

## Directors' Report

The Directors present their Report and Accounts for the year ended 29th September, 2002.

### Trading Results and Dividends

The profit after taxation of the Group amounted to £89.6 million. After charging minority interests of £6.8 million, the Group profit for the year amounted to £82.8 million.

An interim dividend of 2.95 pence per share was paid on the Ordinary and 'A' Ordinary Non-Voting shares, and the Directors recommend that a final dividend of 6.25 pence per share be paid on 14th February, 2003 making 9.2 pence per share for the year (2001 8.6 pence).

### Activities

The principal activities of the Group are set out on pages 2 and 3.

The analyses of turnover and operating profit for the years ended 29th September, 2002 and 30th September, 2001 are included as Notes 1 and 2 to the Profit and Loss Account. A review of the development of the business of the Group during the year, of its position at the end of the year and of likely future developments in its business is given in the Chief Executive's Review of Operations on pages 8 to 25 and in the Financial and Treasury Review on pages 28 to 31.

### Directors

Biographical details of the Directors of the Company at 27th November, 2002 are set out on page 32. The Directors remained unchanged throughout the year, with the exception of Mr Dunstone who was appointed to the Board on 12th December, 2001 and the retirement of Mr Côté on 13th February, 2002. Mr Balsemão was appointed to the Board on 27th November, 2002.

The number of shares of the Company and of securities of other Group companies, in which the Directors or their families had an interest at the year end, are stated in the Remuneration Report on page 41.

In accordance with the Articles of Association, Messrs Sinclair, Park and Fallon and Sir Patrick Sergeant retire by rotation at the forthcoming Annual General Meeting. Each, being eligible, offers himself for re-election with special notice being given that the re-election of Sir Patrick Sergeant who is over 70 years of age, will be proposed, given his continuing relevant experience and helpful contribution to the Board. Shareholders will be asked to confirm the appointment of Mr Balsemão.

### Post Balance Sheet Events

On 4th October, 2002, DMG Information acquired Property & Portfolio Research, an independent commercial real estate research business based in Boston, Massachusetts, USA. The initial consideration was US\$18 million (£11.5 million) and additional consideration of up to US\$17 million (£10.8 million) is payable in three years depending on the performance of the business.

On 18th October, 2002, the Company redeemed its outstanding 2.5% Exchangeable Bonds for cash.

### Tangible Fixed Assets and Investments

Changes in tangible fixed assets and investments (other than associates and joint ventures) during the year are set out in Notes 21, 24 and 25 to the balance sheets.

### Share Capital

Details of allotments in share capital during the year, which arose solely from the exercise of options, are given in Note 33.

### Employees

Under the Group's general policy of decentralised management, it is the responsibility of the management in each subsidiary to encourage the involvement and participation of employees in their company. The methods used depend on the wide variety of the companies but the linking to performance targets of a significant portion of remuneration is one widely used means.

The Group gives full and fair consideration to suitable applications from disabled persons for employment. If existing employees become disabled they will continue to be employed, wherever practicable, in the same job or, if this is not practicable, every effort will be made to find suitable alternative employment and to provide appropriate training.

### Policy on Payment of Suppliers

The Group's policy on supplier payments varies across its subsidiaries. These companies have no formal code or standard which deals specifically with the payment of suppliers. However, their policy is to ensure that the terms of payment, as specified by, and agreed with the supplier at the outset, are not exceeded.

The Company had no trade creditors at the year end date.

The Group's average payment period, calculated on the basis of year end trade creditors, is 52 days (2001 53 days), although this is dependent on the year end date and cannot therefore be regarded as meaningful.

### Donations

Charitable donations made by the Group in the year amounted to £330,000 (2001 £608,000).

### Substantial Shareholdings

As set out in Note 33, the Company has two classes of share capital – Ordinary shares and 'A' Ordinary Non-Voting shares. On 27th November, 2002 the following were interested in more than 3% of the issued Ordinary shares:

Rothermere Continuation Limited (and other parties to an agreement which comes within section 204 of the Companies Act 1985)	63.1%
Codan Trust Company Ltd and Rothschild Trust (Bermuda) Ltd (trustees of the Esmond Harnsworth 1998 Settlement)	25.2%

There is no Companies Act requirement to disclose substantial interests in the 'A' Ordinary Non-Voting shares.

### Auditors

The auditors, Deloitte & Touche, have indicated their willingness to continue in office and, in accordance with section 385 of the Companies Act 1985, a resolution proposing their reappointment will be put to the Annual General Meeting.

### Annual General Meeting

The Annual General Meeting of the Company will be held on 12th February, 2003 at 11.00 am in the Garner Room at the Commonwealth Institute, 230 Kensington High Street, London W8. Details of resolutions to be put as special business are set out in the Notice of Meeting included in the enclosed circular to shareholders.

By Order of the Board

N D Jennings, FCA  
Secretary  
27th November, 2002