant non-recurring items, amounted to £62.0 million (2005 £52.4 million), and the resulting rate is 23.9% (2005 22.1%). There was a tax credit of £2.0 million (2005 £12.5 million) relating to exceptional items.

8. 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 £182.9 million (2005 £171.0 million), as set out below, and on the weighted average number of ordinary shares in issue during the period. The weighted average number of shares amounted to 394.4 million (2005 396.1 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.

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

	2006	2005
	£m	£m
Profit before tax	311.5	195.3
Add back:		
Amortisation of intangible assets in Group operating profit and in joint ventures and associates	51.5	32.9
Impairment of intangible assets in Group and in associates	59.8	7.8
Exceptional operating costs	41.1	13.9
Profit on sale of fixed assets	(26.0)	(10.9)
Profit on disposal of businesses	(174.8)	(0.1)
Profit on sale of associates and joint ventures	(0.8)	(7.0)
Share of associates' loss on sale of businesses	-	0.7
Impairment of available for sale assets	13.0	2.5
Tax equalisation swap (foreign exchange element)	(15.6)	2.2
Profit before amortisation and impairment of intangible assets, exceptional items and taxation	259.7	237.3
Adjusted taxation charge	(62.0)	(52.4)
Interest of minority shareholders	(14.8)	(13.9)
Profit before amortisation and impairment of intangible assets, exceptional items, after taxation and minority interests	182.9	171.0
Adjusted earnings per share	46.4p	43.2p

9. Analysis of net debt

	2006	2005
	£m	£m
Net debt at start	(767.0)	(779.8)
Cash flow	11.2	25.4
Acquisition & issued on acquisition	(3.3)	(2.0)
Closing marked to market value	-	-
Foreign exchange movements	13.6	(11.1)
Other non-cash movements	0.7	0.5
	<u>(738.2)</u>	<u>(767.0)</u>
Net debt at year end		
Net debt analysed as:		
Cash and cash equivalents	97.3	124.2
Bank overdrafts	(1.2)	(0.2)
Debt due within one year	(11.1)	(11.0)
Bonds	(653.9)	(656.9)
Bank loans	(178.1)	(205.3)
Finance obligations	-	(14.3)
Derivatives classified as debt	8.8	(3.5)
	<u>(738.2)</u>	<u>(767.0)</u>
Net debt at year end		

9. This preliminary announcement was approved by the Board on 22nd November, 2006.

Highlights of this announcement will be advertised on 23rd November, 2006 in the *Evening Standard*, on the 24th November in the *Daily Mail*, *Metro*, *Western Morning News* and the *Western Daily Press* and on the 26th November in *The Mail on Sunday*. It is expected that the Annual Report and Accounts will be posted to shareholders on or before 10th January, 2007.