

Chairman's statement – Video transcript

Q: Economic conditions around the world are very tough at the moment; how is the Group faring and reacting?

A: One of the good points about DMGT is that even in these circumstances, we've been able to grow our revenues and that growth in revenues has come from our B2B assets which are continuing to trade well in difficult circumstances.

We're going to have to reduce our cost base in many of our companies – particularly the consumer businesses which are being the hardest hit – and that unfortunately will mean some job losses.

DMGT is a company which believes in the long term, and investing in the long term. So even though, in the short term, we'll probably reduce the size of many of our businesses, that is effectively going to be through efficiency rather than actually hurting those businesses. The second phase of this recession means we need to invest in those parts of our business that we believe have stronger growth prospects in the future and to increase our market share.

Q: Are DMGT's finances in good shape in light of the credit crunch?

A: We refinanced our bank debt in September this year, a year earlier than we had to because we anticipated difficulties in the credit markets, so our finances are very good at the moment. However, I think that the Board has taken a view – a prudent view – that it's important to conserve cash at the moment, increase our cash flow characteristics and reduce our gearing, so that is currently the financial strategy that we are taking for the short term.

Q: Will the Group's spirit of innovation survive the tough trading conditions?

A: Innovation is the core of our success, the core of our company, and the core of our future, so we're very much going to be investing in innovation and investing in our strong product base.

Q: Martin Morgan has recently taken over from Charles Sinclair as Chief Executive; how has the transition gone?

A: I think the transition is going extremely well. Charles and Martin knew each other very well and Martin's worked for this company for a long time, he understands all the elements and the culture of the organisation very well, so that hasn't been a challenge for him.

Q: Has Martin made any changes to the executive team?

A: There's been two significant changes in the executive team, we brought on Suresh Kavan from Thomson Reuters to head up the information business that he used to run and we've also brought onto the DMGT team one of the best people-resources people in the world who is Joe McCollum.

Q: Will there be further changes to the Board this year?

A: There are two Board retirements, Ian Park who used to be the Managing Director of Northcliffe for many many years, and has been on the Board for 14 years, and that's a very sad moment for me because Ian has given me lots of good advice and has been a stalwart part of the Company for many many years, but I wish him the best in his retirement. The second person to retire is Marius Gray who's going to retire from the board after 24 years of service. Marius has been an advisor to the family – my father and me, and I will miss him greatly and am sorry to see him go, but the board and I wish him a long and happy retirement.

Q: What do you have to say to the Group's employees? How do you see the coming year?

A: I firmly believe that talented people are at the heart of this company, they're the reason for our success, and they're going to be the reason for our future success. This recession is going to test all our resolve, but we shouldn't forget that if we do the right things, it's a time of huge opportunity, and that's really how we should look at today, because recessions are a great time where we can really find out how strong our businesses are, how strong our teams are and how strong we are. And I think we should use this as the moment to renew our resolve in making this company a stronger and better place to be, to work in, and invest in our future.