

Chief Executive's Review - Video transcript

The Nature of the business

Well, we operate a multi-media business. That is, we operate in many different business areas and many different markets, all with their own business dynamics, regulatory environments and competitive pressures.

We operate with a light touch. That is, from the centre, we allow our operating companies and divisions lots of freedom to operate. We have a conservative approach to financial management – so we're a prudently run company, and over the recent decade or so we have developed a very substantial grouping of business-to-business companies which have grown alongside our very successful consumer focused businesses.

Strategy

Just recently we've added a new plank to our strategy and that's because of the very tough economic circumstances we're facing around the world, so in the short term we're very focused on business fundamentals. That is: getting back to the basics of running the business so that we can get through this recession very well indeed and be well placed for the longer term.

Turning to the longer term: the strategy which has been in place for some time – and we're still pursuing – is supporting our excellent newspaper businesses, investing in high growth digital and online consumer businesses and also continuing to build on our grouping of business-to-business companies on an international footing.

Business to business performance

Our business to business grouping of companies, had a really excellent year, achieving nearly £850m in revenue from operations around the world. DMG Information produced another very good result in slightly toughening economic circumstances, particularly in the real estate and property markets. DMG World Media grew very strongly, particularly in the business-to-business exhibition sector and Euromoney Institutional Investor produced record results as well, so all in all a really tremendous performance, and one which is increasingly important at a time when our consumer-facing businesses were beginning to feel the onset of what we now know is the recession.

Consumer media performance

Well I think we can be very proud actually of the performance of our consumer media businesses. It was somewhat a tale of two halves with the first being stronger than the second. As we got into the second half, the impacts of the oncoming recession were being felt, particularly at the Northcliffe regional media businesses. The national titles continued to show how strong they are in their market place, both the paid for titles and the free titles, and we invested further in our online digital businesses through Associated Northcliffe Digital. Northcliffe International had a good year of benefiting from some rapid growth in their online digital businesses in particular. DMG Radio made more

progress, particularly in the Nova networks. Vega is still coming on pretty well, we still remain very confident that the Vega stations will in time prove their worth. Towards the end of the year we formed A&N Media, bringing together Associated and Northcliffe into a combined structure at the top with the aim of benefiting from deeper cooperation between the two divisions, particularly around cost and efficiency savings and this is going to bear us very well as we go through this downturn.

Outlook

Well we're clearly in very difficult times, everybody knows that. The Group is responding extremely well. A good example of that was that we took another look at our businesses in October and, as we announced at the Year End Results, we had implemented a plan to produce £100m of revenue and cost savings to defend our profitability during the upcoming year and I'm absolutely thrilled at the way that all our management team - in fact all our people have responded to that - which gives me great confidence that we're going to come through this recession very well indeed, and I'm also confident we will have increased our competitiveness and our competitive position as a result of all these actions we're taking.