

Chairman's Statement

The resilience of our Group in difficult times is based on the strength of our established businesses.



Lord Rothermere
Chairman

After a year of big falls in the world's equity and advertising markets, I am glad to report higher Group profits. This testifies both to the strength of our titles and our businesses, and to the excellence of our editorial and management teams.

Our strategy of investing in revenues other than advertising has again paid off. DMG World Media had a marvellous year, as have the business to business activities of DMG Information. Two of our newer businesses, Metro and Euromoney Institutional Investor's Internet Securities, have achieved break even towards the end of the year despite the challenges in their markets. They will do much better in the years to come.

DMGT has always believed in investing in its businesses. Never is this more important than when times are hard. This year we have continued the substantial investment programme in our UK press capacity which should come to fruition late in 2004. It is on time and within budget. We have also chosen to invest more in the editorial, marketing and distribution of our regional newspapers in order to reverse the decline in their circulations. Early signs are encouraging. These investments are why Northcliffe Newspapers recorded marginally reduced profits, although its spread of titles around the UK and the resilience of advertising outside London have served it well.

We continue to develop our radio network in Australia. The launch of Nova 100 in December 2001 in Melbourne was one of the most successful in radio history. I hope that the launch of Nova 93.7 in Perth, which I will have the pleasure to attend, proves to be equally successful.

Most of our business to business internet sites are profitable and our consumer internet offerings are seeing larger audiences and revenues. Our focus here is on the classified advertising markets.

But the resilience of our Group in difficult times is based on the strength of our established businesses. Associated Newspapers has weathered a substantial fall in advertising revenues by cutting costs and increasing the circulations of its national titles. They did this despite cover price increases, while others were cutting theirs. Associated would have increased its profits but for the investment in a new title, Ireland on Sunday.

Euromoney Institutional Investor has done very well in increasing profits, despite a 12% fall in revenues. Teletext has also been successful in defending its profitability, despite the contraction of its core holiday advertising market.

Early in 2002, Pierre Côté retired from the Board. He has been involved with the Group for many years and served as a Director for seven of them. I thank him for his wise counsel and wish him a long and happy retirement. Sir Patrick Sergeant has announced that he will retire from the Board early in 2004 – I will pay tribute to his contribution to the Group nearer that time. Charles Dunstone, Chief Executive of Carphone Warehouse, joined the Board in December 2001. He is already making a valuable contribution. I am also pleased to welcome to the Board Francisco Balsemão, Chairman and Chief Executive of Impresa SA.











I said a year ago that our people were by far our best asset. This last turbulent period has again shown their quality and, because of them, I am confident that our Group will continue to thrive. I am sure all shareholders are most grateful for their hard work and commitment.

The Viscount Rothermere
Chairman

10 years

Over the last ten years, DMGT has sought to reduce its dependence on the UK, newspapers, and newsprint, the price of which fluctuates. We have continued to invest in and maintain the quality of our newspapers, but the rules and regulations have made it difficult to expand in our core UK markets.

To grow as we wish, we have expanded geographically and into other media areas, principally Teletext, Australian radio, exhibitions, business to business information and careers. Over this period, we have invested the substantial cash flows of our core newspaper businesses both to strengthen those businesses and to develop new divisions. In total, more than £1.5 billion has been spent on acquisitions. A year after the Group returned to its traditional strength of growing our businesses organically and, where appropriate, by fill-in acquisitions, we set out below the key events and acquisitions of the last ten years.

<p>Associated Newspapers</p> <p>Since 1992 the Daily Mail and Mail on Sunday have increased circulation to become the second biggest selling newspapers in the UK.</p>	 <p>1994 the Daily Mail launched Weekend magazine and The Mail on Sunday launched Night & Day.</p>		<p>1997 Associated launched thisislondon, the internet site.</p>	 <p>1999 Metro, the free morning newspaper for commuters, was launched and is now in profit.</p>	<p>2000 the Socceret internet website was sold for £25 million.</p>	<p>2001 £96 million four-year press enhancement project started. Ireland on Sunday was acquired. October 2001 Loot was acquired.</p>		<p>Acquisitions in the period totalled £70 million.</p>		
<p>Northcliffe Newspapers</p> <p>Since 1992 Northcliffe has participated in the consolidation of the UK regional press.</p>		<p>1995 the Nottingham Evening Post was acquired.</p>	<p>1996 Aberdeen Journals was acquired.</p>	<p>1998 Ad-Mag East Midlands/South Yorkshire was acquired.</p>	<p>1999 Central Independent Newspapers was acquired.</p>	<p>2000 Bristol United Press was fully acquired.</p>		<p>2002 The Leek Post and Times was acquired.</p>	<p>Acquisitions in the period totalled £350 million.</p>	
<p>Euromoney Institutional Investor plc</p>				<p>1997 Institutional Investor was acquired.</p>	<p>1999 80% of ISI was acquired.</p>		<p>Gulf Publishing was acquired.</p>	<p>ISI moved into profit.</p>	<p>Acquisitions in the period exceeded £130 million.</p>	
<p>DMG Broadcasting</p> <p>1992 the Group won the licence to transmit its analogue service on ITV1 and Channel 4.</p>			<p>Teletext became a subsidiary.</p>		<p>2000 Teletext was launched on digital terrestrial television. teletextholidays.co.uk a dedicated holiday website, was launched.</p>	<p>2001 Teletext launched a holiday offers' service on digital satellite.</p>	 <p>2002 Teletext started transmission on Channel 5.</p>	<p>Teletext cost £35 million.</p>		
<p>DMG Radio</p> <p>Over recent years, DMG Radio has become the largest operator of radio licences in Australia.</p>			<p>1996 DMG Radio entered Australia acquiring Broadcast Media Group and 5AA.</p>	<p>1997 acquisition of Regional Broadcasters.</p>		<p>2000 won the Nova FM licences in Sydney and Melbourne.</p>	<p>2001 a 50% joint venture won an FM licence in Brisbane. April 2001 Nova 96.9 launched in Sydney.</p>	<p>Dec 2001 Nova 100 launched in Melbourne. 2002 a 50% joint venture won an FM licence in Perth. Investment in GWR Group plc increased to 29.97%.</p>	<p>Acquisitions in Australia in the period totalled £210 million.</p>	
<p>dmg world media</p> <p>Since 1992, dmg world media has expanded its home interest business, also moving into the Art & Antiques and Gift sectors.</p>	<p>1993 International Antiques and Collectors Fairs was acquired.</p>	<p>1995 Antiques Trade Gazette was purchased.</p>	<p>1996 dmg world media expanded overseas with the acquisition of a group of trade and consumer exhibitions in North America.</p>	<p>1998 Index was acquired in Dubai.</p>	<p>1999 the California Gift Show and Surf Expo were acquired.</p>	<p>2000 25% of George Little Management was acquired.</p>	<p>2001 Fourteen separate acquisitions were made in core sectors.</p>	<p>2002 concentration on encouraging organic growth.</p>	<p>Acquisitions in the period totalled £300 million.</p>	
<p>DMG Information</p> <p>Since 1992, Hobsons' careers business has expanded internationally, and DMGI has moved into business to business information.</p>	<p>1993 initial investment in CollegeView, now Hobsons USA.</p>	<p>1995 first business to business investment in Cartograph, subsequently merged into Risk Management Solutions.</p>	<p>1996 an initial interest was taken in Study Group.</p>	<p>1997 Study Group acquisition programme in USA and Australia commenced.</p>	<p>1998 Risk Management Solutions and Landmark acquired.</p>	<p>2000 Hobsons expanded into Europe by acquiring Verlagsgruppe Forum.</p>	<p>2001 Sanborn acquired the Colorado Springs office of AST, and Hobsons acquired Editions Go.</p>	<p>2002 Environmental Data Resources expanded its environmental media assets.</p>	<p>Acquisitions in the period totalled £320 million.</p>	
<p>1992</p>	<p>1993</p>	<p>1994</p>	<p>1995</p>	<p>1996</p>	<p>1997</p>	<p>1998</p>	<p>1999</p>	<p>2000</p>	<p>2001</p>	<p>2002</p>