

DMG RADIO

PETER WILLIAMS
CHAIRMAN (LEFT)
PAUL THOMPSON
MANAGING DIRECTOR (RIGHT)



KEY FIGURES

REVENUE

£40m

(2006: £37m)

OPERATING PROFIT*

£-4m

(2006: £-5m)

OPERATING MARGIN*

-9%

(2006: -13%)

KEY DEVELOPMENTS: **1_DMG RADIO AUSTRALIA MADE PROGRESS DURING THE YEAR, BUT NOT AS RAPIDLY AS WE HAD HOPED** **2_LOSSES REDUCED AND ALL NOVA STATIONS ARE NOW PROFITABLE*** **3_THE NOVA NETWORK AGAIN THE NO. 1 NATIONAL NETWORK FOR UNDER-40 LISTENERS** **4_VEGA ENJOYED STRONG RATINGS GROWTH**

NETWORK PERFORMANCE

DMGRA's metropolitan revenues grew 8.5%, outpacing the overall metropolitan radio revenue market which grew a little under 6%. This masked considerable variation across the states, with Sydney tough, but Brisbane and Perth being particularly buoyant.

After a disappointing 2006, the key Nova Sydney station completed this financial year with its fifth consecutive survey increase to finish with a market share of listeners 17% higher than at the same time in 2006. Nova Melbourne also had a stronger 2007, completing the financial year with a 12% higher market share of listeners than at the same time in 2006. Nova Brisbane consolidated upon its successes of 2005 and 2006 by continuing to be the Number One station overall in the market in every survey of the year.

After relaunching in 2006, the company's second metropolitan FM brand, Vega, also enjoyed strong growth in its ratings performance across the year, finishing with a 3.8% share of the Sydney market and a 3.6% share of the Melbourne market, compared with shares of 1.7% and 1.8% respectively for the corresponding period in the prior year. Given its increasing share of its target 39-54 age demographic, it is now beginning to gain acceptance by the key agency advertisers.

Five AA, the company's Adelaide talk station, was the highest rating metropolitan commercial talk station in Australia, completing the year by winning the all-important breakfast shift for the 22nd consecutive time since December 2004.

OTHER DEVELOPMENTS

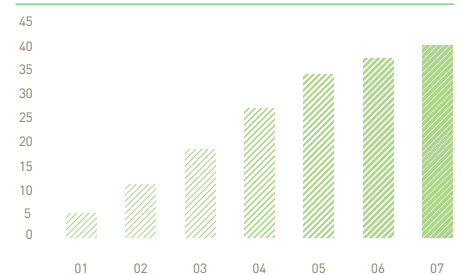
DMGRA developed its multi-media capabilities significantly throughout the year, enhancing its online offerings for both listeners and clients. Since the in-house redevelopment of the Nova websites in June 2007, traffic to the network's sites has increased 30% and over the most recent listener survey period it was the Number One radio brand site in Australia. Of particular note is a recent tie up with Apple's iTunes, allowing purchase from the Nova websites of tracks played on the radio.

On a regulatory front, legislation was enacted during the year which relaxed the cross media laws in Australia, meaning a proprietor can now own two out of three main media in a market, whereas prior to the new legislation only ownership of one main media outlet per market was allowed.

OUTLOOK

DMGRA moved back into profit* towards the end of 2006/7. The new financial year has started well for the business, with the key Sydney market moving back into real growth, and the company's sales teams executing well on the back of improving ratings.

DMG RADIO
METROPOLITAN REVENUE (€M)



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