

DMG WORLD MEDIA

DMG WORLD MEDIA SAW STRONG GROWTH FROM ITS B2B BUSINESS, PARTICULARLY FROM ITS TECHNOLOGY SECTOR AND THE MIDDLE EAST WHICH, TOGETHER WITH NON-ANNUAL EVENTS, OFFSET THE WEAKNESS IN ITS CONSUMER OPERATIONS.

CHARLES SINCLAIR
CHAIRMAN (LEFT)
MIKE COOKE
MANAGING DIRECTOR (RIGHT)



FINANCIAL HIGHLIGHTS

REVENUE

£163m

(2005: £152m)

OPERATING PROFIT*

£24m

(2005: £24m)

OPERATING MARGIN*

15%

(2005: 16%)

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

All references to prior year numbers are to figures prepared under IFRS.



BIG 5 – DUBAI, UAE.

Dmg world media's revenue rose by 7%, but its operating profit* was up by only 1%. Whilst its business-to-business shows thrived, its two largest business sectors (Consumer and Gift) had a tough year. This was despite 2006 being a high year in its cycle of events with the biennial Global Petroleum Show taking place in Calgary and the reporting of an Index show in Dubai with none the previous year.

Consumer shows, which comprise just over a third of our 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 our 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 largest three 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 addition, we resumed ownership of the ad:tech shows in London and Shanghai (previously organised under licence) and launched shows in Hamburg, Singapore and Sydney for 2007. In 2006, we 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 2006 Global Petroleum Show reported strong sales and attendance. We strengthened our business with the acquisition of the Abu



FACT:

ON AVERAGE, THERE ARE MORE THAN TWO DMG WORLD MEDIA EVENTS TAKING PLACE SOMEWHERE IN THE WORLD ON EVERY DAY OF THE YEAR.

Dhabi International Petroleum Exhibition and Conference (ADIPEC). Already the largest Oil & Gas show in the Middle East, ADIPEC will have the potential to grow with the completion of the Abu Dhabi International Exhibition Centre in 2008.

Outlook

2007 should see a stronger performance from dmg world media's North American consumer show sector and its Australasian business as they capitalise upon the benefits of restructuring which took place in the year. The market for our UK consumer shows continues to look tough. The Technology and Oil and Gas sectors will report continued growth as the financial impact of their 2006 acquisitions will be reflected in forthcoming results.

DMG WORLD MEDIA GROWTH IN OPERATING PROFIT*(£ MILLION)

