

dmg world media

dmg world media is one of the world's leading international exhibition companies. We aim to be our customers' first choice, helping them to do business together and make informed choices through our range of exhibitions and related print and new media products. We organise more than 300 market leading trade exhibitions, consumer shows and fairs around the world, supported by 85 related magazines, newspapers, directories, market reports and industry databases.

Chairman
Roger Gilbert



Managing Director
Mike Cooke



dmG world media, the Group's exhibition division, had an excellent year and improved its adjusted operating profit by 44% on turnover up 5%. 2002 was a year of consolidation, rationalisation and tight cost control, but not at the expense of developing the underlying business, which continued to show strong revenue and profit growth.

All in all, 2002 was an important year for dmG world media. One of its major priorities was to integrate the twelve acquisitions that had been made in the previous year and to concentrate on managing three new investments, with which it formed business partnerships. These were George Little Management, Western Exhibitors and Whereoware. 2002 also marked a change in dmG world media's growth strategy away from being highly acquisitive and towards rationalising and investing in its existing business to encourage organic growth.

dmG world media successfully launched a number of new events this year, of which all but one will be held again next year. These included a new home show in Palm Beach,

Florida, an office equipment show in Dubai, an antiques fair in Cagnes sur Mer (France), a fine art fair in New York and a Mind, Body and Spirit Show in Adelaide, Australia.

The events of 11th September, 2001 had an immediate adverse impact at the beginning of the 2002 financial year. However, dmG world media's strategy has been to concentrate on developing customer value and focusing the business on building market-leading products in exhibition-led market places where customers rely on exhibitions as a place to trade. This has meant that despite September 11th and a sluggish economy in the company's main market, North America, demand for exhibitor space has remained strong. This is also due to the strength of exhibitions as a medium. Exhibitions have much longer cycles than most other media, which allow them to weather short term economic downturns.

Almost a half of dmG world media's revenue is now generated in North America, with the balance coming from the UK, France, Australia, New Zealand, UAE and Brazil.



Worldwide

The company maintains its worldwide presence through more than 30 offices around the world in England, France, Dubai, Canada, the United States, Argentina, Brazil, Australia and New Zealand.

44%

Arts & Antiques
Operating profits increased by 44%.



50%

Almost a half of revenue is generated in North America.



This strong mix of revenues from different regions combined with a mix of different revenue streams, from exhibition stand sales, advertising, on-line revenue, and growing visitor and reader revenues has been behind the company's resilience in the face of difficult market conditions.

dmG world media operates predominantly in the B2B and B2C products sector. The fact that consumer spending has remained strong in most markets over the last year has enabled the company to produce some of its largest shows ever. These include the Index and Big 5 shows in Dubai, Surfexpo in Orlando, the California Gift Show in Los Angeles and the Daily Mail Ideal Home Show in London.

The collapse of the Argentine economy early in 2002 decimated the country's exhibition industry. A decision to exit our operations in Argentina before the collapse and an exit from one of two Brazilian businesses was made at the same time. As a result of exiting loss-making businesses, the Latin American operations produced strong year-on-year growth in 2002.

dmG world media's on-line strategy has been to develop and provide additional value and services to its existing customers, only scaling up as demand requires. Whereoware is a good example of this strategy, serving customers in the gift and home accessories markets where we already have considerable customer contact.

dmG world media is forecasting continued strong underlying growth in 2003, but underlying profits are projected to be lower next year as many large non-annual shows, such as the Global Petroleum Show and Metals Engineering, do not take place in 2003.

dmG world media now has a world-class platform of market leading trade shows and complementary media from which to continue growing the business organically. Its focus in the coming year will be on stepping up its launch programme and continuing to invest in its products and service quality to produce long-term sustainable growth.