DMGT

Daily Mail and General Trust plc
Annual Report, 4th October, 2009

Short-term actions

2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

Long-term perspective

DMGT

Corporate Profile and Financial Highlights

The Group's businesses, other than its newspaper publishing, now make up 73% of the Group's operating profit*, compared to 14% in 1996.

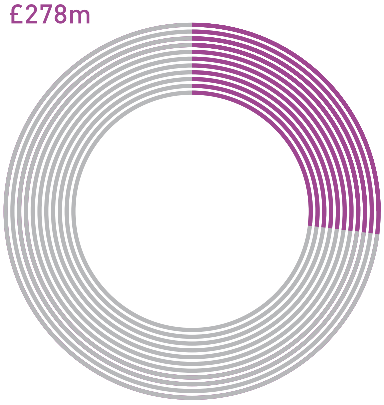
Operating Profit* 1996

£88m

Newspaper publishing 86%, £75m
Other businesses 14%, £13m

Operating Profit* 2009

£278m



Newspaper publishing 27%, £75m
Other businesses 73%, £203m

Financial highlights

Revenue

09 £2,118m
08 £2,312m

Adjusted operating profit*

09 £278m
08 £317m

Adjusted profit before tax*

09 £201m
08 £262m

Adjusted earnings per share*

09 37.2p
08 47.9p

Dividend per share

09 14.7p
08 14.7p

* Before amortisation and impairment of intangible assets and exceptional items; see Consolidated Income Statement on page 66 and reconciliation in Note 13 to the Accounts.

Contents

Introduction

We are an innovative, adaptable and far-sighted company that has evolved over nearly 90 years to become a diversified worldwide media and information business. While we continue to adapt and do well in tough economic conditions, we are still very much a long-term business with strong underlying values. We are continuing to innovate and invest in preparation for the upturn.

Chairman's
Statement

The Viscount Rothermere
Chairman

I would like to thank our employees for their magnificent response to the torrid market conditions.

Even more challenging year than last year
This has been a most challenging year, and I would like to start by thanking all the Group's employees for their magnificent response to torrid market conditions for all of our businesses. When the world's financial system faced melt-down in October 2008, it was clear that we had to act fast to reduce our cost base, particularly in our newspaper divisions. As a result of this, we sadly had to release over 2,500 employees across our businesses.

But I've been very impressed at the speed with which all our businesses reacted in their own way to rapidly changing circumstances. A number have had to cut their cost base sharply; others, more fortunate, have only had to scale back their growth ambitions; a lucky few have actually continued to grow well.

In the circumstances, I am very pleased that we are reporting operating profit* down only 12% on last year's result, and that it actually increased in the second half of the year.

An interesting time for a new Chief Executive to take over!
Martin Morgan took over as Chief Executive on 1st October, 2008. He cannot have expected, or wanted, such a baptism of fire, and much of the credit for the resilience shown in our results for the year belongs to him.

Under his leadership, we have sold, restructured or closed a number of businesses around the Group that were loss making. But we have continued to invest in organic growth and continued to make a small number of bolt-on type acquisitions.

Martin has also started to put in place initiatives around talent and communications that will bear fruit over many years. We have been able to take advantage of the market downturn to bring in a number of very able senior executives.

The Group's financial structure
With the benefit of hindsight, we went into this downturn with too much debt on our balance sheet, given the speed with which, we now know, the profitability of some consumer businesses can decline. However, the structure of our debt financing was sound, significantly due to some very timely facility extensions in 2008, and proved equal to all the uncertainty that was thrown at it this year. While we are now well placed in terms of availability and length of financing, I do want us to bring our debt back to our desired level as fast as possible. That way, we will better be able to take advantage of the opportunities that are surely going to arise.

Diversification
My father made a decision some 15 years ago to diversify the Group away from the U.K. newspaper market into other media less dependent on newspapers, advertising and the U.K. Given what has happened in the last year, that decision has proved to have been inspired. From next to nothing then, our B2B businesses have this year contributed nearly three quarters of the Group's profit, with over 60% of our profits* coming from outside the U.K. While some of the diversification has been more successful than others, in total it has been a well executed expansion, largely into the United States, graveyard of so many U.K. company expansion plans.

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

Are newspapers dying?

To paraphrase Mark Twain, I think that rumours of their death are much exaggerated! The Daily Mail maintained its profitability this year, the second highest in its history. The combination of a formidable brand strength, a loyal audience very desirable to retail advertisers particularly, and less dependence on classified advertising, make it a wonderful business which, I believe, will be around for many years to come.

Our regional titles have not fared so well this year, with their key classified advertising categories badly hit this year by the recession, rather than by structural challenges. While I do believe they will recover, I still expect regional media to look radically different in a decade, and we need to identify the winning business model to garner local revenues.

Changes in the online world

I am delighted to see so many online innovations and product developments around the Group, both in our B2B and our B2C companies. Ours is an increasingly digital world and, as a leading media company, we have no choice but to embrace it fully.

I welcome all initiatives around the world to encourage charging for good journalism and other products online. We continue to develop our classified advertising sites and the specialist sites linked to our newspaper titles, such as ThisisMoney, recently named Personal Finance Website of the Year in the U.K. We have recently launched a series of 'hyperlocal' websites, aimed at smallish communities around the U.K., building on user generated content; early response from users is very encouraging.

Board changes

The year has seen further change on the Board, to which I referred in last year's report. In February, we said goodbye to Ian Park, who had served the Group since 1984, first as Managing Director of Northcliffe until 1995, and latterly as an excellent non-executive Director. Then, in July, Marius Gray stood down from the Board after a remarkable 24 years, including many years as Chairman of the Audit Committee. His contribution to the Board's deliberations and to the Group's success over the period of his tenure has been great, and he gives the lie to those who say that non-executive directors should serve for no longer than nine years. In Marius' place, we welcomed to the Board David Nelson, senior partner of Dixon Wilson, Chartered Accountants. I am also grateful to David Verey, who has taken on the onerous role of Chairman of the Audit Committee.

The year ahead

The world appears to be a lot more stable than it was earlier this year, which is encouraging, and should enable our businesses outside the U.K. to return towards their historic growth rates. However, the U.K. economy, and particularly the U.K. consumer, looks likely to remain under pressure from tax rises, which seems likely in turn to restrain consumer advertising.

Rothermere
Chairman

Chief Executive's
Review

Martin Morgan
Chief Executive

Our strategy for future success lies in three key areas.

1. Growing our Business to Business divisions
2. Supporting our newspapers and investing in digital consumer media
3. Turning DMGT into a global growth company

Introduction
This Business Review is addressed to the members of the Company. Its purpose is to help them assess how the Directors have performed in their duty to promote the success of the Company. It is framed by the principles and guidelines for Operating and Financial Reviews published by the U.K. Accounting Standards Board in 2006. It outlines the main operational and financial factors underpinning the development, performance and position of the Group as well as those likely to affect performance over the coming year, illustrating this with key performance indicators.

This Chief Executive's Review will start by setting out the nature, objectives and strategy of the Group. A business review of the development and performance of each of our operating divisions will follow on pages 15 – 27. A Financial and Treasury Review is on pages 28 to 32 and the principal risks and uncertainties the Group faces are set out in the Directors' Report on pages 38 to 41.

DMGT's philosophy
DMGT is a multimedia and information company providing essential news, entertainment and information services on both business to business (B2B) and consumer platforms. We operate in many different markets, in many countries, each with their own competitive and regulatory requirements.

As I am sure you all know, it has been DMGT's philosophy for many years to take advantage of its shareholding structure and to invest with a long-term perspective to generate value. Our particular ownership structure, with control maintained by the founding family, has proved itself throughout our long history to be a successful business model in the media and information industry. It is this ownership structure that affords us a longer-term perspective and that is at the heart of our philosophy.

You will appreciate that we are intent on remaining diversified across both our B2B and consumer media sectors in order to give us a breadth of opportunities and to spread risk. At present, our B2B arm is made up of Risk Management Solutions (RMS), dmg information (dmgi), dmg world media and Euromoney Institutional Investor. Our consumer media division consists of A&N Media (which includes Mail Newspapers, Associated Northcliffe Digital (AND), the free newspaper division and Northcliffe Media) and dmg radio australia where we have announced the creation of a 50:50 joint venture with an Australian company called Illyria, the private investment vehicle of Mr Lachlan Murdoch.

Strategy
The overarching strategy for the Group is to remain the owner of high-quality, sustainable, market-leading media and information assets across both the B2B and consumer sectors and to improve DMGT's overall share rating.

Over the last year we have experienced a very challenging economic environment. Our strategic focus was therefore preoccupied with managing the Group through its short-term challenges with the aim of minimising the long-term negative implications. We used this time as an opportunity to reassess our portfolio of businesses and ensure that they still operated within the framework of our investment criteria. We made every effort not to lose sight of our long-term strategic objectives and so continued to invest in new products and services.

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

My long-term strategic objective remains to turn DMGT into a truly global growth company with sustainable earnings and dividend growth. In order to achieve this goal, we must build on the solid and diversified platform that we have established. We will do this by continuing to invest in organic growth, in internal growth projects that will drive long-term revenue generation, and by ensuring that all our divisions are adopting the investment criteria I laid out at our Investor Day in March, both in the acquisition of new businesses and in the management of currently owned businesses.

It has long been a policy of mine that superior performance can only be achieved by superior people. In order to realise our long-term strategic objectives, it is imperative that we continue to carry out our talent agenda.

I see the three pillars of my leadership being diversification, adaptability and innovation.

Allocation of capital

DMGT has always been a first-mover in the media and information industry. The far-sighted decision, made many years ago, to diversify our portfolio and move away from a dependence on U.K. newspapers, was a critical factor in enabling us to perform as well as we did this year. Today we still hold a very strong market leading position in our national paper division, but can now boast a strong portfolio within the B2B sector as well.

Our national papers have done tremendously well within an admittedly weak marketplace. Indeed, Associated's operating profit* fell only 15% this year, which is an outstanding achievement in this climate. They are faring much better than others and the Daily Mail remains highly profitable. Over the last year we have continued to invest in our consumer sector in order to ensure the realisation of our ambitions both in the traditional media sphere (newspapers and radio) and in their online initiatives.

At Northcliffe Media, which has faced the most difficult of market conditions, we have reappraised our publishing portfolio and carried out a complete overhaul of operations. This has rebased the business on a much lower cost operating model, which will see substantial benefits when the economy recovers.

Simultaneously, we have continued to invest in our B2B operations, particularly at RMS, dmg information and Euromoney, which can be proud of their performance. In addition, we have reorganised and restructured our exhibition division, dmg world media.

The result of this deliberate deployment of capital is that an increased percentage of the Group's revenue is generated from streams other than advertising: principally from subscription-based services and events.

A significant part of our operations are now outside the U.K. and the Group's exposure to regulation has been greatly reduced as a result so that in 2009 more than 70% of its operating profits* were derived outside newspaper publishing, compared to 14% in 1996. Indeed, 73% of this year's operating profit* was generated from the Group's B2B operations, up from 60% last year. U.S. dollar derived operating profit* accounted for approximately 60% of the Group's operating profit*.

As I mentioned before, our ambition to see DMGT become a growth company relies on us continuing to adopt a growth criterion not only for new investments and acquisitions but also for our currently owned businesses. Every new investment and every existing business is reviewed against these criteria and capital will be allocated accordingly. We are focused on having businesses which operate in attractive growth markets. Such businesses should have products or services that are highly innovative and highly valued, brands which people value, ones which customers repeat buy. We have a strong bias towards market leaders. Businesses with these characteristics will not only grow but be high margin, cash generative and produce a high return on capital. We are also focused on capturing and retaining entrepreneurial management, and we give preference to businesses which can benefit from DMGT's long-term perspective.

We have started to narrow the overall breadth of DMGT and to focus hard on businesses which have strong profit and growth potential. As evidence of this policy you can look to our refocusing of the exhibition division away from consumer to B2B, the disposal of the Evening Standard, the pending closure of all but the Freeview holiday and commercial service offerings of Teletext television service, the merger of our Metro Ireland with Herald AM, the recent closure of London Lite and the announcement of the sale of 50% of our interest in dmg radio, which, following our exit from U.K. radio a number of years ago, had become less of a core asset.

During the year we restricted our acquisition programme and only completed on a small number of limited scale deals which could be rolled into our best performance companies.

In future, when we start making acquisitions again, we will continue our policy of not betting the farm on very large individual transactions, but instead on a programme of selective smaller scale deals which we can develop and which can benefit from our longer-term perspective. We will continue to divest on a periodic basis, and our track record over the last few years is generally good on this count.

Chief Executive's Review

Continued

DMGT operational model

You will hopefully have noticed that DMGT's approach to managing the Group's divisions and divisional strategies has not changed during these turbulent economic times: we continue to adopt a decentralised structure. We take a considerable amount of comfort in the fact that we know all our businesses are run by chief executives with expert knowledge of their companies and the markets in which they operate, and our operational structure has reflected this. Over the last year, we have continued to allow relative divisional autonomy with strong incentives based on performance; yet we continued to retain central control over surplus capital and its reinvestment.

Maintaining this approach is of upmost importance to me. The benefits are numerous and made us highly resilient in withstanding the economic storm. At DMGT we realise that if you want to survive in this sector, you must be able to react quickly and efficiently to the rapidly changing media world in which we exist. If divisional management teams are able to exercise relative autonomy, they are able to keep the decision making as close to their customer as possible. I think you'll agree that real innovation comes from having a customer focus – our decentralised model provides a fertile environment for innovative people and, in turn, a perfect breeding ground for innovative ideas.

Short-term considerations

I have already mentioned how last year, in order to preserve our strategy, we had to focus hard on cost reduction and cash generative initiatives, given the downward pressure on revenues.

I am pleased to say that the decisive action we took to defend profitability in the first half of the year, along with the continued management of our cost base, offset much of the impact of the difficult and unpredictable trading conditions. I am also pleased to say, that having initially targeted revenue and cost initiatives to improve profitability by £100 million, we were able to raise that to £150 million by May.

We took the precaution to model even deeper recessionary scenarios and their implications. From this information we were able to develop a strategy that would have enabled us to achieve an acceptable level of performance to meet our financial commitments. Fortunately, we have not had to implement such a plan.

During these times of increased capital constraints, we have focused on nurturing our existing businesses rather than on making new acquisitions, maintaining revenue investment where we have growth opportunities. We have continued our disciplined disposal programme, particularly in the non-core consumer division of dmg world media, but also with the sale by dmgi of Property & Portfolio Research in July.

We have continued to innovate, for example the launch of new hyperlocal news and information services, the development by Environmental Data Resources of a professional social networking site for environmental professionals, and the launch of AR, a print and online offering by Euromoney. Through such entrepreneurially minded initiatives, we are building growth for the future.

Business to Business summary

I am pleased to report that our B2B operations demonstrated their resilience this year, growing their profits*, despite the negative impact of our property businesses, and can boast combined revenues of £859 million and with a healthy operating margin of 24%.

Risk Management Solutions

RMS continued to grow despite challenging market conditions worldwide, which curtailed clients' desire to purchase news products and caused some to reassess their overall range of purchases over the year. There were a number of large industry mergers, which impacted RMS's net bookings figures. Whilst prudent cost controls were taken in response to a slower growth rate in revenues, it managed to maintain its investment programme for future growth. Nevertheless, RMS achieved another record operating profit*. It will continue its programme of worldwide growth, by deepening its involvement in information decision support for risk management in the insurance industry and by launching new models dealing with new categories of risk.

dmg information

Understandably, the overall division was affected by the impact of significant cyclical declines in property transaction volumes. Nevertheless, with two of its companies achieving double digit revenue growth and operating profit* growth of over 20%, dmgi made another record operating profit* in sterling terms and maintained its profits* growth from a standing start in 1998, illustrated on page 18.

dmgi's ambition to invest in must-have, high-growth, innovative business information companies remains unchanged, as does its remit to diversify DMGT by sector, by business model and by geography.

dmg world media

dmg world media continued its strategy of divesting its non-core B2C businesses, resulting in a streamlined operation with market-leading exhibitions and conferences. As a consequence of this and the actions taken in the year on cost initiatives, it will have significantly lower revenues in 2009/10, but we expect with higher margins. The division now intends to expand its portfolio globally, whilst completing its withdrawal from the less lucrative consumer market and its disposal of non-core B2B exhibitions.

Euromoney Institutional Investor

The benefits of Euromoney's strategy over recent years to build a more resilient and better focused business by increasing the proportion of revenues derived from subscription products, now 47% of total revenues, and transforming a predominantly publishing driven business to one with significant activities in electronic information and database services, were again demonstrated by the results produced.

The Board regards Euromoney as a core business and a major plank in our global growth ambitions. Our objective at DMGT is that our diluted holding should not fall below 60% again, as it did in 2006 after the acquisition of Metal Bulletin plc. DMGT took its share of dividends from Euromoney in the year in the form of a scrip. This enabled us to offset the dilutive effect of the vesting of the second tranche of Euromoney's capital appreciation plan, thereby maintaining our equity interest at just under 67%. It is the Board's current intention also to take Euromoney's forthcoming final dividend in the form of a scrip.

Consumer

As I am sure you are all aware, the consumer media industry is witnessing a time of unprecedented change. Whilst technology is undoubtedly an enabler, allowing us to extend our reach to our chosen audiences over a multitude of platforms, it has had a significant deflationary effect on advertising yields and newspaper copy sales. The environment forces us to remain even more focused and orientated around the needs of our customers and on the strength of our brands.

The availability of online news content in conjunction with the current economic climate has created less than ideal trading conditions for our printed paper businesses. Yet we remain positive in our outlook for both our national and local papers.

We were forced to take decisive action in the first half of the year which had positive repercussions in the second half. At Associated Newspapers, this was driven by the strength of the Daily Mail which maintained its profitability. At Northcliffe, an improving profits* trend since the spring was aided by stabilisation of absolute weekly levels of advertising revenue as well as deep cost cutting and reorganisation measures.

dmg radio australia increased its profits* by cutting costs and performing better than the radio advertising market as a whole.

Associated Newspapers

I can assure you all that the longer-term outlook for Associated remains robust. Quality of content has been at the heart of our success at Associated and we continue to invest in editorial quality. Although the graph you will see on page 24 shows that the circulation of both the Daily Mail and The Mail on Sunday fell marginally more than the market, we have already implemented a number of measures to ensure that we recruit more long-term loyal purchasers through a sustained direct marketing campaign. As a consequence, you will notice that circulation has stabilised in recent months and our market share is rising once again.

In addition to the profit enhancement programme, over the past year we have taken further measures to defend Associated's profitability and to improve on its margins. In February, we took decisive action in selling a 75.1% controlling interest in the Evening Standard. We remain as a minority shareholder but with no involvement in its management. In July, we announced the planned closure of the majority of Teletext's television business by early 2010. The remaining businesses, which are profitable and show good profit growth potential, have been transferred to Associated Northcliffe Digital (AND) and will focus around the company's online travel activities.

London Lite traded in line with last year, but, following the decision of the Evening Standard to go free in October 2009, it was closed on 13th November after consultation with its employees.

Our free morning newspaper, Metro, remains profitable and is well established and traded strongly towards the year end.

Mail Digital continued to make progress this year. Despite the adverse trading conditions, it recorded a 22% improvement in revenue, and traffic to its primary website, MailOnline, increased by 68% to 30 million unique users in September, making it one of the U.K.'s leading newspaper websites. We continue to invest in this area.

Despite a negative long-term outlook for the printed paper industry, I am happy to report that the Daily Mail remains robust in a downward trending market. We continue to work to create a viable strategy to monetise better the Daily Mail's readership through database marketing and Associated is growing its enterprise revenue, selling goods and services to readers and capitalising on each interaction.

Naturally, the cost base of our national newspapers continues to adjust to a lower level of revenue growth due not only to the recession but also to the migration online. Our objective remains to meet the challenges of the digital age without losing the powerful advertising response from an engaged readership.

AND's portfolio of core digital classified portals, in jobs, property and motors, continued to build their brands in difficult economic conditions. During the year Jobsite became the recruitment partner to Johnston Press, sitting behind their extensive range of newspapers and websites. AND remains one of the U.K.'s leading digital media companies and is actively seeking to apply its expertise to expand. Its objective is to be the number one or two business in each chosen market.

Northcliffe Media

Northcliffe Media was badly hit by very weak advertising. All categories suffered but particularly jobs, property and motors. The business anticipated this and moved very fast to reorganise. This included the closure of some print titles, the closure of three print plants, the consolidation of sub-editing and pre-press centres, new call centres for recruitment and private advertising, outsourcing of national sales and more efficient distribution channels. Massive costs were taken out of the business, whilst the sales performance, in many areas, was significantly better when compared to others in the sector. Northcliffe remains profitable*. Indeed, with revenues having stabilised, Northcliffe is now seeing its profits* increasing year-on-year.

Chief Executive's Review

Continued

Northcliffe also extracted additional benefits by working more closely with AND's leading digital businesses in jobs, property and motors.

Central and Eastern European operations felt the full force of the economic downturn later than the U.K., with the second half proving considerably weaker than the first. Our Hungarian newspapers, which are sold on subscription, have held up relatively well, but advertising markets in both print and digital fell substantially.

These adverse economic conditions are compounding the underlying structural challenges caused by the migration of readers and advertisers to the internet. We can expect a cyclical bounce back of some of the advertising revenue when the markets recover. The cyclical nature of the downturn in job advertising, in particular, is underlined by a similar impact felt by Jobsite. The strategic objective is to continue to transform Northcliffe into a new multi-platform local media information business. We do not expect to make further significant acquisitions in U.K. local print media.

dmg radio australia

dmg radio's national metropolitan FM broadcasting Nova network traded well in the year, especially in outperforming the radio advertising market which was weak. Profitability improved in the year, as explained on page 27.

Summary

We may have experienced the worst recession in 70 years, but it's not all negative. During 2009, our strategy of creating a diversified international portfolio of market-leading businesses in both business and consumer markets protected our profitability*. I feel positive that we are well positioned to deliver long-term growth and to capitalise on markets when they return. We have performed well in a turbulent market. Our B2B group is already substantial in scale and produces healthy margins. The combination of our investment approach, focus on entrepreneurial talent and ability to be nimble and sure-footed will enable us to enter new niche areas by investing in market-leading companies with high quality earnings potential. Furthermore, there continue to be opportunities for organic growth right across the group.

Within our consumer operations, we will continue to generate value from the Mail brand, becoming closer to its readers in Modern Mid Britain, capitalising on a broader range of consumer interactions and taking full advantage of its growing strength relative to its competitors.

AND will continue to exploit the leading positions of its existing portfolio whilst it seeks out new investment opportunities in the consumer digital market place.

At Northcliffe, we will continue to transform the business with the three building blocks at the core of this vision being a closer relationship with its audiences, better local relationships with and solutions for its advertising customers and a sustainable operating model.

dmg radio remains devoted to exploiting its highly successful national Nova network in Australia and bringing its two Vega stations into profitability*, and will now benefit from the involvement of our new Australian partner.

Share price performance

Our share performance remains important to us as it is an indicator as to whether our strategy is being understood and approved of by investors.

The value of our share price has been somewhat turbulent this year, reflecting the movements of the markets at large. The price of our widely traded 'A' shares started the financial year at £3.24 and fell as low as £2.11 in mid-March. The shares rallied at the start of May, along with the wider market, reaching £3.60, before falling back to £2.67 in June. In August, DMGT's 'A' shares were caught up in a sharp rise of cyclical stocks, increasing back above £4.60, before closing the year at £4.39. The share price increased 65% from the middle of June to our year end.

The market's appreciation of our diversified portfolio of assets, the decisive actions we took this year, our high quality consumer national media franchises and the operationally geared nature of much of our revenues has led to us out-performing our peers again this year. Volatility in our share price has been increased by stock lending of DMGT's shares continuing at unprecedented levels, rising from 16% to 23% at the end of the year, compared to the previous normal level of below 5%.

Capital structure

The Company has not made a capital call on its shareholders since 1933. Capital growth is funded by long-term debt and by retained earnings. Since the late 1980s, our strategy has been to seek to raise the dividend in real terms. Since 2002, the Board's policy has been to target a real rate of growth in the dividend in the region of 5% to 7% on the basis of the Directors' confidence in the Group's long-term financial health.

Last November, the Board met following the onset of the full blown global financial crisis, with the U.K. economy having deteriorated significantly and DMGT looking to conserve cash in order to reduce its net debt. As a consequence, the Board declared an unchanged final dividend. This year, it decided to keep the total dividend unchanged, pending greater visibility on the economic outlook, whilst maintaining its policy of seeking to increase the dividend in real terms over the economic cycle. As shown on page 9, the compound dividend growth over the last twenty one years is 10% in nominal terms, which is an increase of 7% in real terms.

The Company utilised 10,184,237 'A' Ordinary Non-Voting shares out of treasury in order to meet obligations to provide shares under various incentive plans valued at £29 million. It also acquired 1,626,058 such shares in treasury for £5.6 million.

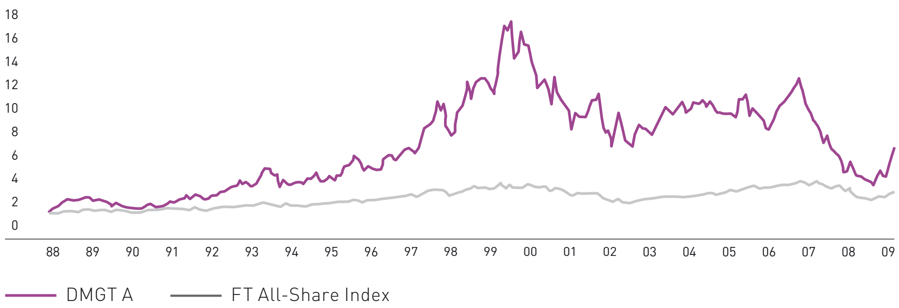
We underwrote our future through renegotiating our bank facilities in September 2008 and by having long-term debt already in place. We have no refinancing to contemplate until 2013. Furthermore, it is our intent to reduce our debt via improved trading performance and disposals.

Resources

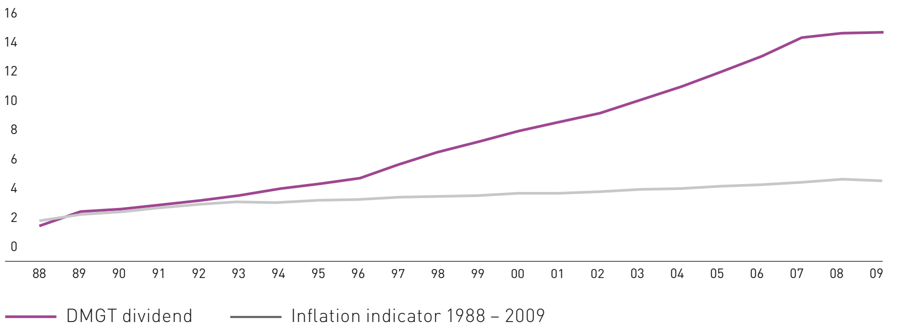
The Group's main resources are its brands, reputation, the market-leading position of its major businesses and above all its people. It is my strong belief that it is the obligation of a Chief Executive to leave a company in a better shape than he found it in and I realise that the skills required of leaders in our industry ten years ago are not the same today. We cannot capitalise on the future unless we invest in the talent of today, in the leaders of tomorrow. We understand that superior business performance starts with superior people, and it is my overriding priority to ensure that we continue to attract and promote the very best talent and reward talent suitably in line with shareholders' interests. During the year, Joe McCollum, our Human Resources Director, rolled out our new talent review and development programme. We also held our first ever Group-wide leadership course.

We made several further key appointments in order to populate the Group with new superior talent, talent of a new era, of a digital age, coming from within and from outside the Group. At A&N Media, these included the appointment of Richard Titus, who joined us from the BBC, as chief executive of AND; from EMAP, Marcus Rich, as deputy managing director of Mail Newspapers; from News International, Roland Agambar as chief marketing officer; and from Alliance & Leicester, Jo Hart as director of shared services. RMS appointed Philippe Stephan as chief technology officer and Paul Bianchi as senior vice president of human resources. DMGT will always invest in its people in order to grow.

Performance of DMGT 'A' and FTSE All-Share index relative to values at 30th September, 1988



DMGT dividend history for the period 1988 – 2009 (pence)



Relationships with stakeholders, other than shareholders

Across the Group we take our corporate responsibility (CR) seriously. This vision permeates our approach to everything and influences our outlook on the environment, our employees and on local community issues where we operate.

As one significant example of how our CR agenda can have a very beneficial implication for a community, RMS has developed an earthquake risk model which, in the event of an earthquake, assesses the likely number of injuries and displaced households, the potential fatalities, and the total economic loss. The humanitarian implications of this are immeasurable and while RMS's models are a source of considerable revenue generation for its core business, RMS is committed to our CR agenda, and to this end they are providing, at no cost, advice on mitigation programmes in six South American and Latin American cities regarding engineering and housing construction in an attempt to minimise the damage (human and property) caused by earthquakes in these poorer communities.

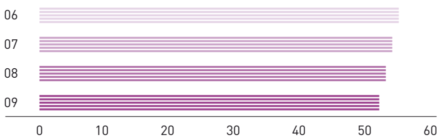
This is just one example of how DMGT companies are combining innovation and their business knowledge to drive their commitment to corporate responsibility. It is an attitude that I hope will permeate the Group at large over the next few years.

For more detailed information on our CR agenda, please see the CR Report on pages 33 to 36 which makes reference to the policies the Board has adopted in this area, including the Code of Conduct, which was introduced in July this year.

Chief Executive's Review

Continued

CO_2 efficiency (Emissions per revenue – CO_2/£m Revenue)



DMGT and the environment

The environment is a topical issue. We recognise that our businesses have an impact on the environment, be that through our printing operations, offices, transport or other activities. We are truly committed to ensuring that, where possible, our impact on the environment is minimised.

The greatest impact we make arises from our printing operations. Here, I am pleased to say that we have been diligent in measuring and reducing waste in our usage of materials, and, through our analysis of our carbon footprint, monitoring and improving our efficiency in the use of energy.

We started to measure our footprint in 2006 and the graph shown opposite illustrates that the Group's emissions have fallen steadily since then.

We recently embarked on an energy management and abatement programme, commissioning specialist consultants to conduct an energy efficiency exercise at DMGT's head office and an audit of energy consumption in our five U.K. print plants. The objective of the audit was to identify potential opportunities for saving energy, thereby reducing the Group's environmental impact. As a result of this audit, Head Office carbon emissions have been reduced by 18% annually. In addition, energy saving measures and further investment at our print plants, in conjunction with the closure of older more inefficient production units, will, when the project is complete, provide a 40% saving against our original carbon output. If this initiative proves successful, we hope, where financially viable, to implement similar projects across the Group.

DMGT and our employees

Whilst continuing to invest in talent, the necessary focus on cost reduction meant that, regrettably, the number of employees fell by 2,760 from 17,524 at the beginning of the year to 14,764 at the year end, a reduction of 16%. This is not something we undertook lightly. The largest components of this arose within A&N Media's U.K. operations (excluding the Evening Standard) which fell by over 1,600 (16%) in the year, including the job losses from the closure of the three regional printing plants.

DMGT has been operating defined benefit pension schemes, primarily in its newspaper businesses, for a long time and has a reputation for the quality of pension provision for its employees. However, the cost of providing this benefit continues to rise as people are expected to live longer and, more recently, as turmoil in financial markets has reduced returns expected from investments.

Given the size of the Company's pension commitments compared to the size of the Group itself, this cost needs to be controlled to ensure the financial health both of the Company and of the pension scheme. Accordingly, the Board decided this year to keep its defined benefit (final salary) scheme open for current employees, but to close it to new employees with effect from 30th September. The Company also plans to introduce a series of measures designed to help secure the financial health of this scheme into the future. From 1st October, 2009, new employees of A&N Media have been offered a defined contribution plan. This is consistent with our other newer and more international divisions where we have long believed defined contribution pension plans to be more appropriate.

Social and community issues

Whilst the Group does not have formal policies in this area, community involvement is integral to our business, as well as to the personal motivation of our employees. We donate money, time and in-kind donations such as radio airtime and advertising space, and staff actively give time in their communities to a huge range of activities, including fundraising, organising events and acting as trustees to charitable initiatives.

Information about persons with whom the Company has contractual or other arrangements essential to the Company's business

Group companies undertake business with a range of customers and suppliers. There is no dependence on any particular contractual arrangement, other than those disclosed in Note 38 to the Accounts as regards ink and printing, where arrangements are in place until 2015 and 2022 respectively to obtain competitive prices and to secure supplies.

As regards the Group's principal commodity, newsprint, arrangements are made annually with a range of suppliers to ensure the security of supply at the best available prices, having regard to the need for the necessary quality. Particularly in the light of its strategy to create a diversified international portfolio of media businesses, the Group is not dependent on any suppliers of other commodities, nor for its revenue on any particular customer. Distribution arrangements are in place to ensure the delivery of newspapers to retail outlets.

Trends and factors likely to affect the outlook

Given the signs of stabilisation in our markets, I remain positive about the year ahead. The new financial year has started with trading conditions remaining generally challenging. However, we are encouraged by the levels of growth and opportunities within our B2B operations together with continued signs of stabilisation within A&N Media.

RMS has already booked a number of contracts in the insurance-linked securities market which is a sign of improving health of capital markets. It is looking to resume the achievement of low double digit growth this year.

At dmgi, there is some cautious optimism of the early signs of a gradual recovery in U.K. property markets. We expect our education, energy and financial information businesses to continue to grow strongly.

At dmg world media, in general we expect exhibitor demand to be weak with a recovery more likely to be later in 2010 and into 2011. Our streamlined operating structure and remaining portfolio of market-leading exhibitions and conferences will allow the business to maximise its profit* and to capitalise quickly on any recovery.

Euromoney's current trading is in line with its expectations. The first quarter of the new financial year is expected to be the toughest: it expects a decline in year-on-year revenues to continue and profits* to fall despite the benefit of cost savings implemented in 2009 and favourable exchange rates. From the second quarter, the year-on-year revenue comparatives should become easier, but the point at which revenues start to grow again is dependent entirely on the timing and scale of any recovery. The focus on maintaining margins will therefore be continued, although Euromoney has also stepped up its investment in new products and electronic publishing to take advantage of the recovery when it comes.

Within A&N Media, national advertising revenue at Associated in the first eight weeks was down 8% on last year, a much better picture than seen in 2008/09. It is still difficult to predict future revenue trends, but we will benefit from the full year effect of the cost and efficiency improvements made during 2008/09 and elimination of loss-making entities. These leave Associated well placed to capitalise on the eventual recovery in the economy.

At Northcliffe, advertising revenues seem to have stabilised with a much more consistent weekly run rate. Cost reduction will continue to be a focus and further savings will be made in 2010 as the programme of transformation continues. As with Associated, Northcliffe will benefit from the full year impact of the cost and efficiency improvements made in 2008/09. Our newspaper businesses will also benefit from lower newsprint costs.

At dmg radio australia, the radio market in Australia is expected to improve marginally over the next six months with a return to growth mid 2010. Given the robust performance of Nova and the restructuring of the Vega stations, dmgra expects to capitalise on this improved outlook.

I firmly believe that we have weathered the storm of this recession in the most effective way possible with more of our businesses being more geared towards the upturn than ever before.

Our focus will remain on cash generation and debt reduction, based on an assumption of no meaningful short-term improvement in the U.K. economy. At the same time, we will continue to drive organic growth through new product development and investments to increase market share.

We are a leaner and more focused company that is well positioned to benefit from any upturn in the economy and to deliver long-term growth.

Martin Morgan
Chief Executive

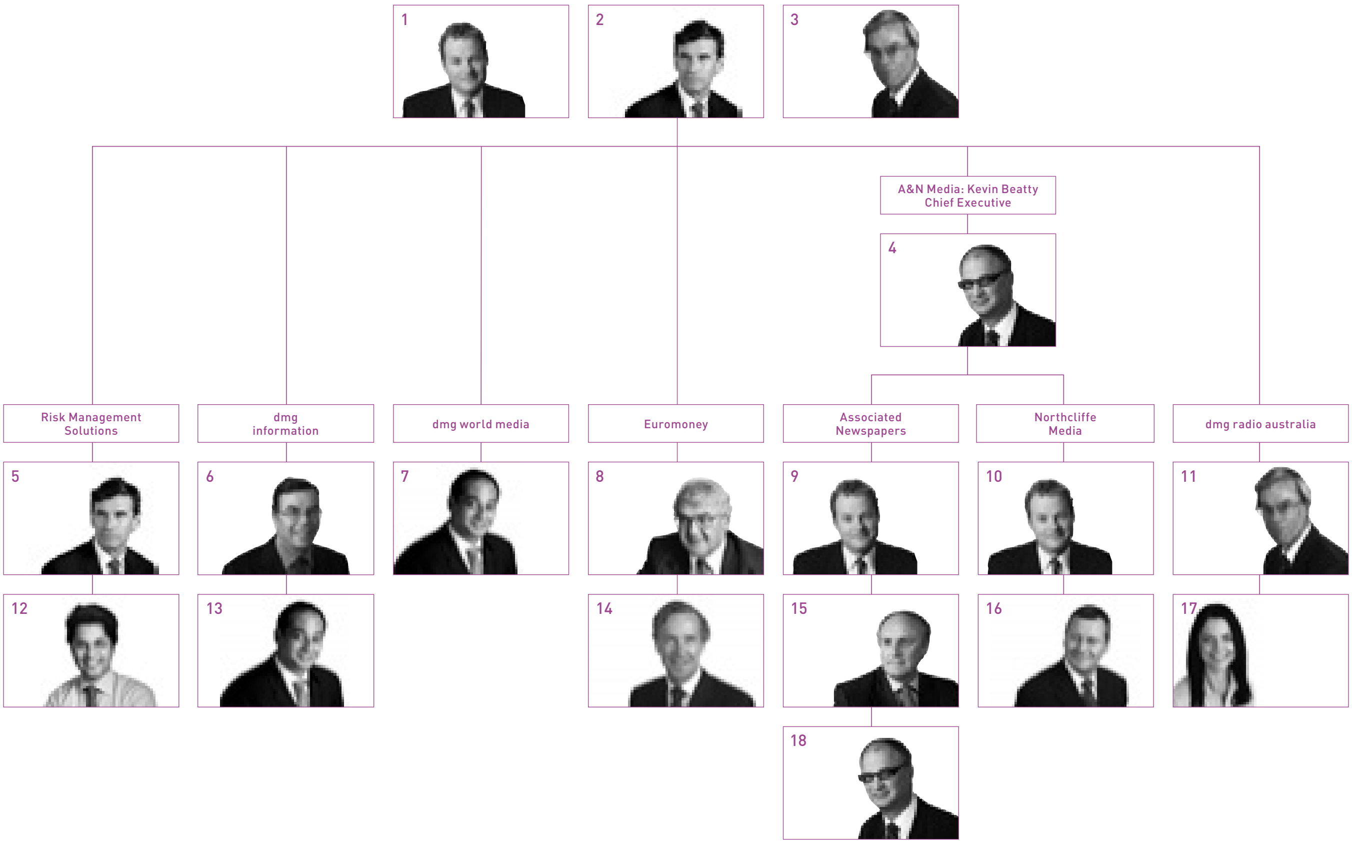
DMGT
at a Glance

Divisional activities	Principal brands and products	Employees at year end
Risk Management Solutions	– RiskLink – RiskBrowser – RiskSearch – RiskTools Components – ExposureSource Database – Data Quality Toolkit – Miu ILS Platform – Paradex Parametric Indices	1,757
dmg information	– Environmental Data Resources – Landmark Information Group – Trepp – Lewtan Technologies – Sanborn – Genscape – Hobsons	1,601
dmg world media	– New York International Gift Fair – Big 5, Index, and Hotel Show (Dubai) – Global Petroleum Show (Canada) – Surf Expo (U.S.) – Evanta's CIO Executive Summits (U.S., Canada, Australia) – Gastech (Abu Dhabi 2009, Amsterdam 2011) – ad:tech (U.S., U.K., Australasia) – Imedia (U.S., U.K., Australasia) – ADIPEC (Abu Dhabi)	428
Euromoney Institutional Investor	– Euromoney – Institutional Investor – Euroweek – Asiamoney – Latin Finance – Total Derivatives – International Financial Law Review – Petroleum Economist – ISI Emerging Markets – BCA Research – Metal Bulletin – IMN	2,012
A&N Media: Associated Newspapers	– The Daily Mail – The Mail on Sunday – Mail Online – TravelMail – This is Money – Metro – Loot – Thisistravel.co.uk – Teletextholidays.co.uk – Jobsite.co.uk – Villarenters.com – FindaProperty.com – Primelocation.com – Motors.co.uk – Loopylove.com	4,130
A&N Media: Northcliffe Media	– Leicester Mercury – Stoke – The Sentinel – Hull Daily Mail – Nottingham Evening Post – South Wales Evening Post – Evening Post (Bristol) – Thisis – Jobsite.co.uk – FindaProperty.com – Primelocation.com – Motors.co.uk – Kisalfold (Gyor, Hungary) – Pravda (Bratislava, Slovakia) – Profesia (Bratislava, Slovakia)	4,256
dmg radio australia	– Nova 969 (Sydney) – Nova 100 (Melbourne) – Nova 1069 (Brisbane) – Nova 919 (Adelaide) – Nova 937 (Perth – Joint venture) – Vega 953 (Sydney) – Vega 915 (Melbourne) – 5AA (Adelaide) – Star 1045 (Central Coast) – Brisbane 97.3 (Joint venture)	510

Overview	Percentage of revenue	Head office
RMS is the world's leading provider of products, services and expertise for the quantification and management of catastrophe risk. For 20 years RMS has applied models, analytics, data and multi-disciplinary knowledge to the management of insurance risk associated with perils such as earthquakes, hurricanes, windstorms and terrorist attacks. More than 400 leading insurers, reinsurers, trading companies and other financial institutions rely on RMS models' analytics to make better risk management decisions. Headquartered in Newark, California, RMS serves the global financial markets from offices worldwide, with offices in the U.S., U.K., Bermuda, France, Switzerland, India, Japan and China.	7% £137m	7015 Gateway Boulevard Newark CA 94560 U.S. Tel 001 510 505 2500
dmg information is the Group's business information division, providing business-to-business information to the property, financial, energy, geo-spatial and educational recruitment markets. The U.S. accounts for the majority of revenues with the U.K. and Australia representing the other significant geographic markets.	11% £230m	3 Stamford Landing Suite 400 46 Southfield Avenue Stamford Connecticut CT 06902 U.S. Tel 001 203 973 2940
dmg world media is a leading international exhibition company that produces nearly 70 market-leading trade exhibitions and conferences and publishes several online and print products. dmg world media's operation includes nearly 20 offices across the U.S., Canada, the U.K., the United Arab Emirates, Singapore and Australia and additional exhibitions in countries such as the Netherlands, Thailand, and Venezuela.	8% £175m	3 Stamford Landing Suite 400 46 Southfield Avenue Stamford Connecticut CT 06902 U.S. Tel 001 203 973 2940
Euromoney is a leading international business-to-business media group focused primarily on the international finance, metals and commodities sectors. It publishes more than 70 magazines, newsletters and journals, including Euromoney, Institutional Investor and Metal Bulletin. It also runs an extensive portfolio of conferences, seminars and training courses and is a leading provider of electronic information and data covering international finance, metals and commodities and emerging markets. Its main offices are in London, New York, Montreal and Hong Kong and nearly half of its revenues are derived from emerging markets.	15% £318m	Nestor House Playhouse Yard London EC4V 5EX England Tel 020 7779 8888
Associated Newspapers is the Group's national newspaper division which is also responsible for running the Group's newspaper companion digital sites, Associated Northcliffe Digital and Teletext. Through Harmsworth Printing it provides printing services to A&N Media. Associated Northcliffe Digital, including the A&N Media companion sites, reaches an estimated 24% of all U.K. internet users.	41% £876m	Northcliffe House 2 Derry Street London W8 5TT England Tel 020 7938 6000
Northcliffe Media is one of the largest local media organisations in the U.K., operating from 17 publishing centres. Northcliffe publishes over 100 publications in the U.K., including 17 paid-for daily titles, two free daily titles, 37 paid-for weeklies and over 60 free weekly newspapers. The unduplicated readership of Northcliffe's newspapers is seven million. Furthermore, Northcliffe's network of 150 local 'this is' websites attracted 4.4 million unique users with 50 million page impressions in September 2009. Other commercial activities include international publishing interests in Hungary, Slovakia, Bulgaria, Romania and Croatia.	15% £328m	Northcliffe House 2 Derry Street London W8 5TT England Tel 020 7400 1401
dmg radio australia holds nine radio licences, including the national Nova FM network of stations in Sydney, Melbourne, Brisbane, Adelaide and Perth and the Vega FM stations in Sydney and Melbourne. Nova is a leading national radio network for listeners aged 18-39, while Vega is steadily growing its share of the 40-54 demographic, a complementary audience profile to Nova.	3% £55m	Level 5 75 Hindmarsh Square Adelaide SA 5000 Australia Tel 006 188 419 5000

Management
Structure

DMGT



1 **Lord Rothermere** Chairman, DMGT 2 **Martin Morgan** Chief Executive, DMGT 3 **Peter Williams** Finance Director, DMGT 4 **Kevin Beatty** Chief Executive, A&N Media 5 **Martin Morgan** Chairman, Risk Management Solutions 6 **David Dutton** Chairman, dmg information 7 **Suresh Kavan** Chairman, dmg world media 8 **Padraic Fallon** Chairman, Euromoney 9 **Lord Rothermere** Chairman, Associated Newspapers 10 **Lord Rothermere** Chairman, Northcliffe Media 11 **Peter Williams** Chairman, dmg radio australia 12 **Hemant Shah** President and Chief Executive, Risk Management Solutions 13 **Suresh Kavan** Chief Executive, dmg information 14 **Richard Ensor** Managing Director, Euromoney 15 **Paul Dacre** Editor in Chief, Associated Newspapers 16 **Michael Pelosi** Managing Director, Northcliffe Media 17 **Cathy O'Connor** Chief Executive, dmg radio australia 18 **Kevin Beatty** Managing Director, Associated Newspapers

Risk Management Solutions

Key Figures[††]

£137m
Revenue
(2008: £98m)

£42m
Operating profit*
(2008: £31m)

31%
Operating margin*
(2008: 31%)

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

† Underlying revenue or profit* is revenue or profit* on a like-for-like basis, adjusted for acquisitions and disposals made in the current and prior year and at constant exchange rates.

†† Percentages are calculated on actual numbers to one decimal place.

Key developments

- Operating profit* increased by 9% with margins* constant.
- Solid new sales bookings achieved despite difficult conditions.
- Prudent cost controls initiated in response to slower growth.

Summary
In its first year as a separate operating division, RMS continued its growth with an increase in underlying[†] revenue of 7% and operating profit of 9%, despite challenging market conditions worldwide. The reported results benefited significantly from the stronger U.S. dollar, in which currency the majority of revenues are billed.

Year under review
In spite of difficult economic and trading conditions, RMS achieved solid new sales bookings in the year. More than 80% of new sales were in its core modelling business with the rest in specific growth initiatives including Data Solutions. Growth slowed to some extent in the first three-quarters of 2009 by client cost-cutting initiatives or client withdrawal from certain lines of business leading to product swaps and partial reductions in annual licence fees. Industry merger activity also resulted in 2009 reductions.

Operating achievements for the year included successful delivery of the version 9.0 release for RMS's core business, launch of RMS's new Data Quality Analytics, and strong sales of Miu, a software product which helps RMS clients manage portfolios of catastrophe bonds.

Strategic direction
Building on 20 years of success as a catastrophe modelling company, RMS has augmented its strategy for future growth. Access to sophisticated models has become standard industry practice, and RMS clients now seek to differentiate themselves through an ability to integrate models into their enterprise-wide business processes and to understand better how to use and interpret models to make better decisions. Clients seek upstream capability to acquire and manage high-quality exposure data, and downstream capability to open and interpret the models, and then apply these insights to deliver targeted decision support for underwriting, pricing and managing their business. RMS is committed to providing complete solutions for its clients across this value chain.

RMS is also pursuing opportunities to extend its modelling 'franchise' beyond a historic focus on perils able to cause sudden, catastrophic, and correlated loss of property, business income, and human life. The company is investing in several growth opportunities in new addressable markets where RMS's core competencies can enable the creation of new models, databases and analytic applications that could fundamentally and more broadly improve risk management practices in certain additional segments of the property, liability/casualty and life/health insurance sectors.

Core business
RMS has established itself as an industry leading expert with the largest market share in the commercial catastrophe modelling business, which includes modelling of natural hazards risk, terrorism risk and risk from pandemic diseases. While RMS serves clients in a variety of sectors, its primary market is the global property and casualty re/insurance industry, where it currently serves over 350 customers in 30 countries around the world. Products and services are developed and delivered through the activity of nearly 550 RMS employees in North America, Europe, Japan and China, and approximately 1,200 additional colleagues at India-based RMSI.

RMS models are deeply embedded in risk decision-making processes throughout the re/insurance vertical, including insurance companies, insurance and reinsurance brokers, reinsurers and the capital markets. RMS's core business consists of the development of risk models, productised and delivered through a software platform and supported through high touch client relationships. Due to the nature of the deliverables, customers require interaction with a broad range of RMS colleagues with specialised skill sets as they seek to understand and deploy the models for a variety of business applications.

Risk Management Solutions

Continued

RMS released its next-generation models for North America earthquake risks, covering the U.S. (including Alaska), Canada, and Mexico. The new models draw on latest scientific research to help its clients differentiate risk between individual properties more precisely and gain greater insight into the factors affecting uncertainty in model results. The 9.0 release also included a suite of new and upgraded earthquake models for Central and South America that provide an integrated and seamless basis for managing earthquake risk across the entire Americas region. The release has been well received by the market, improving RMS's competitive position.

Data solutions

Within the framework of its new strategy, RMS is expanding 'upstream' from its models to provide its clients with data and data management solutions. In the quarter to June, after substantial development work in partnership with key clients, RMS released its Data Quality Analytics, designed to help its clients assess, manage and improve the quality of their exposure data. This product represents the first of many products, services and solutions expected to provide RMS clients unique insights into the quality of their data, which should improve the performance of the catastrophe models as well as the quality of their downstream analytics and risk decisions. Sales were robust in the fourth quarter, the first following release of the product, and are expected to grow strongly in the coming year.

Capital markets

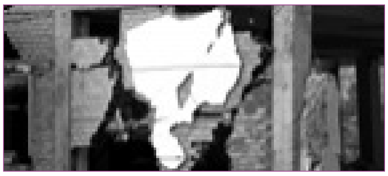
The capital markets were virtually shut down for the first half of the year, which had a significant impact on RMS's efforts in this small but growing sector of its business. Catastrophe bond issuance was down as compared to 2008, although RMS provided expert assistance on several transactions. A relatively strong sales performance was achieved for the Miu software product, ending the year with more than 15 new customers and a strong pipeline into 2010.

Continuing investments

Despite the prudent cost controls needed in order to achieve its budgeted operating profit, RMS nevertheless maintained its robust investment programme in future growth, adding more than 60 new headcounts in North America and Europe during the year, beginning the ramp up of a multi-year development effort on its Next Generation software platform, and increasing its investment in a variety of newer growth initiatives operating in its Emerging Risk Solutions group, one or more of which is expected to deliver substantial growth over the medium to long-term.

Outlook

The new year has started well with a number of contracts booked, including several catastrophe bonds.



Latin American earthquake models

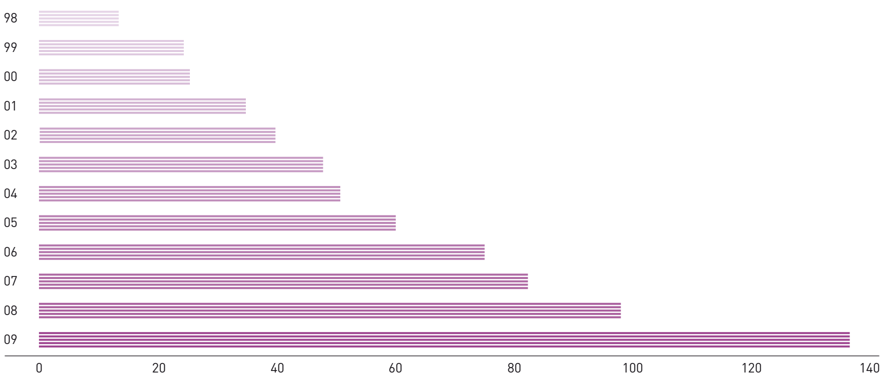
Focusing on the countries with the highest seismic risk and property exposure, RMS this year launched 16 new and updated earthquake models for Latin America.

A response to the growing demand in an increasingly sophisticated market for detailed risk analysis in the region, the models enable insurers and reinsurers to seamlessly assess risk on a country-by-country and region-wide basis. They also complement RMS's next-generation models for the U.S. and Canada to provide the insurance industry with a complete picture of earthquake risk across the Americas.

16

New and updated earthquake models for Latin America.

Risk Management Solutions revenue (£m)



dmg information

Key Figures††

£230m
Revenue
(2008: £217m)

£46m
Operating profit*
(2008: £44m)

20%
Operating margin*
(2008: 20%)

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

† Underlying revenue or profit* is revenue or profit* on a like-for-like basis, adjusted for acquisitions and disposals made in the current and prior year and at constant exchange rates.

†† Percentages are calculated on actual numbers to one decimal place.

Key developments

- Operating profit* increased by 4% with margins* constant
- Strong performance from financial, education and energy companies.
- Property affected by lower transaction volumes in U.S. and U.K. but well positioned.

It was a year of turbulence for dmgi's markets with the financial crisis and tightening of credit making conditions difficult for both our Property Information and Financial Information businesses. Given this background the robustness of our portfolio has been demonstrated and overall performance of dmgi has been resilient. We are well placed to benefit in particular from a recovery in property transaction volumes and have used these tougher economic conditions to strengthen our market positions through continuing to enhance and develop products across all our markets.

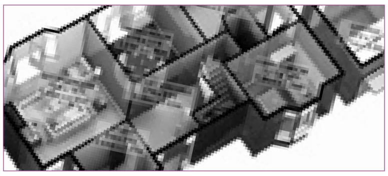
dmgi's revenues increased by 6% year-on-year to £230 million and operating profits* were 4% higher at £46 million. The businesses comprising dmgi are primarily U.S. based and therefore the reported results benefit from year-on-year exchange rate movements. On a like-for-like basis, underlying revenue and operating profit* reduced by 6% and 7% respectively.

Property

Operating profit* from the property information companies fell by 23% to £18 million, with revenues being 9% lower at £84 million. Despite this, margins* were still around 20% due to tight cost control. Underlying† revenues and operating profits reduced by 19% and 36% respectively.

The volume of housing transactions in the U.K. was at all-time low levels throughout the year, having plunged dramatically in early 2008, and, whilst we saw some positive signs of recovery towards the end of the financial year, at times the monthly volumes were less than half of their historical norm. This affected Landmark Information Group revenues, albeit our market position is as strong as ever. The commercial property market volumes also declined significantly in both the U.S. and U.K., affecting Environmental Data Resources and Landmark respectively. Both companies continue to be innovative and expand their product offerings, whilst managing costs effectively in the current conditions.

During the year we sold Property & Portfolio Research, our commercial real estate forecasting business, to CoStar, Inc in exchange for an equity stake in CoStar, a provider of real estate information in the U.S. and U.K.



Landmark Information Group

Britain's leading supplier of land and property information, Landmark Information Group, has seen its annual turnover increase more than tenfold over the last decade.

Growing its existing operations, moving into adjacent markets and entering new ones via acquisitions both domestically and in Europe, has been key to the company's success.

Looking ahead, further integration of its market-leading acquisitions, Quest Associates and Metropix, within the Landmark product portfolio is high on the agenda, as is exploring European public sector geospatial opportunities and continuing the product expansion within the existing businesses in Utrecht and Dortmund.

10x
Increase in Landmark's turnover over the last 10 years.

dmg information

Continued

Other markets

63% of dmgi's revenue comes from its companies operating in the financial, education, energy and geospatial markets. Revenue in these other markets was 17% higher year-on-year at £146 million and they contributed operating profits* of £32 million representing 26% growth. The underlying revenue and operating profits were higher by 3% and 16% respectively.

In the financial information market, Trepp is the market leader of information to the Commercial Mortgage-Backed Securities (CMBS) market and, in turbulent market conditions, the value of its data and analytics has been proven by the increasing frequency of use and growing revenues. Trepp was also selected by the Federal Reserve Bank of New York as the collateral monitor for CMBS as part of the 'Term Asset-Backed Securities Loan Facility' (TALF). Trepp grew its underlying[†] revenues by 17%.

Our other company serving the financial information market, Lewtan Technologies, also had a good year, with record profits* and significant product enhancements in its offerings to the ABS investor market.

Hobsons, the education information business, grew underlying[†] revenues by 6% and improved margins. Hobsons continues to pursue an aggressive growth strategy, focused on providing products to education professionals to assist in the preparation, recruitment, management and advancement of students. Naviance, the company providing solutions in the U.S. high school segment, grew particularly strongly.

Genscape, the leading provider of real-time information to the energy trading markets, grew its underlying[†] revenues by 12%. Whilst continuing to expand its geographic coverage of electricity supply data in the U.S. and continental Europe, the company also successfully launched new offerings to traders in the oil market and, during the forthcoming year, will grow products serving the natural gas markets.

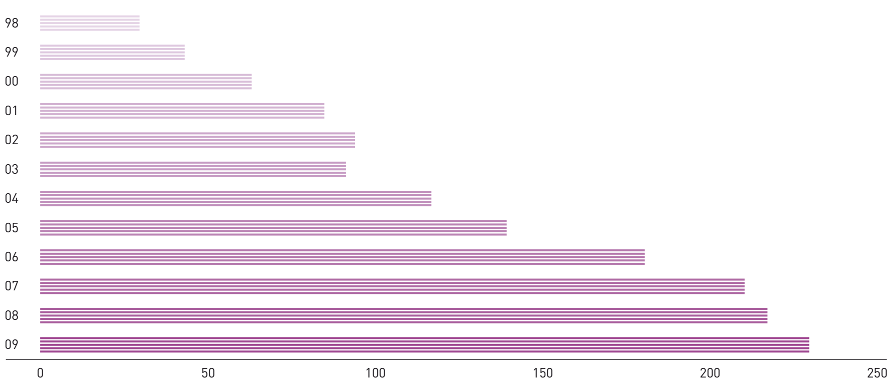
Sanborn's revenues are primarily sourced from U.S. local, state and municipal budgets and funding has tightened significantly. Sanborn has performed well in the circumstances, and remains both profitable and in a market-leading position.

Throughout all the companies, costs have been managed aggressively and effectively as circumstances have demanded.

Outlook

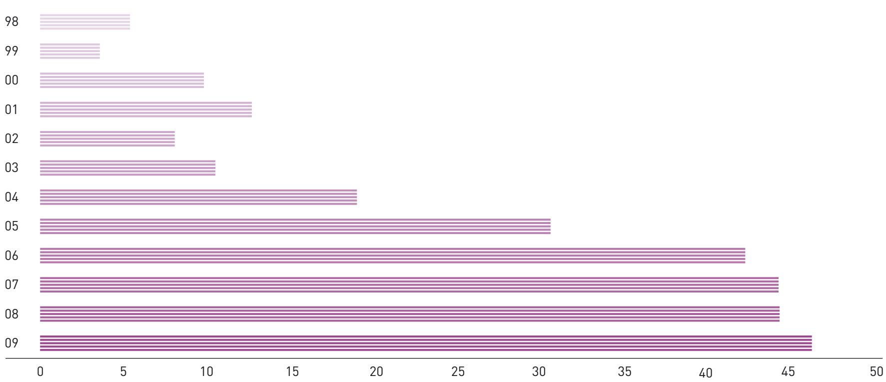
The past couple of years have demonstrated the quality and resilience of dmgi companies in uncertain and turbulent market conditions. There now seems to be some cautious optimism of the early signs of a gradual recovery.

dmg information revenue[◊] (£m)



[◊] Excluding RMS (now a separate division) and Study Group (sold 2006).

dmg information operating profit*[◊] (£m)



[◊] Excluding RMS (now a separate division) and Study Group (sold 2006).

dmg world media

Key Figures††

£175m
Revenue
(2008: £202m)

£37m
Operating profit*
(2008: £38m)

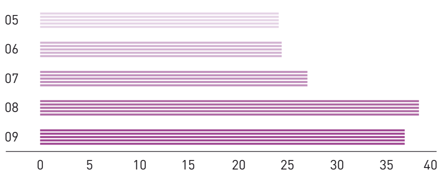
21%
Operating margin*
(2008: 19%)

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

† Underlying revenue or profit* is revenue or profit* on a like-for-like basis, adjusted for acquisitions and disposals made in the current and prior year and at constant exchange rates.

†† Percentages are calculated on actual numbers to one decimal place.

dmg world media operating profit* (£m)



Key developments

- Operating profit* down by 3% on revenue decline of 13%.
- Strong performance from Middle East business, with profits up 20%.
- Disposals of non-core B2C businesses resulted in a streamlined event organiser with market-leading products.

dmg world media, like the rest of the exhibition industry, experienced softer bookings for many of its shows which translated into lower revenues. Actions taken in the year on cost initiatives, together with the continued divestment of non-core business lines, enabled its full year operating profit* to be only slightly below that of last year. Dmg world media reported an increased operating margin. Underlying† revenues, adjusted for non-annual events, decreased by 9% and operating profit* by 5%.

Business to business (B2B)

Revenues were down 10% to £149 million and profits* down 12% to £36 million. Underlying revenues and profits* were down 8% and 9%, respectively. The Dubai sector, comprising construction, interior design and hospitality shows, reported a 19% increase in revenues and a 20% increase in profits*. Performance in the Oil and Gas portfolio was driven by one of its largest shows, the biennial ADIPEC, which more than doubled its profits from its previous show. However, a decline in the profits of its BMI and Australasia businesses had a detrimental effect on the B2B profits. The BMI business was sold in September. During the year, we divested our West Coast gift shows.

Business to consumer (B2C)

As a result of disposals in the last two years, B2C is now a small part of the division, with all publications fully divested and only a small number of remaining exhibitions. Overall, the B2C division, driven by a decline in the U.K. consumer business and certain Art & Antiques businesses now divested, performed poorly, with revenues down 24% to £26 million and losses* unchanged at £3 million.

Outlook

dmg world media will continue to focus on its B2B operations in North America, the Middle East, Australasia, and U.K.

Recent attendances and booking trends have been more encouraging, but are yet to convert into revenues. dmg world media's streamlined operating structure and broad portfolio of market-leading products leaves it well placed for any recovery.

ad:tech

With the successful launch of ad:tech Tokyo in September, dmg world media now runs eight ad:tech branded market-leading, award-winning digital marketing events annually across six countries.

Playing host to thousands of media, marketing and technology professionals from around the world, the shows provide them with the tools and techniques they need to succeed in a constantly evolving digital environment. With events running from March to November, ad:tech's roster now takes in Beijing, London, New York, San Francisco, Shanghai, Singapore, Sydney and Tokyo.

8
ad:tech branded market-leading events.

Euromoney Institutional Investor

Key Figures[††]

£318m
Revenue
(2008: £332m)

£77m
Operating profit*
(2008: £76m)

24%
Operating margin*
(2008: 23%)

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

† Underlying revenue or profit* is revenue or profit* on a like-for-like basis, adjusted for acquisitions and disposals made in the current and prior year and at constant exchange rates.

†† Percentages are calculated on actual numbers to one decimal place.

Key developments

- Resilient performance due to successful subscription-driven diversification strategy.
- Profits* maintained by tight control of costs and focus on high quality, high margin products.

Euromoney increased its operating profit* by 1% despite a 4% fall in revenues due to cost savings and the benefit of foreign exchange movements.

These results continue to highlight the success of Euromoney's strategy to build a more resilient and better focused global information business. Subscription revenues increased by 24%, in sharp contrast to the declines in other revenue streams, and now account for 47% of total revenues against 37% in 2008. Similarly, the profits* from databases and information services, which include some of the highest margin products in Euromoney and are derived mostly from subscription products, accounted for 36% of its operating profits*, compared to 21% a year ago.

The performance of Euromoney's various revenue streams reflects the timing of the reaction of its customers to the global credit crisis. For the past three quarters, the year-on-year declines in advertising and sponsorship (-20%) and delegate revenues (-30%) have been running at similar rates. In contrast, subscription revenues grew by a third in the first half, and have continued to grow in the second half, although the rate of growth has slowed rapidly.

Emerging markets, which account for nearly half of Euromoney's revenues, were less exposed to the excess leverage and complex financial products that have characterised the credit problems in North America and Europe, and have come through the credit crisis well.

Tight control of costs and focus on high quality, high margin products was critical to Euromoney's success in 2009. Operating margin* improved as cost cuts were implemented early in the year, leading to exceptional restructuring costs of £11 million, low margin products were eliminated quickly, and continued product investment ensured the growth in higher margin electronic publishing products was maintained.

Financial publishing

Revenues, which comprise a mix of advertising and subscriptions, fell by 10% to £75 million. Advertising revenues are heavily dependent on the marketing spend of global financial institutions and fell by 20%. Many U.S. and European institutions stopped advertising altogether, whereas advertising from emerging markets held up well. In contrast, subscription revenues increased by 7% as Euromoney continued to invest in migrating its print products to a higher value web-first publishing model with an emphasis on subscriptions over advertising.

AR

In a market where closures are outpacing launches in the publishing sector, Euromoney this year debuted its latest print and online offering.

Covering the fast-growing U.S. and global hedge fund sector, AR combines the strengths of Alpha and Absolute Return. September's launch – and its authoritative hedge fund rankings, as determined by size and investor opinion respectively – received national coverage in print and on television.

The title positions itself as a must-read thought-leader delivering the most insightful, entertaining and comprehensive industry content, both as a monthly magazine and constantly updated website.

Year 1
Launch of AR, Euromoney's latest print and online offering.

Business publishing
Euromoney's activities outside finance are in sectors traditionally less volatile, and which follow different cycles. Revenues increased by 6% to £56 million and operating margin* improved. Among the sectors covered, metals, minerals and mining under the Metal Bulletin brand, telecoms under TelCap's Capacity brand, and legal publishing all achieved good growth; only the energy sector was weak.

Training
Revenues are derived largely from paying delegates. Training is a discretionary spend for most customers, at least in the short term, and revenues fell sharply from the start of the second quarter, with an immediate negative effect on margins. Some of the revenue decline was self-inflicted as course volumes were cut deliberately in the second half which, combined with the impact of early cost cuts, helped the margin recover a little. Training revenues for the year fell by 22% to £32 million and adjusted operating margin declined.

Conferences and seminars
Revenues comprise a roughly equal mix of sponsorship and paying delegates. Like Training, delegate revenues fell sharply from the start of the second quarter as customers cut back on travel and event attendance. Sponsorship revenues tend to follow similar trends to advertising, and have been declining at a more gradual rate but from an earlier starting point. In difficult markets there is inevitably a shift to the bigger, more established events, and the market contracts as many of the smaller events are cut.

Euromoney's strategy for its event businesses reflects this experience, and during the year it focused on maintaining the market leading positions of its bigger events, at the same time shrinking volumes by eliminating many of the smaller, low margin events. Revenues fell by 15% to £75 million and the adjusted operating margin declined.

Databases and information services
This was the best performing division by some way. Revenues grew by 32% to £88 million and the adjusted operating margin improved. Revenues and profits* from this division are predominantly subscription-based and U.S. dollar-denominated, and the decrease in the sterling-U.S. dollar rate was a significant factor in this year's growth.

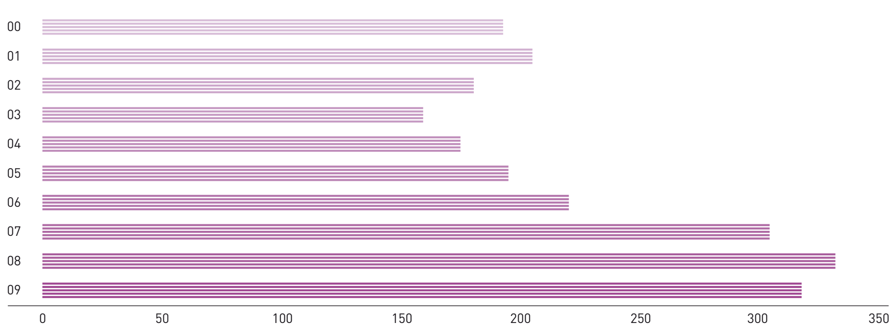
In volatile and challenging markets the demand for high quality information and data tends to hold up well, particularly for products that are an integral part of companies' information flows and work processes, and have built up a strong brand loyalty. The main driver of growth from Databases and Information Services in 2009 was BCA: demand for its high quality, independent macro-economic research has proved robust despite the shrinking of the asset management industry. ISI, the emerging markets information business, experienced a more difficult time as many financial institutions cut investment and resources in this area, although CEIC, its emerging market data subsidiary, continued to grow as it expands its data coverage from Asia to other markets.

Outlook
Generally, markets seem to have stabilised after an exceptionally volatile and difficult period and the outlook among our customers is more positive than it has been for some time. The return to profitability of most global financial institutions should be a positive factor for trading in 2010.

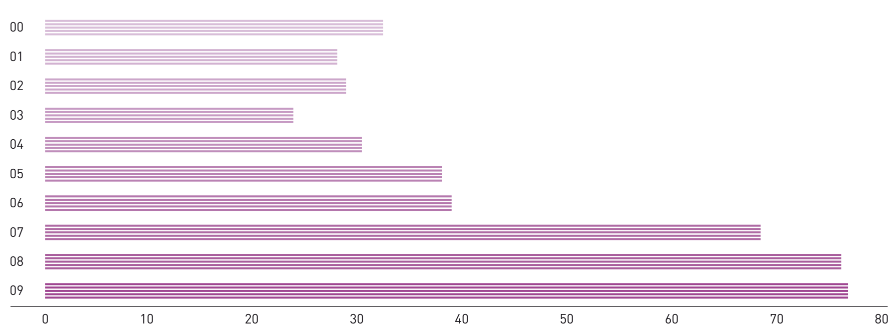
However, the cuts in headcount and the restrictions on discretionary spend on marketing, training and information buying are not expected to be relaxed quickly, so that Euromoney's revenues will continue to decline in the first quarter, a view which is supported by current levels of sales and forward bookings.

Euromoney's clear, well-established strategy, combined with the strength of its brands and the diversity of its sectors, customers and geographic markets, means that it is well positioned to return to growth as soon as markets improve.

Euromoney revenue (£m)



Euromoney profit* (£m)



A&N Media

Given the unprecedented trading conditions, A&N Media took decisive action on costs and achieved its cost reduction target in September. Headcount (excluding the Evening Standard) fell by over 1,600 (16%) in the year, including the job losses from the closure of three regional printing plants at Grimsby, Leicester and Bristol. As expected, the benefit of significantly lower costs came through in the second half of the year.

Associated Newspapers

Key Figures††

£876m
Revenue
(2008: £988m)

£62m
Operating profit*
(2008: £73m)

7%
Operating margin*
(2008: 7%)

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

† Underlying revenue or profit* is revenue or profit* on a like-for-like basis, adjusted for acquisitions and disposals made in the current and prior year and at constant exchange rates. The underlying percentage movements compare 52 weeks with 52 weeks.

†† Percentages are calculated on actual numbers to one decimal place.

Associated Newspapers benefited from the inclusion of an extra week's trading, but all underlying† year-on-year comparisons are on a like-for-like basis, comparing 52 weeks with 52 weeks and exclude the Evening Standard.

Key developments

- Successful cost efficiency programme mitigates decline in advertising revenue.
- Daily Mail records its second highest ever profit*.

In the face of extremely challenging economic conditions throughout the financial year and continued competitive activity in the London evening newspaper market for most of it, Associated Newspapers achieved a very satisfactory result. Total revenues were down £112 million due to a 14% fall in underlying† advertising revenues and to the sale of the Evening Standard, but the group-wide cost efficiency programme generated £80 million of savings. This, together with the sale of the Evening Standard, restricted the fall in operating profit* to £11 million and year-on-year profits* increased in the second half of the year. An exceptional operating charge of £85 million was made for restructuring and closure costs.

Newspaper operations

Circulation revenue was £366 million, down an underlying† 2%. Total advertising revenues were £350 million, down an underlying† 15%. Display advertising was down by an underlying† 16% to £281 million. All categories were lower, but with retail, our largest category, the best performer. The Daily Mail's readership remains extremely attractive particularly to retail advertisers. Underlying† classified advertising, which is not dependent on property and jobs, fell by only 12% to £60 million. Underlying† digital revenue from the newspaper titles' companion sites was up 11%, buoyed by the success of the MailOnline brand. Costs, despite a sharp increase in newsprint prices, were down 8%.

The circulation of both the Daily Mail and The Mail on Sunday fell marginally more than the market, reflecting the decision to direct promotional activity away from CD and DVD giveaways towards a sustained direct marketing campaign to recruit more long-term loyal purchasers. In consequence, circulations have been stable in recent months.

The Daily Mail's average daily circulation for the year was 2,171,000 copies, which was 5.3% down year-on-year, in an overall market that contracted by 4.9%. However, the Daily Mail increased its Saturday cover price by 10 pence in October 2008 and this, together with a full year of the weekday price rise made in April last year, generated a 1% improvement in circulation revenue. Total advertising revenue fell by 11% year-on-year.

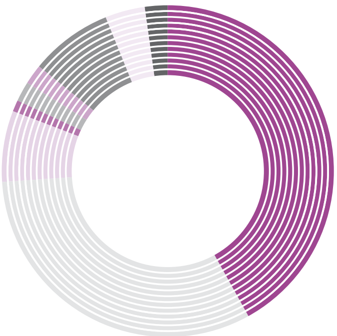
The average circulation for The Mail on Sunday of 2,073,000 copies fell marginally more than national Sunday circulations. However, the underlying strength of the brand was evidenced by a number of awards during the year, including YOU magazine which retained its title of 'Supplement of the Year' for an unprecedented second year at the British Press Awards. In common with circulation, the Sunday advertising market was harder hit than its daily counterparts. Consequently, total advertising revenues declined by 28% year-on-year, although The Mail on Sunday continued to carry a greater share of the Sunday advertising market by volume than any other national newspaper.

Revenue by source (£m)

	2009	2008
Circulation	**366**	367
Advertising – display	**281**	330
Advertising – classified	**60**	67
Digital	**9**	8
Other	**16**	16
Evening Standard	**20**	60
Newspaper operations	**752**	847
AN Digital	**70**	88
Teletext	**38**	41
Contract print	**16**	12
	876	988

Revenue by source

Circulation 42%
Advertising 32% (Display)
Advertising 7% (Classified)
Digital 1%
Other 2%
Evening Standard 2%
AN Digital 8%
Teletext 4%
Contract print 2%



In response to the anticipated downturn in revenue base both the Daily Mail and The Mail on Sunday embarked on an extensive profit enhancement programme earlier in the year. Consequently the Daily Mail maintained its profitability year-on-year, whilst The Mail on Sunday continued to deliver a solid positive return.

The newspapers' companion websites were consolidated within a new division, Mail Digital which recorded a 22% improvement in revenue. Traffic to its primary website, MailOnline, increased by 68% to 30 million unique users in September, making it one of the U.K.'s predominant newspaper websites.

The Free Newspaper division had a difficult year in line with the general newspaper market. Metro slightly decreased its circulation to 1,335,000 and saw total advertising revenue fall by 13%. However, early cost reducing initiatives enabled the title to protect its profits and Metro continues to have the largest distribution and be the most profitable free newspaper in the world. London Lite traded in line with last year, with advertising only 4% down, but since the end of the financial year, following the decision of the Evening Standard to go free, it has been closed after consultation with its employees. 7Days in Dubai experienced an extremely depressed advertising market, with revenues down 17%.

The Evening Standard was sold on 28th February, with the Group retaining a 24.9% stake and negotiating a contract to provide accommodation and certain commercial services to the new Evening Standard company.

Loot made a profit despite advertising revenue being 20% down.

Mail Today, the Delhi-based daily newspaper, in which Associated holds a 26% interest, has established itself as a strong editorial publication since its launch in November 2007. Expansion of the newspaper's circulation was deliberately held back in 2009 whilst advertising confidence was low, but there are plans to double its circulation in 2010.

Printing

The difficult economic conditions have had a significant effect on Harmsworth Printing. With falls in circulation and advertising revenues, publishers have reduced their print orders and surplus capacity has increased at almost every print centre. In response to falling revenues, three sites were closed. Harmsworth Printing has successfully reorganised its production requirements across its remaining five sites, but continues to monitor its trading position and to seek further operational efficiencies.

Associated Northcliffe Digital

AND's portfolio of digital businesses continued to build market share amidst difficult economic conditions. Revenue fell by 20% as a result of the economic slowdown. The Jobs and Property businesses were particularly affected, though both of these companies outperformed the decline in transaction volumes in their respective markets. Profitability was further affected by strategic investments in Jobsite's marketing campaign, including TV and Portsmouth FC sponsorship and overall was down £5 million. AND remains one of the U.K.'s leading digital media companies, and is actively seeking to apply its expertise to expansion into new business opportunities as well as expanding our existing and adjacent verticals and embracing international opportunities.

Metro

Metro this year celebrated its tenth anniversary by overtaking the Daily Mirror to become the U.K.'s third most popular daily newspaper.

From the single city print run of 85,000 it launched with in March 1999, Metro now boasts some 3.3 million readers for its 10 different editions, covering 33 U.K. cities.

Recent innovations include the first ever 3D cover wrap on a U.K. newspaper, in partnership with Sony Pictures, and the publication of its first environmental edition. This year also saw Metro.co.uk breach Nielsen's top 10 U.K. newspaper websites for the first time, thanks to record traffic.

10 years

since U.K. Metro launched.

Associated Newspapers
Continued

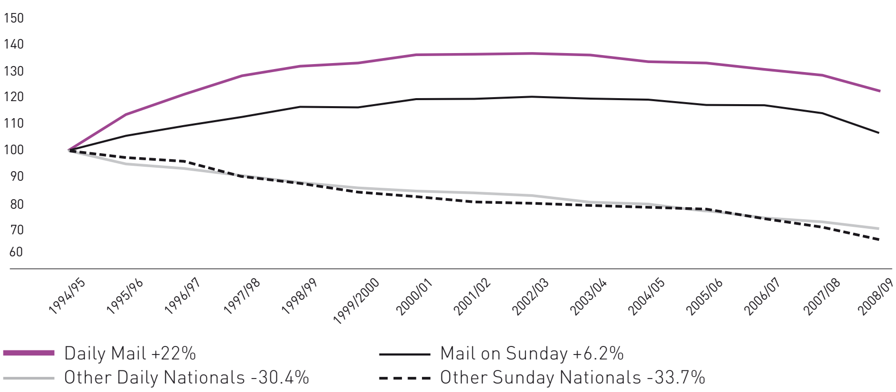
Jobs
The recruitment division continued its expansion with the acquisition of Broadbean, a leading provider of job posting and advertising analytics software to the recruitment market. AND's flagship recruitment portal, Jobsite, embarked on a major advertising campaign, which exceeded expectations with sizeable increases in uploaded CVs and brand awareness. Jobsite also became the recruitment partner to Johnston Press. The partnership has quickly delivered significant uplifts in response. Revenue fell by 16% over the year due to contraction in the overall market. However, the company has remained profitable during this downturn and the rate of decline year-on-year has stabilised in recent months.

Property
The Digital Property Group ('TDPG') concluded its integration programme, uniting its businesses of FindaProperty.com, Primelocation.com, Homesandproperty.co.uk and FindaNewHome.com. Each of the sites has a distinct market position providing increased exposure and additional leads and instructions for estate agents. Despite the dramatic fall in property transaction volumes, TDPG's revenues fell by only 11% whilst broadly maintaining its profit margins. Website traffic has continued to grow with 4.6 million unique users in September 2009, a 24% increase year-on-year.

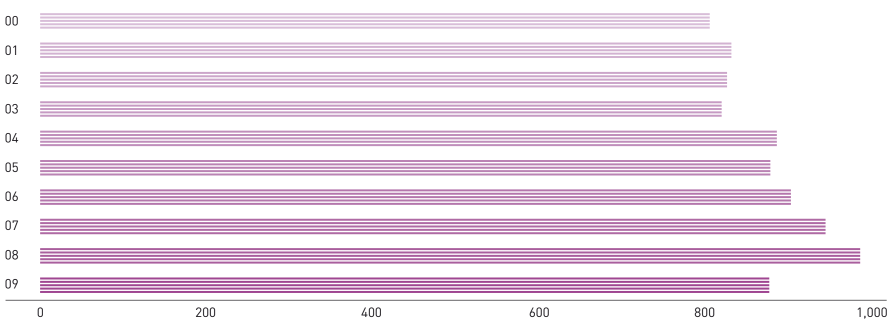
Motors
The Digital Automotive Division continued to invest in its used car website, Motors.co.uk, building its customer base of automotive dealers by 22%. Motors.co.uk has particularly benefited by targeting local markets through its partnership with Northcliffe Media. The division has recently signed deals with a number of regional newspaper groups, further increasing its reach to local audiences. The division also provides a variety of technology services to dealers. Revenues increased by 9%.

Other areas of operation
AND's online dating business, Allegran, completed a successful restructuring programme that returned it to profitability. It implemented a new technology platform which provides it with increased flexibility in supporting its portfolio of sites, benefits have already been realised by the efficient launch of MatureDatingUK.com and the dating site of the Daily Mail. In addition AND has embarked on a highly successful new initiative to launch local community websites based on user generated content to capture commercial opportunities at a hyperlocal level.

Associated Newspapers circulation performance vs market trend 1994/95 – 2008/09



Associated Newspapers revenue (£m)



* Excluding television and before 2006 Northcliffe's print and digital revenues.

Teletext
We plan to close the majority of Teletext's loss-making television business in early 2010, bringing to an end the Teletext information services provided under the terms of the public teletext licence. This follows a year when the operating losses from Teletext's businesses increased by £1 million due to the continuing decline in television revenues, despite further significant actions on cost reduction. The remaining businesses will focus around the company's online travel activities.

Outlook
It is difficult to predict future revenue trends but the extensive cost efficiency programme, together with its strong brands and diversified portfolio, leave Associated well placed to capitalise on the eventual recovery in the economy.

ANL operating profit* (£m)

	2009	2008
Newspaper operations	**85**	88
AND	**1**	6
Teletext	**(4)**	(3)
Unallocated costs	**(20)**	(18)
	62	73

Northcliffe Media

Key Figures††

£328m
Revenue
(2008: £420m)

£24m
Operating profit*
(2008: £68m)

7%
Operating margin*
(2008: 16%)

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

† Underlying revenue or profit* is revenue or profit* on a like-for-like basis, adjusted for acquisitions and disposals made in the current and prior year and at constant exchange rates. The underlying percentage movements compare 52 weeks with 52 weeks.

†† Percentages are calculated on actual numbers to one decimal place.

Key developments

- Underlying† decline in revenues of £98 million (24%).
- Unprecedented trading conditions in the U.K.
- Challenging print advertising markets in Hungary and Slovakia.
- U.K. restructuring activities delivered year-on-year cost savings of £53 million.
- Stabilisation of U.K. advertising revenues during the second half of the year.

Northcliffe's portfolio of titles in the U.K. and in Central Europe were badly affected by weak advertising markets. All categories were under pressure but particularly recruitment, property and motors. The company responded by initiating a range of significant restructuring activities. Total headcount reduced by 20%, or 1,131 people. Overall, on a like-for-like basis, Northcliffe's operating profit was down 66%, with revenues down £98 million, offset by cost reductions of £53 million. Exceptional costs of £13 million were incurred on restructuring activities and early termination of distribution costs. Like Associated, Northcliffe's results benefited from the inclusion of an extra week's trading, but all underlying† year-on-year comparisons are on a like-for-like basis, comparing 52 weeks this year with 52 weeks last year.

U.K.

Trading conditions in the U.K. for local newspapers were unprecedented in 2009. Advertising revenues fell by 30% and newspaper sales were affected by the recession, as households scaled back on discretionary expenditure. Circulation revenues were 7% down. Underlying† revenues overall declined by £94 million, or 25%.

Unsurprisingly, the increase in unemployment levels has taken its toll on recruitment advertising revenues, both print and digital. Recruitment revenues declined by an underlying† 49%.

In the property category, the weak residential market which began in 2008 continued into 2009. Estate agents and new home builders continued to scale back advertising spend. Underlying† revenues fell by 46%. The rate of year-on-year decline slowed to 18% in the month of September.

Historic market factors such as dealer consolidation, contraction of the number of used car dealers and reducing revenue yields from the transfer of advertising from print to online were exacerbated by reduced consumer spending. All of this contributed to underlying† Motors advertising falling by 24% in 2009.

Retail advertising, Northcliffe's largest category in 2009, fell by an underlying† 20%. All other categories combined contracted by an underlying† 11%.

Newspaper circulation revenues fell on a like-for-like basis by 7% to £70 million. Only a handful of cover price increases were implemented during the year. For the January to June 2009 ABC period, our dailies were down 9% compared with an industry average of 8%. The weekly titles recorded a fall of 8%, which was in line with the industry average decline.

This loss of print circulation contrasts with the rise in our digital audience. The number of visitors across our entire digital network was 4.4 million in September, up 31% on the previous year. The time spent on sites and the frequency of use (up 27% in September) also increased.

Despite the fall in revenues, Northcliffe has continued to innovate so as to improve the relevance and quality of its titles and products and to serve its customers better.

Digital advertising revenue of £17 million was in line with last year despite a decline in recruitment revenues of 35%. Growth was achieved across all other categories, particularly property where our improved digital property offering of findaproperty and primelocation continued to gain estate agent support. Progress was also made by motors.co.uk through increased inventory and higher yields. Retail and leisure digital advertising also recorded impressive growth on the back of print upsells.

Northcliffe Media
Continued

Hull Daily Mail

Having kicked off Northcliffe's roll-out of next generation local sites in 2008, this year saw the relaunch of a sports website, the development of a mobile service and establishment of the Gofind local directory platform. The title's evolution into an integrated and innovative cross-platform publisher has been twice recognised by the Regional Press Awards, with the Hull Daily Mail named Multimedia Publisher of the Year in both 2008 and 2009.

5th

time that the Hull Daily Mail has won awards in the last six years.

During the year, Northcliffe launched its digital directory initiative under the 'GoFind' brand on the local thisisnetwork. Digital services revenues doubled in 2009 and further growth is expected in 2010.

In the digital space we now have a mobile platform for all sites and work continues to widen the mobile offerings further to deliver audience growth anticipated through smart devices.

Across our print portfolio, Northcliffe's journalists are being challenged to deliver a unique story a day as part of the drive to differentiate print from digital. A number of Northcliffe's titles, both daily and weekly, are undergoing remarkable design changes to better reflect the essence of their communities and people with local skills, in an ever-widening range of topics, are being recruited on a pro bono basis by Northcliffe's editors to add breadth and surprise to their titles.

The scale of revenue attrition forced a radical review of our cost base and operating model resulting in savings of £53 million, compared with the same period last year.

U.K. staff costs fell by £17 million as headcount was reduced by 1,024 or 23% since September 2008. In early 2009, Northcliffe embarked upon a major restructuring programme which delivered savings across all departments and at all levels. Process innovation and systems enhancements have facilitated greater efficiency in advertising, editorial, production and circulation departments, in particular.

Production and distribution costs have reduced by £22 million, despite a significant newsprint price increase during the year. Some savings were as a consequence of falling activity levels. However, more significant reductions have been made through rationalisation of the product portfolio, involving title closures, consolidation of editions, distribution changes and the closure of three printing plants.

Central Europe

Profits for the year of £4.3 million were £4.0 million or 49% below last year.

Underlying† revenues fell by £5.5 million (11%) as a result of weak markets in printed media for recruitment, motors and retail advertising. Print advertising revenues declined by 24% while online revenues were down 1% in the year. Circulation revenues were in line with last year.

Digital revenues reported year-on-year growth in the first quarter of 29% but have since deteriorated. In the month of September, digital revenues were 22% below the prior year. Digital recruitment revenue declines have been partially offset by online revenue growth from the expansion of the digital network in the Czech Republic and Hungarian classified and property websites.

Cost saving measures were implemented to mitigate the revenue shortfalls. Excluding acquisitions, headcount reductions of 132 (15%) were achieved, alongside pagination and promotional spending cuts.

Outlook

U.K. advertising revenues appear to have stabilised at a consistent weekly run rate, but the economy remains fragile.

Cost reduction will continue to be a focus with further savings made in 2010 as the programme of transformation continues.

dmg radio australia

Key Figures††

£55m
Revenue
(2008: £55m)

£4m
Operating profit*
(2008: £2m)

6%
Operating margin*
(2008: 4%)

DAB+

Ahead of the nationwide digital radio broadcast (DAB+) signal switch-on in August, dmg radio australia this year launched two new DAB stations.

The stations are lifestyle-driven brand Koffee and novanation, Australia's first national commercial dance station. Apple iPod Touch and iPhone users are also able to stream broadcasts of the new stations live to their devices using new applications dmg radio australia has developed for both.

Analogue stations Nova, Vega and 5AA all simulcast on the national DAB network, making dmg radio australia's portfolio the most diverse digital radio offering from any broadcaster to date.

2
new DAB stations launched this year.

Key developments

- dmgra outperformed the radio market.
- Our stations increased their share of the total national metropolitan radio market from 19.9% to 20.1%.

dmg radio australia (dmgra) significantly outperformed the radio market, which experienced a decline of 4.6% on the year prior. Underlying† profitability increased by 21%, reflecting the resilient performance in attaining revenue across the eastern states as well as a successful cost reduction programme.

The Nova network results were driven by strong performance in Sydney where Nova 969 increased its revenue share for the year from 14.4% to 15.3% in a market which declined 10.4% and also performed strongly in national revenues from Sydney onto other Nova stations.

The Nova Network achieved the number one ranking for 18-39 in every market for the critical breakfast timeslot in Survey 6, 2009 and held the number two position overall for 18-39 for the year. Nova Brisbane continued its dominance of the Brisbane market achieving the No 1 overall position for 18-39 in every survey across the year.

Vega FM stations in Sydney and Melbourne experienced strong growth in revenues of 12.4%, also significantly outperforming the market. Vega Sydney held its overall share of its target demographic of 40-54 for the year, with Vega Melbourne significantly increasing its share to the number two FM position in August.

5AA remains the No 1 talk station in Adelaide and held the number one overall position in commercial radio for all eight surveys of the year.

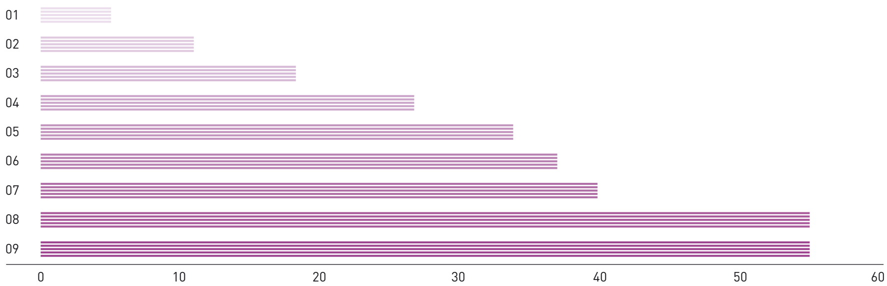
The radio industry launched digital radio into the five cap cities in August with dmgra launching two new services with its digital spectrum.

dmgra continues to evolve its online presence with an increase of 21% on the year prior in unique browsers to its websites.

Outlook

The company continues to focus on its core metropolitan brands. The Nova network is aiming to improve its position in the national 18-39 demographic. Vega stations are expected to improve operating profit performance significantly in the year ahead, following their restructuring.

dmg radio australia metropolitan revenue (£m)



* Adjusted operating profit (before exceptional items and amortisation and impairment of intangible assets).
† Underlying revenue or profit* is revenue or profit* on a like-for-like basis, adjusted for acquisitions and disposals made in the current and prior year and at constant exchange rates.
†† Percentages are calculated on actual numbers to one decimal place.

Financial and Treasury Review

Key Figures††

-8%
Revenue

-12%
Operating profit*

-22%
Earnings per share*

Dividend unchanged

* Adjusted results are stated before amortisation and impairment of intangible assets and exceptional items.

†† Underlying revenue or profit is revenue or profit on a like-for-like basis, adjusted for acquisitions and disposals made in the current and prior year and at constant exchange rates.

† Percentages are calculated on actual numbers to one decimal place.

The purpose of this review is to outline key aspects of the Group's performance over the last year and of its financial position.

Accounts

Our main communication this year is through an online web 2.0 Annual Report as the vast majority of our shareholders have opted out of receiving communications in print. For this reason, we have dispensed with a separate Annual Review, incorporating a summary set of financial statements. We are still required to produce a full printed version of the Annual Report. The principal change this year is from the adoption of IFRS 8 Operating Segments.

This Financial and Treasury Review focuses on the adjusted results to give a more comparable indication of the Group's underlying business performance. A discussion of other items included in the statutory results is given after the divisional performance review. The adjusted results are summarised below:

Adjusted results*	2009 £m	2008 £m	Change†
Revenue	**2,118**	2,312	-8%
Operating profit	**278**	317	-12%
Income from joint ventures and associates	**(1)**	–	
Net finance costs	**(76)**	(55)	-36%
Profit before tax	**201**	262	-23%
Tax charge	**(44)**	(63)	+29%
Minority interest	**(16)**	(18)	+12%
Group profit	**141**	181	-22%
Adjusted earnings per share	**37.2p**	47.9p	-22%

Revenue

The Group's revenue in the year of £2,118 million was 8% lower than the previous year. There was overall revenue growth of 1% from our B2B divisions, due to currency gains, whilst revenues of our consumer divisions fell by 14% due mainly to falls in advertising revenues.

The analysis of revenue by activity, illustrated in graph 1, shows that the percentage of revenue from consumer media has fallen further this year and is now 59%, down from 68% in 2005. Graph 2 shows the geographic split of revenue. This shows that 65% of revenue by source was generated by U.K. businesses, compared with 78% in 2005, but we estimate that approximately 65% of overall Group income is generated in overseas currencies, principally the U.S. dollar.

Operating profit

The Group's operating profit* amounted to £278 million, a decrease of 12% on the equivalent figure for last year. This figure is stated before charging £99 million as exceptional operating costs. This charge comprised reorganisation, restructuring and closure costs mainly within Associated, Northcliffe and dmg world media, offset by pension curtailments of £25 million. Of this, £50 million represents expenditure during the year and a further £37 million will be spent during 2009/10; the balance represents non-cash items.

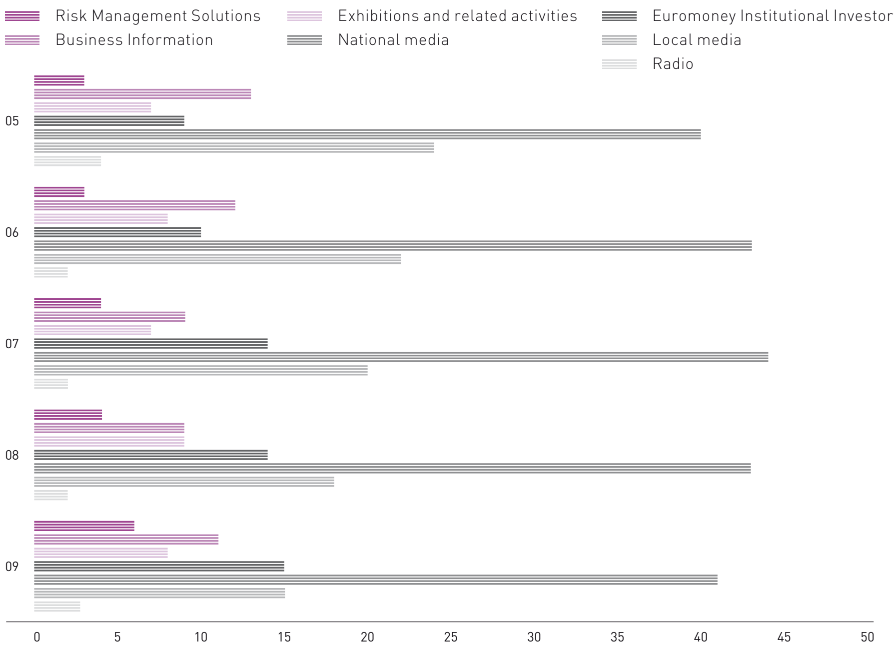
The charge for amortisation of intangible assets fell by £1 million to £89 million. The Group also made an impairment charge of £347 million, principally relating to assets acquired in recent years by Northcliffe (£94 million), dmg radio (£93 million) and dmg world media (£89 million).

The analysis of operating profit* by activity is shown in graph 3. This shows that the percentage of profit* from B2B has risen from 38% in 2005 to 73% this year.

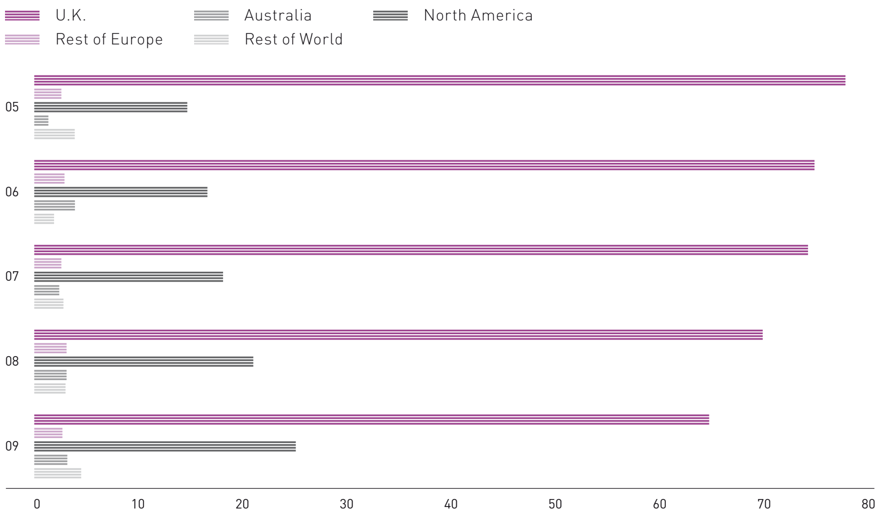
The Group's B2B operations demonstrated their resilience, growing their overall profit* by £13 million (7%), benefiting from a 21% reduction in the average sterling: U.S. dollar exchange rate over the year. The underlying†† result was a fall of 5%. The average sterling: U.S. dollar exchange rate for the year was £1: $1.55 (against £1:$1.97 last year).

Within consumer media, profits for the year fell by £54 million. Profits* of A&N Media were significantly lower, but rebounded in the second half reflecting more stable conditions and a lower cost base. At Associated Newspapers, this performance was driven by the strength of the Daily Mail. At Northcliffe, an improving profits* trend was aided by stabilisation of absolute weekly levels of advertising revenue. dmg radio australia increased its profits* substantially, despite a small fall in revenues.

Graph 1 Revenue by activity (%)



Graph 2 Revenue by geographic area (%)



Joint ventures and associates

The Group's share of the results* of its joint ventures and associates fell by £1.5 million to a loss of £1.1 million. The profits of dmg radio australia's joint ventures were offset by our share of the losses of India Today.

Net financing costs

	2009 £m	2008 £m	Movement %
Net interest payable and similar charges	**(77)**	(75)	-2%
Swap premia income	**1**	20	-96%
Total	**(76)**	(55)	-36%

As the table shows, net interest payable and similar charges (excluding swap premia but including deemed finance charges and interest receivable) rose by £2 million to £77 million with the higher sterling value of interest on fixed US$ liabilities offset by lower interest rates on floating rate debt.

Income from tax equalisation swap premia fell by £19 million as these structures have been discontinued due to market conditions.

The Group's interest cover calculated as the ratio of adjusted profits* before interest, depreciation and amortisation (EBITDA) to net interest payable (excluding swap premia), was 4.5 times this year, down from 5.8 in 2008, but well above the required three times. This is illustrated in graph 5.

Other income statement items

The Group recorded other net losses of £24 million, compared to net gains of £28 million in the prior period. This comprised mainly exceptional losses on the sale of consumer businesses and write offs of investments, offset partly by exceptional profits on the sale of properties. There were also £36 million of exceptional finance charges which included foreign exchange hedges.

Financial and Treasury Review
Continued

Result before tax
The statutory result was a loss before tax for the year of £401 million, after charging £443 million for amortisation and impairment losses of assets, and £159 million of exceptional items.

Taxation
After allowing for the effect of exceptional and other items that are not expected to recur, the underlying tax rate fell from 24.0% to 22.1%. The continued low rate reflects tax reductions from tax-efficient financing and tax deductible amortisation in the U.S. that are expected to recur.

There were net exceptional credits of £138 million, being the deferred tax credits on goodwill and intangible assets (£52 million), tax credits on exceptional items (£24 million), the write back of provisions arising from the agreement of certain prior year open issues with tax authorities (£35 million) and the £28 million credit on foreign exchange hedges.

Profit/loss after tax
Adjusted profit after tax and minority interests amounted to £141 million.

The statutory result was a loss for the year of £303 million, after the exceptional tax credits.

Pensions
The deficit on the Group's defined benefit pension schemes has increased from £41 million last year end to £430 million at 4th October, 2009 (calculated in accordance with IAS 19). This change is primarily due to an increase in the value attributed to its liabilities because of lower bond yields, augmented by a fall in the market value of the schemes' assets. The funding agreement with the trustees remains in place until replaced by a new agreement reflecting the results of the 2010 triennial valuation.

Cash flow and net debt
Net debt has fallen by £178 million since the half year, but rose by £33 million during the full year from £1,015 million to £1,049 million, principally due to an increase of £50 million from the depreciation of sterling against the U.S. dollar. The Group generated trading cash flow of £296 million and disposal proceeds of £28 million. These funded acquisitions of £73 million, capital expenditure of £40 million, taxation (including related tax equalisation payments) of £83 million, interest of £67 million and dividends totalling £65 million.

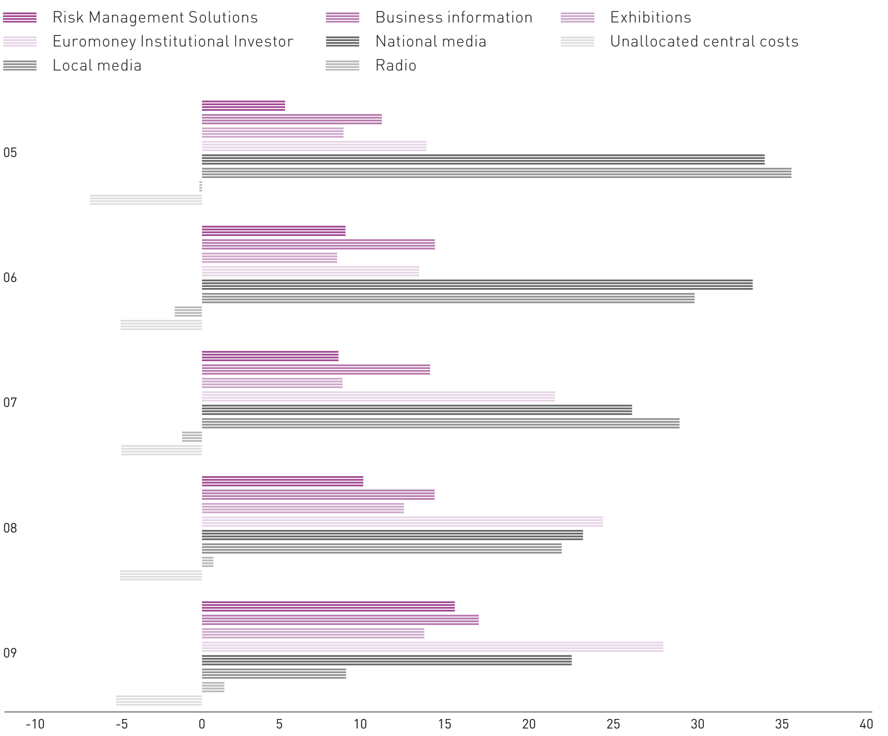
Graph 4 summarises the Group's sources of free cash flows and use of those funds during the year. The net cash inflow from operations, joint ventures and investments was £300 million. In general, the Group's profits are converted rapidly into cash and cash generation was strong across the Group, with 100% of profits* converted into cash, before allowing for exceptional operating costs.

Acquisitions were largely pre-contracted earn-out payments and other deferred consideration. Disposals were of properties and businesses, principally the sale of the Antiques Trade Gazette in October 2008.

The Group's ratio of year end net debt to EBITDA was 3.10 times, above the Group's target of 2.5 times but is comfortably within the requirements of the Group's bank covenants. The ratio was adversely affected by the decline in profitability at its consumer businesses. During the year, the Group acted to increase profitability and reduce cash outflows, in particular by reducing acquisition activity with the aim of returning the ratio of net debt to EBITDA to 2.5 by 2011. The Group's Standard & Poor's credit rating was reduced to BB+, largely due to the perceived weakness of the consumer businesses and the temporary increase in debt arising from the operational exceptional items and the impact of exchange rates on US$ liabilities. Net debt was reduced sharply in the second half of the year and we are looking to reduce it further.

Most of the Group's debt remains in long-term bonds, the earliest of which is not repayable until 2013. At the year end, the Group had £847 million of Bonds due for repayment in 2013, 2018, 2021 and 2027. It also had £180 million of committed banking facilities available to it until September 2011 and £240 million until September 2013. Consequently, the Group has sufficient committed debt facilities to meet its foreseeable requirements. It had surplus committed facilities of £200 million at the year end.

Graph 3 Operating profit* by activity (%)



Treasury policies

The following paragraphs are a summary of the treasury policies of the Group and, where appropriate, of the Company. DMGT aims to have sufficient liquidity to meet both operational and capital cash flows and to impose the minimum cash constraints on the management and operation of the Group. Financial instruments, including derivatives, are used by the Group in order to manage the principal financial risks that arise in the course of business. These risks are liquidity or funding risk, foreign exchange risk, interest rate risk and counterparty risk. The instruments are used within the parameters set by the Finance Committee of the Board, and are not traded for a profit. The Group's priority is to address the economic impact of financial risks using the most efficient or appropriate approach. This may result in IFRS accounting volatility.

Overview

The Group has adequate committed debt finance to meet current trading requirements. The Group aims to have 70% to 80% of its debt at fixed interest rates to reduce the impact of interest rate fluctuations. Foreign exchange risk on transactions is not a large issue for the Group as the majority of its businesses operate in the country in which they are located. In principle, the underlying currency of net debt after taking account of derivatives is managed in proportion to the EBITDA in each currency. During 2009 this policy was suspended and US$ liabilities were below this target and they remain so. This was to ensure that the Group minimised both liquidity risk and the risk of failing bank covenants. As the financial position is now clearer the Group will move back to its policy stated above. About 60% of the Group's profits are expected to be earned from revenue billed in U.S. dollars outside the U.K. The Group's foreign assets are only partially hedged by its foreign currency debt and economically its earnings are most exposed to movements in value of the U.S. dollar.

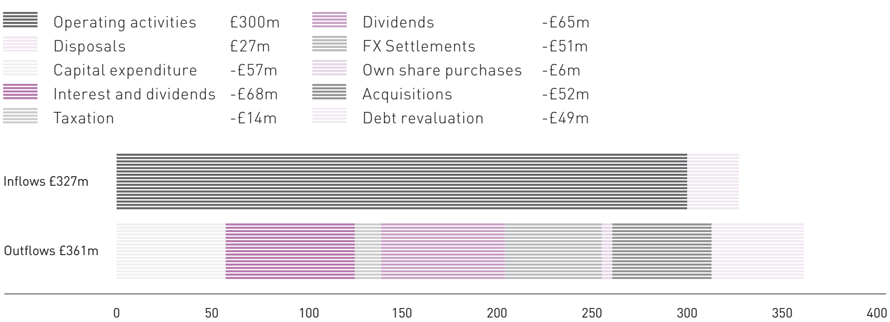
a) Liquidity risk

It is the Group's policy to have sufficient surplus borrowing headroom such that its development is not constrained. The Group is funded by a mixture of equity, debt and retained profits. Debt consists mainly of committed bank facilities and bonds. The bank facilities provide the Group with flexibility for operational requirements and acquisitions. Overdraft facilities are also utilised. The bonds currently in issue consist of four sterling Eurobonds. Maturities of debt are maximised and spread in order to avoid the requirement for significant repayments at any point in time, as shown in graph 6. In September, the Group raised a further £25 million of funding through a sale and hire purchase back amortising over eight years. Surplus funds are generally used to pay down bank debt. If temporary surpluses arise, they are generally deposited in money market accounts with banks that provide bilateral credit lines.

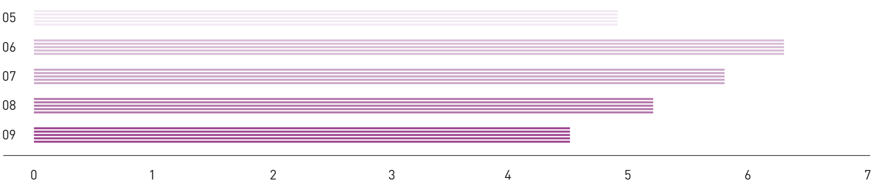
Covenants on debt instruments are kept to a minimum, even if this results in marginally higher interest costs. External finance is unsecured and is usually an obligation of the Company or its immediate subsidiary, rather than of trading subsidiaries. This gives operating management maximum flexibility to run the business without the distraction of meeting short-term financing requirements.

Although the Group's bank facilities are multi-currency, the limit to total drawings available is denominated in sterling. During the year the increase in value of the Group's U.S. dollar drawings reduced the unutilised committed facilities below the Group's £100 million target. This liquidity risk was eliminated through normal cash inflow and by increasing the Group's borrowing facilities, releasing facilities used for Letters of Credit and by using medium term forward sales of US$ as an alternative to borrowing in U.S. dollars.

Graph 4 Movement in net debt



Graph 5 Ratio of earnings before interest, tax depreciation and amortisation to net interest payable (£m)



(b) Foreign exchange risk

(i) Transaction risk

Most of the Group's businesses do not transact cross-border: hence multi-currency transaction risk is not substantial. The main exception is Euromoney which has net receipts in U.S. dollars and Euros and net payments in sterling and Canadian dollars. Euromoney has a series of U.S. dollar and Euro forward sale contracts in place up to two years forward to meet its sterling and Canadian dollar outgoings. Other than in Euromoney, there were no significant foreign currency forward contracts in existence that hedge revenues or costs.

Financial and Treasury Review

Continued

Major items of capital expenditure in foreign currency are fixed using forward currency purchases.

Tax on non-trading exchange rate movements is hedged, using cross currency swaps and forward currency contracts. The Group's internal financing structures give rise to foreign exchange gains or losses which are either taxable or tax deductible. Where appropriate, the Group enters into market derivatives to hedge this exposure in economic terms through Tax Equalisation Swaps (TES). However, IAS 12 prohibits TES gains and losses from being shown net in the tax line and as a result increased volatility is introduced in the income statement. This year's profit before taxation has been reduced by £28 million (2008 £68 million) in relation to these structures and tax payable has been reduced by a similar amount. Both have been removed in arriving at adjusted profits. These transactions are unlikely to continue at the same level in the near future.

(ii) Translation Exposure

Borrowings are principally incurred in sterling, with lesser amounts in U.S. dollars and other currencies. Generally, the proportion of foreign currency debt (after allowing for any hedging instruments) to total net debt is managed to be approximately equal to the proportion of foreign EBITA, compared to total Group EBITA. During 2009 this policy was suspended and US$ liabilities were below this target and they remain so. This was to ensure that the Group minimised both liquidity risk and the risk of failing bank covenants. As the financial position is now clearer the Group will move back to its policy stated above. A substantial proportion of non-sterling debt liabilities are created through the use of foreign exchange derivatives which are treated as net investment hedges. The consequence of this policy is that the Group's significant foreign earnings are not hedged back to sterling.

(iii) Economic exposure

A substantial proportion of the Group's value relates to foreign subsidiaries, in the U.S. in particular. The foreign currency debt described above is only a partial hedge of this economic exposure.

(iv) Netting

The Group may offset currency risks on trading, capital expenditure, tax and borrowings and only hedge the net exposure. This may result in not obtaining IFRS hedge accounting.

(c) Interest rate risk

The Group aims to have approximately 70% of forecast net debt to 80% of target net debt as fixed interest rate liabilities. It aims to achieve this ratio over the medium term and it is applied to each of the Group's main currencies. During 2009 the currency policy was suspended and US$ liabilities were below this target and they remain so. This was to ensure that the Group minimised both liquidity risk and the risk of failing bank covenants. As the financial position is now clearer the Group will move back to its policy stated above.

The predictability of interest costs is deemed to be more important than the possible opportunity cost foregone of achieving lower interest rates. Borrowings are made in either fixed or floating rates. Interest rate swaps, cross currency swaps, and options are used to help attain the Group's target level of fixed interest rate debt. The maturity dates are spread in order to avoid interest rate basis risk and also to negate short-term changes in interest rates. At the year end, fixed interest rate debt represented approximately 80% of total net debt (including options which are not treated as effective hedges under IFRS).

(d) Counterparty risk

Counterparties and their credit ratings are regularly reviewed by Group Treasury. The Group has counterparty limits for banks with long-term credit ratings of 'AA' or better, and a lower limit for single 'A' rated banks. Typically this is banks that extend credit facilities to the Group. The Group does not expect any counterparties to be unable to meet their obligations.

(e) Debt levels

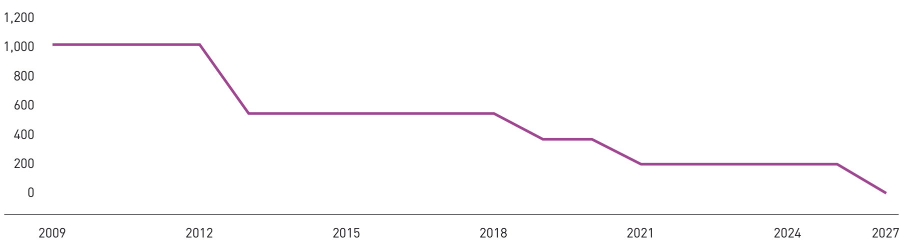
The Group currently aims to manage its finances such that the ratio of net debt to EBITDA does not normally exceed 2.5:1. It is believed that this achieves close to the optimum level of gearing for the Group, but leaves it with sufficient headroom should it desire to increase its debt levels. As such the ratio will not be met consistently, as is currently the case, but will define the medium-term target level of net debt. Covenants on the Group's bank facilities and hire purchase obligations are Net Debt: EBITDA of no more than 4:1 and EBITDA: interest of no less than 3:1.

Going concern

The Directors have continued to adopt the going concern basis for the preparation of the accounts. This has been done since, after considering relevant information, they have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future.

Peter Williams
Finance Director

Graph 6 Maturity profile of Group net debt (£m)



Year ending September.

DMGT
and Corporate Responsibility

dmg information
Building schools in developing countries

Hobsons has worked with educational charities for nearly a decade to help build schools and educational facilities to provide young people in developing countries with the learning and life skills they need to achieve their potential.

For the last five years, the company has worked with the charity Plan International and together they have built schools in countries including Guatemala, Kenya, Vietnam and Bolivia.

In 2009 Hobsons' Plan fundraising efforts helped the Techiman community of central Ghana. Amongst other activities they raised funds and travelled to Ghana to help build a new primary school block with six classrooms, a library, and a teacher's office; constructed a water storage facility; and raised funds for computer equipment.

5 years

dmgi has worked with the charity Plan International for 5 years.

Key developments in 2009
- DMGT donated £700,000 to charity in 2009.
- Group's Carbon Footprint reduced to 110,700 tonnes of CO_2*.

Introduction
Operating through a large number of global businesses, DMGT's activities are diverse, with each separate business providing important channels of communication and media focus to different sections of society throughout the world.

The Group owes much of its success to the entrepreneurial ability of its management teams. Our businesses thrive by allowing local management to make local decisions in a local context, while benefiting from the global outlook and financial resources of the wider Group.

The success of DMGT's businesses owes so much to understanding and engaging with the communities that they serve. This allows them to identify the issues relevant to their customer base and to campaign effectively. This approach delivers benefits to a broad range of stakeholders.

The aim of this report
The following report provides more detail of divisional activities focused around key impact areas of Corporate Responsibility (CR):
- Environment
- Waste
- Sustainability
- Employees
- Customers
- Suppliers
- Community

* This is based on restated figures resulting from an update of the emission factors used to calculate DMGT's emissions and the consideration of structural changes that took place in the past years.

Reported here is a summary of our activities in this area. There is a dedicated section on the Group website, www.dmgt.co.uk, with further information available that is updated regularly.

We welcome your feedback. Please send any comments to: investor.relations@dmgt.co.uk.

Responsibility for this area lies with the Corporate Social Responsibility Committee, a sub-committee of the Board which is the forum at which corporate responsibility is discussed. The Committee's remit is to oversee DMGT's environmental, waste, sustainability, employee, customer, supplier and community practices. The Board has policies in place on equal opportunities, whistle-blowing, health and safety, the environment and in July adopted a Group Code of Conduct. Overall responsibility for CSR at Board level lies with the Chairman of the CSR Sub-Committee, Mr Dutton. All of these policies are set out on the DMGT Intranet.

Environment
Our main focus is managing the impact of our printing centres – five in the U.K. and two in Hungary. The key environmental impacts are waste generation (particularly waste newsprint), energy use, measured as part of our Carbon Footprint, and paper purchasing.

The direct environmental impact from our office-based divisions is relatively low. Our offices around the world practise paper recycling; there are also schemes in place for the recycling of plastic, glass, toner cartridges, mobile phones and IT equipment. All printing centres have environmental management policies. The use of energy, newsprint, ink and plates and waste disposal have cost implications and are, therefore, managed for reasons of good business sense, as well as to reduce their environmental impact.

Newsprint production waste, as a percentage of total newspaper output, has fallen this year. Newsprint production is measured and reported to divisional board meetings on a monthly basis. Target percentages for waste paper are set for each product printed. This percentage varies according to certain

DMGT and Corporate Responsibility

Continued

criteria, such as the numbers of copies required and edition changes. Actual waste volumes are compared against budgeted levels, with the results reviewed monthly at the appropriate board level.

100% of production paper waste is recycled.

DMGT's carbon footprint

We have employed ICF International to carry out a Carbon Footprint Analysis across DMGT. This exercise has been undertaken every year since 2006 using the widely recognised GHG protocol methodology developed by the World Resource Institute and the World Business Council for Sustainable Development. All DMGT divisions and countries of operations are covered. The emission sources included in the Carbon Footprint are the following:

- Scope 1 emissions: direct emissions
  - Buildings gas and fuel consumptions;
  - Company owned vehicles;
  - Refrigerant gas losses.
- Scope 2 emissions: indirect emissions resulting from the use of electricity
- Scope 3 emissions: other indirect emissions
  - Business travel – air, car, rail;
  - Outsourced delivery activities.

This year, we updated the emissions factors used to calculate DMGT's emissions based on the latest figures provided by the GHG protocol methodology and the U.K. Government guidelines. As part of this process, we have revised previous years' footprints as per the methodology recommendations.

Due to a number of structural changes that took place within DMGT recently, we also revised the baseline (2007) and the historical emissions so as to reflect disposals and acquisitions that have occurred since the baseline has been established.

As a result of both the emission factors update and the consideration of structural changes, DMGT's historical emissions have changed since last year. The following table summarises the changes:

Emissions (tCO_2)	2006	2007	2008
Emissions from original calculations	113,900	118,600	118,200
Revised emissions considering structural and emission factors changes	119,300	121,500	121,600

This year, we calculated that the Group's Carbon Footprint was 110,700 tonnes of CO_2, a decrease of about 10,800 tonnes (9%) compared to the baseline (121,500 tCO_2). About 15% of this total corresponds to Scope 1 emissions, 62% Scope 2 emissions and 23% Scope 3 emissions.

The reduction in emissions comes from the fact that some offices and printing sites closed during the year and that printing output has decreased. But it also reflects new travel policies and energy efficiency measures that have been implemented across the Group (in particular in printing facilities which represent an important part of our footprint).

DMGT is committed to reducing its emissions and we have embarked upon a comprehensive strategy to manage our Carbon Footprint. The Group has committed to reducing its Footprint by 10% from the baseline year of 2007 by the end of 2012.

Sustainability

We believe that the issues surrounding sustainability offer our businesses opportunities, aligning our interests with those of society as a whole. We are continually investigating how to employ more sustainable practices.

Employees

DMGT is an equal opportunities employer and is committed to creating a positive working environment for employees within the Group. DMGT is organised into a number of autonomous businesses, each with their own policies and practices across a range of employee issues. Training and development is taken seriously across DMGT.

dmg world media

Carbon neutral exhibition

The Big 5 has this year been taking significant strides towards becoming Dubai's first carbon neutral exhibition.

Working with EcoVentures, the Middle East's top emissions reductions firm, the leading international building and construction show is aiming to restrict its environmental impact by having any emissions associated with the event reduced to net zero.

Building on EcoVentures' greenhouse gas assessment dmg world media, through a combination of internal emissions reductions and the purchase of offsets, is reducing carbon emissions in specific emission-reduction projects in other locations to counteract the unavoidable emissions generated by the event.

1st

The Big 5 aims to become Dubai's first carbon neutral exhibition.

Risk Management Solutions

Earthquake research project

Researchers at Risk Management Solutions have begun a two-phase project to address the humanitarian impacts of future earthquakes on six of the most at-risk South American capital cities. The objective of the first phase of the project is to quantify the humanitarian and economic risk for each of the capital cities. This will be provided in the form of expected losses for a specific 'likely' scenario earthquake and in a probabilistic format (exceedance probability curves). Impacts to be quantified include: total economic losses, potential fatalities, potential serious injuries and the number of displaced households. These quantitative analyses are designed to provide objective and comparative data on humanitarian impacts for the various cities. The project's goal is to focus attention on what is an increasing problem throughout South America and much of the developing world. In the second phase they plan to implement mitigation solutions through partnerships with public agencies, NGOs and other local stakeholders to promote actions that lead to life safety and reduce future losses and suffering.

Six

of South America's most at-risk capital cities will be the focus of RMS's earthquake research project.

Internal communication

A variety of approaches to staff communications exist within the Group, including:

- A Group-wide intranet, DMGT Connect, supported by numerous intranets within each business;
- A DMGT Chief Executive blog, begun in October 2009;
- Regular communication events and briefings;
- Face-to-face meetings;
- Programmes related to specific key events (such as major changes in operations or equipment);
- Regular staff e surveys in many of our businesses, providing employees with opportunities to suggest areas of improvement.

Health and safety

A health and safety policy applies across DMGT, endeavouring to ensure the health, safety and welfare of its employees, and all others who could be affected by its activities.

Across the Group there are many examples of good practice, health and safety management systems, the use of independent consultants and initiatives focused on business-specific health and safety risk areas. An example of health and safety good practice is at Associated Newspapers, which has a policy designed to work with OHSAS 18001 the Occupational Health and Safety Standard.

Health and safety is particularly critical in our printing press facilities, all of which have appropriate policies and ongoing management and monitoring programmes.

As in recent years the Group has had no fines or prosecutions for health and safety failures over the last 12 months.

While the Chief Executive has overall responsibility for health and safety matters throughout DMGT, day-to-day responsibility is devolved to the managing directors of each division.

Customers

Editorial standards

There are a number of standard-setting bodies that have established codes to which DMGT's consumer media divisions adhere.

The main code for the Group's U.K. newspapers is established and monitored by the Press Complaints Commission. The newspapers also adhere to the Code of Practice of Newspaper and Magazine Publishing. dmg radio complies with the Australian Communications and Media Authority Codes of Conduct and the Commercial Radio Codes of Practice and Broadcasting Services Act.

Responding to reader, viewer and listener needs

Remaining in touch with the diverse groups who make up our communities, so as to reflect their interests and champion their causes, is critical to DMGT's success.

Reader, viewer and listener satisfaction is monitored and handled in a number of ways, including timely responses to complaints, readership surveys and other processes to receive feedback actively from customers.

DMGT and Corporate Responsibility
Continued

Within the established editorial framework, editors and journalists have the freedom to operate as appropriate. Compliance with editorial standards is strictly monitored within the divisions in several ways, including compliance committees, editorial responsibility, compliance audits and training.

Suppliers
We are aware of the responsibility we have along the supply chain, in particular for newsprint, one of our largest purchases. We continually review the environmental credentials of paper suppliers and the sourcing of their products.

Where virgin fibres are used in paper manufacture, we require that the forests are certified either by the Forest Stewardship Council or the Pan European Forestry Commission, both of which run schemes that provide credible guarantees that the product comes from well managed forests.

DMGT sources its paper mainly from European mills, all of which hold the environmental management standard ISO14001. In line with the Newspaper Industry Materials Committee policy, the Group sources 64.1% of its virgin fibre products from managed sources.

Some of our businesses have a Supplier Policy: for example Landmark Information's policy states that the company believes in sourcing goods and services from suppliers who operate in an ethical way. A&N Media aims to acquire goods and services from reputable companies with a sound financial and ethical background, ensuring where possible goods are obtained from sustainable sources.

We aim to work with organisations that share our principles and aspirations.

Community
Community involvement is integral to our business, as well as to the personal motivation of our employees. We donate money, time and in-kind donations such as radio airtime and advertising space, and staff actively give time to activities, including fundraising and acting as trustees.

The use of media channels and activities for fundraising is driven through participation in the communities that we serve and the concerns and contributions of our audience.

Group charitable donations are allocated by a Charities Committee at DMGT, as well as being made on a smaller scale by divisional and local management. The Committee prefers to make donations to media and local charities where there is an employee representative who will sponsor and report back on the impact the allocation has had.

Associated Newspapers
Financial Mail Women's Forum

The Financial Mail Women's Forum was formed in 2001 to help as many women as possible reach the highest ranks in British business and to support them with the most relevant news and features coverage, advice and networking opportunities. The network for senior women in business, politics, the arts and public service is an offshoot of Financial Mail on Sunday and meets quarterly. It is one of the most highly regarded initiatives of its kind in the country and works closely with a series of other women's organisations.

Realising Financial Mail's mission to improve financial education, FMWF is publishing a newsletter for the 12,000 women who leave prison each year to provide basic personal finance information as well as offering inspirational stories of achievement by former offenders coupled with a wide range of advice. The website will provide template letters for the women to download to help with job and bank account applications and FMWF hopes to establish a nationwide network to help them fill in the necessary paperwork to apply for benefits and schooling for their children. Financial problems are a factor for the vast majority of women in prison, and offering a guide for those completing their sentences is a practical contribution towards reducing the causes of re-offending.

12,000

women leaving prison each year could benefit from FMWF's financial newsletter.

Board of Directors and Secretary

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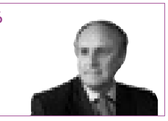
6 
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1 **The Viscount Rothermere** Chairman
(Aged 42) †‡◊
Lord Rothermere was appointed to the Board in 1995 and appointed Chairman in 1998, having joined the Group in 1994. He is a non-executive director of Euromoney Institutional Investor plc.

2 **M W H Morgan** Chief Executive
(aged 59) ◊§
Martin Morgan was appointed to the Board as Chief Executive and became a non-executive director of Euromoney Institutional Investor plc on 1st October, 2008, having joined the Group in 1989. He was previously chief executive of dmg information.

3 **J P Williams** FCA Finance Director
(Aged 56) ◊§
Peter Williams was appointed to the Board as Group Finance Director in 1991, having joined the Group in 1982. He is an alternate director of Euromoney Institutional Investor plc and a non-executive director of Ibis Media VCT plc.

4 **J G Hemingway** Non-executive Director
(Aged 78) *†◊
John Hemingway was appointed to the Board in 1978. He is an independent solicitor.

5 **D M M Dutton** Executive Director
(Aged 67) §
David Dutton was appointed to the Board in 1997. He advises the Group on property matters and is chairman of dmg information.

6 **P M Dacre Executive** Director
(Aged 61)
Paul Dacre was appointed to the Board in 1998, having joined the Group in 1979. He has been editor of the Daily Mail since 1992 and editor-in-chief of Associated Newspapers since 1998.

7 **P M Fallon** Executive Director
(Irish; Aged 63)
Padraic Fallon was appointed to the Board in 1999. He is chairman of Euromoney Institutional Investor plc. He joined Euromoney in 1974 as editor and was managing director from 1985 to 1992.

8 **C W Dunstone** Independent Non-executive Director
(Aged 45)
Charles Dunstone was appointed to the Board in 2001. He is founder and chief executive of the Carphone Warehouse Group plc.

9 **F P Balsemão** Independent Non-executive Director
(Portuguese; Aged 72) †
Francisco Balsemão was appointed to the Board in 2002. He is chairman and chief executive of IMPRESA, S.G.P.S, chairman of the European Publishers Council and a former prime minister of Portugal.

10 **T S Gillespie** Non-executive Director
(Canadian; Aged 71)
Tom Gillespie was appointed to the Board in 2004. He is a former senior partner of Ogilvy Renault and has advised the Group on legal matters in Canada for many years.

11 **D J Verey, CBE** Independent Non-executive Director
(Aged 58) *§
David Verey was appointed to the Board in 2004 and chairman of the Audit Committee on 31st July, 2009. He is a non-executive director of LMS Capital plc and was formerly chairman of the Blackstone Group – U.K. and chairman of Lazard, London.

12 **K J Beatty** Executive Director
(Aged 52)
Kevin Beatty was appointed to the Board in 2004, having joined the Group in 1996. He is chief executive of A&N Media and managing director of Associated Newspapers. He was managing director of Northcliffe Newspapers between 2001 and 2004.

13 **N W Berry** Independent Non-executive Director
(Aged 67) *‡
Nicholas Berry was appointed to the Board in February 2007. He is chairman of Stancroft Trust with wide experience in media and investment in emerging markets.

14 **D H Nelson**, ACA Non-executive Director
(Aged 46) *‡ ◊
David Nelson was appointed to the Board on 1st July, 2009. He is senior partner of Dixon Wilson, Chartered Accountants.

15 **N D Jennings**, FCA Secretary
(Aged 50)
Nicholas Jennings was appointed Company Secretary in 1999, having joined the Group in 1988. He is also responsible for investor relations.

* Member of the Audit Committee
† Member of the Nominations Committee
‡ Member of the Remuneration Committee
◊ Member of the Finance Committee
§ Member of the Risk Committee

Directors' Report

The Directors present their Report and Accounts for the year ended 4th October, 2009.

Activities

The principal activities of the Group are set out on pages 12 and 13 of this Annual Report.

The analysis of turnover and operating profit for the years ended 4th October, 2009 and 28th September, 2008 are included as Note 3 to the Consolidated Income Statement.

Business Review

The information that fulfils the Companies Act requirements of the business review is included in the Business Review on pages 4 to 32. This includes a review of the development of the business of the Group during the year, of its position at the end of the year and of likely future developments in its business. Details of the principal risks and uncertainties facing the Group are set out below.

Principal risks and uncertainties

The principal risks and uncertainties the Group faces vary across the different businesses and are the focus of the Risk Committee. These risks are identified in the DMGT Group Risk Register. The materiality of each risk is assessed against a framework to determine its significance and likelihood of occurrence. The Risk Register is used to determine the agenda and activity of the Risk Committee. The most material risks identified in the Risk Register, together with the steps taken to mitigate them, are described below. The operation of the Risk Committee is described on page 44 and 45.

The geographic spread and diverse portfolio of businesses within the Group help to dilute the impact of some of the Group's key risks. Certain of these risks are interdependent and should not be considered in isolation.

Exposure to changes in the economy and customer spending patterns

The current economic climate, especially in the U.K. and U.S. economies, continues to represent a significant risk to the Group. A significant (although decreasing) proportion of our revenue is derived from advertising, which has historically been cyclical, and has reduced as a result of the downturn in the global economy. A similar effect has been seen in our businesses that rely on non-advertising revenues in the financial and property markets. Despite the difficult trading conditions in these businesses, our long-term strategy of diversifying the Group's portfolio, especially into business information and subscription revenue streams, and our commitment to invest in our core brands, puts us in a strong position both now and when growth returns.

The impact of technological and market changes on our competitive advantage

Our businesses operate in highly competitive environments that can be subject to rapid change. Our products and services, and their means of delivery, are affected by technological innovations, changing legislation, competitor activity or changing customer behaviour. A structural change in the advertising markets resulting in significant advertising moving away from our traditional products to the internet has affected our results both positively and negatively. We have developed an internet strategy for each of our main segments of advertising revenue.

The decentralised autonomous culture of the Group encourages an entrepreneurial approach to the development of new opportunities in response to these threats and we must continue to invest and adapt to remain competitive. Our strategy of diversification and willingness to take a long-term view helps us to react to these challenges and opportunities.

Pension scheme shortfalls

We operate defined benefit pension schemes for our newspaper divisions and certain senior executives. Reported earnings may be adversely affected by changes in our pension costs and funding requirements due to lower than expected investment returns, demographic changes and increased life expectancy. Recent turmoil in global equity markets and reduced bond yields has increased this risk, which is considered with the scheme trustees as part of discussions around the three yearly actuarial valuation. A funding approach and a revised asset allocation strategy, designed to reduce and diversify the risk inherent in the investment portfolios, have been agreed and implemented. The cash flow of the main defined benefit scheme is broadly neutral so the trustees have not needed to sell assets to any material extent in these depressed markets. The next valuation will be undertaken as at 31st March, 2010. These actions have been supplemented by the recently announced closure of the scheme to new employees, changes to benefits and further proposals to be introduced next year that are designed to deal with the ongoing risk to the balance sheet created by defined benefit pension liabilities. By next year a programme to install updated, consistent defined contribution pension plans in all divisions will be complete, a further measure to control pension liabilities and costs incurred by the Group.

Impact of a major disaster or outbreak of disease

The first wave of the H1N1 influenza pandemic was not as severe as first predicted and had only a limited impact on DMGT. It is, however, possible that there will be a further wave in the northern hemisphere coinciding with the 2009/10 winter flu season. At present the virus is at the low end of the virulence spectrum; however, it is impossible to predict whether the virus will mutate into a more virulent and severe form. A second wave could affect the Group's ability to produce and deliver its products, reduce the demand for them, or affect our cost base. Some of our events businesses are more sensitive to a pandemic as the success of certain events can depend on confidence in global travel.

Business continuity plans including specific pandemic planning measures have been implemented across the Group. We have called upon specific pandemic modelling expertise within RMS to give us the best available insight into the likely spread of the pandemic and issued regular communications to senior divisional management and staff members. In addition, we have implemented a pandemic influenza management scheme that includes provision of anti-viral medication to our staff. Our planning in advance of the recent events and since has allowed our businesses to be well prepared and to respond quickly as new information becomes available to protect our staff, brands and reputation.

Reliance on key management and staff retention

In order to pursue our strategy, we are reliant on key management and staff across all our businesses. We cannot predict with certainty that we will enjoy continued success in our recruitment and retention of high quality management and creative talent.

Our Group Human Resources Director has worked with divisional and executive management across the DMGT divisions to implement a formal approach to talent management and succession planning. This includes payment of competitive rewards, employee performance and turnover monitoring and a variety of approaches to staff communication.

Commercial Relationships including:

Volatility of newsprint

DMGT is reliant on a number of commercial relationships with key suppliers and third parties. A significant change to the commercial terms under which we trade or a loss of any of these key relationships could have a material impact on the Group's financial results and ability to trade.

An example of this is newsprint which represents a significant proportion of our costs within the newspaper divisions. Newsprint prices are subject to volatility arising from variations in supply and demand. Generally, these variations are not large, but from time to time changes are significant. In response to this, significant time and resources are committed to developing these relationships to ensure they continue to operate satisfactorily. The Group's newsprint requirements are also monitored by the board of Harmsworth Printing (to which the duties of the Newsprint Committee were transferred in October 2009) and, where possible, long-term arrangements are agreed with suppliers to limit the potential for volatility.

Acquisition and disposal risk

There are risks to our ability to achieve optimal value from disposals including the incorrect timing of any sale, the inability to identify and agree a deal with a purchaser, the unsuccessful separation of a business and management of any related costs, as well as the failure to realise any other anticipated benefits of a disposal. This risk is particularly pertinent, given the current economic climate.

As well as launching and building new businesses, an integral part of our success has, and will continue to be, the acquisition of businesses that complement our existing products or expand the scope of our expertise into new markets. A number of risks are inherent within any strategy to acquire. The Group generally acquires businesses with a high potential for growth in related markets. The majority of acquisitions considered are smaller add-on acquisitions, which reduces the size of the risk of each acquisition to the Group.

Reliance on IT infrastructure

All of our businesses are dependent on technology to some degree. Information systems are critical for the effective management and provision of services around the Group. Disruption to our information technology infrastructure or failure to implement new systems effectively could result in lost revenue and damage our reputation. Dedicated project management teams are used to manage the risk in any change project and business continuity plans are in place in each division to protect existing systems.

Information security

Information security has become an important issue in recent years as a result of several high profile losses of data. Any future breach in our data security could have a harmful impact on our business and reputation. A Group-wide policy has been set and the Risk Committee have overseen the implementation of this policy in all divisions.

Climate change

The risks associated with climate change include the introduction of or increase in legislation and regulation of the environmental impact of our operations. In the longer term, the physical impact of climate change could affect our business locations, distribution routes or third party suppliers. A Group wide review of the impact of climate change was performed in 2008 to identify the key risks and opportunities for the Group presented by future climate change.

Legal and regulatory

DMGT businesses are subject to varying legislation and regulation across several jurisdictions including health and safety and employment law as well as more specific regulations such as from the Office of Fair Trading and the Audit Bureau of Circulation. The impact of this legislation or regulations could adversely affect the results and future trading of the business. Whilst employees need to be responsible for their own health and safety, they are made aware of health and safety and of employment rights through the employee handbook. A Group-wide code of conduct highlighting key legal and regulatory issues affecting our businesses and working practices has been developed and distributed in the year. Controls are also in place surrounding compliance with the ABC's regulations and other regulatory bodies to which we adhere.

Treasury risk

There are a number of risks arising from the Group's Treasury operations including currency exchange rate fluctuations impacting on the Group's reported earnings, liquidity risk, interest rate risk and debt levels. The current problems in global financial markets as a result of the credit crunch and banking crisis heighten the risk in this area. In addition, the treasury function within DMGT undertakes high value transactions and therefore there is inherently a risk of treasury fraud or error. The policies and procedures in place to manage these risks are discussed in the Financial and Treasury review on pages 31 and 32.

Tax risk

The Group operates within many jurisdictions; our earnings are therefore subject to taxation at differing rates across these jurisdictions. Whilst we endeavour to manage our tax affairs in an efficient manner, due to an ever more complex international tax environment there will always be a level of uncertainty

Directors' Report

Continued

when provisioning for our tax liabilities. There is also a risk of tax laws being amended by authorities in the different jurisdictions in which we operate which would have an adverse effect on our financial results. Working with divisional management and external experts we have a team of in-house specialists who review all tax arrangements within the Group and keep abreast of changing legislation.

This Annual Report contains certain forward-looking statements with respect to the principal risks and uncertainties facing the Group. By their nature, these statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements. No assurances can be given that the forward-looking statements are reasonable as they can be affected by a wide range of variables. The forward-looking statements reflect the knowledge and information available at the date of preparation of this Annual Report, and will not be updated during the year. Nothing in this Annual Report should be construed as a profit forecast.

Results and dividends

The loss after taxation of the Group amounted to £305 million. After crediting minority interests of £2 million, the Group loss for the year amounted to £303 million.

An interim dividend of 4.80 pence per share was paid on the Ordinary and 'A' Ordinary Non-Voting shares and the Directors recommend that a final dividend of 9.90 pence per share be paid on 12th February, 2010 making 14.70 pence per share for the year (2008 14.70 pence).

Directors

Biographical details of the Directors of the Company at 4th December, 2009 are set out on page 37. Messrs M.W.H. Morgan and D.H. Nelson were appointed to the Board on 1st October, 2008 and 1st July, 2009, respectively. Messrs C.J.F. Sinclair, I.G. Park and S.M. Gray retired from the Board on 30th September, 2008, 11th February, 2009 and 31st July, 2009 respectively. All other Directors remained unchanged during the year.

The number of shares of the Company and of securities of other Group companies, in which the Directors or their families had an interest at the year end, are stated in the Remuneration Report on pages 62 and 63.

In accordance with the Articles of Association, Messrs Dutton, Gillespie, Verey and Berry retire by rotation at the Annual General Meeting on 10th February, 2010. Each being eligible, offers himself for re-election. Shareholders will be asked to confirm the appointment of Mr Nelson to the Board. The Directors would like to thank Messrs Sinclair, Park and Gray for their invaluable contributions to the Board's deliberations.

Post balance sheet events

On 26th November, 2009, the Group announced the sale of a 50% interest in dmg radio australia to Illyria for estimated net proceeds of A$112 million (£63 million).

Share capital

There were no allotments of share capital during the year.

At the Annual General Meeting on 11th February 2009, the Company was granted the authority to purchase up to 10% of its own shares.

During the year, the Company transferred 10,184,237 shares out of treasury, representing 2.73% of called up 'A' Ordinary Non-Voting shares, in order to satisfy incentive schemes.

The Company also purchased 1,626,058 'A' Ordinary Non-Voting shares for holding in treasury, having a nominal value of £203,257 in order to match obligations under various incentive plans. The consideration paid for these shares was £5.6 million. Shares repurchased during the year represented 0.44% of the called up 'A' Ordinary Non–Voting share capital at 4th October, 2009.

Full details of the Company's share capital are given in Note 35.

Employees

Under the Group's general policy of decentralised management, it is the responsibility of the management in each subsidiary to encourage the involvement and participation of employees in their company. The methods used vary company by company, but the linking to performance targets of a significant portion of remuneration is one widely used means.

The Group gives full and fair consideration to suitable applications from disabled persons for employment. If existing employees become disabled they will continue to be employed, wherever practicable, in the same job or, if this is not practicable, every effort will be made to find suitable alternative employment and to provide appropriate training.

Policy on payment of suppliers

The Group's policy on supplier payments varies across its subsidiaries. These companies have no formal code or standard which deals specifically with the payment of suppliers. However, their policy is to ensure that the terms of payment, as specified by, and agreed with the supplier at the outset, are not exceeded.

The Company had no trade creditors at the year end date.

The Group's average payment period, calculated on the basis of year end trade creditors, is 66 days (2008 63 days), although this is dependent on the year end date and cannot therefore be regarded as meaningful.

Donations

Charitable donations made by the Group in the year amounted to £700,000 (2008 £946,000). This excludes the cost of publicity, often provided free of charge by the Group's titles, and funds raised by them, further details on which are given in the Corporate Responsibility Report on page 36 of this Annual Report. No political donations were made by the Group.

Substantial shareholdings

As set out in Note 35, the Company has two classes of share capital – Ordinary shares and 'A' Ordinary Non-Voting shares. On 4th December, 2009 the following were interested in more than 3% of the issued Ordinary shares:

Rothermere Continuation Limited (and other parties to an agreement which comes within section 824 of the Companies Act 2006)	63.1%
Codan Trust Company Ltd and Codan Trustees (BVI) Ltd (trustees of the Esmond Harmsworth 1998 Family Settlement)	29.3%

Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have elected to prepare the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable U.K. Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Business Review, which is incorporated into the Directors' report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Auditors

The Company's auditors, Deloitte LLP, have indicated their willingness to continue in office and, in accordance with section 489 of the Companies Act 2006, a resolution proposing their reappointment will be put to the Annual General Meeting.

Annual General Meeting

The AGM of the Company will be held on 10th February, 2010 at 9.00 a.m. at the Kensington Roof Gardens, 99 Kensington High Street, London W8. Details of all resolutions, including those to be put as special business, are set out in the enclosed circular to shareholders.

Corporate Governance

The following pages 42 to 46 on Corporate Governance also form part of this Directors' Report.

By Order of the Board

N D Jennings, FCA
Secretary
4th December, 2009

Corporate Governance

The Company is committed to high standards of corporate governance. The paragraphs below and in the Remuneration Report on pages 47 to 64 describe how the Board has applied the principles set out in the Combined Code ('the Code') issued by the Financial Services Authority in June 2008. The Code is part of the Listing Rules and applied to the Company throughout the year.

The Company has substantially complied with the provisions of the Code throughout the year, except where the Board has determined that they are inappropriate to the particular circumstances of the Company. The areas in which the Company has not applied the Code during the year essentially arise from the composition of the Board and are summarised as follows:

Provision	Area	Details of non-compliance and mitigating circumstances
A1.3	Board Evaluation	The non-executive Directors did not meet as a group without the Chairman since his performance was assessed by the Remuneration Committee (without the Chairman being present).
A3.2	Composition of the Board	Less than half of the Board are independent non-executive Directors.
A3.3	Composition of the Board	The Board has not identified a senior independent non-executive Director since it believes that to identify such an individual is potentially divisive to a unitary body, as this Board is, and disruptive to the role of the Chairman.
A4.1	Composition of the Nominations Committee	Independent non-executive Directors do not comprise a majority of the Committee's members since Mr Balsemão is the only independent non-executive Director appointed. Nevertheless, the Board believes that the Committee operates well.
A7.2	Re-election of Directors	Mr Hemingway is a non-executive Director who has served for more than nine years but is not subject to annual re-election. The Board considers that the existing practice, which is to subject non-executive Directors to re-election at least every three years, complies with Company law and with the Articles and works well.
B1.6	Service contracts and compensation	The service contracts of Messrs Morgan and Dacre exceed the one year recommended in the Code. The explanation is given in the Remuneration Report on page 63.
B2.1	Composition of the Remuneration Committee	The Committee comprises one independent non-executive Director, rather than two as set out in the Code.
C3.1	Composition of the Audit Committee	The Committee comprises two independent non-executive Directors rather than three as set out in the Code.

In addition, the Chairman was not independent on appointment (Code provision A2.2).

The Board

The Company is headed by a Board which comprises a balance of seven executive Directors, including the Chairman and Chief Executive, and seven non-executive Directors. Biographical details of each of the Directors are set out on page 37. The Board has been progressively refreshed in recent years with several appointments, including four new independent Directors.

The division of responsibilities between the Executive Chairman and the Chief Executive is understood and works well. The Chairman's role is to lead the Board and oversee the Company's operations and strategy. The Chief Executive's role is to manage the Company, develop strategy and ensure its successful implementation.

The Board normally meets regularly five times a year and at such other times as are necessary. It discusses and approves the Group's commercial strategy.

Its specific responsibilities are set out in a schedule of matters reserved to the Board which is published on the Company's website at www.dmgt.co.uk/corporate governance.

The Board met six times during the 2008/09 financial year, all of which were regular meetings, attended by all Directors, except that Messrs Fallon and Dunstone were each unable to attend one of them. Individual attendance by Directors is set out on page 43.

	Number of meetings eligible to attend	Number of meetings attended
Executive Directors		
The Viscount Rothermere	6	6
M W H Morgan	6	6
J P Williams	6	6
D M M Dutton	6	6
P M Dacre	6	6
P M Fallon	6	5
K J Beatty	6	6
Non-executive (non-independent) Directors		
J G Hemingway	6	6
S M Gray	5	5
I G Park	2	2
T S Gillespie	6	6
D H Nelson	1	1
Independent non-executive Directors		
C W Dunstone	6	5
F P Balsemão	6	6
D J Verey	6	6
N W Berry	6	6

The Board believes that four non-executive Directors may be considered to be independent under the Code, namely Messrs Dunstone, Balsemão, Verey and Berry.

Messrs Hemingway and Gillespie are not regarded by the Board as independent under the Code because they have advised the Company over many years; nor is Mr Nelson because he is an advisor to the Chairman. Nevertheless, the Board believes that these non-executive Directors make an important contribution to its deliberations and have invaluable experience of the Company, its business and its staff.

Information and professional development

Procedures have been established to ensure that the Board receives timely and appropriate information both for its meetings and regularly between meetings. All Directors are offered such training as is considered necessary, both on appointment and at any subsequent time. There is an agreed procedure for Directors to take independent professional advice at the Company's expense, if necessary.

Election and re-election

The Company's Articles of Association require that a Director appointed by the Board must stand for election at the next Annual General Meeting. Thereafter all Directors are subject to re-election every three years.

The terms and conditions of appointment of the non-executive Directors are available for inspection at the Registered Office of the Company during usual business hours.

Board evaluation

The Board has undertaken its annual evaluation of its own performance and that of its individual Directors. It reviewed its performance by reference to the schedule of matters reserved for it. The evaluation process took the form of a questionnaire sent to each Director, seeking their views on progress made on vision and strategy; Board meetings and communications; fellow Directors; consideration of Directors views; and has solicited other comments. The Chairman reported the consensus view on performance to the Board at its meeting in September, enabling it to conclude that it had been effective in the year under review. No changes to procedures were judged necessary.

Board Committees

The Board has established Nominations, Remuneration, Audit, Risk and Corporate Social Responsibility Committees with mandates to deal with specific aspects of its business. The remits of these committees are published on the Company's website at www.dmgt.co.uk. Details of the membership of these committees are given on pages 43 to 45. Each committee reports to the Board at every regular meeting. In September and November 2009, the Board carried out a review of the performance of its committees and concluded that they had been effective in the year.

Company Secretary

The Company Secretary, Mr Jennings, is responsible for advising the Board through the Chairman on all governance issues. All Directors have access to the advice and services of the Secretary.

Nominations Committee

The Nominations Committee comprises three Directors: the Viscount Rothermere (its chairman), Mr Hemingway and Mr Balsemão. The Deputy Finance Director, Mr Perry, is secretary to the Committee. The Chief Executive attends most meetings at the invitation of the Committee.

The Committee met four times during the year and all meetings were attended by all serving members. Individual attendance by members is set out below:

	Number of meetings eligible to attend	Number of meetings attended
The Viscount Rothermere	4	4
J G Hemingway	4	4
F P Balsemão	4	4

The Committee reviews the structure, size and composition of the Board and makes recommendations to the Board on any changes. During the year it nominated Mr Nelson to the Board in succession to Mr Gray. Mr Nelson has been a member of the Finance Committee since November 2006 and has attended the Audit Committee since September 2008. The Committee determined, from his performance on those Committees and from his role as an advisor to the Chairman, that he had the right balance of skills, knowledge and experience, needed for the Board. External advice was not taken, nor advertising required in this instance.

The Committee continued to review succession planning for both executive and non-executive Directors. It has also assessed the most appropriate method of evaluating Directors' performance.

Corporate Governance

Continued

Relations with shareholders

The Company maintains a regular programme of contact with its institutional shareholders. In the past year, this has included meetings in London, Scotland and the U.S.A.

Non-executive Directors are kept informed of the views of institutional shareholders by the regular distribution of analysts' reports and feedback is provided from institutional meetings.

All shareholders are welcome to attend the Annual General Meeting, of which 20 working days' notice is given, where they have the opportunity to speak to Directors.

In the interests of transparency and to assist private shareholders, the Company posts all announcements and general presentations given to analysts and institutions on its corporate website. Shareholders and others interested in the Group are encouraged to use the site and to email questions which they might have to investor.relations@dmgt.co.uk. Questions to particular Directors should be addressed through the Secretary.

Internal controls and management of risk

The Board has overall responsibility for the Group's system of internal control. This system is designed to provide reasonable assurance of the safeguarding of assets and shareholders' investment and the reliability of financial information. Any such system can, however, provide only reasonable, and not absolute, assurance of these matters. The Directors confirm that they have reviewed the effectiveness of the Group's system of internal control for the period up to the date of the approval of the Accounts. The Board has not identified any significant failings or weaknesses during this review.

The Group adopts a prudent risk strategy, weighing opportunities for potential gain against threats to overall business objectives and profitability. Senior management addresses the opportunities and uncertainties relating to the business activities of the Group. The risk management process consists of the identification, evaluation and control of risks, which could threaten the achievement of the Group's strategic, operational and financial objectives, as well as the active management of opportunities. The processes described below were in place throughout the year.

The Group operates on a divisional basis with each of the divisions described on pages 12 and 13 of the Annual Report having considerable autonomy as regards its operation and establishment of control systems. Overseeing the divisional structure is a central management responsible to the Board. Certain functions are undertaken centrally, notably newsprint buying, insurance, treasury, tax, pensions, and risk and assurance (including internal audit).

Operating businesses within the Group are required to confirm annually their compliance with Group accounting policies and financial reporting guidelines.

Divisional and subsidiary company boards regularly review relevant and timely financial information that is produced from the management information systems operated across the Group. This is supported by a framework of budgets that are approved at a divisional level by the Finance Committee. Variance analysis of actual results versus budget and forecast is undertaken regularly throughout the year.

The Group does not maintain common detailed accounting or operations manuals because of the diverse operations carried out by its divisions, though guidance is issued from the centre. Where applicable, divisions maintain their own manuals. A number of the divisions also undertake regular control review work as part of their control process.

In reviewing the effectiveness of the system of internal control the Board has considered material controls (including those undertaken through its committees), including financial, operational and compliance controls and risk management systems as follows: The central Risk and Assurance function carries out internal audit activities across the Group. It operates under an internal audit charter which covers: the purposes and objectives of the Group's internal audit function; its authority and scope; independence issues; standards of professional practice, performance monitoring, planning and reporting. The department also co-ordinates with a number of the divisions who undertake control reviews on companies within their divisions. Following each review, a formal report is issued to divisional management with the audit findings and management's response. At each Audit Committee meeting, the Head of Assurance, Mr Ashby, reports on the internal audit activity across the Group, including progress against completion of the annual assurance plan and a summary of the findings of assurance reviews undertaken.

Risk Committee

The Risk Committee gives the Board assurance on risk management issues and processes. The process for the management of significant risks is undertaken by the Risk Committee and it accords with the Turnbull Guidance on internal control, appended to the Code. Over the course of the past year the Risk Committee has considered the key risks pertaining to all divisions and head office functions within the business as well as the key risks which affect the Group, including fraud risk.

The Committee, comprises Messrs Morgan, its chairman, Williams and Dutton, Mr Verey from 31st July (before that Mr Gray) and Mr Kass, the legal director of A&N Media. Mr Verey provides a non-executive perspective to the review of risk management processes within the Group, as well as providing a direct link to the Audit Committee.

The Committee met four times during the year and all meetings were attended by all serving members. Individual attendance by members is set out on page 45.

	Number of meetings eligible to attend	Number of meetings attended
M W H Morgan	4	4
J P Williams	4	4
D M M Dutton	4	4
H Kass	4	4
D J Verey	1	1
S M Gray	3	3

The head of the Group's risk function, Mr Page, is Secretary to the Committee.

The Risk Committee considers risk registers prepared by each of the divisions of the Group and by central functions, on a rotational basis, in general reviewing a division and central function at each meeting. These reports identify inherent strategic and operational business risks and describe the controls in place to manage those risks. The Committee also embarked on a project to improve the quality and formality of risk management across the Group by embedding the DMGT risk management model into the operating divisions. The Committee considers the Group risk register (a consolidation of divisional and central function risk registers with Group-wide risks overlaid) annually. In addition, the Committee reviews specific risk management issues and topics for consideration across the Group. This year the Committee has focused on the following risks: fraud, information security (considered at a Risk Committee sponsored workshop for senior management); pandemic risk; and again on business continuity and disaster recovery planning. In addition, the Committee aimed at ensuring that the business conduct of its employees is appropriate to, and in accordance with, the Group's values and ethics. The Committee also monitors developments in relevant legislation and regulations to consider the impact these might have on the Group and on its system of internal control.

Members of the Risk Committee also maintain direct links with each of the main divisions through attendance at divisional board meetings as directors of these boards. The Committee reports to the Board after each of its meetings to assist the Board in its determination of the overall effectiveness of the system of internal control and risk management more widely.

Audit Committee

The Audit Committee, on behalf of the Board, has responsibility for the review of financial risk management and of internal financial controls, as these directly relate to the quality of financial reporting. In addition, the Committee is mandated to:

- review all public financial statements of the Company and of the Group, including the half year and annual financial statements, before such statements are submitted to the Board;
- consider any appointment of external auditors to Group companies, to review audit fees and to consider any questions of resignation or dismissal of auditors;
- monitor and review the resources and effectiveness of internal audit (including approval of the appointment and removal of the Head of Assurance);
- agree the internal audit programme for the forthcoming year; and
- to consider a summary of Group internal audit reports and such individual reports as the Committee sees fit and management's response to any recommendations, and to monitor the progress of any required actions.

The Committee also considers significant financial reporting issues, approves any changes to Group accounting policies and reviews a summary of recommendation letters to management prepared by the Group's external auditors following their audit procedures.

The Committee comprises four non-executive Directors: Messrs Verey (its chairman from 31st July), Hemingway, Berry and Nelson. Mr Nelson was appointed on 1st July and Mr Gray stood down as chairman on the date of his retirement from the Board on 31st July. The Code recommends that an audit committee should comprise at least three members, all of whom should be independent non-executive Directors. Only Messrs Verey and Berry are considered to be independent under the Code. Nevertheless, the Board believes that the Committee operates independently. Members' qualifications are set out in their biographies on page 37. The Board is satisfied that Mr Nelson, senior partner of a firm of chartered accountants, and Mr Verey, the Committee chairman, have recent and relevant financial experience. The Company Secretary, Mr Jennings, also a Chartered Accountant, is secretary to the Committee.

The Audit Committee met four times during the year and all meetings were attended by all serving members, except that Mr Hemingway was unable to attend one of them. Individual attendance by members is set out below:

	Number of meetings eligible to attend	Number of meetings attended
D J Verey	4	4
J G Hemingway	4	4
N W Berry	4	4
D H Nelson	4	4
S M Gray	3	3

The Finance Director attends all meetings and the Chief Executive most meetings by invitation.

The Committee has implemented the procedures set out in the Smith Guidance to the Code which are within its control. It reviews the Group's policy on whistle blowing.

In addition, the Committee has primary responsibility for making a recommendation to the Board on the appointment, reappointment and removal of the external auditors, together with approval of their remuneration. As part of its role in ensuring the effectiveness of

Corporate Governance
Continued

the audit process, the Committee also undertakes an annual assessment of the qualifications, expertise and resources of the external auditors.

The appointment of Deloitte LLP as the Group's external auditors (incumbents since the last audit tender in 2001) is kept under annual review, and, if satisfactory, the Committee will recommend the reappointment of the audit firm. The appointment of Deloitte followed a formal tender process undertaken in 2001 and, rather than adopting a policy on tendering frequency, the annual review of the effectiveness of the external audit is supplemented by a periodic comprehensive reassessment by the Committee. Such a reassessment was performed this year, as with many suppliers, and having received assurances on the continued quality of the audit, the Committee determined to recommend the reappointment of the incumbent firm. As the appointment of the auditors is for one year only, being subject to annual approval at the Company's AGM, there is no contractual commitment to the current audit firm and as such the Committee may undertake an audit tender at any time at its discretion.

In performing its review, the Committee evaluated the adequacy of the audit firm's key processes and controls in certain key areas including, but not limited to:

- arrangements for ensuring independence and objectivity, including the rotation of key audit partners;
- appropriateness of the planned audit scope and its execution;
- the robustness and perceptiveness of the auditors in their handling of the key accounting and audit judgements; and
- the quality of their reporting.

Procedures exist to monitor the independence of the external auditors and include a policy on employment of former audit principals. There is also a policy on the provision of non-audit services with which the Group's head office and each division complies. The choice of firm is normally determined on the basis of professional expertise and competitiveness. The Group may engage the external auditors to perform audit-related work, accountancy advice and corporate tax services. Non-audit services in other areas are decided on their merits and are put out to tender where the amounts in question are significant. The external auditors are excluded from the following areas: where they are auditing their own work; where a mutuality of interest is created; or where the external auditor would be put in the role of advocate for the Company.

Non-audit fees payable to Deloitte LLP in 2009 amounted to £2.3 million, compared to £1.8 million the previous year, reflecting the continuing extent of their involvement in the restructuring of Northcliffe Media.

During the year, the Committee received reports from management on the status of the finance systems within A&N Media, on Going concern and the financial consequences for DMGT of various economic downturn scenarios, on the Company's response to the Financial Reporting Council's key questions for audit committees and on developments in international financial reporting standards.

The Committee also reviewed the annual internal audit plan, summaries of reports received and reviewed the effectiveness and resources of the Group's internal audit function. In September, it carried out an annual review of its terms of reference and of its effectiveness and concluded that it did not need to recommend to the Board any substantive changes to its remit or operations. In November 2009, the Board conducted its own review of the Committee's performance and confirmed that the Committee had fulfilled its obligations and been effective in the year under review.

Euromoney Institutional Investor plc is subject to the requirements of the Code in its own right. As disclosed in its latest annual report, it has in place its own system of internal control and risk management processes which forms part of the Group's overall framework of control. The joint ventures and associates of the Group are not included in the Group's system of internal control described above.

On behalf of the Board

N D Jennings, FCA
Secretary
4th December, 2009

Remuneration Report

This report has been prepared in accordance with the relevant requirements of the Large- and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 and of the Listing Rules of the Financial Services Authority. As required by the Regulations, a resolution to approve the report will be proposed at the Company's AGM.

The Remuneration Committee

The Remuneration Committee, which was established in 1992, is responsible inter alia for overall Group remuneration policy and for setting the remuneration, benefits and terms and conditions of employment of the Company's executive Directors and other senior managers. The Committee's terms of reference are available on the Company's website.

The members of the Committee are the Viscount Rothermere, its chairman, Mr Berry and Mr Nelson. Mr Berry was appointed to the Committee with effect from 11th February, 2009, the date of Mr Park's retirement, and Mr Nelson was appointed in July 2009, prior to the retirement of Mr Gray. The Combined Code ('the Code') recommends that a remuneration committee should be composed entirely of independent non-executive directors. The Board considers it appropriate that the Viscount Rothermere, as Chairman of the Board and as the Company's largest shareholder, is a member of the Committee. He always leaves meetings in advance of any discussion of his own remuneration. While Mr Nelson is not considered by the Board to be independent under the Code, the Board does consider him to act independently as regards remuneration issues.

The Committee met six times during the year, four of which were regular meetings. All meetings were attended by all serving members, except that the Viscount Rothermere did not attend any part of one meeting, when matters affecting his own remuneration were discussed. Individual attendance by members is set out below:

	Number of meetings eligible to attend	Number of meetings attended
The Viscount Rothermere	6	5
N W Berry	4	4
D H Nelson	2	2
S M Gray	4	4
I G Park	2	2

The Finance Director, Mr Williams, is secretary to the Committee.

The Committee seeks the recommendations of the Chief Executive, who usually attends meetings of the Committee by invitation other than when his own remuneration is being discussed, as regards the remuneration of the other executive Directors and of the divisional managing directors. It also seeks input from the Finance Director regarding financial performance and other issues and from the HR director and from the Company Secretary.

The Committee makes reference, where appropriate, to pay and employment conditions elsewhere in the Group, especially when determining annual salary increases, and to external evidence of remuneration levels in other companies, particularly in the media field. It also makes reference to advice sought from external advisors. During the year such advice was received from Freshfields Bruckhaus Deringer ('Freshfields') and MM&K. Freshfields, which also provided other legal services, advised on contracts. MM&K provided market data and gave advice on best practice. Freshfields and MM&K were appointed by the Committee.

In September, the Committee conducted a formal review of its effectiveness and concluded that it had fulfilled its remit and been effective in the year.

Remuneration policy

The Committee seeks to structure remuneration packages on an individual basis appropriate to the level of responsibility, but generally designed to retain and motivate the individual.

The Company encourages Directors to own shares in the Company and executive Directors have a target of a minimum shareholding of 1.5 times their salary, to be built up over a suitable period. The design of the long-term incentive plan element of remuneration packages encourages executive Directors to achieve this goal which aligns their interests with those of shareholders.

The Chairman is also the largest shareholder in the Company. He has been and will continue to be a long-term shareholder. His shareholding provides an alignment with long-term shareholders that is not always the case in other companies. Consequently, the Committee, without the Viscount Rothermere present, has decided that with effect from 1st October, 2009, the Chairman will not receive any future LTIP awards, but as partial compensation will be entitled to a maximum annual bonus of 200% salary, with at most one half payable in cash and the remainder in shares which would not vest until a further three years. The Committee believes this approach is both simple and transparent; and provides a strong alignment with other shareholders over the long term.

Remuneration Report
Continued

In the case of Mr Fallon, the Committee considers that his remuneration as executive chairman of Euromoney, a separately listed company, should be set by the remuneration committee of that company. The report on this is set out in Euromoney's Annual Report.

The Committee considers that a successful remuneration policy needs to be sufficiently flexible to take account of commercial demands, changing market practice and shareholder expectations. Ordinary shareholders will be provided with the opportunity to endorse the Company's remuneration policy on a regular basis through the annual vote on the Remuneration Report.

In setting the remuneration of executive Directors, the Committee is cognisant of the remuneration increases being given around the Group. For 1st October, 2009, when strict overall limits are being set on increases throughout the newspaper divisions and elsewhere in the Group, the Committee has decided not to increase executive Directors' salaries.

As explained in last year's report, in 2008, the Committee decided, in view of the exceptional trading conditions faced by the Group and the lack of visibility into future trading, that it should make no LTIP award for 2008/09 and focus all incentive pay on the annual performance. The policy for the Chief Executive and Finance Director for 2009/10, includes an award of LTIPs and these two executives will also participate in the DMGT Executive Bonus Scheme, which has maximum payment of 100% salary. Mr Beatty will also receive an LTIP award and participates in an annual bonus scheme, with a maximum payment of 60% of salary, based on his division's results. The Committee agreed in November 2009 that LTIP awards would be made, with appropriately stretching performance targets linked to the business strategy with four equally weighted measures – EBITA, Free Cash Flow, Net debt/EBITDA and Performance against the Strategic Plan. In the case of Mr Beatty, part of his LTIP performance target is based on his divisional results.

Mr Dacre does not participate in an annual bonus plan.

The Committee also reviews the Chief Executive's recommendations for the remuneration packages of the managing directors of the Company's operating divisions, other than Euromoney, and oversees the bonus arrangements established in each division, including long-term incentive arrangements. These are designed individually to reflect the targets and objectives of each division.

Following the adoption of the revised LTIP in 2006, it is not intended to make further options awards to executive Directors under the 2006 Executive Share Option Scheme except in exceptional circumstances such as recruitment or the need to retain a key executive.

Remuneration components – executive Directors
A significant proportion of each executive Director's remuneration is performance-related. The main components of the remuneration package for executive Directors are:

i. Basic fees and salary;

ii. Annual performance-related bonuses;

iii. Long-term performance-related incentive arrangements – through membership of the Group's LTIP;

iv. Share options – grants are no longer made;

v. Pension entitlements/cash allowances – in lieu of pension allowances under the DMGT Senior Executives Pension Fund ('SEPF') and

vi. Other benefits (i.e. benefits in kind, expense reimbursement, etc).

Remuneration components – non-executives
The remuneration of non-executive Directors is determined by the Board. Fees are paid for membership of Board committees and range from £4,000 per annum to £12,500 per annum, except that the Audit Committee chairman receives a fee of £25,000. No increases were made in the year and none are being made for the 2009/10 financial year.

Audited information

Directors' Remuneration
The total amounts of the remuneration and other benefits of the Directors of the Company for the years ended 4th October, 2009 and 28th September, 2008 are shown below for Directors:

	2009 £000	2008 £000
Aggregate emoluments	**11,181**	11,095
Gains on exercise of share options	**101**	182
Amounts receivable under long-term incentive schemes	**54**	–
Sums paid to third parties for Directors' services	**98**	79
	11,434	11,356

Directors' emoluments

The emoluments of the Directors are shown below:

	2009 Fees and Salary (Note i) £000	2009 Cash Allowances (Notes ii) £000	2009 Benefits in kind (Note iii) £000	2009 Bonus/Profit share (Note iv) £000	2009 Total £000	2008 Total £000	2009 Pension Contributions £000	2008 Pension Contributions £000
The Viscount Rothermere	688	197	4	432	1,321	705	–	–
M W H Morgan	850	77	1	534	1,462	–	315	–
J P Williams	640	246	2	402	1,290	1,053	–	–
D M M Dutton	309	–	1	185	495	351	–	–
P M Dacre	1,133	479	23	–	1,635	1,621	–	–
P M Fallon	209	13	12	3,227	3,461	4,276	–	–
K J Beatty	628	179	16	395	1,218	879	–	–
J G Hemingway	79	–	–	–	79	79	–	–
C W Dunstone	30	–	–	–	30	39	–	–
F P Balsemão	34	–	–	–	34	34	–	–
T S Gillespie	30	–	–	–	30	30	–	–
D J Verey	47	–	–	–	47	50	–	–
N W Berry	45	–	–	–	45	40	–	–
D H Nelson	19	–	–	–	19	–	–	–
C J F Sinclair	10	–	–	–	10	1,872	–	–
S M Gray	88	–	–	–	88	106	–	–
I G Park	14	–	1	–	15	39	–	–
	4,853	1,191	60	5,175	11,279	11,174	315	–
2008 Total	5,032	962	82	5,098	11,174	–	–	–

i) Basic fees and salary

Basic salaries are set by the Committee and reviewed annually. The figures for fees and salary include fees for Directors of subsidiaries including for the Viscount Rothermere and Messrs Morgan and Fallon as directors of Euromoney.

For non-executive Directors they also include Committee fees, where applicable.

ii) Cash allowances

Cash allowances include an allowance paid to each of the Viscount Rothermere (from 31st January), Messrs Williams, Dacre and Beatty (from 31st December, 2008), in lieu of continued membership of the DMGT Senior Executives Pension Fund.

The Viscount Rothermere, Mr Morgan and Mr Williams also receive a cash allowance instead of having a company car and Messrs Morgan and Dacre instead of the Company providing Central London accommodation.

iii) Benefits in kind

Benefits in kind include the taxable value of company cars, fuel allowances and company contributions to medical insurance plans.

iv) Annual performance-related bonuses

DMGT Executive Bonus Scheme:
The Viscount Rothermere (up to 1stOctober, 2009), Mr Morgan and Mr Williams are members of the DMGT Executive Bonus Scheme ('the Scheme'). The Scheme was introduced in 1993 and revised in 2006 and 2008. The maximum annual bonus is 100% of salary and is paid in a combination of cash and 'A' Ordinary Non-Voting shares of DMGT, which must be retained for at least three years. Participants may choose the proportion of the bonus which is to be deferred in the form of shares, but must defer at least 50%.

The Board recognised that, at the beginning of 2008/09, the Group faced a very challenging economic environment. Its immediate focus was to support the Executive in managing the Group through the immediate challenges, taking whatever tough decisions were necessary, whilst continuing to position the Group to pursue its long-term strategy and benefit from the eventual economic recovery.

In the context of this immediate focus, the Committee decided therefore to focus all incentive pay on annual performance which would pay out only in the event of the Executive taking the decisive action the Board considered necessary to cut costs, to control and reduce debt, and to manage the Group successfully through the challenges then faced. Targets included measures for debt reduction and exceeding a challenging budget. In addition to the annual bonus a 'special' incentive was set, focused on 2008/09 performance for executive Directors of

Remuneration Report
Continued

up to 100% of salary, which was in lieu of a November LTIP award; and this made, for 2008/09 only, the maximum payable 200% of salary for the Viscount Rothermere, Mr Morgan and Mr Williams. The Committee set stretching targets for adjusted pre-tax profits and equally stretching targets against net debt: EBITDA for the special incentive.

The Group adjusted profit before tax for the year ended 4th October, 2009 (before amortisation and impairment of intangible assets and exceptional items) was ahead of target. This resulted in a (profit linked) bonus of 65.7% of salary being earned by the Viscount Rothermere, Mr Morgan and Mr Williams. Against very stretching targets for net debt: EBITDA the Group has performed well, resulting in a special incentive earned by Lord Rothermere, Messrs Morgan, Williams and Dutton of 60% of salary and by Mr Beatty of 30% of salary. Both the annual bonus and special incentive combined for 2008/09 resulted in total bonuses of 125.7% of salary for Lord Rothermere, Mr Morgan, Mr Williams and Mr. Beatty. Half of this bonus will be paid in cash in December 2009 and half deferred into shares, in the form of nil price options which cannot be exercised for at least three years. The cash component of the bonus is shown in the table on page 49.

Major progress was made in 2008/09 in defending the Group's profitability through the cost enhancement programme and in meeting the Group's bank covenants. The Committee believes that the bonuses fairly reflect these achievements.

Other arrangements: Mr Beatty has a bonus based on the performance of his division and for 2008/09 only on the performance of the Group. The maximum bonus he could earn is normally 60% of salary, but was set at 160% of salary for 2008/09 (the extra 100% being in lieu of a November 2008 LTIP award). Mr Beatty is eligible for a maximum annual bonus of 60% of salary in 2009/10 and will receive an LTIP award.

Mr Fallon is entitled to 6.49% of the pre-tax profit earned by Euromoney, which has a comprehensive profit sharing scheme that links the pay of its executive directors to the profits of that group.

v). Pension contributions

Pension contributions were made on behalf of Mr Morgan in lieu of continued membership of the DMGT Senior Executives Pension Fund, as explained on page 61.

Long-term performance-related incentive arrangements

The Daily Mail and General Trust Long-Term Incentive Plan (LTIP), established in 2001 and revised in 2006 and 2008, is designed to align the interests of participants and shareholders. Further, the LTIP will only provide rewards for participants if the Company achieves exceptional returns for shareholders. This is achieved by calibrating participants' rewards to stretching performance targets.

These Award levels have been set to take account of the current remuneration strategy. The Committee's intention is to continue to monitor market practice and will consider the appropriate targets in relation to each year's Awards. It will therefore ensure that Award levels are competitive and motivational to the Executives concerned and acceptable to shareholders. The Committee intends to operate the LTIP annually.

The LTIP is supervised by the Committee and is operated in conjunction with an employee discretionary trust (the 'Trust'). The Trust will acquire 'A' Ordinary Non-Voting Shares in the Company ('shares') to satisfy awards under the LTIP or treasury shares will be used.

In 2006/07 and previous years, Executives were invited to commit shares in the Company at a market price and receive a matching award under the LTIP which had been established in 2001. If a participant holds the committed shares for five years, he will be eligible to receive matching shares on a sliding scale.

Awards under the LTIP are subject to performance conditions, which will determine whether, and to what extent, shares under awards will vest. The performance conditions relate to the TSR of the Company initially over a five-year period against a peer group of U.K. and overseas companies determined by the Committee. TSR is the aggregate of share price growth and dividends paid (assuming that such dividends are reinvested in shares during the five-year period), and is commonly adopted as a measure of comparative performance. These performance conditions were chosen by the Committee in order to incentivise the Executives to increase long-term shareholder value.

Individuals were given six months to make commitments in order to allow for them to make purchases of shares, where appropriate. Once an individual agreed to commit shares which were owned by him or by his close family, the Trustee of the Trust decided whether to make an award of an equal number of shares to those committed.

Having received agreements to commit shares, the Trustee made the awards set out in the table below:

'A' Ordinary Non-Voting shares in award	At 29th September, 2008	Awarded during year	Vested during year	Lapsed during year (Note i)	**At 4th October, 2009**	Award Price £	Date of Award	End of initial performance period
The Viscount Rothermere	28,800	–	–	(28,800)	**–**	6.45	18-Jul-02	31-Dec-06
	34,929	–	–	–	**34,929**	5.33	18-Jul-03	31-Dec-07
	38,681	–	–	–	**38,681**	7.04	15-Sep-04	31-Dec-08
	47,559	–	–	–	**47,559**	7.53	01-Apr-05	31-Dec-09
	36,250	–	–	–	**36,250**	7.88	28-Jul-06	31-Dec-10
	43,926	–	–	–	**43,926**	7.17	4-Jul-07	31-Dec-11
	230,145	–	–	(28,800)	**201,345**			
M W H Morgan	15,690	–	–	(15,690)	**–**	6.45	15-Feb-02	31-Dec-06
	19,014	–	–	–	**19,014**	5.33	15-Jul-03	31-Dec-07
	15,462	–	–	–	**15,462**	7.04	28-Sep-04	31-Dec-08
	17,766	–	–	–	**17,766**	7.88	28-Aug-06	31-Dec-10
	17,500	–	–	–	**17,500**	7.17	26-Feb-07	31-Dec-11
	85,432	–	–	(15,690)	**69,742**			
J P Williams	32,700	–	–	(32,700)	**–**	7.43	28-Aug-02	31-Dec-06
	32,850	–	–	–	**32,850**	7.43	24-Jul-03	31-Dec-07
	36,149	–	–	–	**36,149**	7.04	15-Sep-04	31-Dec-08
	11,155	–	–	–	**11,155**	7.53	23-Mar-05	31-Dec-09
	34,124	–	–	–	**34,124**	7.88	28-Jul-06	31-Dec-10
	40,313	–	–	–	**40,313**	7.17	13-Mar-07	31-Dec-11
	187,291	–	–	(32,700)	**154,591**			
P M Dacre	92,800	–	–	(92,800)	**–**	7.43	19-Sep-02	31-Dec-06
	32,974	–	–	–	**32,974**	7.04	14-Oct-04	31-Dec-08
	125,774	–	–	(92,800)	**32,974**			
D M M Dutton	10,094	–	–	(10,094)	**–**	7.43	10-Oct-02	31-Dec-06
	14,084	–	–	–	**14,084**	5.33	18-Jul-03	31-Dec-07
	25,587	–	–	–	**25,587**	7.04	15-Sep-04	31-Dec-08
	3,984	–	–	–	**3,984**	7.53	07-Apr-05	31-Dec-09
	16,142	–	–	–	**16,142**	7.88	26-Sep-06	31-Dec-10
	18,807	–	–	–	**18,807**	7.17	20-Jun-07	31-Dec-11
	88,698	–	–	(10,094)	**78,604**			
K J Beatty	14,800	–	–	(14,800)	**–**	6.45	23-Jul-02	31-Dec-06
	13,119	–	–	–	**13,119**	7.04	15-Sep-04	31-Dec-08
	27,919	–	–	(14,800)	**13,119**			
	745,259	–	–	(194,884)	**550,375**			

(i) On 1st January, 2009, the awards made in 2002 lapsed and those made in 2004 vested as to 50%. Each Director elected to defer his 2004 award for a further two years.

(ii) All participants have also elected to delay the realisation of their 2003 awards for a further two years.

Remuneration Report
Continued

Comparator groups and TSR ranking conditions

Company	Included in comparator peer group For awards made in 2003, 2004 and 2005	For awards made in 2006	For awards made in 2007
Emap plc	Y[1]	Y[1]	Y[2]
Independent News & Media plc	Y	Y	Y
Reed Elsevier plc	Y	Y	Y
stv group plc (formerly SMG plc)	Y		
The News Corporation plc	Y	Y	Y
Thomson Reuters Corporation (formerly The Thompson Corporation)	Y	Y	Y
Trinity Mirror plc	Y	Y	Y
United Business Media plc	Y	Y	Y
Gannet Co. Inc	Y		
New York Times Co	Y		
Tribune Co	Y[3]		
Reuters Group plc		Y[2]	Y[4]
Informa plc		Y	Y
McGraw-Hill Companies Inc		Y	Y
Pearson plc	Y	Y	
Washington Post Co		Y	Y
Johnston Press plc			Y

Note 1 from 2008 replaced by Johnston Press plc
Note 2 from 2008 replaced by New York Times
Note 3 from 2008 replaced by Washington Post Co
Note 4 removed in 2008

During the prior year, three comparators, Tribune Co, EMAP plc and Reuters Group plc were taken over. The Committee determined to substitute these companies with those set out in the tables above from the date of completion of their takeovers. For 2007, Reuters Group plc was removed from the comparator group and the scale recalibrated as shown in the table below:

TSR Ranking within list of comparator companies	% of award capable of realisation For awards made in 2001 – 05	For awards made in 2006	For awards made in 2007
First	300%	300%	300%
Second	150%	225%	225%
Third	150%	150%	150%
Fourth	75%	120%	112.5%
Fifth	75%	90%	75%
Sixth	75%	60%	37.5%
Seventh	75%	30%	0%
Below seventh	0%	0%	0%

Performance to date

Year of award	Initial performance period	Position at 4th October, 2009
2003	1st Jan, 2003 to 31st Dec, 2007*	Sixth
2004	1st Jan, 2004 to 31st Dec, 2008†	Sixth
2005	1st Jan, 2005 to 31st Dec, 2009	Sixth
2006	1st Jan, 2006 to 31st Dec, 2010	Eighth
2007	1st Jan, 2007 to 31st Dec, 2011	Sixth

DMGT's TSR ranking for the awards made in 2002, for which the performance period was 1st January, 2002 to 31st December, 2006 was eighth place.

* DMGT's TSR ranking for the awards made in 2003, during their initial performance period of 1st January, 2003 to 31st December, 2007, was ninth place. This performance period was extended to 31st December, 2009 in accordance with the rules of the LTIP.

† The ranking for the awards made in 2004 during their initial performance period of 1st January, 2004 to 31st December, 2008, was sixth place. This performance period has been extended to 31st December, 2010 in accordance with the rules of the LTIP.

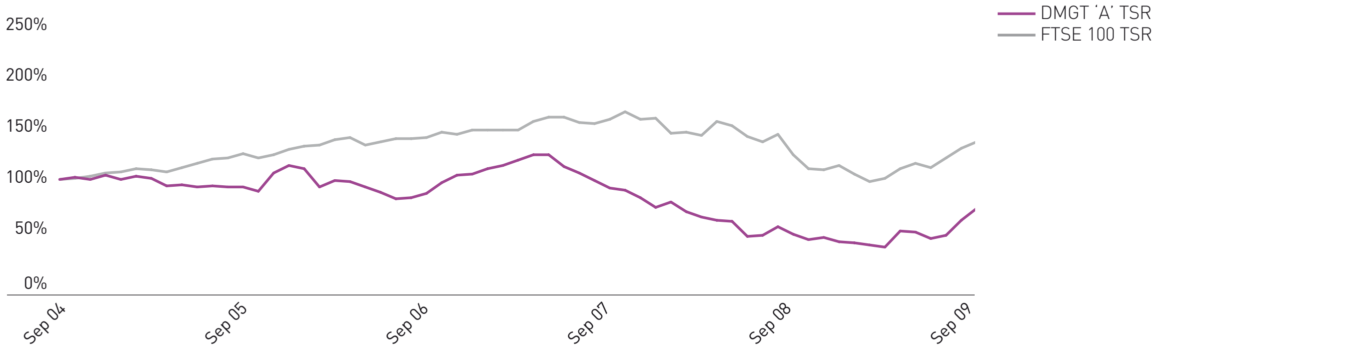
Graphs

Graphs of DMGT's performance against each of its comparators for each of these periods are set out on pages 55 and 56. These graphs have been plotted using the relative rankings of each comparator at the end of each month. As such, they are approximations to the actual rankings under the rules, which are calculated using a two month average for the starting point and for each subsequent month. This can give different results between the table above and the graphs.

The graphs on pages 54 to 55 compare the DMGT total shareholder return with that of the FTSE 100 index and of the media index over a period of five years, as required by the Directors' Remuneration Report Regulations 2002. As a constituent of the FTSE 100 from 1999 to 2006 and during 2007 and as a constituent of the media index throughout the period, the Directors regard both indices as the most appropriate indices for purposes of comparison of the Group's performance. Additional graphs on that page illustrate performance over a 23 year period for which data is available.

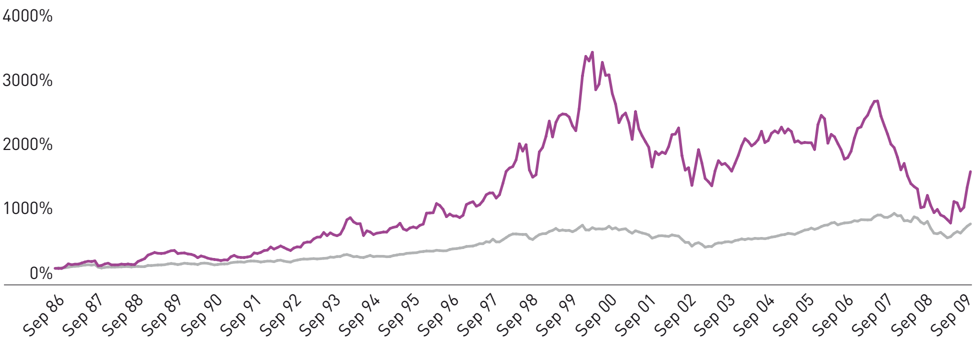
The graphs on pages 53 to 56 are unaudited.

Total Shareholder Return: DMGT vs FTSE 100 2004-2009 Under performance -46%



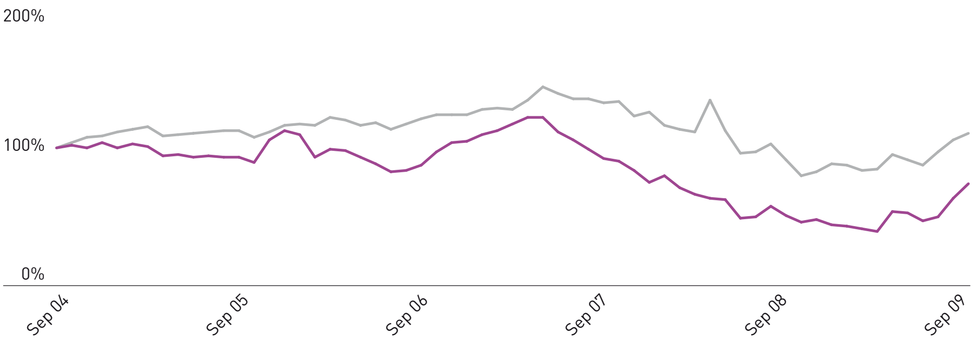
Remuneration Report
Continued

Total Shareholder Return: DMGT vs FTSE 100 1986-2009 Out performance +103%



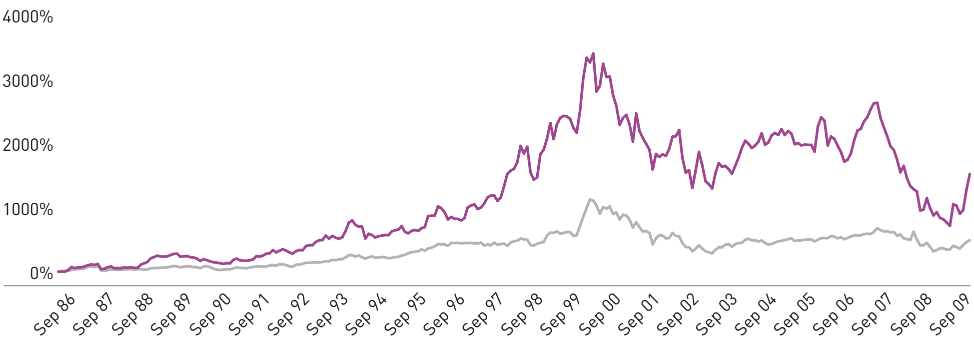
Key
DMGT 'A' TSR
FTSE 100 TSR

Total Shareholder Return: DMGT vs Media Sector 2004-2009 Under performance -34%



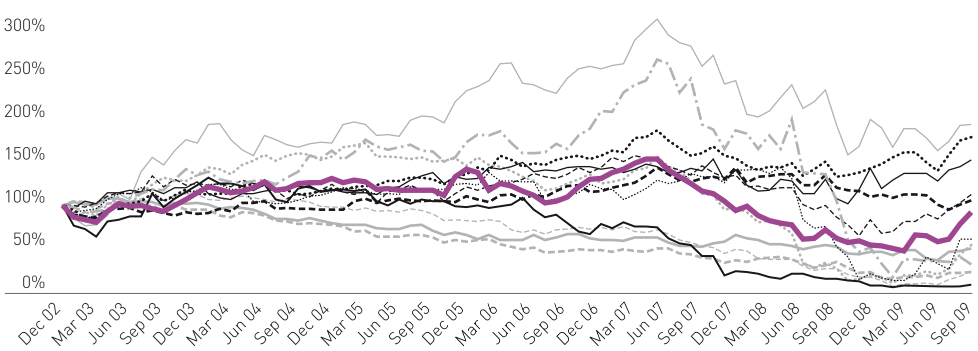
Key
DMGT 'A' TSR
FTSE 100 TSR

Total Shareholder Return: DMGT vs Media Sector 1986-2009 Out performance +175%



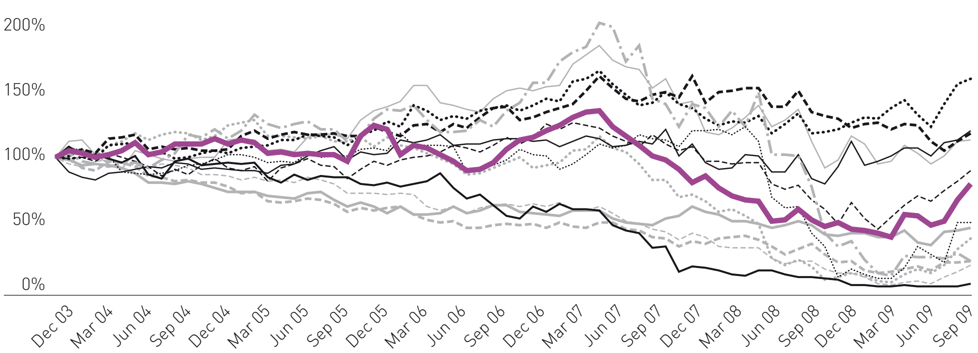
Key
DMGT 'A' TSR
FTSE 100 TSR

Total Shareholder Return: DMGT vs Media Comparators 2003-2009 — 6th position



Key
- United Business Media
- Pearson
- Thomson Reuters
- News Corporation
- Reed Elsevier
- DMGT 'A'
- Johnston Press/ex-EMAP
- Trinity Mirror
- Washington Post Co/ex-Tribune
- Independent News & Media
- Gannett Co
- New York Times Co
- stv (ex Scottish Media Group)

Total Shareholder Return: DMGT vs Media Comparators 2004-2009 — 6th position



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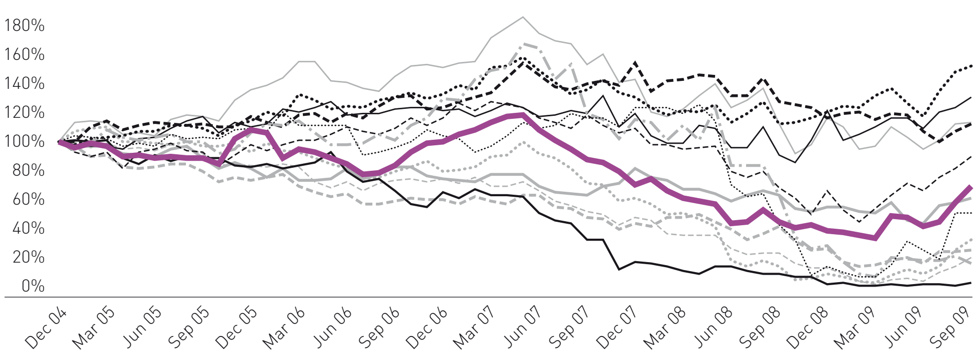
Total Shareholder Return: DMGT vs Media Comparators 2005-2009 — 6th position



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Remuneration Report

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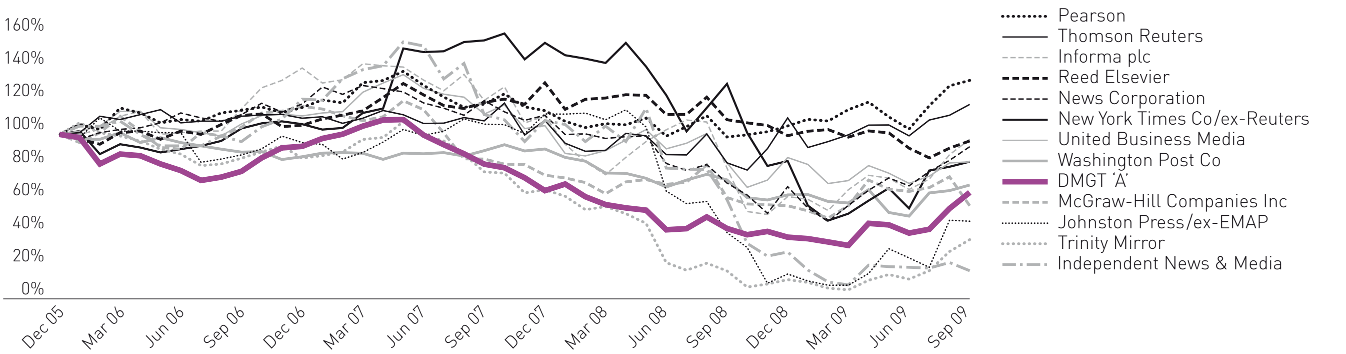
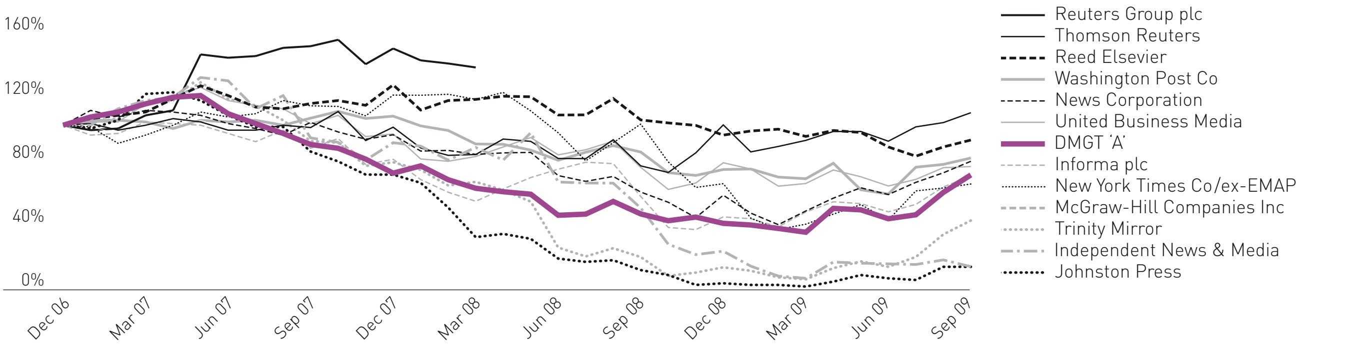
Total Shareholder Return: DMGT vs Media Comparators 2006-2009 9th position



Total Shareholder Return: DMGT vs Media Comparators 2007-2009 6th position



Following a revision to the Scheme in 2008, LTIPs awarded subsequently comprise either Core Awards, Matching Awards or Transition Awards.

The normal maximum Core Award to an executive is 62.5% of salary annually, and the maximum Matching Award is two times the number of Shares that vest under the Core Award.

Core Awards will vest under normal circumstances after three years and the proportion of the Shares that vest will depend for the March 2008 award on absolute growth in EPS over the three years from the Award date, with the base period being the financial year prior to the date of Award.

The employee would then receive Matching Awards of Shares equivalent to 50% of the vested Core Award which will vest at the end of three, four, five and six years from the date of Award, so long as he continues to hold the Shares in the Core Award.

Thus, if the participant continues to be employed by the Company six years after the Award was granted, the employee could receive a maximum of Shares, valued at the Award date, of 187.5% of salary. He would have to wait six years to be able to receive this maximum. The vesting of Matching Awards is not subject to satisfaction of a further performance condition.

Therefore, the vesting level of both the Core Awards and Matching Awards is determined by performance over the initial three year performance period. The vesting profile of Matching Awards is designed to achieve retention of executives, and encourages long-term shareholding.

For executives whose main focus is on their Division, the performance criteria may reflect the performance of their Division.

Participants will not receive dividends on Shares under their Awards. However, the number of Shares which vest under an Award will be increased during the Relevant Period by reference to dividends which would have been paid on those Shares during the Relevant Period.

The first Core Awards were made in March 2008. As these Core and Matching Awards will not be capable of vesting in full until 2014, the Committee also made 'Transition Awards' in 2008.

The Transition Awards will normally vest to the executives only if they are still employed in the Company three years after the Award, i.e. March 2011. There are to be no post-grant performance conditions attached to the Transition Awards. Transition Awards do not benefit from any linked Matching Awards.

In exceptional circumstances, an initial grant of up to 100% of salary may be made, which could result in a maximum award after six years of 300% of salary.

In setting the size of the Awards, the Committee took account of the EPS performance over the last three years and made Transition Awards over Shares equal to 30% of salary to the Viscount Rothermere and Messrs Williams, Dutton and Morgan.

For the March 2008 Awards: no part of the Award will vest if EPS growth is less than 5% p.a. compound growth, with 20% of the Award vesting at this level of achievement; 80% of the Award will vest at 12% p.a. compound growth; with full vesting at 15% p.a. compound growth; and pro-rata vesting between these points.

The expected value of an Award of 62.5% of salary has been calculated by PwC as 68% of salary using a Monte Carlo valuation model using assumptions based on their historical analysis which do not indicate a forecast of management of expected outcomes for DMGT.

The award prices in the tables below are the prices on the date the awards were made. These were used to determine the number of shares awarded.

'A' Ordinary Non-Voting shares in award Core Awards	At 29th September, 2008	Awarded during year	Vested during year	Lapsed during year	At 4th October, 2009	Award Price £	Date of Award	End of initial performance period
The Viscount Rothermere	97,860	–	–	–	**97,860**	4.27	19-Mar-08	03-Oct-10
M W H Morgan	47,780	–	–	–	**47,780**	4.27	19-Mar-08	03-Oct-10
J P Williams	91,076	–	–	–	**91,076**	4.27	19-Mar-08	03-Oct-10
D M M Dutton	43,962	–	–	–	**43,962**	4.27	19-Mar-08	03-Oct-10
K J Beatty	89,390	–	–	–	**89,390**	4.27	19-Mar-08	03-Oct-10
	370,068	–	–	–	**370,068**			

Remuneration Report
Continued

'A' Ordinary Non-Voting shares in award Transition Awards	At 29th September, 2008	Awarded during year	Vested during Year	Lapsed during year	**At 4th October, 2009**	Award Price £	Date of Award	End of initial performance period
The Viscount Rothermere	46,973	–	–	–	**46,973**	4.27	19-Mar-08	19-Mar-11
M W H Morgan	22,934	–	–	–	**22,934**	4.27	19-Mar-08	19-Mar-11
J P Williams	43,716	–	–	–	**43,716**	4.27	19-Mar-08	19-Mar-11
D M M Dutton	21,102	–	–	–	**21,102**	4.27	19-Mar-08	19-Mar-11
K J Beatty	42,907	–	–	–	**42,907**	4.27	19-Mar-08	19-Mar-11
	177,632	–	–	–	**177,632**			

Share options

1997 Executive Share Option Scheme: Options were granted under this Scheme prior to 2006. Options granted do not normally vest until three years after the award and two performance conditions have been met. The first condition is that, in respect of four out of six consecutive monthly calculation dates (which start in the thirtieth month following the date of grant of a particular option), the total shareholder return (TSR) of the Company must exceed that of the FTSE 100 index. Secondly, there must be real growth in earnings per share ('eps') over a period of three consecutive financial years.

The status of both performance conditions on share options outstanding during the year is as follows:

1997 Scheme	Exercise price	TSR condition (performance to date v. FTSE 100)	EPS condition	Status
Dec 98	6.48	met	met	Vested; lapsed
Dec 99	10.30	-54%	met	not vested
June 00	10.96	-61%	met	not vested
Dec 00	8.34	met	met	vested
Jul 01	7.25	met	met	vested
Dec 01	6.45	met	met	vested
Dec 02	5.73	-76%	met	not vested
Dec 03	6.08	-59%	met	not vested
Dec 04	7.24	-57%	met	not vested

2006 Executive Share Option Scheme: Under the 2006 Scheme, each award of options has a maximum life of 10 years. The maximum award limit is 100% of salary in any year in normal circumstances and 200% of salary in exceptional circumstances. Awards to Directors and other senior managers will not normally vest until three years after the award and the performance conditions have been met.

Options granted under the 2006 Scheme have two separate conditions. The first condition is that the total shareholder return ('TSR') of the Company must exceed that of the 250 largest companies in the FTSE index. No part of the award will vest for below median TSR: 12.5% of the Option vests at Median TSR; 50% vests at upper quartile TSR and pro rata between these points. The second condition is growth in earnings per share ('EPS') – 12.5% of the Option will vest at EPS growth of RPI +3% p.a. (nil below this); 50% will vest at RPI +5% p.a.; and pro rata between these points. These performance conditions were chosen by the Remuneration Committee in the light of institutional guidelines in order to incentivise the executives to increase shareholder value. Under the 2006 Scheme, should the performance conditions not be met, re-testing is not permitted.

The status of both performance conditions on share options outstanding during the year is set out below. Since neither the TSR nor the EPS condition for the options granted in November 2006 was met in the year, all of those options granted to participating Directors have now lapsed.

2006 Scheme	Exercise price	TSR condition (performance to date v. median)	EPS condition	Status
Mar 06	6.98	not met	not met	not vested; lapsed
Nov 06	6.88	-12%	not met	not vested
Dec 07	5.05	+1%	not yet tested	not vested

Options to acquire 'A' Ordinary Non-Voting shares in the Company

The table below sets out options granted under the DMGT 1997 Executive Share Option Scheme from June 1997 to December 2004; and under the DMGT 2006 Executive Share Option Scheme since March 2006. All options under both Schemes were granted at market value at the date of grant and none required any payment. They are not normally exercisable before the third anniversary of the date of grant and, in all circumstances, will lapse if not exercised within 10 years. No Directors' options had their terms and conditions varied during the year.

'A' Ordinary Non-Voting shares in the Company	At 29th September, 2008	Granted during year	Exercised during year	**At 4th October, 2009**	Exercise Price £	Note vi	Normal date from which exercisable	Expiry date
The Viscount Rothermere	60,000	–	(60,000)	**–**	6.48	*	15-Dec-01	15-Dec-08
	36,000	–	–	**36,000**	10.30		23-Dec-02	23-Dec-09
	30,000	–	–	**30,000**	8.34	*	18-Dec-03	18-Dec-10
	30,000	–	–	**30,000**	6.45	*	14-Dec-04	14-Dec-11
	50,000	–	–	**50,000**	5.73		16-Dec-05	16-Dec-12
	40,000	–	–	**40,000**	6.08		8-Dec-06	8-Dec-13
	60,000	–	–	**60,000**	7.24		6-Dec-07	6-Dec-14
	65,000	–	(65,000)	**–**	6.98		31-Mar-09	31-Mar-16
	65,000	–	–	**65,000**	6.88		27-Nov-09	27-Nov-16
	436,000	–	(125,000)	**311,000**				
M W H Morgan	20,000	–	(20,000)	**–**	6.48	*	15-Dec-01	15-Dec-08
	16,000	–	–	**16,000**	10.30		23-Dec-02	23-Dec-09
	15,000	–	–	**15,000**	8.34	*	18-Dec-03	18-Dec-10
	10,000	–	–	**10,000**	6.45	*	14-Dec-04	14-Dec-11
	20,000	–	–	**20,000**	5.73		16-Dec-05	16-Dec-12
	20,000	–	–	**20,000**	6.08		8-Dec-06	8-Dec-13
	20,000	–	–	**20,000**	7.24		6-Dec-07	6-Dec-14
	35,000	–	(35,000)	**–**	6.98		31-Mar-09	31-Mar-16
	35,000	–	–	**35,000**	6.88		27-Nov-09	27-Nov-16
	191,000	–	(55,000)	**136,000**				
J P Williams	10,000	–	(10,000)	**–**	6.48	*	15-Dec-01	15-Dec-08
	15,000	–	–	**15,000**	10.30		23-Dec-02	23-Dec-09
	20,000	–	–	**20,000**	8.34	*	18-Dec-03	18-Dec-10
	30,000	–	–	**30,000**	6.45	*	14-Dec-04	14-Dec-11
	50,000	–	–	**50,000**	5.73		16-Dec-05	16-Dec-12
	50,000	–	–	**50,000**	6.08		8-Dec-06	8-Dec-13
	60,000	–	–	**60,000**	7.24		6-Dec-07	6-Dec-14
	65,000	–	(65,000)	**–**	6.98		31-Mar-09	31-Mar-16
	65,000	–	–	**65,000**	6.88		27-Nov-09	27-Nov-16
	365,000	–	(75,000)	**290,000**				

Remuneration Report

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'A' Ordinary Non-Voting shares in the Company	At 29th September, 2008	Granted during year	Exercised during year	**At 4th October, 2009**	Exercise Price £	Note vi	Normal date from which exercisable	Expiry date
D M M Dutton	20,000	–	–	**20,000**	8.34	*	18-Dec-03	18-Dec-10
	25,000	–	–	**25,000**	5.73		16-Dec-05	16-Dec-12
	35,000	–	–	**35,000**	6.08		8-Dec-06	8-Dec-13
	40,000	–	–	**40,000**	7.24		6-Dec-07	6-Dec-14
	30,000	–	(30,000)	**–**	6.98		31-Mar-09	31-Mar-16
	30,000	–	–	**30,000**	6.88		27-Nov-09	27-Nov-16
	180,000	–	(30,000)	**150,000**				
P M Dacre	60,000	–	(60,000)	**–**	6.48	*	15-Dec-01	15-Dec-08
	30,000	–	–	**30,000**	10.30		23-Dec-02	23-Dec-09
	25,000	–	–	**25,000**	8.34	*	18-Dec-03	18-Dec-10
	60,000	–	–	**60,000**	7.25	*	11-Jul-04	11-Jul-11
	60,000	–	–	**60,000**	6.45	*	14-Dec-04	14-Dec-11
	100,000	–	–	**100,000**	5.73		16-Dec-05	16-Dec-12
	50,000	–	–	**50,000**	6.08		8-Dec-06	8-Dec-13
	80,000	–	–	**80,000**	7.24		6-Dec-07	6-Dec-14
	100,000	–	(100,000)	**–**	6.98		31-Mar-09	31-Mar-16
	100,000	–	–	**100,000**	6.88		27-Nov-09	27-Nov-16
	665,000	–	(160,000)	**505,000**				
K J Beatty	30,000	–	(30,000)	**–**	6.48	*	15-Dec-01	15-Dec-08
	14,000	–	–	**14,000**	10.30		23-Dec-02	23-Dec-09
	14,000	–	–	**14,000**	10.96		16-Jun-03	16-Jun-10
	10,000	–	–	**10,000**	8.34	*	18-Dec-03	18-Dec-10
	15,000	–	–	**15,000**	6.45	*	14-Dec-04	14-Dec-11
	20,000	–	–	**20,000**	5.73		16-Dec-05	16-Dec-12
	20,000	–	–	**20,000**	6.08		8-Dec-06	8-Dec-13
	30,000	–	–	**30,000**	7.24		6-Dec-07	6-Dec-14
	50,000	–	(50,000)	**–**	6.98		31-Mar-09	31-Mar-16
	50,000	–	–	**50,000**	6.88		27-Nov-09	27-Nov-16
	253,000	–	(80,000)	**173,000**				
	2,090,000	–	(525,000)	**1,565,000**				

* vested

The mid-market price of the 'A' Ordinary Non-Voting shares was £4.2388 at 4th October, 2009 and £3.2425 at 28th September, 2008. It ranged from £2.1075 to £4.608 during the year.

Pensions entitlements and cash allowances

The Group operates a two-tier defined benefit pension scheme for senior employees (including most of the Company's executive Directors), details of which are given on page 61. It is the Company's policy that annual bonuses, payments under the Executive Bonus Scheme and benefits in kind are not pensionable.

Prior to 6th April, 2006, the Committee reviewed in detail the impact of the pensions tax regime operating from that date. It developed a new policy, designed to be neutral in terms of cost compared to existing expenditure on pensions. This new policy incorporated the removal of the pensionable earnings cap for pension accruing after 6th April, 2006.

Individual executive Directors were affected very differently by these changes and for some it was not tax-efficient to accrue further pension for service from 6th April, 2006. However, it is for individual Directors to decide when to opt out of the scheme, in which case a cash allowance is paid. Cash allowances paid in lieu of pensions are shown on page 49.

Under the prescribed transitional arrangements, their accrued pension at that date will remain linked to future increases in pensionable earnings and they will continue to be eligible for death in service benefits.

Accrued entitlements under the DMGT Senior Executives Pension Fund

Director	Age at 4th October, 2009 Years	Accrued Pension Entitlement at 28th September, 2008 £000	Inflationary increase £000	Real increase in accrued pension £000	Accrued Entitlement at 4th October, 2009 £000	Transfer value as at 28th September, 2008 £000	Member's Contributions £000	Transfer value of real increase in accrued pension net of member's contributions £000	Other changes to transfer value £000	Transfer value as at 4th October, 2009 £000
The Viscount Rothermere	**41**	59	3	4	**66**	626	5	37	54	**722**
J P Williams	**56**	315	16	(6)	**325**	6,312	–	(130)	553	**6,735**
P M Dacre	**60**	667	33	(117)	**583**	16,369	–	(2,342)	(172)	**13,855**
K J Beatty	**51**	84	4	3	**91**	1,377	4	41	121	**1,543**
C J F Sinclair	**61**	685	–	(124)	**561**	17,275	–	(2,544)	(1,025)	**13,706**
M W H Morgan	**59**	93	5	–	**98**	1,987	–	–	298	**2,285**

Accrued benefits under the Harmsworth Pension Scheme

Director	Age at 4th October, 2009 Years	Accrued Pension Entitlement at 28th September, 2008 £000	Inflationary increase £000	Real increase in accrued pension £000	Accrued Entitlement at 4th October, 2009 £000	Transfer value as at 30th September, 2007 £000	Transfer value of real increase in accrued pension £000	Other changes to transfer value £000	Transfer value as at 4th October, 2009 £000
P M Fallon	**63**	8	–	1	**9**	172	–	(3)	**169**

Notes to Directors' Pension Entitlements

(i) At the year end, no executive Directors were accruing further pension in the DMGT Senior Executives Pension Fund, following the decision by two executive Directors to opt out of the Fund during the year. The normal retirement age under the Fund for this group is sixty. For each Director, the accrued entitlement at 4th October, 2009 represents the annual pension that is expected to be payable on eventual retirement, based on the salary of each Director at this date and pensionable service accrued to 5th April, 2006 or subsequent date of opting out of the Fund. A spouse's/dependant's pension equal to two thirds of the Director's pension is incorporated and the Director can currently elect to receive the pension from age 50, subject to a discount if retirement takes place before 60. The pension, when in payment, will receive annual increases in line with inflation, which may be limited when inflation exceeds 3% per annum.

(ii) All transfer values have been calculated on the basis of actuarial advice in accordance with U.K. legislation. The transfer values of the accrued entitlement represent the value of assets that the pension scheme would need to transfer to another pension provider on transferring the scheme's liability in respect of the Directors' pension benefits.

(iii) Mr Fallon's pension benefit in the above table relates to a deferred pension in the Harmsworth Pension Scheme for pensionable service between 1st April, 1978 and 1st April, 1986. This benefit has been increased for payment after Normal Retirement Age. Neither the Group nor Mr Fallon continue to make any contributions to this scheme.

(iv) The Company does not make any pension contributions on behalf of Mr Dutton.

(v) Mr Morgan's pension benefit in the above table relates to a deferred pension in the DMGT's Senior Executive Pensions Fund for pensionable service between 8th May, 1989 to 31st August, 2000, when he transferred to the U.S. In addition, Mr Morgan has the following pension arrangements:

- A U.S. deferred compensation plan, which is held in a rabbi trust. This provides a defined contribution cash benefit with a defined benefit pension underpin in respect of the period 1st September, 2000 to 30th September, 2008.

- An employer financed retirement benefits scheme (EFRBS) in respect of service from 1st October, 2008 operated on behalf of the Company under an offshore trust located in Jersey.

(vi) Mr Sinclair retired from the Group on 30th September, 2008 and immediately took his benefits, including a lump sum payment. His accrued entitlement and transfer value have been calculated as at this date and not at 4th October, 2009.

(vii) Mr Dacre began to take his pension benefits, including a lump sum payment, on 14th November, 2008, being his sixtieth birthday.

Remuneration Report
Continued

Directors' Interests in DMGT plc (audited information)

The number of shares of the Company and of securities of other Group companies in which current Directors or their families had an interest at the dates shown are stated below:

Holdings of 12.5 pence Ordinary and 'A' Ordinary Non-Voting shares in Daily Mail and General Trust plc	Note	At 4th October 2009 Ordinary	At 4th October 2009 'A' Ordinary Non-Voting	At 28th September, 2008 Ordinary	At 28th September, 2008 'A' Ordinary Non-Voting
Beneficial					
The Viscount Rothermere	i, ii	**11,903,132**	**75,977,758**	11,903,132	76,213,053
M W H Morgan	i, ii	**764**	**902,007**	764	902,007*
J P Williams	i, ii	**–**	**262,767**	–	243,072
J G Hemingway		**–**	**200,000**	–	200,000
D M M Dutton	i	**–**	**170,812**	–	112,312
P M Dacre	i	**–**	**125,950**	–	125,950
P M Fallon		**–**	**41,500**	–	41,500
C W Dunstone		**–**	**13,800**	–	13,800
F P Balsemão		**–**	**–**	–	–
T S Gillespie		**–**	**7,500**	–	7,500
D J Verey		**6,500**	**15,000**	6,500	15,000
K J Beatty	i	**–**	**27,919**	–	27,919
N W Berry		**–**	**–**	–	–
D H Nelson		**–**	**–**	–	–*
		11,910,396	**77,745,043**	11,910,396	77,902,113
Non-Beneficial					
The Viscount Rothermere		**639,208**	**5,540,000**	639,208	5,540,000
J G Hemingway		**4,000**	**5,540,000**	4,000	5,540,000
D H Nelson		**–**	**212,611**	–	212,611*
		643,208	**11,292,611**	643,208	11,292,611
Total Directors' interests		**12,553,604**	**89,037,654**	12,553,604	89,194,724
Less: duplications		**(4,000)**	**(5,752,611)**	(4,000)	(5,752,611)
		12,549,604	**83,285,043**	12,549,604	83,442,113

* as at date of appointment

(i) The figures in the table above include 'A' shares committed by executives under the LTIP, details of which are set out on page 51.

(ii) The figures in the table above include 'A' shares awarded to executives under the DMGT Executive Bonus Scheme. For the Viscount Rothermere and Mr Williams respectively, 25,013 and 19,701 of these shares were subject to restrictions, explained on page 49, at 4th October, 2009. The comparable figures at 29th September, 2008 were 26,839 and 21,414 respectively.

816,575 of the 'A' shares of Mr Morgan were awarded on 26th September, 2008, having being earned during his time at DMG Information. These shares must be retained until 26th September, 2011, or are otherwise subject to forfeiture.

The shares held and valued at 4th October, 2009 as a multiple of salary were:

	Value of shares held at 4th October, 2009 £m	Salary multiple at 4th October, 2009
The Viscount Rothermere	379	552
P M Fallon*	2.1	11.4
M W H Morgan	4.0	4.7
J P Williams	1.2	1.8
D M M Dutton	0.7	2.4
P M Dacre	0.6	0.5
K J Beatty	0.1	0.2

* in the case of Mr Fallon, shares in Euromoney are included of which he is an executive Director.

Directors, interests in Euromoney

Directors' beneficial shareholdings in Euromoney were as follows:

	At 4th October, 2009	At 28th September, 2008
The Viscount Rothermere	**22,708**	20,864
M W H Morgan	**7,532**	7,532*
J P Williams	**3,236**	3,075
D M M Dutton	**40,000**	15,000
P M Fallon	**579,124**	532,998
	652,600	579,469

* as at date of appointment

In addition, Mr Fallon holds options in Euromoney, exercisable as follows:

	At 4th October, 2009	At 28th September, 2008
At £3.9575 before 11th February, 2009	–	85,000
At £4.3125 before 25th June, 2009	–	255,000
At £3.69 between 1st February, 2009 and 1st August, 2009	–	2,533
At £0.0025 between 14th February, 2009 and 30th September, 2014	**46,126**	46,126
	46,126	388,659

The mid-market price of Euromoney's shares was £3.70 at 4th October, 2009 and £3.3625 at 28th September, 2008. It ranged from £1.47 to £3.70 during the year.

Mr Fallon is a member of Euromoney's Capital Appreciation Scheme which was introduced in 2005. As such, he was awarded an option to subscribe for shares in September 2005. The exercise price of each option is 0.25 pence with three option tranches, assuming the performance conditions are met, expiring on 30th September, 2014.

All three tranches of the award have vested in full since the £50 million profit target (subsequently adjusted to £57 million following the acquisition of Metal Bulletin plc) was achieved in 2007 and again in 2008. The number of options granted under the second tranche was provisional and was adjusted for the allocation of options from true-up audit adjustments during the period to 31st December, 2008 as required by its remuneration committee. As such the actual number of options granted varied from those disclosed last year. Full details of this scheme are contained in Euromoney's Annual Report.

Non-executive Directorships

The Company allows its executive Directors to take a very limited number of outside directorships. Individuals retain the payments received from such services since these appointments are not expected to impinge on their principal employment. This does not apply where a Group executive serves as a non-executive Director of a company because the Group has a significant interest, as was the case of Mr Williams' directorship of GCap Media plc. In this case, all fees were paid to the Company.

Mr Williams retained fees of £12,500 (2008 £12,500) respectively from his outside non-executive directorships.

Service Contract arrangements

Contracts of service are negotiated on an individual basis as part of the overall remuneration package and their length is inevitably conditioned by external competitive pressures. For this reason, the contracts of two of the executive Directors exceed the one year recommended in the Code. The Committee believes that the length of contract should be appropriate to the individual. Thus where DMGT employs individuals with unique talents within the areas of business within which it operates, the Committee believes that they should have longer contracts.

The Chairman and Messrs Williams, Dutton, Fallon and Beatty have contracts of up to one year in duration. Mr Morgan has a contract which is reducing from two years to one year over a four-year period. Mr Dacre has a rolling two-year contract which the Committee considers wholly appropriate for his particular responsibilities and for the industry in which he works. The Committee differentiates between what might be termed 'corporate executives' and 'media executives' whom it wishes to tie in to the Group and to prevent from working for competitors. Mr Dacre is a media executive.

Details of these service contracts are set out below:

	Date of Contract	Notice Period	Company with whom contracted
The Viscount Rothermere	17th Oct, 94	1 month	DMGT
M W H Morgan	1st Oct, 08	1 year 9 months*	DMGT
J P Williams	30th Nov, 04	1 year	DMGT
D M M Dutton	27th Nov, 02	1 year	DMGT
P M Dacre	13th July, 98	2 years	DMGT
P M Fallon	2nd June, 86	1 year	Euromoney
K J Beatty	19th May, 02	1 year	Associated

* Mr Morgan's notice period will reduce to one year and six months as of 1st October, 2010, one year and three months as of 1st October, 2011 and to one year on 1st October, 2012.

In the event of earlier termination of their contracts, each Director is entitled to compensation equal to their basic salary, benefits, pension entitlement and, as appropriate, bonus or profit share for their notice period.

Remuneration Report
Continued

The contracts of Mr Morgan and Mr Williams are subject to mitigation and, in the event of the Director obtaining alternative employment during the notice period, do not provide for further payment after such event. This mitigation does not apply to their pension benefit. Share options would be treated as for any member of the scheme, depending on the reason for termination of the contract.

Mr Fallon has a second service contract with Euromoney Publications (Jersey) Limited ('EPJ'), a subsidiary of Euromoney dated 4th May, 1993. This contract has the same terms as his first contract, except that termination does not include a car allowance as Mr Fallon does not receive this benefit from EPJ.

Appointments and re-election
Directors retiring by rotation and standing for re-election at the forthcoming Annual General Meeting are shown in the Directors' Report on page 40.

Non-executive Directors are appointed for specified terms and are subject to re-election by the Ordinary shareholders at the Annual General Meeting following appointment, and thereafter at least every three years. Each appointment can be terminated before the end of the three-year period, with no notice or fees due. The dates of the appointment or subsequent re-appointment of the non-executive Directors are set out below:

	Date of appointment/ re-appointment
T S Gillespie	7th Feb, 2007
D J Verey	7th Feb, 2007
N W Berry	7th Feb, 2007
C W Dunstone	6th Feb, 2008
J G Hemingway	6th Feb, 2008
F P Balsemão	11th Feb, 2009
D H Nelson	1st July, 2009

Other related party transactions
No Director of the Company has, or had, a disclosable interest in any contract of significance subsisting during or at the end of the year.

Disclosable transactions by the Group under IAS 24, Related Party Disclosures, are set out in Note 41. There have been no other disclosable transactions by the Company and its subsidiaries with directors of Group companies and with substantial shareholders since the publication of the last Annual Report.

On behalf of the Board

Rothermere
Chairman
4th December, 2009

Independent Auditors' Report to the Members of Daily Mail and General Trust plc

We have audited the Group financial statements of Daily Mail and General Trust plc for the year ended 4th October, 2009 which comprise the Group Income Statement, the Group Statement of Recognised Income and Expense, the Group Statement of Changes in Equity, the Group Balance Sheet, the Group Cash Flow Statement, and the related notes 1 to 42. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the Group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the Group financial statements in accordance with applicable law and International Standards on Auditing (U.K. and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 4th October, 2009 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the Group financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the Directors' statement contained within the Financial and Treasury Review in relation to going concern; and
- the part of the Corporate Governance statement relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Other matter

We have reported separately on the parent Company financial statements of Daily Mail and General Trust plc for the year ended and on the information in the Directors' Remuneration Report that is described as having been audited.

Deloitte.

William Touche
(Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants
and Statutory Auditors

London, United Kingdom

4th December, 2009

Consolidated income statement
for the 53 weeks ending 4th October, 2009

	Note	53 weeks ending 4th October, 2009 £m	52 weeks ending 28th September, 2008 £m
Continuing operations			
Revenue	3	**2,117.5**	2,311.7
Operating profit before exceptional operating costs and amortisation and impairment of goodwill and intangible assets	3	**277.6**	316.9
Exceptional operating costs	3	**(99.2)**	(31.8)
Amortisation and impairment of goodwill and intangible assets	3, 18, 19	**(435.7)**	(258.1)
Operating (loss)/profit before share of results of joint ventures and associates	3, 4	**(257.3)**	27.0
Share of results of joint ventures and associates	3, 7	**(8.7)**	3.5
Total operating (loss)/profit		**(266.0)**	30.5
Other gains and losses	8	**(23.5)**	27.7
(Loss)/profit before net finance costs and tax		**(289.5)**	58.2
Investment revenue	9	**2.2**	3.0
Finance costs	10	**(113.8)**	(129.3)
Net finance costs		**(111.6)**	(126.3)
Loss before tax		**(401.1)**	(68.1)
Tax	11	**94.5**	84.7
(Loss)/profit after tax from continuing operations		**(306.6)**	16.6
Discontinued operations			
Profit from discontinued operations	25	**1.2**	0.2
(Loss)/profit for the year		**(305.4)**	16.8
Attributable to:			
Equity shareholders	36	**(303.4)**	–
Minority interests	37	**(2.0)**	16.8
(Loss)/profit for the year		**(305.4)**	16.8
(Loss)/earnings per share	14		
From continuing operations			
Basic		**(80.1)p**	0.0p
Diluted		**(80.1)p**	(0.2)p
From discontinued operations			
Basic		**0.3p**	0.1p
Diluted		**0.3p**	0.1p
From continuing and discontinued operations			
Basic		**(79.8)p**	0.1p
Diluted		**(79.8)p**	(0.1)p

Consolidated statement of recognised income and expense
for the 53 weeks ending 4th October, 2009

	Note	53 weeks ending 4th October, 2009 £m	52 weeks ending 28th September, 2008 £m
(Loss)/profit for the year		**(305.4)**	16.8
Foreign exchange differences on translation of foreign operations	36	**39.8**	58.8
Fair value movements on available-for-sale investments	36	**1.4**	–
Losses on cash flow hedges	36	**(4.5)**	(17.5)
Change in value of net investment hedges recorded in equity	36	**(41.9)**	(45.3)
Actuarial loss on defined benefit pension schemes	32, 36	**(424.5)**	(110.4)
Deferred tax on actuarial movement	34, 36	**118.9**	30.9
Deferred tax on other items recognised directly in equity	34, 36	**1.7**	9.1
Current tax on items recognised in equity	11, 36	**–**	1.0
Share of associates items recognised in equity	7	**(2.4)**	–
Net deficit recognised directly in equity		**(311.5)**	(73.4)
Transfers			
Translation reserves recycled to Income Statement on disposals	36	**0.9**	(0.1)
Transfer of gain/(loss) on cash flow hedges from translation reserve to Income Statement	36	**3.5**	(2.9)
		4.4	(3.0)
Total recognised income and expense for the year		**(612.5)**	(59.6)
Attributable to:			
Equity shareholders		**(613.9)**	(75.0)
Minority interests		**1.4**	15.4
		(612.5)	(59.6)

Consolidated reconciliation of movements in equity
for the 53 weeks ending 4th October, 2009

	Note	53 weeks ending 4th October, 2009 £m	52 weeks ending 28th September, 2008 £m
Total recognised income and expense for the year		**(612.5)**	(59.6)
Dividends paid	12, 36	**(55.3)**	(56.3)
Initial recording of put options granted to minority interests in subsidiaries	36	**–**	(0.5)
Exercise of acquisition put option commitments	36	**27.1**	7.0
Transactions with minorities	36	**(8.2)**	(12.2)
Settlement of exercised share options of subsidiary	36	**(43.2)**	(20.2)
Credit to equity for share-based payments	36	**12.4**	16.6
Shares purchased to be held in treasury	36	**(5.6)**	(88.3)
Own shares released on vesting of share options	36	**52.3**	21.0
Revaluation of previously held interest in associate on acquisition of control	36	**–**	27.0
Adjustment to equity following increased stake in controlled entity	36	**(3.1)**	(6.4)
Total movement in equity for the year		**(636.1)**	(171.9)
Equity at the beginning of year		**548.6**	720.5
Equity at the end of year		**(87.5)**	548.6

Consolidated balance sheet
as at 4th October, 2009

	Note		As at 4th October, 2009 £m		As at 28th September, 2008 £m
Assets					
Non-current assets					
Goodwill	18		**734.2**		873.5
Other intangible assets	19		**460.9**		630.0
Property, plant and equipment	20		**440.4**		501.9
Investments					
Joint ventures	21	**24.3**		22.0	
Associates	21	**11.3**		10.6	
			35.6		32.6
Available-for-sale investments	22		**18.1**		11.3
Trade and other receivables	24		**4.2**		8.3
Derivative financial assets	31		**5.5**		0.9
Retirement benefit assets	32		**–**		2.5
Deferred tax assets	34		**164.6**		31.1
			1,863.5		2,092.1
Current assets					
Inventories	23		**23.6**		27.6
Trade and other receivables	24		**377.5**		456.9
Current tax receivable	28		**12.8**		–
Derivative financial assets	31		**17.9**		13.6
Cash and cash equivalents	26		**47.4**		45.3
			479.2		543.4
Total assets			**2,342.7**		2,635.5
Liabilities					
Current liabilities					
Trade and other payables	27		**(640.1)**		(650.2)
Current tax payable	28		**(97.0)**		(119.2)
Acquisition put option commitments	29		**(11.2)**		(29.5)
Borrowings	30		**(20.5)**		(26.0)
Derivative financial liabilities	31		**(9.5)**		(33.8)
Provisions	33		**(38.7)**		(27.4)
			(817.0)		(886.1)
Non-current liabilities					
Trade and other payables	27		**(0.6)**		(1.1)
Acquisition put option commitments	29		**(0.7)**		(7.6)
Borrowings	30		**(1,040.7)**		(1,004.2)
Derivative financial liabilities	31		**(82.2)**		(38.6)
Retirement benefit obligations	32		**(430.4)**		(43.7)
Provisions	33		**(34.4)**		(31.6)
Deferred tax liabilities	34		**(24.2)**		(74.0)
			(1,613.2)		(1,200.8)
Total liabilities			**(2,430.2)**		(2,086.9)
Net (liabilities)/assets			**(87.5)**		548.6

Consolidated balance sheet
as at 4th October, 2009
Continued

	Note	As at 4th October, 2009 £m	As at 28th September, 2008 £m
Shareholders' equity			
Called up share capital	35	**49.1**	49.1
Share premium account	36	**12.4**	12.4
Share capital		**61.5**	61.5
Capital redemption reserve	36	**1.1**	1.1
Revaluation reserve	36	**4.1**	39.5
Shares held in treasury	36	**(46.8)**	(93.5)
Translation reserve	36	**9.8**	22.2
Retained earnings	36	**(164.0)**	479.1
Equity shareholders' funds		**(134.3)**	509.9
Equity minority interests	37	**46.8**	38.7
		(87.5)	548.6

The accounts on pages 66 to 148 were approved by the Directors and authorised for issue on 4th December, 2009. They were signed on their behalf by:

Rothermere
M.W.H. Morgan
Directors

Consolidated cash flow statement
for the 53 weeks ending 4th October, 2009

	Note	53 weeks ending 4th October, 2009 £m	52 weeks ending 28th September, 2008 £m
Operating (loss)/profit before share of results of joint ventures and associates – continuing operations	3	**(257.3)**	27.0
Adjustments for:			
Share-based payments	39	**12.5**	16.6
Pension curtailments	32	**(27.4)**	–
Depreciation	3, 20	**61.7**	63.1
Impairment of property, plant and equipment	3, 20	**25.4**	7.4
Amortisation of intangible assets	3, 19	**89.1**	90.3
Impairment of goodwill and intangible assets	3, 18, 19	**346.6**	167.8
Operating cash flows before movements in working capital		**250.6**	372.2
Decrease in inventories		**5.8**	0.6
Decrease/(increase) in trade and other receivables		**109.4**	(3.9)
Decrease in trade and other payables		**(88.0)**	(6.3)
Increase in provisions		**24.2**	5.4
Additional payment into pension schemes		**(4.2)**	–
Cash generated by operations		**297.8**	368.0
Taxation paid		**(32.3)**	(24.3)
Taxation received		**18.3**	11.2
Net cash from operating activities		**283.8**	354.9
Investing activities			
Interest received		**0.9**	1.6
Dividends received from joint ventures and associates		**2.1**	3.1
Dividends received from available-for-sale investments		**0.2**	0.3
Purchase of property, plant and equipment		**(39.6)**	(64.5)
Expenditure on internally generated intangible fixed assets	19	**(17.8)**	(18.7)
Purchase of available-for-sale investments	22	**(2.5)**	(15.9)
Proceeds on disposal of property, plant and equipment		**20.5**	15.4
Proceeds on disposal of available-for-sale investments		**1.3**	55.1
Purchase of subsidiaries	16	**(22.0)**	(104.3)
Purchase of additional interests in controlled entities	16	**(24.1)**	(36.3)
Treasury derivative activities		**(58.7)**	(37.2)
Investment in joint ventures and associates	21	**(5.4)**	(13.5)
Loans to joint ventures and associates repaid	21	**0.4**	4.8
Proceeds on disposal of businesses	17	**4.7**	58.5
Proceeds on disposal of associates	7	**–**	7.2
Net cash used in investing activities		**(140.0)**	(144.4)

Consolidated cash flow statement
for the 53 weeks ending 4th October, 2009
Continued

	Note	53 weeks ending 4th October, 2009 £m	52 weeks ending 28th September, 2008 £m
Financing activities			
Equity dividends paid	12, 36	**(55.3)**	(56.3)
Dividends paid to minority interests	37	**(9.3)**	(10.3)
Issue of shares by Group companies to minority interests	37	**0.2**	0.2
Purchase of own shares	36	**(5.6)**	(88.3)
Receipt/(payment) on exercise/settlement of subsidiary share options	39	**5.2**	(0.6)
Interest paid		**(77.0)**	(64.8)
Loan notes repaid	15	**(14.4)**	(26.0)
Sale and lease back finance receipts	15	**25.0**	–
Decrease/(increase) in bank borrowings	15	**(16.1)**	10.7
Net cash used in financing activities		**(147.3)**	(235.4)
Net decrease in cash and cash equivalents	15	**(3.5)**	(24.9)
Cash and cash equivalents at beginning of year	15, 26	**44.3**	64.0
Exchange gain on cash and cash equivalents	15	**6.1**	5.2
Net cash and cash equivalents at end of year	15, 26	**46.9**	44.3

Significant accounting policies

1 Basis of preparation

DMGT is a company incorporated in the United Kingdom. The address of the registered office is given on page 161.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies preparing their accounts under IFRS.

These financial statements have been prepared for the 53 weeks ending 4th October, 2009. The Group and its national and local media divisions, prepare financial statements for a 52 or 53 week financial period ending on a Sunday near to the end of September. The Group has prepared the 2009 financial statements on the basis of a 53 week financial year to 4th October 2009 in order to ensure that the Group's year end remains close to the end of September in the current and forthcoming financial years. As the current financial year is 53 weeks, the comparative figures for the 52 weeks ended 28th September, 2008 are not entirely comparable with the amounts presented for the current financial year as the comparative figures include the results of the national and local media divisions for 52 weeks.

The Group's remaining divisions prepare financial statements for a financial year to 30th September and do not prepare additional financial statements corresponding to the Group's financial year for consolidation purposes as it would be impracticable to do so. As a result, the financial statements are comparable in relation to those elements of the comparatives that relate to the Group's other divisions. The Group considers whether there have been any significant transactions or events between the end of the financial year of the other divisions and the end of the Group's financial year and makes any material adjustments as appropriate.

The principal accounting policies used in preparing this information are set out in note 2.

These financial statements have also been prepared in accordance with the accounting policies set out in the 2008 Annual Report and Accounts, as amended by the following new accounting standards.

Impact of new accounting standards

In the current year, the Group has adopted the following accounting standards:

The Group has adopted IFRS 8, Operating Segments in advance of its effective date with effect from 29th September, 2008. IFRS 8 sets out disclosure requirements concerning an entity's operating segments, products, services, geographical areas in which it operates and its major customers and replaces IAS 14, Segmental Reporting. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the DMGT Board to allocate resources to the segments and to assess their performance. Adoption of this standard did not change the analysis of the Group's results and performance significantly. In addition the following IRFICs were adopted which had no significant impact on the Group's financial statements:

IFRIC 12 Service Concession Agreements (effective for periods beginning on or after 1st January, 2008);

IFRIC 13 Customer Loyalty Programmes (effective for periods beginning on or after 1st July, 2008); and

IFRIC 14 The Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction (effective for periods beginning on or after 1st January, 2008).

At the date of authorisation of these financial statements, the following standards have been issued but not applied to the information in these financial statements since they do not apply to this reporting period:

Amendment to IAS 1, Presentation of Financial Statements (effective for periods commencing on or after 1st January, 2009). This amendment introduces changes to the way in which movements in equity must be disclosed and requires an entity to disclose each component of other comprehensive income not recognised in profit or loss. The amendment also requires disclosure of the amount of income tax relating to each component of other comprehensive income as well as several other minor disclosure amendments.

Amendment to IAS 23, Borrowing Costs (effective for periods commencing on or after 1st January, 2009). This standard requires all borrowing costs which are directly attributable to an acquisition construction or production of a qualifying asset to form part of the cost of that asset. The Group does not expect a significant impact from the adoption of this standard.

Amendment to IAS 27, Consolidated and Separate Financial Statements (effective for periods commencing on or after 1st July, 2009). The amendment introduces changes to the accounting for partial disposals of subsidiaries, associates and joint ventures. Adoption of these amendments is not expected to significantly impact the measurement, presentation or disclosure of future disposals.

Amendments to IAS 32, Puttable financial instruments and obligations arising on liquidation (effective for periods beginning on or after 1st January, 2009). The amendments are relevant to entities that have issued financial instruments that are (i) puttable financial instruments or (ii) instruments, or components of instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets on liquidation only. As a result of the amendments, some financial instruments that currently meet the definition of a financial liability will be classified as equity because they represent the residual interest in the net assets of the entity. The amendments set out extensive detailed criteria to be met in order to be able to classify these instruments as equity. The impact of these amendments is restricted to specific cases and no analogies can be made. The Group does not expect a significant impact from the adoption of this standard.

Significant accounting policies
Continued

1 Basis of preparation – Continued
Amendments to IAS 39, Financial instruments: Recognition and Measurement (effective for periods commencing on or after 1st July, 2009). The amendments clarify treatment of inflation in a financial hedged item and one-sided risks in a hedged item. The Group does not expect a significant impact from the adoption of this standard.

Amendments to IFRS 2, Share-based Payment (effective for periods commencing on or after 1st January, 2009). The amendments clarify that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group does not expect a significant impact from the adoption of this standard.

Amendment to IFRS 3, Business Combinations (effective for periods commencing on or after 1st July, 2009). The amendment introduces changes that will require acquisition-related costs (including professional fees previously capitalised) to be expensed and adjustments to contingent consideration to be recognised in income and will allow the full goodwill method to be used when accounting for non-controlling interests. This will result in a change to the Group's accounting policy for purchases of stakes in controlled entities.

Amendment to IFRS 7, Improving Disclosures about Financial Instruments (effective for periods commencing on or after 1st January, 2009). The amendment clarifies and enhances existing disclosure requirements about the nature and extent of liquidity risk arising from financial instruments. The Group does not expect a significant impact from the adoption of this standard.

2008 Annual Improvements (the majority of changes will affect periods beginning on or after 1st January, 2009). The standard makes 41 amendments to 25 IFRSs as part of the first annual improvements project. The amendments include: restructuring IFRS 1, mainly to remove redundant transitional provisions; an amendment to bring property under construction or development for future use as an investment property within the scope of IAS 40. Such property currently falls within the scope of IAS 16; and an amendment to clarify the circumstances in which an entity can recognise a prepayment asset for advertising or promotional expenditure. Recognition of an asset would be permitted up to the point at which the entity has access to the goods purchased or up to the point of receipt of services. The standard is not expected to have a significant impact on the Group. In relation to the amendment to IAS 38 regarding prepayments for advertising or promotional expenditure, the Group will be required to reassess its accounting approach to reflect the requirements of the standard. The Group has followed the guidance of the amendments to IFRS 8 in relation to segment assets.

2009 Annual Improvements (the majority of changes will effect periods beginning on or after 1st January, 2010). The IASB has issued several improvements to IFRSs – a collection of amendments to 12 International Financial Reporting Standards – as part of its programme of annual improvements to its standards. The Group does not expect a significant impact following these changes.

The following interpretations have been issued which are not applicable to the Group since they are only effective for accounting periods beginning on or after 4th October, 2009. The adoption of these interpretations is not expected to have any significant impact on the Group's financial statements.

IFRIC 15, Agreements for the Construction of Real Estate (effective for periods beginning on or after 1st January, 2009);

IFRIC 16, Hedges of a Net Investment in a Foreign Operation (effective for periods beginning on or after 1st October, 2008);

IFRIC 17, Distributions of non-cash assets (effective for periods beginning on or after 1st July, 2009); and

IFRIC 18, Transfers of assets from customers (effective for periods beginning on or after 1st July, 2009).

2 Significant accounting policies
The Group financial statements incorporate the financial statements of the Company and all of its subsidiaries together with the Group's share of all of its interests in joint ventures and associates. The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments.

Going concern
The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Financial and Treasury review on pages 28 to 32, the Business Review on pages 4 to 32 and the Directors' report on pages 38 to 41. The Group's funding arrangements, together with details of undrawn facilities, are disclosed in notes 30 and 31. As highlighted in notes 30 and 31 to the financial statements, the Company has long term financing in the form of Eurobonds and meets its day-to-day working capital requirements through bank facilities which expire in two to four years. The current economic conditions create uncertainty particularly over the future performance of those parts of the business that derive a significant proportion of revenue from advertising. The Board's forecasts and projections, after taking account of reasonably possible changes in trading performance, show that the Company is expected to operate within the terms of its current facilities. After making enquiries, the Directors have a reasonable expectation that the Group will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2 Significant accounting policies – Continued

Accounting for subsidiaries

A subsidiary is an entity controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Group Income Statement from the effective date of acquisition or up to the date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses attributable to the minority in excess of the minority's share in equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover such losses. When the subsidiary subsequently reports profits, the minority does not participate until the Group has recovered all of the losses of the minority it previously reported.

Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities are recognised at their fair values at the acquisition date, other than non-current assets and liabilities of disposal groups which are recognised at fair value less costs to sell. Where an adjustment to fair values relating to previously held interests (including interests which were equity accounted under IAS 28, Investments in associates) is required on achieving control, this is accounted for as an adjustment directly in equity.

Goodwill arising on acquisitions is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. Where control is achieved in more than one exchange transaction, goodwill is calculated separately for each transaction based on the cost of each transaction and the appropriate share of the acquiree's net assets based on net fair values at the time of each transaction.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Purchase and sale of shares in a controlled entity

Where the Group's interest in a controlled entity increases, no adjustments are recorded to the fair values of the assets already held on the Balance Sheet. The Group calculates the goodwill arising as the difference between the cost of the additional interest acquired and the increase in the Group's interest in the fair value of the subsidiary's net assets at the date of the exchange transaction. Any difference between the cost of the additional interest, goodwill arising and the existing carrying value of the minority share of net assets is adjusted directly in equity.

Where the Group's interest in a controlled entity decreases, which does not result in a change of control, the Group increases the minority interest's share of net assets by the book value of the share of net assets disposed. Any profit or loss on disposal of the share of net assets to the minority interest is calculated by reference to the consideration received, the book value of the share of net assets disposed and a proportion of any relevant goodwill in the Balance Sheet relating to the subsidiary.

Interests in joint ventures and associates

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The post-tax results of joint ventures and associates are incorporated in the Group's results using the equity method of accounting. Under the equity method, investments in joint ventures and associates are carried in the Consolidated Balance Sheet at a cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture and associate, less any impairment in the value of investment. Losses of joint ventures and associates in excess of the of the Group's interest in that joint venture or associate are not recognised. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture or associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment.

Significant accounting policies
Continued

2 Significant accounting policies – Continued
Foreign currencies
For the purpose of presenting consolidated financial statements, the assets and liabilities of entities with a functional currency other than sterling are translated to sterling using exchange rates prevailing on the balance sheet date. Income and expense items and cash flows are translated at the average exchange rates for the period and exchange differences arising are recognised directly in equity. On disposal of a foreign operation, the cumulative amount recognised in equity relating to that operation is recognised in the Income Statement as part of the gain or loss on sale.

The Group records foreign exchange differences arising on retranslation of foreign operations within the translation reserve in equity.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the exchange rate prevailing on the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate prevailing on the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the Income Statement for the period.

Goodwill, intangible assets and fair value adjustments arising on the acquisition of foreign operations after transition to IFRS are treated as part of the assets and liabilities of the foreign operation and are translated at the closing rate. Goodwill which arose pre-transition to IFRS is not translated.

In respect of all foreign operations, any cumulative exchange differences that have arisen before 4th October, 2004, the date of transition to IFRS, were reset to nil and will be excluded from the determination of any subsequent profit or loss on disposal.

Intangible assets
Goodwill
Goodwill and intangible assets acquired arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is tested annually for impairment. Negative goodwill arising on an acquisition is recognised directly in the Income Statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing exchange rates on the balance sheet date.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss recognised in the Income Statement on disposal.

Goodwill arising before the date of transition to IFRS, on 4th October, 2004, has been retained at the previous U.K. GAAP amounts subject to being tested for impairment at that date. Goodwill written off to reserves under U.K. GAAP prior to 1998 has not been reinstated and is not included in determining any subsequent profit or loss on disposal.

Impairment of goodwill
Goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment either annually or more frequently if events or changes in circumstances indicate a possible decline in the carrying value.

For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as cash-generating units. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit, pro-rated on the basis of the carrying amount of each asset in the unit, but subject to not reducing any asset below its recoverable amount. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

Licences
Radio licences are stated at cost less accumulated amortisation. Amortisation is charged to the Income Statement on a straight-line basis over the estimated useful lives from the commencement of service of the network, estimated by management to be 20 years.

Computer software licences are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. These costs are amortised over their estimated useful lives, being three to five years.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that are expected to generate economic benefits exceeding costs and directly attributable overheads are capitalised as intangibles.

2 Significant accounting policies – Continued

Computer software which is integral to a related item of hardware equipment is accounted for as property, plant and equipment.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from the Group's development activity, including software for internal use, is recognised only if the asset can be separately identified, it is probable the asset will generate future economic benefits, the development cost can be measured reliably, the project is technically feasible and the project will be completed with a view to sell or use the asset. Additionally, guidance in Standing Interpretations Committee (SIC) 32 has been applied in accounting for internally developed website development costs.

Internally-generated intangible assets are amortised on a straight-line basis over their estimated useful lives, when the asset is available for use, and are reported net of impairment losses. Where no internally-generated intangible asset can be recognised, development expenditure is charged to the Income Statement in the period in which it incurred.

Marketing costs

Marketing and promotional costs are charged to the Income Statement in the period in which they are incurred.

Other intangible assets

Other intangible assets with finite lives are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the Income Statement on a reducing balance or straight-line basis over the estimated useful lives of the intangible assets from the date they become available for use. The estimated useful lives are as follows:

Publishing rights, titles and exhibitions	20 years
Radio licences	20 years
Brands	20 years
Market and customer related databases	3 – 20 years
Customer relationships	3 – 20 years
Computer software licences	3 – 5 years

Property, plant and equipment

Land and buildings held for use are stated in the Balance Sheet at their cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Assets in the course of construction are carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Income Statement.

Depreciation is charged so as to write off the cost of assets, other than property, plant and equipment under construction using the straight-line method, over their estimated useful lives as follows:

Freehold buildings and long leasehold properties	50 years
Short leasehold premises	the term of the lease
Plant and equipment	3 – 25 years
Depreciation is not provided on freehold land	

Inventory

Inventory is stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. The Group uses the Average Cost (AVCO) method in the national and local media divisions and the First In First Out (FIFO) method in the remaining divisions.

Pre-publication costs

Pre-publication costs represent direct costs incurred in the development of titles prior to their publication. These costs are recognised as work in progress on the Balance Sheet to the extent that future economic benefit is virtually certain and can be measured reliably.

Significant accounting policies

Continued

2 Significant accounting policies – Continued

Cash and cash equivalents

Cash and cash equivalents shown in the Balance Sheet includes cash, short-term deposits and other short-term highly liquid investments with an original maturity of three months or less. For the purpose of the Group Cash Flow Statement, cash and cash equivalents are as defined above, net of bank overdrafts.

Revenue

Group revenue comprises revenue of the Company and its subsidiary undertakings. Revenue is stated net of value added tax, trade discounts and commission where applicable and is recognised using several methods. Subscriptions revenue, including revenue from information services, is recognised over the period of the subscription or contract. Publishing and circulation revenue is recognised on issue of publication or report. Advertising is recognised on issue of publication, over the period of the online campaign or date of broadcast. Contract print revenue is recognised on completion of the print contract. Exhibitions, training and events revenues are recognised over the period of the event.

Operating profit before share of results of joint ventures and associates

The Group discloses as operating profit, profit before share of results from associates and joint ventures, other gains and losses, investment income and finance costs. The Directors believe that this measure is useful to readers as it shows the results of the Group's operations before contribution from joint ventures and associates and because it excludes one-off gains and losses on disposal of businesses, properties and similar items of a non-recurring nature.

Other gains and losses

Other gains and losses comprise profit or loss on sale of trading investments, profit or loss on sale of property, plant and equipment, impairment of available-for-sale assets, profit or loss on sale of businesses and profit or loss on sale of joint ventures and associates.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments as determined at the inception of the lease. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Income Statement.

Rentals payable under operating leases are charged to the Income Statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Dividends

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established. Dividends are recognised as a distribution in the period in which they are approved by the shareholders. Interim dividends are recorded in the period in which they are paid.

Borrowing costs

Unless capitalised under IAS 23 all borrowing costs are recognised in the Income Statement in the period in which they are incurred. Finance charges, including premiums paid on settlement or redemption and direct issue costs and discounts related to borrowings, are accounted for on an accruals basis and charged to the Income Statement using the effective interest method.

Retirement benefits

As permitted by IFRS 1, First-time adoption of International Financial Reporting Standards, the Group elected to recognise all cumulative actuarial gains and losses in the pension schemes operated by the Group at the date of transition to IFRS. Pension scheme assets are measured at market value at the balance sheet date. Scheme liabilities are measured using the projected unit credit method and discounted at a rate reflecting current yields on high quality corporate bonds having regard to the duration of the liability profiles of the schemes.

For defined benefit retirement plans, the difference between the fair value of the plan assets and the present value of the plan liabilities is recognised as an asset or liability on the Balance Sheet. Actuarial gains and losses arising in the year are taken to the Statement of Recognised Income and Expense. For this purpose, actuarial gains and losses comprise both the effects of changes in actuarial assumptions and experience adjustments arising because of differences between the previous actuarial assumptions and what has actually occurred. For defined benefit schemes, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out triennially. In accordance with the advice of independent qualified actuaries in assessing whether to recognise a surplus, the Group has regard to the principles set out in IFRIC 14.

Other movements in the net surplus or deficit are recognised in the Income Statement, including the current service cost, any past service cost and the effect of any curtailment or settlements. The interest cost less the expected return on assets is also charged to the Income Statement. The amount charged to the Income Statement in respect of these plans is included within operating costs or in the Group's share of the results of equity accounted operations as appropriate.

2 Significant accounting policies – Continued

Since the assets and liabilities of the Group's defined benefit plans cannot be allocated to individual entities on a fair and reasonable basis, the scheme's assets and liabilities are not attributed to reporting segments and the pension charge in each segment in the segmental analysis represents the contributions payable for the period.

The Group's contributions to defined contribution pension plans are charged to the Income Statement as they fall due.

Taxation

Income tax expense represents the sum of the current tax payable and deferred tax for the year.

The current tax payable or recoverable is based on the taxable profit for the year. Taxable profit differs from profit as reported in the Income Statement because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Group's liability for current tax is calculated using the U.K. and foreign tax rates that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset and stated net in the Balance Sheet when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they either relate to income taxes levied by the same taxation authority or on the same taxable entity or on different taxable entities which intend to settle the current tax assets and liabilities on a net basis.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition other than in a business combination of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising in investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Goodwill arising on business combinations also includes amounts corresponding to deferred tax liabilities recognised in respect of acquired intangible assets. A deferred tax liability is recognised to the extent that the fair value of the assets for accounting purposes exceeds the value of those assets for tax purposes and will form part of the associated goodwill on acquisition.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the balance sheet date, and is not discounted.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current assets and liabilities on a net basis.

Tax is charged or credited to the Income Statement, except when it relates to items charged or credited directly to equity, in which case the tax is also recognised directly in equity.

Financial instruments

Financial assets and financial liabilities are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to settle on a net basis, or realise the asset and liability simultaneously and where the Group intends to net settle.

Financial assets

– Trade receivables
Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

– Available-for-sale investments
Investments and financial assets are recognised and de-recognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are measured at fair value, including transaction costs.

Investments are classified as either held-for-trading or available-for-sale. Where securities are held-for-trading purposes, gains and losses arising from changes in fair value are included in net profit or loss for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

Significant accounting policies
Continued

2 Significant accounting policies – Continued
The fair value of listed securities is determined based on quoted market prices, and of unlisted securities on management's estimate of fair value determined by discounting future cash flows to net present value using market interest rates prevailing at the year end.

Financial liabilities and equity instruments
– Trade payables
Trade payables are not interest bearing and are stated at their nominal value.

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below:

Capital market and bank borrowings
Interest bearing loans and overdrafts are initially measured at fair value (which is equal to net proceeds at inception), and are subsequently measured at amortised cost, using the effective interest rate method. A portion of the Group's bonds are subject to fair value hedge accounting as explained below and this portion is adjusted for the movement in the hedged risk to the extent hedge effectiveness is achieved. Any difference between the proceeds, net of transaction costs and the settlement or redemption of borrowings is recognised over the term of the borrowing.

Equity instruments
Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments and hedge accounting
The Group's activities expose it to the financial risks of changes in foreign exchange rates and interest rates.

The use of financial instruments is governed by the Group's policies, which are set out on pages 31 and 32 of the Financial and Treasury Review and approved by the Finance Committee of the Board of Directors, which provide written principles on the use of financial instruments consistent with the Group's risk management strategy. The Group does not use derivative financial instruments for speculative purposes.

Derivative financial instruments are measured at fair value at the date the derivatives are entered into and are subsequently re-measured to fair value at each reporting date. The fair value is determined by using market data and the use of established estimation techniques such as discounted cash flow and option valuation models. The Group designates certain derivatives as:

I. Hedges of the change of fair value of recognised assets and liabilities ('fair value hedges'); or

II. Hedges of highly probable forecast transactions ('cash flow hedges'); or

III. Hedges of net investment in foreign operations ('net investment hedges')

To qualify for hedge accounting, each individual hedging relationship must be expected to be effective, be designated and documented at its inception and throughout the life of the hedge relationship.

– Fair value hedges
The Group's policy is to use derivative financial instruments (primarily interest rate swaps) to convert a proportion of its fixed rate debt to floating rates in order to hedge the interest rate risk.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Income Statement, together with changes in the fair value of the hedged asset or liability that are attributable to the hedged risk to the extent that the hedge relationship is effective. When the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting, hedge accounting is discontinued.

– Cash flow hedges
The Group's policy is to use certain derivative financial instruments in order to hedge the foreign exchange risk arising from certain firm commitments or forecast highly probable transactions in currencies other than the functional currency of the relevant Group entity.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in the Income Statement.

If a hedged firm commitment or forecast transaction results in the recognition of a non financial asset or liability, then, at the time that the asset or liability is recognised, the associated gains and losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability.

For hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in the Income Statement in the same period in which the hedged item affects the Income Statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, revoked, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss previously recognised in equity is included in the Income Statement for the period.

2 Significant accounting policies – Continued

– Net investment hedges

The Group seeks to manage the foreign currency exposure arising on retranslation of the reporting entity's share of net assets of foreign operations at each reporting date by designating certain derivative financial instruments and foreign currency borrowings as net investment hedging instruments.

Exchange differences arising from the translation of the net investment in foreign operations are recognised directly in equity in the translation reserve. Gains and losses arising from changes in the fair value of the hedging instruments are recognised in equity to the extent that the hedging relationship is effective. Any ineffectiveness is recognised immediately in the Income Statement for the period.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Gains and losses accumulated in the translation reserve are included in the Income Statement on disposal of the foreign operation.

Non-hedged derivatives

The Group uses forward contracts to provide a gain or loss equivalent to income tax payable or receivable on foreign exchange gains or losses incurred when intra group balances are translated to the closing rate at the year end. These contracts ('Tax Equalisation Swaps') are marked to market with the movement in fair value taken to income. Tax Equalisation Swaps are not capable of being designated as hedging instruments under IAS 39.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not carried at fair value, with gains and losses reported in the Income Statement.

Provisions

Provisions are recognised when the Group has a present obligation, legal or constructive, as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Share-based payments

The Group issues equity-settled and cash-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value is measured using a binomial pricing model which is calibrated using a Black-Scholes framework. The expected life used in the models has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions and behavioural considerations.

A liability equal to the portion of the goods or services received is recognised at the current fair value determined at each balance sheet date for cash-settled share-based payments.

The Group has applied the requirements of IFRS 2, Share-based Payments to all equity instruments granted after 7th September, 2002 but not fully vested at 4th October, 2004 the date of transition to IFRS.

Critical accounting judgements and key sources of estimation uncertainty

In addition to the judgement taken by management in selecting and applying the accounting policies set out above, management has made the following judgements concerning the amounts recognised in the consolidated financial statements:

Impairment of goodwill and intangible assets

Determining whether goodwill and intangible assets are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash generating unit and compare the net present value of these cash flows using a suitable discount rate to determine if any impairment has occurred. A key area of judgement is deciding the long-term growth rate of the applicable businesses and the discount rate applied to those cash flows. The carrying amount of goodwill and intangible assets at the balance sheet date was £1,195.1 million (2008 £1,503.5 million) after an impairment loss of £346.6 million (2008 £167.8 million) was recognised during the year (notes 18 and 19).

Acquisitions and intangible assets

The Group's accounting policy on the acquisition of subsidiaries is to allocate purchase consideration to the fair value of identifiable assets, liabilities and contingent liabilities acquired with any excess consideration representing goodwill. In determining the fair value of assets, liabilities and contingent liabilities acquired significant estimates and assumptions, including assumptions with respect to cash flows and unprovided liabilities and commitments, particularly in respect to tax, are often used. The Group recognises intangible assets acquired as part of a business combination at fair values at the date of the acquisition. The determination of these fair values is based upon management's judgement and includes assumptions on the timing and amount of future cash flows generated by the assets and the selection of an appropriate discount rate. Additionally, management must estimate the expected useful economic lives of intangible assets and charge amortisation on these assets accordingly.

Significant accounting policies
Continued

2 Significant accounting policies – Continued

Acquisition option commitments
Written put options to acquire further stakes in subsidiaries, associates and joint ventures written at the time of business combinations, unless so deeply in the money that they represent in-substance ownership interests, are considered financial instruments under IAS 32 and IAS 39. Put options over a minority stake in a subsidiary give rise to a financial liability under IAS 32. Put options over an associate are within the scope of IAS 39 and are accounted for as derivatives at fair value through profit and loss. Where put options over associates have a fair value of £nil, no accounting is required. Written put options are classified within current liabilities if exercisable within one year.

The Group is party to a number of put and call options over the remaining minority interests in some of its subsidiaries. IAS 39 requires the fair value of these acquisition option commitments to be recognised as a liability on the Balance Sheet with a corresponding decrease in reserves. Subsequent changes in the fair value of the liability are reflected in the Income Statement. On exercise and settlement of the put option liability, cumulative amounts are removed from retained earnings along with the derecognition of the minority interest and recognition of additional goodwill. Key areas of judgement in calculating the fair value of the options are the expected future cash flows and earnings of the business and the discount rate. At 4th October, 2009 the fair value of these acquisition option commitments is £11.9 million (2008 £37.1 million).

Contingent consideration
Estimates are required in respect of the amount of contingent consideration payable, which is determined according to formulae agreed at the time of the business combination, and normally related to the future earnings of the acquired business. The Directors review the amount of contingent consideration likely to become payable at each balance date, the major assumption being the level of future profits of the acquired business. At 4th October, 2009 the Group has outstanding contingent consideration payable amounting to £23.5 million (2008 £37.6 million).

Contingent consideration is discounted to its fair value in accordance with IFRS 3 and IAS 37. The difference between the fair value of these liabilities and the actual amounts payable is charged to the Income Statement as notional finance costs.

Adjusted profits and exceptional items
The Group presents adjusted earnings by making adjustments for costs and profits which management believe to be exceptional in nature by virtue of their size or incidence or have a distortive effect on current year earnings. Such items would include one off gains and losses on disposal of businesses, properties and similar items of a non-recurring nature together with reorganisation costs and similar charges, tax and by adding back impairment of goodwill and amortisation and impairment of intangible assets. See note 13 for a reconciliation of profit before tax to adjusted profit.

Share-based payments
The Group makes share-based payments to certain employees. These payments are measured at their estimated fair value at the date of grant, calculated using an appropriate option pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of the number of shares that will eventually vest. The key assumptions used in calculating the fair value of the options are the discount rate, the Group's share price volatility, dividend yield, risk free rate of return, and expected option lives. Management regularly perform a true-up of the estimate of the number of shares that are expected to vest, this is dependent on the anticipated number of leavers. See note 39 for further detail.

Taxation
Being a multinational Group with tax affairs in many geographic locations inherently leads to a highly complex tax structure which makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Group and is often dependent on the efficiency of legal processes. Such issues can take several years to resolve. The Group takes a conservative view of unresolved issues, however the inherent uncertainty regarding these items means that the eventual resolution could differ significantly from the accounting estimates and therefore impact the Group's results and future cash flows.

Retirement benefit obligations
The cost of defined benefit pension plans is determined using actuarial valuations prepared by the Group's actuaries. This involves making certain assumptions concerning discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. The assumptions and the resulting estimates are reviewed annually and, when appropriate, changes are made which affect the actuarial valuations and, hence, the amount of retirement benefit expense recognised in the Income Statement and the amounts of actuarial gains and losses recognised in the Statement of Recognised Income and Expense. The carrying amount of the retirement benefit obligation at 4th October, 2009 was a deficit of £430.4 million (2008 £41.2 million). Further details are given in note 32.

Notes to the consolidated income statement

3 Segment analysis

The Group's business activities are split into seven operating divisions – RMS, business information, exhibitions, Euromoney, national media, local media and radio. These divisions are the basis on which information is reported to the Group Board. The segment result is the measure used for the purposes of resource allocation and assessment and represents profit earned by each segment, including share of results from joint ventures and associates but before exceptional operating costs, amortisation and impairment charges, other gains and losses, net finance costs and taxation.

Consistent with disclosures made in the Group's Financial Report for the six months ended 29th March, 2009 the Group has separately disclosed the results of RMS which meet the criteria of a reportable segment under IFRS 8, Operating Segments. In prior periods the results of RMS were included within the business information segment.

Details of the types of products and services from which each segment derives its revenues are included within the business review on pages 4 to 32.

The accounting policies applied in preparing the management information for each of the reportable segments are the same as the Group's accounting policies described in note 2.

Inter-segment sales are charged at prevailing market prices other than the sale of newsprint from the national media to the local media division which is at cost. The amount of newsprint sold during the year amounted to £28.2 million (2008 £35.1 million).

Notes to the consolidated income statement

Continued

3 Segment analysis – Continued

	Note	2009 External revenue £m	2009 Inter-segment revenue £m	2009 Total revenue £m	2009 Segment result £m	2009 Less operating profit of joint ventures and associates £m	2009 Group profit before exceptional operating costs and amortisation and impairment of goodwill and intangible assets £m
RMS		136.5	1.8	138.3	42.2	–	42.2
Business information		229.8	0.3	230.1	46.4	0.2	46.2
Exhibitions		174.6	–	174.6	37.1	–	37.1
Euromoney		317.6	–	317.6	77.3	0.3	77.0
National media		876.0	61.1	937.1	57.9	(3.8)	61.7
Local media		327.9	2.7	330.6	24.5	0.5	24.0
Radio		55.1	–	55.1	5.6	1.9	3.7
		2,117.5	65.9	2,183.4	291.0	(0.9)	291.9
Corporate costs							(14.3)
Operating profit before exceptional operating costs and amortisation and impairment of goodwill and intangible assets							277.6
Exceptional operating costs including impairment of property plant and equipment							(99.2)
Impairment of goodwill and intangible assets	18, 19						(346.6)
Amortisation of intangible assets	19						(89.1)
Operating loss before share of results of joint ventures and associates							(257.3)
Share of result of joint ventures and associates	7						(8.7)
Total operating loss							(266.0)
Other gains and losses	8						(23.5)
Loss before net finance costs and tax							(289.5)
Investment revenue	9						2.2
Finance costs	10						(113.8)
Loss before tax							(401.1)
Tax	11						94.5
Profit from discontinued operations	25						1.2
Loss for the year							(305.4)

Operating profit before exceptional operating costs and amortisation and impairment of goodwill and intangible assets within the national media division comprised £85.1 million from newspapers, £0.3 million from digital offset by a loss of £4.3 million from television and unallocated divisional central costs of £19.4 million.

Included within unallocated central costs is a credit of £4.6 million which adjusts the pensions charge recorded in each operating segment from a cash rate to actuarial accrual rate in accordance with IAS 19, Employee benefits.

3 Segment analysis – Continued

An analysis of the amortisation and impairment of goodwill and intangible assets, depreciation and impairment of property, plant and equipment, exceptional operating costs, investment income and finance costs by segment is as follows:

	2009 Amortisation of intangible assets Note 19 £m	2009 Impairment of goodwill and intangible assets Notes 18, 19 £m	2009 Exceptional operating costs £m	2009 Impairment of property, plant and equipment Note 20 £m	2009 Depreciation of property, plant and equipment Note 20 £m	2009 Investment income Note 9 £m	2009 Finance costs Note 10 £m
RMS	(1.9)	–	–	–	(3.3)	0.2	(0.3)
Business information	(12.1)	(0.5)	(1.2)	–	(8.1)	–	(1.1)
Exhibitions	(13.2)	(88.8)	(10.0)	–	(1.8)	0.5	–
Euromoney	(17.1)	(21.9)	(9.8)	(1.2)	(2.5)	0.3	(30.7)
National media	(26.5)	(48.1)	(63.2)	(21.9)	(29.1)	1.0	(0.3)
Local media	(7.1)	(94.2)	(13.8)	(1.7)	(13.0)	–	–
Radio	(11.2)	(93.1)	(0.2)	–	(2.2)	–	–
Segment result	(89.1)	(346.6)	(98.2)	(24.8)	(60.0)	2.0	(32.4)
Corporate costs	–	–	24.4	(0.6)	(1.7)	0.2	(81.4)
Group total	(89.1)	(346.6)	(73.8)	(25.4)	(61.7)	2.2	(113.8)

The Group's exceptional operating costs represent reorganisation costs of £83.3 million, charges relating to a rationalisation of the Group's property portfolio of £3.7 million together with exceptional provisions of £10.5 million in the national media division and £1.0 million in the local media divisions for a bad debt offset by pension curtailments of £24.7 million in corporate costs. There is a related current tax credit of £5.1 million associated with the total exceptional operating costs.

Notes to the consolidated income statement

Continued

3 Segment analysis – Continued

	Note	2008 External revenue £m	2008 Inter-segment revenue £m	2008 Total revenue £m	2008 Segment result £m	2008 Less operating profit of joint ventures and associates £m	2008 Group profit before exceptional operating costs and amortisation and impairment of goodwill and intangible assets £m
RMS		97.9	3.2	101.1	30.7	–	30.7
Business information		217.4	0.2	217.6	44.5	0.3	44.2
Exhibitions		201.6	–	201.6	38.3	–	38.3
Euromoney		332.0	–	332.0	76.7	0.4	76.3
National media		987.7	77.0	1,064.7	69.5	(3.1)	72.6
Local media		420.4	6.6	427.0	68.9	0.5	68.4
Radio		54.7	–	54.7	4.1	2.1	2.0
Segment result		2,311.7	87.0	2,398.7	332.7	0.2	332.5
Corporate costs							(15.6)
Operating profit before exceptional operating costs and amortisation and impairment of goodwill and intangible assets							316.9
Exceptional operating costs including impairment of property, plant and equipment							(31.8)
Impairment of goodwill	18						(167.8)
Amortisation and impairment of intangible assets	19						(90.3)
Operating profit before share of results of joint ventures and associates							27.0
Share of results of joint ventures and associates	7						3.5
Total operating profit							30.5
Other gains and losses	8						27.7
Profit before net finance costs and tax							58.2
Investment revenue	9						3.0
Finance costs	10						(129.3)
Loss before tax							(68.1)
Tax	11						84.7
Profit from discontinued operations	25						0.2
Profit for the year							16.8

Operating profit before exceptional operating costs and amortisation and impairment of goodwill and intangible assets within the national media division comprised £88.6 million from newspapers, £6.0 million from digital offset by a loss of £3.0 million from television and unallocated divisional central costs of £19.0 million.

Included within unallocated central costs is a credit of £15.2 million which adjusts the pensions charge recorded in each operating segment from a cash rate to actuarial accrual rate in accordance with IAS 19, Employee Benefits.

3 Segment analysis – Continued

An analysis of the amortisation and impairment of goodwill and intangible assets, depreciation and impairment of property, plant and equipment, exceptional operating costs, investment income and finance costs by segment is as follows:

	2008 Amortisation of intangible assets Note 19 £m	2008 Impairment of goodwill and intangible assets Notes 18, 19 £m	2008 Exceptional operating costs £m	2008 Impairment of property, plant and equipment Note 20 £m	2008 Depreciation of property, plant and equipment Note 20 £m	2008 Investment income Note 9 £m	2008 Finance costs Note 10 £m
RMS	(1.4)	–	–	–	(2.3)	0.2	–
Business information	(9.0)	–	–	–	(6.3)	0.2	(1.2)
Exhibitions	(13.7)	(81.3)	(4.5)	–	(2.2)	0.5	(0.1)
Euromoney	(14.8)	(5.7)	–	–	(2.8)	0.6	(11.9)
National media	(28.2)	(9.0)	(13.2)	(5.6)	(32.9)	0.2	(1.9)
Local media	(13.1)	(71.8)	(6.8)	(1.8)	(12.5)	–	–
Radio	(10.1)	–	–	–	(2.4)	0.2	–
Segment result	(90.3)	(167.8)	(24.5)	(7.4)	(61.4)	1.9	(15.1)
Corporate costs	–	–	–	–	(1.7)	1.1	(114.2)
Group total	(90.3)	(167.8)	(24.5)	(7.4)	(63.1)	3.0	(129.3)

The Group's exceptional operating costs comprised local media restructuring costs totalling £4.5 million, together with reorganisation costs of £18.7 million within national media and £8.6 million within local media.

The Group's revenue comprises sales excluding value added tax, less discounts and commission where applicable and is analysed as follows:

	2009 Total £m	**2009 Inter-segment £m**	**2009 Continuing operations £m**	2008 Total £m	2008 Inter-segment £m	2008 Continuing operations £m
Sale of goods	**727.4**	**–**	**727.4**	670.4	–	670.4
Rendering of services	**1,456.0**	**(65.9)**	**1,390.1**	1,728.3	(87.0)	1,641.3
	2,183.4	**(65.9)**	**2,117.5**	2,398.7	(87.0)	2,311.7

The Group includes circulation and subscriptions revenue within sales of goods, the remainder of the Group's revenue, excluding investment revenue is included within rendering of services. Investment revenue is shown in note 7.

Notes to the consolidated income statement
Continued

3 Segment analysis – Continued
By geographic area
The majority of the Group's operations are located in the United Kingdom, the rest of Europe, North America and Australia.

The geographic analysis below is based on the location of companies in these regions. Export sales and related profits are included in the areas from which those sales are made. Revenue in each geographic market in which customers are located is not disclosed as there is no material difference between the two.

Revenue is analysed by geographic area as follows:

	2009 Total and continuing £m	2008 Total and continuing £m
U.K.	**1,369.2**	1,614.1
Rest of Europe	**56.9**	71.3
North America	**530.0**	486.5
Australia	**65.7**	70.8
Rest of the World	**95.7**	69.0
	2,117.5	2,311.7

The closing net book value of goodwill, intangible assets and property, plant and equipment is analysed by geographic area as follows:

	Closing net book value of goodwill 2009 £m	Closing net book value of goodwill 2008 £m	Closing net book value of intangible assets 2009 £m	Closing net book value of intangible assets 2008 £m	Closing net book value of property, plant and equipment 2009 £m	Closing net book value of property, plant and equipment 2008 £m	Total 2009 £m	Total 2008 £m
U.K.	**294.4**	342.4	**114.3**	176.1	**374.9**	440.2	**783.6**	958.7
Rest of Europe	**3.9**	10.4	**15.2**	17.8	**19.9**	17.8	**39.0**	46.0
North America	**413.4**	479.1	**263.3**	277.5	**25.2**	24.7	**701.9**	781.3
Australia	**1.9**	1.9	**57.2**	146.8	**15.6**	14.4	**74.7**	163.1
Rest of the World	**20.6**	39.7	**10.9**	11.8	**4.8**	4.8	**36.3**	56.3
	734.2	873.5	**460.9**	630.0	**440.4**	501.9	**1,635.5**	2,005.4

4 Operating (loss)/profit analysis

Operating (loss)/profit before the share of results of joint ventures and associates is further analysed as follows:

	Note	2009 Total and continuing £m	2008 Total and continuing £m
Revenue		**2,117.7**	2,311.7
Decrease in stocks of finished goods and work in progress		**(2.4)**	(1.8)
Raw materials and consumables		**(315.1)**	(345.0)
Inventories recognised as an expense in the period		**(317.5)**	(346.8)
Staff costs	6	**(765.0)**	(734.6)
Pension scheme curtailments	32	**27.4**	–
Impairment of goodwill and intangible assets	18, 19	**(346.6)**	(167.8)
Amortisation of intangible assets	19	**(89.1)**	(90.3)
Promotion and marketing costs		**(114.9)**	(159.6)
Venue and delegate costs		**(104.7)**	(117.6)
Editorial and production costs		**(95.4)**	(104.2)
Distribution and transportation costs		**(85.7)**	(91.3)
Royalties and similar charges		**(52.3)**	(56.9)
Depreciation of property, plant and equipment	20	**(61.7)**	(63.1)
Impairment of property, plant and equipment	20	**(25.4)**	(7.4)
Rental of property		**(25.1)**	(20.9)
Other property costs		**(38.8)**	(37.4)
Rental of plant and equipment		**(3.9)**	(5.9)
Foreign exchange translation differences		**4.8**	2.9
Other expenses		**(281.1)**	(283.8)
		(257.3)	27.0

5 Auditors' remuneration

The total remuneration of the Group's auditors, Deloitte, and its associates is analysed as follows:

	2009 £m	2008 £m
Fees payable to the Company's auditors for the audit of the Company's annual accounts	**0.4**	0.3
The audit of the Company's subsidiaries pursuant to legislation	**1.9**	2.5
Total audit fees	**2.3**	2.8
Other services pursuant to legislation	**0.1**	0.1
Corporate finance services	**0.1**	0.7
Tax services	**0.5**	0.6
Other services	**1.5**	0.4
Total non-audit fees	**2.2**	1.8
	4.5	4.6

Fees payable to the Company's auditors and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis.

Notes to the consolidated income statement
Continued

6 Employees

The average number of persons employed by the Group including Directors is analysed as follows:

	2009 Number	2008 Number
RMS	**1,852**	1,921
Business information	**1,750**	1,800
Exhibitions	**558**	783
Euromoney	**2,211**	2,362
National media	**4,346**	4,510
Local media	**4,759**	5,579
Radio	**485**	554
Group operations	**77**	74
	16,038	17,583

The comparative average number of employees have been restated to ensure a consistent calculation across the Group using a Full Time Equivalent basis.

Total staff costs comprised:

	Note	2009 £m	2008 £m
Wages and salaries		**668.3**	641.5
Share-based payments	39	**14.9**	17.0
Social security costs		**51.5**	55.6
Pension costs	32	**30.3**	20.5
		765.0	734.6

7 Share of results of joint ventures and associates

	Note	2009 £m	2008 £m
Share of profits from operations of joint ventures		**0.4**	0.5
Share of losses from operations of associates		**(1.3)**	(0.3)
Operating (losses)/profits from joint ventures and associates		**(0.9)**	0.2
Share of associates' other gains and losses	(i)	**–**	9.8
Before amortisation, impairment of goodwill, interest and tax		**(0.9)**	10.0
Share of amortisation of intangibles of joint ventures		**(0.8)**	(0.6)
Share of associates' interest (payable)/receivable		**(0.2)**	0.2
Share of joint ventures' tax		**(0.6)**	(0.8)
Share of associates' tax		**(0.2)**	(0.5)
Impairment of carrying value of joint venture	(ii)	**(2.4)**	–
Impairment of carrying value of associate	(iii)	**(3.6)**	(4.8)
		(8.7)	3.5
Share of associates items recognised in equity		**(2.4)**	–
		(11.1)	3.5
Share of results from operations of joint ventures		**(1.0)**	(0.9)
Share of results from operations of associates		**(1.7)**	9.2
Impairment of carrying value of joint ventures		**(2.4)**	–
Impairment of carrying value of associates		**(3.6)**	(4.8)
		(8.7)	3.5
Share of associates' items recognised in equity		**(2.4)**	–
		(11.1)	3.5

(i) In the prior year this represents the Group's share of Centurion Holiday Group Limited's (formerly Indigo Holidays Limited) profit on disposal of Hotels4u.com.
(ii) Represents a write down in the carrying value of the Group's investment in Mail Today Newspapers Pvt. Limited.
(iii) Represents a write down in the carrying value of the Group's investment in Inview Interactive Limited. In the prior year Centurion Holidays Group Limited was liquidated following the period end. The Group's carrying value was written down to the proceeds received on liquidation.

Notes to the consolidated income statement

Continued

8 Other gains and losses

	Note	2009 £m	2008 £m
Profit on sale of available-for-sale investments		–	7.6
Impairment of available-for-sale assets	22	**(8.7)**	(10.1)
Profit on sale of property, plant and equipment		**1.5**	6.8
Amounts provided against deferred consideration receivable on disposal		**(5.6)**	–
(Loss)/profit on sale of businesses	17	**(8.3)**	23.4
Loss on deemed part disposal of Euromoney Institutional Investor plc		**(2.4)**	–
		(23.5)	27.7

The impairment of available-for-sale assets represents a further impairment charge for the Group's investment in Spot Runner Inc., an advertising services company, in light of its continued trading performance.

The (loss)/profit on sale of businesses mainly comprises a loss of £5.0m on the national media division's sale of a 75.1% interest in the Evening Standard offset by a £2.7 million curtailment gain, a profit of £2.4m within the business information division on its disposal of Property Portfolio Research and net losses of £9.1m in the exhibitions division in relation to a £6.2 million profit on sale of Metropress and losses of £15.3 million in relation to various consumer event businesses. There is a deferred tax charge of £2.4 million in relation to these profits and losses.

Following the disposal of the 75.1% interest in the Evening Standard, the Group has no Board representation and no influence over the day-to-day management of this business. The Group's remaining 24.9% interest has therefore been accounted for as an available-for-sale asset (note 22).

In the prior year the profit on sale of businesses mainly comprises the sale of Consumer North American Home Shows in the exhibitions division, Dolphin and the European business of Hobsons within business information and British Pathé within national media. No tax charge is due on the sale of Hobsons and British Pathé due to the availability of a statutory exemption. A tax charge of £1.9 million arose on the sale of Consumer North American Home Shows and a tax charge of £2.4 million arose on the sale of Dolphin.

9 Investment revenue

	2009 £m	2008 £m
Dividend income	**0.2**	0.3
Interest receivable from short-term deposits	**2.0**	2.7
	2.2	3.0

10 Finance costs

	Note	2009 £m	2008 £m
Interest, arrangement and commitment fees payable on bonds, bank loans and loan notes		**(76.1)**	(78.3)
Loss on derivatives, or portions thereof, not designated for hedge accounting		**(28.0)**	(45.6)
Finance charge on discounting of deferred consideration	33	**(1.7)**	(2.4)
Other		**(8.0)**	(3.0)
		(113.8)	(129.3)
Analysed as follows: Interest, arrangement and commitment fees payable on bonds, bank loans and loan notes		**(76.1)**	(78.3)
Finance charge on discounting of deferred consideration	33	**(1.7)**	(2.4)
Change in fair value of non designated portion of derivatives designated as net investment hedges		**(2.0)**	2.6
Change in fair value of interest rate caps not designated for hedge accounting		**–**	(0.2)
Change in fair value of derivative hedge of bond		**9.0**	1.1
Change in fair value of hedged portion of bond		**(9.0)**	(1.1)
		(79.8)	(78.3)
Tax equalisation swap income		**0.8**	14.5
Non foreign exchange gain on tax equalisation options		**1.1**	5.3
		1.9	19.8
Foreign exchange loss on tax equalisation arrangements		**(27.9)**	(67.8)
Foreign exchange loss on restructured hedging arrangements		**(6.2)**	–
Change in fair value of acquisition put option commitments		**(1.8)**	(3.0)
		(35.9)	(70.8)
		(113.8)	(129.3)

The finance charge on the discounting of contingent consideration arises from the requirement under IFRS 3, Business Combinations to discount contingent consideration back to current values.

Tax equalisation swap income and the gain from tax equalisation options totalling £1.9 million (2008 £19.8 million) arises from the economic hedging of tax on foreign exchange movements. The foreign exchange loss on tax equalisation arrangements of £27.9 million (2008 £67.8 million) is excluded from adjusted profit since it is equal to a reduced tax charge (see note 11). In addition, the foreign exchange loss on intra group financing, premium on repurchase of bonds, on restructured hedging arrangements and the change in fair value of acquisition put options are also excluded from adjusted profits.

The foreign exchange losses on restructured hedging arrangements of £6.2 million (2008 £nil) arise from forward contracts classified as ineffective under IAS 39, Financial instruments, following the Directors' review of the Group's U.S. dollar revenue capacity in its U.K. based businesses.

Notes to the consolidated income statement
Continued

11 Tax

	2009 £m	2008 £m
The credit on the loss for the year consists of:		
U.K. tax		
Corporation tax at 28% (2008 29%)	–	18.0
Adjustments in respect of prior years	**25.4**	28.2
	25.4	46.2
Overseas tax		
Corporation tax	**(1.0)**	(18.4)
Adjustments in respect of prior years	**1.4**	(0.8)
Total current tax	**25.8**	27.0
Deferred tax		
Origination and reversals of timing differences	**64.7**	60.6
Adjustments in respect of prior years	**4.0**	(2.9)
Total deferred tax	**68.7**	57.7
	94.5	84.7

Being a multinational Group with tax affairs in many geographic locations inherently leads to a highly complex tax structure which makes the degree of estimation and judgement more challenging.

A current tax credit of £nil (2008 £1.0 million) and a deferred tax credit of £120.6 million (2008 £40.0 million) was credited directly to equity (note 36).

The tax charge for the year is lower than the standard rate of corporation tax in the U.K. of 28% (2008 29%) representing the weighted average annual corporate tax rate for the full financial year. The differences are explained below:

	2009 £m	2008 £m
Loss on ordinary activities before tax – continuing	**(401.1)**	(68.1)
Profit before tax – discontinued operations	**1.2**	0.2
Tax on loss on ordinary activities at the standard rate	**112.0**	19.7
Effect of:		
Amortisation and Impairment of goodwill and intangible assets	**(54.8)**	(21.3)
Other expenses not deductible for tax purposes	**(8.3)**	(15.6)
Additional items deductible for tax purposes	**37.0**	70.1
Recognition of previously unrecognised deferred tax assets	**1.5**	7.1
Effect of overseas tax rates	**9.8**	0.1
Effect of associates tax	**(1.4)**	2.4
Tax losses unrelieved	**(40.0)**	(9.0)
Write off/disposal of subsidiaries	**10.4**	7.7
Adjustment in respect of prior years	**30.8**	24.5
Other	**(2.5)**	(1.0)
Total tax credit on the loss for the year	**94.5**	84.7

11 Tax – Continued

The net prior year credit of £30.8 million (2008 £24.5 million) arose largely from the agreement of certain prior year open issues with tax authorities and a reassessment of the level of tax provisions required.

Adjusted tax on profits before amortisation and impairment of intangible assets, restructuring costs and non-recurring items (adjusted tax charge) amounted to a charge of £44.3 million (2008 £62.8 million) and the resulting rate is 22.1% (2008 24.0%). The differences between the tax credit and the adjusted tax charge are shown in the reconciliation below:

	2009 £m	2008 £m
Total tax credit on the loss for the year	**94.5**	84.7
Deferred tax on intangible assets and goodwill	**(52.4)**	(37.2)
Current tax on foreign exchange on tax equalisation contracts	**(27.9)**	(67.8)
Agreement of open issues with tax authorities	**(34.4)**	(23.8)
Tax on other exceptional items	**(24.1)**	(18.7)
Adjusted tax charge on the loss for the period	**(44.3)**	(62.8)

In calculating the adjusted tax rate, the Group excludes the potential future deferred tax effects of intangible assets and goodwill as it prefers to give the readers of its accounts a view of the tax charge based on the current status of such items.

A credit of £27.9 million relating to tax on foreign exchange losses (2008 £67.8 million) has been treated as exceptional as it matches foreign exchange losses of £27.9 million (2008 £67.8 million) on tax equalisation swaps included within finance costs (see note 10).

12 Dividends paid

	2009 Pence per share	2009 £m	2008 Pence per share	2008 £m
Amounts recognisable as distributions to equity holders in the period				
Ordinary shares – final dividend for the year ended 28th September, 2008	**9.90**	**2.0**	–	–
'A' Ordinary Non-Voting shares – final dividend for the year ended 28th September, 2008	**9.90**	**35.1**	–	–
Ordinary shares – final dividend for the year ended 30th September, 2007	**–**	**–**	9.90	2.0
'A' Ordinary Non-Voting shares – final dividend for the year ended 30th September, 2007	**–**	**–**	9.90	36.4
		37.1		38.4
Ordinary shares – interim dividend for the year ended 4th October, 2009	**4.80**	**1.0**	–	–
'A' Ordinary Non-Voting shares – interim dividend for the year ended 4th October, 2009	**4.80**	**17.2**	–	–
Ordinary shares – interim dividend for the year ended 28th September, 2008	**–**	**–**	4.80	1.0
'A' Ordinary Non-Voting shares – interim dividend for the year ended 28th September, 2008	**–**	**–**	4.80	16.9
		18.2		17.9
	14.70	**55.3**	14.70	56.3

The Board has declared a final dividend of 9.90p per Ordinary/'A' Ordinary Non-Voting share (2008 9.90p) which will absorb an estimated £37.9 million of shareholders' funds for which no liability has been recognised in these financial statements. Subject to shareholder approval it will be paid on 12th February, 2010 to shareholders on the register at the close of business on 4th December, 2009.

Notes to the consolidated income statement

Continued

13 Adjusted profit
(before exceptional operating costs and amortisation and impairment of goodwill and intangible assets, other gains and losses and exceptional financing costs, after taxation and minority interests)

	Note	2009 £m	2008 £m
Loss before tax – continuing operations		**(401.1)**	(68.1)
Profit before tax – discontinued operations	25	**1.2**	0.2
Add back:			
Amortisation of intangible assets in Group profit from operations and in joint ventures and associates	3, 7	**89.9**	90.9
Impairment of goodwill and intangible assets	3	**346.6**	167.8
Exceptional operating costs	3	**99.2**	31.8
Share of associates' other gains	7	**–**	(9.8)
Impairment of carrying value of joint venture	7	**2.4**	–
Impairment of carrying value of associate	7	**3.6**	4.8
Other gains and losses:			
Profit on sale of available-for-sale investments	8	**–**	(7.6)
Profit on sale of property, plant and equipment	8	**(1.5)**	(6.8)
Amounts provided against deferred consideration receivable on disposal	8	**5.6**	–
Loss/(profit) on sale of businesses	8	**8.3**	(23.4)
Impairment of available-for-sale assets	8	**8.7**	10.1
Loss on deemed part disposal of Euromoney Institutional Investor plc	8	**2.4**	–
Profit on sale of discontinued operations	25	**(1.2)**	(0.2)
Finance costs:			
Foreign exchange loss on tax equalisation arrangements	10	**27.9**	67.8
Foreign exchange loss on restructured hedging arrangements	10	**6.2**	–
Change in fair value of acquisition put option commitments	10	**1.8**	3.0
Tax:			
Share of tax in joint ventures and associates	7	**0.8**	1.3
Profit before exceptional operating costs, amortisation and impairment of goodwill and intangible assets, other gains and losses and exceptional financing costs, taxation and minority interests		**200.8**	261.8
Total tax credit on the profit for the period	11	**94.5**	84.7
Adjust for:			
Deferred tax on intangible assets and goodwill	11	**(52.4)**	(37.2)
Current tax on foreign exchange on tax equalisation arrangements	11	**(27.9)**	(67.8)
Agreed open issues with tax authorities	11	**(34.4)**	(23.8)
Tax on other exceptional items	11	**(24.1)**	(18.7)
Interest of minority shareholders		**(15.8)**	(18.1)
Adjusted profit before exceptional operating costs, amortisation and impairment of goodwill and intangible assets, other gains and losses and exceptional financing costs after taxation and minority interests		**140.7**	180.9

The adjusted minority share of profits for the year of £15.8 million (2008 £18.1 million) is stated after eliminating a credit of £17.8 million (2008 £1.2 million), being the minority share of exceptional items.

14 (Loss)/earnings per share

Basic loss per share of 80.1p (2008 0.0p) and diluted loss per share of 80.1p (2008 0.2p) are calculated, in accordance with IAS 33, Earnings per share, on Group loss for the financial year of £303.4 million (2008 £nil) and on the weighted average number of ordinary shares in issue during the year, as set out below.

As in previous years, adjusted earnings per share have also been disclosed since the Directors consider that this alternative measure gives a more comparable indication of the Group's underlying trading performance. Adjusted earnings per share of 37.2p (2008 47.9p) are calculated on profit before exceptional operating costs, amortisation and impairment of goodwill and intangible assets, after charging the taxation and minority interests associated with those profits, of £140.7 million (2008 £180.9 million), as set out in note 13 above, and on the basic weighted average number of ordinary shares in issue during the year.

Basic (loss)/earnings per share

	2009 Diluted pence per share	2008 Diluted pence per share	2009 Basic pence per share	2008 Basic pence per share
Loss per share from continuing operations	**(80.1)**	(0.2)	**(80.1)**	–
Adjustment to exclude earnings of discontinued operations	**0.3**	0.1	**0.3**	0.1
Basic (loss)/earnings per share from continuing and discontinued operations	**(79.8)**	(0.1)	**(79.8)**	0.1
Add back:				
Amortisation of intangible assets in Group profit from operations and in joint ventures and associates	**23.7**	24.1	**23.7**	24.1
Impairment of goodwill and intangible assets	**91.5**	44.4	**91.5**	44.4
Exceptional operating costs	**26.2**	8.4	**26.2**	8.4
Share of associates' other gains	**–**	(2.6)	**–**	(2.6)
Impairment of carrying value of joint venture	**0.6**	–	**0.6**	–
Impairment of carrying value of associate	**1.0**	1.3	**1.0**	1.3
Other gains and losses:				
Profit on sale of available-for-sale investments	**–**	(2.0)	**–**	(2.0)
Profit on sale of property, plant and equipment	**(0.4)**	(1.8)	**(0.4)**	(1.8)
Amounts provided against deferred consideration receivable on disposal	**1.5**	–	**1.5**	–
Loss/(profit) on sale of businesses	**2.2**	(6.2)	**2.2**	(6.2)
Impairment of available-for-sale assets	**2.3**	2.7	**2.3**	2.7
Loss on deemed part disposal of Euromoney Institutional Investor plc	**0.6**	–	**0.6**	–
Profit on sale of discontinued operations	**(0.3)**	(0.1)	**(0.3)**	(0.1)
Finance costs:				
Foreign exchange loss on tax equalisation arrangements	**7.4**	18.0	**7.4**	18.0
Foreign exchange loss on restructured hedging arrangements	**1.6**	–	**1.6**	–
Change in fair value of acquisition put option commitments	**0.5**	0.8	**0.5**	0.8
Tax:				
Share of tax in joint ventures and associates	**0.2**	0.3	**0.2**	0.3

Notes to the consolidated income statement
Continued

14 (Loss)/earnings per share – Continued

	2009 Diluted pence per share	2008 Diluted pence per share	2009 Basic pence per share	2008 Basic pence per share
Profit before exceptional operating costs, amortisation and impairment of goodwill and intangible assets, other gains and losses and exceptional financing costs, taxation and minority interests	**78.8**	87.2	**78.8**	87.4
Adjust for:				
Deferred tax on intangible assets and goodwill	**(13.9)**	(9.9)	**(13.9)**	(9.9)
Current tax on foreign exchange on tax equalisation arrangements	**(7.4)**	(18.0)	**(7.4)**	(18.0)
Agreed open issues with tax authorities	**(9.1)**	(6.3)	**(9.1)**	(6.3)
Tax on other exceptional items	**(6.4)**	(5.0)	**(6.4)**	(5.0)
Interest of minority shareholders	**(4.8)**	(0.3)	**(4.8)**	(0.3)
Adjusted earnings per share (before exceptional operating costs, amortisation and impairment of goodwill and intangible assets, other gains and losses and exceptional financing costs after taxation and minority interests)	**37.2**	47.7	**37.2**	47.9

The weighted average number of ordinary shares in issue during the year for the purpose of these calculations is as follows:

	2009 Number m	2008 Number m
Number of ordinary shares in issue	**392.6**	395.3
Shares held in Treasury	**(14.0)**	(17.7)
Basic earnings per share denominator	**378.6**	377.6
Effect of dilutive share options	**0.1**	–
Dilutive earnings per share denominator	**378.7**	377.6

Notes to the consolidated cash flow statement
15 Analysis of net debt

	Note	At beginning of year £m	Cash flow £m	Fair value hedging adjustments £m	Foreign exchange movements £m	Other non-cash movements £m	At end of year £m
Cash and cash equivalents	26	45.3	(4.4)	–	6.5	–	**47.4**
Bank overdrafts	30	(1.0)	0.9	–	(0.4)	–	**(0.5)**
Net cash and cash equivalents		44.3	(3.5)	–	6.1	–	**46.9**
Debt due within one year							
Bank loans	30	–	(0.5)	–	–	–	**(0.5)**
Loan notes	30	(25.0)	14.4	–	(0.8)	(3.4)	**(14.8)**
Hire purchase obligations	30	–	(4.7)	–	–	–	**(4.7)**
Debt due after one year							
Bonds	30	(838.9)	–	(9.0)	–	0.8	**(847.1)**
Bank loans	30	(165.3)	16.6	–	(22.7)	(1.9)	**(173.3)**
Hire purchase obligations	30	–	(20.3)	–	–	–	**(20.3)**
Net debt before effect of derivatives		(984.9)	2.0	(9.0)	(17.4)	(4.5)	**(1,013.8)**
Effect of derivatives on bank debt		(29.7)	(10.8)	9.0	(3.3)	–	**(34.8)**
Net debt		(1,014.6)	(8.8)	–	(20.7)	(4.5)	**(1,048.6)**

15 Analysis of net debt – Continued

The net cash outflow of £3.5 million includes a cash outflow of £50.0 million in respect of operating exceptional items.

Other non-cash movements in respect of debt due within one year arose following a vendors' decision to take a loan note alternative to satisfy a put option balance on certain prior year acquisitions (note 29) amounting to £2.1 million and a vendors' decision to take a loan note alternative to satisfy the £1.3 million contingent consideration balance on certain prior year acquisitions (note 33).

Other non-cash movements in respect of bonds comprises the unwinding of premium of £1.1 million (2008 £1.0 million) offset by the amortisation of issue costs of £0.3 million (2008 £0.3 million).

Other non-cash movements in respect of bank loans comprises accrued interest of £1.9 million (2008 £10.4 million).

16 Summary of the effects of acquisitions

Notable acquisitions completed during the period, the percentage of voting rights acquired, the dates of acquisition and the goodwill arising was as follows:

Name of acquisition	Segment	% voting rights acquired	Date of acquisition	Business description	Consideration paid £m	Intangible fixed assets acquired £m	Goodwill arising £m
Metropix	Business Information	100%	December 2008	Supplier of floor-plan drawing services	4.3	2.5	2.4
Reflex Publishing	Exhibitions	100%	November 2008	Event organiser and publisher in the energy sector	1.6	1.6	–
Broadbean Technology	National Media	100%	October 2008	Multiple job posting and application tracking solutions	7.7	4.8	4.1

Provisional fair value of net assets acquired with acquisitions:

	Note	Book value £m	Provisional fair value adjustments £m	Provisional fair value £m
Goodwill	18	–	6.5	6.5
Intangible assets	19	–	8.9	8.9
Property, plant and equipment	20	0.2	–	0.2
Current assets		2.1	–	2.1
Cash and cash equivalents		0.7	–	0.7
Trade creditors and other payables		(2.6)	–	(2.6)
Deferred tax	34	–	(2.2)	(2.2)
Net assets acquired		**0.4**	**13.2**	**13.6**

Notes to the consolidated cash flow statement

Continued

16 Summary of the effects of acquisitions – Continued

Cost of acquisitions:

	Note	Non-cash £m	Cash paid in current period £m	Total £m
Contingent consideration	33	6.0	–	6.0
Cash		–	7.3	7.3
Consideration at fair value		**6.0**	**7.3**	**13.3**
Directly attributable costs		–	0.3	0.3
Total cost of acquisition		**6.0**	**7.6**	**13.6**

If all acquisitions had been completed on the first day of the financial year, Group revenues for the year would have been £2,117.7 million and Group loss attributable to equity holders of the parent would have been £303.1 million. This information takes into account the amortisation of acquired intangible assets for a full year, together with related income tax effects but excludes any pre-acquisition finance costs and should not be viewed as indicative of the results of operations that would have occurred if the acquisitions had actually been completed on the first day of the financial year.

Total profit attributable to equity holders of the parent since the date of acquisition for companies acquired during the period amounted to £0.8 million.

The aggregate consideration for these and other businesses was £13.3 million, of which £7.3 million was paid in cash during the year, and an estimated amount of £6.0 million payable in the form of contingent consideration, depending upon trading results. This contingent consideration has been discounted back to current values in accordance with IFRS 3, Business Combinations. In each case, the Group has used acquisition accounting to account for the purchase.

Goodwill arising on the acquisitions is principally attributable to the anticipated profitability relating to the distribution of the Group's products in new and existing markets and anticipated operating synergies from the business combinations.

In the prior year the Group acquired the remaining 51% of the membership interests of George Little Management LLC (GLM) for cash consideration of £78.6 million (US$155.0 million). Costs incurred were £0.2 million.

GLM owns and manages trade shows for consumer goods in the U.S., serving industries as diverse as giftware, social stationery, home textiles, tabletop, gourmet house wares, contemporary furniture and wellness. GLM is involved in the production of nearly 40 trade shows in 15 cities across the U.S. and Canada.

Purchase of additional shares in controlled entities

	2009 £m	2008 £m
Cash consideration (including acquisition expenses of £0.1 million (2008 £nil))	**24.1**	36.3

During the period the Group acquired additional shares in controlled entities amounting to £24.1 million (2008 £36.3 million). In addition the Group opted to receive a scrip dividend from Euromoney, amounting to £13.7 million, thereby acquiring a further 1.8% of the issued ordinary share capital of Euromoney. Under the Group's accounting policy for the acquisition of shares in controlled entities, no adjustment has been recorded to the fair value of assets and liabilities already held on the balance sheet. The difference between the cost of the additional shares, goodwill arising and the carrying value of the minority share of net assets is adjusted directly in equity. The adjustment to equity in the period was a charge of £3.1 million.

In the prior year this includes a cash payment of £26.7 million on acquisition of a further 5.4% of the issued ordinary share capital of Euromoney. The adjustment to equity in the prior period was a charge of £6.4 million.

16 Summary of the effects of acquisitions – Continued

Reconciliation to purchase of subsidiaries as shown in the cash flow statement:

		Note	2009 £m	2008 £m
Cash consideration including acquisition expenses of £nil (2008 £0.2 million)	GLM	16	–	78.8
Cash consideration including acquisition expenses of £0.3 million (2008 £0.5 million)	Others	16	**7.6**	14.8
Cash paid to settle contingent consideration in respect of acquisitions		33	**15.1**	14.2
Cash and cash equivalents acquired with subsidiaries		16	**(0.7)**	(3.5)
			22.0	104.3

Cash paid in respect of contingent consideration relating to prior year acquisitions was mainly within the national media division.

The businesses acquired during the year contributed £1.1 million to the Group's net operating cash flows, £nil attributable to investing and £nil attributable to financing activities.

17 Summary of the effects of disposals

On 21st January, 2009, the national media division sold a 75.1% interest in the Evening Standard for cash proceeds of £8.3 million. Following disposal the Group has no Board representation and no influence over the day-to-day management of the title. The remaining 24.9% investment has therefore been treated as an available-for-sale investment.

The impact of the disposal on net assets was as follows:

	Note	£m
Property, plant and equipment	20	1.0
Total net assets disposed		**1.0**
Loss on sale of businesses	8	(2.3)
		(1.3)
Satisfied by:		
Cash received		8.3
Directly attributable costs		(4.0)
Cash reinvested		(8.3)
Pension curtailment gain		2.7
		(1.3)

During the period the Evening Standard absorbed £11.4 million of the Group's net operating cash flows, paid £nil in respect of investing activities and paid £nil in respect of financing activities.

The other principal disposals completed during the period, the proceeds received and date of disposal were as follows:

Name of disposal	Segment	Date of disposal	Disposal proceeds £m
Metropress	Exhibitions	October 2008	6.4
Mayhill	Exhibitions	September 2009	4.6
Various consumer shows	Exhibitions	At various dates between March 2009 and September 2009	2.2
Property Portfolio Research	Business information	July 2009	13.8

The proceeds on disposal of Property Portfolio Research were received in the form of shares in CoStar, Inc., a leading provider of information, marketing and analytic services to commercial real estate professionals in the United States and the United Kingdom (note 22).

Notes to the consolidated cash flow statement
Continued

17 Summary of the effects of disposals – Continued
The impact of disposals of businesses on net assets was:

	Note	£m
Goodwill	18	18.7
Intangible assets	19	3.2
Property, plant and equipment	20	2.2
Trade and other receivables		2.3
Cash at bank and in hand		0.8
Deferred tax	34	1.6
Trade creditors and other payables		(5.1)
Net assets disposed		**23.7**
Profit on disposal of businesses	8	(6.0)
		17.7
Satisfied by:		
Cash received		13.6
Investment in CoStar, Inc.	22	13.8
Liabilities assumed		(3.5)
Recycled cumulative translation differences	36	(0.9)
Directly attributable costs		(5.3)
		17.7

Reconciliation to disposal of businesses as shown in the cash flow statement:

	Note	2009 £m	2008 £m
Cash consideration net of disposal costs		**12.6**	63.4
Cash consideration net of disposal costs – discontinued operations	25	**1.2**	0.2
Cash reinvested		**(8.3)**	–
Cash and cash equivalents disposed with subsidiaries		**(0.8)**	(5.1)
		4.7	58.5

The businesses disposed of during the year contributed £0.1 million to the Group's net operating cash flows, £nil attributable to investing and £nil attributable to financing activities.

Notes to the consolidated balance sheet

18 Goodwill

	Note	Goodwill £m
Cost		
At 30th September, 2007		962.2
Additions	16	60.4
Additions in relation to purchase of additional interests in controlled entities	16	24.3
Revaluation of previously held interest in associate on acquisition of control		27.0
Reduction on recognition of deferred tax asset for pre-acquisition losses	3,(i)	(2.8)
Adjustment to previous year estimate of deferred consideration	33	(2.9)
Disposals	17	(44.5)
Adjustment in respect of prior period acquisition		2.1
Exchange adjustment		40.8
At 28th September, 2008		1,066.6
Additions	16	6.5
Additions in relation to purchase of additional interests in controlled entities	16	18.9
Adjustment to previous year estimate of deferred consideration	33	(8.6)
Disposals	17	(69.4)
Exchange adjustment		55.6
At 4th October, 2009		**1,069.6**

	Note	Goodwill £m
Accumulated impairment losses		
At 30th September, 2007		74.8
Impairment	3	130.5
Disposals	17	(14.9)
Exchange adjustment		2.7
At 28th September, 2008		193.1
Impairment	3	187.5
Disposals	17	(50.7)
Exchange adjustment		5.5
At 4th October, 2009		**335.4**
Net book value – 2008		873.5
Net book value – 2009		**734.2**

(i) In the prior year, following a reassessment of the recoverability of tax losses acquired with Metal Bulletin, a reduction in the carrying value of goodwill of £2.8 million within the Euromoney segment on recognition of deferred tax assets for pre-acquisition losses was recorded. In accordance with IAS 12, Income taxes, the Group is required to reduce its previously capitalised goodwill to offset the recognition of this deferred tax asset.

The Group tests goodwill annually for impairment, or more frequently if there are indicators that goodwill might be impaired. Intangible assets are tested separately from goodwill only where impairment indicators exist. The Group has no intangible assets with indefinite lives. Goodwill impairment losses recognised in the year were £187.5 million (2008 £130.5 million).

Notes to the consolidated balance sheet
Continued

18 Goodwill – Continued
When testing for impairment, the recoverable amounts for all the Group's cash-generating units (CGUs) are measured at the higher of value in use and fair value less costs to sell. Value in use by discounting future expected cash flows. These calculations use cash flow projections based on management approved budgets and projections which reflect management's current experience and future expectations of the markets in which the CGU operates. Risk adjusted discount rates used by the Group in its impairment tests range from 9.5% to 12.0% (2008 9.1% to 13.5%), the choice of rates depending on the market and maturity of the CGU. The Group's estimate of the weighted average cost of capital has increased from the previous year and the 2009 half year results reflecting principally a 2% increase in equity premium. The growth rates used in the projections range between 0% and 5.0% (2008 0% to 5.0%) and vary with management's view of the CGU's market position, maturity of the relevant market and do not exceed the long-term average growth rate for the market in which it operates.

Further disclosures in accordance with paragraph 134 of IAS 36, Impairment of assets, are provided where the Group holds an individual goodwill item relating to a CGU that is significant, which the Group considers to be 15.0% of the total, in comparison with the Group's total carrying value of goodwill.

The only significant item of goodwill included in the net book value above relates to BCA, a business within Metal Bulletin, which has a carrying value of £144.6 million (2008 £129.7 million) together with intangible assets with a carrying value of £84.1 million. The carrying value of BCA has been determined using a value in use calculation in line with IAS 36. The methodology applied to the value in use calculations reflects past experience and external sources of information including:

(i) Forecasts by the business based on cash flows derived from budgets for 2010. The Directors believe these to be reasonably achievable.
(ii) Subsequent cash flows for between one and three additional years increased in line with growth expectations of the business.
(iii) A discount rate of 9.5% and
(iv) Long-term growth rates of 3%.

Using the above methodology the recoverable amount exceeded the total carrying value by £50.5 million. For this business the Directors performed a sensitivity analysis on the total carrying value of the CGU. For the recoverable amount to be equal to the carrying value then the discount rate would need to be increased by 3.0% or the long-term growth rate would need to be reduced by 3.5%.

The impairment charge is analysed by major CGU as follows:

CGU	Segment	Goodwill impairment	Intangible asset impairment £m	Discount rate used 2009 %	Discount rate used 2008 %	Reason for impairment
GLM	Exhibitions	37.1	32.0	11.0%	9.5%	Reduction in budgeted profitability for the year ended 3rd October, 2010 combined with impact of increase in WACC discount rate
TSSE	Exhibitions	4.9	–	11.5%	9.5%	Note (i)
iMedia	Exhibitions	4.1	–	11.5%	9.5%	Note (i)
CGS	Exhibitions	3.4	–	11.5%	9.5%	Note (i)
Mayhill	Exhibitions	2.1	–	11.5%	9.5%	Note (i)
Evanta	Exhibitions	1.6	–	11.5%	9.5%	Note (i)
Other	Exhibitions	2.7	0.9			
		55.9	32.9			
IMN	Euromoney	15.9	–	9.5%	9.1%	Declining profitability due to a fall in demand
ABF	Euromoney	6.0	–	9.5%	9.1%	Declining profitability due to a fall in customer spend on training
		21.9	–			

18 Goodwill – Continued

CGU	Segment	Goodwill impairment £m	Intangible asset impairment £m	Discount rate used 2009 %	Discount rate used 2008 %	Reason for impairment
Bristol United Press	Local media	46.5	–	11.0%	9.5%	Significant downturn in regional advertising revenues leading to revised budget for the year ended 3rd October, 2010
Leek Post and Times	Local media	2.1	–	12.0%	10.0%	Note (i)
Newsquest titles	Local media	–	4.0	12.0%	10.5%	Note (i)
CIN	Local media	5.3	–	12.0%	10.5%	Note (i)
Tau-Online	Local media	6.0	0.6	11.5%	9.5%	Note (i)
Southern Titles	Local media	–	15.6	11.5%	10.5%	Note (i)
Perex Publishing Rights	Local media	2.5	6.3	11.5%	10.5%	Note (i)
Other	Local media	2.9	2.4			
		65.3	28.9			
Teletext	National media	13.3	–	12.0%	10.0%	Closure of analogue services
Jobsgroup	National media	5.2	2.5	12.0%	10.5%	Note (i)
Allegran	National media	5.0	–	12.0%	13.5%	Note (i)
Loot	National media	4.7	–	12.0%	10.0%	Note (i)
DMR	National media	4.5	–	12.0%	10.5%	Note (i)
Other	National media	11.7	1.1			
		44.4	3.6			
Nova Sydney radio licence	Radio	–	26.2	12.0%	9.0%	Note (ii)
Vega Sydney radio licence	Radio	–	22.2	12.0%	9.0%	Note (ii)
Nova Melbourne radio licence	Radio	–	4.9	12.0%	9.0%	Note (ii)
Vega Melbourne radio licence	Radio	–	16.1	12.0%	9.0%	Note (ii)
Nova Brisbane radio licence	Radio	–	15.3	12.0%	9.0%	Note (ii)
Nova Adelaide radio licence	Radio	–	4.7	12.0%	9.0%	Note (ii)
Central Coast radio licence	Radio	–	3.8	12.0%	9.0%	Note (ii)
		–	93.2			
Other	Business Information	–	0.5			
Total		187.5	159.1			

Recoverable amounts have been determined using value in use calculations for all of the above CGUs.

(i) In light of unprecedented market conditions in the past 12 months and performance in the current year, the Group has critically reassessed the forecast for the forthcoming year. For certain businesses this has resulted in a reduced outlook compared with that anticipated in the prior year and half year 2009. In addition the Group's WACC has increased as set out above.

(ii) Revised profit outlook in response to continued challenging trading conditions and market declines combined with an increased risk adjusted discount rate following an increase in the Group's WACC.

Notes to the consolidated balance sheet
Continued

18 Goodwill – Continued
In the prior period Euromoney reassessed the recoverability of tax losses acquired with Metal Bulletin and as a result recognised a deferred tax asset of £2.8 million. In accordance with IAS 12, Income Taxes, the Group is required to reduce its previously capitalised goodwill to offset this deferred tax asset.

Additionally in the prior period, included within the gift sector charge is an amount of £41.4 million relating to George Little Management LLC (GLM). GLM was an associate on 3rd October, 2004, the Group's transition date to IFRS. On transition to IFRS, the Group elected not to apply IFRS 3, Business Combinations, retrospectively to past business combinations and the carrying value of goodwill, intangible assets and other assets and liabilities associated with the Group's stakes in its subsidiaries, associates and joint ventures. As a result of the application of IFRS 3 on acquiring control of GLM a double count of goodwill in respect of the Group's acquisition of its initial 25% stake has occurred as under U.K. GAAP the majority of this stake was attributed to goodwill and no separately identifiable assets were recorded. As a result of this double count the Group was required to record an impairment charge of £14.4 million immediately following acquisition of control in 2008 and this is included in the charge for that period.

The balance of the gift sector charge reflected a downturn in the gift sector markets they support.

19 Other intangible assets

	Note	Publishing rights and titles £m	Radio licences £m	Brands £m	Customer related databases £m	Computer software £m	Other £m	Total £m
Cost								
At 30th September, 2007		441.8	218.9	171.7	108.0	68.1	4.6	1,013.1
Analysis reclassifications		–	–	–	–	(0.5)	0.5	–
Additions		2.8	–	97.2	3.6	0.1	5.9	109.6
Internally generated		–	–	–	–	18.7	–	18.7
Disposals		(8.2)	–	(2.0)	(0.2)	(3.0)	–	(13.4)
Transfer from/(to) property, plant and equipment	20	(0.7)	–	(0.1)	(0.2)	3.8	–	2.8
Exchange adjustment		14.5	7.9	16.1	6.3	1.8	0.5	47.1
At 28th September, 2008		450.2	226.8	282.9	117.5	89.0	11.5	1,177.9
Additions	16	–	–	2.0	5.2	1.7	–	8.9
Internally generated		–	–	1.3	0.6	15.9	–	17.8
Disposals	17	(18.3)	–	(19.8)	(0.2)	(26.6)	–	(64.9)
Exchange adjustment		14.5	47.9	30.9	4.7	2.4	1.7	102.1
At 4th October, 2009		**446.4**	**274.7**	**297.3**	**127.8**	**82.4**	**13.2**	**1,241.8**

19 Other intangible assets – Continued

	Note	Publishing rights and titles £m	Radio licences £m	Brands £m	Customer related databases £m	Computer software £m	Other £m	Total £m
Accumulated amortisation								
At 30th September, 2007		240.5	68.3	50.7	20.7	37.8	2.4	420.4
Analysis reclassifications		–	–	–	2.5	(2.5)	–	–
Charge for the year		26.7	10.1	27.4	13.6	11.0	1.5	90.3
Impairment	3	19.7	–	12.2	0.1	2.5	–	34.5
Disposals		(4.8)	–	(1.6)	(0.2)	(2.3)	–	(8.9)
Transfer from/(to) property, plant and equipment	20	(0.3)	–	–	–	0.8	–	0.5
Exchange adjustment		2.3	2.1	3.2	1.7	1.8	–	11.1
At 28th September, 2008		284.1	80.5	91.9	38.4	49.1	3.9	547.9
Charge for the year		19.8	11.0	24.8	19.9	12.3	1.3	89.1
Impairment	3, 18	12.4	93.2	35.2	18.3	–	–	159.1
Disposals	17	(18.3)	–	(18.1)	(0.2)	(25.1)	–	(61.7)
Exchange adjustment		0.4	34.1	3.3	3.9	1.3	3.5	46.5
At 4th October, 2009		**298.4**	**218.8**	**137.1**	**80.3**	**37.6**	**8.7**	**780.9**
Net book value – 2008		166.1	146.3	191.0	79.1	39.9	7.6	630.0
Net book value – 2009		**148.0**	**55.9**	**160.2**	**47.5**	**44.8**	**4.5**	**460.9**

The methodologies applied to the Group's cash-generating units (CGUs) when testing for impairment and details of the above impairment charge, are set out in note 18.

The carrying values of the Group's larger intangible assets are further analysed as follows:

	2009 Carrying value £m	2008 Carrying value £m	**2009 Remaining amortisation period Years**	2008 Remaining amortisation period Years
BCA mastheads	**67.3**	67.3	**26.8**	27.8
GLM – New York International Gift Fair brand	**66.1**	83.1	**18.0**	19.0
Metal Bulletin mastheads	**26.4**	26.4	**26.8**	27.8
Genscape intellectual property	**24.4**	22.3	**16.5**	17.5
Associated Mediabase software	**21.6**	21.7	**0.9**	1.9
Nova 96.9 radio licence	**18.1**	43.6	**11.5**	12.5
Nova 100 radio licence	**17.6**	20.7	**12.2**	13.2
BCA customer relationships	**16.8**	16.8	**12.4**	13.4
Nova 106.9 radio licence	**14.8**	29.8	**15.5**	16.5
Evanta brand	**13.4**	12.6	**11.8**	12.8
Institutional Investor title	**7.4**	8.3	**8.0**	9.0
Trinity Mirror Southern Titles	**6.4**	22.9	**17.8**	18.8
Vega 95.3 radio licence	**–**	22.6	**15.8**	16.8
Vega 91.5 radio licence	**–**	16.3	**16.0**	17.0
Perex title	**–**	10.2	**2.8**	3.8

Notes to the consolidated balance sheet
Continued

20 Property, plant and equipment

	Note	Freehold properties £m	Long leasehold properties £m	Short leasehold properties £m	Plant and equipment £m	Total £m
Cost						
At 30th September, 2007		140.2	88.5	57.7	711.7	998.1
Owned by subsidiaries acquired		–	–	0.3	0.6	0.9
Additions		3.0	0.8	1.3	52.0	57.1
Disposals		(2.5)	–	(1.5)	(38.9)	(42.9)
Owned by subsidiaries disposed		–	–	–	(2.6)	(2.6)
Transfers to intangible fixed assets	19	–	–	–	(2.8)	(2.8)
Reclassifications		10.5	(10.1)	–	(0.4)	–
Exchange adjustment		0.6	(0.2)	0.5	9.3	10.2
At 28th September, 2008		151.8	79.0	58.3	728.9	1,018.0
Owned by subsidiaries acquired	16	–	–	–	0.2	0.2
Additions		2.2	0.4	3.8	36.5	42.9
Disposals		(5.7)	(8.6)	(1.5)	(136.7)	(152.5)
Owned by subsidiaries disposed	17	–	–	–	(5.2)	(5.2)
Exchange adjustment		0.5	0.3	3.1	12.7	16.6
At 4th October, 2009		**148.8**	**71.1**	**63.7**	**636.4**	**920.0**

	Note	Freehold properties £m	Long leasehold properties £m	Short leasehold properties £m	Plant and equipment £m	Total £m
Accumulated depreciation and impairment						
At 30th September, 2007		23.9	34.3	32.8	386.4	477.4
Charge for the year	3	3.4	2.3	3.6	53.8	63.1
Impairment		–	–	–	7.4	7.4
Disposals		(0.4)	–	(1.3)	(32.6)	(34.3)
Owned by subsidiaries disposed		–	–	–	(2.2)	(2.2)
Transfers to intangible fixed assets	19	–	–	–	(0.5)	(0.5)
Reclassifications		0.3	(0.3)	–	–	–
Exchange adjustment		0.2	–	0.2	4.8	5.2
At 28th September, 2008		27.4	36.3	35.3	417.1	516.1
Charge for the year	3	4.2	2.0	3.9	51.6	61.7
Impairment	(i)	1.9	–	0.9	22.6	25.4
Disposals		(0.3)	(5.9)	(1.2)	(123.6)	(131.0)
Owned by subsidiaries disposed	17	–	–	–	(2.0)	(2.0)
Exchange adjustment		–	–	1.1	8.3	9.4
At 4th October, 2009		**33.2**	**32.4**	**40.0**	**374.0**	**479.6**
Net book value – 2008		124.4	42.7	23.0	311.8	501.9
Net book value – 2009		**115.6**	**38.7**	**23.7**	**262.4**	**440.4**

20 Property, plant and equipment – Continued

(i) Included within exceptional operating costs is an impairment charge of £25.4 million (2008 £7.4 million) in relation to property, plant and equipment. Of this charge £21.9 million relates to printing equipment within the national media division. These assets are now considered obsolete due to excess capacity within the Group.

Included within property, plant and equipment are assets with a net book value of £37.6 million relating to the Group's colour press operation. These assets were sold and leased back during the year under a hire purchase agreement.

The following table analyses assets in the course of construction included in property, plant and equipment above.

	Note	Long leasehold properties £m	Short leasehold properties £m	Plant and equipment £m	Total £m
Assets in the course of construction					
Cost and net book value					
At 30th September, 2007		0.3	0.5	37.1	37.9
Projects completed	(i)	(0.2)	(0.5)	(26.7)	(27.4)
Additions		0.5	0.1	6.2	6.8
At 28th September, 2008		0.6	0.1	16.6	17.3
Projects completed		(0.4)	–	(11.9)	(12.3)
Additions		–	1.3	2.7	4.0
At 4th October, 2009		**0.2**	**1.4**	**7.4**	**9.0**

(i) The projects completed during the prior year mainly relate to the Group's new colour printing facility which became available for use and has been transferred out of assets under construction.

21 Investments in joint ventures and associates

	Cost of shares £m	Loans £m	Share of post-acquisition retained reserves £m	Total £m
Joint Ventures				
At 30th September, 2007	18.7	7.2	(6.7)	19.2
Additions	6.3	–	–	6.3
Loan repayment	–	(1.1)	–	(1.1)
Share of retained reserves	–	–	(2.6)	(2.6)
Exchange adjustment	0.6	0.1	(0.5)	0.2
At 28th September, 2008	25.6	6.2	(9.8)	22.0
Additions	0.4	1.3	–	1.7
Loan repayment	–	(0.4)	–	(0.4)
Share of retained reserves	–	–	(2.8)	(2.8)
Provision against carrying value	(2.4)	–	–	(2.4)
Exchange adjustment	5.6	0.4	0.2	6.2
At 4th October, 2009	**29.2**	**7.5**	**(12.4)**	**24.3**

Notes to the consolidated balance sheet
Continued

21 Investments in joint ventures and associates – Continued

Summary aggregated financial information for the Group's joint ventures, extracted on a 100% basis from the joint ventures' own financial information as at 4th October, 2009 is set out below:

	2009 Revenue £m	2009 Operating profit/(loss) £m	2009 Total expenses £m	2009 Profit/(loss) for the period £m
Business information	1.1	0.3	(0.8)	0.3
Exhibitions	2.1	(0.1)	(2.2)	(0.1)
National media	1.6	(8.5)	(10.1)	(8.5)
Local media	2.3	1.0	(1.5)	(0.8)
Radio	16.5	4.6	(14.0)	2.5
	23.6	(2.7)	(28.6)	(5.0)

	2009 Non-current assets £m	2009 Current assets £m	2009 Current liabilities £m	2009 Non-current liabilities £m	2009 Net assets/ (liabilities) £m
Business information	–	0.6	(0.2)	(1.4)	(1.0)
Exhibitions	–	1.8	(1.3)	–	0.5
National media	0.7	1.7	(3.2)	–	(0.8)
Local media	0.2	1.0	(0.1)	–	1.1
Radio	48.2	18.3	(2.8)	(23.5)	40.2
	49.1	23.4	(7.6)	(24.9)	40.0

	2008 Revenue £m	2008 Operating profit/(loss) £m	2008 Total expenses £m	2008 Profit/(loss) for the period £m
Business information	0.8	–	(0.8)	–
Exhibitions	1.4	0.4	(1.0)	0.4
National media	0.8	(8.3)	(9.1)	(8.3)
Local media	1.8	1.1	(1.0)	0.8
Radio	15.7	4.3	(12.9)	2.8
	20.5	(2.5)	(24.8)	(4.3)

	2008 Non-current assets £m	2008 Current assets £m	2008 Current liabilities £m	2008 Non-current liabilities £m	2008 Net assets/ (liabilities) £m
Business information	–	0.4	(0.3)	(1.3)	(1.2)
Exhibitions	–	1.4	(0.9)	–	0.5
National media	3.9	1.7	(2.4)	–	3.2
Local media	0.2	1.0	(0.1)	–	1.1
Radio	29.9	4.9	(2.2)	(13.3)	19.3
	34.0	9.4	(5.9)	(14.6)	22.9

21 Investments in joint ventures and associates – Continued

At 4th October, 2009 there were no material contingent liabilities or capital commitments in respect of the Group's joint ventures (2008 None).

Information on principal joint ventures from the latest available accounts (all incorporated in Great Britain and registered and operating in England and Wales unless otherwise stated).

	Principal activity	Year ended	Description of holding	Group interest %
Unlisted				
Mail Today Newspapers Pvt. Limited (incorporated and operating in India)	Publisher of classified publications	30th September, 2009	Ordinary	26.0%
Brisbane FM Radio Pty Limited (incorporated and operating in Australia)	Independent radio operator	31st December, 2008	Ordinary	50.0%
DMG Radio (Perth) Pty Limited (incorporated and operating in Australia)	Independent radio operator	30th September, 2009	Ordinary	50.0%

	Cost of shares £m	Loans £m	Share of post acquisition retained reserves £m	Total £m
Associates				
At 30th September, 2007	99.2	6.3	(40.8)	64.7
Correct misallocation in prior years	(9.8)	(0.1)	9.9	–
Additions	6.3	0.9	–	7.2
Loan repayment	–	(3.7)	–	(3.7)
Share of retained reserves	–	–	7.8	7.8
Provided during the year	(4.8)	–	–	(4.8)
Transfer to investment in subsidiaries	(55.8)	–	(0.1)	(55.9)
Disposals	(9.5)	(0.1)	2.3	(7.3)
Exchange adjustment	2.3	0.4	(0.1)	2.6
At 28th September, 2008	27.9	3.7	(21.0)	10.6
Additions	2.5	1.5	–	4.0
Share of retained reserves	–	–	(4.4)	(4.4)
Provided during the year	(3.6)	–	–	(3.6)
Exchange adjustment	4.0	0.7	–	4.7
At 4th October, 2009	**30.8**	**5.9**	**(25.4)**	**11.3**

Notes to the consolidated balance sheet
Continued

21 Investments in joint ventures and associates – Continued

Summary aggregated financial information for the Group's associates, extracted on a 100% basis from the associates' own financial information is set out below:

	2009 Revenue £m	2008 Revenue £m	2009 Operating profit/(loss) £m	2008 Operating profit/(loss) £m	2009 Profit/(loss) for the period £m	2008 Profit/(loss) for the period £m
RMS	**1.1**	0.8	**(7.3)**	0.1	**(0.2)**	0.3
Business information	**7.3**	4.4	**(1.0)**	(0.7)	**(1.1)**	(0.7)
Euromoney	**2.0**	2.2	**0.7**	0.8	**0.5**	0.6
National media	**108.2**	101.9	**(3.8)**	(4.0)	**(5.0)**	21.3
Local media	**4.0**	4.8	**0.2**	0.1	**0.2**	0.1
	122.6	114.1	**(11.2)**	(3.7)	**(5.6)**	21.6

Summary aggregated financial information for the Group's associates, extracted on a 100% basis from the associates' own financial accounts is set out below:

	2009 Non-current assets £m	2009 Current assets £m	2009 Total assets £m	2009 Current liabilities £m	2009 Non-current liabilities £m	2009 Total liabilities £m	2009 Net assets/ (liabilities) £m
RMS	**0.1**	**3.5**	**3.6**	**(0.1)**		**(0.1)**	**3.5**
Business information	**1.8**	**3.4**	**5.2**	**(4.5)**	**(0.2)**	**(4.7)**	**0.5**
Euromoney	**–**	**1.0**	**1.0**	**–**	**–**	**–**	**1.0**
National media	**19.8**	**37.5**	**57.3**	**(38.0)**	**(46.0)**	**(84.0)**	**(26.7)**
Local media	**1.3**	**1.0**	**2.3**	**(0.4)**	**–**	**(0.4)**	**1.9**
	23.0	**46.4**	**69.4**	**(43.0)**	**(46.2)**	**(89.2)**	**(19.8)**

	2008 Non-current assets £m	2008 Current assets £m	2008 Total assets £m	2008 Current liabilities £m	2008 Non-current liabilities £m	2008 Total liabilities £m	2008 Net assets/ (liabilities) £m
RMS	0.2	2.7	2.9	(0.2)	–	(0.2)	2.7
Business information	0.7	1.4	2.1	(3.1)	–	(3.1)	(1.0)
Euromoney	–	0.6	0.6	(0.2)	–	(0.2)	0.4
National media	20.7	36.0	56.7	(56.8)	(8.3)	(65.1)	(8.4)
Local media	1.0	2.1	3.1	(0.9)	–	(0.9)	2.2
	22.6	42.8	65.4	(61.2)	(8.3)	(69.5)	(4.1)

21 Investments in joint ventures and associates – Continued

Information on principal associates from the latest available accounts (all incorporated and operating in Great Britain unless otherwise stated).

	Principal activity	Year ended	Description of holding	Group interest %
Unlisted				
Independent Television News Limited	Independent TV news provider	31st December, 2008	Ordinary	20.0%
A-Z Agentia de Publicitate S.A. (incorporated and operating in Romania)	Publisher of classified publications	31st December, 2008	Ordinary	50.0%

Joint ventures and associates have been accounted for under the equity method using unaudited accounts to 4th October, 2009.

22 Non-current assets – available-for-sale investments

	Note	Listed £m	Unlisted £m	Total £m
At 30th September, 2007		48.9	3.4	52.3
Additions		–	15.9	15.9
Disposals		(47.4)	(0.1)	(47.5)
Impairment charge	8	(1.5)	(8.6)	(10.1)
Fair value movement in the year	36	–	(0.1)	(0.1)
Exchange adjustment		–	0.8	0.8
At 28th September, 2008		–	11.3	11.3
Additions		14.1	1.9	16.0
Disposals		–	(3.4)	(3.4)
Impairment charge	8	–	(8.7)	(8.7)
Fair value movement in the year	36	1.4	–	1.4
Exchange adjustment		(0.4)	1.9	1.5
At 4th October, 2009		**15.1**	**3.0**	**18.1**

The investments above represent listed equity securities and unlisted securities, which are recorded as non-current assets unless they are expected to be sold within one year, in which case they are recorded as current assets. The investments in listed securities have no fixed maturity or coupon rate and the fair value of these investments is based on quoted market prices. Since there is no active market upon which they are traded, other unlisted equity securities are recorded at cost less provision for impairment, as their fair values cannot be reliably measured.

Available-for-sale investments are analysed as follows:

	Note	2009 £m	2008 £m
Listed			
CoStar, Inc.	17	**14.9**	–
Other		**0.2**	–
		15.1	–
Unlisted			
Spot Runner, Inc.		**–**	7.5
Other		**3.0**	3.8
		3.0	11.3

The Group's investment in CoStar, Inc. is subject to certain restrictions and cannot be disposed until six months have elapsed since the date of acquisition.

Notes to the consolidated balance sheet
Continued

22 Non-current assets – available-for-sale investments – Continued
Information on principal available-for-sale investments, taken from the latest published accounts (incorporated in Great Britain unless stated otherwise) is as follows:

	Class of holding	Group interest %
CoStar, Inc. (incorporated in the U.S.A. and operating in the U.S.A. and the U.K.)	Common stock	2.8%
The Press Association Limited	Ordinary	15.6%
Spot Runner, Inc. (incorporated and operating in the U.S.A.)	Common stock	5.0%

Currency analysis of available-for-sale investments:

	2009 £m	2008 £m
Sterling	**2.1**	1.5
U.S. dollar	**14.8**	9.2
Australian dollar	**1.2**	0.4
Other	**–**	0.2
	18.1	11.3

Interest analysis of available-for-sale investments:

	2009 £m	2008 £m
Non-interest bearing	**18.1**	11.3

23 Inventories

	2009 £m	2008 £m
Raw materials and consumables	**13.8**	15.2
Work in progress	**9.6**	12.1
Finished goods	**0.2**	0.3
	23.6	27.6

24 Trade and other receivables

	2009 £m	2008 £m
Current assets		
Trade receivables	**305.8**	368.7
Allowance for doubtful debts	**(33.1)**	(17.7)
	272.7	351.0
Prepayments and accrued income	**81.4**	79.8
Other debtors	**23.4**	26.1
	377.5	456.9
Non-current assets		
Trade receivables	**1.0**	0.2
Prepayments and accrued income	**0.1**	0.6
Other debtors	**3.1**	7.5
	4.2	8.3
	381.7	465.2

Movement in the allowance for doubtful debts:

	2009 £m	2008 £m
At start of year	**(17.7)**	(14.4)
Impairment losses recognised	**(23.2)**	(8.2)
Amounts written off as uncollectible	**6.7**	4.3
Amounts recovered during the year	**1.7**	1.3
Owned by subsidiaries disposed	**0.2**	0.1
Exchange adjustment	**(0.8)**	(0.8)
At end of year	**(33.1)**	(17.7)

Ageing of impaired trade receivables:

	2009 £m	2008 £m
31 – 60 days	**3.0**	1.5
61 – 90 days	**1.8**	0.6
91 – 120 days	**2.3**	0.7
121 + days	**10.9**	12.1
Total	**18.0**	14.9

Included in the Group's trade receivables are debtors with a carrying value of £92.7 million (2008 £183.5 million) which are past due as at 4th October, 2009 for which no allowance has been made. The Group is not aware of any deterioration in the credit quality of these customers and considers that the amounts are still recoverable.

Notes to the consolidated balance sheet
Continued

24 Trade and other receivables – Continued
Ageing of past due but not impaired receivables:

	2009 £m	2008 £m
1 – 30 days overdue	**53.6**	119.8
31 – 60 days overdue	**22.8**	38.6
61 – 90 days overdue	**6.4**	11.0
91 + days overdue	**9.9**	14.1
Total	**92.7**	183.5

The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

25 Discontinued operations
The following businesses were acquired with a view to resale.

In September 2009 the Group received final payment of £1.2m after related costs from the sale of Atalink Limited, following agreement of their completion accounts. There is no related tax charge. The business and net assets of Atalink Limited were sold in March 2007 and were treated as a discontinued operation up to that date. The Group's Income Statement does not include any trading results from discontinued operations other than the profit on disposal from the proceeds above.

In the prior period the Group received a final payment of £0.2 million from the sale of Energy Information Centre Limited, following agreement of their completion accounts, in December 2007. Energy Information Centre Limited was sold in April 2007 and was treated as a discontinued operation up to that date. In May 2008, the Group received a final payment of £25,000 from the sale of the business and assets of Systematics International Limited, following agreement of their completion accounts. There were no related tax charges in relation to these transactions. The business and net assets of Systematics International Limited was sold in May 2007 and was treated as a discontinued operation up to that date.

The Group's Income Statement includes the following results from discontinued operations:

	2009 £m	2008 £m
Profit on sale of businesses	**1.2**	0.2
Profit before tax	**1.2**	0.2
Attributable tax expense	**–**	–
Net profit attributable to discontinued operations	**1.2**	0.2

26 Cash and cash equivalents

	Note	2009 £m	2008 £m
Cash and cash equivalents		**47.4**	45.3
Unsecured bank overdrafts	30	**(0.5)**	(1.0)
Cash and cash equivalents in the cash flow statement	15	**46.9**	44.3
Analysis of cash and cash equivalents by currency:			
Sterling		**26.2**	7.7
U.S. dollar		**2.6**	13.0
Australian dollar		**1.1**	–
Canadian dollar		**1.6**	1.7
Euro		**2.6**	4.2
Other		**13.3**	18.7
		47.4	45.3

26 Cash and cash equivalents – Continued

Analysis of cash and cash equivalents by interest type:

	2009 £m	2008 £m
Floating rate interest	**47.4**	45.3

The fair values of cash and cash equivalents equate to their book values.

27 Trade and other payables

	2009 £m	2008 £m
Current liabilities		
Trade payables	**84.7**	100.8
Interest payable	**32.5**	32.7
Other taxation and social security	**28.0**	34.6
Other creditors	**56.7**	36.2
Accruals	**229.6**	219.5
Deferred income	**208.6**	226.4
	640.1	650.2
Non-current liabilities		
Other creditors	**0.6**	1.1
	640.7	651.3

The Directors consider that the carrying amount of trade and other payables approximates their fair value.

28 Current tax

	2009 £m	2008 £m
Corporation tax payable	**97.0**	119.2
Corporation tax receivable	**(12.8)**	–
	84.2	119.2

29 Acquisition put option commitments

	2009 £m	2008 £m
Current	**11.2**	29.5
Non-current	**0.7**	7.6
	11.9	37.1

Notes to the consolidated balance sheet
Continued

30 Borrowings
The Group's borrowings are unsecured and are analysed as follows:

	Overdrafts £m	Bank loans £m	Bonds £m	Loan notes £m	Finance leases £m	Total £m
2009						
Within one year	**0.5**	**0.5**	**–**	**14.8**	**4.7**	**20.5**
Between one and two years	**–**	**43.2**	**–**	**–**	**5.1**	**48.3**
Between two and five years	**–**	**130.1**	**–**	**–**	**8.3**	**138.4**
Over five years	**–**	**–**	**847.1**	**–**	**6.9**	**854.0**
	–	**173.3**	**847.1**	**–**	**20.3**	**1,040.7**
	0.5	**173.8**	**847.1**	**14.8**	**25.0**	**1,061.2**
2008						
Within one year	1.0	–	–	25.0	–	26.0
Between one and two years	–	43.2	–	–	–	43.2
Between two and five years	–	40.8	–	–	–	40.8
Over five years	–	81.3	838.9	–	–	920.2
	–	165.3	838.9	–	–	1,004.2
	1.0	165.3	838.9	25.0	–	1,030.2

The Group's borrowings are analysed by currency and interest rate type as follows:

	Sterling £m	U.S. Dollar £m	Other £m	Total £m
2009				
Fixed rate interest	**872.1**	**–**	**–**	**872.1**
Floating rate interest	**120.6**	**68.0**	**0.5**	**189.1**
Non-interest bearing	**–**	**–**	**–**	**–**
	992.7	**68.0**	**0.5**	**1,061.2**
2008				
Fixed rate interest	838.9	–	–	838.9
Floating rate interest	57.9	133.4	–	191.3
Non-interest bearing	–	–	–	–
	896.8	133.4	–	1,030.2

30 Borrowings – Continued

The Group's borrowings, analysed by currency and interest rate type after taking account of all derivative instruments are as follows:

	Sterling £m	U.S. dollar £m	Australian dollar £m	Other £m	Total £m
2009					
Analysed as:					
Fixed rate interest	**550.1**	**291.0**	**19.0**	**–**	**860.1**
Floating rate interest	**(36.4)**	**220.7**	**16.3**	**0.5**	**201.1**
	513.7	**511.7**	**35.3**	**0.5**	**1,061.2**
2008					
Analysed as:					
Fixed rate interest	488.9	310.0	19.0	–	817.9
Floating rate interest	64.4	147.9	–	–	212.3
	553.3	457.9	19.0	–	1,030.2

Committed Borrowing Facilities

The Group's bank loans bear interest charged at LIBOR plus a margin based on the Group's ratio of net debt to EBITDA. Additionally, each facility contains a covenant based on a minimum interest cover ratio. EBITDA for these purposes is defined as the aggregate of the Group's consolidated operating profit before share of results of joint ventures and associates before deducting depreciation, amortisation and impairment of goodwill, intangible and tangible assets, before exceptional items and before interest and finance charges. These covenants were met at the relevant test dates during the period.

The Group's facilities and their maturity dates are as follows:

	2009 £m	2008 £m
Expiring in more than one year but not more than two years	**180.0**	70.0
Expiring in more than two years but not more than three years	**30.0**	180.0
Expiring in more than four years but not more than five years	**210.0**	240.0
Total bank facilities	**420.0**	490.0

The following undrawn committed borrowing facilities were available to the Group in respect of which all conditions precedent had been met:

	2009 £m	2008 £m
Expiring in more than one year but not more than two years	**105.7**	5.7
Expiring in more than two years but not more than three years	**30.0**	84.5
Expiring in more than four years but not more than five years	**68.2**	157.3
Total undrawn committed bank facilities	**203.9**	247.5

Notes to the consolidated balance sheet
Continued

30 Borrowings – Continued
Bonds
The nominal, carrying and fair values of the Group's bonds and the coupons payable are as follows:

	Coupon %	2009 Fair value £m	2008 Fair value £m	2009 Carrying value £m	2008 Carrying value £m	2009 Nominal value £m	2008 Nominal value £m
2013 Bond	**7.5**	**283.5**	276.8	**303.4**	299.9	**300.0**	300.0
2018 Bond	**5.75**	**143.5**	129.9	**175.9**	172.8	**175.0**	175.0
2021 Bond	**10.0**	**159.0**	157.9	**169.9**	168.4	**156.4**	156.4
2027 Bond	**6.375**	**150.0**	138.4	**197.9**	197.8	**200.0**	200.0
		736.0	703.0	**847.1**	838.9	**831.4**	831.4

The Group's bonds have been adjusted from their nominal values to take account of the premia, direct issue costs, discounts and movements in hedged risks. The issue costs, premia and discounts are being amortised over the expected lives of the bonds using the effective interest method. The unamortised issue costs amount to £3.1 million (2008 £3.4 million), the unamortised premia £13.9 million (2008 £15.2 million).

The fair value of the Group's bonds has been calculated on the basis of quoted market rates.

Loan notes
The Group has issued loan notes which attract interest at rates of approximately LIBID to LIBID minus 1%. The loan notes are repayable at the option of the loan note holders with a six month notice period and are treated as current liabilities.

31 Derivative financial instruments and risk management
The Group is exposed to credit, interest rate and currency risks arising in the normal course of business. Derivative financial instruments are used to manage exposures to fluctuations in foreign currency exchange rates and interest rates but are not employed for speculative purposes. Full details of the Group's treasury policies are set out in the Financial and Treasury Review on pages 28 to 32.

Capital risk management
The Group manages its capital, defined as equity shareholders' funds and net borrowings, to ensure that entities in the Group are able to continue as going concerns for the foreseeable future.

Debt management
The Group borrows on an unsecured basis and arranges its debt to ensure an appropriate maturity profile. The Group's principal sources of funding are the long-term sterling bond market and committed bank facilities. The Group is mindful of its credit rating, currently BB and ensures it has sufficient committed bank facilities in order to meet short-term business requirements, after taking into account the Group's holding of cash and cash equivalents together with any distribution restrictions which exist. The Group aims to maximise the term and flexibility of indebtedness and retain headroom in the form of undrawn committed bank facilities of approximately £100.0 million. Additionally, the Group arranges its currency borrowings in order that they are in proportion to the ratio of earnings in that particular currency to total Group earnings.

The Directors consider that the Group's bond issuances together with its bank facilities will be sufficient to cover the likely medium-term cash requirements of the Group.

Associates, joint ventures and other investments in general arrange and maintain their own financing and funding requirements. In all cases such financing is non-recourse to the Company.

The Group's interim internal target of Net Debt to EBITDA cover is 2.5 times whilst the limit imposed by its bank covenants is no greater than 4 times. The actual ratio for the year was 2.99 times.

Cash and liquidity risk management
The Group monitors cash balances and ensures that sufficient resources are available to meet entities operational requirements. Short-term money market deposits are used to manage liquidity whilst maximising the rate of return on cash resources, giving due consideration to credit risk.

31 Derivative financial instruments and risk management – Continued

Market risk management
The Group's primary market risks are interest rate fluctuations and exchange rate movements.

Interest rate risk management
The limit imposed by the Group's bank covenants is at least 3 times EBITDA to net interest. The actual ratio for the year was 4.45.

The Group's interest rate exposure management policy is aimed at reducing the exposure of the consolidated businesses to changes in interest rates. Group policy is to have 70% to 80% of interest exposures fixed with the balance floating. This is achieved by issuing fixed rate sterling bond debt and entering into derivative contracts that economically swap fixed rate interest into floating rate. Derivatives are used to hedge or reduce the risks of interest rate and exchange rate movements and are not entered into unless such risks exist. The derivatives in place to meet Group policy are as follows:

(i) Fixed to floating swaps hedging a portion of the Group's bonds; Changes in the fair value of the swaps are recognised in the income statement and at the same time the carrying value of the hedged bonds is adjusted for movements in the hedged risk to the extent effective and those adjustments are also recognised in the income statement. These interest rate swaps amount to £75.0 million (2008 £75.0 million) with the Group paying floating rates of between 1.99% and 6.03% (2008 5.38% and 5.85%).

(ii) Cross currency fixed to fixed interest rate swaps. These amounted to £227.6 million/US$435.0 million (2008 £255.5 million/US$485.0 million) resulting in the Group paying fixed U.S. dollar interest at rates of between 4.40% and 6.07% (2008 4.40% and 6.07%), £18.8 million/AUS$45.0 million (2008 £18.8 million/AUS$45.0 million) with the Group paying fixed Australian dollar interest at rates of between 6.15% and 6.22% (2008 6.15% and 6.22%).

(iii) The Group also had a number of outstanding interest rate caps. These amounted to US$100.0 million notional (2008 US$100.0 million) at a rate of 6.00% (2008 6.00%).

The fair values of interest rate swaps, interest rate caps and forward foreign exchange contracts represent the replacement costs calculated using market rates of interest and exchange at 4th October, 2009. The fair value of long-term borrowings has been calculated by discounting expected future cash flows at market rates.

Foreign exchange rate risk management
Translation exposures arise on the earnings and net assets of business operations in entities with functional currencies other than that of the parent company. The net asset exposures are economically hedged, to a significant extent, by a policy of denominating borrowings in currencies where significant translation exposures exist, most notably U.S. dollars.

The Group also designates currency swaps and forward contracts as net investment hedges, hedging the Group's overseas investments.

Credit risk management
The Group's principal credit risk relates to its trade and other receivables and non-performance by counterparties to financial instrument contracts.

Trade and other receivables
The Group's customer base is diversified geographically and by division with customers generally of a good financial standing. Before accepting any new customers, the Group assesses the potential customers' credit quality and sets credit limits by customer. The average credit period is 48 days (2008 51 days). The Group considers the credit risk of trade receivables to be low, although the Group remains vigilant in the current economic climate. The Group reserves the right to charge interest on overdue receivables, although the Group does not hold collateral over any trade receivable balances. The Group makes an allowance for bad and doubtful debts specific to individual debts. This provision is reviewed regularly in conjunction with a detailed analysis of historic payment profiles and past default experience.

The Group's receivables are stated net of allowances for doubtful debts and allowances for impairment are made where appropriate.

Institutional counterparty risk
The Group seeks to limit interest rate and foreign exchange risks, described above, by the use of financial instruments. As a result, credit risk arises from the potential non-performance by the counterparties to those financial instruments, which are unsecured. The amount of this credit risk is normally restricted to the amounts of any hedge gain and not the principal amount being hedged. The Group also has a credit exposure to counterparties for the full principal amount of cash and cash equivalents. Group policy is to have no more than £20.0 million deposited (or at risk) with any 'AA' counterparty, £10.0 million for 'AA' rated counterparties.

Notes to the consolidated balance sheet
Continued

31 Derivative financial instruments and risk management – Continued

Credit risk is controlled by monitoring the credit quality of these counterparties, principally licensed commercial banks and investment banks with strong long-term credit ratings, and of the amounts outstanding with each of them. The Group has no significant concentration of risk with exposure spread over a large number of counterparties and customers.

The credit risk on short-term deposits and derivative financial instruments is considered low since the counterparties are banks with high credit ratings. Group policy is to have no more than £20.0 million deposited (or at risk) with any 'AA' counterparty, £10.0 million for 'A' rated counterparties. The Group has no significant concentration of risk with exposure spread over a large number of counterparties and customers.

At the balance sheet date the Group considers its maximum exposure to credit risk to be as follows:

	2009 £m	2008 £m
Expiring in one year or less		
Trade and other receivables	**296.1**	377.1
Bank deposits	**47.4**	45.3
Derivative financial instruments	**23.4**	14.5
Expiring in more than one year		
Trade and other receivables	**4.1**	7.7
	371.0	444.6

Fair value hedges

The Group's policy is to use interest rate swaps to convert a proportion of its fixed rate debt to floating rates in order to hedge the interest rate risk with changes in fair value of the hedging instrument recognised in the income statement for the period together with the changes in the fair value of the hedged item due to the hedged risk, to the extent the hedge is effective.

Gains and losses on the borrowings and related derivatives designated as fair value hedges included in the income statement for the year ended 4th October, 2009 were:

	2008 £m	Fair value movement gain/(loss) £m	2009 £m
Sterling interest rate swaps	(4.6)	9.0	**4.4**
Sterling debt	4.6	(9.0)	**(4.4)**
Total	–	–	**–**

Cash flow hedges

The Group enters into cash flow hedges using two types of derivatives: fixed to fixed cross currency interest rate swaps and forward exchange derivatives which fix the exchange rate on a portion of future currency expenditure. All cash flow hedges were effective throughout the year ended 4th October, 2009.

Net investment hedges

The Group enters into forward currency sales and cross currency swaps to hedge the Group's investment in foreign operations. All net investment hedges were effective throughout the year ended 4th October, 2009

Derivatives not qualifying for hedge accounting

Derivatives not qualifying for hedge accounting represent forward contracts which provide a gain or loss equivalent to income tax payable or receivable on foreign exchange gains or losses incurred when intra group balances are translated to the closing rate at the year end. These contracts ('Tax Equalisation Swaps') are marked to market with the movement in fair value taken to income. Tax Equalisation Swaps are not capable of being designated as hedging instruments under IAS 39.

31 Derivative financial instruments and risk management – Continued

The Group's derivative financial instruments, other than acquisition option commitments, and their maturity profiles are summarised as follows:

Derivative financial assets:

	Fair value hedges £m	Cash flow hedges £m	Net investment hedges £m	Derivatives not qualifying for hedge accounting £m	Derivative financial assets £m
2009					
Within one year	**–**	**0.6**	**17.3**	**–**	**17.9**
Between one and two years	**–**	**0.5**	**–**	**–**	**0.5**
Between two and five years	**2.0**	**–**	**–**	**0.6**	**2.6**
Over five years	**2.4**	**–**	**–**	**–**	**2.4**
	4.4	**0.5**	**–**	**0.6**	**5.5**
	4.4	**1.1**	**17.3**	**0.6**	**23.4**
2008					
Within one year	0.1	–	5.1	8.4	13.6
Between one and two years	–	–	0.3	–	0.3
Between two and five years	–	–	–	–	–
Over five years	–	–	–	0.6	0.6
	–	–	0.3	0.6	0.9
	0.1	–	5.4	9.0	14.5

Derivative financial liabilities:

	Fair value hedges £m	Cash flow hedges £m	Net investment hedges £m	Derivatives not qualifying for hedge accounting £m	Derivative financial assets £m
2009					
Within one year	**(3.6)**	**(5.0)**	**(0.9)**	**–**	**(9.5)**
Between one and two years	**(1.2)**	**(7.5)**	**–**	**–**	**(8.7)**
Between two and five years	**–**	**–**	**(31.7)**	**–**	**(31.7)**
Over five years	**–**	**–**	**(41.8)**	**–**	**(41.8)**
	(1.2)	**(7.5)**	**(73.5)**	**–**	**(82.2)**
	(4.8)	**(12.5)**	**(74.4)**	**–**	**(91.7)**
2008					
Within one year	–	(4.6)	(3.2)	(26.0)	(33.8)
Between one and two years	–	(3.6)	–	–	(3.6)
Between two and five years	(1.4)	(3.8)	(9.9)	–	(15.1)
Over five years	(3.3)	–	(16.6)	–	(19.9)
	(4.7)	(7.4)	(26.5)	–	(38.6)
	(4.7)	(12.0)	(29.7)	(26.0)	(72.4)

Sensitivity analysis

In managing the Group's interest rate and currency risks, the Group aims to reduce the impact of short-term fluctuations. However, changes in foreign exchange rates and interest rates may have an impact on the Group's results.

Notes to the consolidated balance sheet
Continued

31 Derivative financial instruments and risk management – Continued

At 4th October, 2009, it is estimated that an increase of 1.0% in interest rates would have increased the Group's finance costs by £3.7 million (2008 £3.3 million). There would have been no effect on amounts recognised directly in equity. This sensitivity has been calculated by applying the interest rate change to the Group's variable rate borrowings, net of any interest rate swaps, at the year end date.

At 4th October, 2009, it is estimated that a decrease of 1.0% in interest rates would have decreased the Group's finance costs by £4.0 million (2008 £3.3 million). There would have been no effect on amounts recognised directly in equity. This sensitivity has been calculated by applying the interest rate change to the Group's variable rate borrowings, net of any interest rate swaps, as at the year end date.

At 4th October, 2009, it is estimated that a 10.0% strengthening of sterling against the U.S. dollar would have reduced the net loss taken to equity by £51.4 million (2008 £32.5 million) and increased the net loss taken to income by £nil (2008 £2.3 million). A 10.0% weakening of sterling against the U.S. dollar would have increased the net loss taken to equity by £63.8 million (2008 £41.8 million) and decreased the net loss taken to income by £nil (2008 £2.8 million). This sensitivity has been calculated by applying the foreign exchange change to the Group's financial instruments which are affected by changes in foreign exchange rates.

At 4th October, 2009, it is estimated that a 15.0% strengthening of sterling against the Japanese Yen would have reduced the net loss taken to equity by £nil (2008 £nil) and reduced the net loss taken to income by £nil million (2008 £17.7 million). A 15.0% weakening of sterling against the Japanese Yen would have increased the net loss taken to equity by £nil (2008 £nil) and increased the net loss taken to income by £nil (2008 £24.0 million). This sensitivity has been calculated by applying the foreign exchange change to the Group's financial instruments which are affected by changes in foreign exchange rates.

The carrying amounts and gains and losses on financial instruments is as follows:

	2009 Carrying amount £m	2009 Gain/(loss) to income £m	2009 Gain/(loss) to equity £m	2008 Carrying amount £m	2008 Gain/(loss) to income £m	2008 Gain/(loss) to equity £m
Investments	**18.1**	**(8.5)**	**3.0**	11.3	(10.1)	0.7
Available-for-sale	**18.1**	**(8.5)**	**3.0**	11.3	(10.1)	0.7
Trade receivables	**273.7**	**(15.4)**	**26.2**	351.2	(3.3)	12.7
Cash and deposits	**47.4**	**2.0**	**6.5**	45.3	2.7	5.6
Loans and receivables	**321.1**	**(13.4)**	**32.7**	396.5	(0.6)	18.3
Interest rate swaps	**4.4**	**4.4**	**–**	0.3	0.1	–
Fixed to fixed cross currency swaps	**–**	**–**	**13.6**	–	–	(25.9)
Forward foreign currency contracts	**18.4**	**(1.0)**	**49.7**	5.3	2.6	69.2
Derivative assets in effective hedging relationships	**22.8**	**3.4**	**63.3**	5.6	2.7	43.3
Forward foreign currency contracts	**–**	**4.4**	**–**	0.3	14.8	–
Forward foreign currency options	**–**	**1.1**	**–**	8.0	11.3	–
Interest rate caps	**0.6**	**–**	**–**	0.6	(0.1)	–
Derivative assets not designated as hedging instruments	**0.6**	**5.5**	**–**	8.9	26.0	–
Trade payables	**(84.7)**	**–**	**–**	(100.8)	–	(1.5)
Bank overdrafts	**(0.5)**	**(0.2)**	**(0.4)**	(1.0)	(0.1)	(0.4)
Bonds	**(847.1)**	**(69.9)**	**–**	(838.9)	(61.0)	–
Bank loans	**(173.8)**	**(10.7)**	**(22.7)**	(165.3)	(15.0)	(12.6)
Loan notes	**(14.8)**	**(1.0)**	**(0.8)**	(25.0)	(1.7)	12.2
Amounts payable under hire purchase contracts	**(25.0)**	**–**	**–**	–	–	–
Liabilities at amortised cost	**(1,145.9)**	**(81.8)**	**(23.9)**	(1,131.0)	(77.8)	(2.3)

31 Derivative financial instruments and risk management – Continued

	2009 Carrying amount £m	2009 Gain/(loss) to income £m	2009 Gain/(loss) to equity £m	2008 Carrying amount £m	2008 Gain/(loss) to income £m	2008 Gain/(loss) to equity £m
Interest rate swaps	**(0.3)**	**5.0**	**–**	(4.6)	–	–
Fixed to fixed cross currency swaps	**(73.5)**	**(3.9)**	**(60.7)**	(26.6)	(0.5)	(10.9)
Forward foreign currency contracts	**(17.9)**	**(7.1)**	**(45.7)**	(15.2)	–	(97.9)
Derivative liabilities in effective hedging relationships	**(91.7)**	**(6.0)**	**(106.4)**	(46.4)	(0.5)	(108.8)
Acquisition put option commitments	**(11.9)**	**(1.8)**	**–**	(37.1)	(3.0)	–
Forward foreign currency contracts	**–**	**(31.4)**	**–**	(26.0)	(74.3)	–
Derivative liabilities not designated as hedging instruments	**(11.9)**	**(33.2)**	**–**	(63.1)	(77.3)	–
Total for financial instruments	**(886.9)**	**(134.0)**	**(31.3)**	(818.2)	(137.6)	(48.8)

Reconciliation of net gain or loss taken to equity:

	Note	2009 £m	2008 £m
Change in fair value of hedging derivatives	36	**(46.4)**	(62.8)
Fair value movement in available-for-sale assets	36	**1.4**	–
Translation of financial instruments of overseas operations		**10.2**	16.9
Transfer of gain on cash flow hedges from fair value reserves to income statement	36	**3.5**	(2.9)
Total loss on financial instruments to equity		**(31.3)**	(48.8)

Reconciliation of net gain or loss taken through income to net finance costs

	Note	2009 £m	2008 £m
Total loss on financial instruments to income		**(134.0)**	(137.6)
Add back:			
Impairment of trade receivables	24	**15.4**	3.3
Investment impairment	8	**8.5**	10.1
Bank interest receivable	9	**(2.0)**	(2.7)
Finance charge on discounting of deferred consideration	10	**(1.7)**	(2.4)
Net finance costs	10	**(113.8)**	(129.3)

Notes to the consolidated balance sheet
Continued

31 Derivative financial instruments and risk management – Continued

Reconciliation of amounts due under hire purchase agreements

	2009 Total £m	2009 Due in less than one year £m	2009 Due between one and five years £m	2009 Due in more than 5 years £m	2008 Total £m	2008 Due in less than one year £m	2008 Due between one and five years £m	2008 Due in more than five years £m
Future minimum lease payments	30.6	6.3	16.5	7.8	–	–	–	–
Future finance charges	(5.6)	(1.6)	(3.2)	(0.8)	–	–	–	–
Present value of minimum lease payments	25.0	4.7	13.3	7.0	–	–	–	–

As set out in note 20, the above hire purchase arrangement relates to certain of the Group's colour print assets which were sold and leased back under a hire purchase arrangement during the year. The Group has the option to buy the assets for an amount equal to the amount outstanding at the date falling three months before the fifth anniversary of the agreement.

The remaining undiscounted contractual liabilities and their maturities are as follows:

	Trade payables £m	Interest rate swaps £m	Currency swaps £m	Forward contracts £m	Bonds £m	Bank loans and overdrafts £m	Hire purchase £m	Loan notes £m	Total £m
2009									
Within one year	(84.7)	(0.3)	(16.2)	(146.4)	(61.0)	(1.0)	(6.3)	(14.9)	(330.8)
Between one and two years	–	–	(29.1)	(48.0)	(61.0)	(44.7)	(6.3)	–	(189.1)
Between two and five years	–	–	(196.1)	(29.1)	(448.8)	(137.8)	(10.4)	–	(822.2)
Between five and ten years	–	–	(37.0)	–	(359.1)	–	(7.6)	–	(403.7)
Between ten and fifteen years	–	–	(37.0)	–	(244.0)	–	–	–	(281.0)
Between fifteen and twenty years	–	–	(143.1)	–	(234.7)	–	–	–	(377.8)
	–	–	(442.3)	(77.1)	(1,347.6)	(182.5)	(24.3)	–	(2,073.8)
	(84.7)	(0.3)	(458.5)	(223.5)	(1,408.6)	(183.5)	(30.6)	(14.9)	(2,404.6)
2008									
Within one year	(100.8)	–	(15.3)	(599.5)	(61.0)	(1.0)	–	(25.8)	(803.4)
Between one and two years	–	–	(15.3)	–	(61.0)	(44.8)	–	–	(121.1)
Between two and five years	–	(2.5)	(217.3)	–	(471.5)	(46.5)	–	–	(737.8)
Between five and ten years	–	–	(32.0)	–	(192.3)	(101.4)	–	–	(325.7)
Between ten and fifteen years	–	(6.0)	(32.0)	–	(436.5)	–	–	–	(474.5)
Between fifteen and twenty years	–	–	(129.7)	–	(247.5)	–	–	–	(377.2)
	–	(8.5)	(426.3)	–	(1,408.8)	(192.7)	–	–	(2,036.3)
	(100.8)	(8.5)	(441.6)	(599.5)	(1,469.8)	(193.7)	–	(25.8)	(2,839.7)

31 Derivative financial instruments and risk management – Continued

Reconciliation of undiscounted liabilities to balance sheet amounts:

	Undiscounted value of financial liabilities £m	Interest £m	Unamortised issue costs £m	Discount/ Premium on issue £m	Mark to market adjustments £m	Effect of discounting £m	Undiscounted value of financial asset £m	Total £m
2009								
Within one year	**(330.8)**	**62.6**	**0.3**	**(1.2)**	**(4.8)**	**(2.5)**	**156.0**	**(120.4)**
Between one and two years	**(189.1)**	**63.6**	**0.4**	**(1.3)**	**–**	**(1.7)**	**70.1**	**(58.0)**
Between two and five years	**(822.2)**	**158.7**	**0.8**	**(3.6)**	**–**	**0.2**	**193.3**	**(472.8)**
Between five and ten years	**(403.7)**	**184.9**	**1.0**	**(6.3)**	**–**	**9.7**	**27.3**	**(187.1)**
Between ten and fifteen years	**(281.0)**	**87.6**	**0.4**	**(2.2)**	**–**	**9.9**	**27.1**	**(158.2)**
Between fifteen and twenty years	**(377.8)**	**34.7**	**0.2**	**0.6**	**–**	**(12.6)**	**113.8**	**(241.1)**
	(2,073.8)	**525.9**	**2.8**	**(12.8)**	**–**	**5.5**	**431.6**	**(1,117.2)**
	(2,404.6)	**592.1**	**3.1**	**(14.0)**	**(4.8)**	**3.0**	**587.6**	**(1,237.6)**
Analysed as follows:								
Trade payables	**(84.7)**	**–**	**–**	**–**	**–**	**–**	**–**	**(84.7)**
Bank overdrafts	**(0.5)**	**–**	**–**	**–**	**–**	**–**	**–**	**(0.5)**
Loan notes	**(14.9)**	**0.1**	**–**	**–**	**–**	**–**	**–**	**(14.8)**
Bank loans	**(183.0)**	**9.2**	**–**	**–**	**–**	**–**	**–**	**(173.8)**
Bonds	**(1,408.6)**	**577.2**	**3.1**	**(14.0)**	**(4.8)**	**–**	**–**	**(847.1)**
Hire purchase	**(30.6)**	**5.6**	**–**	**–**	**–**	**–**	**–**	**(25.0)**
Interest rate swaps	**(0.3)**	**–**	**–**	**–**	**–**	**–**	**–**	**(0.3)**
Fixed to fixed cross currency swaps	**(458.5)**	**–**	**–**	**–**	**–**	**18.1**	**366.9**	**(73.5)**
Forward foreign currency contracts	**(223.5)**	**–**	**–**	**–**	**–**	**(15.1)**	**220.7**	**(17.9)**
	(2,404.6)	**592.1**	**3.1**	**(14.0)**	**(4.8)**	**3.0**	**587.6**	**(1,237.6)**
2008								
Within one year	(803.4)	61.9	0.3	(1.1)	4.4	(0.3)	579.4	(158.8)
Between one and two years	(121.1)	62.4	0.3	(1.3)	–	1.3	14.0	(44.4)
Between two and five years	(737.8)	177.1	0.7	(2.7)	–	(18.4)	226.0	(355.1)
Between five and ten years	(325.7)	212.4	1.1	(5.7)	–	5.9	27.2	(84.8)
Between ten and fifteen years	(474.5)	105.1	0.7	(5.1)	–	7.7	27.2	(338.9)
Between fifteen and twenty years	(377.2)	47.6	0.3	0.7	–	(6.1)	119.2	(215.5)
	(2,036.3)	604.6	3.1	(14.1)	–	(9.6)	413.6	(1,038.7)
	(2,839.7)	666.5	3.4	(15.2)	4.4	(9.9)	993.0	(1,197.5)

Notes to the consolidated balance sheet
Continued

31 Derivative financial instruments and risk management – Continued

Analysed as follows:

	Undiscounted value of financial liabilities £m	Interest £m	Unamortised issue costs £m	Discount/ Premium on issue £m	Mark to market adjustments £m	Effect of discounting £m	Undiscounted value of financial asset £m	Total £m
Trade payables	(100.8)	–	–	–	–	–	–	(100.8)
Bank overdrafts	(1.1)	0.1	–	–	–	–	–	(1.0)
Loan notes	(25.8)	0.8	–	–	–	–	–	(25.0)
Bank loans	(192.6)	27.3	–	–	–	–	–	(165.3)
Bonds	(1,469.8)	638.3	3.4	(15.2)	4.4	–	–	(838.9)
Interest rate swaps	(8.5)	–	–	–	–	4.2	–	(4.3)
Fixed to fixed cross currency swaps	(441.6)	–	–	–	–	(12.6)	427.6	(26.6)
Forward foreign currency contracts	(599.5)	–	–	–	–	(1.5)	565.4	(35.6)
	(2,839.7)	666.5	3.4	(15.2)	4.4	(9.9)	993.0	(1,197.5)

32 Retirement benefits

The Group operates a number of pension schemes covering most major Group companies under which contributions are paid by the employer and employees.

The schemes include funded defined benefit pension arrangements, providing service-related benefits, based on final pensionable salary in addition to a number of defined contribution pension arrangements. The defined benefit schemes in the U.K. and some defined contribution plans are administered by trustees or trustee companies.

The Group has been progressively introducing a number of PensionSaver group personal pension plans to provide a consistent pensions saving vehicle across all Group divisions. These plans have replaced the trust-based defined contribution arrangements which are now in the final stages of being wound up.

The assets of all the pension schemes and plans are held independently from the Group's finances.

The total net pension costs of the Group for the year ended 4th October, 2009 were £28.8 million (2008 £20.5 million).

Defined Benefit Schemes

On 14th September, 2009 the Company announced a number of changes affecting the Harmsworth Pension Scheme, the principal defined benefit scheme for the Group, that were designed to help secure the financial health of this scheme into the future and to control the cost to the Group of its operation. The Company decided that the scheme would remain open for future accrual of pension benefits for current employees. However, from 1 October, 2009 new employees will no longer be offered the option to transfer from PensionSaver plans to the Harmsworth Pension Scheme after five years' service. Existing members of the scheme will continue to be able to earn additional pension benefits in the scheme but their pay increases counting towards pension will be limited to those at or below the prevailing rate of inflation, with inflation capped at 5%. In addition, the Company plans to introduce a series of measures principally designed to limit the Company's exposure to people living longer than is currently expected. The measures will be discussed with scheme trustees and a formal process of employee consultation will begin as soon as the proposals have been finalised.

The changes applying from 1st October, 2009 mentioned above, along with the effect of recent Group disposals and restructures, resulted in an exceptional credit to pension costs in respect of the defined benefit schemes of £27.4 million in the year ended 4th October, 2009.

Full actuarial valuations of the defined benefit schemes are carried out triennially by the actuary using the projected unit credit method. The figures in this note are based on calculations performed as part of the work carried out for the actuarial valuations of the main schemes as at 31st March, 2007, adjusted to 4th October, 2009 by the actuary.

The funding strategy agreed with the Trustee of the principal scheme made allowance for assumed future investment returns on the scheme's assets of 3.3% p.a. above price inflation, compared with the real return of some 2.6% p.a. implicit within the calculation of the Technical Provisions (i.e. the value of the scheme's benefit liabilities). The Company agreed with the Trustee that this margin would be covered by a contingent asset and the Company has put in place letters of credit (to be updated annually) of an amount sufficient to cover any potential shortfall in this additional investment return arising prior to the next triennial valuation. As at 4th October, 2009, the letters of credit had a value of £32.1 million (2008 £21.8 million).

32 Retirement benefits – Continued

Cash contributions paid by the Company to the principal scheme as required by the schedule of contributions remain at the same level of 18.0% of members' scheme salaries (2008 18.0%) with employees contributing either 5.0% or 7.5% depending on which section of the scheme they are in. However, since 1st January, 2009 a majority of members have agreed to a salary sacrifice arrangement whereby the Company pays the equivalent of the employee's contribution in exchange for a corresponding reduction in salary. In addition, the Company agreed to make a series of funding payments amounting to £3.2 million over a period of 27 months commencing in September, 2009 in exchange for which the Trustees agreed to accept the cancellation of an additional £40.0 million letter of credit that had been provided by the Company following the merger of the two main pension schemes of the Group in November, 2007. The first payment of £1 million under this agreement was made on 29th September, 2009.

At 4th October, 2009, the defined benefit obligation to the Group relating to the DMGT AVC Plan, as measured for the purposes of this disclosure under the requirements of IAS19, was £60.9 million (2008 £53.0 million). The assets of the Plan were £51.5 million (2008 £55.9 million), producing a deficit of £9.4 million (2008 £2.9 million surplus). In the prior year an adjustment was made to cap the value of assets in the Plan since any surplus in the Plan is not recoverable by the Group. The Plan is closed to further member contributions.

The valuation of the Plan showed that the combined accumulated assets as at 31 March, 2008 represented 100% of the Plan's Technical Provisions in respect of past service benefits. The Group has not been required to make contribution payments in respect of the Plan and the Plan has had no impact on the pension cost reported in these financial statements.

Members of the defined benefit schemes are able to make additional voluntary contributions (AVCs) into unit-linked funds held within each scheme. No benefit obligation arises to the Group from these AVCs and the related unit-linked AVC assets have been excluded from the scheme assets reported below.

A reconciliation of the net pension obligation reported in the balance sheet is shown in the following table:

	2009 Schemes in surplus £m	2009 Schemes in deficit £m	2009 Total £m	2008 Schemes in surplus £m	2008 Schemes in deficit £m	2008 Total £m
Present value of defined benefit obligation	–	**(1,901.8)**	**(1,901.8)**	(70.0)	(1,551.0)	(1,621.0)
Assets at fair value	–	**1,471.4**	**1,471.4**	75.4	1,507.3	1,582.7
Impact of asset ceiling on AVC Plan	–	–	–	(2.9)	–	(2.9)
(Deficit)/Surplus reported in the balance sheet	–	**(430.4)**	**(430.4)**	2.5	(43.7)	(41.2)

The International Financial Reporting Interpretations Committee, in its document IFRIC 14, has interpreted the extent to which a company can recognise a pension surplus on its balance sheet. Having taken account of the rules of the schemes, the fact that the schemes remain open to new accrual, and the current and anticipated levels of service cost and cash contributions, the Company considers that recognition of surpluses in the schemes on its balance sheet is in accordance with the interpretations of IFRIC 14. In 2009 all schemes were in deficit. In 2008, the two main schemes were in deficit, the Metal Bulletin scheme was in surplus and the DMGT AVC Plan had its assets capped to the value of the liabilities.

The deficit for the year, set out above, excludes a related deferred tax asset of £120.5 million (2008 £11.5 million asset).

Notes to the consolidated balance sheet
Continued

32 Retirement benefits – Continued

A reconciliation of the present value of the defined benefit obligation is shown in the following table:

	2009 £m	2008 £m
Defined benefit obligation at start of year	**(1,621.0)**	(1,777.1)
Service cost	**(24.7)**	(39.2)
Service cost in respect of salary sacrifice	**(5.4)**	–
Interest cost	**(111.4)**	(104.1)
Past service cost	**(1.0)**	(0.6)
Settlement/curtailment	**27.4**	–
Member contributions	**(3.4)**	(8.8)
Benefit payments	**94.3**	75.6
Actuarial (gain)/loss as a result of:		
– changes in assumptions	**(281.3)**	241.4
– membership experience	**24.7**	(8.2)
Defined benefit obligation at the end of year	**(1,901.8)**	(1,621.0)

A reconciliation of the fair value of assets is shown in the following table:

	2009 £m	2008 £m
Fair value of assets at start of year	**1,582.7**	1,867.9
Expected return on assets	**116.2**	131.1
Company contributions	**31.3**	1.5
Member contributions	**3.4**	8.8
Benefit payments	**(94.3)**	(75.6)
Actuarial movement	**(167.9)**	(351.0)
Fair value of assets at end of year	**1,471.4**	1,582.7

The Company made monthly contribution payments from October 2008. An advance payment of Company contributions for 2008 was made in September, 2007.

The fair value of the assets held by the pension schemes and the long-term expected rate of return on each class of assets are shown in the following table:

	Equities	Bonds	Property	Other assets	Total
2009					
Value at 4th October, 2009 (£ million)*	**827.8**	**487.2**	**103.1**	**53.3**	**1,471.4**
% of assets held	**56.3**	**33.1**	**7.0**	**3.6**	**100.0**
Long-term rate of return expected at 4th October, 2009 (%)	**8.3**	**4.6**	**6.6**	**4.6**	**7.0**
2008					
Value at 28th September, 2008 (£ million)*	989.9	399.5	129.9	63.4	1,582.7
% of assets held	62.6	25.2	8.2	4.0	100.0
Long-term rate of return expected at 28th September, 2008 (%)	8.7	5.0	7.0	5.0	7.5
2007					
Value at 30th September, 2007 (£ million)	1,356.6	254.0	156.0	101.3	1,867.9
% of assets held	72.6	13.6	8.4	5.4	100.0
Long-term rate of return expected at 30th September, 2007 (%)	7.8	4.9	6.5	5.5	7.1

* In 2009 and 2008, equities include hedge funds and infrastructure funds that have the same long-term expected rate of return.

32 Retirement benefits – Continued

The trust deed of each of the schemes explicitly prohibits investment of the scheme assets in employer-related investments, apart from those required in order that a passively managed U.K. equity portfolio can be utilised by the trustees. The value of DMGT 'A' Ordinary Non-Voting Shares held by the U.K. equity passive manager on behalf of the schemes at 4th October, 2009 was £0.1 million (2008 £0.2 million).

The assumption for the expected overall rate of return on assets is a weighted average of the expected returns for each asset class based on the proportion of assets held in each class at the beginning of the year. The expected return on bonds has been selected having regard to gross redemption yields at the start of the year. The expected returns on equities and property are based on a combination of estimated risk premiums over Government bond yields, the gross redemption yields on bonds, and consensus economic forecasts for future returns.

The actual return on plan assets was a loss of £51.7 million (2008 loss of £219.9 million) representing the expected return plus the associated actuarial gain or loss during the year.

The main financial assumptions are shown in the following table:

	2009 %	2008 %
Price inflation	**3.1**	3.7
Salary increases	**3.0**	4.2
Pension increases	**3.0**	3.7
Discount rate for scheme liabilities	**5.4**	7.0
Expected overall rate of return on assets	**7.0**	7.5

The discount rate for scheme liabilities reflects yields at the balance sheet date on high quality corporate bonds. The assumption for salary growth has been adjusted to take account of the limit on expected future pay increases counting towards pension that applies from 1st October, 2009. All assumptions were selected after taking actuarial advice.

Mortality assumptions take account of scheme experience, and also allow for further improvements in life expectancy based on 'medium cohort' projections but with a minimum rate of reduction in mortality rates in future of 1% per annum. Allowance is made for the extent to which employees have chosen to commute part of their pension for cash at retirement and for the proportion of members with dependants at retirement eligible for a pension.

The table below illustrates examples of the assumed average life expectancies from age 60 for the principal schemes:

	2009 Future life expectancy from age 60 (years)	2008 Future life expectancy from age 60 (years)
For a current 60-year old male member of the scheme	**25.6**	25.5
For a current 60-year old female member of the scheme	**28.2**	28.0
For a current 50-year old male member of the scheme	**26.7**	26.6
For a current 50-year old female member of the scheme	**29.2**	29.1

The amounts charged to the Income Statement based on the above assumptions are shown in the following table:

	2009 £m	2008 £m
Service cost	**24.7**	39.2
Service cost in respect of salary sacrifice	**5.4**	–
Interest cost	**111.4**	104.1
Expected return on assets	**(116.2)**	(131.1)
Past service cost	**1.0**	0.6
Settlement/curtailment	**(27.4)**	–
Net (credit)/charge to Income Statement	**(1.1)**	12.8

Notes to the consolidated balance sheet

Continued

32 Retirement benefits – Continued

Pension costs and the size of any pension surplus or deficit are sensitive to the assumptions adopted. The table below indicates the effect from changes in the principal assumptions used above:

		2009 £m
Mortality		
Change in pension obligation at 4th October, 2009 from a 1 year change in life expectancy	+/-	**59.6**
Change in 2009 pension cost from a 1 year change	+/-	**4.0**
Salary Increases		
Change in pension obligation at 4th October, 2009 from a 0.25% change	+/-	**1.9**
Change in 2009 pension cost from a 0.25% change	+/-	**0.1**
Discount Rate		
Change in pension obligation at 4th October, 2009 from a 0.10% change	+/-	**35.0**
Change in 2009 pension cost from a 0.10% change	+/-	**0.8**

Amounts recognised in the consolidated statement of recognised income and expense (SORIE) are shown in the following table:

	2009 £m	2008 £m
Actuarial loss recognised in SORIE	**(424.5)**	(117.8)
Impact of asset ceiling on AVC Plan	**–**	7.3
Total loss recognised in SORIE	**(424.5)**	(110.5)
Cumulative actuarial gain recognised in SORIE at beginning of year	**146.4**	256.9
Cumulative actuarial (loss)/gain recognised in SORIE at end of year	**(278.1)**	146.4

A history of experience gains and losses is shown in the following table:

	2009 £m	2008 £m	2007 £m	2006 £m	2005 £m
Present value of defined benefit obligation	**(1,901.8)**	(1,621.0)	(1,830.1)	(1,654.1)	(1,423.1)
Fair value of scheme assets	**1,471.4**	1,582.7	1,682.4	1,443.2	1,197.3
Impact of asset ceiling in AVC Plan (from 2006)	**–**	(2.9)	(3.6)	–	–
Combined deficit in schemes	**(430.4)**	(41.2)	(151.3)	(210.9)	(225.8)
Experience adjustments on defined benefit obligation	**(256.6)**	233.2	(43.0)	(12.9)	20.2
Experience adjustments on fair value of scheme assets	**(167.9)**	(351.0)	77.6	156.2	40.8

The Group expects to contribute approximately £35.4 million to the schemes during the 2010 financial year.

Included in scheme assets in 2007 is an advance payment into the Group's pension schemes amounting to £25.1 million in respect of 2008 contributions. The Company has been making regular monthly contribution payments since October 2008.

U.K. defined contribution plans

The Group has introduced a number of PensionSaver group personal pension plans that have replaced the trust-based defined contribution pension plans previously offered to employees. These plans create a consistent pensions savings vehicle across all Group divisions.

The aggregate value of the group personal pension plans and the remaining trust-based defined contribution pension plans was £29.6 million (2008 £24.5 million) at the year end. The pension cost attributable to these plans during the year amounted to £4.2 million (2008 £4.4 million).

Overseas pension plans

Overseas subsidiaries of certain Group divisions operate defined contribution retirement benefit plans, primarily in North America and Australia. The pension cost attributable to these plans during the year amounts to £5.2 million (2008 £3.3 million).

32 Retirement benefits – Continued

Pension arrangements for executives

The Group operates a contributory defined benefit scheme for senior executives (including some executive Directors), details of which are included in the above disclosures. However, at the year end no executive Directors were accruing further pension following the decision by two executive Directors to opt out of this scheme during the year.

Stakeholder pension

DMGT provides access to a stakeholder pension plan for relevant employees who are not eligible for the other pension schemes operated by the Group.

33 Provisions

	Note	Coupon discount £m	Onerous leases £m	Reorgan-isation costs £m	Contingent consideration £m	Legal £m	Other (i) £m	Total £m
Current liabilities								
At 28th September, 2008		0.5	1.8	–	12.1	6.0	7.0	27.4
Charged during year		7.1	7.7	7.2	–	2.3	4.9	29.2
Utilised during year		(5.8)	(0.1)	–	–	(4.0)	(4.3)	(14.2)
Transfer		–	(1.2)	–	–	–	1.2	–
Transfer from non-current liabilities		–	–	–	10.0	–	1.6	11.6
Transfer to loan notes	15	–	–	–	(1.3)	–	–	(1.3)
Contingent consideration paid	16	–	–	–	(13.7)	–	–	(13.7)
Notional interest on contingent consideration	10	–	–	–	0.6	–	–	0.6
Adjustment to goodwill/contingent consideration	18	–	–	–	(1.6)	–	–	(1.6)
Exchange adjustment		–	(0.1)	–	0.2	–	0.6	0.7
At 4th October, 2009		**1.8**	**8.1**	**7.2**	**6.3**	**4.3**	**11.0**	**38.7**
Non-current liabilities								
At 28th September, 2008		–	2.4	–	25.5	1.6	2.1	31.6
Additions	16	–	–	–	6.0	–	–	6.0
Charged during year		–	6.1	7.5	–	(0.6)	(0.3)	12.7
Transfer		–	(1.8)	–	–	–	1.8	–
Transfer to current liabilities		–	–	–	(10.0)	–	(1.6)	(11.6)
Contingent consideration paid	16	–	–	–	(1.4)	–	–	(1.4)
Notional interest on contingent consideration	10	–	–	–	1.1	–	–	1.1
Adjustment to goodwill/contingent consideration	18	–	–	–	(7.0)	–	–	(7.0)
Exchange adjustment		–	(0.1)	–	3.0	–	0.1	3.0
At 4th October, 2009		**–**	**6.6**	**7.5**	**17.2**	**1.0**	**2.1**	**34.4**

(i) Other current provisions principally comprise annual leave provisions of £2.9 million (2008 £2.2 million), dilapidation provisions of £0.1 million (2008 £0.1 million), contract discount provisions of £2.8 million (2008 £2.2 million) and agency rebates of £3.0 million (2008 £1.3 million).

Notes to the consolidated balance sheet
Continued

33 Provisions – Continued
Other non-current provisions principally comprise long-term leave provisions of £0.4 million (2008 £0.4 million) and dilapidation provisions of £1.7 million (2008 £1.7 million).

The Group's coupon discount and redundancy and reorganisation provisions are all expected to be utilised within the next 12 months. The lease provisions are dependent on the terms of the lease whilst the timing of cash flows for legal disputes have been split using Directors' best estimates.

The uncertainties surrounding and the nature of the Group's contingent consideration provisions are disclosed in critical accounting judgements and key sources of estimation uncertainty (note 2). The maturity profile of the Group's contingent consideration provision is as follows:

	2009 £m	2008 £m
Expiring in one year or less	**6.3**	12.1
Expiring between one and two years	**6.1**	11.8
Expiring between two and five years	**11.1**	13.7
	23.5	37.6

34 Deferred taxation

	Note	Accelerated capital allowances £m	Goodwill and intangibles £m	Revaluation and roll over gains £m	U.K. capital losses £m	Trading losses and tax credits £m	Pension scheme deficit £m	Other £m	Total £m
Disclosed within non-current liabilities		34.8	101.0	8.3	(8.3)	(20.5)	22.5	(2.2)	135.6
Disclosed within non-current assets		–	(0.6)	–	–	(1.3)	–	(6.1)	(8.0)
At 30th September, 2007		34.8	100.4	8.3	(8.3)	(21.8)	22.5	(8.3)	127.6
(Credit)/charge to income		12.1	(37.2)	(2.7)	3.4	(20.8)	(3.1)	(9.4)	(57.7)
(Credit)/charge to equity		–	–	–	–	–	(30.9)	(9.1)	(40.0)
Owned by subsidiaries acquired		–	12.5	–	–	–	–	–	12.5
Owned by subsidiaries sold		–	0.1	–	–	–	–	–	0.1
Exchange adjustment		–	5.8	–	–	(2.3)	–	(3.1)	0.4
At 28th September, 2008		46.9	81.6	5.6	(4.9)	(44.9)	(11.5)	(29.9)	42.9
Disclosed within non-current liabilities		49.7	54.5	5.6	(4.9)	(1.5)	(11.5)	(17.9)	74.0
Disclosed within non-current assets		(2.8)	27.1	–	–	(43.4)	–	(12.0)	(31.1)
(Credit)/charge to income	11	(4.3)	(34.6)	3.1	–	(32.4)	9.9	(10.4)	(68.7)
Credit to equity	36	–	–	0.5	(0.5)	–	(118.9)	(1.7)	(120.6)
Owned by subsidiaries acquired	16	–	2.2	–	–	–	–	–	2.2
Owned by subsidiaries sold	17	–	1.6	–	–	–	–	–	1.6
Exchange adjustment		–	3.5	–	–	(2.0)	–	0.7	2.2
At 4th October, 2009		**42.6**	**54.3**	**9.2**	**(5.4)**	**(79.3)**	**(120.5)**	**(41.3)**	**(140.4)**
Disclosed within non-current liabilities		**–**	**23.1**	**–**	**–**	**–**	**–**	**1.1**	**24.2**
Disclosed within non-current assets		**42.6**	**31.2**	**9.2**	**(5.4)**	**(79.3)**	**(120.5)**	**(42.4)**	**(164.6)**
At 4th October, 2009		**42.6**	**54.3**	**9.2**	**(5.4)**	**(79.3)**	**(120.5)**	**(41.3)**	**(140.4)**

34 Deferred taxation – Continued

The deferred tax assets disclosed in the balance sheet in respect of tax losses and tax credits are analysed as follows:

	2009 £m	2008 £m
U.K.	**18.3**	1.6
North America	**59.1**	41.8
Australia	**1.9**	1.5
	79.3	44.9

(i) These losses have been recognised on the basis that the Directors are of the opinion based on recent and forecast trading, that sufficient suitable taxable profits will be generated in the relevant territories in future accounting periods, such that it is considered probable that these assets will be recovered. Of these assets, £45.9 million will expire between 2017 and 2029. The remaining assets have no expiry date.

(ii) There is an unrecognised deferred tax asset of £68.0 million (2008 £24.0 million) which relates to trading losses where there is insufficient certainty that these losses will be utilised in the foreseeable future. Of these assets £17.6 million will expire in 2029. The remaining assets have no expiry date. There is an additional unprovided deferred tax asset relating to capital losses carried forward of £23.6 million (2008 £29.4 million).

(iii) No deferred tax liability is recognised on temporary differences of £52.9 million (2008 621.8 million) relating to the unremitted earnings of overseas subsidiaries as the Group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future. The temporary differences at 4th October, 2009 are significantly reduced from the previous year as a result of a change to U.K. tax legislation which largely exempts from U.K. tax, overseas dividends received on or after 1st July, 2009. The temporary differences at 4th October, 2009 represent only the unremitted earnings of those overseas subsidiaries where remittance to the U.K. of those earnings may still result in a tax liability, principally as a result of dividend withholding taxes levied by the overseas tax jurisdictions in which those subsidiaries operate.

35 Called Up Share Capital

	Authorised 2009 £m	Authorised 2008 £m	Allotted, issued and fully paid 2009 £m	Allotted, issued and fully paid 2008 £m
Ordinary shares of 12.5 pence each	**2.5**	2.5	**2.5**	2.5
'A' Ordinary Non-Voting shares of 12.5 pence each	**48.5**	48.5	**46.6**	46.6
	51.0	51.0	**49.1**	49.1

	2009 Number of shares	2008 Number of shares	Allotted, issued and fully paid 2009 Number of shares	Allotted, issued and fully paid 2008 Number of shares
Ordinary shares	**20,000,000**	20,000,000	**19,886,472**	19,886,472
'A' Ordinary Non-Voting shares	**388,000,000**	388,000,000	**372,696,648**	372,696,648
	408,000,000	408,000,000	**392,583,120**	392,583,120

The two classes of shares are equal in all respects, except that the 'A' Ordinary Non-Voting shares do not have voting rights and hence their holders are not entitled to vote at general meetings of the Company.

During the year the Company disposed of 10,184,237 'A' Ordinary Non-Voting shares, in order to satisfy incentive schemes. This represented 2.73% of the called up 'A' Ordinary Non-Voting share capital at 4th October, 2009.

The Company also purchased 1,626,058 'A' Ordinary Non-Voting shares having a nominal value of £203,257 to match obligations under incentive plans. The consideration paid for these shares was £5.6 million. Shares repurchased during the period represented 0.44% of the called up 'A' Ordinary Non-Voting share capital at 4th October, 2009.

At 4th October, 2009 options were outstanding under the terms of the Company's 1997 and 2006 Executive Share Option Schemes over a total of 6,380,067 (2008 6,978,245) 'A' Ordinary Non-Voting shares.

Notes to the consolidated balance sheet
Continued

36 Reserves

	Note	2009 £m	2008 £m
Share premium account			
At beginning and end of year		**12.4**	12.4
Capital redemption reserve			
At beginning of year		**1.1**	0.8
On cancellation of 'A' Ordinary shares		**–**	0.3
At end of year		**1.1**	1.1
Revaluation reserve			
At beginning of year		**39.5**	46.0
Transfer to retained earnings realised gain on GCap Media plc shares	(i)	**(36.8)**	(6.5)
Fair value movement in available-for-sale assets	22	**1.4**	–
At end of year		**4.1**	39.5

(i) The revaluation reserve arises on the revaluation of the Group's available-for-sale investments. It also includes £3.7 million (2008 £3.7 million) in relation to historic property valuations originally recorded under U.K. GAAP. These properties are no longer held at fair value but the historic revaluation amount will remain in the revaluation reserve until the properties are sold.

During the year, £36.8 million has been transferred from the revaluation reserve to retained earnings. Of this amount £15.9 million relates to properties sold in previous years for which the historic revaluation amount had not been transferred to retained earnings on disposal. Accordingly, a transfer from revaluation reserves has been made in the current year. The balance £20.9 million, which together with £6.5 million transferred to retained earnings in the prior year, arose prior to transition to IFRS on the disposal of the Group's U.K. Radio assets to GWR Group plc (GWR), and should also have been so transferred to retained earnings in the prior period on disposal of the Group's interest in GCap Media plc (GCap). This investment was held as an available-for-sale investment on formation of GCap when the Group's investment in its associate GWR was acquired by Capital Radio plc at deemed cost, the previous carrying value of GWR, in accordance with paragraph 19 of IAS 28. Since that time, the Group applied available-for-sale accounting in accordance with IAS 39. On disposal of the Group's investment, there was no gain on the available-for-sale investment to be recycled and all impairment losses had already been recorded through the Income Statement. Accordingly, a reserves transfer for the remaining historic U.K. GAAP gain of £36.8 million has been made in the current period from revaluation reserve to retained earnings.

	2009 £m	2008 £m
Shares held in treasury		
At beginning of year	**(93.5)**	(44.4)
Purchase of own shares	**(5.6)**	(88.3)
Own shares released on vesting of share options	**52.3**	21.0
Own shares cancelled	**–**	18.2
At end of year	**(46.8)**	(93.5)

The Group's investment in its own shares is classified within shareholders' funds as shares held in treasury. At 4th October, 2009, this investment comprised the cost of 9,657,228 'A' Ordinary Non-Voting shares (2008 18,215,407 shares). The market value of these shares at 4th October, 2009 was £42.4 million (2008 £59.1 million).

36 Reserves – Continued

	2009 £m	2008 £m
Translation reserve		
At beginning of year	**22.2**	27.0
Exchange differences on translation of overseas operations	**39.8**	58.8
Translation reserves recycled to Income Statement on disposals	**0.9**	(0.1)
Transfer of loss/(gain) on cash flow hedges to Income Statement	**3.5**	(2.9)
Losses on cash flow hedges	**(4.5)**	(17.5)
Change in value of net investment hedges	**(41.9)**	(45.3)
Transfer minority share of items reported directly in equity	**(10.2)**	2.2
At end of year	**9.8**	22.2

The translation reserve arises on the translation into Sterling of the net assets of the Group's foreign operations, offset by changes in fair value of financial instruments used to hedge this exposure.

	Note	2009 £m	2008 £m
Retained earnings			
At beginning of year		**479.1**	601.7
Net profit for the year		**(303.4)**	–
Dividends paid	12	**(55.3)**	(56.3)
Actuarial loss on defined benefit pension schemes	32	**(424.5)**	(110.4)
Credit to equity for share-based payments	39	**12.4**	16.6
Settlement of exercised share options of subsidiary		**(43.2)**	(20.2)
Initial recording of put options granted to minority interests in subsidiaries	(i)	**–**	(0.5)
Transfer from revaluation reserves realised gain on GCap Media plc		**36.8**	6.5
Exercise of acquisition put option commitments		**27.1**	7.0
Cancellation of shares held in treasury		**–**	(18.2)
Transfer minority share of items reported directly in equity	37	**(8.1)**	(8.7)
Revaluation of previously held interest in associate on acquisition of control	18	**–**	27.0
Adjustment to equity following increased stake in controlled entity		**(3.1)**	(6.4)
Current tax on items recognised in equity		**–**	1.0
Deferred tax on actuarial movement	34	**118.9**	30.9
Deferred tax on other items recognised directly in equity	34	**1.7**	9.1
Share of items recognised in SORIE by the Group's associates	7	**(2.4)**	–
At end of year		**(164.0)**	479.1
At end of year – Total Reserves		**(183.4)**	460.8

(i) £nil (2008 £0.5 million) representing the fair value of written put options granted to minority shareholders in the year has been recorded as a reduction in equity on initial recognition, as the arrangement represents a transaction with equity holders. Changes in fair value after initial recognition are recorded in the Income Statement.

Notes to the consolidated balance sheet
Continued

37 Minority interests

	2009 £m	2008 £m
At beginning of year	**38.7**	27.6
Share of profit	**(2.0)**	16.8
Dividends paid	**(9.3)**	(10.3)
Shares issued	**0.2**	0.2
Minority interests arising from business combinations	**–**	0.2
Share of items reported directly in equity	**18.3**	6.5
Other transactions with minorities	**1.4**	(2.5)
Exchange adjustment	**(0.5)**	0.2
At end of year	**46.8**	38.7

38 Commitments and contingent liabilities
Commitments

	2009 £m	2008 £m
Property, plant and equipment		
Contracted but not provided in the financial statements	**0.2**	0.7

At 4th October, 2009 the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2009 Properties £m	2009 Plant and equipment £m	2008 Properties £m	2008 Plant and equipment £m
Within one year	**33.1**	**4.6**	31.2	2.9
Between one and two years	**22.9**	**3.4**	25.2	3.4
Between two and five years	**58.4**	**3.1**	62.3	3.3
After five years	**64.2**	**–**	82.6	–
	178.6	**11.1**	201.3	9.6

The Group's most significant leasing arrangements relate to rented properties. The Group negotiates lease contracts according to the Group's needs with a view to balancing stability and security of tenure and lease terms with the risk of entering into excessively long or onerous arrangements. Of the Group's rented properties, the most significant commitment relates to the head office premises at 2 Derry Street, London W8 5TT. This lease expires on 25th December, 2022.

The Group entered into arrangements with its ink suppliers to obtain ink for the period to September 2015 at competitive prices and to secure supply. At the year end, the commitment to purchase ink over this period was £130.5 million (2008 £148.6 million).

The Group has entered into agreements with certain printers for periods up to 2022 at competitive prices and to secure supply. At the year end, the commitment to purchase printing capacity over this period was £141.9 million (2008 £65.1 million).

Contingent liabilities
As set out in note 31 the Group has issued stand by letters of credit in favour of the Trustees of the Group's defined benefit pension fund amounting to £37.8 million (2008 £64.3 million).

38 Commitments and contingent liabilities – Continued

The Group is exposed to libel claims in the ordinary course of business and vigorously defends against claims received. The Group makes provision for the estimated costs to defend such claims when incurred and provides for any settlement costs when such an outcome is judged probable.

Four writs claiming damages for libel have been issued in Malaysia against Euromoney Institutional Investor and three of its employees in respect of an article published in one of Euromoney's magazines, International Commercial Litigation, in November 1995. The writs were served on Euromoney on 22nd October, 1996. Two of these writs have been discontinued. The total outstanding amount claimed on the two remaining writs is 82.0 million Malaysian ringgits (£15.1 million). No provision has been made in these accounts since the Directors do not believe that Euromoney has any material liability in respect of these writs.

39 Share-based payments

The Group offers a number of share-based remuneration schemes to Directors and certain employees within the RMS, Business information and Euromoney divisions in addition to those at DMGT plc. Share options are typically exercisable after three years, subject in some cases to the satisfaction of performance conditions, and up to 10 years from the date of grant at a price equivalent to the market value of the respective shares at the date of grant at a price equivalent to the market value of the respective shares at the date of grant. Details of the performance conditions relating to the DMGT plc schemes are explained in the Remuneration Report on pages 47 to 64.

For equity-settled share-based payment transactions, IFRS 2, Share-based payments, applies to grants of shares, share options or other equity instruments made after 7th November, 2002 that had not vested by 1st January, 2005.

The charge to the Income Statement arising from the most significant schemes is as follows:

Division	Scheme	2009 £m	2008 £m
DMGT	Executive Share Option Scheme	**0.3**	1.6
	Executive Bonuses	**2.4**	3.5
	Long-Term Incentive Plan	**0.9**	1.2
RMS		**6.9**	4.7
Euromoney	Capital Appreciation Plan	**3.1**	4.7
Others – principally Business information		**1.3**	1.3
		14.9	17.0

The fair value of share options for each of these schemes was determined using a Black-Scholes model. Full details of inputs to the models, particular to each scheme, are set out below. With respect to all schemes, the share price volatility has been estimated, based upon relevant historic data in respect of the DMGT 'A' Ordinary share prices.

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability.

The Group did not re-price any of its outstanding options during the year.

Further details of the Group's schemes are set out below:

DMGT 1997 Executive Share Option Scheme

Details of the terms and conditions relating to this scheme are set out in the remuneration report on page 58.

	2009 Number of share options	2009 Weighted average exercise price £	2008 Number of share options	2008 Weighted average exercise price £
Outstanding at 28th September, 2008	**2,316,245**	**6.43**	2,490,354	6.44
Forfeited during the year	**(138,500)**	**6.38**	(124,854)	6.87
Expired during the year	**(4,938)**	**6.08**	(49,255)	6.09
Outstanding at 4th October, 2009	**2,172,807**	**6.43**	2,316,245	6.43
Exercisable at 4th October, 2009	**–**	**–**	–	–
Exercisable at 28th September, 2008	**–**	**–**	–	–

Notes to the consolidated balance sheet
Continued

39 Share-based payments – Continued
No share options were granted or exercised during the year.

The options outstanding at 4th October, 2009 had a weighted average remaining contractual life of 5.8 years (2008 6.3 years).

Options under the DMGT 1997 Executive Share Option Scheme
The inputs into the Black-Scholes model for options, granted since 7th November, 2002, are as follows:

Date of grant	16th December, 2002	2nd January, 2003	8th December, 2003	6th June, 2004	6th December, 2004
Market value of shares at date of grant (£)	5.73	5.82	6.08	6.84	7.24
Option price (£)	5.73	5.82	6.08	6.84	7.24
Number of share options outstanding	594,795	52,000	667,304	5,000	853,708
Term of option (years)	10.00	10.00	10.00	10.00	10.00
Assumed period of exercise after vesting (years)	6.50	6.50	6.50	6.50	6.50
Exercise price (£)	5.73	5.82	6.08	6.84	7.24
Risk-free rate (%)	5.00	5.00	4.80	4.60	4.50
Expected dividend yield (%)	1.61	1.58	1.65	1.51	1.52
Volatility (%)	20.00	20.00	20.00	20.00	20.00
Fair value per option (£)	1.35	1.37	1.43	1.61	1.70

DMGT 2006 Executive Share Option Scheme
Details of the terms and conditions relating to this scheme are set out in the remuneration report on page 58.

	2009 Number of share options	**2009 Weighted average exercise price £**	2008 Number of share options	2008 Weighted average exercise price £
Outstanding at 28th September, 2008	**2,953,500**	**6.33**	2,176,500	6.89
Granted during the year	**610,000**	**2.51**	824,000	4.85
Forfeited during the year	**(163,500)**	**6.39**	(47,000)	6.67
Expired during the year	**(468,046)**	**6.97**	–	–
Outstanding at 4th October, 2009	**2,931,954**	**6.33**	2,953,500	6.33
Exercisable at 4th October, 2009	**551,000**	**–**	–	–
Exercisable at 28th September, 2008	**–**	**–**	–	–

No share options were exercised during the year. Options were forfeited by leavers.

The options outstanding at 4th October, 2009 had a weighted average remaining contractual life of 7.8 years (2008 8.2 years).

The aggregate of the estimated fair values of the options granted during the year is £0.3 million (2008 £0.8 million).

39 Share-based payments – Continued

DMGT 2006 Executive Share Option Scheme Continued

The inputs into the Black-Scholes model are as follows:

Date of grant	31st March, 2006	5th July, 2006	27th November, 2006	17th December, 2007
Market value of shares at date of grant (£)	6.98	6.11	6.88	5.05
Option price (£)	6.98	6.11	6.88	5.05
Number of share options outstanding	458,000	93,000	991,000	652,954
Term of option (years)	10.00	10.00	10.00	10.00
Assumed period of exercise after vesting (years)	7.00	7.00	7.00	7.00
Exercise price (£)	6.98	6.11	6.88	5.05
Risk-free rate (%)	4.50	4.80	4.30	4.30
Expected dividend yield (%)	1.72	2.01	1.90	2.84
Volatility (%)	20.00	20.00	20.00	20.00
Fair value per option (£)	1.53	1.44	1.51	1.18

Date of grant	27th May, 2008	9th June, 2008	24th November, 2008	26th January, 2009
Market value of shares at date of grant (£)	4.02	3.82	2.50	2.53
Option price (£)	4.02	3.82	2.50	2.53
Number of share options outstanding	35,000	100,000	308,000	294,000
Term of option (years)	10.00	10.00	10.00	10.00
Assumed period of exercise after vesting (years)	7.00	7.00	7.00	7.00
Exercise price (£)	4.02	3.82	2.50	2.53
Risk-free rate (%)	4.30	4.30	3.00	3.00
Expected dividend yield (%)	3.66	3.85	5.89	5.81
Volatility (%)	20.00	30.00	40.00	40.00
Fair value per option (£)	0.92	0.85	0.56	0.56

DMGT Long-Term Incentive Plan

Details of the terms and conditions relating to this scheme are set out in the remuneration report on page 50.

	2009 Number of awards	**2009 Weighted average exercise price £**	2008 Number of awards	2008 Weighted average exercise price £
Outstanding at 28th September, 2008	**1,260,287**	**5.82**	695,626	7.09
Granted during the year	**–**	**–**	565,425	4.27
Exercised during the year	**(29,886)**	**7.04**	–	–
Expired during the year	**(29,885)**	**7.04**	(764)	7.17
Outstanding at 4th October, 2009	**1,200,516**	**5.82**	1,260,287	5.82
Exercisable at 4th October, 2009	**–**	**–**	–	–
Exercisable at 28th September, 2008	**–**	**–**	–	–

No share awards were granted or forfeited during the year.

The awards outstanding at 4th October, 2009 had a weighted average remaining contractual life of 1.6 years (2008 2.2 years).

The aggregate of the estimated fair values of the awards made during the year is £nil (2008 £2.3 million).

Notes to the consolidated balance sheet
Continued

39 Share-based payments – Continued

Options under the DMGT Long-Term Incentive Scheme

The inputs into the Black-Scholes model are as follows:

Date of grant	1st January, 2003	1st January, 2004	1st January, 2005	1st January, 2006	1st January, 2007
Market value of shares at date of grant (£)	5.94	7.04	7.53	7.88	7.17
Option price (£)	5.94	7.04	7.53	7.88	7.17
Number of share options outstanding	111,557	161,972	95,650	111,261	154,651
Term of option (years)	5.00	5.00	5.00	5.00	5.00
Assumed period of exercise after vesting (years)	–	–	–	–	–
Exercise price (£)	Nil	Nil	Nil	Nil	Nil
Risk-free rate (%)	5.00	4.80	4.50	4.50	4.30
Expected dividend yield (%)	1.55	1.42	1.46	1.52	1.82
Volatility (%)	20.00	20.00	20.00	20.00	20.00
Fair value per option (£)	4.51	5.35	5.72	5.99	5.45

Date of grant	19th March, 2008	19th March, 2008	19th March, 2008	19th March, 2008	19th March, 2008
Market value of shares at date of grant (£)	4.27	4.27	4.27	4.27	4.27
Option price (£)	4.27	4.27	4.27	4.27	4.27
Number of share options outstanding	129,265	64,632	64,632	64,632	64,632
Term of option (years)	2.70	3.00	4.00	5.00	6.00
Assumed period of exercise after vesting (years)	–	–	–	–	–
Exercise price (£)	Nil	Nil	Nil	Nil	Nil
Risk-free rate (%)	4.30	4.30	4.30	4.30	4.30
Expected dividend yield (%)	3.36	3.36	3.36	3.36	3.36
Volatility (%)	20.00	20.00	20.00	20.00	20.00
Fair value per option (£)	3.95	3.95	3.95	3.95	3.95

Date of grant	19th March, 2008
Market value of shares at date of grant (£)	4.27
Option price (£)	4.27
Number of share options outstanding	177,632
Term of option (years)	6.00
Assumed period of exercise after vesting (years)	–
Exercise price (£)	Nil
Risk-free rate (%)	4.30
Expected dividend yield (%)	3.36
Volatility (%)	20.00
Fair value per option (£)	3.95

39 Share-based payments – Continued

RMS options plan

RMS options were granted at market value. The options become exercisable after a four year vesting period and lapse after 10 years from grant date. Previously, the stock issued under the plan was subject to a nine month holding period, which has been subsequently removed during 2007. The stock issued under the plan is subject to put or call options where DMGT has the right to settle in DMGT 'A' Ordinary shares or cash. The options plan classification changed from a cash settled plan in June 2005 to an equity settled plan following this change of settlement feature of stock issued under the plan.

	2009 Number of share options	2009 Weighted average exercise price $	2008 Number of share options	2008 Weighted average exercise price $
Outstanding at 28th September, 2008	**2,796,530**	**36.64**	2,176,759	29.99
Granted during the year	**1,256,992**	**47.74**	1,123,515	45.65
Forfeited during the year	**(288,633)**	**43.64**	(95,994)	39.15
Exercised during the year	**(761,492)**	**30.96**	(407,750)	25.72
Outstanding at 4th October, 2009	**3,003,397**	**42.12**	2,796,530	36.64
Exercisable at 4th October, 2009	**1,015,951**	**35.64**	1,224,342	32.11
Exercisable at 28th September, 2008	**888,803**	**28.60**	609,803	23.06

The weighted average share price at the date of exercise for share options exercised during the year was $47.81 (2008 $45.43).

The options outstanding at 4th October, 2009 had a weighted average exercise price of $42.12 (2008 $36.64) and a weighted average remaining contractual life of 5.10 years (2008 8.01 years).

The aggregate of the estimated fair values of the options granted during the year is $10.7 million (2008 $11.8 million).

The inputs into the Black-Scholes model are as follows:

Date of grant	During 2001	During 2002	During 2003	During 2004	During 2005
Market value of shares at date of grant (US$)	5.26	4.81	5.56	9.13	16.61
Option price (US$)	5.26	4.81	5.56	9.13	16.61
Number of share options outstanding	7,646	3,283	37,894	46,822	87,783
Term of option (years)	–	0.67	1.67	2.67	3.67
Assumed period of exercise after vesting (years)	6-9	6-9	6-9	6-9	6-9
Exercise price (US$)	5.26	4.81	5.56	9.13	16.61
Risk-free rate (%)	4.00	4.00	4.00	4.00	4.00
Expected dividend yield (%)	2.00	2.00	2.00	2.00	2.00
Volatility (%)	35.00	35.00	35.00	35.00	35.00
Fair value per option (US$)	22.22	22.43	21.38	17.91	12.53

Notes to the consolidated balance sheet
Continued

39 Share-based payments – Continued
RMS options plan – Continued

Date of grant	During 2006	During 2007	During 2008	During 2009
Market value of shares at date of grant (US$)	29.78	36.39	45.43	47.81
Option price (US$)	29.78	36.39	45.43	47.81
Number of share options outstanding	728,958	800,629	979,515	1,117,023
Term of option (years)	4.27	3.80	3.80	3.80
Assumed period of exercise after vesting (years)	6-9	6-9	6-9	6-9
Exercise price (US$)	29.78	36.39	45.43	47.81
Risk-free rate (%)	4.00	4.70	4.10	2.20
Expected dividend yield (%)	2.00	2.00	2.00	2.50
Volatility (%)	35.00	35.00	29.00	29.32
Fair value per option (US$)	8.57	10.29	10.69	9.59

Expected volatility was determined by calculating the historical volatility of comparable companies.

The Euromoney Capital Appreciation Plan (CAP)
The CAP executive share option scheme was approved by shareholders on 1st February, 2005. Each of the CAP awards comprises an option to subscribe for ordinary shares of 0.25p each in the Company for an exercise price of 0.25p per ordinary share. The awards become exercisable on satisfaction of certain performance conditions and lapse to the extent unexercised on 30th September, 2014. The initial performance condition was achieved in the financial year 2007 and the option pool (a maximum of 7.5 million shares) was allocated between the holders of outstanding awards. One third of the awards vested immediately. The primary performance target was achieved again in 2008 and, after applying the additional performance condition, 2,241,269 options from the second tranche of options vested in February 2009. The primary performance target was also achieved this year and 1,521,498 options for the third (final) tranche of options in 2009 will vest in February 2010, the maximum number of options potentially vesting adjusted for the businesses not achieving the additional performance criteria. For those individual participants businesses where the additional performance conditions for the second and final tranche have not been met, the vesting is deferred until the profits are at least 75% of that achieved in 2007 but no later than by reference to the year ending 30th September, 2012.

The CAP options were valued using a fair value model that adjusted the share price at the date of the grant for the net present value of expected future dividend streams up to the date of the expected exercise.

	2009 Number of share options	**2009 Weighted average exercise price £**	2008 Number of share options	2008 Weighted average exercise price £
Outstanding at 28th September, 2008	**2,690,780**	**0.0025**	2,500,000	0.0025
Granted during the year	**1,262,767**	**0.0025**	2,500,000	0.0025
Exercised during the year	**(2,198,610)**	**1.86**	(2,309,220)	3.85
Outstanding at 4th October, 2009	**1,754,937**	**0.0025**	2,690,780	0.0025
Exercisable at 4th October, 2009	**1,754,937**	**0.0025**	1,754,937	0.0025
Exercisable at 28th September, 2008	**2,690,780**	**0.0025**	2,690,780	0.0025

The weighted average share price at the date of exercise for share options exercised during the year was £1.86 (2008 £3.85).

The options outstanding at 4th October, 2009 had a weighted average exercise price of £0.0025 (2008 £0.0025) and a weighted average remaining contractual life of 5.0 years (2008 6.0 years).

The aggregate of the estimated fair values of the options granted during the year is £3,157 (2008 £6,250).

39 Share-based payments – Continued

The Euromoney Capital Appreciation Plan

The inputs into the Black-Scholes model are as follows:

Date of grant	Tranche 1 20th June, 2005	Tranche 2 20th June, 2005	Tranche 3 20th June, 2005
Market value of shares at date of grant (£)	4.01	4.01	4.01
Option price (p)	0.25	0.25	0.25
Number of share options outstanding	75,001	158,438	1,521,498
Term of option (years)	10.00	10.00	10.00
Assumed period of exercise after vesting (years)	3.28	4.53	5.53
Exercise price (p)	0.25	0.25	0.25
Risk-free rate (%)	5.00	5.00	5.00
Dividend growth (%)	8.44	8.44	8.44
Fair value per option (£)	3.28	3.02	2.82

Other divisional management incentive schemes

The Group operated a long-term incentive scheme for senior employees of the Group's national media division based on cumulative profit targets for the three years to 30th September, 2007. At the end of each of the three years, participants in the scheme were invited to pledge their annual bonus either as cash or by taking DMGT 'A' Ordinary shares, both of which must be committed to the scheme until the end of its three year life. The initial scheme vested at 30th September, 2007 and so a matching award was made to each participant.

Matching awards of 56,368 shares were made on 27th November, 2007 when the share price was £5.43.

No shares were forfeited or lapsed during the year.

The Group operates a long-term incentive plan for senior employees of the Group's local media division based on profit and revenue targets. Participants in the scheme have the choice of being rewarded with a cash bonus or by taking DMGT 'A' Ordinary shares. Where a participant chooses to take shares it is a condition of the scheme that the shares must be held for a minimum of two years. No shares were awarded, forfeited or lapsed during the year.

40 Ultimate holding company

The Company's ultimate holding company and immediate parent company is Rothermere Continuation Limited, a company incorporated in Bermuda.

41 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The transactions between the Group and its joint ventures and associates are disclosed below.

The following transactions and arrangements are those which are considered to have had a material effect on the financial performance and position of the Group for the period.

Ultimate Controlling Party

The Company's ultimate controlling party is the Viscount Rothermere, the Company's Chairman. Transactions relating to the remuneration and shareholdings of the Viscount Rothermere are given in the Remuneration Report.

Transactions with Directors

There were no material transactions with Directors of the Company during the year, except for those relating to remuneration and shareholdings, disclosed in the Remuneration Report.

For the purposes of IAS 24, Related Party Disclosures, executives below the level of the Company's Board are not regarded as related parties.

The remuneration of the Directors at the year end, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24. Further information about the individual Directors' remuneration is provided in the Directors' Remuneration Report on pages 47 to 64.

Notes to the consolidated balance sheet
Continued

41 Related party transactions – Continued

	2009 £m	2008 £m
Short-term employee benefits	**6.1**	6.1
Other long-term benefits	**5.2**	5.1
Share-based payments	**0.3**	1.8
	11.6	13.0

There were no retirement benefits or termination charges in 2009 or 2008.

Transactions with joint ventures and associates
Details of the Group's principal joint ventures and associates are set out in note 21.

Associated Newspapers Limited has a 45% shareholding in Fortune Green Limited. During the period the Group received revenue for newsprint, computer and office services of £0.9 million (2008 £0.9 million). Amounts due from Fortune Green Limited at 4th October, 2009 were £0.2 million (2008 £0.3 million).

Associated Newspapers Limited has a 20% share in the Newspapers Licensing Agency (NLA) from which royalty revenue of £2.5 million was received (2008 £3.0 million). Commissions paid on this revenue total £0.3 million (2008 £0.5 million). The amount due from the NLA on 4th October, 2009 was £0.1 million (2008 £0.2 million due to the NLA).

Daily Mail and General Holdings Limited has a 15.8% share holding in The Press Association. During the period the Group received services amounting to £1.3 million (2008 £1.8 million) and the net amount due from the Press Association as at 4th October, 2009 was £33,000 (2008 £0.1 million).

During the period, the Company received services from companies in which Directors have an interest totalling £6.9 million (2008 £7.9 million) and received revenue of £0.6 million (2008 £0.6 million). The net amount owed by these companies at 4th October, 2009 was £0.6 million (2008 £0.1 million).

In January, 2009 the Group sold 75.9% of the Evening Standard. Since this date the Group has received revenue of £5.6 million (2008 £nil) and paid for services of £13.3 million (2008 £nil). The net amount due from the Group at 4th October, 2009 was £1.0 million (2008 £nil).

During the period, Landmark charged management fees of £0.3 million (2008 £0.3 million) to Point X Ltd, and recharged costs of £0.1 million (2008 £0.1 million). Point X received royalty income from Landmark of £77,000 (2008 £43,000) and owed £39,000 to Landmark (2008 £0.1 million) at the period end.

During the period, Landmark recharged costs totalling £0.2 million (2008 £nil) to Financial Asset Search Ltd and at the period end was due £0.2 million (2008 £nil).

During the period, DMG Radio Australia Pty Ltd invoiced DMG Radio Perth Pty Ltd AU$2.8 million (2008 AUS$2.8 million).

Other related party disclosures
During the period, two loans of £33,263 and £3,732 made to an officer of the Company were repaid in full. The loans bore interest at 5% and 6.25% respectively per annum. The maximum principal amount outstanding during the period was £33,263 and £3,732.

At 4th October, 2009, the Group owed £1.6 million (2008 £1.5 million) to the pension schemes which it operates. This amount comprised employees' and employer's contributions in respect of September 2009 payrolls which were paid to the pension schemes in October 2009.

The Group recharges its principal pension schemes with costs of investment management fees. The total amount recharged during the year was £0.7 million (2008 £0.7 million).

42 Post Balance Sheet Events
Details of material post balance sheet events are given in the Directors' Report on page 40.

Principal subsidiaries

Principal subsidiary	Activity
Central activities	
Daily Mail and General Investments plc*	Financing company
Daily Mail and General Holdings Limited*	Holding company
Daily Mail International Limited	Holding company
DMG Investment Holdings Limited	Holding company
DMG Media Investments Limited	Holding company
RMS	
Risk Management Solutions Inc (96.3%) (Incorporated and operating in the U.S.A.)	Provider of risk management information on natural and other related perils
Business information	
DMG Information, Inc (Incorporated in the U.S.A.)	Holding company
Trepp, LLC (Incorporated and operating in the U.S.A.)	Provider of commercial mortgage-backed securities and real estate information
Lewtan Technologies, Inc (Incorporated and operating in the U.S.A.)	Provider of asset-backed securities information
Environmental Data Resources, Inc (Incorporated and operating in the U.S.A.)	Provider of geographic based real estate information services
Landmark Information Group Limited	Provider of property and mapping information
Prodat Systems plc	Provider of property and mapping information
The Sanborn Map Company, Inc (Incorporated and operating in the U.S.A.)	Provider of GIS and photogrammetric mapping services for government and engineering markets
Genscape, Inc. (98.2%) (Incorporated and operating in the U.S.A.)	Provider of real time power supply and other energy information
Genscape International, Inc. (Incorporated and operating in the U.S.A.)	Provider of real time power supply and other energy information
Hobsons, Inc (Incorporated and operating in the U.S.A.)	Careers and education information publishing and services
Exhibitions	
DMG World Media (U.K.) Limited	Trade publishing and exhibition management
DMG Angex Limited	Organisers of public exhibitions and magazine publishers
DMG World Media (Canada), Inc (Incorporated and operating in Canada)	Organisers of consumer and trade exhibitions
DMG World Media (U.S.A.) Inc (96.9%) (Incorporated and operating in U.S.A.)	Organisers of consumer exhibitions
DMG World Media Dubai (2006) Limited (Incorporated in Jersey; managed and operating in Dubai)	Organisers of trade exhibitions
George Little Management, LLC (96.9%) (Incorporated and operating in U.S.A.)	Organisers of trade exhibitions
Euromoney	
Euromoney Institutional Investor PLC (66.8%)	Publishing, training and events
BCA Research, Inc (66.8%) (Incorporated and operating in Canada)	Information Services
Euromoney Institutional Investor (Jersey) Limited (66.8%) (Incorporated in Jersey; operating in Hong Kong)	Publishing
HedgeFund Intelligence Limited (66.8%)	Publishing
Information Management Network, Inc (66.8%) (Incorporated and operating in the U.S.A.)	Conferences
Institutional Investor, Inc (66.8%) (Incorporated and operating in the U.S.A.)	Publishing

Principal subsidiaries
Continued

Principal subsidiary	Activity
Internet Securities, Inc (65.32%) (Incorporated and operating in the U.S.A.)	Information Services
Metal Bulletin Limited (66.8%)	Publishing and event management
National media	
Associated Newspapers Limited	Publication of the Daily Mail, The Mail on Sunday, Metro and London Lite
Find a Property Limited	Provision of internet property services
Harmsworth Printing (Didcot) Limited	Printing of newspapers
Harmsworth Printing (Stoke) Limited	Printing of newspapers
Harmsworth Printing Limited	Printing of newspapers
Harmsworth Quays Printing Limited	Printing of newspapers
Jobsite (U.K.) Worldwide Limited	Provision of internet recruitment services
Loot Limited	Publication of Loot
Motors.co.uk Limited	Provision of internet classified car services
Primelocation Limited	Provision of internet property services
Teletext Limited	Provision of teletext services
Local media	
Bristol News & Media Limited	Publisher of local media
Central Independent News and Media Limited	Publisher of local media
Cornwall & Devon Media Limited	Publisher of local media
Courier Media Group Limited	Publisher of local media
Derby Telegraph Media Group Limited	Publisher of local media
Essex Chronicle Media Group Limited	Publisher of local media
Gloucestershire Media Limited	Publisher of local media
Grimsby & Scunthorpe Media Group Limited	Publisher of local media
Lapcom Kft (Managed, incorporated and operating in Hungary)	Publication of newspapers in Gyor and Szeged, Hungary
Leicester Mercury Media Group Limited	Publisher of local media
Lincolnshire Media Limited	Publisher of local media
Mail News & Media Limited	Publisher of local media
Northcliffe Local Media (South East) Limited	Publisher of local media
Northcliffe Media Limited	Holding company of local media group
Nottingham Post Media Group Limited	Publisher of local media
Perex a.s. (Managed, incorporated and operating in Slovakia)	Publication of newspapers in Slovakia
South West Wales Media Limited	Publisher of local media
Staffordshire Sentinel News and Media Limited	Publisher of local media
Western Morning News & Media Limited	Publisher of local media
Radio	
Nova 96.9 Pty Ltd (Incorporated and operating in Australia)	Commercial radio broadcaster of Nova 96.9, Sydney
Nova 100 Pty Limited (Incorporated and operating in Australia)	Commercial radio broadcaster of Nova 100, Melbourne
Nova 106.9 Pty Ltd (Incorporated and operating in Australia)	Commercial radio broadcaster of Nova 106.9, Brisbane

(i) Unless stated otherwise the whole of the Ordinary share capital of subsidiary undertakings is held directly by Daily Mail and General Trust plc (where marked *) or indirectly by one of the Company's subsidiaries.
(ii) All subsidiaries, except where indicated, operate principally within the United Kingdom.
(iii) All principal subsidiaries have been included in the Group accounts.

Five year financial summary

Group Income Statement

	2005 £m	2006 £m	2007 £m	2008 £m	**2009 £m**
Revenue	2,136.3	2,176.0	2,235.1	2,311.7	**2,117.5**
Operating profit before exceptional operating costs and amortisation and impairment of goodwill and intangible assets	283.4	300.4	322.4	316.9	**277.6**
Amortisation and impairment of intangible assets and exceptional operating costs	(47.9)	(150.9)	(163.0)	(289.9)	**(534.9)**
Operating (loss)/profit before share of results from joint ventures and associates	235.5	149.5	159.4	27.0	**(257.3)**
Share of results of joint ventures and associates	(2.3)	5.6	1.8	3.5	**(8.7)**
Total operating (loss)/profit	233.2	155.1	161.2	30.5	**(266.0)**
Other gains and losses	15.5	188.6	35.7	27.7	**(23.5)**
(Loss)/profit before net finance costs and tax	248.7	343.7	196.9	58.2	**(289.5)**
Net finance costs	(53.4)	(32.2)	(54.8)	(126.3)	**(111.6)**
(Loss)/profit before tax	195.3	311.5	142.1	(68.1)	**(401.1)**
Tax	(39.9)	(60.0)	(20.3)	84.7	**94.5**
(Loss)/profit for the year after tax	155.4	251.5	121.8	16.6	**(306.6)**
Discontinued operations	–	–	0.5	0.2	**1.2**
Equity interests of minority shareholders	(13.3)	(11.7)	(15.3)	(16.8)	**2.0**
(Loss)/profit for the year	142.1	239.8	107.0	–	**(303.4)**
Profit before amortisation and impairment of intangible assets, exceptional items and taxation	237.3	259.7	288.2	261.8	**200.8**
Basic (loss)/earnings per share	35.9p	60.8p	27.4p	0.1p	**(79.8)p**
Diluted (loss)/earnings per share	35.8p	60.7p	27.2p	(0.1)p	**(79.8)p**
Adjusted earnings per share (before amortisation and impairment of intangible assets and exceptional items)	43.2p	46.4p	49.3p	47.9p	**37.2p**

Group cash flow information

	2005 £m	2006 £m	2007 £m	2008 £m	**2009 £m**
Net cash inflow from operating activities	332.9	350.8	313.4	354.9	**283.8**
Investing activities	(175.5)	(202.9)	(316.5)	(144.4)	**(140.0)**
Financing activities	(125.2)	(173.3)	(28.1)	(235.4)	**(147.3)**
Net (decrease)/increase in cash and cash equivalents	32.2	(25.4)	(31.2)	(24.9)	**(3.5)**
Cash and cash equivalents at beginning of year	91.4	124.0	96.1	64.0	**44.3**
Exchange (loss)/gain on cash and cash equivalents	0.4	(2.5)	(0.9)	5.2	**6.1**
Cash and cash equivalents at end of year	124.0	96.1	64.0	44.3	**46.9**
Net (decrease)/increase in cash and cash equivalents	32.2	(25.4)	(31.2)	(24.9)	**(3.5)**
Cash outflow/(inflow) from change in debt and lease finance	(7.0)	36.6	(131.6)	(20.6)	**23.5**
Change in net debt from cash flows	25.2	11.2	(162.8)	(45.5)	**20.0**
Loan notes issued and loans, lease finance and liquid resources arising from acquisitions	(2.0)	3.3	(34.1)	–	**–**
Other non-cash items	(10.4)	14.3	(15.3)	(18.7)	**(54.0)**
(Increase)/decrease in net debt in the year	12.8	28.8	(212.2)	(64.2)	**(34.0)**
Net debt at beginning of year	(779.8)	(767.0)	(738.2)	(950.4)	**(1,014.6)**
Net debt at end of year	(767.0)	(738.2)	(950.4)	(1,014.6)	**(1,048.6)**

Five year financial summary
Continued

Group balance sheet information

	2005 £m	2006 £m	2007 £m	2008 £m	**2009 £m**
Goodwill and intangible assets	916.2	1,124.9	1,480.1	1,503.5	**1,195.1**
Tangible assets	500.8	513.7	520.7	501.9	**440.4**
Fixed asset investments	203.7	160.2	136.2	43.9	**53.7**
Other non current assets	–	32.7	109.2	42.8	**174.3**
Fixed assets	1,620.7	1,831.5	2,246.2	2,092.1	**1,863.5**
Net-current liabilities	(174.4)	(247.6)	(329.4)	(342.7)	**(337.8)**
Long-term liabilities	(1,092.8)	(1,108.6)	(1,196.3)	(1,200.8)	**(1,613.2)**
Net assets	353.5	475.3	720.5	548.6	**(87.5)**
Shareholders' equity					
Called up share capital	50.2	50.2	49.4	49.1	**49.1**
Share premium account	8.3	9.7	12.4	12.4	**12.4**
Revaluation reserve	71.1	46.5	46.0	39.5	**4.1**
Other reserves	(20.9)	(54.9)	(16.6)	(70.2)	**(35.9)**
Minority interests	–	–	27.6	38.7	**46.8**
Retained earnings	244.8	423.8	601.7	479.1	**(164.0)**
Total equity	353.5	475.3	720.5	548.6	**(87.5)**

	2005	2006	2007	2008	**2009**
Shareholder information					
Dividend per share*	12.00p	13.05p	14.35p	14.70p	**14.70p**
Price of 'A' Ordinary Non-Voting shares:					
Lowest	£6.50	£5.55	£6.00	£2.59	**£2.11**
Highest	£7.61	£8.01	£8.65	£6.77	**£4.61**

* Represents the dividends declared by the Directors in respect of the above years.

Independent Auditors' Report to the Members of Daily Mail and General Trust PLC

We have audited the parent Company financial statements of Daily Mail and General Trust plc for the year ended 4th October, 2009 which comprise the Balance Sheet, and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with sections 495, 496 and 497 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the parent Company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the parent Company financial statements in accordance with applicable law and International Standards on Auditing (U.K. and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the parent Company financial statements:

- give a true and fair view of the state of the parent Company's affairs as at 4th October, 2009;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the parent Company financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company's financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Other matter

We have reported separately on the Group financial statements of Daily Mail and General Trust plc for the year ended 4th October, 2009.

Deloitte.

William Touche
(Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants
and Statutory Auditors

London, United Kingdom

4th December, 2009

Company balance sheet
as at 4th October, 2009

	Note	As at 4th October, 2009 £m	As at 28th September, 2008 £m
Fixed assets			
Intangible fixed assets	4	**53.2**	90.1
Tangible fixed assets	5	**0.5**	0.4
Investments:			
Group undertakings	6	**1,826.2**	1,825.6
Other investments	7	**0.3**	1.0
		1,826.5	1,826.6
Current assets			
Debtors – amounts falling due within one year	8	**148.9**	147.8
Creditors			
Amounts falling due within one year	9	**(229.7)**	(204.9)
Net current liabilities		**(80.8)**	(57.1)
Total assets less current liabilities		**1,799.4**	1,860.0
Creditors			
Amounts falling due after more than one year	10	**(1,093.9)**	(975.4)
Provisions for liabilities	11	**–**	(0.8)
Net assets		**705.5**	883.8
Capital and reserves			
Called up share capital	13	**49.1**	49.1
Share premium account	13	**12.4**	12.4
Shares held in treasury	13	**(46.8)**	(93.5)
Capital redemption reserve	14	**1.1**	1.1
Profit and loss account	15	**689.7**	914.7
Equity shareholders' funds		**705.5**	883.8

The accounts on pages 152 to 160 were approved by the Directors and authorised for issue on 4th December, 2009. They were signed on their behalf by:

Rothermere
M.W.H. Morgan
Directors

Notes to the Company balance sheet – U.K. GAAP

1 Basis of preparation

The separate financial statements of the Company are prepared under the historical cost convention, modified to include the revaluation to fair value of certain financial instruments as described below, in accordance with the Companies Act 2006 and U.K. Generally Accepted Accounting Principles (U.K. GAAP). The following paragraphs describe the main accounting policies under U.K. GAAP, which have been applied consistently in both the current and prior year.

Profit for the financial year

As permitted by section 480 of the Companies Act 2006, a separate profit and loss account for the Company has not been included in these accounts. The Company's loss after tax for the year, calculated on a U.K. GAAP basis, was £198.5 million (2008 loss £141.8 million).

Impact of amendments to accounting standards

In the current year certain minor amendments to U.K. financial reporting standards were issued by the U.K. Accounting Standards Board. The adoption of these amendments has not had any impact on the Company's accounting policies.

2 Significant accounting policies

Intangible fixed assets

Intangible assets principally comprise purchase trademarks and are capitalised and amortised through the profit and loss account over the lower of their useful economic lives and a period of 20 years.

Impairment reviews of intangible fixed assets are carried out at the end of the first financial year after acquisition and where there is any indication of impairment.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life. All of the Company's tangible fixed assets are artworks with a residual value at least equal to cost and therefore no depreciation has been applied in either the current or prior period on the basis that any change would not be material.

Foreign exchange

Transactions in currencies other than the entity's reporting currency are recorded at the exchange rate prevailing on the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate prevailing on the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statement for the period.

Investments

Investments in subsidiaries are stated at cost, less any provision for impairment, where appropriate.

Other investments are classified as either held for trading or available-for-sale and are measured at either fair value or at cost less provision for impairment where fair value cannot be reliably determined.

Where investments are classified as held for trading, gains and losses arising from changes in fair value are included in net profit or loss for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period. Impairment charges are recorded in the profit and loss account when they occur.

Investments and financial assets are recognised and de-recognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are measured at fair value, including transaction costs.

Taxation

Current tax, including U.K. corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Financial instruments

Financial assets

– Trade debtors
Trade debtors do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

– Cash and cash equivalents
Cash and cash equivalents comprise cash in hand, short-term deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Notes to the Company balance sheet – U.K. GAAP

Continued

2 Significant accounting policies – Continued

Financial instruments – Continued

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

– Trade creditors
Trade creditors are not interest bearing and are stated at their nominal value.

– Capital market and bank borrowings
Interest bearing loans and overdrafts are initially measured at fair value (which is equal to net proceeds at inception), and are subsequently measured at amortised cost, using the effective interest rate method. A portion of the Company's bonds are subject to fair value hedge accounting and this portion of the carrying value is adjusted for the movement in the hedged risk to the extent hedge effectiveness is achieved. Any difference between the proceeds, net of transaction costs and the settlement or redemption of borrowings is recognised over the term of the borrowing.

– Equity instruments
Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to settle on a net basis, or realise the asset and liability simultaneously.

Derivative financial instruments and hedge accounting

The Company's activities expose it to the financial risks of changes in foreign exchange rates and interest rates. The Company uses various derivative financial instruments to manage its exposure to these risks.

The use of financial derivatives is governed by the Group's policies, which are set out on pages 36 and 41 of the Financial and Treasury Review and approved by the Board of Directors, which provide written principles on the use of financial derivatives consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculative purposes.

The Company does not apply hedge accounting except for fair value hedges. Gains and losses arising on derivatives that form part of net investment hedge or cash flow hedge relationships in the consolidated financial statements are recorded in the profit and loss account in the Company.

– Fair value hedges
The Company's policy is to use derivative instruments (primarily interest rate swaps) to convert a proportion of its fixed rate debt to floating rates in order to hedge the interest rate risk. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with changes in the fair value of the hedged asset or liability that are attributable to the hedged risk to the extent that the hedge relationship is effective. When the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting, hedge accounting is discontinued.

Financial instruments – disclosures

The Company has taken advantage of the exemption provided in FRS 29 (IFRS 7) Financial Instruments: Disclosures which states that disclosure in respect of financial instruments is not required in parent company financial statements where such disclosures are included in publicly available consolidated financial statements.

Cash flow statement

The Company has utilised the exemptions provided under FRS 1 (Revised) and has not presented a cash flow statement. A consolidated cash flow statement has been presented in the Group's Annual Report.

Related party transactions

The Company has taken advantage of the exemptions of FRS 8 which states that disclosure of related party transactions is not required in the parent company financial statements when those statements are presented together with its consolidated financial statements.

Share-based payments

The Company operates the Group's LTIP and other Group share-based payment schemes, details of which can be found in note 39 of the Group's Annual Report.

3 Employees

	2009 Number	2008 Number
Average number of persons employed by the Group by activity including Directors:	**10**	11

	2009 £m	2008 £m
Total staff costs comprised:		
Wages and salaries	**6.9**	5.6
Share-based payments	**0.6**	1.4
Social security costs	**0.7**	0.8
Pension costs	**0.8**	0.9
	9.0	8.7

4 Intangible Assets

	Trademarks £m
Cost	
At 28th September, 2008 and 4th October, 2009	136.0
Accumulated amortisation and impairment	
At 28th September, 2008	45.9
Charge for the year	5.3
Impairment	31.6
At 4th October, 2009	82.8
Net book value – 2008	90.1
Net book value – 2009	**53.2**

The Company tests intangible assets at the end of the first financial year after acquisition and where there is any indication of impairment, or more frequently if there are indicators that the intangibles assets might be impaired. When testing for impairment, the recoverable amounts for all the Company's income generating units (IGUs) are measured at their value in use by discounting future expected cash flows. These calculations use cash flow projections based on management approved budgets and projections which reflect management's current experience and future expectations of the markets in which the IGU operates.

The impairment charge recognised in the year relates to the Company's interests in its local media IGUs. The risk adjusted discount rate used was 11.5%.

Notes to the Company balance sheet – U.K. GAAP
Continued

5 Tangible Fixed Assets

	Fixtures and fittings £m
Cost	
At 28th September, 2008	0.6
Additions	0.1
At 4th October, 2009	0.7
Accumulated depreciation	
At 28th September, 2008 and 4th October, 2009	0.2
Net book value – 2008	0.4
Net book value – 2009	**0.5**

6 Investments in Group Undertakings (as listed on pages 147 to 148)

	Cost £m	Provision £m	Net book value £m
At 28th September, 2008	1,825.6	–	1,825.6
Additions	72.6	(72.0)	0.6
At 4th October, 2009	**1,898.2**	**(72.0)**	**1,826.2**

7 Other Investments

	£m
Cost	
At 28th September, 2008	1.0
Additions	0.3
Disposals	(1.0)
At 4th October, 2009	**0.3**

Additions to other investments comprises the Company's investment in shares of Thomson Reuters.

8 Debtors

	2009 £m	2008 £m
Amounts falling due within one year		
Amounts owed by Group undertakings	**73.9**	70.4
Prepayments and accrued income	**7.0**	8.5
Corporation tax	**43.0**	65.9
Derivative financial assets	**25.0**	3.0
	148.9	147.8

The Company's corporation tax debtor represents amounts due from subsidiaries for Group relief.

9 Creditors

	2009 £m	2008 £m
Due within one year		
Bank overdrafts	**6.0**	4.0
Loan notes	**2.3**	2.5
Interest payable	**32.6**	32.4
Amounts owing to Group undertakings	**185.6**	163.8
Accruals and deferred income	**3.2**	0.6
Derivative financial liabilities	**–**	1.6
	229.7	204.9

Loan notes attract interest at approximately LIBOR minus 0.5% and were issued as part of the consideration for various acquisitions. The loan notes are repayable at the option of the loan note holder.

10 Creditors

	2009 £m	2008 £m
Due after more than one year		
7.5% Bonds 2013	**303.3**	299.4
5.75% Bonds 2018	**175.9**	173.5
10% Bonds 2021	**170.0**	168.2
6.375% Bonds 2027	**197.9**	197.8
Bank loans	**173.3**	105.4
Derivative financial liabilities	**73.5**	31.1
	1,093.9	975.4

Notes to the Company balance sheet – U.K. GAAP
Continued

10 Creditors – Continued
The nominal values of the bonds are as follows:

	2009 £m	2008 £m
7.5% Bonds 2013	**300.0**	300.0
5.75% Bonds 2018	**175.0**	175.0
10% Bonds 2021	**156.4**	156.4
6.375% Bonds 2027	**200.0**	200.0
	831.4	831.4

The Company's bonds have been adjusted from their nominal values to offset the premia paid on settlement or redemption, direct issue costs and discounts. The issue costs, premia and discounts are being amortised over the expected lives of the bonds using the effective interest method. The unamortised issue costs amount to £3.1 million (2008 £3.4 million), the unamortised premia £13.9 million (2008 £15.2 million).

Details of the fair value of the Company's bonds are set out in note 30 of the Group's Annual Report and Accounts. The book value of the Company's other borrowings equates to fair value.

The Company's bank loans are denominated in U.S. dollars and Sterling. The interest rates on these borrowings ranged as follows:

	2009 High	2009 Low	2008 High	2008 Low
Sterling	**6.77%**	**0.90%**	7.35%	5.23%
U.S. dollar	**5.40%**	**0.56%**	6.23%	2.50%

The maturity profile of the Company's borrowings is as follows:

	Overdrafts £m	Bank loans £m	Bonds £m	Loan notes £m	Total £m
2009					
Within one year	**6.0**	**–**	**–**	**2.3**	**8.3**
Between one and two years	**–**	**43.2**	**–**	**–**	**43.2**
Between two and five years	**–**	**130.1**	**303.3**	**–**	**433.4**
Over five years	**–**	**–**	**543.8**	**–**	**543.8**
	–	**173.3**	**847.1**	**–**	**1,020.4**
	6.0	**173.3**	**847.1**	**2.3**	**1,028.7**
2008					
Within one year	4.0	–	–	2.5	6.5
Between one and two years	–	–	–	–	–
Between two and five years	–	28.2	–	–	28.2
Over five years	–	77.2	838.9	–	916.1
	–	105.4	838.9	–	944.3
	4.0	105.4	838.9	2.5	950.8

11 Provisions for liabilities

	Note	2009 £m	2008 £m
Deferred taxation	12	**(0.6)**	0.2
Other provisions	(i)	**0.6**	0.6
		–	0.8

(i) Movements on other provisions were as follows:

	2009 £m	2008 £m
At beginning of year	**0.6**	1.1
Utilised during year	**–**	(0.5)
At end of year	**0.6**	0.6

The provision relates to probable costs associated with subsidiary disposal commitments and is expected to be utilised within the next 12 months.

12 Deferred Taxation

	2009 £m	2008 £m
Other timing differences	**(0.6)**	0.2

Movements on the provision for deferred taxation were as follows:

	2009 £m	2008 £m
At beginning of year	**0.2**	0.2
LTIP charge	**(0.1)**	–
Net credit to profit and loss account	**(0.7)**	–
At end of year	**(0.6)**	0.2

13 Reserves

Share premium account

	2009 £m	2008 £m
At beginning and end of year	**12.4**	12.4

Shares held in treasury

	2009 £m	2008 £m
At beginning of year	**(93.5)**	(44.4)
Additions	**(5.6)**	(88.3)
Own shares released on vesting of share options	**52.3**	21.0
Own shares cancelled	**–**	18.2
At end of year	**(46.8)**	(93.5)

The Company's investment in its own shares is classified within shareholders' funds as Shares held in treasury. At 4th October, 2009 this investment comprised the cost of 9,657,228 'A' Ordinary Non-Voting shares (2008 18,215,407 shares). The market value of these shares at 4th October, 2009 was £42.4 million (2008 £59.1 million). The treasury shares are considered to be a realised loss for the purposes of calculating distributable reserves.

Details of the Company's share capital can be found within note 35 of the Group's Annual Report and Accounts.

Notes to the Company balance sheet – U.K. GAAP
Continued

14 Capital redemption reserve

	£m
At beginning and end of year	1.1

15 Profit and loss account

	£m
At beginning of year	914.7
Net loss for the year	(149.9)
Dividends paid	(55.3)
Moved to hedging reserve	2.4
Other movements on share option schemes	(22.2)
At end of year	**689.7**

Total reserves – 2008	898.2
Total reserves – 2009	**656.4**

The Company estimates that £620.6 million of the Company's profit and loss account reserve is not distributable (2008 £602.7 million).

16 Contingent liabilities
At 4th October, 2009 the Company had guaranteed borrowing facilities of subsidiaries under which £nil (2008 £60.0 million) were outstanding. The Company had also guaranteed a subsidiary's outstanding derivatives which have a mark to market asset valuation of £0.5 million (2008 liability of £5.4 million) and letters of credit with a principal value of £5.3 million (2008 £9.1 million). The Company has also issued stand by letters of credit in favour of the Trustees of the Group's defined benefit pension fund amounting to £37.8 million (2008 £64.3 million).

17 Controlling Party
The Company's ultimate controlling party is the Viscount Rothermere, the Company's Chairman. Transactions relating to the remuneration and shareholdings of the Viscount Rothermere are given in the Remuneration Report.

Shareholder information

Company Secretary and Registered Office

N D Jennings, FCA.
Northcliffe House
2 Derry Street
London
W8 5TT
England

Registered Number: 184594

Website

The Group has an internet web site which gives information on the Company and its operating subsidiaries and provides details of significant Group announcements. It also has a site giving details of job opportunities within the Group.

The addresses are:

www.dmgt.co.uk
www.dmgtopportunities.com

Financial Calendar 2010 (provisional)

14th January	Annual Report published
10th February	Interim management statement
10th February	Annual General Meeting
12th February	Payment of final dividend
31st March	Payment of interest on loan notes
4th April	Half year end
27th May	Half Yearly Financial Report published
9th June	Interim ex-dividend date
11th June	Interim record date
9th July	Payment of interim dividend
Late July	Interim management statement
30th September	Payment of interest on loan notes
3rd October	Year End
25th November	Annual results and final dividend announced
1st December	Ex-dividend date
3rd December	Record date

Capital Gains Tax

The market value of both the Ordinary and 'A' Ordinary Non-Voting shares in the Company on 31st March, 1982 (adjusted for the 1994 bonus issue of 'A' Ordinary Non-Voting shares and for the four–for–one share split in 2000) was 9.75 pence.

Registrars

All enquiries regarding shareholdings, dividends, lost share certificates, loan notes in the Company and in Daily Mail and General Investments plc, or changes of address should be directed to Equiniti, the Company's Registrars, at the address set out on page 162.

Electronic Communications

Equiniti operate Shareview, a free online service which enables shareholders with internet access to check their shareholdings and other related information and to register to receive notification by email of the release of the Half Yearly and Annual Reports. It also offers practical help on matters such as transferring shares or updating your own details. Shareholders may register for the service at www.shareview.co.uk.

This report is available electronically on the Company's website which contains a link to Shareview to enable shareholders to register for electronic mailings. Notification by email has been given of the availability of this Annual Report on the Company's website to those shareholders who have registered.

Low Cost Share Dealing Service

The Company has arranged with its brokers, JP Morgan Cazenove Limited, to provide a simple, low-cost share dealing service for 'A' Ordinary Non-Voting shares in Daily Mail and General Trust plc.

The main features are: a basic commission of 1% on both purchases and sales (subject to a minimum commission of £10 per transaction); reduced commission rates for transactions over £5,000; and no minimum investment. For further details, please contact JP Morgan Cazenove Limited, Company Share Schemes, at 20 Moorgate, London EC2R 6DA; the telephone number is 020 7155 5155.

Equiniti also provide a simple low cost dealing service for Ordinary and 'A' Ordinary Non-Voting shares details of which are available at www.shareview.co.uk/dealing or by calling 0845 670 37037.

Details of these and other low cost dealing services can be found on the Company's website at www.dmgt.co.uk/investorrelations.

Loan Notes

Loan notes issued by the Company and by Daily Mail and General Investments plc, a subsidiary, are repayable in whole or in part at the option of loan note holders every six months. Loan note holders requiring repayment should complete the redemption section on the back of their loan note and send it to reach the Registrars by 28th February or 31st August for repayments on 31st March or 30th September respectively.

Share Price Information

The current price of the Company's Ordinary and 'A' Ordinary Non-Voting shares can be found on the homepage of the Company's website at www.dmgt.co.uk. A graph, illustrating the historical performance of the 'A' shares, is shown on page 9.

Eurobond Paying Agent

The principal paying agent for the Company's 7.5% Bonds due 2013, 10% Bonds due 2021 and the 6.375% Bonds due 2027 is Deutsche Bank AG London, Winchester House, 1 Great Winchester St, London EC2N 2DB. The principal paying agent for the Company's 5.75% Bonds due 2018 is HSBC Bank plc, Corporate Trust and Loan Agency, 8 Canada Square, London E14 5HQ. Enquiries should be directed to John Donegan, Group Financial Controller, who can be contacted on 020 7938 6627, and whose e-mail address is john.donegan@dmgt.co.uk.

Shareholder information
Continued

Crest
Shareholders have the choice either of holding their shares in electronic form in an account on the CREST system or in the physical form of share certificates.

Investor Relations
Investor relations are the responsibility of Nicholas Jennings, Company Secretary, whose office is responsible for distribution of the Annual Report. He is assisted by Fran Sallas. The investor relations' e-mail address is investor.relations@dmgt.co.uk.

Sharegift
In the U.K., DMGT supports ShareGift, which is administered by the Orr Mackintosh Foundation (registered charity number 1052686) and which operates a charity share donation scheme for shareholders wishing to give small holdings of shares to benefit charitable causes. It may be especially useful for those who wish to dispose of a small parcel of shares which would cost more to sell than they are worth. There are no capital gains tax implications (i.e. no gain or loss) on gifts of shares to charity and it is also possible to obtain income tax relief. If you would like to use ShareGift or receive more information about the scheme, they can be contacted by visiting their website at www.sharegift.org or by writing to the Orr Mackintosh Foundation, 46 Grosvenor Street, London W1K 3HN.

Advisers

Stockbrokers
JP Morgan Cazenove Limited
20 Moorgate
London
EC2R 6DA
Telephone: 020 7588 2828

Credit Suisse Securities (Europe) Limited
One Cabot Square
London
E14 4QJ
Telephone: 020 7888 8888

Auditors
Deloitte LLP
2 New Street Square
London
EC4A 3BZ
Telephone: 020 7936 3000

Registrars
Equiniti
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA
Telephone: 0871 384 2302
Facsimile: 0871 384 5100

Shareholdings at 4th October, 2009
Ordinary Shares

Range of holdings	Number of shareholders	%	Shares	%
1-1,000	534	73.55	198,731	1.00
1,001-5,000	150	20.66	339,942	1.71
5,001-10,000	17	2.34	120,042	0.60
10,001-20,000	7	0.96	107,964	0.54
20,001-50,000	4	0.56	101,780	0.51
50,001-100,000	4	0.56	307,750	1.55
100,001-500,000	7	0.96	972,100	4.89
500,001 & over	3	0.41	17,738,163	89.20
	747	100.00	19,886,472	100.00

'A' Ordinary Non-Voting Shares

Range of holdings	Number of shareholders	%	Shares	%
1-1,000	953	37.15	396,671	0.11
1,001-5,000	659	25.69	1,696,953	0.46
5,001-10,000	306	11.93	2,235,754	0.60
10,001-20,000	195	7.60	2,774,678	0.74
20,001-50,000	141	5.50	4,484,250	1.20
50,001-100,000	71	2.77	5,021,613	1.35
100,001-500,000	137	5.34	29,717,796	7.97
500,001 & over	103	4.02	326,368,933	87.57
	2,778	100.00	372,696,648	100.00

DMGT.co.uk

You have access to more information on our website:
DMGT's corporate website has achieved an 'AA' accessibility rating in independent tests. It is independently regarded as one of the best programmed sites in the FTSE 350 index.

Visit our web 2.0 interactive online Annual Report at www.dmgtreports.com/2009.

About dmgt

dmgt.co.uk/aboutdmgt
Group Overview
Board of Directors
DMGT History
DMGT Fact File

Corporate structure

dmgt.co.uk/corporatestructure
Management Structure
Risk Management Solutions
dmg information
dmg world media
Euromoney
Associated Newspapers
Northcliffe Media
dmg radio australia

Investor relations

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Financial Announcements
Financial Calendar
Share Information
Analyst Consensus
Reports and Presentations
Board of Directors
Shareholder Services
Financial Analysis
Fixed Income Investors
Contacts for Investors

Corporate Governance

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Board Remit
Committee Remits
DMGT Memorandum and Articles

Corporate Responsibility

dmgt.co.uk/corporateresponsibility
The Community
The Environment
Our Employees
Our Readers
Financial Markets
For Schools

Media Centre

dmgt.co.uk/mediacentre
News Releases
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DMGT Factfile

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