DMGT

EMPOWERING PEOPLE THROUGH INFORMATION

Daily Mail and General Trust plc
Annual Report
30th September, 2012

2012

Financial Highlights#

Revenue

2012
£1,960m

2011
£1,985m†

Adjusted operating profit*

2012
£300m

2011
£281m†

Adjusted profit before tax*

2012
£255m

2011
£232m†

Statutory profit before tax

2012
£206m

2011
£126m†

Adjusted earnings per share*

2012
49.4p

2011
46.1p†

Dividend per share

2012
18.0p

2011
17.0p

Business Highlights#

% of digital revenue

2012
35%

2011
32%†

Total number of employees

2012
11,600

2011
12,000

Profit split by B2B and B2C*

2012
B2B 73%
B2C 27%

2011
B2B 74%†
B2C 26%†

Global reach

* Before exceptional items, impairment and amortisation of intangible assets arising on business contributions; see Consolidated Income Statement on page 82 and the reconciliation in Note 13 to the Accounts.

† Restated to reflect a refinement of Hobsons' approach to revenue recognition. See Notes to the Accounts.

From continuing and discontinued operations.

Contents

DMGT is an international media, events and information group bringing together companies in the business-to-business and consumer sectors.

We empower people through information. We provide topical, relevant content on multiple platforms for a wide range of audiences. We develop professional and social networks and communities.

Each of our companies is different. Many are market leaders. We regard diversity as a source of strength and promote autonomy and entrepreneurialism within our businesses.

In 2012 we extended our geographic footprint, moved further into the digital space and strengthened our balance sheet. DMGT is emerging as a leaner, stronger, more focused group.

Find out more at dmgt.com

Visit dmgt.com to see what is happening across our business and the marketplaces in which we operate. Scan the QR code below to see how we are empowering people through information.

Companies
Investors
CR
Careers
News

Corporate brochure

Take a look at our corporate brochure for a snapshot of our core strategic messages and key success stories from around our business.

Strategic Report
Business at a glance

DMGT is an international media and information group in business-to-business and consumer sectors. The breadth of our assets makes for a highly resilient organisation. We focus on safeguarding performance and generating long-term growth.

WHO WE ARE

DMGT is an international group quoted on the London Stock Exchange with a portfolio of market-leading digital, information, media and events businesses.

The growing business-to-business (B2B) element of the Group comprises:

- Risk Management Solutions
- dmg::information
- dmg::events
- Euromoney Institutional Investor

The consumer media element, A&N Media, comprises:

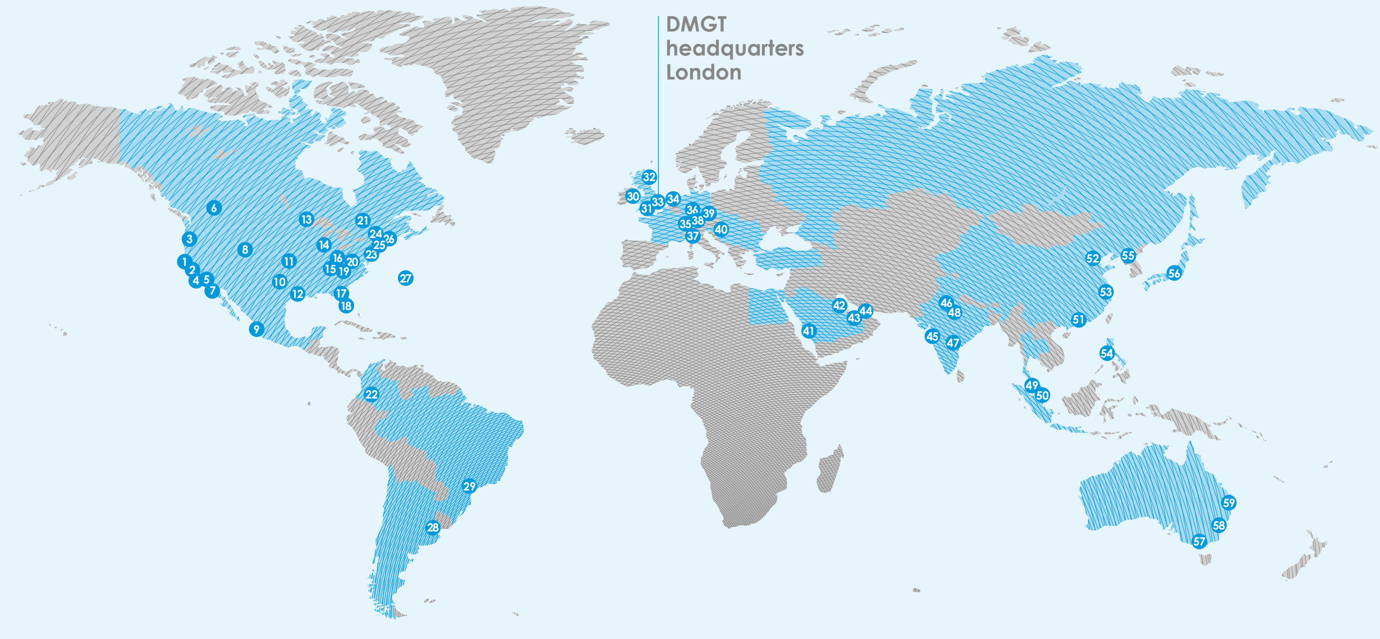
- Mail newspapers
- MailOnline
- Northcliffe regional newspapers*
- Metro free newspaper

It also has interests in digital businesses, including the Evenbase group, owner of Jobsite and Jobrapido, and the Zoopla Property Group.

DMGT exists to seek out innovative solutions to customers' demands for information and to nurture and support a diverse group of high quality, entrepreneurial, media and information assets.

DMGT's ambition is to provide the highest quality content and services, across the most attractive growth markets in innovative, responsible and sustainable ways, building on its track record of earnings and dividend growth.

Our world



RMS
1 Newark, CA
13 Bloomington
14 Peoria, US
23 Hoboken
27 Bermuda
33 London
35 Zurich
48 Noida
52 Beijing
56 Tokyo

dmg::information
2 Oakland
8 Boulder
11 Oklahoma City
15 Louisville
16 Cincinnati
20 Washington
23 New York
24 Massachusetts
25 Milford
26 Boston
33 London
34 Amsterdam
36 Dortmund
39 Prague
49 Kuala Lumpur
57 Melbourne
58 Sydney

dmg::events
3 Portland
4 Los Angeles
5 Laguna Hills
6 Calgary
9 Puerto Vallarta
10 Dallas
23 New York
33 London
41 Jeddah
42 Kuwait City
43 Abu Dhabi
44 Dubai
45 Mumbai
46 New Delhi
47 Bangalore
50 Singapore
52 Beijing
55 Seoul
56 Tokyo
58 Sydney

Euromoney
12 Houston
17 Miami
18 Venice
19 Pittsburgh
21 Montreal
22 Bogota
23 New York
26 Boston
29 São Paulo
33 London
52 Beijing
50 Singapore
51 Hong Kong
53 Shanghai
54 Manila

A&N Media
4 Los Angeles
6 Calgary
7 Newport Beach
23 New York
28 Buenos Aires
30 Dublin
31 Hampshire
32 Aberdeenshire
33 London
37 Milan
38 Frankfurt
40 Gyor
44 Dubai
48 Noida
58 Sydney
59 Brisbane

*On 21st November, 2012, the company announced it had exchanged contracts for the disposal of its Northcliffe Media division to Local World.

Our heritage

1896 Daily Mail founded
Brothers Alfred and Harold Harmsworth launch the Daily Mail.

1902 Record circulation
Daily Mail becomes the first newspaper with a circulation of over a million.

1922 DMGT founded
DMGT is re-established to manage the family's publishing interests.

1929 Esmond Harmsworth appointed DMGT Chairman.

1932 London Stock Exchange flotation
DMGT is listed on the London Stock Exchange.

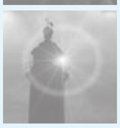
1969 Euromoney founded
Euromoney Magazine is launched as a business-to-business magazine focused primarily on the international finance sector.

1978 The third Viscount Rothermere appointed DMGT Chairman.

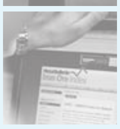
1988 dmg::events established
dmg::events is formed (under a different name) to manage and develop a portfolio of events assets.

1990 dmg::information founded
dmg::information is formed (under a different name) to manage and develop a portfolio of business-to-business information companies.

1998 The fourth Viscount Rothermere appointed DMGT Chairman.



1998 RMS joins DMGT
DMGT acquires Risk Management Solutions, a fast-growing business in the emerging catastrophe risk-modelling sector.



2006 Euromoney acquires Metal Bulletin Euromoney acquires Metal Bulletin, the industry-leading intelligence service for metals and steel professionals.

2012 MailOnline overtakes New York Times
MailOnline overtakes New York Times as the most visited newspaper website in the world.

MARKET OVERVIEW

Market developments globally and at the local level are opening up tremendous opportunities for all our businesses. Geopolitical forces and changing demographics are shifting the economic axis towards Asia and emerging markets. New patterns of consumer behaviour are creating different challenges for digital content delivery and feeding demand for precisely targeted information.

Technology is reshaping the competitive arena. Nearly half a billion smartphones are already in the hands of consumers. Big data, mobile connectivity, cloud services and social networking are combining to deliver on the promise of rich, detailed information to every individual no matter where they are.

With a third of the world now online compared with just 8% a decade ago, we now have many more potential customers. They are more engaged and more demanding about the services they expect. Increasingly, tailored and insightful content is at a premium. Our challenge as content providers is to get high quality, relevant information to the right people, where and when they want it.

STRATEGY AND PERFORMANCE OVERVIEW

DMGT's strategic ambition is to become a global-growth company with increasing exposure to emerging economies and high-growth markets. We aim to achieve that by growing our business-to-business operations, developing our consumer media franchise and diversifying internationally into high-growth markets.

The Group delivered a solid set of results in 2012, with underlying revenue and operating profit up 3% and 7% respectively. More than half of operating profits were earned outside the UK.

Our international B2B companies increased both revenue and profits.

RMS delivered another solid year of revenue and profit growth. The company continues to have strong growth prospects. It now offers a broad portfolio of products and data solutions. It is also seeing many more international opportunities.

dmg::information contributed healthy increases in revenue and operating profit. Each of its four sectors – property, education, energy and finance – contributed. dmg::events registered 13% underlying growth in a year in which just one of its three marquee biennial events was staged.

Euromoney Institutional Investor maintained its impressive history of profits growth. Its business has been transformed in recent years. Subscriptions now account for just over half of total revenues.

The UK consumer business performed well in challenging trading conditions.

At A&N Media, underlying revenues were up slightly, and operating profit rose strongly. This pleasing result demonstrates the success of our strategy of combining the best traditional and new media content in ways that make sense for our consumers.

The Mail titles continued to outperform the market. Our free newspaper, Metro, also performed strongly. Our regional newspaper group, Northcliffe, improved profitability despite the secular decline in its revenue base.

MailOnline had an excellent year, becoming the world's most popular English language newspaper website in 2012. Our recruitment portal Evenbase acquired Jobrapido to extend its international footprint. Digital Property Group's (DPG) merger with Zoopla has created a formidable new UK property search portal.

PRIORITIES FOR THE COMING YEAR

The strategic priority for RMS remains its new platform, RMS (one), scheduled for a mid-2014 launch. It continues to develop supporting programmes, which are expected to yield additional revenue in 2013.

dmg::information'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::events is expanding its significant footprint in the Middle East into Saudi Arabia, and on to Asia. It will continue to extend its successful global energy division. It is also developing digital solutions to complement its live events portfolio.

Euromoney continues to pursue its strategy of growing international, digital and subscription-based revenues.

A&N Media's new print facility in Thurrock will yield significant cost reductions and environmental benefits. It will invest to drive even faster growth in its core digital businesses, particularly MailOnline. Mail Newspapers will launch paid-for tablet editions.

At Evenbase international expansion remains a key priority. Our online discount business Wowcher is continuing to build up its database of affluent young female subscribers. Zoopla Property Group is implementing its integration plan following its recent merger with DPG.

Strategic Report
Business at a glance continued

Business activity	Principal brands and products	Capabilities and overview
RMS 7575 Gateway Boulevard Newark CA 94560, US Tel +1 510 505 2500 http://www.dmgt.com/companies/RMS	RMS	Targeting the global property and casualty re-insurance industry, a world-leading producer of risk analysis models, services, expertise and data solutions for the quantification and management of catastrophe risks.
dmg :: information 3 Stamford Landing Suite 400, 46 Southfield Ave Stamford, Connecticut CT 06902, US Tel +1 203 973 2940 http://www.dmgt.com/companies/dmginformation	Landmark Information Group EDR HOBSONS LEWTAN Trepp GENSCAPE	A global, market-leading provider of B2B information for the property, education, energy and finance sectors.
dmg :: events 3 Stamford Landing Suite 400, 46 Southfield Ave Stamford, Connecticut CT 06902, US Tel +1 203 973 2940 http://www.dmgt.com/companies/dmgevents	The Big 5 2014 Global Petroleum Show Gastech ADIPEC www.adipec.com ad:tech INDEX International Design Exhibition	A global supplier of B2B exhibitions and associated conferences focusing on the energy, construction, interiors and digital marketing sectors.
Euromoney Institutional Investor PLC Nestor House Playhouse Yard London EC4V 5EX England Tel +44 20 7779 8888 http://www.dmgt.com/companies/Euromoney	Euromoney Euroweek Institutional Investor Metal Bulletin BCA Research Ned Davis Research Group	A B2B media group focused primarily on the international finance, metals and commodities sectors. A leading provider of electronic research and data, a trade publisher, both online and print, as well as running conferences, seminars and training courses.
A&N MEDIA Northcliffe House 2 Derry Street London W8 5TT England Tel +44 20 3615 0000 http://www.dmgt.com/companies/ANMedia	Daily Mail The Mail on Sunday MailOnline Metro jobsite northcliffemedia jobrapido broadbean Zoopla wowcher	An international publisher with a market-leading print and digital portfolio. Assets include two of the UK's most influential paid-for newspapers, the world's most visited newspaper website, the world's fourth largest digital recruitment business and a majority stake in the UK's largest digital property businesses.

Key activities in 2012 | Financial highlights | Priorities in 2013

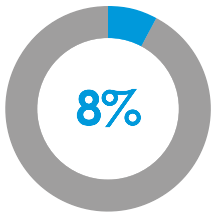
In 2012, RMS generated solid revenue and profit growth and increased its investment programme on its strategically important RMS(one) platform. It continued to extend its presence in the global property and casualty re/insurance industry. It also built on its capabilities in the capital markets and life insurance industries.

£163m
Revenue
(2011 £159m)

£56m
Operating profit*
(2011 £47m)

34%
Margin†
(2011 30%)

Percentage of Group revenue



RMS(one) provides enterprise-wide re-insurance solutions in the cloud for measuring and managing risk. It remains a key strategic priority for the business. RMS will continue to serve its existing client base while devoting increasing resources to RMS(one) platform development in the run-up to the mid-2014 scheduled release date.

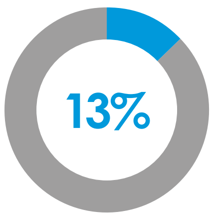
Strong organic growth and bolt-on acquisitions combined to generate double-digit revenue and profits increases in 2012. A strategic investment in US commercial property-listing business Xceligent grew its US footprint. Acquiring Intelliworks and PrepMe strengthened the education offering. The real-time energy information supplier, Genscape, continued to develop new products and services, grew revenue and gathered momentum with an increased order book.

£253m
Revenue
(2011 £232m†)

£48m
Operating profit*
(2011 £42m†)

19%
Margin*
(2011 18%†)

Percentage of Group revenue



dmg::information will continue to invest in innovation to broaden its range of products and services. It will deepen its relationships with business professionals by delivering mission-critical information in its four key sectors.

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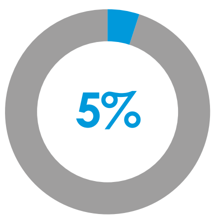
dmg::events achieved strong growth in a year featuring just one of its three biennial shows. Underlying revenues increased by 13% and underlying profit rose 21%. It focused resources on the global energy and digital marketing sectors and its fast-growing businesses in the Middle East and Asia. It completed the disposal of leadership networking and events business, Evanta, during the year.

£89m
Revenue
(2011 £132m)

£21m
Operating profit*
(2011 £39m)

24%
Margin*
(2011 29%)

Percentage of Group revenue



The business benefits from strong brands in growing sectors and high-growth markets. It will build on successes to increase the frequency and quality of its events. It will continue its successful strategy of geo-cloning its most popular events, particularly in the Middle East and Asia. It is developing associated products, including conferences and online services.

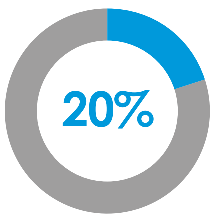
Euromoney continued to develop its global online financial information business. It strengthened its presence in emerging markets, increased the proportion of subscription-based revenues and continued to invest in technology and content delivery platforms, particularly for mobile users. Its acquisition of Global Grain added the world's leading event for international grain traders to its portfolio.

£394m
Revenue
(2011 £363m)

£112m
Operating profit*
(2011 £93m)

28%
Margin*
(2011 26%)

Percentage of Group revenue



Subscription and emerging markets revenue streams afford some protection from the strong headwinds facing international financial market participants. The group will continue to invest in digital publishing and in improving the quality of its products. It will maintain tight control of operating costs and, where relevant, deploy its strong balance sheet to fund attractive acquisitions.

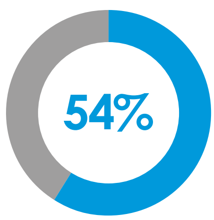
The business sharpened its focus on market-leading assets in profitable sectors. It sold non-core assets, including Teletext Holidays and motors.co.uk. Its merger of Digital Property Group with Zoopla has created a strong competitor in the online property market. Jobrapido's acquisition adds the number two global job search engine in the world to its Evenbase recruitment business.

£1,060m
Revenue#
(2011 £1,098m)

£104m
Operating profit*#
(2011 £93m)

10%
Margin*#
(2011 8%)

Percentage of Group revenue



A&N Media will continue to focus on increasing operational effectiveness in all of its businesses. Transferring operations to its new Thurrock printing facility will drive down costs and reduce waste. It will continue to develop Metro's digital strategy and invest to accelerate the already rapid growth in core digital businesses, particularly MailOnline, Evenbase and Wowcher.

Strategic Report
Marketplace
We operate in a dynamic global marketplace. Significant technological developments and rapid growth are transforming the competitive environment.

Our businesses compete in international markets by providing valuable content in the consumer media and business sectors. Market developments globally and at the local level are opening up tremendous opportunities. Data traffic levels continue to scale new heights.

There are more customers in more territories with different expectations and better access to digital content. Adapting to changing customer behaviour and keeping pace with the technology they are using is a key challenge for content providers.

THE EXPLOSION IN DATA TRAFFIC

Global IP traffic increased eightfold over the past five years and is expected to quadruple over the next five years, as sharing video and other rich-data forms becomes commonplace. Annual global IP data centre traffic is expected to reach 6.6 zettabytes by 2016. Globally, cloud traffic is expected to grow from 39% of total data centre traffic in 2011 to 64% of total data centre traffic in 2016.

CUSTOMER BEHAVIOUR IS CHANGING

Over a third of the world's population is now online. That compares with just 8% a decade ago. Ten billion devices connect to the internet. By 2016, forecasts suggest that there may be as many as 19 billion internet-enabled devices.

Mobile connectivity has entered the mainstream. Sales and shipments of mobile, smartphone and tablets outstripped PCs this year. Mobile-connected tablets will be the fastest-growing consumer mobile device, increasing from 25 million devices globally in 2011 to 200 million in 2016

People accessing content on the move have different requirements. They want contextually sensitive content for their devices. If they are on a smartphone they want to use capabilities like mapping and one-click calling. They expect touch-screen navigation and screen-responsive page design.

More of our customers are becoming better connected. In 2011, over 679 million used social network services via mobile devices. That will reach 2.4 billion by 2016. There are great opportunities for high value content providers. High value, relevant and hard-to-replicate content will be at a premium.

THE IMPACT OF TECHNOLOGY

The IT industry is on the cusp of a generational shift. The new computing paradigm is being built on four enabling technologies – cloud services, mobile connectivity, big data and social networking.

These technologies are reshaping the competitive landscape. Big data is forecast to drive rapid changes in infrastructure and $232 billion in IT spending through 2016.

Spending on mobile networks exceeded fixed data networks for the first time in 2012. By 2015, Wi-Fi and mobile devices will account for over half of IP traffic. By 2016, global mobile data traffic will top 10 exabytes per month, a sixteen-fold increase, and mobile video will constitute over two-thirds of all mobile data traffic.

The trend is for tailored content, getting the right information to the right person at the right time.

In our own markets we are witnessing a proliferation of artificial intelligence and machine-learning applications processing large quantities of data to generate knowledge and insight in real-time. Applications connect with social networking services as a matter of course. Customisation and visualisation tools are becoming more important.

The cloud is bringing cost-effective, scalable, tailored services to businesses and individuals in an unparalleled way. Analysts estimate that 80% of new commercial enterprise apps will be deployed on cloud platforms.

Cloud-based services are revolutionising the way businesses operate. Instead of developing expensive proprietary software, businesses are sharing open-source applications. This is driving greater efficiencies and fomenting new business ecosystems.

There are great opportunities for high value content providers. Insightful, relevant, hard-to-replicate content will be at a premium.

THE SHIFTING ECONOMIC CENTRE OF GRAVITY

According to IMF forecasts, the total GDP of emerging economies could overtake the developed economies as early as 2014. Estimates indicate that 70% of world growth over the next few years will come from emerging markets, with as much as 40% from China and India.

Leading emerging markets' businesses will build on their domestic successes to compete internationally. These challenger brands have prospered without institutional backing and have strong entrepreneurial cultures. They have the potential to be a powerful disruptive force in the global competitive arena.

The BRIC countries' growing economic strength is leading to greater power to influence world economic policy. Emerging economies now have significant voting shares in the IMF.

POPULATION GROWTH

The global population is expected to top nine billion by 2050. Over the same period there will be a near doubling in the urban population, to over six billion. Currently, urban migration adds up to a new city the size of Barcelona every 10 days. Meeting this additional capacity will require major infrastructure investment and radical new approaches to urban planning.

Population growth will be matched by growing prosperity. A global middle class is emerging. By 2030, it is expected to more than double, from two billion today to 4.9 billion. The European and American middle classes, currently 50% of the total, will account for just 22%. Asia will provide 64% of the global middle class and 40% of global middle-class consumption.

The growth of the world's middle class is coming almost exclusively from developing countries. In advanced countries, where population and incomes are halting, the number of people in the middle classes may even be declining.

Age demographics are changing. Advances in healthcare are triggering a rise in older populations. By 2050, more than one in three people in developed economies will be over 60.

These trends raise important issues for public policy. We are evolving and adapting our information services to meet changing customer requirements, demographic change and the new opportunities in high-growth markets.

By 2030, the global middle class population will more than double, nearly two-thirds will be in Asia.

Strategic Report
Chairman's Statement

DMGT is making solid progress in its strategic ambition of developing into a global growth business. There is an entrepreneurial spirit at the heart of the Group. High-calibre people in DMGT companies are meeting changing customer priorities with outstanding products and services.

BUSINESS HIGHLIGHTS

I am pleased to report another set of strong results in what remains a challenging global economy, again testament to the robust structure and dynamic nature of the Group.

The world continues to change and grow at a staggering rate. The way consumers and businesses access and utilise information now underpins how people around the world interact, behave, even think. With that comes opportunity: to utilise the best technology; to innovate and develop new products; and to expand across geographies and sectors.

As a Group we have a responsibility to ensure that we maximise that opportunity to the best of our ability. Technology is the tool, but our people are the ones who harness it to push new boundaries and build more value.

That ingenuity is why we have been able to grow revenue and profits year on year and increase the proportion of revenues and profits coming from outside the UK, as well as our digital activities which are considerable and continue apace.

The Group is well placed to capitalise on the significant changes we are seeing in our markets, from consumer behaviour to business-to-business needs in an increasingly volatile environment. People expect more and demand more, to which our response is to continue to challenge the status quo and to create outstanding products that answer those growing aspirations. We aim to set the agenda. Others follow.

On 18 April 2012, FTSE announced that DMGT's 'A' Ordinary Non-Voting Shares would no longer be eligible for inclusion in the UK Index Series. The Board of DMGT has considered at length, with the assistance of its advisors, the options available to it and the suitability of such options to meet the needs of its stakeholders to make the 'A' Ordinary Non-Voting Shares eligible for inclusion in the UK Index Series but no solution has to date been found. The FSA's recently issued consultation paper on 'Enhancing the effectiveness of the Listing Regime and feedback on CP12/2' makes it more difficult to envisage how the Company can regain its premium listing. It is unlikely, therefore, that the 'A' Ordinary Non-Voting Shares will become eligible for inclusion in the index in the foreseeable future. However, DMGT's 'A' Ordinary Non-Voting Shares will continue to be standard listed and traded on the London Stock Exchange and to be a member of other important indices such as MSCI, STOXX, S&P and the FTSE Global Equity Index Series and DMGT will continue to maintain the highest standard of governance and disclosure.

CORPORATE GOVERNANCE

As Chairman I have always been committed to ensuring that DMGT maintains the highest standards of corporate governance and our Corporate Governance Report highlights how we continue to incorporate these principles into the delivery of our strategy.

Last year I also highlighted the importance of diversity on our Board which is about ensuring that there is an appropriate range and balance of skills. I am pleased to now welcome Heidi Roizen onto the Board bringing invaluable experience, insight and skills from her career in Silicon Valley.

Likewise, I would like to personally thank Nick Jennings who stood down as Company Secretary after 24 years of service over a time of immense change and progress for the Group. We welcome Claire Chapman, who joined us in September, as DMGT's first General Counsel and Company Secretary.

Read more about Corporate Governance on page 48

PADRAIC FALLON

It is with great sadness that we say goodbye to Padraic Fallon who passed away on 13th October, 2012. A creative force, a genius journalist and a talented businessman, Padraic worked with the Group for over 40 years. Aged 28 he moved from his role as a financial journalist for the Daily Mail to become Editor and then Executive Director, Managing Director and finally Chairman of Euromoney, building a phenomenally successful brand that defined and set the pace, globally, for financial publishing. A gifted writer and a much-loved friend, his approach to life was underpinned by his inimitable Irish character and flair. He will be sorely missed by us all. Our thoughts are with his wife and four children.

The Viscount Rothermere
Chairman

People expect more and demand more. Our response is to continue to challenge the status quo.

REMUNERATION

Earlier this year, we discussed some changes to our executive reward policy with our shareholders. These are set out in detail in our Remuneration Report. It is vitally important that the incentives offered to our senior leadership team are clearly aligned with the interests of our shareholders in promoting our long-term success, stability and growth.

At an individual business level our long-term incentive plans are designed to share the value created by the leaders of those businesses in a way that supports our innovative and entrepreneurial culture by promoting an ownership mindset within the business.

Read our full Remuneration Report on page 66

RISK MANAGEMENT

We continue to apply a proactive approach to risk management across the Group, applying appropriate criteria and risk management best practices for the various areas in which we operate. Our Risk Committee has oversight and management of significant risks around the Group and regularly reports to the Board.

See page 52 of the Corporate Governance report for further information on risk management

NORTHCLIFFE MEDIA

At the end of November 2012 we announced an historic transaction. After more than 90 years of regional newspaper ownership, we agreed to sell Northcliffe Media to a powerful new group – Local World – to ensure a sustainable future for our 77 regional titles and numerous local websites. This transaction will enable management to focus resources on our world-class national newspapers, our expanding digital media operations and our important B2B and consumers businesses.

TECHNOLOGY AND INNOVATION

Over the past decade we have seen an astonishing pace of change, in consumer habits and business focus. At the heart of this is technology: offering businesses and consumers ever-increasing choice, speed and flexibility. That pace of change is only going to increase.

I believe that DMGT's future lies in its ability to respond to this opportunity, investing in products and services that harness the potential of the very best technological advances. We are committed to embracing innovative solutions to the treatment and sharing of data that is vital, live and personally relevant, whether in a business-to-business or a consumer capacity.

The single fastest-growing medium in the world is mobile. That is why it will remain a key focus in every step of our strategic development and we will continue to invest time and resources to maximise its potential. Its effect on how people connect with each other and with the world around them, will revolutionise how we lead our lives. The opportunity it gives us to deepen and enhance the relationships we have with our customers is unprecedented. This is something that I am personally keen to promote across the Group so that the free flow and sharing of ideas underpins how we embrace change and the pace at which we progress. We have already had some significant successes with mobile, heralding much more to come.

PEOPLE AND CULTURE

In February we took senior management from across the Group to Bangalore to discuss and shape the future. I would like to thank so many of our non-executive directors for attending and for their active involvement in the debate about our future strategy. Personally, I found seeing the wealth and depth of talent, the creativity and potential of the ideas, and the quality and relevance of the discussions deeply inspiring. The event set a very clear vision for DMGT as a global growth company, driven by pride in our products and services, belief in the people who work in the Group and the courage to think innovatively and entrepreneurially.

A crucial part of our culture is rooted in personal responsibility: each and every person in the Group has an individual role to play in our future success. Our organic growth, our ability to innovate internally and our proactive approach all testify to the entrepreneurial spirit that sits at the heart of DMGT. This strength also drives our ability to endure and prosper despite intense global pressures and I would like to applaud and congratulate staff across DMGT on the past year's growing profits.

It is a great source of pride for me that DMGT is defined by the high calibre of its talent. As a Group we will continue to champion and nurture that talent, bringing on the next generation of exceptional business leaders with the skills and experience to deliver our strategy. We have the momentum, the knowledge and the hunger to achieve great things.

The Viscount Rothermere
Chairman

Strategic Report
Chief Executive's Review

DMGT is an international media and information group with a portfolio of market-leading information, media and events businesses serving both the business-to-business and consumer media sectors.

Our strategic ambition is to become a global growth company, focused on three key areas:

1. Growing our business-to-business (B2B) companies
2. Developing our consumer media franchise
3. Diversifying internationally into high-growth markets

INTRODUCTION
My Chief Executive's Review sets out our philosophy, strategy and progress made over the past year, as well as outlining the main operational and financial factors which underpin our ongoing development and performance.

A Business Review of the performance of each of our operating divisions follows on pages 22 to 37.

A Financial and Treasury Review is given on pages 38 to 43 and the principal risks and uncertainties the Group faces are set out on pages 52 to 55 of the Directors' Report.

OUR PURPOSE
Our core purpose is to seek out, invest in and grow a diverse group of high quality, entrepreneurially run businesses. The key to our long-term success is a culture where people are given the freedom to innovate in order to create outstanding products and services to meet customer needs.

Throughout our long history, being controlled by the founding family has proved highly successful and well suited to the media and information industry. Our ownership structure allows us to take a longer-term perspective and gives us a competitive advantage.

We are committed to remaining a diversified Group with exposure to both the B2B and consumer media sectors in a variety of geographies serving a variety of industry sectors. This approach provides us with a breadth of opportunities and the ability to spread risk.

Our B2B arm is made up of Risk Management Solutions (RMS), dmg::information, dmg::events and Euromoney Institutional Investor. We manage our consumer media activities through A&N Media, comprising the Daily Mail, The Mail On Sunday, MailOnline, Metro, Evenbase (our digital jobs search business), Zoopla Property Group (our interest in digital property search) and our local media business, Northcliffe Media. During the year, we disposed of our remaining interest in dmg Radio Australia Pty Ltd. Since the financial end we announced an agreement for the sale of Northcliffe Media to a new company called Local World.

STRATEGIC PRIORITIES
Our overall ambition is to develop DMGT into a truly global growth company with an increasing exposure to emerging economies and high-growth markets.

We have identified five strategic priorities to help us realise our objective:

The first is rigorous and active portfolio management. We have brought a sharper focus to our portfolio so as to concentrate talent and resources on businesses and brands where we see the greatest potential for profitable growth.

Every part of the DMGT portfolio is regularly scrutinised. We undertake periodic, disciplined assessments of all current businesses. All new investment and acquisition proposals are carefully but rapidly evaluated within a predetermined framework of capital allocation priorities and against our strict investment criteria.

Second, we pursue organic growth through innovation. We encourage our business leaders to create ambitious long-term growth plans.

International growth is our third strategic priority. We are consciously diversifying internationally, with a special emphasis on growing our presence in high-growth markets. Our existing companies are looking for new international markets and are investing in bolt-on acquisitions that extend their geographic footprint.

Our fourth priority is technology. If we are to remain competitive we have to continue to embrace and harness new technologies. Owning both consumer media and business-to-business organisations gives us a special opportunity to grow and cross-fertilise technological developments. We have stepped up the rate of technological change right across the Group.

Our fifth priority, developing entrepreneurial talent, is becoming increasingly important. In creative businesses, ideas – and the people that have them – are what matter most. So we have been raising the bar on talent. We are committed to attracting and retaining the best people to optimise our decentralised operating approach and meet our global growth ambitions. Ensuring we have the right technical capabilities is a particular priority.

Financial discipline is the common factor underpinning all we do. Strong cash flows and a strengthened balance sheet give us the financial flexibility to take advantage of new opportunities and to weather adverse external events. Our capital allocation strategy prioritises organic growth supported by bolt-on acquisitions and investment in

Martin Morgan
Chief Executive

Long-term success is built in a culture where people have freedom to innovate to create outstanding products and services.

There has been an increased focus on technology and digital transformation.

Group strategy

industry segment clusters. Post financial end we announced a share buy back programme of up to £100 million over the coming year.

PROGRESS IN THE YEAR

We made a great deal of progress in the pursuit of our strategic priorities over the last twelve months. As a way of measuring our success we monitor a series of key performance indicators (KPIs) covering both financial returns and strategic objectives.

As can be seen on page 17 of this review, we have continued to derive the majority of our operating profit from our B2B companies and expanded our digital revenues.

We completed several bolt-on acquisitions and selective disposals to ensure our capital is effectively utilised. All our acquisitions met our strict investment criteria. We invested additional resources to execute against our long-term plan for international growth.

There has been an increased focus on technology and digital transformation both in terms of adapting existing products and services to the changing way in which our customers access information, but also in terms of modernising our internal systems and processes. We clearly recognise that if we are to compete with new start-up companies we need to move away from expensive legacy systems and become more agile.

We have completed the second DMGT Technology Summer School which focused on the implications of social networking, mobile technology and cloud computing. A&N Media created an Ideas Factory. A cross Group Council of Chief Technology Officers was set up, which I chair.

We remain very much committed to reducing operational costs wherever possible. One significant example of the latter is the impending move of our London print operation to a new site in Essex.

As mentioned before, we have elevated the priority given to talent and continued to refine and develop our leadership programme, which is now in its third year. This year saw the holding of a Chairman's Conference for executives drawn from across the Group. It provided an outstanding opportunity to harness the depth and breadth of talent we have throughout our organisation. It was held in Bangalore to emphasise the seriousness of our intent to become a more global company.

Strategic Report

Chief Executive's Review continued

Our performance throughout the year is aligned with our strategy. Through setting meaningful direction for the Group we are able to ensure all our activity contributes to the overall achievement of our goals.

Delivering our strategy

Our strategy: three components

- Growing our business-to-business companies
- Developing our consumer media franchise
- Diversifying internationally into high-growth markets

Our five strategic priorities

- Active portfolio management
- Fostering greater innovation to deliver organic growth
- Driving international growth
- Ensuring we have the technology to adapt to the changing market place
- Identifying, cultivating and developing entrepreneurial talent

Strategy in action

Acquisitions v disposals 2012

Jobrapido, Intelliworks, Xceligent Global Grain, Geneva and Asia, PrepMe, Spring Rock Praedicat, BuilderRadius, Topper Newspapers

FY2012 – £75m

50% dmg radio Australia, Evanta, Teletext, Motors.co.uk Top-Consultant.com

FY2012 – £117m

Zoopla Property Group

The merger of our online property business The Digital Property Group with Zoopla has created a world-class property search company. DMGT retains a 52.25% share in the Zoopla Property Group.

RMS LifeRisks

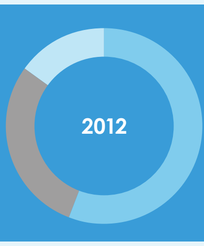
LifeRisks is a licensable model to manage risks from longevity and excess mortality for the life insurance and pension risk industry. It enables companies to assess their life and annuity portfolios and is underpinned by detailed medical research and social change projections.

Genscape Biofuel Monitoring

The RIN Integrity Network was launched to insure greater market transparency in tracking the volume of renewable fuel produced in or imported into the United States. The Genscape product serves biodiesel producers, marketers and blenders.

Asia Risk Centre

Asia Risk Centre (ARC) is based in Singapore and is a spin-off from RMS. ARC's risk analytics are designed to help emerging market populations manage catastrophe risk for the infrastructure, property and agriculture sectors. ARC is already active in India and China.



Operating profit

UK*	29%
North America	56%
Other	15%

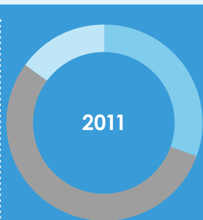
*Post Northcliffe disposal

Big 5 Saudi Arabia

In 2011 dmg::events launched their successful Big 5 construction show into Saudi Arabia. This year the show doubled in size enabling dmg::events to unlock the dynamic Saudi market.

Technology Summer School

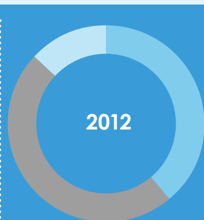
The second DMGT Technology Summer School was held and focused on the implications of social networking, mobile technology and cloud computing. The event also saw the first meeting of the cross Group Council of Chief Technology Officers



Revenue by type

Digital	31%
Print	55%
Other	14%

*Figures exclude Northcliffe



Revenue by type

Digital	39%
Print	48%
Other	13%

*Figures exclude Northcliffe

Chairman's Conference 2012

At the second Chairman's Conference in March, 100 delegates from all of DMGT's businesses spent a week in Bangalore, India to learn about entering and investing in new geographies, to discuss strategy and to agree on big priorities for the Group.

Bolt-on acquisitions

DMGT has a preference to bolt-on acquisitions where we can invest in businesses that complement our existing portfolio. We look for those led by entrepreneurial leaders who we can retain and support. Examples this year are the dmg:information acquisitions of Springrock, Intelliworks and PrepMe.

Strategic Report
Chief Executive's Review continued

We continued to review the incentives and rewards we have in place at each operating company to ensure that they match our expectations for growth by encouraging and nurturing successful entrepreneurial leadership, so vital to raising performance over the longer term.

On compensation, we do not apply a 'one size fits all' policy. This is a major strength, reflecting the value of the decentralised model and diversified nature of our portfolio of businesses. The Remuneration Committee ensures that compensation is aligned with the strategies and particular circumstances of each operating company.

We continued to exercise financial discipline with strong cash flow conversion and active portfolio management resulting in a reduced level of net debt. This has been the fourth consecutive year when disposal proceeds have exceeded acquisition costs. In addition, the new pension guarantee structure, established in July 2012, is expected to reduce the near-term cash payments to the defined benefit pension fund.

As a result we are increasingly able to finance the wealth of opportunities we see in front of us.

OPERATIONAL MODEL

We take a considerable amount of comfort in the fact that we know all our companies are run by chief executives with expert knowledge of the markets in which they operate. Autonomous management keeps decision making close to the customer, as real innovation comes from having a genuine customer focus.

We deliberately strive to run DMGT in a manner which provides a fertile environment for our people to produce innovative ideas by adopting a decentralised structure. Maintaining this approach is of the utmost importance to me and my colleagues because we realise that to survive in a rapidly changing media world, you must be able to react quickly and effectively. We build value by creating conditions where diverse businesses can prosper and experience sustained growth. We give our businesses freedom to operate within a broad framework.

The benefits are numerous. For example, it enabled us to respond rapidly to the economic downturn and to digital opportunities.

At Group level, the Investment and Finance Committee of the Board oversees Group strategy development. It makes decisions on investment and capital allocation acting independently from the operating companies. The DMGT Leadership Team comprises the operating company leaders, together with the DMGT executive team. Its remit is to focus on furthering cross-Group co-operation when and where this makes sense, for example Group leadership courses, communications and international expansion. It complements the decision making and accountability structures in place through our decentralised operating structure.

CORPORATE RESPONSIBILITY

Across the Group we take corporate responsibility (CR) seriously and it permeates our outlook on the environment, the way we treat our employees, our customers and suppliers, as well as on local community issues.

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 on the environment 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 Group's emissions have fallen steadily since then. This year we are announcing that we have set a new target for reducing carbon emissions over the next three years.

At Harmsworth Quays, our largest printing plant, and Northcliffe House, the Company's headquarters and the London base of Associated Newspapers, Northcliffe Media and dmg::events, we maintained the key international environmental standard ISO 14001. We also hold this standard at our Landmark office in Exeter.

Community involvement is integral to the way we run our company, as is its importance to the personal motivation of our employees. We donate money, time and in-kind donations such as advertising space, and staff participate in a huge range of activities, including fund-raising, organising events and acting as trustees to charitable initiatives.

We build value by creating conditions where diverse businesses can prosper and experience sustained growth.

ACTIVE PORTFOLIO MANAGEMENT

When I became Chief Executive in 2008, I recognised the need for us to focus on a narrower range of activities in order to concentrate human resources and financial capital where the most potential for long-term growth and value creation existed. I stated that we would be active managers of our portfolio of businesses and apply our investment criteria vigorously in determining where to allocate capital. At the same time we would maintain our long-term perspective and a high rate of internal investment to drive organic growth.

The investment criteria that I identified then has encouraged investing in businesses which operate in attractive growth markets. Such businesses need to have products or services which are highly innovative and highly valued, ones which customers repeat buy. We prefer to invest in businesses that are either in international markets or offer scope to expand internationally, especially into high-growth economies. We have a strong bias towards market leaders and businesses with high-margin, cash-generative characteristics expected to produce a high return on capital. We are also focused on gaining access to and retaining entrepreneurial management and we give preference to businesses which can benefit from DMGT's long-term perspective.

In keeping with this approach, we have further refocused the portfolio with a range of disposals, acquisitions and selective investments throughout the year. We announced a series of bolt-on acquisitions at dmg::information including Intelliworks, PrepMe and SpringRock. Euromoney acquired Global Grain Geneva and Global Grain Asia and A&N Media acquired Jobrapido. We also announced the merger of our online property portal, The Digital Property Group, with Zoopla to create a world-class property search business. dmg::information also made a series of investments in the US property market through Xceligent, Real Capital Analytics and BuildFax. In total, acquisitions, including a slight increase in our shareholding in Euromoney to offset dilution from incentive plans, utilised £75 million of cash.

Following the year-end we made a further bolt-on investment at Hobsons with their acquisition of the US website Beat the GMAT.

We also made a number of disposals of non-core businesses. Disposals in the early part of the year were primarily focused in Associated (Top Consultant, motors.co.uk and Teletext) whilst in the second half of the year we announced the disposal of our remaining stake in DMG Radio Australia and the sale of dmg::event's Evanta leadership and conference business. Total disposal proceeds amounted to £125 million.

Post year-end on 21st November, 2012 we announced we had reached agreement to sell Northcliffe Media, to Local World, a newly formed media group. DMGT will receive consideration of £52.5 million in cash and a 38.7% shareholding in Local World, which will allow us to benefit from the potential upside from the evolution of the regional newspaper industry.

This portfolio management activity has further improved the overall quality of the DMGT portfolio and reduced debt. We succeeded in our long-term goal of increasing exposure to international markets.

SHARE PRICE PERFORMANCE

Our share performance remains important to us as an indicator as to whether our strategy is understood and appreciated by institutional investors.

The price of our widely traded 'A' Ordinary Non-Voting Shares has risen by 37% over the year, outperforming both the UK Media sector and the FTSE All-share index which provided returns of 18% and 14% respectively.

As explained in last year's Business Review, the decision by FTSE to adopt listing classifications for determining the weighting of share classes in their indices, resulted in DMGT's weighting in the UK Index Series falling from 75% to 0%. The FTSE rules on standard listings means that DMGT 'A' shares are now no longer included in the FTSE UK Index Series. However, DMGT continues to be a member of a number of other important indices such as MSCI, STOXX and S&P.

This change has made no impact on the approach DMGT takes to its obligations as a listed company. We will continue to adopt the obligations and practices of the UK Listing Rules as they have applied to DMGT historically, maintaining the highest standard of governance and disclosure including the application of the UK Corporate Governance Code.

Portfolio management activity has further improved the overall quality of DMGT's assets.

Strategic Report
Chief Executive's Review continued

WEIGHTING OF DMGT'S 'A' SHARES IN THE FTSE INDICES

On 18th April, 2012, FTSE announced that DMGT's 'A' Ordinary Non-Voting Shares would no longer be eligible for inclusion in the UK Series Index. The Board of DMGT has considered at length, with the assistance of its advisors, the options available to it and the suitability of such options to meet the needs of its stakeholders to make the 'A' Ordinary Non-Voting Shares eligible for inclusion in the UK Series Index but no solution has to date been found. The FSA's recently issued consultation paper on 'Enhancing the effectiveness of the Listing Regime and feedback on CP12/2' makes it more difficult to envisage how we can regain our premium listing. It is unlikely, therefore, that the 'A' Ordinary Non-Voting Shares will become eligible for inclusion in the index in the foreseeable future. However, DMGT's 'A' Ordinary Non-Voting shares will continue to be standard listed and traded on the London Stock Exchange and to be a member of other important indices such as MSCI, STOXX, S&P and the FTSE Global Equity Index Series and DMGT will continue to maintain the highest standard of governance and disclosure.

CAPITAL STRUCTURE

The Company has not made a capital call on its shareholders since 1933. 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 over the economic cycle. 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.

Subject to shareholder approval, the Board is recommending payment on the issued Ordinary and 'A' Ordinary Non-Voting Shares, a final dividend of 12.4 pence per share for the year ended 30th September, 2012 (2011 11.7 pence). This will make a total of 18.0 pence (2011 17.0 pence per share). The final dividend will be paid on 8th February, 2013 to shareholders on the register at close of business on 30th November, 2012. This is an increase of 6% for the year. The compound dividend growth over the last 20 years is 8.9% in nominal terms, which is an increase of 6.1% in real terms.

Because of continued strong cash flow generation, representing a 113% conversion rate of operating profits, and the proceeds from disposals, our financial strength improved. We continue to have a comfortable level of longer-term funding through £678 million of outstanding bonds, with maturities ranging from December, 2018 through to June, 2027. At the year-end, we also had unused bank facilities of £298 million. Given surplus cash of £107 million at the year end, we will consider buying back any bonds which become available, at the right price.

Throughout the year, we have stayed well within our own internal net debt to EBITDA limit of 2.4 times with our year-end net debt to EBITDA ratio standing at 1.6 times.

Whilst we can comfortably run the Group without having to raise new finance, we may want to do so in order to sustain the Group's long-term growth ambitions. Regaining investment grade status remains an objective.

We anticipate that capital allocation in the forthcoming year will continue to be funded from our existing capital structure and will be directed towards supporting the Group's long-term growth ambitions as well as our continued commitment to growing the dividend in real terms.

We believe that the creation of shareholder value over the long term requires a balanced approach to investing in growth and returning excess capital to shareholders, whilst maintaining a strong balance sheet. In reviewing our capital management programme the Board has decided to utilise part of its authority to make on market purchase of 'A' Ordinary Non-Voting Shares of up to £100 million over the coming year.

Containing and eventually eliminating significant liability risk and volatility from our pension schemes remains a high priority. The recently announced pension guarantee structure is a significant step in that direction.

Underlying revenue and operating profit are up 3% and 7% respectively. Our operating margin increased to 15%.

REVIEW OF THE YEAR

DMGT has delivered a solid set of results, with Group underlying revenue and operating profit up 3% and 7% respectively and our operating margin increasing to 15%.

Our international B2B companies have continued to grow underlying revenues, up 7%, and profits, up 8%, reflecting the strength of their market positions as well as the success of new product launches and organic growth initiatives.

We are pleased to report that our UK consumer business's underlying revenue was flat overall in the face of continued challenging trading conditions, with circulation and digital revenue growth offsetting print advertising weakness. A strong focus on operational efficiency helped consumer underlying profits to grow by 7%.

73% of this year's operating profit was generated from the Group's B2B operations and 27% from Consumer, compared to 74% and 26% in 2011 and more than half of the Group's operating profits were again derived from outside the UK, demonstrating the benefits of our international diversification.

Adjusted PBT grew by 10%, and after a higher tax rate compared to the prior year, adjusted EPS was up 7% to 49.4p. The increase in the full year dividend per share of 6% reflects the pleasing Group results and our confidence in the future of DMGT and its ability to generate sustainable earnings growth.

BUSINESS-TO-BUSINESS SUMMARY

Our B2B operations achieved another year of good growth, with combined revenues of £899 million, 1% higher than last year, but up 7% on an underlying basis. Reported revenue growth was lower than underlying growth, reflecting the disposal of George Little Management (GLM) within dmg::events and Sanborn within dmg::information. Combined B2B operating profit increased by 7%, or 8% on an underlying basis, with an overall B2B margin of 26%.

RISK MANAGEMENT SOLUTIONS

RMS delivered a solid year of revenue and profit growth. Revenues increased by 3% on a reported basis, with an underlying increase of 6% reflecting the disposal of the third-party part of RMS's Indian operation (RMSI). Operating profit rose by 18%, with underlying profits up 7%, the difference due to the absence of RMSI losses in the year compared to the prior year's inclusion.

Subscriptions continued to grow well, with a renewal rate of approximately 95%.

RMS enjoys multiple drivers of growth. While continuing to focus on its core catastrophe-modelling business, growth is increasingly being driven by new products and solutions such as Data Management Services and mortality risk analysis. Opportunities are also presenting themselves with new customers in new geographies as RMS expands globally. A key part of RMS's development is the significant investment programme in a new software platform which is now firmly under way and is expected to generate high levels of future revenue growth. As a result, RMS increased headcount, consulting and hosting costs.

RMS spun off two development initiatives during the year. The Asia Risk Centre (ARC) was set up in Singapore under DMGT oversight. ARC is developing models for the agricultural insurance markets in Asia. The second spin-off was Praedicat which in partnership with the Rand Corporation is in the early stages of developing models for the liability insurance market.

The minority shareholding in RMS Japan was acquired from the OYO Corporation.

DMG INFORMATION

dmg::information had a good year, with reported revenue up 9%, or 11% on an underlying basis. Operating profit grew by a healthy 14%, with underlying operating profit up 19%.

dmg::information's four sectors of education, property, finance and energy all contributed to growth, with a particularly strong performance from Hobsons serving the education market, and Landmark, serving the UK, and more recently German property markets with the acquisition of On-Geo. A series of bolt-on and adjacent sector investments were made.

Its 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 increasingly by geography.

Euromoney's performance, its shift to subscription and digital activity, and its global reach reflect DMGT's strategic growth ambitions.

Strategic Report
Chief Executive's Review continued

DMG EVENTS

dmg::events delivered highly satisfactory results in a year which included only one of the three major biennial events which, alongside the sale of GLM, resulted in reported revenue being down 33%. Adjusting for these factors, underlying revenue increased by 13%, reflecting good organic growth across the portfolio. Reported operating profit decreased by 46%, but underlying growth of 21% was achieved.

dmg::events continued to refine its structure, with the disposal of Evanta, a conference business, announced in September, 2012. dmg::events is now focused on the growth verticals of Energy and Digital Marketing and in expanding its significant footprint in the Middle East into new countries such as Saudi Arabia, and into Asia.

EUROMONEY INSTITUTIONAL INVESTOR

Euromoney's record operating profit was up 9%, before its capital appreciation plan (CAP) expense, maintaining its impressive recent history of profits growth.

These results confirm the value of Euromoney's strategy to build a more resilient and better-focused business by increasing the proportion of revenues derived from subscription products, with subscriptions now accounting for nearly half of total revenues. A predominantly publishing-driven business has been transformed to one with significant activities in electronic information and database services.

Euromoney has outperformed expectations, allowing management to shift its focus to positioning the business for growth, both from existing products as markets recover, and from investment in technology and new products.

Euromoney's performance and its shift into more subscription and digital activity and its global reach mean that the Board regards it as core to DMGT's own strategic global growth ambitions.

Euromoney's separate listing on the London Stock Exchange has enabled it to introduce incentive plans which have motivated management to grow the company significantly over recent years. We remain a supportive shareholder, fully backing its management's expansion strategy. We have slightly increased our equity interest to around 68%.

CONSUMER MEDIA

At A&N Media, underlying revenues were in line with the prior year at £1,060 million, a decrease of 3% on a reported basis. Operating profit increased by 12%, with an operating margin of 10%. This was a very pleasing result in the context of continued challenging trading conditions in the UK, and is a testament to the success of our strategy to exploit the very best of traditional and new media, and bring them together in a way that meets the constant and rapidly changing demands of our consumers.

Digitalisation and advances in technology have given A&N Media the ability to be more productive and efficient. Introducing less labour-intensive processes has enabled costs to be taken out of the business without sacrificing quality. This drive for efficiency has delivered a leaner and more robust foundation on which to grow, with headcount at A&N Media reducing by 855 (12%) in the year.

ASSOCIATED NEWSPAPERS

The Mail titles continued to outperform the market, with circulation revenues growing by 3% due to the benefit of cover price increases. Market share increased to 21.6% and 20.8% for the Daily Mail and The Mail on Sunday respectively. Content has been at the heart of the Group's success at Associated and we continue to invest in editorial quality. Metro, the Group's free newspaper, also continued to perform strongly.

MailOnline had an excellent year, becoming the world's most visited newspaper website, with 106 million global unique browsers in August, 2012. Revenues grew by 74% and the business was profitable in the second half of the year. The international expansion of MailOnline continued apace, and will be a key aspect driving its long-term growth potential.

Other digital initiatives, such as Wowcher, our consumer daily deals voucher business, saw strong growth and attracted additional investment in marketing and promotion.

A&N Media is combining the very best of traditional and new media in a way that meets the changing demands of our consumers.

A&N Media's recruitment and property online portals both had an exciting year. Evenbase, our online recruitment businesses, acquired Jobrapido to establish an international footprint for expansion. At the end of May, The Digital Property Group merged with Zoopla to create a world-class property search platform and a genuine contender to challenge the dominant UK market leader. Our consumer digital revenues across all our consumer digital platforms including MailOnline, metro.co.uk, Evenbase, Zoopla Property Group and Wowcher were in the region of £140 million on a pro forma basis in 2012.

As a result of circulation revenue growth and strong progress in digital revenues, overall underlying revenues at Associated were up 2% in the year, despite another challenging year for print advertising.

NORTHCLIFFE MEDIA

Northcliffe's revenue performance, down 10% on a reported basis, reflects another difficult year for the UK regional press and continued advertising pressure. The lower underlying revenue decline of 6% reflects our efforts to transition the portfolio of titles, including the conversion of several titles from a daily to weekly basis. The transformation of the cost base continued rapidly, with costs down a further 15% in the year. This resulted in Northcliffe's operating profit increasing by an impressive 54%, achieving a margin of 12%.

OUTLOOK

We have entered our new financial year with our companies performing well and in line with our expectations. All of our B2B businesses are expected to deliver underlying revenue and profit growth in the year ahead. On the consumer side, we expect stable revenues and margins, reflecting an uncertain advertising environment balanced against continued growth in digital areas.

RMS has started the year as expected, with a solid sales pipeline and a range of significant development programmes in place. RMS expects to achieve revenue growth in the high to mid-single digits, a slight decline from the trend of recent years, as it focuses its sales efforts on preparing for the new generation of products. RMS is expected to deliver a slightly reduced margin of around 30% as investment increases ahead of the launch in 2014.

dmg::information expects to drive double-digit organic growth as the portfolio of businesses continues to benefit from new product initiatives and stronger customer demand. The Education and Property businesses will continue to be key drivers of overall growth, with Energy expected to gather further momentum during the year. We expect operating margins to be maintained.

At dmg::events, our refocused portfolio is expected to deliver double-digit underlying growth and it will also benefit from two of the three major biennial events taking place this financial year. Margins are anticipated to be around 25%.

Euromoney's first quarter trading has started in line with expectations. The uncertainty over Europe remains, as does a solution to the pending US fiscal cliff. Meanwhile global financial institutions face the combined challenges of difficult markets, increased capital requirements and a tougher regulatory environment. Inevitably they have responded by cutting costs, particularly people, and exiting some parts of their business. The Euromoney board expects this challenging trading background to continue at least into the early part of 2013. Subscriptions account for half of Euromoney's revenues and therefore provide some protection against weak markets in 2013, as does Euromoney's reliance on emerging markets for more than a third of its revenues. However, the negative trends in advertising and delegate revenues in the last quarter are expected to continue into the first quarter of financial year 2013, although the outlook for event sponsorship is more positive.

Within A&N Media, national advertising revenue at Associated in the first seven weeks of the year was down 5% on last year, with digital continuing to grow strongly, but visibility remaining limited on print advertising. Overall, Associated expects to achieve broadly stable revenues in the year, with cost efficiency helping to maintain operating margins at around 9%.

For the Group as a whole, we will continue to invest in order to secure future growth and ensure that our financial and talent resources are appropriately managed. My colleagues and I remain confident that DMGT is well placed for 2013 and beyond.

Martin Morgan
Chief Executive

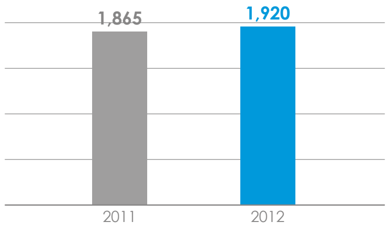
Strategic Report
KPIs at a glance

Taken together, these key performance indicators assist management in assessing the Group's progress. They are used to benchmark our success in implementing DMGT's global growth strategy.

Description | **Relevance** | **Performance** | **Narrative**

Underlying revenue growth#

Our underlying revenue growth (after adjusting for M&A activity) is an important indicator of the health and trajectory of our businesses.



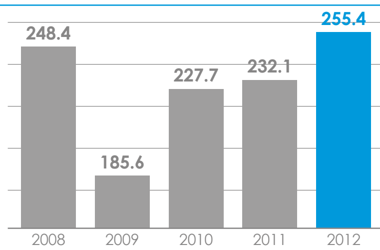
Underlying revenue growth
+3%

2011 +3%†

Our businesses grew their revenue by 3% on average during the year. B2B grew by 7% while Consumer remained stable.

Group adjusted profit before tax*#

As a portfolio-based Group, DMGT periodically buys and sells businesses. This KPI monitors the Group's adjusted profit before tax.



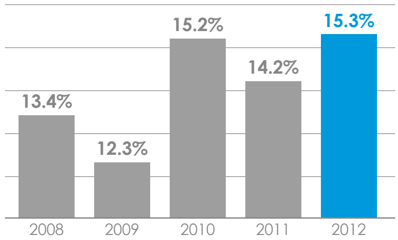
Group adjusted profit before tax
£255m

2011 £232m†

Group adjusted profit before tax grew by an impressive 10% helped by good profit growth across almost all of our businesses.

Operating margin %*#

DMGT's investment criteria emphasises profitable, high-growth sectors. In the long term, increasing adjusted operating margin indicates an improvement in the quality of its business assets.



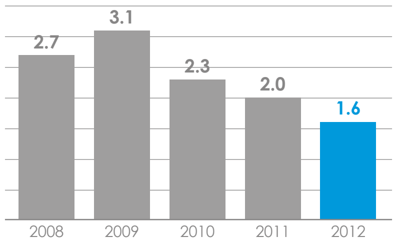
Operating margin
15%

2011 14%†

Our Group operating margin improved from 14% to 15% as we improved the efficiency of our businesses and either sold or closed down several businesses that were operating at margins below the Group average.

Net debt: EBITDA#

Management aims to regain DMGT's investment-grade status by reducing net debt and targets a net debt: EBITDA ratio of between 1.5 and 2.0 times.



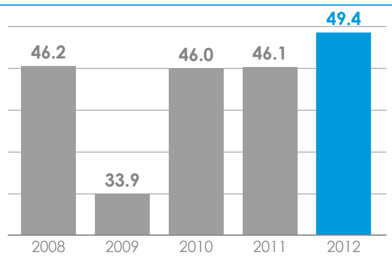
Net debt: EBITDA
1.6 times

2011 2.0 times

Through strong operational cashflows, continued portfolio management and tight control of working capital, we have brought our net debt: EBITDA level down to its lowest level in years.

Earnings per share*#

Management seeks above-average growth in adjusted earnings per share to maximise overall returns for its owners.



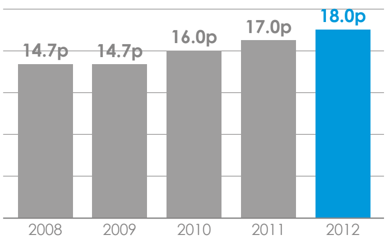
Earnings per share
49.4p

2011 46.1p†

Our earnings per share grew by 7% helped by the 10% growth in profit before tax offset by the small increase in our effective tax rate (up from 14.4% to 15.2%)

Dividend per share

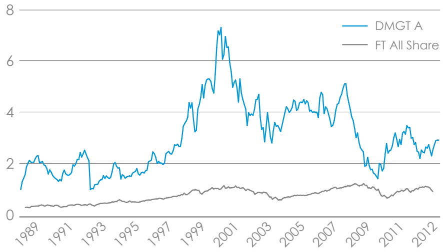
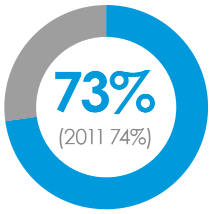
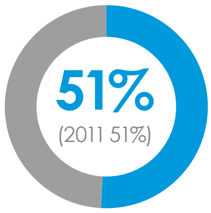
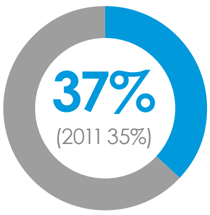
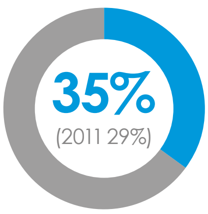
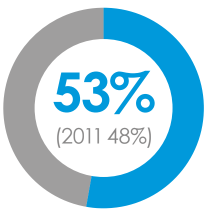
The Board's policy is to maintain dividend growth in real terms over the economic cycle.



Dividend per share
18.0p

2011 17.0p

We were able to continue our strong track record of dividend growth and have proposed a full year dividend of 18.0p, up by 5.9% from last year.

Description	Relevance	Performance	Narrative
Performance of DMGT 'A' and FTSE All Share Index relative to values at 30th September, 1992 (£)	Share price vs. FTSE All-Share Index Management monitors the DMGT share price against the FTSE All-Share Index to assess the Group's relative performance against other UK companies.		**Performance of DMGT 'A' and FTSE All Share Index relative to values at 30th September, 1992 (£)** **+0.4% pa** 2011 +4.4% pa Our share price has largely tracked the FTSE All-Share Index over the last 20 years.
B2B share of total operating profit	The growth and profitability of its business divisions are key components of DMGT's strategy. This KPI tracks the proportion of operating profit attributable to B2B activities.		**B2B share of operating profit** **73%** 2011 74%†
North American share of total operating profit	DMGT is committed to maintaining a significant, sustainable presence in North American markets. This KPI allows management to monitor the relative profitability of its North American units.		**North American share of operating profit** **51%** 2011 51%†
International share of total revenues	This measures the proportion of revenue generated outside the UK. DMGT's long-term strategic objective is to develop into a global growth company. The KPI measures DMGT's success in internationalising the business.		**International share of revenues** **37%** 2011 29%
Digital share of total revenues	We expect digital activities to account for the majority of DMGT's future growth. This KPI tracks the rate at which the Group is monetising its digital content.		**Digital share of revenues 2012** **35%** 2011 29%
Subscription share of total revenues	Subscription-based B2B revenue is a more stable and less cyclical revenue source than advertising. It is also a good proxy for monitoring growth in B2B digital revenues. This KPI tracks the Group's ability to generate high quality, digital B2B earnings.		**Subscription share of B2B revenues** **53%** 2011 48%

Strategic Report
Risk Management Solutions

RMS is extending its market-leading catastrophe risk analysis, expertise and data solutions to provide an integrated risk management platform for casualty re-insurance, property and financial market professionals.

BUSINESS DESCRIPTION

RMS continues to focus primarily on the commercial catastrophe-modelling business, which includes modelling of natural hazards risks such as earthquake, hurricane and flood, as well as terrorism risk and risk from pandemic diseases. Its primary market is the global property and casualty re/insurance industry, where it currently serves hundreds of customers around the world. Products and services are developed and delivered through the activity of more than 1,000 RMS employees in North America, Europe, India, Japan and China. 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. In addition, RMS also provides models and solutions in the capital markets and life insurance industries.

STRATEGY

RMS's primary strategic focus continues to be its new platform, now branded as RMS(one), which is designed to provide complete solutions in the cloud for its clients across the re/insurance value chain, including access to sophisticated models, an ability to integrate those models into enterprise-wide business processes, and analytics to help clients 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 has undertaken a significant development effort of its new software platform, RMS(one), and is working towards a release in mid 2014 to deliver the full range of new capabilities and solutions to its global client base. In the meantime, RMS continues to pursue selected growth areas in its Core modelling franchise, as well as in its Capital Markets and LifeRisks initiatives.

ACTIVITY WITHIN THE REPORTING YEAR

RMS had a solid year of revenue and profit growth, while increasing its investment programme that is expected to be a key driver of future, multi-year growth. On a reported basis, revenues increased by 3% and operating profits by 18%, which includes the benefit of capitalising software development expenses related to RMS(one), a program that is expected to continue through to the launch in 2014.

BUSINESS MODEL

RMS leads the market for delivering scientifically-based catastrophe models that have become the standard in the industry for quantifying and managing catastrophe risk. The main revenue streams are from licensing the models through an annual subscription model, but RMS also provides a range of professional services that are complementary to the core modelling business. RMS's client relationships are characterised by their longevity and high renewal rates. Over the past 10 years, RMS has invested over $200 million in developing and updating its products to incorporate the latest in scientific research and enhance model resolution, which is delivered to clients through the release of annual updates.

MARKET ENVIRONMENT

The re-insurance industry experienced slow growth in 2012 as a result of poor global economic decisions, and the lingering financial effects of the worldwide catastrophes in 2011. Many in the industry are experiencing pressure to cut costs and exit lines of business perceived to be too risky. In addition, there was greater M&A activity in 2012 as weaker performing companies became acquisition targets.

Hemant Shah
President and Chief Executive Officer

Revenue
£163m
2011 £159m

Operating profit*
£56m
2011 £47

Operating margin*
34%
2011 30%

SEGMENT BUSINESS PERFORMANCE

Core business

RMS's core business, which includes natural catastrophe and terrorism modelling, was impacted by slower growth in the re-insurance industry. The core business relies heavily upon existing clients expanding their relationship with RMS by licensing additional models and services. In a year where many clients were tightening their budgets, this proved to be a challenge. In an effort to seize new opportunities for growth, RMS continued to invest in new markets for its core suite of models.

Capital Markets

The insurance-linked securities market rebounded in 2012, with strong demand and an influx of new capital driving a forecast $6 billion of issuance for the year. RMS participated in a number of transactions, particularly related to the transfer of life and health risk (excess mortality and longevity). The capital markets business continued to face headwinds from the adoption of the version 11 models, but RMS was able to establish itself as the leading portfolio risk management platform provider amongst ILS funds, with the vast majority of the dedicated ILS funds now RMS users. RMS continues to see major growth opportunities in the capital markets space, especially around longevity risk transfer.

LifeRisks

RMS's LifeRisks business has developed innovative models for the life insurance industry to manage the risk of excess mortality and the longevity risk associated with pensions and annuities. RMS tools have been instrumental in helping companies aggressively grow through risk swaps and acquisitions. The power and transparency of RMS's model methodologies is leading many insurers to adopt RMS technology for use in their response to Solvency II capital adequacy tests. In 2012, LifeRisks' growth trajectory was modestly slower than planned due to the complexity of model and software development, along with regulator delays in implementing Solvency II, but RMS remains bullish on the prospects for the initiative.

PRIORITIES FOR THE COMING YEAR

2013 represents a key pre-launch period for RMS in advance of the release of RMS(one), scheduled for mid 2014. The investment programmes established in support of all its new initiatives will continue throughout 2013 and are expected to result in similar growth characteristics as in 2012.

RMS has invested over $200m in its products over the last 10 years to enhance modelling precision and incorporate the latest scientific research.

Strategic Report
dmg::information

dmg::information delivers timely, mission-critical information and technology solutions to business professionals in four key sectors: property, education, energy and finance.

BUSINESS DESCRIPTION
dmg::information operates B2B information companies in four sectors, namely Property Information (Environmental Data Resources, Landmark Information Group and BuildFax), Educational Information (Hobsons), Energy Information (Genscape) and Financial Information (Trepp and Lewtan). We also have a number of strategic investments in the property information sector, including Xceligent, Real Capital Analytics and TreppPort.

dmg::information's business model prioritises annual subscriptions and highly repetitive transactions, which account for 85% of the total revenue, and all our businesses are market leaders providing their clients with crucial, mission-critical information.

ACTIVITY WITHIN THE REPORTING YEAR
dmg::information's underlying revenues and profits both grew strongly in the year at 11% and 19% respectively, largely driven by strong organic growth and complemented by the performance of small bolt-on acquisitions.

Reported revenue increased by 9% to £253 million and reported operating profits increased by 14% to £48 million, with margins up to 19% from 18%.

BUSINESS MODEL
As a portfolio of B2B information businesses, dmg::information has a variety of business models. The majority of our revenue is made up of high renewal rate, recurring subscription fees and high-repeat transactions.

MARKET ENVIRONMENT
The markets we serve are large and complex. Information volumes grow exponentially and our professional customers look to our portfolio companies to provide them with unique, must-have content, incisive and timely analyses and powerful, flexible analytics. In many cases, our datasets are proprietary and extremely difficult to replicate and we are seen as class leaders in the markets we serve.

PROPERTY INFORMATION
Underlying revenues from the property information businesses grew by 11% while underlying profits grew by 25%. Revenues and profits were £106 million and £24 million respectively, representing the largest of our business sectors and accounting for 42% of revenues.

The market conditions have remained relatively benign in both the UK housing market, served by Landmark, and the commercial real estate market in the UK and US, served by Landmark and EDR respectively. Our revenues are influenced by transaction volumes which have grown only marginally year on year. Underlying revenues in the UK and US grew by 6% in aggregate.

In 2011 we acquired On-Geo in Germany, complementing our existing German business, and we have enjoyed a highly successful year with underlying revenues growing strongly and integration plans ahead of schedule.

BuildFax, a provider of planning consent (building permits) and related property information to the US insurance and financial services markets, is an early-stage business that continues to develop well.

In April, we made a strategic investment in Xceligent, one of only two companies in the US that provides fully researched property and listing information to the commercial real estate community. Since our initial investment the business has developed in line with expectations and we are supporting the expansion of its strategy to increase the number of major US locations covered.

Suresh Kavan
Chief Executive Officer

Revenue
£253m
2011 £232m†

Operating profit*
£48m
2011 £42m†

Operating margin*
19%
2011 18%†

EDUCATION INFORMATION

Hobsons, our educational information business, enjoyed a very successful year. Underlying revenues increased by 20% and reported revenues by 27% as we also completed two important bolt-on acquisitions.

In February we acquired PrepMe, providing sophisticated software to guide students in college preparation tests, and in December acquired Intelliworks, providing subscription-based software services to higher education institutions that are highly complementary with Hobsons' existing business.

Hobsons is growing strongly in both its K-12 division, serving US high schools, and its HE division, serving higher education institutions in both the US and internationally. Our strategy is to continue to develop must-have products in both these divisions and to extend our footprint internationally.

ENERGY INFORMATION

Genscape, the market-leading provider of real-time 'supply-side' energy information, has continued to grow. Underlying revenues grew by 7% but this underplays the increasing momentum in the business which grew net bookings by 13% in the second half of the year and launched some exciting new initiatives.

We have invested significantly in both products and people. As a result, the business is well positioned for the future, with a strengthened management team, an expanded sales force and a number of newly launched products, with more in the pipeline.

Genscape is a thought-leader and innovator in its market. During the year we launched a compliance and information service that will provide physical verification of biodiesel production in the US and, in addition to this organic growth initiative, have also added modelling and forecasting capabilities with a small bolt-on acquisition of a company called SpringRock.

FINANCIAL INFORMATION

The fragility that has existed in the financial information market for the last couple of years continued to prevail through 2012. In these challenging market conditions we are pleased that our businesses serving this sector. Trepp and Lewtan, grew underlying revenues by 2%.

Trepp, the market leader of information about Commercial Mortgage-Backed Securities (CMBS), provides information that is mission critical to participants in the CMBS marketplace and has also successfully expanded its product offerings with new products targeted at banks and other loan providers.

Lewtan, offering products to both investors and issuers in the asset-backed securities market, continued to improve their market position with the delivery of several important new product enhancements.

PRIORITIES FOR THE COMING YEAR

Our property and financial information businesses are exposed to the cyclicality of the UK and US property and financial markets which remain subdued. Despite this headwind, our continuous investment in innovation has resulted in a strong and continuing pipeline of new products and services that continue to propel our growth. Furthermore, individual market issues are attenuated through the portfolio effect of our businesses.

Overall we operate in long-term, attractive grow markets that are global in scope such as education, energy and property. These markets have extended runways for growth.

The explosive growth of information and technology in these areas means a strong and steady demand for support and insight from specialist businesses such as ours. We enjoy deep relationships with our customers which help us to identify and then deliver innovative new products and services that help our customers find the 'signal' amongst the 'noise'.

Subscriptions and high-repeat transactions are the key revenue generator. These account for 85% of dmg::information revenues.

Strategic Report
dmg::events
dmg::events is focused on continuing to drive growth in its strong Middle East and Asian portfolio, as well as developing its international portfolio of energy construction and digital marketing events.

BUSINESS DESCRIPTION
dmg::events organises B2B exhibitions with associated conferences focusing on the energy, construction and digital marketing sectors. Events are held across 12 countries including the US, UK, Canada and the United Arab Emirates.

ACTIVITY WITHIN THE YEAR
dmg::events enjoyed a strong year with growth in underlying revenues of 13% and underlying profits increasing by 21%.

Reported revenue reduced by 33% to £89 million and reported operating profits reduced by 46% to £21 million, due to the disposal of GLM in September, 2011 and the cycle of biennial shows which meant only one of dmg::events' large biennials occurred in 2012 compared with two in the prior year.

At the end of the financial year dmg::events completed the disposal of Evanta, a leadership and conferences business, as we continue to focus our capital and talent resources towards further expanding our fast-growing businesses operating in the Middle East and Asia region, and energy and digital marketing sectors.

BUSINESS MODEL
dmg::events organises B2B events with the majority of revenue derived from trade show exhibitors, conference attendees and corporate sponsors. Unlike consumer trade shows, admittance is a nominal revenue stream.

Following the disposal of Evanta in September, 2012 our exposure to sponsorship revenues has been significantly reduced.

MARKET ENVIRONMENT
dmg::events organises B2B events serving the energy and digital marketing sectors as well as the geographical Middle East market. Our brands are class leaders in their respective arenas and include the Big 5, Adipec, Gastech, the Global Petroleum Show and ad::tech to name a few. Our exhibitors and attendees are the professionals in these fast-changing markets for whom face-to-face meeting opportunities are a critical part of their annual calendars.

PERFORMANCE
In the Energy sector, underlying revenue growth was impressive at 22%, with a particularly good performance from the Global Petroleum Show (GPS), held biennially in Calgary, Canada and supplemented by a number of successful new launches.

High energy prices drive continued investment in energy development and technology, which along with deep market connection, drive the growth of our events.

Gastech, held in London in November 2012 is a market-leading brand that is extending its reach through the launch of a series of complementary regional satellite events.

The digital marketing-focused business is centred around the ad:tech shows and conferences, with significant events held annually in New York, San Francisco and London and recent new launches in Tokyo, New Delhi and Singapore. Overall, underlying revenues grew by 5%.

dmg::events operates a number of market-leading events in the Middle East, organised by our operations based in Dubai. The largest events are the annual Big 5 show, serving the construction sector, and the biennial Adipec show, serving the Energy sector.

In 2012, Big 5 continued to grow despite difficult economic conditions through the continued success of its geo-cloning programme in Saudi Arabia. Overall we enjoyed a very satisfactory 15% underlying revenue growth in the Middle East region, fuelled by an aggressive launch programme.

Additionally, we are pleased to have reached an agreement to hold the large Adipec event in Abu Dhabi annually with effect from 2014.

PRIORITIES FOR THE COMING YEAR
Our events in the United Arab Emirates have traditionally enjoyed a high degree of participation from European delegations and exhibitors. The recent economic downturn has proved challenging for those exhibitors. However, our brands are big, strong, class-leaders and thus have proved remarkably resilient and have responded by forging deeper relationships with emerging Asian and intra-regional exhibitors.

Strong brands in growing sectors allied to powerful relationships position dmg::events well for the future. Our brands lend themselves to geo-cloning. Our sector expertise lends itself to the creation of adjacent products such as conferences and online services and our relationships facilitate a high velocity of new show launches.

Suresh Kavan
Chairman and Chief Executive Officer

Revenue
£89m
2011 £132m

Operating profit*
£21m
2011 £39m

Operating margin*
24%
2011 29%

Strategic Report
Euromoney Institutional Investor
Euromoney Institutional Investor is leveraging its market-leading titles, conferences, seminars and training programmes in international finance, metals and commodities markets with growing subscription-based and digital revenues.

BUSINESS DESCRIPTION
Euromoney is a leading international B2B media group focused primarily on the international finance, metals and commodities sectors. It publishes more than 70 titles in both print and online formats and is a leading provider of electronic research and data. It also runs an extensive portfolio of conferences, seminars and training courses for financial markets.

STRATEGY
Euromoney's strategy remains focused on the building of a robust and tightly focused global online information business with an emphasis on emerging markets. This strategy is being executed through increasing the proportion of revenues derived from electronic subscription products; using technology efficiently to assist the online migration of print products as well as developing new electronic information services; investing in products of the highest quality; eliminating products with a low margin or too high a dependence on print advertising; maintaining tight cost control at all times, and retaining and fostering an entrepreneurial culture.

Driving revenue growth from existing as well as new products is a key part of Euromoney's strategy. Since 2010, the business has been investing heavily in technology and content delivery platforms, particularly for the mobile user, and in new digital products as part of its transition to an online information business. In 2012, as in 2011, Euromoney spent approximately £10 million on this transition, which is expected to continue in 2013. In addition, work has commenced to build a new platform for authoring, storing and presenting content, with a view to both improving the quality of existing subscription products and increasing the speed to market of new online information services. This project is expected to have a capital cost of approximately £6 million in 2013.

ACTIVITY IN THE REPORTING YEAR
Acquisitions remain a key part of the Euromoney strategy. In February, Euromoney purchased Global Grain for £6 million. Global Grain's main asset, Global Grain Geneva, is the world's leading event for international grain traders. The event is held in November each year and is on track to exceed last year's attendance by at least 10%, while an event for the Asia-Pacific region was launched successfully in March and two further new events are planned for 2013.

BUSINESS MODEL
Financial publishing
Financial publishing includes an extensive portfolio of magazines, newsletters, journals, surveys and research, directories, and books covering the international capital markets as well as a number of specialist financial titles.

Business publishing
The business publishing division produces specialist magazines and other publications covering the metals and mining, legal, telecoms and energy sectors.

Training
The training division runs a comprehensive range of banking, finance, legal and audit, and information security market courses, both public and in-house. Courses are run all over the world for both financial institutions and corporates.

Conferences and seminars
Euromoney runs a large number of sponsored conferences and seminars for the international financial markets, energy sector, telecoms and information security markets.

Research and data
The business provides a number of subscription-based research and data services for financial markets.

MARKET ENVIRONMENT
The outlook for financial markets remains challenging. The continuing uncertainty over the future of the Eurozone, along with increasing political instability in the region, is holding back growth and causing European financial institutions to implement tough cost measures. In contrast, sentiment for US markets is improving, and emerging markets remain in reasonable health as measures to control inflation in key markets such as China appear to be working.

PERFORMANCE
Total revenues for the year increased by 9% to £394 million. Underlying revenues, excluding acquisitions, increased by 2%. The acquisition of Ned Davis Research (NDR) in August 2011 has helped increase the proportion of revenues generated from subscriptions to more than 50% for the first time. Headline subscription revenues increased by 17% to £200 million and underlying subscriptions, excluding NDR, by 5%, with growth driven largely by electronic information services industry BCA Research and CEIC Data.

Richard Ensor
Executive Chairman

Revenue
£394m
2011 £363m

Operating profit*
£112m
2011 £93m

Operating margin*
28%
2011 26%

Strategic Report
Euromoney Institutional Investor continued

A 7% fall in advertising revenues reflects two very different trends. Financial titles have experienced falls of as much as 20% in the face of deep cuts by global financial institutions. But this has been partly offset by increases in online advertising, a greater appetite for print advertising from emerging markets and growth in advertising from sectors outside finance, particularly energy.

Event revenues broadly comprise an equal mix of sponsorship and paying delegates. Event sponsorship, which is heavily financial market focused, has suffered in a similar way to advertising, although to a lesser degree. Events, particularly those outside the financial sector which tend to be more delegate driven, performed well in the first half but growth has been more difficult to achieve in the second and some smaller events were cut.

The adjusted operating margin was 28%, up 2% on the prior year. Costs, particularly headcount, have remained tightly controlled throughout the year. At the same time, the group has increased its investment in technology and new products as part of its online growth strategy.

Euromoney derives nearly two-thirds of its total revenue in US dollars and movements in the sterling-US dollar rate can have a significant impact on reported revenues. However, this was not the case in 2012 and headline revenue growth rates are similar to those at constant currency.

BUSINESS REVIEW

Financial Publishing: revenues fell by 8% to £77 million and adjusted operating profits by 12% to £25 million. Advertising, which accounts for approximately half the division's revenues, has been under pressure all year from cuts in spend by global financial institutions as well as a gradual shift away from print advertising across the sector. As a result, financial advertising fell by 13%, although the impact of more severe cuts by Wall Street banks was offset by a stronger performance from emerging markets which helped sustain titles such as Euromoney and Asiamoney. Revenues from subscription products were flat, helped by the launch of new products.

Business Publishing: Euromoney's activities outside finance cover a number of sectors including metals, commodities, energy, telecoms and law, and provide a strong counterbalance to the more volatile financial publishing division. Revenues increased by 9% to £65 million and adjusted operating profits by 5% to £25 million, with growth achieved from both advertising, particularly in the energy sector, and subscriptions, for which Metal Bulletin is the biggest driver. This year is the first that profits from Business Publishing have been similar to those from Financial Publishing.

Training: Euromoney's training division predominantly serves the global financial sector. However, more than half its revenues are derived from emerging markets, and this has helped mitigate the impact of cuts in bank headcount and training budgets. Training revenues fell by 4% to £31 million and adjusted operating profits by 11% to £7 million. The decline in operating margin from 24% to 22% was largely due to the completion at the end of 2011 of a long-term training contract in Asia, and the margin in the second half recovered to 25%.

Conferences and Seminars: revenues comprise both sponsorship and paying delegates and increased by 7% to £92 million, with adjusted operating profits up 9% to £29 million. After a strong first half, markets became more challenging during the third quarter, the most important of the year for the events businesses. Financial market events, with a heavy emphasis on sponsorship revenues, have been under pressure from cost cutting among global financial institutions. In contrast, events in sectors outside finance, particularly in the commodities and energy sectors, have performed better. The division also generates nearly 20% of its revenues from subscriptions to membership organisations for the asset management industry. These have continued to grow, helped by a significant investment in Institutional Investor's Investor Intelligence Network, a private online community for senior executives from institutional investors and asset owners worldwide.

Research and Data: revenues are derived predominantly from subscriptions and increased by 25% to £130 million. Underlying growth, excluding NDR, was 6%. The trends seen in the first half have continued, with the main drivers of growth being BCA, the group's independent macroeconomic research house, CEIC, the emerging market data provider, and the capital market databases run as a joint venture with Dealogic. Renewal rates for all these products have held up well, although new sales have been harder to generate. Adjusted operating profits increased by 30% to £55 million including a £9 million contribution from NDR.

PRIORITIES FOR THE COMING YEAR

The uncertainty over Europe remains, as does a solution to the pending US fiscal cliff. Meanwhile global financial institutions face the combined challenges of difficult markets, increased capital requirements and a tougher regulatory environment. Inevitably they have responded by cutting costs, particularly people, and exiting some parts of their business. The board expects this challenging trading background to continue at least into the early part of 2013.

Subscriptions account for half of Euromoney's revenues and therefore provide some protection against weak markets in 2013, as does the group's reliance on emerging markets for more than a third of its revenues. However, the negative trends in advertising and delegate revenues in the last quarter are expected to continue into the first quarter of financial year 2013, although the outlook for event sponsorship is more positive. First-quarter trading has started in line with the board's expectations but as usual at this time, forward revenue visibility beyond the first quarter is limited, other than for subscriptions.

For 2013, Euromoney plans to continue its programme of investing in the digital transformation of its publishing businesses and in improving the quality of its products. The board is confident its strategy for investing in new products and digital publishing and using its strong balance sheet to fund acquisitions, its exposure to emerging markets, and its tight control of operating costs will continue to sustain it through these difficult market conditions. As the world economy begins an albeit slow recovery, financial and other markets will also gradually improve, enhancing our prospects.

Strategic Report
A&N Media

A&N Media manages DMGT's international portfolio of consumer media businesses, including national newspapers, digital assets in Associated Newspapers and over 70 regional titles in Northcliffe Media.

BUSINESS DESCRIPTION
A&N Media, the consumer media company of DMGT plc, is a leading international multi-channel media company comprising Associated Newspapers and Northcliffe Media. The portfolio includes iconic newspaper titles such as the Daily Mail, The Mail on Sunday, Metro, over 70 local newspapers, an extensive network of local web portals, MailOnline, Evenbase (an international digital recruitment business), Wowcher (a daily deals business) and a 52.3% interest in the Zoopla Property Group.

STRATEGY
A&N Media has transitioned in recent years to focus on market-leading assets which will be the material profit generators of the future. Over the next three years, the business will continue its transformation, investing in its digital businesses in order to rebalance revenues from print towards digital to evolve the business to reflect broader changes in consumer media consumption.

Over the last 12 months, the business has streamlined its portfolio, exiting assets that are non-core or unable to deliver sizeable profits. This has resulted in the sale of motors.co.uk, Teletext Holidays, and the merger of the Digital Property Group with Zoopla to create a strong business in the online property market. In April 2012, Jobrapido, the number two global job search engine in the world, was acquired. Jobrapido delivers over 850 million visits per year in more than 50 countries. The A&N Media portfolio is now simpler with a focus on a smaller number of objectives for growth aligned to its core assets.

On 21st November, 2012, the company announced it had exchanged contracts for the disposal of its Northcliffe Media division to Local World in return for £52.5 million cash and a 38.7% holding in Local World.

MARKET ENVIRONMENT
The boundaries of where A&N Media's businesses operate and compete have extended over recent years as it enters new adjacent markets, utilises new channels such as mobile and tablet, and deploys different business models. As the competitive silos between media channels are broken down, the business faces competition from a growing range of competitors for advertising revenues and customer engagement.

By developing and extending products and services into these high-growth advertising areas and expanding internationally, the business is positioning itself well for the changing market environment, whilst the enduring strength of its newspaper assets will ensure it outperforms the broader newspaper market and provides the strong support to enable this transition.

PERFORMANCE
Reported revenues# for the year were £1,060 million, an underlying increase of £1 million or 0.1%, though 3% lower on a reported basis, mainly reflecting the disposal of Motors, Property and Travel digital businesses during the year and the loss of low-margin printing contracts. The testing economic conditions adversely affected both Northcliffe's classified revenues and the Mail titles' display advertising revenues, although the latter showed a marked improvement in the last four months of the year.

Although investment continues to be made (headcount and promotional activity mainly) in the digital businesses, a reduction in the price of newsprint, headcount reducing by 855 (12%) during the year and continued tight control over all expenditure, led to a 5% reduction in costs.

Operating profits#* increased by £11 million (+12%) to £104 million, with margins increasing from 8% to 10%. Including a significantly improved performance from associate companies (principally Zoopla and Mail Today in India), operating profits* of £107 million this year were £17 million (19%) better than last year. All underlying year-on-year comparisons are on a like-for-like basis, excluding disposed and acquired businesses.

PRIORITIES FOR THE COMING YEAR
A&N Media will continue to focus on driving operational effectiveness and efficiency across all of its businesses whilst investing to drive even faster growth in the core digital businesses, particularly MailOnline, Evenbase and Wowcher, together with Metro's digital strategy.

Kevin Beatty
Chief Executive, A&N Media

Revenue#
£1,060m
2011 £1,098m

Operating profit*
£104m
2011 £93m

Operating margin*
10%
2011 8%

#Continuing and discontinued operations.

Strategic Report
A&N Media – Associated Newspapers

Associated Newspapers publishes the Daily Mail, The Mail on Sunday and the urban free newspaper, Metro. Its growing portfolio of digital consumer offerings includes the world's largest online news site MailOnline and significant digital recruitment, property and marketing interests.

BUSINESS DESCRIPTION
Associated Newspapers is one of the UK's largest publishers of national newspapers and consumer websites. In the Daily Mail and The Mail on Sunday, the business publishes two of the UK's most influential paid-for newspapers. The urban daily Metro, the third most-read national newspaper.

The portfolio also includes MailOnline, the world's largest online newspaper site, Evenbase, the world's fourth largest digital recruitment business, Wowcher (the UK's second largest daily deals business) and a 52.3% stake in the Zoopla Property Group.

KEY HIGHLIGHTS
- Circulation market share of both Mail newspaper titles increased again.
- Record revenues for Metro driven by continued outperformance of the advertising market.
- Strong growth in MailOnline visitors and revenue. MailOnline unique browsers 102 million in September, 51% year-on-year growth, revenues up 74% for the year.
- Continued portfolio and asset management. Disposals of motors.co.uk, Top Consultant, Production Base and 50% of Teletext Holidays.
- Merger of Digital Property Group with Zoopla. Associated retains 52.3% of the combined business.
- Acquisition of world's second largest jobs search business, Jobrapido, into the renamed Evenbase digital recruitment division.
- Successful development of Wowcher into the UK's second largest daily deals business.
- Despite lower print advertising revenues, increased circulation and digital revenues alongside reduced costs delivers strong growth in operating profit.
- Costs £16 million or 2% lower than last year – headcount 530 (12%) lower, Derby press closed in first half of the year.

DIVISIONAL PERFORMANCE REVIEW
After a difficult first half, which saw profits significantly lower than last year (in part due to lower display revenues at the two Mail print titles and to increased investment in our digital businesses, headcount and promotional activity) the second half of the year has seen a marked improvement with better performances from print display advertising, non-repeated net costs incurred last year following The News of the World closure and a reduction in newsprint prices from July, 2012.

Total revenues were down £15 million or 2%, due mainly to the impact of disposed businesses, printing contracts ending and lower display revenues from the two Mail titles. Improved revenues were seen from the Daily Mail cover price increases, Metro, MailOnline, Wowcher and the Evenbase digital recruitment businesses, resulting in total underlying revenues of £834 million, 2% ahead of last year. Total advertising revenues of £389 million, excluding acquisitions and disposals, were unchanged from last year.

The reported fall in national print revenues, the growth of digital, the reduced price of newsprint and cost-savings following the closure of the press at Derby in the first half of the year resulted in operating profit for the year increasing by £2 million (+3%) to £78 million. Operating margins rose by 0.4% to 9.2%. Including a significantly improved performance from associate companies (principally Zoopla and Mail Today in India), profits of £81 million this year were £8 million (11%) better than last year.

An exceptional operating charge of £60 million (£35 million of which was non-cash) was made for restructuring and closure costs, the largest portion relating to print site restructuring and closures and to severance costs relating to the reduction in headcount as reported above.

UK NEWSPAPER-RELATED OPERATIONS
Circulation revenues grew by £10 million (3%) to £353 million. Lower copy sales were offset by the full-year benefit of cover prices increases in the final quarter of the 2011 financial year and from the temporary price discounting by The Mail on Sunday last year, in an initiative to attract new readers following the closure of The News of the World in July 2011.

Advertising revenues were 2% lower at £332 million, a strong performance by Metro and MailOnline in particular offset lower revenues on both Mail titles. Our three largest categories, retail, travel and financial saw revenues decline by 7%, 16% and 10% respectively, but there was a 6% growth in total from other categories. Overall trends have improved, with a 6% decline in the first half of the year but 2% growth in the second half.

Print advertising revenues declined by 6% this year, but digital revenue from the newspaper titles' companion sites increased by 72% to £31 million.

Lord Rothermere
Chairman,
Associated Newspapers

Paul Dacre
Editor-in-Chief,
Associated Newspapers

Revenue
£848m
2011 £862m

Operating profit*
£78m
2011 £76m

Operating margin*
9%
2011 9%

OUTLOOK

For 2012/13, Associated expects revenues to be broadly in line with the current year, with continued print advertising and circulation declines offset by growth in digital activities. The positive revenue impact of the Olympics this year will not be repeatable in 2013. Newsprint prices expected to be similar to this year.

REVENUE AND PROFIT ANALYSIS

Revenues can be analysed by division as follows:

	2012 £m	2011 £m	Change
Daily Mail/The Mail on Sunday	590	608	(3%)
Metro	89	82	+8%
MailOnline	27	16	+74%
Evenbase	44	39	+14%
International	27	30	(7%)
Other	25	18	+39%
	802	**793**	**+1%**
Acquisitions	14	–	
Disposals, print contracts	32	69	
Total	**848**	**862**	**(2%)**

Excluding acquisitions and disposals, revenues can be further analysed by type of revenue as follows:

	2012 total	2012 £m	2011 £m	Change
Circulation	46%	362	352	+3%
Advertising – display	32%	259	276	(6%)
Advertising – classified	6%	46	51	(10%)
Digital	4%	31	18	+72%
Commercial enterprise	2%	13	10	+29%
Other	3%	24	26	(8%)
Newspaper operations	**92%**	**735**	**733**	**–**
Digital-only businesses	7%	60	50	+20%
UK contract print	1%	7	10	(26%)
Total – underlying	**100%**	**802**	**793**	**0%**

Operating profits (excluding associates) can be analysed as follows:

	2012 £m	2011 £m
Newspaper operations	101	94
Digital-only UK businesses		
Evenbase	11	5
Wowcher	(8)	(2)
Other	-	1
International	4	4
Disposed operations (net)	4	1
Other costs	(34)	(27)
Total	**78**	**76**

REVIEW OF KEY BUSINESSES

Mail Newspapers
BUSINESS DESCRIPTION

Mail Newspapers comprises the UK's biggest selling mid-market newspapers, the Daily Mail and The Mail on Sunday.

STRATEGY AND ACTIVITY

Mail Newspapers has defined its vision for the next three years as 'More women, More engaged with More Mail'. Whilst women are not the only audience, the Mail titles are uniquely placed with this audience to have a bias and scale that other newspapers can't replicate.

Working cohesively with the existing and emerging digital businesses, Mail Newspapers is targeting revenue growth from both direct-to-business and direct-to-consumer channels, including offering broader marketing solutions for clients.

There has been a continued drive to reduce the cost base of both titles, yielding significant annual savings, which has included further rationalisation of production facilities, de-manning, lower newsprint usage, greater promotional efficiency and reduced distribution charges.

This year has seen the successful development of the Mail Rewards Club, now rolled out to seven days, and grown to 750,000 members, to help support circulation whilst opening up a range of new direct-to-consumer revenue opportunities.

Strategic Report
A&N Media – Associated Newspapers continued

MARKET ENVIRONMENT
Print advertising continues to face a challenging market environment. Technology changes such as the rise of tablets and eReaders and increasing non-traditional entertainment and news sources continue to pose a challenge to the traditional print products. Mail Newspapers aims to tackle and capitalise upon these changes by increasing distribution through digital devices and by strengthening engagement with the brand outside of the traditional newspaper environment.

PERFORMANCE
Over the year, the Daily Mail increased its circulation revenue by 4% to £257 million, benefiting from the full-year impact of the July, 2011 5 pence weekday cover price increase and also 10 pence Saturday edition increase in October, 2011. Its share of the national daily newspaper market rose by 0.6% to 21.6%, a new record. Average daily circulation declined by 5.4% to 1.96 million copies, but outperformed the rest of the daily market which declined by 8.5%.

The Mail on Sunday's circulation revenue remained broadly stable at £96 million. The title continued to grow its share of the total market, increasing share by 0.2% to 20.8%, despite the launch of Sun on Sunday in February. Average daily circulation declined by 6.7% to 1.85 million, against a market that contracted by 7.7%.

Print advertising revenues declined by 10%, after allowing for one fewer issue of The Mail on Sunday. There was, however, a marked improvement in revenue during the second half of the year, and particularly the final quarter when advertising declined by a more modest 5%.

PRIORITIES FOR THE COMING YEAR
Further cost savings are planned next year, most notably the transfer of Mail Newspapers' main print facilities from Surrey Quays to Thurrock in the summer of 2013, which will yield material reductions in the underlying cost base and create greater efficiency of internal resources.

A paid-for tablet version of the Daily Mail and The Mail on Sunday, Mail Plus, will be launched in the first quarter of the new financial year.

MailOnline
BUSINESS DESCRIPTION AND STRATEGY
MailOnline grew its audience significantly during the year to become the world's largest online news site, surpassing The New York Times and reaching a new high of 106 million browsers during August 2012, a 41% year-on-year increase. Daily unique browsers leapt by more than 50% to 6.4 million in September, 2012, of which 2.8 million were in the in UK and 1.7 million in the US. During the year, an Indian version of the site was launched supported by content from Mail Today.

ACTIVITY
The number of users accessing MailOnline on a mobile device has grown to now account for 34% of daily visits to MailOnline, in addition our iPhone, iPad and Android apps have gained UK market-leading levels of engagement with more than 445,000 users every day.

Advertising revenue is growing more rapidly than our audience, up 74% year on year to reach £27 million. This growth comes from strong demand for premium advertising in the UK market, as well as increasing demand for MailOnline advertising inventory in other parts of the world, such as the USA, Canada and Australia. Mobile and video revenues are also showing strong growth. MailOnline was profitable in the UK in the second half of the year

PRIORITIES FOR THE COMING YEAR
Over the next year MailOnline will continue to increase investment to expand the editorial bureaus opened in New York and Los Angeles where our content is already well received. The existing team of video editors in the UK and US will be built upon to match the commercial appetite for video inventory as well as starting to test longer-term video-creation strategies.

Commercially the US sales team will be expanded to capitalise on increasing traffic and awareness in the US market. In the UK delivering even deeper partnerships with larger advertisers coupled with innovative advertising formats are expected to support MailOnline in continuing to outperform the market, with strong revenue growth expected to continue.

Mail Newspapers is increasing its interaction with digital businesses in order to reach new readers, markets and revenue streams.

Metro

BUSINESS DESCRIPTION

Metro is a consumer media brand targeting urbanites, a segment of hard-to-reach, on-the-move, attitudinally young urban professionals. The newspaper is the UK's third largest daily, read by 3.6 million commuters every weekday, while metro.co.uk has 7.5 million unique browsers per month (September, 2012).

STRATEGY

'Urbanites on the move get more from the city with Metro.' Addressing changing consumption habits, Metro is investing in reaching more urbanites on the move, through new mobile platforms, on a more frequent basis. Four key products underpin this:

- Metro editions – interactive edition-based products designed for tablets and smartphones
- metro.co.uk – optimised responsive and adaptive experience for smartphone, tablet and web consumption
- Metro Play – gaming offerings with compelling gameplay and social interaction
- Metro unEdited – a content-sharing platform for urbanites

This investment will shift Metro to being a mobile-led, urbanite lifestyle business, focused on driving audience engagement, loyalty and brand strength.

ACTIVITY

Building new mobile and digital products and capabilities has been a key focus over the last six months. The successful launch of Metro's tablet edition, which won Newspaper App of the Year, was built upon with the launch of further digital editions. A redesign of the print product alongside a detailed review of logistics processes for delivery of the newspapers, allowed Metro to deliver record readership levels (+11% year on year).

Metro's focus on the Olympics helped deliver the most successful newspaper operation in the market, expanding its product suite across both print and digital platforms and carrying the two largest newspaper deals for the Olympics in the UK. The Games exceeded all revenue and profit targets for Metro, while taking the greatest share of revenue and volume in the national newspaper market.

MARKET ENVIRONMENT AND PERFORMANCE

Despite the challenging economic conditions, Metro continued to outperform the market. Unique access to distribution through its contracts with transport providers delivers a significant competitive advantage.

The opportunity now is for Metro to convert this strong print position and consumer relationship onto mobile devices and to retain this advantage. Daily mobile audience grew 213% in the last 12 months to over 319 thousand whilst the proportion of mobile traffic to metro.co.uk has increased from 20% to 41%. Downloads of the digital edition products are now in excess of 1.2 million.

Metro grew its revenues +8% (print +8% and digital +39%) and its profits +14% (on a like-for-like basis excluding strategy investment of £2.1 million).

PRIORITIES FOR THE COMING YEAR

Metro will pursue its focus on further mobile product development, the mobilisation of content across all platforms, the launch of Metro Play and marketing activity to drive customer acquisition, frequency and brand engagement.

The expectation for FY13 is that a general decline in the national press advertising market coupled with the absence of the Olympics will negatively impact on Metro's print revenues but this will be offset by growing digital revenues. Metro will continue to invest in its strategic digital priorities during the year.

Evenbase

BUSINESS DESCRIPTION AND STRATEGY

The digital recruitment business was renamed Evenbase during the year, reflecting the wider scope and international reach of the enlarged group. The business now includes the flagship job board brands Jobsite and OilCareers; the leading candidate-sourcing provider Broadbean; recruitment partnerships with brands such as the UK's National Health Service (NHS) and Jobrapido, the number two global job search engine in the world. Acquired in April, Jobrapido delivers over 850 million visits per year in more than 50 countries.

Key developments

Market share of national titles increased again.

Strong growth in MailOnline visitors and revenue.

Profit higher due to digital growth, cover price benefits and cost efficiencies.

Continued portfolio management:

- Disposal of motors and Teletext business and acquisition of Jobrapido.
- Merger of Digital Property Group with Zoopla.

Wowcher developed into UK's second largest daily deals business.

Strategic Report
A&N Media – Associated Newspapers continued

The Evenbase vision is to transform from a network of UK-based jobs' boards, to an international recruitment business. The acquisition of Jobrapido is a key step in this strategy, while OilCareers and Broadbean continue to make successful progress in their international expansion into the Middle East, North America and AsiaPac. This strategy moves Evenbase beyond the UK online recruitment listings sector into the broader global recruitment market, which offers a range of high-growth opportunities. The fast adoption of mobile by consumers is impacting the recruitment industry, presenting both opportunities and challenges. The key Evenbase brands experience 20–25% of site traffic coming from mobile devices – and Jobsite holds the UK's number-two position for mobile traffic.

MARKET ENVIRONMENT
Competition for Evenbase includes job boards and international aggregators as well as country-specific players. Through the combination of its assets, Evenbase is positioned as the fourth largest digital recruitment group in the world with c.41 million monthly unique users. The key Jobsite brand is positioned as one of the UK's largest job boards.

ACTIVITY AND PERFORMANCE
During the year the job board portfolio was rationalised, exiting non-core job boards, allowing investment and management time to be focused on those brands which have greater growth prospects.

Evenbase launched a pay-per-download model for CV access and 'Jobsite White', a simple-to-use white label job board aimed at SMEs, trade publications and associations. This year saw 11% growth in client numbers and 7% growth in candidates on a like-for-like basis excluding Jobrapido. Underlying revenues have grown 14% year on year to £44 million, driven by product innovation and international expansion. Jobrapido revenues for the six months post acquisition were an additional £14 million.

PRIORITIES FOR THE COMING YEAR
International expansion remains a key priority for the coming year. The acquisition of Jobrapido delivers an opportunity to accelerate global expansion and investment continues in expanding OilCareers and Broadbean in other countries. For candidates and clients there will be more new products to make the recruitment process more straightforward and efficient, enabling greater choice for candidates and providing clients with the tools to most easily match talent with opportunities.

Wowcher
BUSINESS DESCRIPTION AND STRATEGY
Wowcher is A&N Media's daily deals and online discounts business offering a wide range of both local and national deals, now sending an average of 3.3 million emails per day. Wowcher.co.uk was launched by A&N Media in April, 2011 and since that time has grown rapidly to become the number two in the UK market (source: Comscore, September, 2012). Wowcher targets affluent, urban female customers largely between the ages of 18–44 and focuses on delivering deals that appeal to this audience base. This affluent, differentiated and attractive demographic allows Wowcher to compete effectively on the basis of consumer quality, which has seen high levels of merchant satisfaction, 76% of all merchants choosing to run repeat deals with the business.

There is strong synergy between Wowcher and the wider set of A&N Media assets. The business is able to leverage the existing A&N Media customer database assets to extend the reach of its deals. At the same time the ability to offer additional media support to deals through both online and in printed promotion of deals acts as a strong brand differentiator to prospective merchants.

Wowcher was launched during 2011 and has been a focus point for investment, particularly in marketing, over this year. On the back of this investment Wowcher has had a very strong first full year of operation, growing the subscriber database to more than 1.3 million at a low cost of acquisition and is now operational in 14 areas across the UK.

Evenbase is progressing its strategy of moving beyond UK online recruitment listings and transforming itself into a global recruitment business.

PRIORITIES FOR THE COMING YEAR

Looking forward, Wowcher intends to extend its offering of discounted products and services to its subscriber base both broadening the breadth and quality of daily deals offered and the range of additional discount services that the platform provides. Wowcher is also building tools to encourage site loyalty and stickiness. These investments include the building of a market-leading rewards and points programme to incentivise repeat engagement and purchase. Alongside this, Wowcher is developing a suite of tools to improve personalisation and relevancy of deals to drive increased engagement and purchase propensity. The business will continue to invest in growing the database through a marketing strategy that seeks to attract this affluent female subscriber base through a blend of online and offline media channels.

Zoopla Property Group (ZPG)

BUSINESS DESCRIPTION

This year we merged our Digital Property Group assets with Zoopla to form the Zoopla Property Group in which A&N Media holds a 52.3% stake. The combined business is aiming to emerge as a leader in the digital property space, delivering high volumes of leads to its estate agent and developer members.

PRIORITIES FOR THE COMING YEAR

The technical and people integration of the business was completed at the end of the year. Over the next year there will be significant efficiency savings from bringing the businesses together, as well as building on the opportunity that the strong platform, combined customer reach and lead generation creates for revenue growth. Revenue growth in the period since merger has been 22% and we expect to see this increase as the combined strength of the Group's assets are brought to full effect.

Profits from our share of ZPG were £4 million for the four months post completion.

Central and Eastern Europe

A&N International Media's operating profits (excluding associates) grew by £0.2 million (5%) to £3.9 million on revenues down 8% to £27 million. On an underlying basis revenues grew by 5%, with print advertising revenues declining by 7%, but circulation and digital revenues growing by 2% and 14% respectively. Contract printing revenues have also grown strongly. Digital advertising now represents 58% of total advertising, up from 52% last year. Headcount has been reduced by 5% and significant cost savings were made, profit margins improving by 2% to 14%.

Subsequent event

Since the year-end A&N International Media has disposed of its digital operations in central Europe.

Strategic Report
Northcliffe Media

Northcliffe Media is one of the UK's largest local media publishers. It is managing declining demand for local newspapers and driving growth in digital revenues through a combination of innovation, restructuring and integrated offerings.

BUSINESS DESCRIPTION

Northcliffe is one of the largest local media publishers in the UK, publishing local newspapers and hosting local websites. Encompassing a portfolio of 77 print titles across the United Kingdom, including titles such as the Leicester Mercury, the Cornishman, the Western Morning News, and the Hull Daily Mail, Northcliffe Media has an average issue readership (Source JICREG) of 5.8 million readers across the UK. The business also has 26 local news, information and classified websites under the 'thisis' banner and more than 160 local community sites under the 'localpeople' brand, covering counties, cities and smaller local communities.

KEY FIGURES

	2012 £m	2011 £m	Reported %	Underlying %
Advertising – print	132	151	-13%	-9%
Circulation	57	60	-6%	1%
Digital	18	18	2%	6%
Other	6	7	-8%	-7%
Revenue	213	236	-10%	-6%
Costs	187	219	-15%	
Operating profit	26	17	54%	
Profit margin	12%	7%		

ACTIVITY AND PERFORMANCE REVIEW

Northcliffe's print portfolio continued to attract significant management focus in a year challenged by sluggish advertising markets and a change of national sales house. Advertising performances continue to be in line or slightly better than comparable local media businesses. Four daily paid-for titles in Exeter, Torquay, Lincoln and Scunthorpe have been converted to a weekly format over the past 15 months. During the financial year, Northcliffe sold the Chew Valley Gazette, closed a further 10 non core-free titles and purchased 'The Topper' free title in Nottingham.

Digital revenues

Northcliffe digital revenues grew by an underlying 6% and now represent 9% of total revenues. Revenues not associated with a print sale grew to account for 30% of digital income, up from 11% last year. The strength of the digital offering and continued audience growth has enabled revenue increases in key categories.

The Northcliffe Digital audience has continued to grow with unique users across the thisis and localpeople networks reaching seven million in September, a growth of 30% versus last year. Currently 30% of all visits are by mobile.

Newspaper sales

Reported newspaper sales revenues fell by 6% or £3.4 million. On a like-for-like basis (excluding a change in accounting treatment for distribution costs, daily to weekly switches and divestments), revenues were up 1%. Cover price increases were implemented across the majority of titles where prices had historically been below the industry average.

For the January to June, 2012 ABC period, circulation of the dailies was down 8.8% in line with the average decline experienced by the top four regional publishers. The weekly paid-for portfolio continued to perform ahead of the industry average. For the January to June, 2012 ABC period, circulation was down 7.1%, outperforming the average of the top four regional publishers, which were down 7.6%.

Steve Auckland
Chief Executive Officer, Northcliffe Media

Revenue
£213m
2011 £236m

Operating profit*
£26m
2011 £17m

Operating margin*
12%
2011 7%

Print advertising

Excluding the title disposals, divestments and acquisitions noted above, advertising revenues are down 9% for the year (compared with a headline reported decline of 13%).

Print revenue performance represents a mix of fortunes, stronger underlying local performance (-5%), offset by a weak national performance (-20%). In the first quarter of the year Northcliffe gave notice to change its national advertising sales house which resulted in some performance disruption during the period. Total recruitment category revenues declined by an underlying 19% (compared with a 31% decline in the prior year). Northcliffe's rate and advertising package restructure mitigated the impact of continued low private sector demand and volume growth. Weak national property, motors and retail market performance has been compounded by national sales house disruption and underlying declines were -9%, -14% and -12% respectively.

Costs

The company continued its restructuring and process innovation and delivered year-on-year cost savings of £32 million or 15%. Restructuring costs of c. £10 million are treated as exceptional items this year. Total headcount reduced by a further 13%, or 325 people.

Staff costs fell by £9.4 million as the benefits of last year's structural changes took effect in addition to further headcount reductions during the year. Production costs have reduced by £6.7 million or 16% and distribution costs by £6.8 million or 32%. Some savings were as a consequence of lower activity levels, however, more significant reductions have been made through the changes to the product portfolio, distribution changes and lower newsprint costs.

MARKET ENVIRONMENT

As noted above, both the print advertising and circulation market places remain very challenging, but Northcliffe's performance remains in line or slightly better than its peers.

Subsequent event

On 21st November, 2012, A&N Media announced the exchange of contracts for the disposal of the division to Local World in exchange for cash of £52.5 million and a 38.7% holding in Local World.

Northcliffe's digital strategy is to lead content provision for its local markets while offering a range of commercial opportunities to small and medium-sized enterprise customers.

Key developments

Underlying decline in UK revenues of £13 million (6%).

Restructuring activities helped to deliver year-on-year cost savings of £32 million or 15%. Headcount reduces by a further 325 (or 13%) during the year.

Sale to Local World announced 21st November, 2012.

Strategic Report
Financial and Treasury Review

The Group had a good year, with growing profits and a reduction in net debt. The B2B businesses increased revenues and profits. The consumer businesses performed resiliently in challenging trading conditions.

KEY HIGHLIGHTS

- Good year of performance.
- Good growth from B2B with underlying revenues up 7% and profits up 8%.
- Underlying revenue up 2% at Associated.
- Underlying Group operating profit up 7% and operating margin increased from 14% to 15%.
- Continued active portfolio management.
- Net debt to EBITDA ratio of 1.6 times, with net debt down £107 million to £613 million.
- Dividend increased by 6%.

ACCOUNTS

This Financial and Treasury Review focuses principally on the adjusted results* to give a more comparable indication of the Group's underlying business performance. All year-on-year comparisons are on a like-for-like basis.

A discussion of restructuring and impairment charges and other items included in the statutory results is set out after the divisional performance review and in the segmental note. The adjusted results are summarised as follows:

Adjusted results*	2012 £m	2011 £m	Change
Revenue	1,960	1,985	-1%
Operating profit	300	281	+7%
Income from joint ventures and associates	13	5	
Net finance costs	(58)	(54)	
Profit before tax	255	232	+10%
Tax charge	(39)	(34)	
Minority interest	(27)	(22)	
Group profit	189	177	+7%
Adjusted earnings per share	49.4p	46.1p	+7%

Underlying revenue growth was 3%.

Adjusted profit before tax rose by 10% to £255 million following the 7% increase in operating profit and the benefit of increased income from joint ventures and associates.

Stephen Daintith
Finance Director

Revenue[#]
£1,960m
2011 £1,985m[†]

Operating profit[#*]
£300m
2011 £281m[†]

Earnings per share[#*]
49.4p
2011 46.1p[†]

[#]Continuing and discontinued operations.

REVENUE

Group revenue# for the year was £1,960 million compared with £1,985† million for the prior year, a decrease of 1% on a reported basis but an underlying increase of 3%.

Revenues from the B2B segments totalled £899 million, 1% higher than last year, with an underlying increase of 7%.

RMS delivered continued growth driven by its core modelling business.

Strong growth at dmg::information with reported revenue up 9% at £253 million reflecting the execution of organic growth plans, complemented by bolt-on acquisitions. Underlying revenues grew by 11% following last year's disposal of Sanborn.

dmg::events performed as expected delivering an underlying revenue increase of 13%. Reported revenues declined following the sale of George Little Management (GLM) in September, 2011 and the cycle of biennial shows which meant that one of the three large biennial events took place during the year compared with two last year.

Euromoney reported underlying revenue growth of 2% driven by a 5% increase in subscriptions revenue.

Consumer revenues# of £1,060 million were 3% down on £1,098 million in the prior year, but in line with last year on an underlying basis. Within Consumer, Associated's underlying revenues were up 2% due to improved revenues from digital, as well as the benefit of cover price increases on circulation revenues.

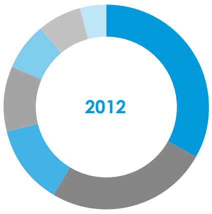
Testing economic conditions continued to adversely affect Northcliffe's revenues which were down 6% on an underlying basis.

An analysis of revenue is illustrated on the following charts, which show that the percentage of total revenue from print-based products has fallen by 6% this year and is now 53% of total revenues, reflecting both digital growth and print decline. These also demonstrate that 63% of total revenue by source was generated by UK businesses, down 4% on the prior year.

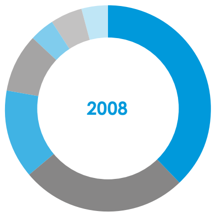
Revenue by type (%)#

Set out below is a split of revenue by type.

- Subscriptions and circulation print
- Advertising print
- Subscriptions non print
- Events, training and conferences
- Other non print
- Advertising non print
- Other print



£649m	33%
£501m	26%
£245m	12%
£204m	10%
£147m	8%
£133m	7%
£81m	4%
£1,960m	

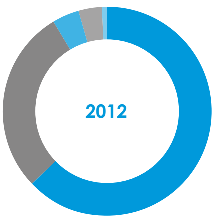


£864m	38%
£578m	26%
£318m	14%
£211m	9%
£82m	4%
£102m	5%
£98m	4%
£2,253m†	

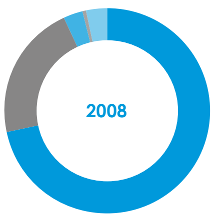
Revenue by geographical area (%)#

Set out below is a split of revenue by geographic location.

- UK
- North America
- Rest of the world
- Rest of Europe
- Australia



£1,235m	63%
£560m	29%
£83m	4%
£68m	3%
£14m	1%
£1,960m	



£1,614m	72%
£482m	21%
£71m	3%
£16m	1%
£70m	3%
£2,253m†	

Strategic Report
Financial and Treasury Review continued

OPERATING PROFIT*#

Operating profit of £300 million was up £19 million or 7% on the equivalent figure for the prior year. Overall operating margin increased from 14% to 15% following margin improvement from both the B2B and consumer businesses.

Operating profit is stated before charging £86 million of exceptional operating costs, principally within Associated. This charge includes reorganisation costs of £40 million, accelerated depreciation of property, plant and equipment of £39 million, principally relating to the proposed move to Thurrock and impairments of fixed assets of £7 million.

The charge for amortisation of intangible assets fell by £7 million to £39 million. The Group also made a charge for the impairment of intangible assets of £21 million, largely relating to a business in the financial sector of the business information segment.

73% of this year's operating profit was generated from the Group's B2B operations and 27% from Consumer, compared to 58% and 42% in 2008. These percentages have been calculated after allocating Head Office costs on the basis of revenues. More than half of the Group's operating profits were again derived from outside the UK, with 51% coming from the US.

The Group's B2B companies increased their overall profit by £11 million or 6%. The average sterling:US dollar exchange rate for the year was £1:$1.58 (against £1:$1.61 last year).

Within Consumer, profits increased by £6 million or 10%. At Associated Newspapers, operating profit increased by £2 million or 3% to £78 million following a range of cost efficiencies.

Northcliffe's profits increased by £9 million or 54% following year-on-year cost savings and growth in digital revenues.

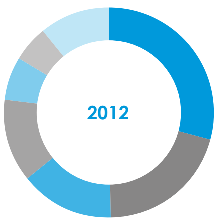
NET FINANCING COSTS

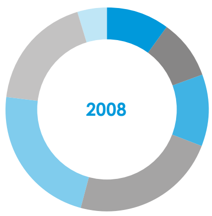
As the table below shows, net interest payable and similar charges (including deemed finance charges and interest receivable) fell by £8 million to £61 million due to lower average debt and management of the debt portfolio. Net finance costs included a £6 million charge for the premium on early redemption of £110 million of 7.5% bonds due 2013.

Operating profit by activity*#

Set out below is a split of operating profit by activity.

- Euromoney
- National media
- RMS
- Business information
- Local media
- Events
- Corporate costs





There was a £3 million reduction in pension finance due to the lower pension fund deficit as at 2nd October, 2011. Other investment revenue fell by £2 million due largely to a one-off dividend from an internet investment fund in the prior year.

	2012 £m	2011 £m	Change
Net interest payable and similar charges	(61)	(69)	(13%)
Premium on bond buy back	(6)	-	
Pension finance	9	12	
Investment Income	1	3	
Total	(57)	(54)	6%

Overall operating margin increased from 14% to 15% following improvements from both B2B and consumer businesses.

JOINT VENTURES AND ASSOCIATES

The Group's share of the adjusted results of its joint ventures and associates rose by £8 million to £13 million. It includes income from dmg Radio Australia Pty Ltd and the Zoopla Property Group.

OTHER INCOME STATEMENT ITEMS

The Group recorded other net gains on disposal of businesses and investments of £158 million, compared to £15 million last year. These include the sales of Evanta, the Group's digital property businesses and the Group's remaining 50% stake in dmg Radio Australia Pty Ltd.

Northcliffe Media was held for sale at 30th September, 2012 and is therefore treated as a discontinued operation together with the result from the Group's investment in dmg radio Australia. Profit attributable to operations treated as discontinued amounted to £55 million (2011 loss of £5 million).

RESULT BEFORE TAX

The statutory profit before tax for the year was £206 million, after charging £57 million of amortisation charges and impairment losses and £41 million of net exceptional charges.

TAXATION

The adjusted tax charge of £39 million (2011 £34† million) is stated after adjusting for the effect of exceptional items. The adjusted tax rate for the year rose to 15.2% from 14.4% in 2011, largely due to a change in the mix of chargeable profits. The continued low rate reflects tax reductions from tax-efficient financing and tax-deductible amortisation in the USA that are expected to be in place for the next few years although the mix of chargeable profits is expected to continue to change.

There were net exceptional tax credits of £49 million, arising on disposals, assets held for sale, operating exceptional costs, the accelerated depreciation of property and equipment and the recognition of tax losses.

PROFIT AFTER TAX

Adjusted Group profit* after tax and minority interests was up 7% to £189 million. Statutory profit after was £225 million, up from £130† million, due to increased other gains and losses in the current year.

PENSIONS

The Group's defined benefit pension schemes provide retirement benefits for UK staff, largely in A&N Media. The deficit in these schemes has fallen from £336 million at the beginning of the year to £324 million at 30th September, 2012 (calculated in accordance with IAS 19). Corporate bond yields continued to fall over the period, (from 5.2% to 4.4%) which resulted in a higher value of the defined benefit obligation. However, this has been more than offset by an increase in the schemes' assets and funding payments into the main schemes of £64 million, in accordance with the funding agreements with the Trustees, which included £24 million of surplus properties, previously solely used by the regional newspapers. The property transfer, in combination with a £12 million funding payment made in October, 2012 satisfies the £36 million October, 2012 funding payment requirement previously agreed with the Trustees under the payment recovery plan.

In July, 2012 DMGT created a guarantee structure in collaboration with its principal defined benefit pension scheme, Harmsworth Pension Scheme (HPS). The structure provides HPS with a valuable contingent asset, a £150 million guaranteed loan note, and will reduce the need for additional cash contributions to HPS in the medium term. Whilst the loan note is treated as an asset of the scheme and reduces the actuarial deficit within the scheme, under IAS 19 it is not included as an asset and is excluded from the calculation of the £324 million year-end deficit.

The defined benefit pension schemes are closed to new entrants, and measures were introduced in April 2011 to reduce costs and risks, in particular to eliminate longevity risk on accrued pensions since that date, and help secure the schemes' and employers' financial health into the future. All new employees of A&N Media are now being offered a defined contribution pension plan, in line with our other newer and more internationally focused divisions where we have long considered this type of pension plan to be the most appropriate.

The Group recorded net gains on the sale of Top Consultant, motors.co.uk, Teletext, Evanta and our remaining stake in dmg Radio Australia.

Strategic Report
Financial and Treasury Review continued

CASH FLOW AND NET DEBT

Net debt has fallen by £106 million during the year from £719 million to £613 million and by £196 million since the half year. The Group generated operating cash flows of £339 million, a 113% conversion rate of operating profits*. These funded capital costs at Thurrock of £39 million, capitalised software development of RMS's Next Generation product of £18 million, taxation of £34 million, interest of £70 million, pension funding of £40 million and dividends totalling £76 million. Operating cash flows are stated after capital expenditure of £42 million, excluding that on Thurrock and RMS's Next Generation product, and exceptional operating items of £37 million. Net proceeds from disposals and acquisitions were £42 million.

Acquisitions totalled £75 million and included Jobrapido for closing consideration of £29 million; Intelliworks, Xceligent, PrepMe and Spring Rock within the dmg::information portfolio; Praedicat by RMS, and Global Grain Geneva and Global Grain Asia by Euromoney. Business disposals totalled £117 million and included the sale of Evanta and the remaining 50% stake in dmg radio Australia in September.

The Group's principal debt remains in long-term bonds. At the year end, the Group had £725 million of bonds with repayments due in 2013 (£47 million), 2018 (£308 million), 2021 (£171 million) and 2027 (£199 million). In December 2011, the Group acquired £110 million of the 7.5% bonds, due 2013, and will consider acquiring further bonds where financially sensible.

The Group's ratio of year-end net debt to adjusted profits* before interest, depreciation and amortisation (EBITDA) was 1.6 times, comfortably below the Group's internal limit of 2.4 times and preferred level of around 2.0 times, and well within the requirements of the Group's bank covenants. The Group's corporate credit ratings are BBB- from Fitch, and BB+ from Standard & Poor's.

During the year the Group cancelled surplus bank facilities of £90 million maturing in December, 2012 and March, 2013. The Group continues to maintain sufficient committed debt facilities to meet its foreseeable requirements. It had unutilised committed facilities of £298 million at the year end and surplus cash of £107 million.

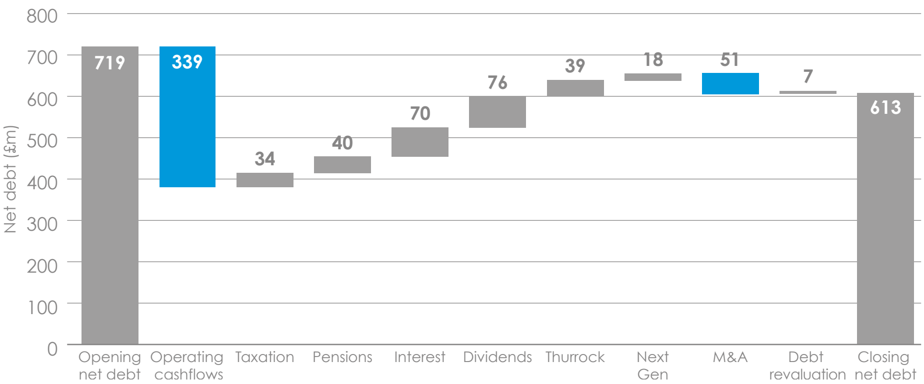
OTHER FINANCING

The Company acquired 7.5 million 'A' Ordinary Shares in Treasury for £30 million, using seven million of them, valued at £32 million, to provide shares under various incentive plans. Following these transfers, DMGT has 382.8 million shares in issue, including 19.9 million ordinary shares together with 10.2 million 'A' Ordinary Shares held in Treasury to meet further obligations that may arise.

TREASURY POLICIES

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 Investment & 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. Full details of treasury policies are on pages 14 to 144.

Cash flow and net debt



Cash generation was strong in 2012, with 113% of profits converted into cash before allowing for exceptional items.

Net debt
£613m
2011 £719m

Undrawn committed bank facilities
£298m
2011 £328m

Net Debt:EBITDA
1.6 times
2011 2.0 times

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. More than half of the Group's profits are expected to be earned from revenue billed in US dollars outside the UK. 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 US dollar.

CAPITAL RISK MANAGEMENT

The Group's strategy for capital risk management is set out in note 33 to the Accounts.

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 (note 1).

SHARE BUY BACK

DMGT's strong operational cash flow and disciplined business portfolio management has resulted in a net debt to EBITDA ratio of 1.6, falling to well below our stated internal limit of 2.4 times. The Board remains confident in the overall outlook for the Group and the operating cash flow that our businesses will generate. We believe that the creation of shareholder value over the long term requires a balanced approach to investing in growth and returning excess capital to shareholders whilst maintaining a strong balance sheet. We will therefore continue to look for attractive acquisitions and actively manage our business portfolio while maintaining our dividend policy of growing dividends by between 5% and 7% in real terms over the economic cycle. In reviewing our capital management programme, the Board has also decided to utilise part of its authority to make on market purchases of the 'A' Ordinary Non-Voting Shares. We anticipate spending up to approximately £100 million over the coming year.

SALE OF NORTHCLIFFE MEDIA

The announcement that the Group has reached agreement to sell Northcliffe Media will improve the strength of our portfolio and the shape of our business.

The following table summarises the shape of the Group excluding Northcliffe Media:

Key metrics post Northcliffe

	Before	After
B2B share of revenue	46%	51%
B2B share of operating profit	73%	79%
Print advertising share of total revenue	25%	20%
Digital share of total revenues	35%	39%
Subscription share of revenues	25%	28%
Non-UK share of operating profit	65%	71%
Operating margin	15%	16%
Underlying revenue growth rate	3%	4%

Over half of Group profits are earned outside the UK from US dollar revenues.

Strategic Report
Corporate Responsibility
Businesses that take Corporate Responsibility seriously are better run, more efficient and more resilient.

OUR APPROACH
The Corporate Responsibility (CR) Committee reports, through me, directly to the Board. Committee members include interested parties with relevant Group-wide responsibilities and senior nominees from our five business units. We act in an advisory rather than an executive capacity.

We aim:

- To minimise our negative impact on the environment.
- To promote employee health and welfare.
- To build civilised relationships with customers and suppliers.
- To engage with local communities and wider society.
- To target 10% reduction in CO_2 emissions per £m of revenue over the next three years
- To give over £1.6 million in charitable donations

CR drives long-term performance
We start from the proposition that acting responsibly is first and foremost about securing the long-term future of our own company.

This way of thinking comes naturally to us. With our heritage as a family-run business we have always evaluated performance in generational terms.

As a group we are committed to sustainable, long-term performance. Managing our businesses and brands responsibly, valuing our own people, suppliers and customers and respecting the communities we serve are essential prerequisites for our own success.

We believe that responsibility and performance are intimately interconnected. Embracing our responsibilities to society and the environment advances our own interests.

Multiple programmes are more effective
We manage a diverse portfolio of businesses and brands. As such, a one-size-fits-all CR policy would be counter-productive.

Smart, highly skilled people run our companies. They are used to acting independently. They understand their own markets.

Our various businesses have evolved distinct CR strategies to fit their cultures and underlying objectives. At group level we typically help them most by backing their judgement and providing resources.

We try not to be prescriptive. Instead, we empower our businesses. We focus on equipping them with the knowledge, skills and, crucially, the permission to take effective action.

A centre of excellence
The Group's diversity is a key source of strength. We identify the best transferable approaches by comparing our different CR programmes.

We exchange experiences and record performance. We act as a sounding board and a forum for ideas. We find ways to improve and build on what's already been achieved and we share our knowledge.

Acting responsibly supports our objectives
Our CR activities and responsible attitudes have a positive impact on long-term performance in at least three important respects:

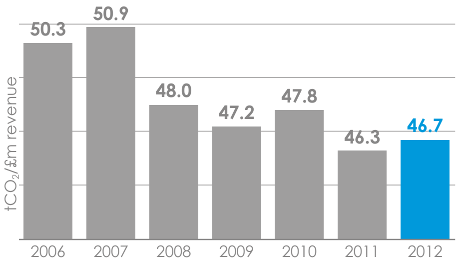
- By consistently acting responsibly we help the Group to stay relevant in a changing world.
- They help us attract and retain talent. Most people want more than money from their working lives. They want to enjoy their work, meet challenges and make a difference. Our CR activities engage and motivate our people.
- In a networked world, content providers succeed by staying at the heart of their communities. CR initiatives, particularly those that engage supply chain partners, instil a sense of common purpose.

In the future, we will continue to share best practice across the Group and build on our strengths as a centre of excellence.

David Dutton
Chairman, Corporate Responsibility Committee

www.dmgt.com has additional information about our CR initiatives.

DMGT's emissions per revenue



David Dutton
Chairman, Corporate Responsibility Committee

Getting behind Team GB

Image: ©Bronac McNeill

A&N Media's donation to the Team 2012 appeal contributed to some outstanding performances by British athletes at London 2012. It also fired the starting gun for 18 months of events and activities.

Staff met distinguished Olympians and Olympic and Paralympic hopefuls. Some tried their hands at goalball, judo and handball. They toured the Olympic Park and attended preview events.

VIP access to Team GB House during the Games and to the celebratory parade afterwards capped a memorable summer of sport.

Target reduction in tCO_2/£ million revenue

10%

by 2015

ENVIRONMENT

We are progressively reducing our impact on the environment by lowering emissions, using energy more efficiently and minimising waste. Doing the right thing for the environment is saving us money and increasing our efficiency.

CO_2 reporting

We are committed to comprehensive, transparent reporting of our environmental performance.

For the sixth year in succession we have collected CO_2 emissions data from each of our five business units. This data is collated and independently reviewed by the environmental consultancy, ICF International.

DMGT has been a signatory to the international Carbon Disclosure Project (CDP) since 2008. We have now integrated our carbon data collection process with our financial reporting. This has streamlined administration and improved data reliability.

Our emissions are calculated following the Greenhouse Gas Protocol (GHG Protocol) methodology which was developed by the World Resources Institute and the World Business Council for Sustainable Development. As per the methodology's principles, we have updated this year the emission factors used in the calculations and used the most up-to-date figures. This resulted in a slight adjustment of previous years' emissions.

Our carbon footprint is expressed in the tonnes of Carbon Dioxide equivalent and includes all the Kyoto Protocol gases that are of relevance to our business. Our footprint covers emissions from all our global operations and the following emission sources: Scope 1 and 2 (as defined by the GHG Protocol), business travel and outsourced delivery activities.

Our carbon footprint continued to shrink in 2012. CO_2 emissions stood at 91,600 tCO_2 (92,100 tCO_2 in 2011), a 20% decrease against our 2007 baseline (113,800 tCO_2).

This year we have set a challenging new target for the Group. We plan to reduce our emissions per £ of revenue over the next three years by 10% against the 2012 baseline. The 2012 amount is 46.7 tCO_2 /£million revenue targetting a 10% reduction to 42.0 tCO_2 /£million revenue by 2015.

Reducing environmental impacts

DMGT's headquarters at Northcliffe House, also the London base of A&N Media and dmg::events, retains the prized ISO 14001 international environmental standard.

The transfer of our London printing production to a green field site in Thurrock will take place in the summer of 2013 and will transform performance, environmental efficiency and waste minimisation. This plant has been built to exacting environmental specifications. It has been designed to meet a BREEAM[1] rating of Very Good.

Promoting the green agenda

As a content-led business, perhaps the biggest environmental contribution we can make is to promote the green agenda. Big 5 has hosted the Gaia awards, celebrating environmental excellence in construction since 2008.

EDR was recognised at the 2012 Environmental Business Achievement awards with two honours. Commonground, its social network for environmental and commercial real estate professionals, won the Industry Leadership Award. PARCEL, a web-based platform for due diligence reporting won the Business Achievement Award for IT. At the UK National Business Awards, Landmark was shortlisted for the prestigious ICAEW Sustainability Award.

Minimising waste

The three areas where we generate most waste are paper, water and ink. In each area we continue to make progress across the supply chain.

Carpets are the largest disposable items at trade shows. dmg::events recycles carpets at all its trade events. AdTech USA, digital marketing's largest trade show, negotiated an agreement with Freeman to supply and collect recycled carpets at our New York and San Francisco shows.

At RMS a Green Team meets bi-monthly to coordinate recycling initiatives. Simple measures can be surprisingly effective. By introducing mugs for hot drinks it halved paper cup consumption, from 10,000 cups monthly, in just four months.

Our office-based divisions have limited direct environmental impact.

We recycle paper in all our global offices.

Speed dating at Northcliffe House

Media Trust helps charities get their voices heard. DMGT supported local charity The K&C Foundation hosted a speed dating evening for Media Trust at our London headquarters.

The evening matched nine media personnel with nine charities. Abi Slater, Communications Manager at DMGT, was one who found a match: "It was great to use my network of contacts to help a small charity."

Helping Hands

In 2006, a group of RMSers decided to help out for a day at their local Food Bank.

The idea has caught on. In 2012, more than 90 RMS staffers helped out with the American Red Cross, at the local Food Bank, gardening, making lunch and dancing with carehome residents.

"Helping Hands is a highlight of my year," said one, "we're doing simple things, but it's always so appreciated. I get back to my desk energised and uplifted."

[1] Building Research Establishment Environmental Assessment Method

Strategic Report
Corporate Responsibility continued

Where the infrastructure supports it we embrace other waste management initiatives. Plastic, glass, metals, toner cartridges, mobile phones and IT equipment are all being recycled.

We have extended our recycling programme for redundant office furniture to other businesses across the Group. Once again this year, this resulted in zero landfill.

PEOPLE

Our employees define who we are as a company. We pursue policies and practices to recruit and retain the best. We expect high standards of performance and behaviour. In return, everyone is entitled to respect and support.

Policies and practices

Employees sign up to the Group Code of Conduct. In addition, we require our journalists to comply with the Editor's Code as set out in the Press Complaints Commission.

We aim to promote an inspiring, healthy and inclusive work environment in all our businesses. We support equality, diversity and inclusion, and have published our Code of Conduct on our website, DMGT.com.

We have set up a 24/7 Speak-Up service where employees can share grievances and concerns about misconduct. The service is managed independently by an external consultancy so they can be confident that their identities will be protected.

This year A&N Media produced a video explanation of its equality, diversity and inclusion policy. This short feature won two awards at the 2012 International Visual Communication Association (IVCA) awards. It won gold for best animation, graphics and special effects and won silver for best script.[2]

Health and wellbeing

Landmark's adoption of the World Health Organisation's Global Corporate Challenge is promoting a healthy workforce.

Health was at the forefront too as life got a little hairier in November. Employees from across the Group joined the global Movember event, raising £25,000 for testicular and prostate cancer charities. The 'Mo Bros' gathered sponsorship and sprouted facial hair. Their 'Mo Sista' supporters organised fund-raising activities. Over 100 staff members from Kensington to California took up the challenge. One brave soul even agreed to a wax removal in exchange for a £100 donation.

Talent and engagement

We want all our people to feel a sense of connection between their values and their work with us. DMGT businesses support employee-led initiatives with matched funding and by encouraging volunteering and pro bono work.

We have always promoted entrepreneurial activity. We nurture talent internally by encouraging individuals to develop their ideas into profitable opportunities.

There was a step-change in our approach to encouraging entrepreneurs in 2012. A&N Media launched The Ideas Factory, a monthly contest to find the best business ideas. Staff with the best suggestions win cash prizes and professional support. They present business plans to a team led by the DMGT Chairman. Winning ideas may be adopted and brought to market. There is a separate budget for the professional development of successful participants.

We communicate with our employees through multiple channels, including a group intranet, DMGT Chatter, our business- collaborative working platform, and a blog from the CEO. These channels keep employees informed about business developments that affect them both directly and indirectly. Specifically in the area of CR, there is a community of CR Champions who meet every quarter to share experiences and knowledge.

At school in Cambodia

In February, Sheena Pabari from A&N Media's London HQ and Nicky Burton from the Tunbridge Wells office set off for Cambodia with United World Schools (UWS). They blogged their experiences:

11.02.12
For the last couple of days we've been visiting Ol' Tuch and the school being built here with the help of A&N Media's donation. It is incredible to see how much this has changed the lives of these people. Activities today included Khamer – the Cambodian version of head, shoulders, knees and toes! Chaos, but very fun to watch!

18.02.12
Our final day of teaching. We introduced them to Play Doh! The boys made buffalos and mopeds, the girls made pots and tables.

Championing inclusiveness

In August, dmg::events launched AbilitiesME in the United Arab Emirates. The show builds awareness of special needs and disabilities across the Pan-Arabian Gulf.

[2] http://player.ivca.org/ivca/2012/graphics/1099/#top

COMMUNITIES

We invest in communities as a Group and as individuals. We encourage all our people to engage with society and get involved with charitable projects.

Charitable giving

Engagement starts at the top. We worked with the Leaders' Quest social enterprise at our Chairman's conference in Bangalore. Delegates visited seven charities in the area and a number of them elected to offer financial support. DMGT matched every pound donated.

Total donations in 2012 reached over £1.6 million (2011 £1.4 million). Although each business has its own mechanism for selecting good causes, they frequently support similar projects, reflecting our shared values. Group businesses support projects that tackle basic needs, youth and education, and talent and self-reliance.

Tackling basic needs

Euromoney Institutional Investor has supported a series of projects in Africa that tackle poor sanitation and lack of clean water.

A £100,000 central donation, client support and fund raising have raised well over £200,000 to bring clean water and sanitation to Ethiopia's slum dwellings in Kechene.

In Kenya, Euromoney and DMGT have joined forces with the Haller Foundation to build water wells and rain-fed dams for hard-pressed farmers and families in Mombasa.

Landmark Information Group is applying its data management skills to water resourcing in a partnership with the international charity WaterAid. It has donated £22,000 alongside DMGT to develop the Water Point Mapper, a free application which pinpoints water supply services in rural and urban locations across Sub-Saharan Africa and Asia.

Genscape employees raised over US$50,000 and teamed up with Plan International in 2010 to bring clean drinking water to Asiento Viejo, Nicaragua. The village water supply was contaminated with toxic levels of arsenic. Local people learnt how to make and maintain arsenic filters from local materials. A mini aqueduct was created. The project was completed in 2012.

In London, Euro Week clients raised over £175,000 for Anchor House, a residential centre with workshops, training facilities and studio flats for homeless people.

Youth and education

Funds raised last year by Euromoney for the Little Rock School in Nairobi's Kibera slum bore fruit in 2012 as construction of its new school building and accompanying orphanage got underway. On top of the £597,000 raised in 2011 DMGT donated a further £10,000 in 2012 to sponsor a classroom there for a year.

Hobsons has worked with Plan International for seven years to build schools in some of the world's poorest countries. In 2012, employees visited the latest in the Dominican Republic.

DMGT supports youth through its membership of the Prince's Trust. In October, 2011 25 DMGT head office employees cycled the 45 miles from London to Windsor Castle on the Trust's Palace to Palace bike ride, raising nearly £6,000 for the cause.

Talent and self-reliance

Metro launched the Government-endorsed Creative Pioneers initiative in March as a joint venture with the Institute of Practitioners in Advertising (IPA). The scheme aims to find digital talent and creative entrepreneurs. A panel of experts placed the best entrants in three categories to work as paid interns and apprentices at participating businesses.

For London 2012, Landmark provided financial support for Olympic cyclist Jess Varnish and GB swimmer Jazz Carlin.

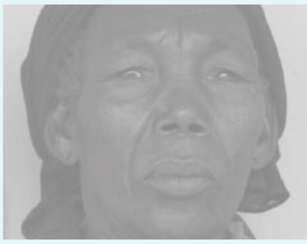
Now in its second year, the Scottish Daily Mail Drama Award helped three winning post-graduate productions appear at this years Edinburgh Fringe Drama Festival, two of which then made it to the London stage.

Financial Mail on Sunday has been working with East Sutton Park open prison. It has taken on two recruits for work experience. It also supported the 'Dress for Success' initiative, which has helped people adjust to life out of prison.

PRIORITIES FOR 2013

Over the next financial year the CR Committee will focus on strengthening its capabilities as a centre of excellence. It is already putting in place a more formal process for capturing CR data and activities. This will enhance its ability to register and share best practice across the Group.

Taking on trachoma in Africa



Trachoma is endemic in Ethiopia, over nine million children between one and nine suffer from the condition. It thrives in hot, dry and dusty areas where there is limited access to clean water. Repeated infection can cause blindness.

Euromoney Institutional Investor is working with the African Medical and Research Foundation and the blindness treatment charity ORBIS on a £1.5 million five-year project to eliminate trachoma in the Ethiopia's South Omo region. The project will benefit over half a million people, mostly women and children.

The campaign got off to a flying start. The Euromoney Awards dinner raised £482,000 in a single evening.

Directors' Report
Chairman's Overview

Throughout our long heritage and across our many businesses, good governance of our Company has been a key component of defining how we operate and creating trust in what we do.

IN THIS SECTION

In this section of the report we set out how governance works at DMGT. It is embedded into the way we organise our Group, with each of our businesses having responsibility for the areas in which they operate, brought together through our codes of conduct and standards of ethical behaviour.

The Viscount Rothermere
Chairman

INTRODUCTION

The Board remains committed to ensuring that we are aligned to best practice as it is appropriate to our strategy and Group, as well as ensuring that we continue to operate in the right way for our businesses, recognising the expertise that our Board members deliver and the importance of having a longer-term view. Looking ahead, we will continue to maintain our high standard of corporate governance as it is a key factor in our continued success.

We ensure that the use of time in our Board and committee meetings, at both the Group level and in our businesses is balanced between discussion of strategy, financial and operational performance, oversight of risk management and internal controls, ensuring the safeguarding of our assets and keeping our Board and executive succession plans refreshed.

KEY ACTIVITY OF THE BOARD

During 2012, strategy has been central to Board discussion. Each year, one Board meeting is dedicated entirely to the discussion of Group strategy and clarifying the framework for its strategic decisions. It is an opportunity for Directors to concentrate on strategy exclusively. The session is held in the locality of one of our businesses and between sessions Directors can visit specific companies, meet management and get greater insight into how they operate. Outside of this dedicated strategy session, the Board considers strategic matters in addition to operational reviews at each Board meeting.

COMPOSITION OF THE BOARD

Prompted by the Board we have focused on ensuring that the skills in the boardroom represents the profile of our businesses. Given that now over 50% of our profits are generated in the US and that we increasingly provide digital solutions, this has been reflected in recent Board appointments. During the year we appointed Silicon Valley based Heidi Roizen, who has unrivalled experience in the technology arena and who will give the Board insight and experience of an area that is key to the Group's long-term success. Detailed biographies of each Director are included in the Report on pages 50 and 51.

COMPLIANCE

The UK Corporate Governance Code ('Code') applies a 'comply or explain' approach to the principles set out in the Code. The Board adopts a long-term approach to governance, which underlies how the Group operates and takes account of the Group's heritage. Explanations in respect of areas where the Company does not fully comply with Code provisions are in the table on page 58.

LONG-TERM OVERVIEW

By focusing on strategy, succession planning, risk monitoring and evaluating the performance of Directors, the Board's work supports the long-term performance of the Group. The Board will continue to maintain its high standard of corporate governance as it is integral to the long-term success of the Group.

By focusing on strategy, succession planning, risk monitoring and evaluating performance, the Board's work supports the long-term performance of the Group.

Directors' Report
Board of Directors

The Viscount Rothermere †‡x
Chairman

Appointed to the Board: 1995
Skills and experience:
Lord Rothermere has been Chairman of DMGT and a Non-Executive Director of Euromoney Institutional Investor PLC since 1998.

He worked at the International Herald Tribune in Paris and the Mirror Group before moving to Northcliffe Newspapers Group in 1995. In 1997 he became Managing Director of the Evening Standard.

M W H Morgan x §
Chief Executive

Appointed to the Board: 2008
Skills and experience:
Martin was appointed Chief Executive of DMGT in October 2008. He sits on a number of DMGT subsidiary company boards, including Euromoney Institutional Investor and is the Chairman of RMS.

Prior to joining DMGT, Martin held various senior positions at Reed International both in the UK and the US. He joined DMGT in 1989 and became CEO of dmg::information in 2000. He joined City of London Investment Trust as a Non-Executive Director in March 2012.

S W Dainith x §
Finance Director

Appointed to the Board: 2011
Skills and experience:
Stephen was appointed Finance Director of DMGT, to the Board and the Audit Committee of Euromoney Institutional Investor PLC in March 2011.

Prior to that, Stephen was COO and CFO of Dow Jones and previously CFO at News International. Before these roles he held several senior positions at British American Tobacco, including CEO of their Switzerland and Bangladesh businesses and CFO at their Pakistan and South Africa operations. Stephen trained and qualified as a chartered accountant at the London offices of Price Waterhouse (now PwC).

J G Hemingway *†‡x
Non-Executive Director

Appointed to the Board: 1978
Skills and experience:
John has recently surrendered the practising certificate as a solicitor for which he qualified in 1953. After national service in the RAF, John then joined Freshfields in the City of London where he was a partner from 1960 to 1974. For more than the last forty years John has specialised in advising a limited number of families on the structuring and management of their family resources. This remains his principal activity.

D M M Dutton x §
Executive Director

Appointed to the Board: 1997
Skills and experience:
David joined the Group in 1970. He is Chairman of dmg::information and serves on the boards of RMS, Evenbase, Hobsons and Landmark Information Group. He also serves as the Non-Executive Chairman of Zoopla Ltd., Artirix Ltd., and Ecctis Ltd.

David founded Pizzaland in 1970. He was a founder and Managing Director of Trevian Holdings Plc, a property development company.

P M Dacre
Executive Director

Appointed to the Board: 1998
Skills and experience:
Paul Dacre joined the Group as US Bureau Chief in 1979. Appointed Editor of the Evening Standard in 1990, he has been Editor of the Daily Mail since 1992 and Editor-in-Chief of Associated Newspapers since 1998, years which saw the launches of Metro and MailOnline.

F P Balsemão †
Independent Non-Executive Director (Portuguese)

Appointed to the Board: 2002
Skills and experience:
Francisco serves as the President at Impresa Group and Chairman of IMPRESA, SGPS. He was formerly Prime Minister of Portugal and in 2005 elected member of the State Council. He serves as Chairman of the European Publishers Council and sits on the board for the International Advisory Board of Santander International Group.

T S Gillespie
Non-Executive Director (Canadian)

Appointed to the Board: 2004
Skills and experience:
Tom has advised DMGT on legal matters in Canada over many years.

He serves as the President of Tyringham Investments Limited, a Canadian investment and holding corporation and as Chairman of Tyringham Investments Limited. He served as Senior Partner of Canadian law firm, Ogilvy Renault, and now runs his own business. He serves as Chairman of Imperial Tobacco Canada Limited.

D J Verey, CBE *§
Independent Non-Executive Director

Appointed to the Board: 2004
Skills and experience:
David is Chairman of the Audit Committee.

David is an Investment Adviser and Corporate Finance Adviser. He is currently Senior Advisor at Lazard, lead Non-Executive Director of the Department of Culture, Media and Sport, Non-Executive Director of Sofina SA, a Member of the Supervisory Board of Bank Gutmann and Chairman of The Art Fund. He was at Lazard for 30 years and served as Chairman and Chief Executive for the last 10. He then moved to Cazenove Group plc as Deputy Chairman and from there to Blackstone Group UK as Chairman.

K J Beatty
Executive Director

Appointed to the Board: 2004
Skills and experience:
Kevin is Chief Executive of A&N Media.

He was Managing Director of the Scottish Daily Record and Sunday Mail Ltd. Kevin has been Managing Director of The Mail on Sunday, the Evening Standard and London Metro; COO of Associated New Media; and Managing Director of Northcliffe Newspapers. He is a board member of the Newspaper Publishers Association and a Non-Executive Director of PA Group.

N W Berry * † ‡
Independent Non-Executive Director

Appointed to the Board: 2007
Skills and experience:
Nicholas is owner of Mintel International, Intersport Switzerland Psc and Chairman of Stancroft Trust. He has wide ownership experience in business-to-business media and in emerging markets.

D H Nelson, FCA * † ‡ x
Non-Executive Director

Appointed to the Board: 2009
Skills and experience:
David is Senior Partner at Dixon Wilson, Chartered Accountants, and a Non-Executive Director of a number of family companies. He is an advisor to UK-based families and their businesses, advising on financial and tax matters in the UK and overseas. He is a trustee of a number of substantial UK Trusts.

D Trempont *
Independent Non-Executive Director (American)

Appointed to the Board: 2011
Skills and experience:
Based in California, Dominique has been an executive and board member in large multinational high tech companies and start ups. He is currently on the boards of three US public companies, focusing on disruptive technologies, emerging markets and Asia. He is also on the board of on24, the emerging leader in webcasting and virtual shows, and Trion Worlds, the leading publisher and developer of premium multi-user games. Dominique was also on the board of 3Com, a global networking solution company.

H Roizen §
Independent Non-Executive Director (American)

Appointed to the Board: 2012
Skills and experience:
Based in Silicon Valley, Heidi has experience including digital media, entrepreneurial growth, and business development in both public and private Companies in the US. She teaches Entrepreneurship at Stanford University. Heidi serves on the boards of TiVo Inc and numerous venture-backed technology companies. She is a Venture Partner with global investment firm DFJ and was Vice President of Worldwide Developer Relations for Apple Computer, as well as being CEO and co-founder of pioneering consumer software company T Maker.

C Chapman §
General Counsel & Company Secretary

Appointed to the Board: 2012
Skills and experience:
Claire was appointed as General Counsel and Company Secretary on 20th September and as Secretary from 1st October, 2012.

Claire is responsible for DMGT's legal and regulatory, M&A programmes, contracts, corporate projects, effective governance and Board management.

She was formerly a solicitor at Freshfields Bruckhaus Derringer before joining Reuters Group PLC. Claire was General Counsel and Group Company Secretary at Inchcape plc.

N Jennings
Nicholas Jennings stood down as Secretary to the Board on 1st October, 2012.

*** Member of the Audit Committee**
† Member of the Nominations Committee
‡ Member of the Remuneration Committee
x Member of the Investment and Finance Committee
§ Member of the Risk Committee

Directors' Report
Principal Risks and Uncertainties
The Directors present their report and accounts for the year ended 30th September, 2012.

ACTIVITIES
The principal activities of the Group are set out on pages 6 and 7 of this Annual Report and Accounts.

The analysis of revenue and operating profit for the years ended 30th September, 2012 and 2nd October, 2011 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 Strategic Report on pages 10 to 43. 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.

Martin Morgan
Chairman, Risk Committee

Risk	Potential impact	Mitigation
1) Changes in our key markets The information provided to our customers and the ways in which our businesses deliver this information are subject to constant change. This can result in structural market changes that have the potential to redefine or eliminate current markets served by our businesses. Technological innovations such as tablets and other mobile devices, cloud computing and the proliferation of social media impact all of our businesses. Our products and services, and their means of delivery, are also affected by competitor activity and changing customer behaviour.	The impact is both positive and negative. Failure to identify and respond to changes in the key markets in which the Group operates increases the risk of being left behind by both competitors and our customers with a resultant direct impact on Group results. The transition from traditional publishing and print advertising to online and mobile has affected a number of businesses including Euromoney and Associated Newspapers. Conversely, new technologies present opportunities for the Group. An example of this is the success of the mobile and tablet apps by MailOnline and Metro. Both have proved successful in driving traffic and engagement. MailOnline has five times more UK app users than any other newspaper and Metro's iPad app was named Newspaper App of the Year at the 2012 Newspaper Awards.	The Group's strategy of diversification reduces the impact of technological and market changes to some degree. However, a number of recent global trends have impacted several of our businesses. The DMGT Leadership Team constantly monitor the markets in which DMGT businesses operate, the competitive landscape and technological developments. The autonomous culture of the Group encourages an entrepreneurial approach to the development of organic growth opportunities and new products.
2) Exposure to a downturn in the global economy A significant although decreasing proportion of the Group's revenue (especially in the UK newspaper divisions) is derived from advertising which is impacted by fluctuations in the wider economy. A similar, although reduced, effect has been seen in Group businesses that rely on non-advertising revenues, especially in the financial and property markets.	Advertising revenues have been heavily affected by the downturn in the global economy. A continued recession, or a further downturn in the economy or market sectors served by the Group, gives rise to a risk of not achieving forecast results.	Experience has demonstrated that the long-term strategy of diversifying the Group's portfolio into business information and subscription revenue streams, along with investment in strong brands, makes the Group's results both more strategically and commercially robust. We continue to manage costs around the Group to minimise our cost base.

Risk	Potential impact	Mitigation
3) Acquisition and disposal risk As well as launching and building new businesses, an integral part of the Group's strategy has, and will continue to be, the acquisition (and successful integration) of businesses that expand expertise whilst supporting existing products. The strategy also results in the disposal of businesses that no longer fit the Group's investment criteria.	Failure to identify acquisition targets could result in an opportunity cost to the business. Equally, an unsuccessful integration of acquired subsidiaries, or an acquired business that fails to generate the expected returns, could result in the underperformance of the Group or impairment losses. This could also divert management time from other operational matters. Our ability to achieve optimal value from disposals, as well as the failure to realise other anticipated benefits of a disposal could also impact financial results.	The majority of acquisitions are in related markets and are smaller businesses with a high potential for growth. This reduces the risk from any one acquisition. Acquisitions are approved by the Investment & Finance Committee, and managed by divisional and local management with oversight from the centre. Detailed due diligence is performed by internal teams and external advisors on all potential acquisitions. The retention of key employees in the acquired business is often required as part of the purchase. Board level monitoring is performed post-acquisition. Disposals, including the decision to divest, are overseen by the Board and the Group Finance Director.
4) Pension scheme shortfalls Our defined benefit pension schemes are now closed to new entrants, although existing members still employed by the Group can continue to accrue benefits on a cash basis. Deficits identified by actuarial valuations completed in 2011 are being addressed by means of a funding arrangement agreed with the trustees which will reduce the deficits over a period of 13 years to 2023.	Reported earnings may be adversely affected by changes in our pension costs and funding requirements due to lower than expected investment returns or changes made to the risk profile of our investment portfolio.	Measures to mitigate the risks that impact the company's balance sheet are under continuous review. Recent examples include: – benefits in the schemes are now accrued on a cash basis which reduces the risk of an increase to pension liabilities arising from improving longevity; – the Group provided the principal scheme with a £150 million guaranteed loan note to reduce the need for additional cash contributions; and – the Group has transferred a portfolio of properties to the schemes, valued at £24 million, reducing the net cash required to be transferred to the schemes during the year. In addition, a Joint Working Party assesses and monitors de-risking options available to the schemes.
5) Successfully managing change projects At any given time, a number of active capital and IT projects are underway around the Group. The two most significant change projects continue to be RMS's new software solution project, RMS (one), and A&N Media's new print site at Thurrock.	A successful project delivers improvements in product offerings, efficiency gains and cost savings. There is however, a risk of increased costs or lost revenues as a result of delays, unforeseen problems, loss of access to systems and data or production and delivery issues.	Every active capital project around the Group is subject to a rigorous planning process involving all key stakeholders. Significant capital projects are approved by the Investment and Finance Committee. Ongoing project management is in place to ensure that plans are delivered to timetable and specification. All key projects are monitored by the local board to ensure that risks and opportunities are managed throughout the process. The Group's most significant projects are monitored by the Risk Committee.

Directors' Report
External Risks to the Business

Risk	Potential impact	Mitigation
6) Data integrity, availability and security The quality and availability of the information products that DMGT businesses provide to their clients are key to their success. This is true for many businesses in the Group, most notable within dmg::information and Euromoney. Information security has always been a key focus across DMGT. However, changing technology, mobile working, cloud-based systems, the consumerisation of IT and the growing use of social media create opportunities but also threats to information security and the protection of our data, and that of our customers. The threat of cyber-attack from organised crime increases this risk further.	Any challenge to the integrity of information within a DMGT product could damage the reputation of that business, potentially resulting in lost revenues remediation costs. A similar impact would be felt if a product was unavailable for a time. An information security incident or cyber-attack resulting in the loss, theft, corruption or unavailability of sensitive information held by the Group could lead to operational and regulatory challenges, and could impact on financial results. Information security breaches could have a reputational impact on the Group.	Every DMGT business understands that quality of data is key to the reputation and ongoing success of the Group. Quality controls including rigorous checks, review and restricted access to amend and publish exist in every business with information products. Availability is managed through detailed and tested business continuity plans. Information security risks are managed locally by the individual businesses, with support from divisional management and DMGT Risk and Assurance. The Risk Committee monitors and oversees information security, data protection and cyber risks and controls around the Group. Businesses are expected to comply with the published information security policy and minimum baseline standards.
7) Impact of a major disaster or outbreak of disease There is a risk of disruption of Group operations as a result of a major disaster, outbreak of disease or other external threat. The Group's operations are geographically diversified which limits the impact of any given incident. The largest locations are Northcliffe House and Harmsworth Quays in London, Euromoney's offices in London and New York, and RMS's headquarters in California. Northcliffe House is the Group's headquarters as well as housing A&NM and some businesses within dmg::events. Harmsworth Quays is A&N Media's main printing centre and a contingency location for Northcliffe House. The success of the events and training businesses within dmg::events and Euromoney relies heavily on the confidence in, and ability of, delegates and speakers to travel internationally.	A major incident particularly in a key location could affect operation of the business at that location and impacts their ability to produce or deliver its products, which could reduce the demand for them or increase costs. Any disaster which significantly affects the wider environment or the infrastructure in an area in which the Group operates could adversely impact Group results. Significant disruptions to, or reductions in, international travel for any reason could lead to events and training courses being postponed or cancelled and could have an impact on the Group's performance.	Business continuity plans, which are tested regularly, are in place across all businesses. Contingency planning is in place in the events businesses and virtual events alternatives are being developed. Where appropriate, cancellation insurance is taken out. Recently the Group's business continuity planning helped its offices in North East America to recover quickly and effectively from the significant disruption caused by Superstorm Sandy.
8) Reliance on key management and staff retention DMGT is reliant on the talented and successful management and staff across all of its businesses. Many businesses and products are dependent upon specialist, technical expertise.	The inability to recruit and retain talented people could impact the Group's ability to maintain its performance and deliver growth. When key staff leave or retire, there is a risk that knowledge or competitive advantage is lost.	The DMGT Human Resources Director works with divisional and executive management across the Group on 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. Succession planning and long-term incentive plans are in place for senior management.

Risk	Potential impact	Mitigation
9) Commercial relationships, including volatility of newsprint prices The Group is reliant on a number of commercial relationships with key customers, suppliers and third parties. Examples include large advertising agencies and major retailers in A&N Media, key venues and agents in dmg::events and Euromoney, and data providers in dmg::information and RMS. Additionally, newsprint continues to represent a significant proportion of our costs. Newsprint prices are subject to volatility arising from variations in supply and demand.	The loss of, or damage to, any key commercial relationship could have a material impact on the Group's ability to produce and deliver its products. An increase in newsprint prices would impact the cost base of A&N Media.	Significant time and resources are dedicated to managing and developing these relationships to ensure they continue to operate satisfactorily. The Group's newsprint requirements are managed by a dedicated newsprint buying team and monitored by the board of Harmsworth Printing. Where possible, long-term arrangements are agreed with suppliers to limit the potential for volatility.
10) Compliance with laws and regulations Group businesses are subject to legislation and regulation in the jurisdictions in which they operate. The key laws and regulations that impact the Group cover areas such as bribery and corruption, competition, data protection, privacy (including e-privacy), health and safety and employment law. Additionally, specific regulations from the Press Complaints Commission and the Audit Bureau of Circulation apply to the newspaper divisions. The Group generates a significant amount of its revenue from publishing, be it newspapers, magazines, trade journals or information and data published online. As a result, there is an inherent risk of error which, in some instances, may give rise to legal claims (e.g. for libel). On 29th November Lord Justice Leveson released his report from the inquiry into culture, practices and ethics of the press.	A breach of legislation or regulations could have a significant impact on the Group both in terms of additional costs, management time and reputational damage. Equally, the management time and cost of defending legal cases can be significant. Increasing regulation of the newspaper industry could limit our editorial output and have a corresponding commercial impact on the business.	Compliance with laws and regulations is taken seriously throughout the Group. The DMGT Code of Conduct (and supporting policies) sets out appropriate standards of business behaviour and highlights the key legal and regulatory issues affecting Group businesses. Divisional and local management are responsible for compliance with applicable local laws and regulations, with oversight from the Risk Committee. All of our publications have controls in place, including legal review, to approve content that may carry a libel/legal risk. Journalists receive regular training on the PCC Code, Data Protection and the Bribery Act. Controls are also in place surrounding compliance with the Audit Bureau of Circulation's regulations and other regulatory bodies to which we adhere.
11) Treasury operations The Group Treasury function is responsible for executing treasury policy which seeks to manage the Group's funding, liquidity and treasury derivatives risks. More specifically, these include currency exchange rate fluctuations, interest rate risks, counterparty risk and liquidity and debt levels. These risks are described in more detail in Note 33 to the financial statements.	If the treasury policy does not adequately mitigate the financial risks summarised above, or is not correctly executed, it could result in unforeseen derivative losses or higher than expected finance costs. The Group Treasury function undertakes high value transactions, hence, there is an inherent risk of payment fraud or error.	The Investment & Finance Committee is responsible for reviewing and approving Group Treasury policies which are executed by the Group Treasury function, overseen by the Deputy Finance Director. Segregation of duties and authorisation limits are in place for all payments made. The Treasury function is subject to an annual internal audit.
12) Unforeseen tax liabilities The Group's operations are global and therefore earnings are subject to taxation at differing rates across a number of jurisdictions. Whilst endeavouring to manage the Group's tax affairs in an efficient manner, there will always be a certain level of uncertainty when provisioning for tax liabilities due to an ever more complex international tax environment.	Changing tax laws could increase tax liabilities and have an adverse impact on financial results. Due to the diverse and global nature of the Group, internal or external factors could give rise to unplanned tax liabilities.	The team of in-house specialists, in conjunction with divisional management and external experts, review all tax arrangements within the Group and keep abreast of changing legislation.

Directors' Report
Forward Looking Statements

FORWARD LOOKING STATEMENTS
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 profit after taxation of the Group amounted to £280 million. After charging minority interests of £23 million, the Group profit for the year amounted to £257 million.

An interim dividend of 5.6 pence per share was paid on the Ordinary and 'A' Ordinary Non-Voting Shares and the Directors recommend that a final dividend of 12.4 pence per share be paid on 8th February, 2013 making 18.0 pence per share for the year (2011 17.0 pence).

DIRECTORS
Biographical details of the Directors of the Company at 30th September, 2012 are set out on pages 50 and 51. Sir Charles Dunstone retired from the Board on 8th February, 2012 and Heidi Roizen was appointed to the Board on 26th September, 2012. All other Directors remained unchanged during the year. Mr Tom Gillespie will not stand for re-election at the 2013 AGM.

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 page 66.

In accordance with the UK Corporate Governance Code, each Director offers himself for re-election at the AGM on 6th February, 2013.

CHANGE OF COMPANY SECRETARY
On 1st October, 2012 Claire Chapman was appointed Company Secretary in succession to Mr Nicholas Jennings, Secretary since October, 1999.

TANGIBLE FIXED ASSETS AND INVESTMENTS
The Company's principal subsidiaries are set out on page 175.

Changes in the Group's tangible fixed assets and investments during the year are set out in Notes 22 to 25. There was no material difference between the book value and market value of the Group's land and buildings.

POST BALANCE SHEET EVENTS
Following the year end the Group disposed of its central European online recruitment business and its Hungarian joint venture online motors businesses. Additionally on 22 November, the Company announced it had exchanged contracts to dispose of the Northcliffe Media business to a new venture, Local World. Details are provided in Note 44.

Following a review of the Group's capital management programme, the Board has decided to utilise part of its authority to make or market purchases of its 'A' Ordinary Non-Voting Shares. The Company anticipates spending up to approximately £100.0 million over the coming year.

SHARE CAPITAL
Details of allotments of share capital during the year, which arose solely from the exercise of options, are given in Note 37.

At the Annual General Meeting on 8th February, 2012, the Company was granted the authority to purchase up to 10% of its own shares.

During the year, the Company transferred 7,018,953 shares out of Treasury, representing 1.88% of called up 'A' Ordinary Non-Voting Shares, in order to satisfy incentive schemes. The Company holds 10,188,174 shares in Treasury, with a nominal value of £1.3 million. The maximum number of shares held in Treasury during the year was 10,228,174 which had a nominal value of £1.3 million.

The Company also purchased 7,478,953 'A' Ordinary Non-Voting Shares for holding in Treasury, having a nominal value of £934,869 in order to match obligations under various incentive plans. The consideration paid for these shares was £30.1 million. Shares purchased during the year represented 2% of the called up 'A' Ordinary Non-Voting Share capital at 30th September, 2012.

The Company has two classes of share capital. Its total share capital comprises 5% of Ordinary Shares and 95% of 'A' Ordinary Non-Voting Shares. Full details of the Company's share capital are given in Note 37.

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.

MATERIAL CONTRACTS
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 40 to the Accounts as regards ink and printing, where arrangements are in place until 2018 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.

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. See page 183.

The Group's average payment period, calculated on the basis of year-end trade creditors, is 74 days (2011 70 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 £1,608,200 (2011 £1,392,000). This excludes the cost of publicity, often provided free of charge or various charities by the Group's titles, and funds raised by them, further details on which are given in the Corporate Responsibility Report on pages 44 to 47 of this annual report. No political donations were made by the Group.

SUBSTANTIAL SHAREHOLDINGS

On 30th November, 2012 the following were interested in more than 3% of the issued Ordinary Shares:

Rothermere Continuation Limited	59.9%
Codan Trust Company Ltd and Codan Trustees (BVI) Ltd (trustees of the Esmond Harmsworth 1998 Family Settlement)	29.3%

The Board regards holdings in the Company's securities of greater than 15% as being significant. There are no significant holdings in the Company's 'A' Ordinary Non-Voting Shares, other than those shown in the Remuneration Report on page 80.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

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 AGM.

ANNUAL GENERAL MEETING

The AGM of the Company will be held on 6th February, 2013 at 9.00am 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 58 to 80 on Corporate Governance including the Remuneration Report also form part of this Directors' Report.

By Order of the Board

C Chapman
Company Secretary

30th November, 2012

Governance
Corporate Governance

COMPLIANCE

The Company is committed to high standards of corporate governance. The paragraphs below and in the Remuneration Report on pages 66 to 80 describe how the Board has applied the principles set out in the UK Corporate Governance Code ('the Code').

The Code, issued by the Financial Reporting Council in June, 2010 is part of the Listing Rules and applied to the Company throughout the year and an updated version of the Code was released in September, 2012 for subsequent reporting periods, which the Company will take into account for the forthcoming year.

The Company has substantially complied with the provisions of the Code throughout the year, except where the Board has determined that any provision is inappropriate to the particular circumstances of the Company. The areas in which the Company has not applied the Code during the year are explained below in summary and noted within the Report, as appropriate, and primarily arise from the composition of the Board.

In addition, the Chairman was not independent on appointment (Code provision A3.1). A formal review of each Director's training requirements was not undertaken, however training requirements were addressed informally, by Director. Directors are encouraged to keep up to date and are provided with regular communications and regulatory updates to enable them to do so. The Company's auditors, Deloitte LLP, has received the Company's statement of compliance with the Code as required by the Listing Rules.

Management structure

UK Corporate Governance Code compliance

Provision	Area	Details of non-compliance and mitigating circumstances
A4.1	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.
A4.2	Non-executive Directors	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).
B1.1	Composition of the Board	Less than half of the Board are independent non-executive Directors. The Board believes that its current composition is appropriate taking account of the heritage of the Group, and that a good balance is achieved from its non-executive Directors in terms of skill and independence. However, the Board keeps this under review. Heidi Roizen joined the Board on 26th September, 2012 and is independent.
B2.1	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.
B6.2	Board Evaluation	The Board has determined to continue to conduct its evaluation internally by means of a questionnaire, rather than through contracting external consultants every three years. The process is refreshed regularly and has proved valuable in driving the Board's agenda.
C3.1	Composition of the Audit Committee	The Committee included two independent non-executive Directors rather than three during 2012. The Board believes that the Committee operated independently and benefits from the skill and experience of its then current composition. From November, 2012 there will be three independent non-executive Directors on the Committee as a result of Dominique Trempont's appointment to the Committee.
D1.5	Service contracts and compensation	The service contracts of Messrs Morgan and Dacre exceeded the one-year recommended in the Code during the year. However, both have now reduced to one year as explained in the Remuneration Report on page 76.
D2.1	Composition of the Remuneration Committee	The Committee comprises one independent non-executive Director, rather than two as set out in the Code, as explained on page 70 of the Remuneration Report.

THE BOARD

The Company is headed by a Board which comprised during the reporting period seven executive directors, including the Chairman and Chef Executive and seven non-executive Directors, with Heidi Roizen joining at the end of the period on 26th September, 2012 (as noted on page 49). Biographical details of each of the Directors are set out on page 50 and 51.

BOARD MEETINGS

The Board normally meets five times a year and at such other times as are necessary. It discusses and approves the Group's strategy. In addition, the Board receives reports and recommendations from time to time on any matter, which it considers significant to the Group. Most meetings include a presentation on one of the Group's divisions or on specific topics. During the year, these included presentations on the development of RMS's new software platform, RMS (one), dmg::events, Metro, dmg::information, on communications and a talent review.

The Board met six times during the 2011/12 financial year, meetings were attended by all Directors, except that Mr Fallon was unable to attend four of them because of illness. Individual attendance by Directors is set out to the right.

MATTERS RESERVED FOR THE BOARD

The Board's 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.com.

These are summarised below:

- Board and Committee appointments;
- the approval of financial statements and all information sent to shareholders;
- the setting of dividends;
- the setting of fees payable to Directors;
- approval of major acquisitions and disposals and capital expenditure; and
- review of Group pension schemes.

Other matters addressed by the Board are:

- approval of the Group's strategy;
- approval of the Group's annual budget; and
- ensuring maintenance of a sound system of internal controls and risk management.

CHAIRMAN AND CHIEF EXECUTIVE

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 including at a specific annual strategy meeting and is updated on progress at each meeting by the Chief Executive. The Chief Executive's role is to manage the Company, develop strategy and ensure its successful implementation.

The Board believes that five non-executive Directors may be considered to be independent under the Code, namely Messrs Balsemão, Verey, Berry and Trempont and Ms Roizen. Each of Mr Balsemão and Mr Verey have been on the Board for 10 and 9 years respectively and the Board has reviewed the independence of each, recognising that longevity of service is one of a number of factors to take into account. The Board is satisfied that each has continued to demonstrate independence in terms of character and judgement.

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. Heidi Roizen was appointed in late September. She has been provided with induction on appointment, including meetings with senior management across the Group and in respect of the Group's business operations and with the General Counsel and Company Secretary in respect of governance matters. There is an agreed procedure for Directors to take independent professional advice at the Company's expense, if necessary.

Board meeting attendance

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

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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 AGM Notwithstanding the Company's Articles of Association that all Directors are subject to re-election at least every three years, the Board has adopted the provision in the Code that all Directors should seek annual re-election.

The Company's Articles were last amended by a special resolution of Ordinary shareholders in February 2010 in accordance with the Companies Act 2006.

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 his views on the Board's mandate, membership, motivation, methods, monitoring and measurement. 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 material changes to procedures were considered necessary although the Board remains concerned to ensure that it maintains a high standard of governance in all of its proceedings.

VALUE CREATION AND STRATEGY
The basis on which the Company generates value over the longer term and the strategy for delivering its objectives are set out in the Chief Executive's Review on pages 10 to 19.

COMPANY SECRETARY
The Company Secretary, Ms Chapman who succeeded Mr Jennings on 1st October, 2012 is responsible for advising the Board through the Chairman on all governance issues. All Directors have access to the advice and services of the Company Secretary. Ms Chapman is additionally the Company's General Counsel.

CONFLICTS OF INTEREST
The Company's Articles of Association permit the Board to authorise Director's conflicts of interest. The Company has adapted the GC100 guidelines, and its approach is for conflicts to be renewed annually and at such other times as may be appropriate.

BOARD COMMITTEES
The Board has established Nominations, Remuneration, Audit, Risk, Investment and Finance and Corporate 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.com. Details of the membership of these committees are given on pages 50 and 51 and pages 60, 62-64 and 70. Each committee reports to the Board at every regular meeting. In October, 2011, the Board carried out a review of the performance of its committees and concluded that each had complied with its respective terms of reference and had been effective in the year.

INVESTMENT AND FINANCE COMMITTEE
Operating decisions are delegated to the Investment and Finance Committee which determines matters relating to the Group's financial affairs in accordance with specific terms of reference. The Investment and Finance Committee works alongside the DMGT Leadership Team with the objective of improving investment decision making and Group strategy development. The Committee comprises the Viscount Rothermere (its Chairman) and Messrs Morgan, Daintith, Dutton, Hemingway and Nelson. During the reporting period the Deputy Finance Director, Mr Perry, has acted as Secretary to the Committee but Ms Chapman replaced Mr Perry as Secretary from autumn 2012. Mr Perry will continue to attend as an invitee. The Director of Strategy Development, Ms FitzGerald, attends meetings at the invitation of the Committee. It held 11 meetings during the year which were attended by all of its members, except by Mr Hemingway in March 2012.

NOMINATIONS COMMITTEE
The Nominations Committee comprises three Directors: the Viscount Rothermere (its Chairman), Mr Hemingway and Mr Balsemão. During the reporting period, Mr Perry was Secretary to the Committee but Ms Chapman succeeded Mr Perry as secretary from autumn 2012. Mr Nelson and Mr Berry joined the Committee on 21st November, 2012. The Chief Executive, the HR Director and since her appointment in May, Jane Allen, the Group Reward Director, attend 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, with the exception of the one meeting, when Lord Rothermere communicated his views to the Committee but did not attend.

Nominations Committee attendance

	Number of meetings eligible to attend	Number of meetings attended
The Viscount Rothermere	4	3
J G Hemingway	4	4
F P Balsemão	4	4

Investment and Finance Committee attendance

	Number of meetings eligible to attend	Number of meetings attended
The Viscount Rothermere	11	11
M W H Morgan	11	11
S W Daintith	11	11
D M M Dutton	11	11
J G Hemingway	11	10
D Nelson	11	11

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 Heidi Roizen to the Board as a new independent non-executive Director. It determined from its search of international candidates centred in the US with a strong technology background, that Ms Roizen's experience made her the preferred candidate. Heidi Roizen is based in Silicon Valley, California.

Her appointment has added to the technology and international experience represented on the Board, widening further the range of insights and perspectives brought to its deliberations.

External advice was taken, but advertising was not required in this instance.

The Committee considered the benefits of diversity, including gender, during this search as recommended by the Code.

Whilst supportive of the Davies recommendation, which is a focused aspiration, the Committee's view is that the diversity discussion is broader than gender. It is about ensuring that there is an appropriate range and balance of skills, experience and background on the Board. Achieving this balance is a key determinant of any new Board appointment we make.

The Committee continued to review succession planning for both executive and non-executive Directors.

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 USA.

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 AGM, of which 21 clear 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.com. Questions to particular Directors should be addressed through the Company Secretary.

INTERNAL CONTROLS AND MANAGEMENT OF RISK

The Board has overall responsibility for the Group's system of internal controls. This system is designed to provide reasonable assurance over 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 Group operates on a divisional basis with each of the businesses described on pages 22 to 37 of the Annual Report having autonomy as regards its operation and establishment of control systems. Overseeing the divisional structure is a central management team responsible to the Board. Certain functions are undertaken centrally, notably newsprint buying, insurance, treasury, tax, pensions, and risk and assurance (including internal audit).

The Directors confirm that they have reviewed the effectiveness of the Group's system of internal controls 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 reporting period.

The Directors have excluded joint ventures and associates, principally Zoopla, from their assessment of internal controls over financial reporting because the Group does not have the ability to dictate or modify controls at these entities. Controls over the recording of amounts in the Group's consolidated financial statements relating to the investments has been assessed.

In reviewing the effectiveness of the system of internal controls, the Board has considered material controls (including those undertaken through its committees), including financial, operational and compliance controls and risk management systems as follows:

1) Operations of the Audit Committee

The Audit Committee, on behalf of the Board, has responsibility for the review of internal financial controls. It fulfils this by:

- by receiving regular reports summarising the results of internal audit reviews and management controls assurance work from the Head of Risk & Assurance. These include management's response to any recommendations and the progress of any required actions;
- being made aware of the results of the Key Internal Controls certifications and reviews performed by Risk and Assurance;

Governance
Corporate Governance continued

- reviewing a summary of letters to management prepared by the Group's external auditors following their audit procedures; and
- considering significant financial reporting issues and approving any changes to Group accounting policies, which are set centrally.

2) Risk and Assurance
Risk and Assurance carries out internal audit activities for the Audit Committee across the Group. It has a direct reporting line to the Audit Committee and operates under its internal audit charter which covers: its purpose and objective; its authority and scope; independence issues; standards of professional practice; performance monitoring; planning; and reporting.

An annual plan is developed each year which considers every part of the Group's operations. Input is received from divisional and executive management, the Audit Committee, external auditors, and with reference to past reviews and key risks. The Audit Committee approves the internal audit plan for the forthcoming year in September. Any necessary changes to the plan during the year are agreed with the Chairman of the Audit Committee.

Risk and Assurance schedule, plan and complete internal audit reviews in accordance with the annual plan across the year; working closely with local and divisional management to determine a detailed scope for each review. Audit findings are categorised according to their significance and the overall control environment is rated for each review. Audit findings are cleared at the completion of the fieldwork and a formal report is issued which includes agreed actions and the timescale for remediation of control weaknesses identified. Regular follow-up of audit points is completed by Risk and Assurance to ensure that management actions are completed within the timeframes agreed.

The department also coordinates with a number of the divisions who undertake internal controls assurance reviews within their respective business.

In addition to the schedule of reviews set out in the annual plan, an annual bribery and fraud risk assessment is completed by each key business in the Group detailing bribery and fraud risks and mitigating controls. Risk and Assurance follow up with divisional management to ensure that these controls are satisfactorily implemented. All divisions are adequate and are required to notify Risk and Assurance of any bribery or fraud issues identified. This allows action to be taken where it is felt that control weaknesses may exist.

The Head of Risk and Assurance meets regularly with the Audit Committee chairman and, at each Audit Committee meeting, reports on the internal audit activity across the Group, including progress against completion of the annual plan, a summary of the findings of assurance reviews undertaken both by internal audit and by divisional teams and the results of follow-up reviews.

3) Confirmation of key internal controls
Each year operating businesses within the Group are required to confirm the operation of key internal financial controls to the Group Accounting department which, in turn, reports to the Finance Director. Risk and Assurance review these submissions and follow up on exceptions as appropriate.

4) Risk Committee
The Risk Committee oversees the quality and formality of risk management processes across the Group. The remit and operation of the Risk Committee is described in more detail below.

5) Review of relevant and timely financial information
Divisional and executive 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 rolling 12-month forecasts as well as annual budgets that are approved at a divisional level by the Investment & Finance Committee.

6) Operations of the Investment and Finance Committee
The evaluation of the benefits and risks of investment opportunities and financing proposals is undertaken by the Investment and Finance Committee. Above certain defined levels, however, the Board approves programmes relating to acquisition and divestment proposals and capital expenditure.

7) Senior Accounting Officer sign-off
The HMRC Senior Accounting Officer (SAO) rules require the SAO of qualifying companies (for DMGT this is the Group Finance Director) to certify that the Company (and its subsidiaries) have established and maintained appropriate arrangements to ensure that tax liabilities are calculated accurately in all material respects. As a result, Group Tax implemented a controls questionnaire and performed a series of controls reviews of UK businesses.

Risk Committee attendance

	Number of meetings eligible to attend	Number of meetings attended
M W H Morgan	4	4
S W Daintith	4	4
D M M Dutton	4	4
D J Verey	4	4
M J Page	4	4
H Kass	1	1

RISK COMMITTEE

The oversight and management of significant risks around the Group is undertaken by the Risk Committee and it accords with the FRC Guidance and the Turnbull Guidance on internal controls, as updated, appended to the Code.

The Committee comprises Messrs Morgan (its Chairman), Daintith, Dutton, Verey and Page, Deputy Finance Director of A&N Media. Mr Kass, the legal director of A&N Media, retired in December, 2011. Ms Roizen and Ms Chapman, the General Counsel and Company Secretary, joined the Risk Committee from November, 2012. 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 62.

The Head of Risk and Assurance, Mr Ashby is Secretary to the Committee.

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 Committee oversees the quality and formality of risk management processes across the Group. 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 risks and monitors developments in relevant legislation and regulation to consider the impact these might have on the Group including on its system of internal controls. This year the Committee has focused on cyber-attack; the EU Privacy and Electronic Communications Regulations; risks from the use of social media; Bribery Act compliance; health and safety; fraud (as part of the annual fraud risk assessment); and business continuity planning. The Committee also followed up on the recommendations from the Editorial Process Review completed in 2011. Members of the Risk Committee 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.

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 external auditors;
- monitor and review the resources and effectiveness of internal audit (including approval of the appointment and removal of the Head of Risk and 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 corresponding management responses to any recommendations, and to monitor the progress of any required actions.

The Committee monitors the financial reporting process and the Group's statutory annual audit. It 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.

Audit Committee attendance

	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

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The Committee comprises four non-executive Directors: Messrs Verey (its Chairman), Hemingway, Berry and Nelson. 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 operated independently during the period. Mr Trempont joined the Committee with effect from 21st November, 2012 and is independent. Members' qualifications are set out in their biographies on pages 50 and 51. 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. Ms Chapman succeeded Mr Jennings as Secretary to the Committee from its November, 2012 meeting.

The Audit 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 63.

The Finance Director attended all meetings and the Chief Executive two meetings, each by invitation.

The Committee has implemented the procedures set out in the updated Guidance on Audit Committees, published by the Financial Reporting Council in December, 2010, and updated September, 2012 which are within its control. It reviews the Group's policy on whistleblowing.

As noted, 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 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. The last such reassessment was performed in 2008/09, as with many suppliers, when 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 year-on-year contractual commitment to the current audit firm and, as such, the Committee may undertake an audit tender at any time at its discretion.

Procedures exist to monitor the independence of the external auditors and include a policy on employment of former audit principals.

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.

During the year, the Committee received reports from management on litigation matters, investor relations messages, correspondence with institutional shareholders, analyst and media reaction to the Group's 2011 preliminary announcement and half year and Annual Report, changes in the FTSE composition, going concern 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 September, 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 18 April 2012, FTSE announced that DMGT's 'A' Ordinary Non-Voting Shares would no longer be eligible for inclusion in the UK Index Series. The Board of DMGT has considered at length, with the assistance of its advisors, the options available to it and the suitability of such options to meet the needs of its stakeholders to make the 'A' Ordinary Non-Voting Shares eligible for inclusion in the UK Index Series but no solution has to date been found. The FSA's recently issued consultation paper on 'Enhancing the effectiveness of the Listing Regime and feedback on CP12/2' makes it more difficult to envisage how the Company can regain its premium listing. It is unlikely, therefore, that the 'A' Ordinary Non-Voting Shares will become eligible for inclusion in the index in the foreseeable future. However, DMGT's 'A' Ordinary Non-Voting Shares will continue to be standard listed and traded on the London Stock Exchange and to be a member of other important indices such as MSCI, STOXX, S&P and the FTSE Global Equity Index Series and DMGT will continue to maintain the highest standard of governance and disclosure.

POLICY ON NON-AUDIT FEES

During 2011 the Committee reviewed its policy on the provision of non-audit services in light of the Ethical Standard, issued by the Auditing Practices Board in December, 2010. The Audit Committee considers services under the three headings, set out in the Ethical Standard. The Committee determined that the policy continued to apply during the reporting period.

Services where threats to Deloitte's independence are considered low

The first category comprises pre-approved services where threats to Deloitte's independence are considered low, typically where the engagement is routine in nature and the fee immaterial in the context of the total annual Group audit fee. In addition such pre-approved services include those which are audit related, as defined by the APB Ethical Standard. Services which may fall in this category include the review of the Half Yearly Report, reporting on regulatory returns and accountancy advice.

Services where there could be a perceived threat to independence

The second category is services where there could be a perceived threat to independence for which approval is required before they are undertaken. Non-audit services in these areas are considered by the Committee on an individual basis and are put out to tender where the amounts in question are significant. Non-audit services in this category would include those with a contingent fee arrangement. In these areas, the choice of firm is determined on the basis of professional expertise and competitiveness.

Services where there is a real threat to independence

The third category is services where there is a real threat to independence and from which the external auditors are therefore excluded. These services are specifically prohibited by the APB Ethical Standard and comprise:

- internal audit and IT services where the external auditor would place significant reliance as part of its audit work;
- valuation and tax services and litigation support where the respective valuation, calculations or estimation of the likely outcome would have a material effect on the financial statements;
- any services where the auditor would undertake the role of management or take on the role of advocate; and
- contingent fee arrangements where the outcome is dependent on a future or contemporary audit judgement relating to a material matter in the financial statements or on a new or uncertain tax law interpretation.

In addition to considering the non-audit fees to be incurred, the Committee also considers both the nature of the services to be performed and the safeguards required to maintain independence.

Non-audit fees payable to Deloitte LLP in the year amounted to £0.8 million, compared to £0.8 million in the previous year (note 5).

D J Verey
Audit Committee Chairman

On behalf of the Board

C Chapman
Secretary

30th November, 2012

Governance
Remuneration Report
Chairman's Overview
DMGT's approach aligns remuneration with shareholders' priorities and reflects our business philosophy. It aims to incentivise outstanding performance and ensure that executives' strategic contributions to the Group are properly rewarded.

IN THIS SECTION

Our remuneration policies and executive pay packages are designed to be competitive and to drive behaviour so as to achieve long-term strategic goals.

Over the last year or so widespread concern has been expressed on the topic of executive compensation generally and particularly in relation to schemes which reward short-term thinking. Much of this concern is valid.

It is more important than ever that the Remuneration Policy is fully aligned with the interests of long-term shareholders who want to see sustainable growth, businesses that respond to technological change and a policy of investing for the medium to long term and not for short-term returns at the expense of creation of long-term value.

As the Company's largest shareholder, my interests are fully aligned with other shareholders. Given this, it's disappointing that the Company has received some criticism for the composition of its Remuneration Committee. The Committee is confident that its make-up ensures that it carries out all aspects of its role with proper and appropriate regard to long-term shareholders' interests and that this alignment is, in fact, stronger as a direct consequence of its membership.

Following a detailed review of reward policy in 2011, the Committee decided to further strengthen the alignment between the interests of the executives and shareholders, whilst ensuring that executive compensation is fair and easily understood.

Our objective was to combine the necessary attention to short-term performance by the addition of key business objectives into the annual bonus plan, with a stronger focus on the fundamentals that drive long-term growth, by lengthening the performance period to five years and creating a set of objectives against which to measure progress towards our strategic goals.

My remuneration continues to follow the approach adopted in 2009, as set out in the key elements of remuneration table on page 70.

The Committee continued its practice of setting stretching annual bonus performance targets, thus ensuring pay is firmly linked to performance. When determining the annual pay review for Executive Directors, the Committee was mindful of pay elsewhere in the Group and shareholder feedback.

The Viscount Rothermere
Chairman, Remuneration Committee

Key activities

The following changes were implemented:

- an increase in the LTIP performance measurement period from three to five years;
- simpler set of LTIP performance measures linked to the achievement of strategic objectives;
- a reduction in annual LTIP award from 187.5% of salary to 100% of salary;
- a portion of bonus depends on achievement or progress towards key strategic objectives. For 2012 this was 20% of bonus; and
- actual bonus outcomes for 2012 were just above target, reflecting good corporate performance.

Other activities of the Committee in 2012 included:

- agreeing pay increases for the Executive Directors for the coming year with effect from 1st October, 2012 of 3%, except for Paul Dacre who has a contractual increase of the higher of RPI or 5%;
- agreeing an annual bonus payment for the year. The Board considers the performance of the Group in 2012 to be good and annual bonus payments for 2012 were slightly above target level;
- agreeing the vesting of the December, 2009 LTIP award at 52.5% of maximum. The award vests in December 2012 based on results over the three-year period: 1st October, 2009 to 30th September, 2012;
- noting the latest forecast outcomes for the previous LTIP awards, the December, 2010 award is currently estimated to be 20% and the 2006 and 2007 awards are estimated to be below threshold. A summary of previous awards and their estimated vesting can be found on page 75; and
- introducing a new provision, so that the Committee may decide to reduce or eliminate bonus awards, or require repayment of a bonus already received in the event of material misstatement of information or misconduct of the participant.

This year we have tried to improve the clarity and transparency of the report. Specifically, we have introduced a section which covers key outcomes for the year at a glance. In addition we have commented on the link between reward and the performance of the business in 2012.

SUBSIDIARY PLANS

The Committee also spends considerable time reviewing the incentive plans of our main subsidiaries. Developing the right incentives is a key part of ensuring that we have the right entrepreneurial culture and growth strategies in our various businesses.

SUPPORT FOR THE REMUNERATION COMMITTEE

Given the increasing importance of the role of remuneration and the Group's desire to operate a variety of plans focused on the performance and needs of the individual businesses. We have recently appointed a new Group Reward Director Jane Allen who will provide additional internal resource to support the Committee and the wider management team. The Group Reward Director will also be Secretary to the Committee with effect from 21st November, 2012.

The Committee receives regular updates on corporate governance as well as pay increase budgets and incentive plan payouts in our local markets.

CONSULTATION WITH SHAREHOLDERS

As in previous years, the Committee takes account of the views of shareholders and the largest shareholders were invited to meet with David Nelson in December 2011 to discuss the proposed changes. The Remuneration Report received a majority vote in favour as did the new LTIP at the AGM.

We sincerely hope to receive your continued support at the AGM on 6th February, 2013, for our approach that combines the necessary attention to short-term performance with a focus on the fundamentals that drive long-term value.

All of our work is aimed at ensuring the sustainability and long-term success of the Group.

The Viscount Rothermere
Chairman

Contents of the 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 (the Regulations) 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.

This report on Directors' remuneration includes the following:

- a description of DMGT's policy on executive remuneration for 2013 and subsequent years;
- details of each Director's remuneration earned in 2012 and awards under long-term incentive plans;
- graphs illustrating DMGT's total shareholder return (TSR) performance;
- information regarding the constitution and duties of the Remuneration Committee (the Committee) and its activities during 2012;
- a summary of the terms of executive Directors' contracts and non-executive Directors' appointments;
- Directors' interests in DMGT shares; and
- audited disclosures of Remuneration.

Governance
Remuneration Report continued

REMUNERATION AT A GLANCE

Business performance

- EPS – 49.4p (up 7%)
- Profit before tax* – £255 million (up 10%)
- Dividend – 18p (up 6%)
- Share price increased in the year from £3.57 on 3rd October, 2011 to £4.82 on 30th September, 2012 an increase of 35% and had increased by a further 8% by the date of this report.

2012 Remuneration Outcomes for the Executive Directors

	The Viscount Rothermere £000	M W H Morgan £000	S W Daintith £000	D M M Dutton £000	P M Dacre £000	P M Fallon £000	K J Beatty £000
Fees and salary 2012	751	902	640	328	1,750[2]	222	666
Increase with effect 1st October, 2012	(3%)	(3%)	(3%)	(3%)	(5%)	(0%)	(3%)
Cash bonus/profit share[1]	228	451	320	91	–	5,636[3]	200
Benefits in kind	3	3	3	1	26	2	5
Car allowance	34	18	14	–	10	–	16
Pension/cash allowance	267	323	192	–	–	–	246
Gain on LTIP/share option awards that become exercisable in the year	–	–	–	–	–	28	–
Total	1,283	1,697	1,169	420	1,786	5,888	1,133

[1] 75% of the Viscount Rothermere's bonus is deferred into shares for three years. For Messrs Morgan and Daintith the bonus up to 50% of salary will be paid in cash, for Mr Beatty the bonus up to 30% will be paid in cash. The remaining amount for Messrs Morgan, Daintith and Beatty will be deferred into shares for two years.

[2] Mr Dacre's services have been retained in his current role. The Committee decided in 2010 that Mr Dacre would be paid an additional £500,000 for each full year that he continues working until he is 65. Mr Dacre does not participate in any bonus or other LTIP.

[3] The level of Mr Fallon's bonus/profit share was determined by the Euromoney Remuneration Committee, details of which are set out in Euromoney's annual report.

What are the key elements of remuneration for the Executive Directors?

The remuneration policy for the Executive Directors over the 2013 financial year will remain the same as that which applied for the 2012 financial year.

Fixed	Variable remuneration	
Base salary **Pension** The Viscount Rothermere, Messrs Morgan, Daintith and Beatty receive a cash allowance in lieu of pension. **Benefits in kind** ie car, fuel allowance, private medical	**Short term – annual bonus** The Viscount Rothermere: on target bonus is 100%, maximum is 200% of salary, normally 75% of any bonuses deferred into shares for 3 years. Messrs Morgan and Daintith: on target bonus is 50%, maximum is 100% of salary with any amount above target deferred into shares for two years. Mr Beatty: on target bonus is 30%, maximum is 60% of salary with any amount above target deferred into shares for two years. Mr Dutton: bonus is discretionary. No deferral applies. Mr Dacre: does not participate in a bonus scheme. Clawback of bonus in the event of material misstatement of information or misconduct.	**Long-term incentive – 5 years** The Viscount Rothermere: no awards from 1st October, 2009. Messrs Morgan, Daintith and Beatty: standard award of shares equivalent to 100% of salary. Vesting is after 5 years, conditional upon achievement of performance conditions. Messrs Dutton and Dacre: do not participate in a long-term incentive plan. Clawback provision is included in the 2012 LTIP rules.

Recommended shareholding 1.5 times base salary achieved over suitable period

PERFORMANCE AND OUTCOMES IN 2012

2012 annual bonus outcomes

The table below sets out the performance criteria and the level of achievement against each measure.

Performance Measures for 2012

	Actual Outcome	% achieved
B2B Adjusted pre-tax profits	above target	132%
Consumer adjusted pre-tax profits	above target	110%
Overall DMGT adjusted pre-tax profits	above target	123%

Strategic objectives

For Messrs Morgan, Daintith and Beatty, 20% of the bonus is measured against achievement of strategic targets. For 2012, examples of the progress during the year against these targets are set out below:

- divestment of Northcliffe Media;
- ensuring that we have the right skills and talent to deliver against our strategic priorities; and
- increasing focus on technology and digital transformation supported by a cross-divisional council of Chief Technology Officers.

Outcomes

The Committee agreed a bonus award of 121.3% for the Viscount Rothermere, 62.6% of salary for Mr Morgan and 68.6% of salary for Mr Daintith.

The Committee also agreed a bonus award for Mr Beatty of 45.4% of salary. The award for Mr Dutton was £90,750.

Bonus deferral

In accordance with revised deferral levels, 75% of the Viscount Rothermere's bonus will be deferred into shares for three years. For Messrs Morgan, Daintith and Beatty, any amounts above on target bonus are deferred into shares for two years. There is no deferral applied to the bonus for Mr Dutton.

LTIP awards vesting in 2011

The LTIP awards made in 2007 did not meet the performance criteria in the period up to 31st December, 2011. Therefore the LTIP award did not vest. There was no LTIP award in December, 2008.

LTIP awards vesting in 2012

The 2006 LTIP award, the extended performance period of which ends on 31st December, 2012, is unlikely to meet the threshold for vesting. See page 74 for further details.

The LTIP awarded in December, 2009 which will vest in December, 2012 for which the performance period ended on 30th September, 2012 will vest as follows:

	Weighting % that vests	Actual outcome	Actual % that vests
EBITA (2011/12)	25%	below threshold	0%
Cumulative free cash	25%	above threshold	10%
Net debt: EBITDA (average)	25%	maximum	25%
Performance against the Strategic Plan	25%	above target	17.5%
Total			52.5%

The 2009 awards will not be realisable until December, 2015. The value of the award uses a closing share price of £4.82 on 30th September, 2012. The final value will not be known until the award vests in December, 2015.

	Martin Morgan 2012	Kevin Beatty 2012
LTIP shares	69,053	51,042
Total value of LTIP awards £000	332,835	246,022

In addition to the core awards in the table above, matching shares will be awarded, to the extent to which the core award vested, on 14th December, 2012, 2013, 2014 and 2015, so long as none of the shares from the core award are sold and the executive is still employed in the Group.

Developing the right incentives is a key part of ensuring that we have the right entrepreneurial culture and growth strategies in our various businesses.

Governance
Remuneration Report continued

THE REMUNERATION COMMITTEE: ROLE AND ACTIVITIES

The Remuneration Committee responsibilities include Group remuneration policy and for setting the remuneration, benefits and terms and conditions of employment of the Company's executive Directors and other senior executives. The Committee's terms of reference are available on the Company's website.

The members of the Committee are the Viscount Rothermere, its Chairman, Messrs Berry and Nelson. The UK Corporate Governance 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 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 to be independent under the Code, the Board does consider him to act independently as regards remuneration issues.

The Committee also reviews the Chief Executive's recommendations for the remuneration packages of other senior executives, except those in Euromoney, and oversees the bonus arrangements which are reviewed by the Euromoney Remuneration Committee and long-term incentive arrangements. These are designed individually to reflect the targets and objectives of each division.

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

During the year, the Board approved that the Secretary to the Committee would now be the Group Reward Director.

The Committee seeks the recommendations of the Chief Executive, with regards to the remuneration of the other executive Directors and of other senior executives. He usually attends meetings of the Committee by invitation. It also seeks input from the Finance Director regarding financial performance and other issues, from the HR Director, Group Reward Director and from the Company Secretary. No executive is present when his own remuneration is being discussed.

During 2012, the Committee was advised by MM&K, a specialist remuneration advisor, who were appointed by the Committee. MM&K also provided the Company with advice on share schemes, provided market data of remuneration levels for other companies, particularly in the media field and advice on best practice. Phil Wills Associates were separately appointed by management and provided remuneration advice to the Committee. Neither advisers provided services to any other part of the Group. Freshfields, which are the Company's legal advisor, also provided advice to the Committee.

In September 2012, the Committee conducted a formal review of its effectiveness and concluded that it had fulfilled its remit and been effective in the year.

DMGT'S EXECUTIVE DIRECTOR REMUNERATION POLICY

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

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 are provided with the opportunity to endorse the Company's remuneration policy on a regular basis through the annual vote on the Remuneration Report.

A significant proportion of each executive Director's remuneration is performance related.

Risk and reward

During the year the Committee reviewed and confirmed that the plans in operation throughout the Group did not incentivise excessive risk and in particular that the remuneration incentives the Company are compatible with its risk policies and systems.

Remuneration Committee attendance

	Number of meetings eligible to attend	Number of meetings attended
The Viscount Rothermere	5	5
N W Berry	5	5
D H Nelson	5	5

The new long-term incentive plan (LTIP) has increased the performance measurement period from three to five years.

Remuneration components

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.

BASIC FEES AND SALARY
Basic salaries are set by the Committee and reviewed annually.

BONUSES
Executive Directors are eligible for an annual bonus dependent on the achievement of targets which take account of corporate performance as well as key strategic objectives. These targets are reviewed annually and new objectives are set by the Committee for each Director at the start of the financial year. Details of the target and maximum bonus levels for each of the executives can be found on page 70. Details of the bonus awards for 2012 can be found on page 71 of this report.

LTIP
The 2012 plan was approved by shareholders at the 2012 AGM and has a standard award of 100% of salary, for those Executive Directors who participate in the plan, although the plan rules approved by shareholders provides for maximum awards in exceptional circumstances of up to 300% of salary.

Performance conditions

The Committee recognises the difficulty of setting formula-driven financial goals at a Group level over an extended five-year period, as well as to the challenges of the overall economic environment in general and the print businesses in particular.

The following criteria apply to the LTIP awards made in March, 2012, which will be assessed by the Committee at the end of 2016, who will then decide on the extent to which the LTIP awards will vest:

- growing the B2B businesses;
- continue to grow and invest in strong brands of digital consumer media – particularly MailOnline;
- growing sustainable earnings and dividends; and
- increasing the Company's exposure to growth economies and to international opportunities.

The performance criteria reflect the priority of increasing shareholder value by driving long-term sustainable profit growth, whilst continuing with our investment in a digital business.

The performance conditions for awards to be made in December, 2012 follow the same principles for the awards that were made in March, 2012.

Awards that have been made under the 2012 LTIP scheme are shown below.

Simpler, more focused criteria link performance more directly to the achievement of strategic goals.

2012 Schedule of LTIP Awards

'A' Ordinary Non-Voting Shares in award	Held at 2 Oct 11	Awarded during year	Vested during year	Lapsed during year	Held at 30 Sep 12	Award price £	Date of award	End of performance period
M W H Morgan	–	206,350	–	–	206,350	4.370	13 Feb 12	2 Oct 16
	–		–	–				
S W Daintith	–	146,453	–	–	146,453	4.370	13 Feb 12	2 Oct 16
	–		–	–				
K J Beatty	–	152,494	–	–	152,494	4.370	13 Feb 12	2 Oct 16
	–		–	–				
Total	–	505,297	–	–	505,297			

Governance
Remuneration Report continued

SUMMARY OF LTIP AWARDS AND VESTING FROM 2006 TO 2012

The table on the right summarises the awards that have been made each year and the actual level of vesting of the award or the estimated level for future vesting.

Full details of previous plans can be found in the Remuneration Report in the 2011 Annual Report and Accounts.

Summary of LTIP awards and vesting from 2006 to 2012

Year of Award	Normal date of vesting	Actual date of vesting	Standard award as % of salary	Award price	Percentage of award realised (estimated[e])	Performance conditions
Jul 06	Dec 10	Dec 12	187.5%	7.880	0%	Relative performance of TSR against comparator group.
Jul 07	Dec 11	Dec 13	187.5%	7.170	0%	Relative performance of TSR against comparator group.
Mar 08	Mar 11	Mar 11	187.5%	4.265	0%	Core award: EPS growth.
Mar 08	Mar 11	Mar 11	30%	4.265	100%	Transition award: no additional conditions.
Dec 09	Sep 12	Sep 12	187.5%	4.039	52.5%	EBITDA; Cumulative free cash; Net debt: EBITDA average and Performance against strategic plan.
Dec 10	Sep 13	Sep 13	187.5%	5.585	20%[e]	EBITDA; Cumulative Free Cash; Net debt: EBITDA investment grade rating and performance against strategic plan.
Feb 12	Oct 16		100%	4.370	100%[e]	Extent to which strategic goals are met.

OUTSTANDING AWARDS FOR THE YEAR 2006 TO 2007 LTIP AWARDS

All participating Directors elected to delay the realisation of their 2006 awards for a further two years until 31st December, 2012 and of their 2007 awards until 31st December, 2013. Having received agreements to commit shares, the Trustee made the awards set out in the table on the right.

2006–2007 schedule of LTIP awards

'A' Ordinary Non-Voting Shares in award	Held at 2 Oct 11	Awarded during year	Vested during year	Lapsed during year	Held at 30 Sep 12	Award price £	Percentage of award realised (estimated[e])	Date of award	End of extended performance period
The Viscount Rothermere	36,250	–	–	–	36,250	7.88	0%[e]	28 Jul 06	31 Dec 12
	43,926	–	–	–	43,926	7.17	0%[e]	4 Jul 07	31 Dec 13
Subtotal	80,176				80,176				
M W H Morgan	17,766	–	–	–	17,766	7.88	0%[e]	28 Aug 06	31 Dec 12
	17,500	–	–	–	17,500	7.17	0%[e]	26 Feb 07	31 Dec 13
Subtotal	35,266	–	–	–	35,266				
D M M Dutton	16,142	–	–	–	16,142	7.88	0%[e]	26 Sep 06	31 Dec 12
	18,807	–	–	–	18,807	7.17	0%[e]	20 Jun 07	31 Dec 13
Subtotal	34,949	–	–	–	34,949				
Total	150,391	–	–	–	150,391				

PERFORMANCE CONDITIONS

The Company's TSR ranking for the 2006 and 2007 awards are shown in the table below.

The Company's Relative TSR Performance to date

Year of award	Extended performance period	Position at 30th September 2012	Vesting if position maintained
2006	1 Jan 2006 to 31 Dec 2012	Ninth	0%
2007	1 Jan 2007 to 31 Dec 2013	Seventh	0%

Graphs

Graphs of the Company's performance against each of its comparators for each of these periods are set out on page 75. 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 page 74 compare the Company's total shareholder return with that of the FTSE 100 index over a period of five years, as required by the Regulations. 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 26-year period for which data is available.

The graphs on pages 74 and 75 are unaudited.

OUTSTANDING AWARDS FROM 2008 TO 2011

The table below shows unvested awards that were made under the 2008 LTIP scheme.

2008–2011 Schedule of LTIP Awards

'A' Ordinary Non-Voting Shares in Core awards	Held at 2 Oct 11	Awarded during year	Vested during year	Lapsed during year	Held at 30 Sep 12	Award price £	Percentage of award realised (estimated[e])	Date of award	End of performance period
M W H Morgan	131,530	–	–	–	131,530	4.039	52.5%	14 Dec 09	30 Sep 12
	97,974	–	–	–	97,974	5.585	20%[e]	20 Dec 10	29 Sep 13
Subtotal	229,504	–	–	–	229,504				
K J Beatty	97,224	–	–	–	97,224	4.039	52.5%	14 Dec 09	30 Sep 12
	72,403	–	–	–	72,403	5.585	20%[e]	20 Dec 10	29 Sep 13
Subtotal	169,627	–	–	–	169,627				
Total shares awarded	399,131	–	–	–	399,131				

Recruitment award

'A' Ordinary Non-Voting Shares in Transition awards	Held at 2 Oct 11	Awarded during year	Vested during year	Lapsed during year	Held at 30 Sep 12	Award price £	Percentage of award realised	Date of award	End of performance period
S W Dainith	17,421	–	–	–	17,421	5.74	100%	1 Jan 11	1 Jan 14

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 unless both 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 30th 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.

Option awards 2001–2004

Unvested awards that were made under the 1997 share option scheme are shown below.

Outstanding Options

There were 4,929,968 outstanding options under all the schemes at the end of the year. This represents 1.29% of the Company's total issued share capital (excluding treasury shares).

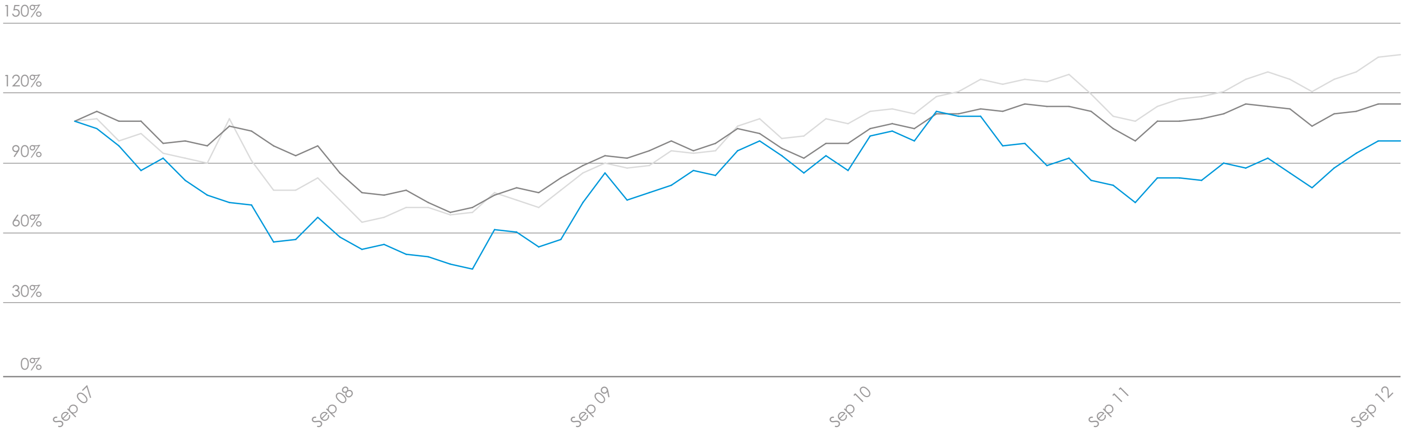
The mid-market price of the 'A' Ordinary Non-Voting Shares was £4.82 at 30th September, 2012 and £3.631 at 2nd October, 2011. It ranged from £3.479 to £5.015 during the year.

Awards of options made in the years 2001–2004

'A' Ordinary Non-Voting Shares in the Company	Held at 2 Oct 11	Awarded during year	Exercised during year	Expired/lapsed during year	Held at 30 Sep 12	Exercise price £	Likely vesting	Normal date from which exercisable	Expiry date
The Viscount Rothermere	30,000	–	–	(30,000)	–	6.45	not vested	14 Dec 04	14 Dec 11
	50,000	–	–	–	50,000	5.73	unlikely	16 Dec 05	16 Dec 12
	40,000	–	–	–	40,000	6.08	unlikely	8 Dec 06	8 Dec 13
	60,000	–	–	–	60,000	7.24	unlikely	6 Dec 07	6 Dec 14
Subtotal	180,000	–	–	(30,000)	150,000				
M W H Morgan	10,000	–	–	(10,000)	–	6.45	not vested	14 Dec 04	14 Dec 11
	20,000	–	–	–	20,000	5.73	unlikely	16 Dec 05	16 Dec 12
	20,000	–	–	–	20,000	6.08	unlikely	8 Dec 06	8 Dec 13
	20,000	–	–	–	20,000	7.24	unlikely	6 Dec 07	6 Dec 14
Subtotal	70,000	–	–	(10,000)	60,000				
D M M Dutton	25,000	–	–	–	25,000	5.73	unlikely	16 Dec 05	16 Dec 12
	35,000	–	–	–	35,000	6.08	unlikely	8 Dec 06	8 Dec 13
	40,000	–	–	–	40,000	7.24	unlikely	6 Dec 07	6 Dec 14
Subtotal	100,000	–	–	–	100,000				
P M Dacre	60,000	–	–	(60,000)	–	6.45	not vested	14 Dec 04	14 Dec 11
	100,000	–	–	–	100,000	5.73	unlikely	16 Dec 05	16 Dec 12
	50,000	–	–	–	50,000	6.08	unlikely	8 Dec 06	8 Dec 13
	80,000	–	–	–	80,000	7.24	unlikely	6 Dec 07	6 Dec 14
Subtotal	290,000	–	–	(60,000)	230,000				
K J Beatty	15,000	–	–	(15,000)	–	6.45	not vested	14 Dec 04	14 Dec 11
	20,000	–	–	–	20,000	5.73	unlikely	16 Dec 05	16 Dec 12
	20,000	–	–	–	20,000	6.08	unlikely	8 Dec 06	8 Dec 13
	30,000	–	–	–	30,000	7.24	unlikely	6 Dec 07	6 Dec 14
Subtotal	85,000	–	–	(15,000)	70,000				
Total	725,000	–	–	(115,000)	610,000				

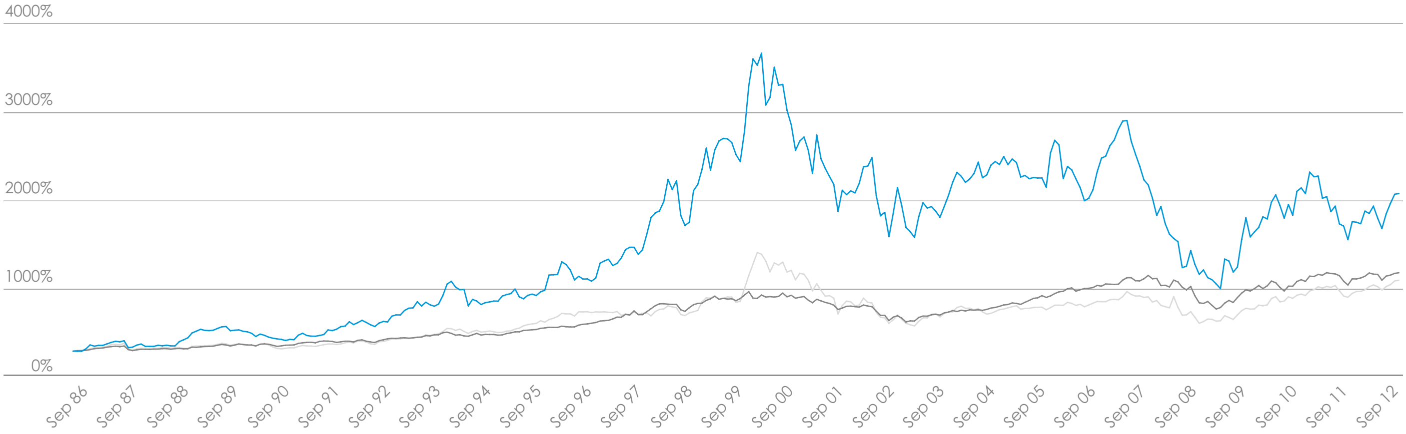
Governance
Remuneration Report continued

Total Shareholder Return: DMGT vs FTSE and Media Sector 100 2007–2012 -14%



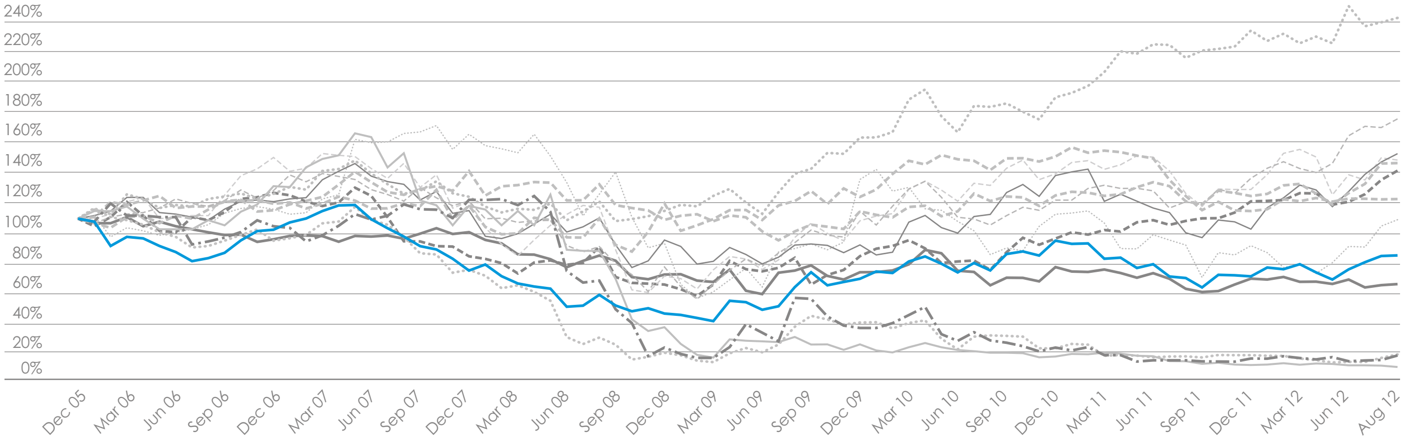
Key
DMGT 'A' TSR
FTSE 100 TSR
Media Sector TSR

Total Shareholder Return: DMGT vs FTSE and Media Sector 100 1986–2012 +91%



Key
DMGT 'A' TSR
FTSE 100 TSR
Media Sector TSR

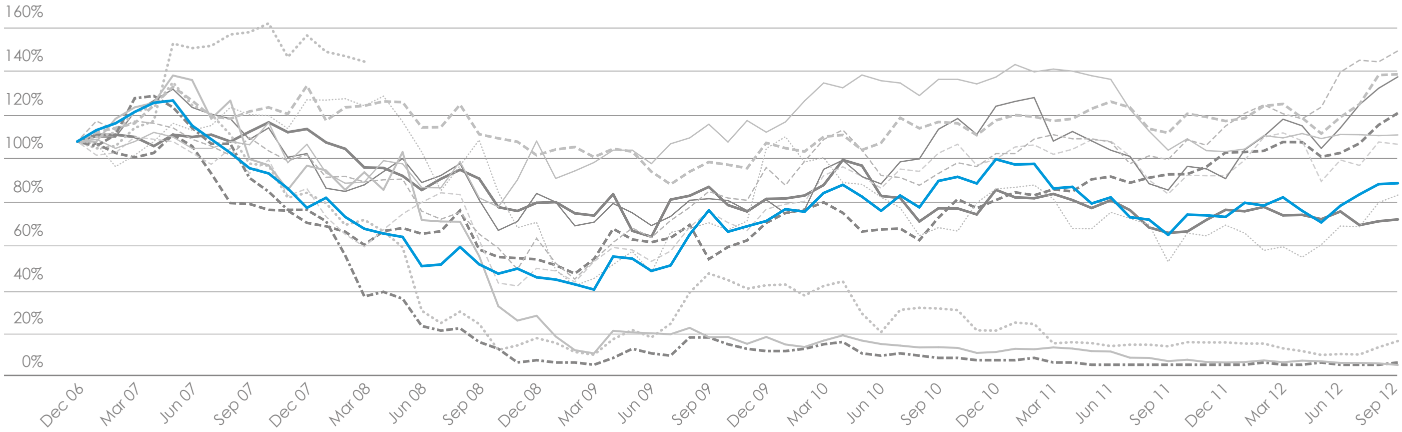
Total Shareholder Return: DMGT vs Media Comparators 2006–2012 9th position



Key

- Pearson
- Reed Elsevier
- News Corporation
- Informa plc
- Thomson Corporation
- McGraw-Hill Companies Inc
- United Business Media
- New York Times Co/ex-Reuters
- DMGT 'A'
- Washington Post Co
- Trinity Mirror
- Johnston Press/ex-EMAP
- Independent News & Media

Total Shareholder Return: DMGT vs Media Comparators 2007–2012 7th position



Key

- Reuters Group plc
- Reed Elsevier
- News Corporation
- Informa plc
- Thomson Reuters (ex Corporation)
- McGraw-Hill Companies Inc
- United Business Media
- New York Times Co/ex-EMAP
- DMGT 'A'
- Washington Post Co
- Trinity Mirror
- Johnston Press
- Independent News & Media

Governance
Remuneration Report continued

Deferred Bonus Scheme

Under the deferred bonus plan, an element of executive Directors' bonuses are deferred into 'nil' cost options. The awards shown below were granted as part of this plan.

The 'nil'-cost options granted during the year were derived from the Directors' bonus in the prior year. After the date of approval of this Report, the 'nil'-cost options earned in the current year will be granted.

Bonus deferrals ensure that executives' interests are aligned with those of shareholders.

Deferred Bonus Scheme

'A' Ordinary Non-Voting Shares in the Company	Held at 2 Oct 11	Awarded during year	Exercised during year	Lapsed during year	Held at 30 Sep 12	Exercise price £	Date of grant	Normal date from which exercisable	Expiry date
The Viscount Rothermere	105,306	–	–	–	105,306	–	7 Dec 09	7 Dec 12	7 Dec 16
	187,581	–	–	–	187,581	–	6 Dec 10	6 Dec 13	6 Dec 17
	–	110,464	–	–	110,464	–	5 Dec 11	5 Dec 14	5 Dec 18
Subtotal	292,887	110,464	–	–	403,351	–			
M W H Morgan	130,140	–	–	–	130,140	–	7 Dec 09	7 Dec 12	7 Dec 16
	77,272	–	–	–	77,272	–	6 Dec 10	6 Dec 13	6 Dec 17
	–	44,215	–	–	44,215	–	5 Dec 11	5 Dec 14	5 Dec 18
Subtotal	207,412	44,215	–	–	251,627	–			
S W Daintith	–	24,201	–	–	24,201	–	5 Dec 11	5 Dec 14	5 Dec 18
K J Beatty	96,196	–	–	–	96,196	–	7 Dec 09	7 Dec 12	7 Dec 16
	34,970	–	–	–	34,970	–	6 Dec 10	6 Dec 13	6 Dec 17
	–	17,069	–	–	17,069	–	5 Dec 11	5 Dec 14	5 Dec 18
Subtotal	131,166	17,069	–	–	148,235	–			
Total options held	631,465	195,949	–	–	827,414	–			

Pensions entitlements and cash allowances

The Group operates a two-tier defined benefit pension scheme for senior employees. 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 pension's 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 was for individual Directors to decide when to opt out of the scheme, in which case a cash allowance is paid.

Annual cash allowances of 37% of salary are paid to each of the Viscount Rothermere, Mr Morgan and Mr Beatty, in lieu of continued membership of the DMGT Senior Executives' Pension Fund. Mr Dacre was paid a similar allowance until December, 2009.

Mr Daintith is paid an allowance of 30% of basic salary in lieu of membership of a Company pension scheme.

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

No Executive Directors are now accruing further pension in the DMGT Senior Executives' Pension Fund. The normal retirement age under the Fund for this group is 60.

Accrued entitlements under the DMGT Senior Executives' Pension Fund are shown in the table opposite.

Accrued entitlements under the DMGT Senior Executives' Pension Fund

Director	Age at 30 Sep 12 Years	Accrued pension entitlement at 2 Oct 11 £000	Inflationary increase £000	Real increase in accrued pension £000	Accrued entitlement at 30 Sep 12	Transfer value as at 2 Oct 11 £000	Member's contributions	Transfer value of real increase in accrued pension net of member's contributions £000	Other changes to transfer value £000	Transfer value as at 30 Sep 12 £000
The Viscount Rothermere	44	70	3	–	73	905	–	–	72	977
M W H Morgan[3]	62	78	4	–	82	2,038	–	–	(10)	2,028
P M Dacre[4]	63	605	30	–	635	14,879	–	–	(70)	14,809
K J Beatty	54	93	4	–	97	1,880	–	–	134	2,014

[1] For each Director, the accrued entitlement at 30th September, 2012 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 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.

[2] All transfer values have been calculated on the basis of actuarial advice in accordance with UK 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.

[3] Mr Morgan began to take his pension benefits in March, 2010. Mr Morgan's pension benefit in the above table relates to a pension in the DMGT Senior Executives' Pension Fund for pensionable service between 8th May, 1989 and 31st August, 2000, when he transferred to the US. In addition, Mr Morgan has the following pension arrangements:

- a US-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. With effect from 1st April, 2012 contributions to the EFRBS ceased and the pension allowance is now paid entirely in cash.

[4] Mr Dacre began to take his pension benefits in November 2008.

Accrued benefits under the Harmsworth Pension Scheme

Director	Age at 30 Sep 12 Years	Accrued pension entitlement at 2 Oct 11 £000	Inflationary increase £000	Real increase in accrued pension £000	Accrued entitlement at 30 Sep 12	Transfer value as at 2 Oct 11 £000	Member's contributions	Transfer value of real increase in accrued pension net of member's contributions £000	Other changes to transfer value £000	Transfer value as at 30 Sep 12 £000
P M Fallon[1]	66	11	1	–	12	202	–	–	6	208

[1] Mr Fallon died on 14th October, 2012 and the widow's pension is now payable to his spouse.

EXECUTIVE DIRECTORS' SERVICE CONTRACTS

Mr Dacre had a rolling contract which reduced to one year on 14th November, 2011 and reduced further on 14th November, 2012 to the residual term until his sixty-fifth birthday on 14th November, 2013.

Details of these service contracts are set out in the table below.

Service contracts

	Date of contract	Notice period to/from the Company	Company with whom contracted
The Viscount Rothermere	17 Oct 94	1 month	DMGT
M W H Morgan	1 Oct 08	1 year	DMGT
S W Daintith	1 Jan 11	1 year	DMGT
D M M Dutton	27 Nov 02	1 year	DMGT
P M Dacre	13 July 98	11½ months	DMGT
K J Beatty	19 May 02	1 year	Associated

Leaver provisions

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

The contracts of Mr Morgan and Mr Daintith 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 and LTIPs would be treated as for any member of the scheme, depending on the reason for termination of the contract.

Policy on external appointments

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.

Mr Morgan was appointed to the Board of the City of London Investment Trust on 1st March, 2012 and receives a fee of £25,00 p.a. (£14,583 for the reporting period).

Governance
Remuneration Report continued

NON-EXECUTIVE DIRECTORS
Policy on non-executive Directors' remuneration
The Board's policy on non-executive Directors' remuneration is to pay fees which reflect their responsibilities, are competitive with other companies and which align Directors' interests with those of shareholders. The Board as a whole considers and approves the fees of the non-executive Directors with the exception of the Chairman whose fees are approved by the Committee.

The fees for the Chairman and non-executive Directors are paid at the annual rates shown in the table below:

	Fees 1 Oct 11
Board Member	35,000[1]
Audit Committee Chairman	25,000
Audit Committee Member	10,000
Remuneration Committee Member	12,000
Risk Committee Member	8,000
Investment and Finance Committee Member	25,000

[1] An increase in the base fee from £30,000 to £35,000 per annum was made from 1st October, 2011 the first such increase for five years.

During the year, the Directors reviewed the travel allowances to reflect the greater level of international travel required. Directors received travel allowance in 2012 of £4,000 paid in respect of attendance at Board meetings involving more than 10 hours' travel. With effect from 1st October, 2012 the Committee agreed a travel allowance of £4,000 will be paid for travel involving between 5 and 10 hours and £10,000 for Board meetings involving more than 10 hours' travel.

In addition the following fees were increased effective 1st October, 2012. Mr Nelson's fee for his work in relation to the Remuneration Committee increased to £25,000; the fee for members of the Audit Committee increased to £14,000 and for the Audit Committee Chairman to £30,000.

Non-executive Directors' terms of appointment
Non-executive Directors are appointed for specified terms and under the Company's Articles of Association are subject to re-election by Ordinary shareholders at the Annual General Meeting following appointment, and thereafter at least every three years. The Board has adopted the provision in the Code that they be subject to annual re-election. Each appointment can be terminated before the end of the one 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 in the next column.

	Date of appointment/ re-appointment
J G Hemingway	8 Feb 2012
F P Balsemão	8 Feb 2012
N W Berry	8 Feb 2012
T S Gillespie	8 Feb 2012
D H Nelson	8 Feb 2012
D J Verey	8 Feb 2012
D Trempont	8 Feb 2012
H Roizen	26 Sept 2012

Appointments and re-election
All Directors will be standing for re-election at the forthcoming AGM except for Tom Gillespie who will retire from the Board with effect from the AGM.

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

AUDITED INFORMATION
The following information in this report has been audited.

Directors' aggregate remuneration
The total amounts of the remuneration and other benefits of the Directors of the Company for the years ended 30th September, 2012 and 2nd October, 2011 are shown in the table below.

	2012 £000	2011 £000
Aggregate emoluments	13,453	13,243
Gains on exercise of share options	28	567
Amounts receivable* under long-term incentive schemes	–	1,825
Sums paid to third** parties for Directors' services	169	146
	13,622	15,781

* The amounts receivable under long-term incentive schemes were in respect of realisations of awards made in 2004, 2008 and 2009 and reflect performance over those periods to 2011.

** Relates to fees paid to Messrs Hemingway and Nelson.

Remuneration for non-executive Directors reflects their responsibilities, is competitive with other companies and aligns their interests with those of shareholders.

Directors' emoluments

The emoluments of the Directors from 1st October, 2011 to 30th September, 2012 are shown in the table below.

Directors' interests in shares

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 incentive plans encourages executive Directors to achieve this goal which aligns their interests with those of shareholders.

The shares held and valued at 30th September, 2012 as a multiple of salary were:

	Value of shares[1] held at 30th September, 2012 £m	Salary multiple at 30th September, 2012
The Viscount Rothermere	421.5	560.0
P M Fallon	22.8	25.0
M W H Morgan	4.7	5.2
S W Daintith	–	–
D M M Dutton	1.3	3.9
P M Dacre	0.2	0.1
K J Beatty	0.3	0.4

[1] Does not include shares which have been awarded subject to deferral or satisfaction of conditions other than performance conditions e.g. nil-cost options.

[2] In the case of Mr Fallon, who was an executive Director of Euromoney, shares in Euromoney are included.

The Company encourages Directors to own shares in the Company. Executive Directors are set a target of a minimum shareholding of 1.5 times salary.

Directors' emoluments

	Fees and salary[1] £000	Cash Bonus/ Profit share[2] £0001	Benefits in kind[3] £000	Car allowance	Pension/cash allowances £000	Total in 2012 £000	Total in 2011 £000	2012 pension contributions £000	2011 pension contributions £000
The Viscount Rothermere	751	228	3	34	267	1,283	1,171	–	–
M W H Morgan	902	451	3	18	161	1,535	1,082	161	315
S W Daintith	640	320	3	14	192	1,169	732	–	–
D M M Dutton	328	91	1	–	–	420	394	–	–
P M Dacre	1,750	–	26	10	–	1,786	1,725	–	–
P M Fallon	222	5,636	2	–	–	5,860	5,382	–	–
K J Beatty	666	200	5	16	246	1,133	976	–	–
J G Hemingway	74	–	–	–	–	74	69	–	–
F P Balsemão	39	–	–	–	–	39	34	–	–
T S Gillespie	35	–	–	–	–	35	30	–	–
D J Verey	68	–	–	–	–	68	63	–	–
N W Berry	57	–	–	–	–	57	52	–	–
D H Nelson	95	–	–	–	–	95	77	–	–
D Trempont	35	–	–	–	16[4]	51	43	–	–
C W Dunstone	13	_	_	–	_	13	30	_	_
J P Williams	–	–	–	–	–	–	1,529	–	–
H Roizen	–	–	–	–	4	4	–	–	–
2012 total emoluments	5,675	6,926	43	92	886	13,622	–	161	–
2011 total emoluments	5,869	6,521	58	–	941	–	13,389	–	315

[1] Figures for the Viscount Rothermere and Messrs Morgan and Fallon include fees as Directors of Euromoney. Mr Daintith's remuneration for the prior year was for the nine months from 1st January, 2011 when he joined the Company. For non-executive Directors they also include Committee fees, where applicable.

[2] 75% of the Viscount Rothermere's bonus is deferred into shares for three years. For Messrs Morgan & Daintith the bonus up to 50% of salary will be paid in cash, for Mr Beatty the bonus up to 30% will be paid in cash, the remaining amount will be deferred into shares for two years.

[3] Benefits in kind include the taxable value of company cars, fuel allowances and company contributions to medical insurance plans in 2011. In 2012, taxable value of company cars is shown separately.

[4] Mr Trempont received a travel allowance of £16,000.

Governance
Remuneration Report continued

Directors' interests in DMGT

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 in the table below.

(i) The figures in the table below include 'A' shares committed by executives under the LTIP, details of which are set out on page 72.

(ii) For the Viscount Rothermere, Mr Morgan and Mr Dutton 80,176, 35,266 and 34,949 respectively of the 'A' shares were subject to restrictions.

(iii) The Company has been notified that, under sections 793 and 824 of the Companies Act 2006, each of the Viscount Rothermere, Mr Hemingway and Mr Gillespie was deemed to have been interested as shareholders in 11,903,132 Ordinary shares at 30th September, 2012.

(iv) At 30th September, 2012 and at 2nd October, 2011, the Viscount Rothermere was beneficially interested in 756,700 Ordinary shares of Rothermere Continuation Limited, the Company's ultimate holding company.

(v) The Viscount Rothermere was beneficially interested in 68 ordinary shares in Associated Newspapers North America Inc. at 30th September, 2012 and at 2nd October, 2011, representing 3% of that company's share capital.

Directors' interests in DMGT

Holdings of 12.5 pence Ordinary and 'A' Ordinary Non-Voting Shares in Daily Mail and General Trust plc	Note	At 30th September, 2012 Ordinary	At 30th September, 2012 'A' Ordinary Non-Voting	At 2nd October, 2011 Ordinary	At 2nd October, 2011 'A' Ordinary Non-Voting
Beneficial					
The Viscount Rothermere		11,903,132	75,134,502	11,903,132	75,134,502
M W H Morgan		764	978,104	764	927,731
S W Daintith		–	2,711	–	2,346
J G Hemingway		–	200,000	–	200,000
D M M Dutton		–	269,681	–	269,305
P M Dacre		–	37,861	–	138,068
P M Fallon		4,000	42,234	4,000	41,860
F P Balsemão		–	–	–	–
T S Gillespie		–	7,500	–	7,500
D J Verey		6,500	15,000	6,500	15,000
K J Beatty		–	54,581	–	54,205
N W Berry		–	–	–	–
D H Nelson		–	–	–	–
D Trempont		–	–	–	–
H Roizen		–	–	–	–
		11,914,396	76,742,174	11,914,396	76,790,517
Non-beneficial					
The Viscount Rothermere		756,700	5,540,000	639,208	5,540,000
J G Hemingway		4,000	5,550,000	4,000	5,540,000
D H Nelson		–	212,611	–	212,611
		760,700	11,302,611	643,208	11,302,611
Total Directors' interests		12,675,096	88,044,659	12,557,604	88,093,128
Less: duplications		–	(5,752,611)	(4,000)	(5,752,611)
		12,675,096	82,292,048	12,553,604	82,340,517

Directors' interests in Euromoney

Directors' beneficial shareholdings in Euromoney were as follows:

	At 30th September 2012	At 2nd October 2011
The Viscount Rothermere	24,248	23,899
M W H Morgan	7,532	7,532
P M Fallon	630,383	625,250
	662,163	656,681

In addition, Mr Fallon held options to subscribe for new shares in Euromoney issued under Euromoney's Save as You Earn Scheme 2009 as follows:

	At 30th September 2012	At 2nd October 2011
At £1.87 between 1st February, and 1st August, 2012	–	5,133

The mid-market price of Euromoney's shares was £7.70 at 30th September, 2012 and £6.15 at 2nd October, 2011. It ranged from £5.90 to £8.28 during the year.

The gain made by Mr Fallon on the exercise of 5,133 share options in the year was £28,194

The figures in the table on page 82 include 'A' shares purchased by participants in the DMGT 2010 Share Incentive Plan. For Messrs Morgan, Daintith, Dutton and Beatty, purchases of shares were made between 30th September, 2012 and 30th November, 2012. These purchases increased the beneficial holdings of these Directors by 52 shares and for Mr Fallon 26 shares.

All other shareholdings were unchanged at the date of this report.

Disclosable transactions by the Group under IAS 24, Related Party Disclosures, are set out in Note 42. 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

The Viscount Rothermere
Chairman

30th November, 2012

Financial Statements
Independent Auditor's Report

INDEPENDENT AUDITOR'S 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 30th September, 2012 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position, the Consolidated Cash Flow Statement, and the related Notes 1 to 44. 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 Chapter 3 of Part 16 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 auditor's 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 auditor

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 and express an opinion on the Group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board'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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30th September, 2012 and of its profit 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 Group 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 UK Corporate Governance Code specified for our review;
- certain elements of the report to shareholders by the Board on Directors' remuneration.

Other matter

We have reported separately on the parent Company financial statements of Daily Mail and General Trust plc for the year ended 30th September, 2012 and on the information in the Directors' Remuneration Report that is described as having been audited.

Simon Letts
(Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

4th December, 2012

Financial Statements
Consolidated income statement

FOR THE 52 WEEKS ENDING 30TH SEPTEMBER, 2012

	Note	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 Restated (Note 2) £m
CONTINUING OPERATIONS			
Revenue	3	1,746.8	1,748.5
Operating profit before exceptional operating costs and amortisation and impairment of goodwill and acquired intangible assets	3	273.7	264.4
Exceptional operating costs, impairment of internally generated and acquired computer software, investment property and property, plant and equipment	3	(73.1)	(41.9)
Amortisation and impairment of goodwill and acquired intangible assets arising on business combinations	3, 20, 21	(53.6)	(52.4)
Operating profit before share of results of joint ventures and associates	3, 4	147.0	170.1
Share of results of joint ventures and associates	3, 7	(1.8)	(2.7)
Total operating profit		145.2	167.4
Other gains and losses	8	114.4	13.1
Profit before net finance costs and tax		259.6	180.5
Investment revenue	9	10.8	17.1
Finance costs	10	(64.1)	(71.7)
Net finance costs		(53.3)	(54.6)
Profit before tax		206.3	125.9
Tax	11	18.8	3.7
Profit after tax from continuing operations		225.1	129.6
DISCONTINUED OPERATIONS			
Profit/(loss) from discontinued operations	18	54.8	(5.2)
PROFIT FOR THE PERIOD		279.9	124.4
Attributable to:			
Owners of the Company	38	257.2	108.5
Non-controlling interests*	39	22.7	15.9
Profit for the period		279.9	124.4
Earnings/(loss) per share	14		
From continuing operations			
Basic		52.9p	29.7p
Diluted		51.4p	29.3p
From discontinued operations			
Basic		14.3p	(1.4)p
Diluted		13.9p	(1.3)p
From continuing and discontinued operations			
Basic		67.2p	28.3p
Diluted		65.1p	27.7p
Adjusted earnings per share			
Basic		49.4p	46.1p
Diluted		47.9p	45.3p

*All attributable to continuing operations

Financial Statements
Consolidated statement of comprehensive income

FOR THE 52 WEEKS ENDING 30TH SEPTEMBER, 2012

	Note	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 Restated (Note 2) £m
Profit for the period		279.9	124.4
Fair value movements on available-for-sale investments	38	–	4.6
Revaluation reserves recycled to Consolidated Income Statement on disposals	38	–	(8.5)
Gains/(losses) on hedges of net investments in foreign operations	38, 39	31.3	(17.1)
Cash flow hedges:			
Gains/(losses) arising during the period	38, 39	3.1	(1.2)
Transfer of loss on cash flow hedges from translation reserve to Consolidated Income Statement	38, 39	3.6	6.8
Translation reserves recycled to Consolidated Income Statement on disposals	17, 38	(0.9)	(21.6)
Foreign exchange differences on translation of foreign operations	38, 39	(26.4)	10.4
Actuarial loss on defined benefit pension schemes	34, 38, 39	(61.8)	(89.6)
Other comprehensive expense before tax		(51.1)	(116.2)
Tax relating to components of other comprehensive expense	38, 39	5.6	15.8
Other comprehensive expense for the period		(45.5)	(100.4)
Total comprehensive income for the period		234.4	24.0
Attributable to:			
Owners of the Company		211.8	4.9
Non-controlling interests		22.6	19.1
		234.4	24.0

Financial Statements
Consolidated statement of changes in equity

FOR THE 52 WEEKS ENDING 30TH SEPTEMBER, 2012

	Called up share capital £m	Share premium account £m	Capital redemption reserve £m	Revaluation reserve £m	Shares held in treasury £m	Translation reserve £m	Retained earnings Restated (Note 2) £m	Total Restated (Note 2) £m	Non-controlling interests £m	Total equity Restated (Note 2) £m
At 3rd October, 2010	49.1	12.5	1.1	7.0	(45.0)	(16.3)	84.4	92.8	57.4	150.2
Profit for the period restated (Note 2)	–	–	–	–	–	–	108.5	108.5	15.9	124.4
Other comprehensive income for the period	–	–	–	(3.9)	–	(26.2)	(73.5)	(103.6)	3.2	(100.4)
Total comprehensive income for the period	–	–	–	(3.9)	–	(26.2)	35.0	4.9	19.1	24.0
Issue of share capital	–	0.2	–	–	–	–	–	0.2	1.9	2.1
Dividends	–	–	–	–	–	–	(62.4)	(62.4)	(7.8)	(70.2)
Own shares acquired in the period	–	–	–	–	(11.7)	–	–	(11.7)	–	(11.7)
Own shares released on vesting of share options	–	–	–	–	10.4	–	–	10.4	–	10.4
Fair value adjustment to contingent consideration	–	–	–	0.2	–	–	–	0.2	–	0.2
Adjustment to equity following increased stake in controlled entity	–	–	–	–	–	–	(5.5)	(5.5)	4.3	(1.2)
Adjustment to equity following decreased stake in controlled entity	–	–	–	–	–	–	0.5	0.5	(0.5)	–
Credit to equity for share-based payments	–	–	–	–	–	–	16.9	16.9	2.7	19.6
Settlement of exercised share options of subsidiaries	–	–	–	–	–	–	(12.7)	(12.7)	–	(12.7)
Initial recording of put options granted to non-controlling interests in subsidiaries	–	–	–	–	–	–	(7.1)	(7.1)	(3.2)	(10.3)
Non-controlling interest recognised on acquisition	–	–	–	–	–	–	–	–	6.0	6.0
Deferred tax on other items recognised in equity	–	–	–	–	–	–	1.4	1.4	0.4	1.8
At 2nd October, 2011	49.1	12.7	1.1	3.3	(46.3)	(42.5)	50.5	27.9	80.3	108.2
Profit for the period	–	–	–	–	–	–	257.2	257.2	22.7	279.9
Other comprehensive income for the period	–	–	–	–	–	9.9	(55.3)	(45.4)	(0.1)	(45.5)
Total comprehensive income for the period	–	–	–	–	–	9.9	201.9	211.8	22.6	234.4
Issue of share capital	–	0.8	–	–	–	–	–	0.8	1.5	2.3
Dividends	–	–	–	–	–	–	(66.2)	(66.2)	(9.6)	(75.8)
Own shares acquired in the period	–	–	–	–	(30.1)	–	–	(30.1)	–	(30.1)
Own shares released on vesting of share options	–	–	–	–	32.6	–	–	32.6	–	32.6
Transfer to retained earnings on disposal of revalued properties	–	–	–	(3.3)	–	–	3.3	–	–	–
Other transactions with non-controlling interests	–	–	–	–	–	–	–	–	0.9	0.9
Adjustment to equity following increased stake in controlled entity	–	–	–	–	–	–	(13.5)	(13.5)	(0.6)	(14.1)
Adjustment to equity following decreased stake in controlled entity	–	–	–	–	–	–	0.1	0.1	(0.1)	–
Credit to equity for share-based payments	–	–	–	–	–	–	12.5	12.5	0.7	13.2
Settlement of exercised share options of subsidiaries	–	–	–	–	–	–	(15.6)	(15.6)	–	(15.6)
Corporation tax on share-based payments	–	–	–	–	–	–	0.4	0.4	0.2	0.6
Deferred tax on other items recognised in equity	–	–	–	–	–	–	–	–	(0.6)	(0.6)
At 30th September, 2012	49.1	13.5	1.1	–	(43.8)	(32.6)	173.4	160.7	95.3	256.0

Financial Statements
Consolidated statement of financial position

AS AT 30TH SEPTEMBER, 2012

	Note	At 30th September, 2012 £m	At 2nd October, 2011 Restated (Note 2) £m	At 3rd October, 2010 Restated (Note 2) £m
ASSETS				
Non-current assets				
Goodwill	20	704.6	747.0	735.8
Other intangible assets	21	281.4	288.2	377.9
Property, plant and equipment	22	238.1	305.4	366.2
Investment property	23	6.8	21.6	11.6
Investments in joint ventures	24	137.3	16.3	20.4
Investments in associates	24	11.5	13.0	12.7
Available-for-sale investments	25	1.5	4.2	23.2
Trade and other receivables	27	14.6	30.7	17.2
Derivative financial assets	33	24.6	8.6	8.7
Deferred tax assets	36	204.7	200.6	158.9
		1,625.1	1,635.6	1,732.6
Current assets				
Inventories	26	28.3	23.1	27.5
Trade and other receivables	27	328.7	347.4	359.0
Current tax receivable	30	3.6	9.1	0.9
Derivative financial assets	33	8.9	1.1	2.3
Cash and cash equivalents	28	104.7	174.3	65.7
Total assets of businesses held-for-sale	19	71.7	–	–
		545.9	555.0	455.4
Total assets		2,171.0	2,190.6	2,188.0
LIABILITIES				
Current liabilities				
Trade and other payables	29	(655.1)	(654.2)	(632.1)
Current tax payable	30	(20.8)	(53.2)	(69.4)
Acquisition put option commitments	31	(4.5)	(1.1)	(1.1)
Borrowings	32	(49.9)	(29.3)	(14.3)
Derivative financial liabilities	33	(14.1)	(5.9)	(6.6)
Provisions	35	(34.2)	(49.7)	(37.7)
Total liabilities of businesses held-for-sale	19	(33.6)	–	–
		(812.2)	(793.4)	(761.2)
Non-current liabilities				
Trade and other payables	29	(8.1)	(11.9)	(1.5)
Acquisition put option commitments	31	(4.1)	(10.7)	–
Borrowings	32	(678.1)	(832.0)	(870.6)
Derivative financial liabilities	33	(34.9)	(60.9)	(79.8)
Retirement benefit obligations	34	(324.4)	(336.2)	(271.4)
Provisions	35	(29.3)	(13.5)	(27.6)
Deferred tax liabilities	36	(23.9)	(23.8)	(25.7)
		(1,102.8)	(1,289.0)	(1,276.6)
Total liabilities		(1,915.0)	(2,082.4)	(2,037.8)
Net assets		256.0	108.2	150.2

Financial Statements
Consolidated statement of financial position continued

AS AT 30TH SEPTEMBER, 2012

	Note	At 30th September, 2012 £m	At 2nd October, 2011 Restated (Note 2) £m	At 3rd October, 2010 Restated (Note 2) £m
SHAREHOLDERS' EQUITY				
Called-up share capital	37	49.1	49.1	49.1
Share premium account	38	13.5	12.7	12.5
Share capital		62.6	61.8	61.6
Capital redemption reserve	38	1.1	1.1	1.1
Revaluation reserve	38	–	3.3	7.0
Shares held in treasury	38	(43.8)	(46.3)	(45.0)
Translation reserve	38	(32.6)	(42.5)	(16.3)
Retained earnings	38	173.4	50.5	84.4
Equity attributable to owners of the company		160.7	27.9	92.8
Non-controlling interests	39	95.3	80.3	57.4
		256.0	108.2	150.2

The financial statements of DMGT plc (Company number 184594) on pages 82 to 175 were approved by the Directors and authorised for issue on 4th December, 2012. They were signed on their behalf by:

Rothermere

M.W.H. Morgan

Directors

Financial Statements
Consolidated cash flow statement

FOR THE 52 WEEKS ENDING 30TH SEPTEMBER, 2012

	Note	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 Restated (Note 2) £m
Operating profit before share of results of joint ventures and associates – continuing operations	3	147.0	170.1
Operating profit before share of results of joint ventures and associates – discontinued operations	18	15.3	(8.4)
Adjustments for:			
Share-based payments	41	13.2	19.7
Pension charge less than cash contributions	34	(1.3)	(1.9)
Depreciation	4, 22, 23	83.4	62.7
Impairment of property, plant and equipment and investment property	4, 22, 23	7.2	8.6
Impairment of goodwill and impairment charge of intangible assets arising on business combinations	4, 20, 21	19.4	24.4
Amortisation of intangible assets not arising on business combinations	4, 21	20.4	18.4
Amortisation of intangible assets arising on business combinations	4, 20, 21	34.5	42.5
Operating cash flows before movements in working capital		339.1	336.1
(Increase)/decrease in inventories		(7.6)	2.0
Increase in trade and other receivables		(9.6)	(18.0)
Increase in trade and other payables		39.3	52.7
(Decrease)/increase in provisions		(9.9)	4.1
Additional payment into pension schemes		(63.8)	(11.0)
Cash generated by operations		287.5	365.9
Taxation paid		(37.8)	(48.6)
Taxation received		4.3	1.9
Net cash from operating activities		254.0	319.2
Investing activities			
Interest received		1.5	2.0
Dividends received from joint ventures and associates	24	4.3	15.6
Dividends received from available-for-sale investments		0.8	2.9
Purchase of property, plant and equipment		(60.2)	(33.0)
Expenditure on internally generated intangible fixed assets	21	(37.8)	(23.2)
Purchase of available-for-sale investments	25	(0.2)	(0.1)
Proceeds on disposal of property, plant and equipment		33.1	3.2
Proceeds on disposal of available-for-sale investments		2.0	23.0
Purchase of subsidiaries	16	(48.8)	(81.3)
Treasury derivative activities		(7.3)	(25.3)
Investment in joint ventures and associates	24	(11.5)	(10.1)
Proceeds on disposal of businesses	17	57.6	94.8
Proceeds on disposal of joint ventures and associates		54.4	0.1
Net cash used in investing activities		(12.1)	(31.4)

Financial Statements
Consolidated cash flow statement continued

FOR THE 52 WEEKS ENDING 30TH SEPTEMBER, 2012

	Notes	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 £m
Financing activities			
Purchase of additional interest in controlled entities	16	(14.8)	(2.7)
Equity dividends paid	12, 38	(66.2)	(62.4)
Dividends paid to non-controlling interests	39	(9.6)	(7.8)
Issue of share capital	37, 38	0.8	0.2
Issue of shares by Group companies to non-controlling interests	39	1.5	1.9
Receipt from non-controlling interests		1.8	–
Purchase of own shares	38	(30.1)	(11.7)
Net receipt/(payment) on exercise/settlement of subsidiary share options		16.1	(2.0)
Interest paid		(64.0)	(68.5)
Premium on redemption of bonds	10	(6.1)	–
Bonds redeemed	15	(110.0)	–
Loan notes repaid	15	(0.7)	(4.0)
Repayments of obligations under hire purchase agreements	15	–	(20.3)
Decrease in bank borrowings	15	(23.4)	(3.1)
Net cash used in financing activities		(304.7)	(180.4)
Net (decrease)/increase in cash and cash equivalents	15	(62.8)	107.4
Cash and cash equivalents at beginning of period	28	171.7	64.3
Exchange loss on cash and cash equivalents	15	(1.6)	–
Net cash and cash equivalents at end of period	28	107.3	171.7

Financial Statements
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 187.

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 52 weeks ending 30th September, 2012 (2011 52 weeks ending 2nd October, 2011).

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'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. 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. For the current period, the Group's national and local media divisions' financial period end coincided with that of the Group's remaining divisions and consequently no adjustments were necessary.

The significant accounting policies used in preparing this information are set out in Note 2.

These financial statements have been prepared in accordance with the accounting policies set out in the 2011 Annual Report and Accounts, with the exception of a restatement of results, described below and as amended by the new accounting standards described below.

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 38 to 43, the Strategic Report on pages 10 to 37 and the Directos' report on pages 52 to 57. The Group's funding arrangements, together with details of undrawn bank facilities, are disclosed in notes 32 and 33.

As highlighted in notes 32 and 33 to the financial statements, the company has long-term financing in the form of bonds and meets its day-to-day working capital requirements through bank facilities which expire in April 2016. 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 Group 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

Restatement of results

The adjusted and reported results of the Group have been restated to reflect a refinement of Hobsons' approach to revenue recognition. Hobsons' business model has evolved such that the provision of its Enrolment Management Technology (EMT) software services (currently around 47% of its annual revenues of approximately £64 million) is now predominantly provided in conjunction with a hosting service. To better reflect the underlying nature of the revenue contracts, software services provided in conjunction with a hosting service will now be recognised over the contract service period, rather than at the contract date of sale of the software licence. The recognition of revenue from existing hosting services will continue to be recognised over the contract service period. This change of accounting treatment has been reflected in the Group's Consolidated Financial Statements retrospectively and the impact on the Consolidated Income Statement and Consolidated Statement of Financial Position is as follows:

	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 £m	52 weeks ending 3rd October 2010 £m
Impact on Consolidated Income Statement			
Reduction in revenue	(0.8)	(5.2)	(2.5)
Reduction in operating profit	(0.8)	(5.0)	(2.4)
Reduction in profit after tax	(0.5)	(3.1)	(1.5)
Reduction in earnings per share from continuing operations	p	p	p
Basic	(0.1)	(0.8)	(0.4)
Diluted	(0.1)	(0.8)	(0.4)
Adjusted	(0.1)	(0.8)	(0.4)
Impact on Consolidated Statement of Financial Position	£m	£m	£m
Reduction in accrued income assets	(26.5)	(27.3)	(21.7)
Increase in prepaid commission assets	1.3	1.3	1.1
Increase in deferred tax asset	10.2	9.7	7.6

Financial Statements
Significant accounting policies continued

2) SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The reported results of the Group's share of results of joint ventures and associates have also been restated to reflect the Group's share of results from the joint venture DMG Radio Investments Ltd as discontinued, following its disposal in August 2012. In addition the Group's local media operations have been reclassified as discontinued operations following the transfer of the net assets of this business to assets held-for -sale. Further details are included in note 18.

Impact of new accounting standards

Standards not affecting the reported results or the financial position:

The following new and revised Standards and Interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in the financial statements but may impact the accounting for future transactions and arrangements:

• IAS 24 (2009) related party disclosures

The revised Standard has a new, clearer definition of a related party, with inconsistencies under the previous definition having been removed. This interpretation does not affect the reported results nor the financial position.

• Amendments to IFRIC 14 prepayments of a minimum funding requirement
The amendments now enable recognition of an asset in the form of a prepaid minimum funding contribution.

• Annual improvements
– IFRS 7: Encourages qualitative disclosures in the context of the quantitative disclosures required to help users to form an overall picture of the nature and extent of risks arising from financial instruments. This improvement does not affect the Group's reported results, financial position nor any of the Group's disclosures at the year end.

– IAS 1: Clarifies that an entity may present the analysis of other comprehensive income by item in the statement of changes in equity or in the notes to the financial statements. The Group currently reflects this analysis in the notes to the financial statements.

At the date of authorisation of the consolidated financial information the following Standards and Interpretations, which have not been applied in the consolidated financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU). Other than IAS 19 (Revised) Employee Benefits, their adoption is not expected to have a significant impact on the amounts reported in the financial statements but may impact the accounting for future transactions and arrangements.

IAS 19 (Revised) Employee Benefits, will impact the measurement of various components in the defined benefit pension obligation and associated disclosures, but not the Group's total obligation. It is likely that following the replacement of expected returns on plan assets with a net finance cost in the Consolidated Income Statement, the profit for the period will be reduced and accordingly other comprehensive income increased.

- Amendments to IAS 1 Presentation of Items of Other Comprehensive Income
- IFRS 13 Fair Value Measurement
- IFRS 12 Disclosures of Interests in other entities
- IFRS 11 joint Arrangements
- IFRS 10 Consolidated Financial Statements
- IAS 28 (Revised) Investments in Associates and Joint Ventures
- IAS 27 (Revised) Separate Financial Statements
- Amendments to IAS 12 Deferred Tax: Recovery of Underlying Assets
- IFRS 9 Financial Instruments
- Improvements to IFRSs 2011
- Amendments to IFRS 7 and IAS 32 – Offsetting financial assets and financial liabilities

Business combinations

The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of fair values of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in the Consolidated Income Statement as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent arrangement, measured at its acquisition date fair value. Subsequent changes in such fair values are adjusted through the Consolidated Income Statement. All other changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the date of the acquisition that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is a maximum of one year.

Business combinations achieved in stages
Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the date the Group attains control and the resulting gain or loss is recognised in the Consolidated Income Statement. Amounts arising from interests in the acquiree prior to the acquisition date that were recognised in other comprehensive income are reclassified to the Consolidated Income Statement where such treatment would be appropriate if the interest were disposed of.

Purchases and sales of shares in a controlled entity
Where the Group's interest in a controlled entity increases, the non-controlling interests' share of net assets, excluding any allocation of goodwill, is transferred to retained earnings. Any difference between the cost of the additional interest and the existing carrying value of the non-controlling interests' share of net assets is recorded in retained earnings.

Where the Group's interest in a controlled entity decreases, but the Group retains control, the share of net assets disposed, excluding any allocation of goodwill, is transferred to the non-controlling interest. Any difference between the proceeds of the disposal and the existing carrying value of the net assets or liabilities transferred to the non-controlling interests is recorded in retained earnings.

Disposal of controlling interests where non-controlling interest retained
Where the Group disposes of a controlling interest but retains a non-controlling interest in the business, the Group accounts for the disposal of a subsidiary and the subsequent acquisition of a joint venture, associate or available-for-sale asset at fair value on initial recognition. On disposal of a subsidiary all amounts deferred in equity are recycled to the Consolidated Income Statement.

Business combinations occurring prior to 4th October, 2009
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 non-controlling interest in the acquiree is initially measured at the non-controlling interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Purchase and sale of shares in a controlled entity occurring prior to 4th October, 2009
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 Consolidated Statement of Financial Position. 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 non-controlling interest's 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 non-controlling 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 non-controlling 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 Consolidated Statement of Financial Position relating to the subsidiary.

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 Consolidated Income Statement from the effective date control is obtained or up to the date control is relinquished, 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.

Non-controlling interests
Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and for acquisitions post 3rd October, 2010 following adoption of IAS 27 (revised 2008), the non-controlling interest's share of changes in equity since the date of the combination.

Prior to the adoption of IAS 27 (revised 2008) losses attributable to non-controlling interests in excess of the non-controlling interest's share in equity were allocated against the interests of the Group except to the extent that the non-controlling interest has a binding obligation and is able to make an additional investment to cover such losses. When the subsidiary subsequently reports profits, the non-controlling interest does not participate until the Group has recovered all of the losses of the non-controlling interest it previously reported.

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.

Financial Statements
Significant accounting policies continued

2) SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 Statement of Financial Position at 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.

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 period end 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 Consolidated 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 period end date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the period end 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 Consolidated 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.

Goodwill and intangible assets

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. Negative goodwill arising on an acquisition is recognised directly in the Consolidated 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 period end date.

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

Impairment of goodwill

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.

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 (CGUs). 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.

When testing for impairment, the recoverable amounts for all of the Group's CGUs are measured at the higher of value in use and fair value less costs to sell. Value in use is calculated 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 8.5% to 23% post tax (11.3% to 30.7% pre-tax) (2011 8.5 % to 10.0 % post tax 9.2 % to 10.7 % pre tax, 2010 8.5 % to 11.5 % post tax, 9.3 % to 12.3 % pre-tax), 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 not changed significantly from the previous year. The projections consist of Board approved budgets for the following year, three year plans and growth rates beyond this period. The long-term growth rates range between -3.0% and +3.0% (2011 -3.0 % and +3.0 %, 2010 0.0 % and +3.0 %) 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.

Any impairment is recognised immediately in the Consolidated Income Statement and is not subsequently reversed.

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 Consolidated Income Statement in the period in which it incurred.

Licences

Radio licences are stated at cost less accumulated amortisation. Amortisation is charged to the Consolidated 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.

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 period end 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.

Other intangible assets

Other intangible assets with finite lives are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the Consolidated 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	5 – 30 years
Radio licences	20 years
Brands	3 – 20 years
Market and customer related databases	3 – 20 years
Customer relationships	3 – 20 years
Computer software licences	2 – 5 years

Impairment of intangible assets

At each period end date, reviews are carried out of the carrying amounts of tangible and intangible assets and goodwill to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of value in use and fair value less costs to sell, of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, value in use estimates are made based on the cash flows of the cash generating unit to which the asset belongs.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its net carrying amount, the net carrying amount of the asset or cash generating unit is reduced to its recoverable amount. Impairment losses are recognised immediately in the Consolidated Income Statement.

The Group assesses at the end of each reporting period whether there is any indication that an impairment loss recognised in prior periods, for an asset other than goodwill, may no longer exist or may have decreased. If any such indication exists, the Group estimates the recoverable amount of that asset. In assessing whether there is any indication that an impairment loss recognised in prior periods for an asset other than goodwill may no longer exist or may have decreased, the Group considers, as a minimum, the following indications:

(a) Whether the asset's market value has increased significantly during the period;
(b) Whether any significant changes with a favourable effect on the entity have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the entity operates or in the market to which the asset is dedicated; and
(c) Whether market interest rates or other market rates of return on investments have decreased during the period, and those decreases are likely to affect the discount rate used in calculating the asset's value in use and increase the asset's recoverable amount materially.

Financial Statements
Significant accounting policies continued

2) SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property, plant and equipment

Land and buildings held for use are stated in the Consolidated Statement of Financial Position 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 Consolidated 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	

Investment property

The Group transfers property from property, plant and equipment to investment property when owner occupation ends. Investment properties are stated in the Consolidated Statement of Financial Position at their cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is charged so as to write off the cost of these assets, using the straight-line method, over their estimated useful lives as follows:

Freehold buildings and long leasehold properties	50 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 Consolidated Statement of Financial Position to the extent that future economic benefit is virtually certain and can be measured reliably.

Marketing costs

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

Cash and cash equivalents

Cash and cash equivalents shown in the Consolidated Statement of Financial Position 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 Consolidated 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 at the fair value of consideration, net of value added tax, trade discounts and commission where applicable and is recognised using methods appropriate for the Group's businesses. Where revenue contracts have multiple elements (such as software licences, data subscriptions, hostings and support), the Company considers all aspects of the transaction to determine whether these elements can be separately identified. Where transaction elements can be separately identified and revenue can be allocated between them on a fair and reliable basis, revenue for each element is accounted for according to the relevant policy below. Where transaction elements cannot be separately identified, revenue is recognised over the contract period.

The principal revenue recognition policies, as applied by the Group's major businesses, are as follows:

- 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 revenue is recognised on issue of publication, over the period of the online campaign or on the 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.
- Software licence revenue is recognised on delivery of the software licence or over the period of the licence if support is unable to be separately identified from hosting and revenue allocated on a fair and reliable basis.
- Support revenue associated with software licences and subscriptions is recognised over the term of the support contract.
- Long-term contract revenue is recognised under the percentage of completion method according to the percentage of work completed at the period end date.

Operating profit before exceptional operating costs and amortisation and impairment of goodwill and acquired intangible assets
The Group discloses as operating profit, profit before exceptional operating costs, impairment of goodwill and intangible assets, amortisation of acquired intangible assets arising on business combinations, share of results from associates and joint ventures, other gains and losses, investment income and finance costs, but after amortisation of internally generated and acquired computer software. 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 Consolidated Statement of Financial Position 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 Consolidated Income Statement.

Rentals payable under operating leases are charged to the Consolidated 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 Consolidated 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 Consolidated 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 4th October, 2004 the date of transition to IFRS. Pension scheme assets are measured at market value at the period end 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 Statement of Consolidated Financial Position. Actuarial gains and losses arising in the year are taken to the Consolidated Statement of Comprehensive Income. 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 Consolidated 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 Consolidated Income Statement within net finance costs.

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 Consolidated 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 Consolidated 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 UK and foreign tax rates that have been enacted or substantively enacted by the period end date.

Current tax assets and liabilities are offset and stated net in the Consolidated Statement of Financial Position 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.

Financial Statements
Significant accounting policies continued

2) SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 period end 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 period end 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 Consolidated 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 Statement of Consolidated Financial Position 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 Consolidated Statement of Financial Position 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 fair value through profit or loss 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.

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 period 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 transaction costs.

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 period end 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 period end 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:

Forecasting
The Group prepares medium-term forecasts based on Board approved budgets and three year outlooks. These are used to support judgements made in the preparation of the Group's financial statements including the recognition of deferred tax assets in different jurisdictions, the Group's going concern assessment and for the purposes of impairment reviews. Longer-term forecasts use long-term growth rates applicable to the relevant businesses.

Impairment of goodwill and intangible assets
Determining whether goodwill and intangible assets are impaired or whether a reversal of an impairment of intangible assets should be recorded 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 (note 20). The carrying amount of goodwill and intangible assets at the period end date was £986.0 million (2011 £1,035.2 million, 2010 £1,113.7 million) after a net impairment charge of £19.4 million (2011 charge of £24.4 million, 2010 reversal of £19.9 million) was recognised during the year (Notes 20 and 21).

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. Determining the fair value of assets, liabilities and contingent liabilities acquired requires significant estimates and assumptions, including assumptions with respect to cash flows and unprovided liabilities and commitments, including 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.

Contingent consideration payable
Estimates are required in respect of the amount of contingent consideration payable on acquisitions, 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 period end date, the major assumption being the level of future profits of the acquired business. The Group has outstanding contingent consideration payable amounting to £24.2 million (2011 £11.8 million, 2010 £17.8 million).

Contingent consideration payable is discounted to its fair value in accordance with applicable International Financial Reporting Standards. For acquisitions completed prior to 4th October, 2009, the difference between the fair value of these liabilities and the actual amounts payable is charged to the Consolidated Income Statement as notional finance costs with remeasurement of the liability being recorded against goodwill. For acquisitions completed in the current period, movements in the fair value of these liabilities are recorded in the Consolidated Income Statement in Financing.

Contingent consideration receivable
Estimates are required in respect of the amount of contingent consideration receivable on disposals, which is determined according to formulae agreed at the time of the disposal and is normally related to the future earnings of the disposed business. The Directors review the amount of contingent consideration likely to be receivable at each period end date, the major assumption being the level of future profits of the disposed business. The Group has outstanding contingent consideration receivable amounting to £1.2 million (2011 £1.6 million, 2010 £4.9 million).

Contingent consideration receivable is discounted to its fair value in accordance with applicable International Financial Reporting Standards. For disposals completed prior to 4th October, 2009, the difference between the fair value of these liabilities and the actual amounts payable is charged to the Consolidated Income Statement as notional finance costs with remeasurement of the liability being recorded against goodwill. For acquisitions completed in the current period, movements in the fair value of these liabilities are recorded in the Consolidated Income Statement in Financing.

Financial Statements
Significant accounting policies continued

2) SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Adjusted profit

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 costs associated with business combinations, 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 arising on business combinations. 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 41 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 accounts for unresolved issues based on its best estimate of the final outcome, 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. As described above, the Group makes estimates regarding the recoverability of deferred tax assets relating to losses based on forecasts of future taxable profits which are, by their nature, uncertain.

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 Consolidated Income Statement and the amounts of actuarial gains and losses recognised in the Consolidated Statement of Changes in Equity. The carrying amount of the retirement benefit obligation at 30th September, 2012 was a deficit of £324.4 million (2011 £336.2 million, 2010 £271.4 million). Further details are given in Note 34.

3) SEGMENT ANALYSIS

The Group's business activities are split into seven operating divisions: RMS, business information, events, 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.

Details of the types of products and services from which each segment derives its revenues are included within the Strategic Report on pages 22 to 37.

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 and related services from the national media to the local media division which is at cost to the Group plus a margin where relevant. The amount of newsprint sold between segments during the period amounted to £20.7 million (2011 £23.6 million).

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Notes to the consolidated financial statements

3) SEGMENT ANALYSIS

52 weeks ending 30th September, 2012	Note	External revenue £m	Inter-segment revenue £m	Total revenue £m	Segment result £m	Less operating profit/(loss) of joint ventures and associates £m	Operating profit before exceptional operating costs and amortisation and impairment of goodwill and acquired intangible assets £m
RMS		163.2	0.3	163.5	55.9	(0.2)	56.1
Business information		253.2	–	253.2	47.1	(0.8)	47.9
Events		88.8	–	88.8	21.2	0.1	21.1
Euromoney		394.1	0.1	394.2	112.5	0.6	111.9
National media		847.5	33.4	880.9	81.3	3.8	77.5
Local media		212.7	0.1	212.8	26.0	–	26.0
Radio		–	–	–	9.5	9.5	–
		1,959.5	33.9	1,993.4	353.5	13.0	340.5
Corporate costs							(40.8)
Discontinued operations	18	(212.7)					(26.0)
		1,746.8					
Operating profit before exceptional operating costs and amortisation and impairment of goodwill and acquired intangible assets							273.7
Exceptional operating costs, impairment of internally generated and acquired computer software, investment property and property, plant and equipment							(73.1)
Impairment of goodwill and intangible assets	20, 21						(19.4)
Amortisation of acquired intangible assets arising on business combinations	21						(34.2)
Operating profit before share of results of joint ventures and associates							147.0
Share of result of joint ventures and associates	7						(1.8)
Total operating profit							145.2
Other gains and losses	8						114.4
Profit before net finance costs and tax							259.6
Investment revenue	9						10.8
Finance costs	10						(64.1)
Profit before tax							206.3
Tax	11						18.8
Profit from discontinued operations	18						54.8
Profit for the period							279.9

Operating profit before exceptional operating costs and amortisation and impairment of goodwill and intangible assets within the national media division comprised £106.8 million from newspapers, £6.4 million from digital and unallocated divisional central costs of £35.7 million.

Included within corporate costs is a credit of £1.3 million which adjusts the pensions charge recorded in each operating segment from a cash rate to the net service cost in accordance with IAS 19, Employee benefits.

Financial Statements
Notes to the consolidated financial statements continued

3) SEGMENT ANALYSIS – CONTINUED

An analysis of the amortisation and impairment of goodwill and intangible assets, depreciation and impairment of investment property, property, plant and equipment, exceptional operating costs, investment income and finance costs by segment is as follows:

52 weeks ending 30th September, 2012	Amortisation of intangible assets not arising on business combinations (Note 21) £m	Amortisation of intangible assets arising on business combinations (Note 21) £m	Impairment of goodwill and intangible assets (Note 20, 21) £m	Exceptional operating costs, impairment of investment property and impairment of property, plant and equipment £m	Exceptional depreciation of property, plant and equipment (Note 22) £m	Depreciation of property, plant and equipment (Note 22, 23) £m	Investment revenue (Note 9) £m	Finance costs (Note 10) £m
RMS	(1.2)	–	–	–	–	(5.2)	–	–
Business information	(8.2)	(8.8)	(16.0)	(0.7)	–	(5.9)	0.1	(0.1)
Events	–	(5.5)	–	(0.9)	–	(0.5)	1.2	–
Euromoney	(0.3)	(15.7)	–	(1.6)	(0.1)	(3.3)	0.2	1.0
National media	(10.7)	(4.2)	(3.4)	(22.5)	(38.4)	(22.0)	0.1	–
Local media	–	(0.3)	–	(9.9)	(0.5)	(1.8)	–	–
	(20.4)	(34.5)	(19.4)	(35.6)	(39.0)	(38.7)	1.6	0.9
Corporate costs	–	–	–	(8.9)	–	(5.7)	9.2	(65.0)
	(20.4)	(34.5)	(19.4)	(44.5)	(39.0)	(44.4)	10.8	(64.1)
Relating to discontinued operations	–	0.3	–	10.4	–	11.1	–	–
Group total	(20.4)	(34.2)	(19.4)	(34.1)	(39.0)	(33.3)	10.8	(64.1)

The Group's exceptional operating costs represent closure and reorganisation costs in the national and local media segments amounting to £25.6 million and an impairment charge of £6.5 million on the closure of a print site. In Euromoney, restructuring costs amount to £1.6 million following the reorganisation of certain group functions and recently acquired businesses. Included in corporate costs is a charge of £8.2 million relating to consultancy services and an impairment charge of £0.7 million relating to investment property. The Group's tax charge includes a related credit of £19.4 million in relation to these items.

3) SEGMENT ANALYSIS – CONTINUED

52 weeks ending 2nd October, 2011	Note	External revenue Restated (Note 2) £m	Inter-segment revenue £m	Total revenue Restated (Note 2) £m	Segment result Restated (Note 2) £m	Less operating profit/(loss) of joint ventures and associates £m	Operating profit before exceptional operating costs and amortisation and impairment of goodwill and acquired intangible assets Restated (Note 2) £m
RMS		158.7	1.2	159.9	47.5	–	47.5
Business information		232.3	0.3	232.6	42.0	0.1	41.9
Events		132.1	–	132.1	38.8	–	38.8
Euromoney		363.1	–	363.1	93.4	0.5	92.9
National media		862.3	38.8	901.1	73.4	(2.4)	75.8
Local media		236.1	0.2	236.3	16.9	–	16.9
Radio		–	–	–	6.7	6.7	–
		1,984.6	40.5	2,025.1	318.7	4.9	313.8
Corporate costs							(32.5)
Discontinued operations	18	(236.1)					(16.9)
		1,748.5					
Operating profit before exceptional operating costs and amortisation and impairment of goodwill and acquired intangible assets							264.4
Exceptional operating costs, impairment of internally generated and acquired computer software, investment property and property, plant and equipment							(41.9)
Impairment of goodwill and intangible assets	20, 21						(10.7)
Amortisation of acquired intangible assets arising on business combinations	21						(41.7)
Operating profit before share of results of joint ventures and associates							170.1
Share of result of joint ventures and associates	7						(2.7)
Total operating profit							167.4
Other gains and losses	8						13.1
Profit before net finance costs and tax							180.5
Investment revenue	9						17.1
Finance costs	10						(71.7)
Profit before tax							125.9
Tax	11						3.7
Profit from discontinued operations	18						(5.2)
Profit for the period							124.4

Operating profit before exceptional operating costs and amortisation and impairment of goodwill and intangible assets within the national media division comprised £103.7 million from newspapers, a loss of £0.9 million from digital and unallocated divisional central costs of £27.0 million.

Included within corporate costs is a credit of £1.9 million which adjusts the pensions charge recorded in each operating segment from a cash rate to the net service cost in accordance with IAS 19, Employee benefits.

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3) SEGMENT ANALYSIS – CONTINUED

An analysis of the amortisation and impairment of goodwill and intangible assets, depreciation and impairment of investment property, property, plant and equipment, exceptional operating costs, investment income and finance costs by segment is as follows:

52 weeks ending 2nd October, 2011	Amortisation of intangible assets not arising on business combinations (Note 21) £m	Amortisation of intangible assets arising on business combinations (Note 21) £m	Impairment of goodwill and intangible assets (Note 20, 21) £m	Exceptional operating costs, impairment of investment property and impairment of property, plant and equipment £m	Exceptional depreciation of property, plant and equipment (Note 22) £m	Depreciation of property, plant and equipment (Note 22, 23) £m	Investment revenue (Note 9) £m	Finance costs (Note 10) £m
RMS	(1.9)	–	–	–	–	(5.3)	0.2	–
Business information	(7.0)	(7.5)	–	(1.3)	–	(6.8)	–	(0.2)
Events	–	(11.7)	–	0.9	–	(0.7)	1.3	–
Euromoney	(0.3)	(13.1)	(0.1)	(3.2)	–	(2.7)	0.3	(2.9)
National media	(9.2)	(9.4)	(10.6)	(16.9)	(14.8)	(23.9)	0.2	(2.2)
Local media	–	(0.8)	(13.7)	(10.4)	(0.3)	(3.5)	–	–
	(18.4)	(42.5)	(24.4)	(30.9)	(15.1)	(42.9)	2.0	(5.3)
Corporate costs	–	–	–	(6.7)	–	(4.7)	15.1	(66.4)
	(18.4)	(42.5)	(24.4)	(37.6)	(15.1)	(47.6)	17.1	(71.7)
Relating to discontinued operations	–	0.8	13.7	10.5	0.3	3.5	–	–
Group total	(18.4)	(41.7)	(10.7)	(27.1)	(14.8)	(44.1)	17.1	(71.7)

The Group's exceptional operating costs represent closure and reorganisation costs in the national and local media segments amounting to £24.9 million. In Euromoney, restructuring costs amount to £2.6 million following the closure and reorganisation of underperforming businesses, £1.0 million relates to the acquisition of Ned Davis Research Group offset by an exceptional credit of £0.4 million following resolution of a US legal dispute. Included in corporate costs is an impairment charge of £6.7 million relating to investment property. The Group's tax charge includes a related credit of £12.2 million in relation to these items.

The Group's revenue comprises sales excluding value added tax, less discounts and commission where applicable and is analysed as follows:

	52 weeks ending 30th September, 2012 Total £m	52 weeks ending 30th September, 2012 Discontinued operations (Note 18) £m	52 weeks ending 30th September, 2012 Inter-segment £m	52 weeks ending 30th September, 2012 Continuing operations £m	52 weeks ending 2nd October, 2011 Total Restated (Note 2) £m	52 weeks ending 2nd October, 2011 Discontinued operations (Note 18) £m	52 weeks ending 2nd October, 2011 Inter-segment £m	52 weeks ending 2nd October, 2011 Continuing operations Restated (Note 2) £m
Sale of goods	786.0	–	–	786.0	576.7	–	–	576.7
Rendering of services	1,207.4	(212.7)	(33.9)	960.8	1,448.4	(236.1)	(40.5)	1,171.8
	1,993.4	(212.7)	(33.9)	1,746.8	2,025.1	(236.1)	(40.5)	1,748.5

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 9.

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.

3) SEGMENT ANALYSIS – CONTINUED

Revenue is analysed by geographic area as follows:

	52 weeks ending 30th September, 2012 Total £m	52 weeks ending 30th September, 2012 Discontinued operations (Note 18) £m	52 weeks ending 30th September, 2012 Continuing operations £m	52 weeks ending 2nd October, 2011 Total Restated (Note 2) £m	52 weeks ending 2nd October, 2011 Discontinued operations (Note 18) £m	52 weeks ending 2nd October, 2011 Continuing operations Restated (Note 2) £m
UK	1,234.9	(212.7)	1,022.2	1,288.6	(236.1)	1,052.5
Rest of Europe	68.2	–	68.2	42.6	–	42.6
North America	556.4	–	556.4	550.1	–	550.1
Australia	13.5	–	13.5	11.9	–	11.9
Rest of the World	86.5	–	86.5	91.4	–	91.4
	1,959.5	(212.7)	1,746.8	1,984.6	(236.1)	1,748.5

The closing net book value of goodwill, intangible assets, plant and equipment and investment property is analysed by geographic area as follows:

	Closing net book value of goodwill (Note 20) 2012 £m	Closing net book value of goodwill (Note 20) 2011 £m	Closing net book value of goodwill (Note 20) 2010 £m	Closing net book value of intangible assets (Note 21) 2012 £m	Closing net book value of intangible assets (Note 21) 2011 £m	Closing net book value of intangible assets (Note 21) 2010 £m
UK	212.2	259.0	275.2	57.8	76.3	96.6
Rest of Europe	32.8	10.5	7.1	26.7	4.7	4.8
North America	439.8	457.2	433.4	191.2	199.8	267.1
Australia	1.5	1.5	1.5	0.7	0.8	0.8
Rest of the World	18.3	18.8	18.6	5.0	6.6	8.6
	704.6	747.0	735.8	281.4	288.2	377.9

	Closing net book value of property, plant and equipment (Note 22) 2012 £m	Closing net book value of property, plant and equipment (Note 22) 2011 £m	Closing net book value of property, plant and equipment (Note 22) 2010 £m	Closing net book value of investment property (Note 23) 2012 £m	Closing net book value of investment property (Note 23) 2011 £m	Closing net book value of investment property (Note 23) 2010 £m
UK	207.1	258.3	311.8	6.8	21.6	11.6
Rest of Europe	1.1	14.8	17.3	–	–	–
North America	27.7	30.1	31.2	–	–	–
Australia	0.3	0.2	0.3	–	–	–
Rest of the World	1.9	2.0	5.6	–	–	–
	238.1	305.4	366.2	6.8	21.6	11.6

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3) SEGMENT ANALYSIS – CONTINUED

The additions to non-current assets are analysed as follows:

	Goodwill 52 weeks ending 30th September, 2012 (Note 20) £m	Goodwill 52 weeks ending 2nd October, 2011 (Note 20) £m	Goodwill 52 weeks ending 3rd October, 2010 (Note 20) £m	Intangible assets 52 weeks ending 30th September, 2012 (Note 21) £m	Intangible assets 52 weeks ending 2nd October, 2011 (Note 21) £m	Intangible assets 52 weeks ending 3rd October, 2010 (Note 21) £m
RMS	–	–	–	17.6	5.2	0.5
Business information	17.2	6.6	2.1	22.5	11.3	8.2
Events	–	–	0.2	–	0.3	0.4
Euromoney	5.8	34.8	4.3	2.1	38.2	3.7
National media	24.3	–	5.4	32.9	9.4	12.2
Local media	0.1	–	–	0.5	–	–
Radio	–	–	–	–	–	0.1
	47.4	41.4	12.0	75.7	64.4	25.1

The additions to non-current assets are analysed as follows:

	Property, plant and equipment 52 weeks ending 30th September, 2012 (Note 22) £m	Property, plant and equipment 52 weeks ending 2nd October, 2011 (Note 22) £m	Property, plant and equipment 52 weeks ending 3rd October, 2010 (Note 22) £m	Investment property 52 weeks ending 30th September, 2012 (Note 23) £m	Investment property 52 weeks ending 2nd October, 2011 (Note 23) £m	Investment property 52 weeks ending 3rd October, 2010 (Note 23) £m
RMS	3.5	9.7	11.7	–	–	–
Business information	6.9	7.4	7.2	–	–	–
Events	0.6	0.6	0.5	–	–	–
Euromoney	1.7	3.5	3.2	–	–	–
National media	45.1	10.7	8.1	–	–	–
Local media	0.1	1.4	3.2	–	–	–
Radio	–	–	0.7	–	–	–
Centrally held	1.4	1.1	1.5	2.2	31.2	18.9
	59.3	34.4	36.1	2.2	31.2	18.9

4) OPERATING PROFIT ANALYSIS

Operating profit before the share of results of joint ventures and associates is further analysed as follows:

	Note	52 weeks ending 30th September, 2012 Total £m	52 weeks ending 30th September, 2012 Discontinued operations (Note 18) £m	52 weeks ending 30th September, 2012 Continuing operations £m	52 weeks ending 2nd October, 2011 Total Restated (Note 2) £m	52 weeks ending 2nd October, 2011 Discontinued operations (Note 18) £m	52 weeks ending 2nd October, 2011 Continuing operations Restated (Note 2) £m
Revenue		1,959.6	212.7	1,746.9	1,984.6	236.1	1,748.5
Decrease in stocks of finished goods and work in progress		(6.0)	–	(6.0)	(3.7)	–	(3.7)
Raw materials and consumables		(207.7)	(60.8)	(146.9)	(236.2)	(74.9)	(161.3)
Inventories recognised as an expense in the period		(213.7)	(60.8)	(152.9)	(239.9)	(74.9)	(165.0)
Staff costs	6	(681.6)	(83.0)	(598.6)	(716.9)	(91.2)	(625.7)
Impairment of goodwill and impairment charge of intangible assets	20, 21	(19.4)	–	(19.4)	(24.4)	(13.7)	(10.7)
Amortisation of intangible assets	21	(34.5)	(0.3)	(34.2)	(42.5)	(0.8)	(41.7)
Amortisation of internally generated and acquired computer software	21	(20.4)	–	(20.4)	(18.4)	–	(18.4)
Promotion and marketing costs		(96.4)	(5.4)	(91.0)	(105.6)	(6.2)	(99.4)
Venue and delegate costs		(60.1)	–	(60.1)	(78.3)	–	(78.3)
Editorial and production costs		(165.6)	(8.3)	(157.3)	(149.4)	(8.6)	(140.8)
Distribution and transportation costs		(63.9)	(13.6)	(50.3)	(70.5)	(20.9)	(49.6)
Royalties and similar charges		(62.3)	–	(62.3)	(54.2)	–	(54.2)
Depreciation of property, plant and equipment	22, 23	(83.4)	(11.1)	(72.3)	(62.7)	(3.8)	(58.9)
Impairment of property, plant and equipment and investment property	22, 23	(7.2)	–	(7.2)	(8.6)	–	(8.6)
Rental of property		(24.2)	(2.5)	(21.7)	(22.4)	(1.8)	(20.6)
Other property costs		(42.1)	(4.5)	(37.6)	(41.5)	(6.5)	(35.0)
Rental of plant and equipment		(17.2)	(3.1)	(14.1)	(12.5)	(3.8)	(8.7)
Foreign exchange translation differences		0.9	–	0.9	1.4	–	1.4
Other expenses		(206.2)	(4.8)	(201.4)	(176.5)	(12.3)	(164.2)
Operating profit/(loss)		162.3	15.3	147.0	161.7	(8.4)	170.1

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5) AUDITOR'S REMUNERATION
The total remuneration of the Group's auditor, Deloitte, and its associates is analysed as follows:

	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 £m
Fees payable to the Company's auditor for the audit of the Company's annual accounts	0.4	0.5
Fees payable to the Company's auditor and their associates for the audit of the Company's subsidiaries pursuant to legislation	2.0	1.9
Audit services provided to all Group companies	2.4	2.4
Other services pursuant to legislation	0.3	0.3
Services relating to taxation	0.2	0.1
Services relating to corporate finance transactions	–	0.2
Information technology services	0.1	0.1
Other non-audit services	0.2	0.1
	0.8	0.8
Total remuneration	3.2	3.2

Fees payable to the Company's auditor and its 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.

6) EMPLOYEES
The average number of persons employed by the Group including Directors is analysed as follows:

	52 weeks ending 30th September, 2012 Number	52 weeks ending 2nd October, 2011 Number
RMS	1,064	3,594
Business information	1,675	1,733
Events	410	401
Euromoney	2,263	2,199
National media	4,235	4,378
Local media	2,395	2,787
Group operations	88	65
	12,130	15,157

Total staff costs comprised:

	Note	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 £m
Wages and salaries		590.2	618.3
Share-based payment	41	13.2	19.4
Social security costs		57.9	51.3
Pension costs	34, (i)	20.3	27.9
		681.6	716.9

(i) Pension costs are stated before curtailment gains and expected return on pension scheme assets less interest on pension scheme liabilities.

7) SHARE OF RESULTS OF JOINT VENTURES AND ASSOCIATES

	Note	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 Restated (Note 2) £m
Share of profits from operations of joint ventures		3.2	(2.3)
Share of profits from operations of associates		0.3	0.5
Operating profits from joint ventures and associates		3.5	(1.8)
Share of exceptional operating costs of joint ventures		(1.9)	–
Share of exceptional operating costs of associates		(0.5)	–
Share of amortisation of intangibles of joint ventures		(1.2)	–
Share of amortisation of intangibles of associates		(0.3)	(0.3)
Share of associates interest payable		(0.1)	–
Adjustment to the carrying value of joint venture on acquisition		–	3.0
Impairment of carrying value of joint ventures	24, (i)	–	(3.2)
Impairment of carrying value of associates	24, (ii)	(1.3)	(0.4)
Share of results of joint ventures and associates		(1.8)	(2.7)
Share of results from operations of joint ventures		0.1	(2.3)
Share of results from operations of associates		(0.6)	0.2
Adjustment to the carrying value of joint venture on acquisition		–	3.0
Impairment of carrying value of joint ventures	24, (i)	–	(3.2)
Impairment of carrying value of associates	24, (ii)	(1.3)	(0.4)
Share of results of joint ventures and associates		(1.8)	(2.7)

(i) In the prior year represents a £0.2 million write down in the carrying value of the Group's investment in Mail Today Newspapers Pvt. Limited in the national media segment and a £3.0 million write down in value of the Sanborn Map Company in the business information segment.

(ii) Represents a write down in the carrying value of the Group's investment in Social Metrix in the national media segment. In the prior year represents a write down in the carrying value of the Group's investment in Posvanete AD in the local media segment.

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8) OTHER GAINS AND LOSSES

	Note	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 £m
(Loss)/profit on disposal of available-for-sale investments	(i)	(0.6)	8.6
Impairment of available-for-sale assets	25	(0.3)	(0.2)
Profit on disposal of property, plant and equipment		2.0	0.6
Profit on disposal of businesses	17, (ii)	113.3	4.0
Profit on disposal of joint ventures and associates		–	0.1
		114.4	13.1

(i) Represents the loss on disposal of the Group's investment in Herald Ventures. In the prior year represents the profit on disposal of the Group's interest in CoStar, Inc.

(ii) Largely represented by the £78.2 million profit on sale of The Digital Property Group in the National media segment and £34.6 million profit on sale of Evanta in the Business information segment. In the prior year the profit on disposal of businesses mainly comprises the profit on disposal of various exhibition businesses in the events segment and various assets in the local media segment.

There is a tax charge of £11.8 million (2011 £3.1 million) in relation to these items.

9) INVESTMENT REVENUE

		52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 £m
Expected return on defined benefit pension scheme assets less interest on defined benefit pension scheme liabilities	34	8.5	12.3
Dividend income		0.8	2.9
Interest receivable from short-term deposits		1.5	1.9
		10.8	17.1

10) FINANCE COSTS

	Note	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 £m
Interest, arrangement and commitment fees payable on bonds, bank loans and loan notes		(59.5)	(70.8)
Premium on bond redemption	(i)	(6.1)	–
Change in fair value of derivative hedge of bond		2.2	0.1
Change in fair value of hedged portion of bond		(2.2)	(0.1)
Profit on derivatives, or portions thereof, not designated for hedge accounting		(0.4)	1.7
Finance charge on discounting of contingent consideration	35	(0.3)	(0.4)
Fair value movement of contingent consideration	35	0.2	(1.7)
Change in fair value of acquisition put options	33	2.0	(0.5)
		(64.1)	(71.7)

The finance charge on the discounting of contingent consideration arises from the requirement under IFRS 3 (2008), Business Combinations, to record contingent consideration at fair value using a discounted cash flow approach.

(i) During the year the Group bought back £110.0 million of its 7.5% bonds due 2013 incurring a premium of £6.1 million.

11) TAX

	Note	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 Restated (Note 2) £m
The credit on the profit for the year consists of:			
UK tax			
Corporation tax at 25.0% (2011 27.0%)		(4.3)	(2.4)
Adjustments in respect of prior periods		43.0	0.4
		38.7	(2.0)
Overseas tax			
Corporation tax		(31.9)	(19.3)
Adjustments in respect of prior periods		(12.4)	(0.9)
Total current tax		(5.6)	(22.2)
Deferred tax	36		
Origination and reversals of temporary differences		(24.0)	20.1
Adjustments in respect of prior periods		39.1	7.0
Total deferred tax		15.1	27.1
		9.5	4.9
Discontinued operations	18	9.3	(1.2)
		18.8	3.7

Being a multinational Group with tax affairs in many geographic locations inherently leads to a highly complex tax structure. The tax charge is reviewed and measured on a Group total basis only.

A current tax credit of £0.6 million (2011 £nil) and a deferred tax credit of £5.0 million (2011 £17.7 million) was recognised directly in equity (Note 38 and 39).

The tax charge for the year is lower than the standard rate of corporation tax in the UK of 25.0% (2011 27.0%) representing the weighted average annual corporate tax rate for the full financial year. The differences are explained below:

	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 Restated (Note 2) £m
Profit on ordinary activities before tax – continuing operations	206.3	125.9
Profit/(loss) before tax – discontinued operations	64.1	(6.4)
Total profit before tax	270.4	119.5
Tax on profit on ordinary activities at the standard rate	(67.6)	(32.3)
Effect of:		
Amortisation and Impairment of goodwill and intangible assets	(6.3)	(3.0)
Other expenses not deductible for tax purposes	(6.3)	(8.2)
Additional items deductible for tax purposes	23.5	22.8
Recognition of previously unrecognised deferred tax assets	0.4	18.6
Effect of overseas tax rates	(14.6)	8.1
Effect of associates tax	1.4	(0.5)
Tax losses unrelieved	(15.2)	(9.0)
Write off/disposal of subsidiaries	31.3	1.6
Effect of change in tax rate	(6.3)	(2.8)
Adjustment in respect of prior years	69.7	6.5
Other	(0.5)	3.1
Total tax credit on the profit for the year	9.5	4.9

The net prior year credit of £69.7 million (2011 £6.5 million), arose largely from the agreement of certain prior year issues with tax authorities and a reassessment of the level of tax provisions required.

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11) TAX – CONTINUED

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 £39.0 million (2011 £33.7 million) and the resulting rate is 15.2% (2011 14.4%). The differences between the tax credit and the adjusted tax charge are shown in the reconciliation below:

	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 £m
Total tax credit on the profit for the year	9.5	4.9
Deferred tax on intangible assets and goodwill	(2.8)	(0.9)
Agreement of open issues with tax authorities	(41.6)	1.0
Tax on other exceptional items	(4.1)	(38.7)
Adjusted tax charge on the profit for the year	(39.0)	(33.7)

In calculating the adjusted tax rate, the Group excludes the potential future deferred tax effects of intangible assets and goodwill (other than internally generated and acquired computer software) as it prefers to give the users of its accounts a view of the tax charge based on the current status of such items.

Tax on other exceptional items includes a charge of £1.9 million (2011 £29.6 million) relating to the recognition of further tax losses and other temporary differences which are treated as exceptional due to their material impact on the Group's adjusted tax charge.

12) DIVIDENDS PAID

	52 weeks ending 30th September, 2012 Pence per share	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 Pence per share	52 weeks ending 2nd October, 2011 £m
Amounts recognisable as distributions to equity holders in the period				
Ordinary shares – final dividend for the year ended 2nd October, 2011	11.7	2.5	–	–
'A' Ordinary Non-Voting Shares – final dividend for the year ended 2nd October, 2011	11.7	42.3	–	–
Ordinary shares – final dividend for the year ended 3rd October, 2010	–	–	11.0	2.0
'A' Ordinary Non-Voting shares – final dividend for the year ended 3rd October, 2010	–	–	11.0	40.1
		44.8		42.1
Ordinary shares – interim dividend for the year ended 30th September, 2012	5.6	1.1	–	–
'A' Ordinary Non-Voting shares – interim dividend for the year ended 30th September, 2012	5.6	20.3	–	–
Ordinary shares – interim dividend for the year ended 2nd October, 2011	–	–	5.3	1.1
'A' Ordinary Non-Voting shares – interim dividend for the year ended 2nd October, 2011	–	–	5.3	19.2
		21.4		20.3
	17.3	66.2	16.3	62.4

The Board has declared a final dividend of 12.4 p per Ordinary/'A' Ordinary Non-Voting Share (2011 11.7p) which will absorb an estimated £47.5 million (£44.8 million) of shareholders' funds for which no liability has been recognised in these financial statements. It will be paid on 10th February, 2013 to shareholders on the register at the close of business on 30th November, 2012.

13) ADJUSTED PROFIT

	Note	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 Restated (note 2) £m
Profit before tax – continuing operations		206.3	125.9
Profit/(loss) before tax – discontinued operations	18	21.1	(6.4)
Profit on disposal of discontinued operations	18	43.0	–
Add back:			
Amortisation of intangible assets arising on business combinations – continuing operations	3	34.2	41.7
Amortisation of intangible assets arising on business combinations – discontinued operations	18	0.3	0.8
Amortisation of intangible assets in joint ventures and associates arising on business combinations – continuing operations	7	1.5	0.3
Amortisation of intangible assets in joint ventures and associates arising on business combinations – discontinued operations	18	3.2	3.4
Impairment of goodwill and intangible assets arising on business combinations	3	19.4	24.4
Exceptional operating costs, impairment of internally generated and acquired computer software, investment property and property, plant and equipment – continuing operations	3	73.1	41.9
Exceptional operating costs, impairment of internally generated and acquired computer software, investment property and property, plant and equipment – discontinued operations	18	10.4	10.8
Share of exceptional operating costs of joint ventures		1.9	–
Share of exceptional operating costs of associates		0.5	–
Impairment of carrying value of joint venture net of fair value adjustment on acquisition	7	–	0.2
Impairment of carrying value of associate – continued operations	7	1.3	0.4
Impairment of carrying value of associate – discontinued operations	18	0.3	–
Other gains and losses:			
Loss/(profit) on disposal of available-for-sale investments	8	0.6	(8.6)
Profit on disposal of property, plant and equipment	8	(2.0)	(0.6)
Profit on disposal of businesses	8	(113.3)	(4.0)
Impairment of available-for-sale assets	8	0.3	0.2
Profit on disposal of joint ventures and associates	8	–	(0.1)
Loss/(profit) on disposal of businesses within discontinued operations	18	0.1	(1.7)
Finance costs:			
Change in fair value of acquisition put options	10	(2.0)	0.5
Fair value movement on contingent consideration	10	(0.2)	1.7
Tax:			
Share of tax in joint ventures and associates – discontinued operations	18	(1.6)	1.3
Profit from discontinued operations:			
Profit on disposal of discontinued operations	18	(43.0)	–
Adjusted profit before tax and non-controlling interests		255.4	232.1
Total tax credit on the profit for the period	11	9.5	4.9
Adjust for:			
Deferred tax on intangible assets and goodwill	11	(2.8)	(0.9)
Agreed open issues with tax authorities	11	(41.6)	1.0
Tax on other exceptional items	11	(4.1)	(38.7)
Non-controlling interests		(27.3)	(21.8)
Adjusted profit after taxation and non-controlling interests		189.1	176.6

The adjusted non-controlling interests share of profits for the period of £27.3 million (2011 £21.8 million) is stated after eliminating a credit of £4.6 million (2011 £6.0 million), being the non-controlling interests share of adjusting items.

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14) EARNINGS PER SHARE

Basic earnings per share of 67.2 p (2011 28.3 p) and diluted earnings per share of 65.1 p (2011 27.7 p) are calculated, in accordance with IAS 33, Earnings per share, on Group profit for the financial period of £202.4 million (2011 £113.7 million) as adjusted for the effect of dilutive ordinary shares of £0.6 million (2011 £1.0 million) and earnings from discontinued operations of £54.8 million (2011 loss £5.2 million) 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 49.4 p (2011 46.1 p) are calculated on profit for continuing and discontinued operations before exceptional operating costs, impairment of goodwill and intangible assets, amortisation of intangible assets arising on business combinations, other gains and losses and exceptional financing costs after taxation and non-controlling interests associated with those profits, of £189.1 million (2011 £176.6 million), as set out in Note 13 above, and on the basic weighted average number of ordinary shares in issue during the year.

Basic and diluted earnings per share

	52 weeks ending 30th September, 2012 Diluted earnings £m	52 weeks ending 2nd October, 2011 Diluted earnings Restated (Note 2) £m	52 weeks ending 30th September, 2012 Basic earnings £m	52 weeks ending 2nd October, 2011 Basic earnings Restated (Note 2) £m
Earnings from continuing operations	202.4	113.7	202.4	113.7
Effect of dilutive ordinary shares	(0.6)	(1.0)	–	–
Earnings from discontinued operations	54.8	(5.2)	54.8	(5.2)
	256.6	107.5	257.2	108.5

	52 weeks ending 30th September, 2012 Diluted pence per share	52 weeks ending 2nd October, 2011 Diluted pence per share Restated (Note 2)	52 weeks ending 30th September, 2012 Basic pence per share	52 weeks ending 2nd October, 2011 Basic pence per share Restated (Note 2)
Earnings per share from continuing operations	51.4	29.3	52.9	29.7
Effect of dilutive ordinary shares	(0.2)	(0.3)	–	–
Earnings per share from discontinued operations	13.9	(1.3)	14.3	(1.4)
Basic earnings per share from continuing and discontinued operations	65.1	27.7	67.2	28.3

14) EARNINGS PER SHARE – CONTINUED
Adjusted earnings per share

	52 weeks ending 30th September, 2012 Diluted pence per share	52 weeks ending 2nd October, 2011 Diluted pence per share Restated (Note 2)	52 weeks ending 30th September, 2012 Basic pence per share	52 weeks ending 2nd October, 2011 Basic pence per share Restated (Note 2)
Profit before tax – continuing operations	52.4	32.5	53.9	32.9
Effect of dilutive ordinary shares	(0.2)	(0.3)	–	–
Profit/(loss) before tax – discontinued operations	5.4	(1.7)	5.5	(1.7)
Profit on disposal of discontinued operations	10.9	–	11.2	–
Add back:				
Amortisation of intangible assets arising on business combinations – continuing operations	8.7	10.8	8.9	10.9
Amortisation of intangible assets arising business combinations – discontinued operations	0.1	0.2	0.1	0.2
Amortisation of intangible assets in joint ventures and associates arising on business combinations – continuing operations	0.4	0.1	0.4	0.1
Amortisation of intangible assets in joint ventures and associates arising on business combinations – discontinued operations	0.8	0.9	0.8	0.9
Impairment of goodwill and intangible assets arising on business combinations – continuing operations	4.9	6.3	5.1	6.4
Exceptional operating costs, impairment of internally generated and acquired computer software, investment property and property, plant and equipment – continuing operations	18.6	10.8	19.1	10.9
Exceptional operating costs, impairment of internally generated and acquired computer software, investment property and property, plant and equipment – discontinued operations	2.6	2.8	2.7	2.8
Share of exceptional operating costs of joint ventures	0.5	–	0.5	–
Share of exceptional operating costs of associates	0.1	–	0.1	–
Impairment of carrying value of joint venture net of fair value adjustment on acquisition	–	0.1	–	0.1
Impairment of carrying value of associate – continued operations	0.3	0.1	0.3	0.1
Impairment of carrying value of associate – discontinued operations	0.1	–	0.1	–
Other gains and losses:				
Loss/(profit) on disposal of available-for-sale investments	0.2	(2.2)	0.2	(2.2)
Profit on disposal of property, plant and equipment	(0.5)	(0.2)	(0.5)	(0.2)
Profit on disposal of businesses	(28.8)	(1.0)	(29.6)	(1.0)
Impairment of available-for-sale assets	0.1	0.1	0.1	0.1
Profit on disposal of businesses within discontinued operations	–	(0.4)	–	(0.4)
Finance costs:				
Change in fair value of acquisition put options	(0.5)	0.1	(0.5)	0.1
Fair value movement on contingent consideration	(0.1)	0.4	(0.1)	0.4
Tax:				
Share of tax in joint ventures and associates – discontinued operations	(0.4)	0.3	(0.4)	0.3
Profit from discontinued operations:				
Profit on disposal of discontinued operations	(10.9)	–	(11.2)	–
Adjusted profit before tax and non-controlling interests	64.7	59.7	66.7	60.7
Total tax credit on the profit for the period	2.4	1.3	2.5	1.3
Adjust for:				
Deferred tax on intangible assets and goodwill	(0.7)	(0.2)	(0.7)	(0.2)
Agreed open issues with tax authorities	(10.6)	0.3	(10.9)	0.3
Tax on other exceptional items	(1.0)	(10.1)	(1.1)	(10.2)
Non-controlling interests	(6.9)	(5.7)	(7.1)	(5.8)
Adjusted profit after taxation and non-controlling interests	47.9	45.3	49.4	46.1

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14) EARNINGS PER SHARE – CONTINUED

The weighted average number of ordinary shares in issue during the period for the purpose of these calculations is as follows:

	52 weeks ending 30th September, 2012 Number m	52 weeks ending 2nd October, 2011 Number m
Number of ordinary shares in issue	392.7	392.6
Shares held in Treasury	(9.9)	(9.8)
Basic earnings per share denominator	382.8	382.8
Effect of dilutive share options	10.9	5.0
Dilutive earnings per share denominator	393.7	387.8

15) ANALYSIS OF NET DEBT

	Note	At 2nd October, 2011 £m	Cash flow £m	Fair value hedging adjustments £m	Foreign exchange movements £m	Other non-cash movements £m	At 30th September, 2012 £m
Cash and cash equivalents	28	174.3	(65.3)	–	(1.7)	–	107.3
Bank overdrafts	32	(2.6)	2.5	–	0.1	–	–
Net cash and cash equivalents		171.7	(62.8)	–	(1.6)	–	107.3
Debt due within one year							
Bonds		–	(50.1)	1.0		1.8	(47.3)
Other financial liabilities	32	(23.4)	23.4	–	–	–	–
Loan notes	32	(3.3)	0.7	–	–	–	(2.6)
Debt due after one year							
Bonds	32	(832.0)	160.0	(3.1)	–	(3.0)	(678.1)
Net debt before effect of derivatives		(687.0)	71.2	(2.1)	(1.6)	(1.2)	(620.7)
Effect of derivatives on debt	(i)	(32.6)	(7.8)	2.1	46.0	–	7.7
Net debt		(719.6)	63.4	–	44.4	(1.2)	(613.0)

(i) The effect of derivatives on bank debt is the net currency gain or loss on derivatives entered into with the intention of economically converting the currency of drawn debt to an alternative currency.

Other non-cash movements in respect of bonds comprises the unwinding of premium of £1.4 million (2011 £1.6 million) offset by the amortisation of issue costs of £0.2 million (2011 £0.5 million).

The net cash outflow of £62.8 million (2011 £107.4 million) includes a cash outflow of £40.5 million (2011 £16.5 million) in respect of operating exceptional items.

16) SUMMARY OF THE EFFECTS OF ACQUISITIONS

In April, 2012 the Group acquired Jobrapido, provider of one of the world's largest job search engines.

Provisional fair value of net assets acquired with Jobrapido:

	Book value £m	Provisional fair value adjustments £m	Provisional fair value £m
Goodwill	–	24.3	24.3
Intangible assets	0.1	22.9	23.0
Property, plant and equipment	0.1	–	0.1
Trade and other receivables	3.1	–	3.1
Cash and cash equivalents	6.1	–	6.1
Trade and other payables	(5.0)	–	(5.0)
Deferred tax	–	(6.3)	(6.3)
Net assets acquired	4.4	40.9	45.3

Cost of acquisition:

	Non-cash £m	Cash paid in current period £m	Total £m
Contingent consideration	16.1	–	16.1
Cash	–	29.2	29.2
Total consideration at fair value	16.1	29.2	45.3

Jobrapido contributed £14.0 million to the Group's revenue, £2.0 million to the Group's operating profit and £2.0 million to the Group's profit before tax for the period between the date of acquisition and 30th September, 2012. If the above acquisition had been completed on the first day of the financial year, Jobrapido would have contributed £26.2 million to the Group's revenue for the year and £4.6 million to the Group's profit before tax for the year.

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16) SUMMARY OF THE EFFECTS OF ACQUISITIONS – CONTINUED
A summary of notable acquisitions completed during the period were 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
BUILDERadius	Business information	57.80%	November, 2011	Provider of building safety and code enforcement software and services	5.7	3.2	6.9
Intelliworks	Business information	100.00%	December, 2011	Provider of marketing, recruiting, enrolment & CRM solutions for higher education colleges	8.5	3.7	7.2
Global Grain	Euromoney	50.00%	February, 2012	Provider of International grain conferences	5.2	1.3	4.4
PrepMe	Business information	100.00%	February, 2012	Provider of adaptive learning services	2.5	1.8	1.4
Jobrapido	National media	100.00%	April, 2012	Job search engine	45.3	23.0	24.3
Springrock	Business information	100.00%	April, 2012	Provider of North American natural gas and crude oil production forecasts	4.7	2.9	1.8
Navitas	Business information	100.00%	August, 2012	Provider of renewable fuels consultancy services	1.5	1.5	–

Provisional fair value of net assets acquired with all acquisitions:

	Note	Book value £m	Provisional fair value adjustments £m	Provisional fair value £m
Goodwill	20, (i)	–	46.3	46.3
Intangible assets	21	–	37.9	37.9
Trade and other receivables		4.5	–	4.5
Cash and cash equivalents		6.6	–	6.6
Trade and other payables		(12.5)	–	(12.5)
Deferred tax	36	1.1	(9.8)	(8.7)
Net assets acquired		(0.3)	74.4	74.1

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	35, (ii)	20.7	–	20.7
Reclassification of investment in associate		5.7	–	5.7
Cash		–	47.7	47.7
Total consideration at fair value		26.4	47.7	74.1

(i) The amount of goodwill which is deductible for the purposes of calculating the Group's tax charge amounts to £nil.

(ii) The contingent consideration is based on future business valuations and profit multiples and has been estimated on an acquisition by acquisition basis using available data forecasts. The range of undiscounted outcomes for contingent consideration relating to acquisitions in the year is £nil to £42.9 million. Certain contingent consideration arrangements are not capped since they are based on future business performance (Note 35).

Directly attributable costs in relation to the above acquisitions amounted to £0.1 million.

The 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.

If all acquisitions had been completed on the first day of the financial period, Group revenues for the period would have been £1,761.1 million and Group profit attributable to equity holders of the parent would have been £258.8 million. This information takes into account the amortisation of acquired intangible assets 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 period.

Total losses attributable to equity holders of the parent since the date of acquisition for companies acquired during the period amounted to £1.0 million.

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.

Purchase of additional shares in controlled entities

	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 £m
Cash consideration excluding acquisition expenses	14.8	2.7

During the period, the Group acquired additional shares in controlled entities amounting to £14.8 million (2011 £2.7 million). In addition, the Group opted to receive a scrip dividend from Euromoney Institutional Investor PLC (Euromoney) amounting to £16.0 million (2011 £14.2 million) thereby acquiring a further 0.6% (2011 0.5%) 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 Consolidated Statement of Financial Position. The difference between the cost of the additional shares and the carrying value of the non-controlling interests share of net assets is adjusted in retained earnings. The adjustment to retained earnings in the period was a charge of £13.5 million (2011 £4.3 million).

Reconciliation to purchase of subsidiaries as shown in the Consolidated Cash Flow Statement:

	Note	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 £m
Cash consideration excluding acquisition expenses	16	47.7	74.1
Cash paid to settle contingent consideration in respect of acquisitions	35	7.7	12.0
Cash and cash equivalents acquired with subsidiaries	16	(6.6)	(4.8)
Purchase of subsidiaries		48.8	81.3

Cash paid in respect of contingent consideration relating to prior year acquisitions includes £3.3 million within Business information, £0.7 million within Euromoney and £3.7 million within national media.

The businesses acquired during the year absorbed £0.5 million of the Group's net operating cash flows, £nil attributable to investing and £nil attributable to financing activities.

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17) SUMMARY OF THE EFFECTS OF DISPOSALS

On October 14th, 2011 the Group announced that it had agreed to merge the online property business of its Digital Property Group ('DPG'), which includes FindaProperty.com and Primelocation.com, with those of Zoopla Limited (Zoopla) operator of Zoopla.co.uk. Zoopla is a privately owned company which has venture capital interests as its largest shareholders. Following the transaction, the Group retained a 52.25% interest in the newly merged entity; however since the Group has joint management control the investment in Zoopla has been equity accounted as a joint venture.

The net assets disposed were as follows:

	£m
Goodwill	39.6
Intangible assets	1.6
Trade and other receivables	4.1
Cash at bank and in hand	0.1
Trade and other payables	(1.9)
Deferred tax	0.4
Net assets disposed	**43.9**
Profit on sale of businesses	78.2
	122.1

Satisfied by:	
Fair value of 52.25% holding in Zoopla	125.4
Directly attributable costs	(3.3)
	122.1

During the period DPG absorbed £1.0 million of the Group's net operating cash flows, paid £nil in respect of investing activities and paid £nil in respect of financing activities.

In addition in September, 2012 the Group disposed of Evanta Ventures, Inc. a business within the events segment.

The net assets disposed were as follows:

	£m
Goodwill	7.2
Intangible assets	10.1
Property, plant and equipment	0.2
Inventories	1.3
Trade and other receivables	2.7
Trade and other payables	(7.2)
Deferred tax	0.2
Net assets disposed	**14.5**
Profit on sale of businesses	34.6
	49.1

Satisfied by:	
Cash received	59.5
Recycled cumulative translation differences	0.9
Directly attributable costs	(11.3)
	49.1

During the period Evanta generated £3.5 million of the Group's net operating cash flows, paid £nil in respect of investing activities and paid £nil in respect of financing activities.

17) SUMMARY OF THE EFFECTS OF DISPOSALS – CONTINUED

A summary of notable disposals is as follows:

Name of disposal	Segment	Date of disposal	Fair value of consideration £m
Teletext	National Media	December, 2011	2.0
Zambeasy.co.uk	National Media	January, 2012	0.5
Chew Valley	Regional Media	January, 2012	0.3
Motors.co.uk	National Media	March, 2012	0.9
Digital Property Group	National Media	May, 2012	125.4
Evanta	Events	September, 2012	57.0

The impact of all disposals of businesses on net assets was:

	Note	£m
Goodwill	20	47.9
Intangible assets	21	12.4
Property, plant and equipment	22	0.3
Inventories		1.2
Trade and other receivables		10.1
Cash at bank and in hand		0.6
Trade and other payables		(13.4)
Corporation tax		0.1
Deferred tax	36	1.7
Net assets disposed		60.9
Profit on disposal of businesses	8	113.3
		174.2

Satisfied by:		
Cash received		63.2
Fair value of 52.25% holding in Zoopla		125.4
Amounts receivable		6.0
Provision against amounts receivable		(4.0)
Recycled cumulative translation differences	38	0.9
Directly attributable costs		(17.3)
		174.2

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17) SUMMARY OF THE EFFECTS OF DISPOSALS – CONTINUED

Reconciliation to disposal of businesses as shown in the Consolidated Cash Flow Statement:

	Note	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 £m
Cash consideration net of disposal costs	17	45.9	98.2
Cash received in the current year relating to businesses sold in the prior year		12.3	
Cash and cash equivalents disposed with subsidiaries	17	(0.6)	(3.4)
Proceeds on disposal of businesses		57.6	94.8

The Group's tax charge includes a charge of £11.8 million (2011 £3.1 million) in relation to these disposals.

In addition, the Group's interest in Euromoney was diluted during the period by 0.1 % (2011 0.3 %). Under the Group's accounting policy for the disposal of shares in controlled entities, no adjustment has been recorded to the fair value of assets and liabilities already held on the Condensed Consolidated Statement of Financial Position. The difference between the Group's share of net assets before and after this dilution is adjusted in retained earnings. The adjustment to retained earnings in the period was a credit of £0.1 million (2011 £0.5 million).

All of the businesses disposed of during the year absorbed £2.6 million of the Group's net operating cash flows, had £nil attributable to investing and £nil attributable to financing activities.

18) DISCONTINUED OPERATIONS

In August 2012 the Group disposed of its 50.0 % joint venture investment in dmg Radio Investments Pty Ltd for proceeds amounting to A$86.2 million (£56.1 million). This business is one of the Group's operating segments and represented the only operation in the radio segment.

In November 2012 the Group announced it had reached agreement to sell its local media segment to Local World, a newly formed media group that will combine the Group's local media titles with those of the Northcliffe News and Media Limited. The Group will receive consideration of £52.5 million and a 38.7% share in Local World.

The Group's Consolidated Income Statement includes the following results from discontinued operations:

	Note	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 £m
Revenue	3	212.7	236.1
Expenses		(175.6)	(215.7)
Depreciation		(11.1)	(3.5)
Operating profit before exceptional operating costs and amortisation and impairment of goodwill and intangible assets	3	26.0	16.9
Exceptional operating costs		(10.4)	(10.8)
Impairment of goodwill and intangible assets	3	–	(13.7)
Amortisation of intangible assets	3	(0.3)	(0.8)
Operating profit/(loss) before share of results of joint ventures and associates		15.3	(8.4)
Share of profits from operations of joint ventures		9.5	6.7
Share of amortisation of intangibles of joint ventures		(3.2)	(3.4)
Share of joint ventures' interest payable		(1.7)	(1.7)
Share of joint ventures' tax	13	1.6	(1.3)
Impairment of carrying value of associate		(0.3)	–
Total operating profit/(loss)		21.2	(8.1)
Other gains and losses		(0.1)	1.7
Profit/(loss) before tax		21.1	(6.4)
Tax (charge)/credit	11	(9.3)	1.2
Profit/(loss) after tax attributable to discontinued operations		11.8	(5.2)
Profit on disposal of discontinued operations		43.0	–
Profit/(loss) attributable to discontinued operations		54.8	(5.2)

Tax charged with the profit on disposal of discontinued operations amounted to £nil (2011 £nil).

Cash flows associated with discontinued operations comprises operating cash flows of £27.8 million (2011 £20.4 million), investing cash flows of £nil (2011 £0.7 million) and financing cash flows of £nil (2011 £nil).

19) TOTAL ASSETS AND LIABILITIES OF BUSINESSES HELD-FOR-SALE

In November 2012 the Group announced it had reached agreement to sell its local media segment to Local World, a newly formed media group that will combine the Group's local media titles with those of Illiffe News and Media Limited. DMGT will receive consideration of £52.5 million and a 38.7% share in Local World. The transaction is expected to complete in early 2013. In addition, several of the Group's Central European businesses were sold following the year end. Accordingly the assets and liabilities of these businesses have been disclosed separately on the face of the Consolidated Statement of Financial Position.

The main classes of assets and liabilities comprising the operations classified as held-for-sale are set out in the table below. These assets and liabilities are recorded at their fair values with all losses taken to the Consolidated Income Statement.

	Note	52 weeks ending 30th September, 2012 £m
Goodwill	20	12.2
Intangible assets	21	3.8
Deferred tax	36	6.4
Property, plant and equipment	22	17.7
Interests in joint ventures	24	1.1
Interests associates	24	0.4
Inventories	26	0.6
Trade and other receivables	27	26.9
Cash at bank and in hand	28	2.6
Total assets associated with businesses held-for-sale		71.7
Trade and other payables	29	31.4
Provisions	35	2.2
Total liabilities associated with businesses held-for-sale		33.6
Net assets of the disposal group		38.1

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20) GOODWILL

	Note	Goodwill £m
Cost		
At 3rd October, 2010		1,059.5
Additions		41.4
Adjustment to previous year estimate of contingent consideration	35	0.8
Disposals		(105.3)
Exchange adjustment		3.5
At 2nd October, 2011		999.9
Additions	16	46.3
Additions in relation to purchase of additional interests in controlled entities	16	1.1
Adjustment to previous year estimate of contingent consideration	35	0.6
Disposals	17	(121.7)
Classified as held-for-sale	19	(142.4)
Exchange adjustment		(14.3)
At 30th September, 2012		769.5

	Note	Goodwill £m
Accumulated impairment losses		
At 3rd October, 2010		323.7
Impairment	3	18.3
Disposals		(86.4)
Exchange adjustment		(2.7)
At 2nd October, 2011		252.9
Impairment	3	16.4
Disposals	17	(73.8)
Classified as held-for-sale	19	(130.2)
Exchange adjustment		(0.4)
At 30th September, 2012		64.9
Net book value – 2010		735.8
Net book value – 2011		747.0
Net book value – 2012		704.6

Goodwill impairment losses recognised in the year were £16.4 million (2011 £18.3 million).

The Group's policy on impairment of goodwill is set out in Note 2.

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 net book value, in comparison with the Group's total carrying value of goodwill.

The only significant items of goodwill included in the net book value above relate to BCA, a business within Metal Bulletin in the Euromoney segment and Genscape Inc., in the business information segment.

20) GOODWILL – CONTINUED

Genscape has a carrying value of £72.6 million (2011 £72.9 million, 2010 £73.1 million) together with intangible assets with a carrying value of £25.6 million (2011 £24.3 million, 2010 £25.9 million). The carrying value of Genscape 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 2012. The Directors believe these to be reasonably achievable.
(ii) Subsequent cash flows for one additional year increased in line with growth expectations of the business.
(iii) A discount rate of 10.0%, and
(iv) Long-term nominal growth rates of 3.0%.

Using the above methodology the recoverable amount exceeded the total carrying value by £22.9 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 1.6 % or the long-term growth rate would need to be reduced by 2.3%.

BCA has a carrying value of £143.2 million (2011 £148.4 million, 2010 £146.7 million) together with intangible assets with a carrying value of £62.8 million (2011 £71.8 million, 2010 £78.0 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 2012. The Directors believe these to be reasonably achievable.
(ii) Subsequent cash flows for one additional year increased in line with growth expectations of the business.
(iii) A discount rate of 8.5%, and
(iv) Long-term nominal growth rates of 3.0%.

Using the above methodology the recoverable amount exceeded the total carrying value by £176.2 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 10.2% or the long-term growth rate would need to be reduced by 12.7%.

The carrying values of the Group's significant items of goodwill in relation to material business combinations, which the Group considers to be those which have a purchase consideration in excess of £100.0 million, are further analysed as follows:

	Metal Bulletin plc £m
Cost	
At 3rd October, 2010	202.6
Exchange adjustment	1.7
At 2nd October, 2011	204.3
Exchange adjustment	(5.2)
At 30th September, 2012	199.1

	Metal Bulletin plc £m
Accumulated impairment losses	
At 3rd October, 2010, 2nd October, 2011 and 30th September, 2012	2.8
Net book value – 2010	199.8
Net book value – 2011	201.5
Net book value – 2012	196.3

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20) GOODWILL – CONTINUED

The impairment charge is analysed by major CGU as follows:

CGU	Segment	Goodwill impairment	Intangible asset impairment £m	2012 Discount rate £m	2011 Discount rate %	Reason for impairment charge %
Lewtan Technologies Inc	Business Information	16.0	–	23.0%	10.0%	Performing below expectations due to poor market conditions
Associated Mediabase	National Media	–	3.0	N/A	N/A	Computer software and related IT assets no longer in use
Other		0.4	–			
Total		16.4	3.0	–		

Recoverable amounts have been determined using value in use calculations for all of the above CGUs.

21) OTHER INTANGIBLE ASSETS

	Note	Publishing rights and titles £m	Brands £m	Customer related databases £m	Computer software (note i) £m	Other £m	Total £m
Cost							
At 3rd October, 2010		425.3	276.4	139.2	88.6	12.0	941.5
Analysis reclassifications		–	(8.5)	(0.5)	13.2	(4.2)	–
Additions		7.3	0.5	29.1	4.3	–	41.2
Internally generated		–	–	–	23.2	–	23.2
Disposals		–	(114.5)	(0.2)	(5.1)	(4.5)	(124.3)
Exchange adjustment		0.7	(0.5)	2.2	0.7	–	3.1
At 2nd October, 2011		433.3	153.4	169.8	124.9	3.3	884.7
Additions	16	–	3.6	22.6	7.4	4.3	37.9
Internally generated	(i)	–	–	–	37.8	–	37.8
Disposals	17	–	(64.9)	(17.7)	(10.6)	–	(93.2)
Classified as held-for-sale	19	(137.6)	(0.3)	(37.6)	–	(0.5)	(176.0)
Exchange adjustment		(5.5)	(3.1)	(3.5)	(2.8)	(0.2)	(15.1)
At 30th September, 2012		290.2	88.7	133.6	156.7	6.9	676.1
Accumulated amortisation							
At 3rd October, 2010		294.5	121.7	90.0	46.9	10.5	563.6
Charge for the year		13.5	16.2	10.4	19.8	1.0	60.9
Impairment	3	3.1	–	2.4	0.6	–	6.1
Disposals		–	(27.2)	(0.2)	(4.9)	(2.6)	(34.9)
Exchange adjustment		(0.1)	0.4	0.1	0.5	(0.1)	0.8
At 2nd October, 2011		311.0	109.4	102.4	72.0	1.7	596.5
Charge for the year	3	12.6	7.5	11.9	22.5	0.4	54.9
Impairment	3	–	–	–	3.0	–	3.0
Disposals	17	–	(54.8)	(16.2)	(9.7)	(0.1)	(80.8)
Classified as held-for-sale	19	(137.2)	(0.3)	(34.3)	–	(0.4)	(172.2)
Exchange adjustment		(2.5)	(1.6)	(1.2)	(1.3)	(0.1)	(6.7)
At 30th September, 2012		183.9	60.2	62.6	86.5	1.5	394.7
Net book value – 2010		130.8	154.7	49.2	41.7	1.5	377.9
Net book value – 2011		122.3	44.0	67.4	52.9	1.6	288.2
Net book value – 2012		106.3	28.5	71.0	70.2	5.4	281.4

21) OTHER INTANGIBLE ASSETS – CONTINUED

(i) Computer software includes internally generated intangible assets, not forming part of a business combination, as follows:

	Note	£m
Cost		
At 3rd October, 2010		86.4
Additions		23.2
Disposals		(5.1)
Analysis reclassifications		(0.6)
Exchange adjustment		0.8
At 2nd October, 2011		104.7
Additions		37.8
Disposals		(5.5)
Exchange adjustment		(2.3)
At 30th September, 2012		134.7
Accumulated amortisation		
At 3rd October, 2010		42.5
Analysis reclassifications		(0.1)
Charge for the year		18.4
Impairment		0.6
Disposals		(4.8)
Exchange adjustment		0.4
At 2nd October, 2011		57.0
Charge for the year		20.4
Impairment		3.0
Disposals		(4.6)
Exchange adjustment		(1.4)
At 30th September, 2012		74.4
Net book value – 2010		43.9
Net book value – 2011		47.7
Net book value – 2012		60.3

The following table analyses intangible assets in the course of construction included in the internally generated intangibles above, on which no amortisation has been charged in the period.

	£m
Cost	
At 3rd October, 2010	–
Additions	5.0
Exchange adjustment	0.2
At 2nd October, 2011	**5.2**
Additions	17.5
Exchange adjustment	(0.7)
At 30th September, 2012	22.0

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21) OTHER INTANGIBLE ASSETS – CONTINUED

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 2.

The carrying values of the Group's larger intangible assets are further analysed as follows:

	Segment	At 30th September, 2012 Carrying value £m	At 2nd October, 2011 Carrying value £m	At 3rd October, 2010 Carrying value £m	At 30th September, 2012 Remaining amortisation period Years	At 2nd October, 2011 Remaining amortisation period Years	At 3rd October, 2010 Remaining amortisation period Years
BCA mastheads	Euromoney	52.9	59.4	63.9	23.8	24.8	25.8
Ned Davis Research Group customer relationships	Euromoney	23.4	25.6	–	10.8	11.8	–
Metal Bulletin mastheads	Euromoney	20.9	22.8	24.5	23.8	24.8	25.8
Genscape intellectual property	Business information	19.6	21.9	23.1	13.5	14.5	15.5
Associated Mediabase software	National media	15.1	20.7	21.4	4.7	4.9	3.8
Hobsons	Business Information	10.3	10.0	10.0	1.0	1.0	1.0
BCA customer relationships	Euromoney	9.8	12.2	13.9	9.4	10.4	11.4
Evanta brand	Events	–	11.4	12.3	–	9.8	10.8
Quest customer relationships	Business information	7.4	8.9	13.9	5.0	6.0	7.0
New York International Gift Fair brand	Events	–	–	86.6	–	–	17.0

22) PROPERTY, PLANT AND EQUIPMENT

	Note	Freehold properties £m	Long leasehold properties £m	Short leasehold properties £m	Plant and equipment £m	Total £m
Cost						
At 3rd October, 2010		112.5	70.7	59.0	609.6	851.8
Owned by subsidiaries acquired		–	0.5	–	1.1	1.6
Additions		0.7	–	4.3	27.8	32.8
Disposals		(2.3)	–	(2.9)	(65.9)	(71.1)
Owned by subsidiaries disposed		–	(2.3)	(0.4)	(22.9)	(25.6)
Transfers to investment property	23	(31.2)	–	–	–	(31.2)
Reclassifications		(0.5)	(0.1)	(0.4)	1.0	–
Exchange adjustment		(0.5)	–	0.3	(1.0)	(1.2)
At 2nd October, 2011		78.7	68.8	59.9	549.7	757.1
Additions		16.8	–	1.1	41.4	59.3
Disposals		(9.7)	(0.2)	(25.1)	(99.6)	(134.6)
Classified as held-for-sale	19	(9.6)	(0.2)		(79.4)	(89.2)
Owned by subsidiaries disposed	17	–	–	–	(1.1)	(1.1)
Transfers to investment property	23	(2.2)	–	–	–	(2.2)
Reclassifications		6.3	(35.0)	–	28.7	–
Exchange adjustment		–	(0.3)	(1.0)	(4.4)	(5.7)
At 30th September, 2012		80.3	33.1	34.9	435.3	583.6

22) PROPERTY, PLANT AND EQUIPMENT – CONTINUED

	Note	Freehold properties £m	Long leasehold properties £m	Short leasehold properties £m	Plant and equipment £m	Total £m
Accumulated depreciation and impairment						
At 3rd October, 2010		25.5	33.7	38.9	387.5	485.6
Charge for the year	3	2.5	1.2	3.8	39.7	47.2
Accelerated charge	(i)	–	–	–	15.1	15.1
Impairment	(ii)	5.4	–	–	1.9	7.3
Disposals		(1.0)	–	(2.9)	(64.7)	(68.6)
Owned by subsidiaries disposed		–	(0.6)	(0.4)	(14.3)	(15.3)
Transfers to investment property	23	(19.4)	–	–	–	(19.4)
Reclassifications		(0.1)	–	–	0.1	–
Exchange adjustment		(0.1)	–	0.1	(0.2)	(0.2)
At 2nd October, 2011		12.8	34.3	39.5	365.1	451.7
Charge for the year	3	2.4	0.7	3.6	36.2	42.9
Accelerated charge	(i)	–	–	–	39.0	39.0
Impairment	(ii)	–	–	–	6.5	6.5
Classified as held-for-sale	19	(5.4)	–	–	(66.1)	(71.5)
Disposals		(2.1)	(0.2)	(24.9)	(89.8)	(117.0)
Owned by subsidiaries disposed	17	–	–	–	(0.8)	(0.8)
Transfers to investment property	23	(1.3)	–	–	–	(1.3)
Reclassifications		12.2	(20.6)	–	8.4	–
Exchange adjustment		(0.1)	–	(0.3)	(3.6)	(4.0)
At 30th September, 2012		18.5	14.2	17.9	294.9	345.5
Net book value – 2010		87.0	37.0	20.1	222.1	366.2
Net book value – 2011		65.9	34.5	20.4	184.6	305.4
Net book value – 2012		61.8	18.9	17.0	140.4	238.1

(i) Mainly represents a reduction in the useful economic life of print assets in the national media segment following the Group's decision to relocate its Surrey Quays South London print facility to a new site in Thurrock, Essex, together with the closure of the Derby and Stoke printing facilities. The change in estimate of the useful economic life will also result in accelerated depreciation estimated to be £12.4 million in the period to 29th September, 2013.

(ii) Included within exceptional operating costs in the current year is an impairment charge of £6.5 million in relation to property, plant and equipment. This relates to press equipment in the national media segment. Included within exceptional operating costs in the prior year is an impairment charge of £7.3 million. £1.9 million relates to computer equipment in the national media segment and £5.4 million relates to properties held by the head office segment following an annual review of the Group's property portfolio.

In July 2012 the Group announced the conditional sale of a part leasehold part freehold interest in its 14.57 acre Harmsworth Quays printing works site at Canada Water in South East London to British Land. All conditions are expected to be met well in advance of the proposed completion date in late 2013 when British Land will take possession of the site following the relocation of DMGT's printing operations from Harmsworth Quays to Thurrock. No asset has been recognised for the excess of proceeds over carrying value on sale of this asset as this represents a contingent asset.

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22) PROPERTY, PLANT AND EQUIPMENT – CONTINUED
The following table analyses assets in the course of construction included in property, plant and equipment above:

	Note	Freehold properties £m	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 3rd October, 2010		–	0.2	1.2	1.6	3.0
Owned by subsidiaries disposed		–	(0.1)	–	–	(0.1)
Disposals		–	–	–	(0.4)	(0.4)
At 2nd October, 2011		–	0.1	1.2	1.2	2.5
Projects completed		–	–	–	(0.2)	(0.2)
Additions	(i)	15.1	–	–	22.0	37.1
At 30th September, 2012		15.1	0.1	1.2	23.0	39.4

(i) Additions during the year relate mainly to the construction of the Group's new printing operation in Thurrock, Essex.

23) INVESTMENT PROPERTY

	Note	Freehold properties £m
Cost		
At 3rd October, 2010		18.9
Transfers from property, plant and equipment	22	31.2
Disposals		(0.3)
At 2nd October, 2011		49.8
Transfers from property, plant and equipment	22	2.2
Disposals		(24.8)
At 30th September, 2012		27.2

	Note	Freehold properties £m
Accumulated depreciation and impairment		
At 3rd October, 2010		7.3
Transfers from property, plant and equipment	22	19.4
Charge for the year		0.4
Disposals		(0.2)
Impairment	3	1.3
At 2nd October, 2011		28.2
Transfers from property, plant and equipment	22	1.3
Disposals		(11.3)
Charge for the year	3	1.5
Impairment	3	0.7
At 30th September, 2012		20.4
Net book value – 2010		11.6
Net book value – 2011		21.6
Net book value – 2012		6.8

During the year a number of the Group's freehold properties ceased to be owner occupied and became subject to letting activity. In accordance with the Group's accounting policy these properties have been transferred out of property, plant and equipment and into investment property at net book value.

The fair value of the Group's investment properties as at 30th September, 2012 was £7.6 million (2011 £25.0 million). This was arrived at by reference to market evidence for similar properties and was carried out by an officer of the Group's property department. Property rental income earned by the Group from its investment properties amounted to £0.8 million (2011 £0.5 million). Direct operating expenses arising on the investment properties in the period amounted to £0.4 million (2011 £0.1 million). The leases have an expiry date of between one and five years.

24) INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

	Note	Cost of shares £m	Share of post-acquisition retained reserves £m	Total £m
Joint Ventures				
At 3rd October, 2010		32.6	(12.2)	20.4
Additions – cash		6.4	–	6.4
Additions – non cash		5.9	–	5.9
Adjustment to carrying value on acquisition		–	3.0	3.0
Share of retained reserves		–	(2.0)	(2.0)
Dividends received		–	(14.9)	(14.9)
Provision against carrying value	7	(0.2)	(3.0)	(3.2)
Transfer to investment in subsidiaries		–	(0.1)	(0.1)
Exchange adjustment		0.6	0.2	0.8
At 2nd October, 2011		45.3	(29.0)	16.3
Additions – cash		4.0	–	4.0
Additions – non cash		125.4	–	125.4
Disposals	(i)	(25.4)	13.9	(11.5)
Classified as held-for-sale	19	(0.1)	(1.0)	(1.1)
Share of retained reserves		–	6.3	6.3
Dividends received		–	(3.9)	(3.9)
Exchange adjustment		1.5	0.3	1.8
At 30th September, 2012		150.7	(13.4)	137.3

(i) In August 2012 the Group disposed of its 50.0% joint venture investment in dmg Radio Investments Pty Ltd for proceeds amounting to A$86.2 million (£56.1 million).

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24) 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 30th September, 2012 is set out below:

	52 weeks ending 30th September, 2012 Revenue £m	52 weeks ending 30th September, 2012 Operating profit/(loss) £m	52 weeks ending 30th September, 2012 Total expenses £m	52 weeks ending 30th September, 2012 Profit/(loss) for the period £m
Business information	12.5	(0.2)	(12.7)	(0.2)
National media	61.3	11.3	(54.9)	6.4
	73.8	11.1	(67.6)	6.2

	At 30th September, 2012 Non-current assets £m	At 30th September, 2012 Current assets £m	At 30th September, 2012 Current liabilities £m	At 30th September, 2012 Non-current liabilities £m	At 30th September, 2012 Net assets £m
Business information	8.5	5.8	(2.0)	(0.2)	12.1
National media	71.3	18.6	(8.2)	–	81.7
	79.8	24.4	(10.2)	(0.2)	93.8

	52 weeks ending 2nd October, 2011 Revenue £m	52 weeks ending 2nd October, 2011 Operating profit/(loss) £m	52 weeks ending 2nd October, 2011 Total expenses £m	52 weeks ending 2nd October, 2011 Profit/(loss) for the period £m
Business information	2.6	0.4	(2.1)	0.5
National media	7.3	(8.9)	(16.3)	(9.0)
Radio	74.8	0.8	(76.6)	(1.8)
	84.7	(7.7)	(95.0)	(10.3)

24) INVESTMENTS IN JOINT VENTURES AND ASSOCIATES – CONTINUED

	As at 2nd October, 2011 Non-current assets £m	As at 2nd October, 2011 Current assets £m	As at 2nd October, 2011 Current liabilities £m	As at 2nd October, 2011 Non-current liabilities £m	As at 2nd October, 2011 Net assets/ (liabilities) £m
Business information	1.5	2.7	(0.3)	(0.8)	3.1
National media	0.6	5.4	(4.8)	(6.5)	(5.3)
Radio	89.3	21.3	(75.3)	(12.5)	22.8
	91.4	29.4	(80.4)	(19.8)	20.6

	52 weeks ending 3rd October, 2010 Revenue £m	52 weeks ending 3rd October, 2010 Operating profit/(loss) £m	52 weeks ending 3rd October, 2010 Total expenses £m	52 weeks ending 3rd October, 2010 Profit/(loss) for the period £m
Business information	1.1	0.3	(0.8)	0.3
National media	4.9	(7.2)	(13.0)	(8.1)
Radio	54.3	2.6	(58.0)	(3.7)
	60.3	(4.3)	(71.8)	(11.5)

	As at 3rd October, 2010 Non-current assets £m	As at 3rd October, 2010 Current assets £m	As at 3rd October, 2010 Current liabilities £m	As at 3rd October, 2010 Non-current liabilities £m	As at 3rd October, 2010 Net assets/ (liabilities) £m
Business information	–	1.0	(0.3)	(1.4)	(0.7)
National media	0.2	4.5	(4.7)	(7.1)	(7.1)
Radio	96.1	23.4	(15.6)	(55.5)	48.4
	96.3	28.9	(20.6)	(64.0)	40.6

At 30th September, 2012 the Group's joint ventures had capital commitments amounting to £1.0 million (2011 £0.1 million, 2010 £0.9 million). There were no material contingent liabilities (2011 none, 2010 none). Net liabilities amounting to £1.0 million within the national media segment are held-for-sale.

Information on principal joint ventures from the latest available accounts:

		Principal activity	Year ended	Description of holding	Group interest %
Unlisted					
Zoopla Property Group Limited	(incorporated and operating in the UK)	Online property portal	30th September, 2012	Ordinary	52.25%
Mail Today Newspapers Pvt. Limited	(incorporated and operating in India)	Publisher of classified publications	30th September, 2012	Ordinary	26.00%
The Sanborn Map Company, Inc	(incorporated and operating in the US)	Photogrammetric mapping and GIS data conversion	30th September, 2012	Preferred Stock	49.00%
TreppPort	(incorporated and operating in the US)	Data analysis for CRE-related exposure	30th September, 2012	Ordinary	50.00%

The Group has joint management control of the Zoopla Property Group Limited and therefore the investment has been treated as a joint venture.

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24) INVESTMENTS IN JOINT VENTURES AND ASSOCIATES – CONTINUED

	Note	Cost of shares £m	Share of post acquisition retained reserves £m	Total £m
Associates				
At 3rd October, 2010		32.2	(19.5)	12.7
Additions – cash		0.9	–	0.9
Share of retained reserves		–	0.1	0.1
Dividends received			(0.7)	(0.7)
Provision against carrying value		(0.4)	0.1	(0.3)
Exchange adjustment		0.1	0.2	0.3
At 2nd October, 2011		32.8	(19.8)	13.0
Additions – cash		7.5	–	7.5
Share of retained reserves		–	(0.6)	(0.6)
Dividends received		–	(0.4)	(0.4)
Provision against carrying value	7, 18	(1.6)	–	(1.6)
Disposals		(5.7)	0.1	(5.6)
Classified as held-for-sale	19	(0.5)	0.1	(0.4)
Exchange adjustment		(1.0)	0.6	(0.4)
At 30th September, 2012		31.5	(20.0)	11.5

The unrecognised share of losses of the Group's associates principally comprises £10.4 million (2011 £5.8 million) in relation to ITN and £13.4 million (2011 £6.3 million) in relation to Evening Standard of which £nil (2011 £1.3 million) arose in the year.

Summary aggregated financial information for the Group's associates, extracted on a 100% basis from the associates' own financial information is set out below:

	52 weeks ending 30th September, 2012 Revenue £m	52 weeks ending 30th September, 2012 Operating profit/(loss) £m	52 weeks ending 30th September, 2012 Profit/(loss) for the period £m
RMS	1.2	(0.8)	(0.7)
Business information	1.5	(3.0)	(2.9)
Euromoney	2.4	1.1	0.9
National media	176.9	4.5	2.8
	182.0	1.8	0.1

24) INVESTMENTS IN JOINT VENTURES AND ASSOCIATES – CONTINUED

	52 weeks ending 2nd October, 2011 Revenue £m	52 weeks ending 2nd October, 2011 Operating profit/(loss) £m	52 weeks ending 2nd October, 2011 Profit/(loss) for the period £m
RMS	1.1	0.1	–
Business information	8.4	(1.0)	(1.0)
Euromoney	1.9	0.8	0.6
National media	103.5	(5.6)	(2.8)
	114.9	(5.7)	(3.2)

	52 weeks ending 3rd October, 2010 Revenue £m	52 weeks ending 3rd October, 2010 Operating profit/(loss) £m	52 weeks ending 3rd October, 2010 Profit/(loss) for the period £m
RMS	0.9	(17.2)	(0.2)
Business information	6.4	(3.7)	(3.7)
Euromoney	2.0	0.8	0.6
National media	69.7	(15.2)	(21.9)
Local media	3.7	0.2	0.2
	82.7	(35.1)	(25.0)

Summary aggregated financial information for the Group's associates, extracted on a 100% basis from the associates' own financial accounts is set out below:

At 30th September, 2012	Non-current assets £m	Current assets £m	Total assets £m	Current liabilities £m	Non-current liabilities £m	Total liabilities £m	Net assets/ (liabilities) £m
RMS	2.6	5.6	8.2	(0.3)	–	(0.3)	7.9
Business information	10.0	0.5	10.5	(7.5)	(3.5)	(11.0)	(0.5)
Euromoney	–	0.8	0.8	(0.3)	–	(0.3)	0.5
National media	0.4	1.1	1.5	(0.3)	–	(0.3)	1.2
	13.0	8.0	21.0	(8.4)	(3.5)	(11.9)	9.1

At 2nd October, 2011	Non-current assets £m	Current assets £m	Total assets £m	Current liabilities £m	Non-current liabilities £m	Total liabilities £m	Net assets/ (liabilities) £m
RMS	0.1	3.9	4.0	(0.1)	–	(0.1)	3.9
Business information	1.8	6.4	8.2	(8.1)	(7.4)	(15.5)	(7.3)
Euromoney	–	0.6	0.6	(0.2)	–	(0.2)	0.4
National media	15.5	42.4	57.9	(42.9)	(91.4)	(134.3)	(76.4)
	17.4	53.3	70.7	(51.3)	(98.8)	(150.1)	(79.4)

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24) INVESTMENTS IN JOINT VENTURES AND ASSOCIATES – CONTINUED

At 3rd October, 2010	Non-current assets £m	Current assets £m	Total assets £m	Current liabilities £m	Non-current liabilities £m	Total liabilities £m	Net assets/ (liabilities) £m
RMS	0.1	3.6	3.7	(0.1)	–	(0.1)	3.6
Business information	1.1	4.1	5.2	(5.3)	–	(5.3)	(0.1)
Euromoney	–	0.6	0.6	(0.1)	–	(0.1)	0.5
National media	16.1	43.7	59.8	(39.4)	(96.6)	(136.0)	(76.2)
Local media	1.0	0.7	1.7	(0.2)	–	(0.2)	1.5
	18.3	52.7	71.0	(45.1)	(96.6)	(141.7)	(70.7)

At 30th September, 2012 the Group's associates had capital commitments amounting to £nil (2011 £3.8 million, 2010 £3.0 million). There were no material contingent liabilities (2011 none, 2010 none).

Information on principal associates from the latest available accounts:

		Principal activity	Year ended	Description of holding	Group interest %
Unlisted					
Independent Television News Limited	(incorporated and operating in the UK)	Independent TV news provider	31st December, 2011	Ordinary	20.0%
Real Capital Analytics, Inc.	(incorporated and operating in the US)	Provider of real estate information	30th September, 2012	Preferred stock	30.0%
Praedicat	(incorporated and operating in the US)	Provision of catastrophe risk analytics	30th September, 2012	Preferred stock	29.6%

Joint ventures and associates have been accounted for under the equity method using unaudited financial information to 30th September, 2012.

25) NON-CURRENT ASSETS – AVAILABLE-FOR-SALE INVESTMENTS

	Note	Listed £m	Unlisted £m	Total £m
At 3rd October, 2010		18.0	5.2	23.2
Additions		–	0.1	0.1
Disposals		(22.1)	(1.2)	(23.3)
Impairment charge	8	–	(0.2)	(0.2)
Fair value movement in the year	38	4.5	0.1	4.6
Exchange adjustment		(0.4)	0.2	(0.2)
At 2nd October, 2011		–	4.2	4.2
Additions		–	0.2	0.2
Disposals		–	(2.6)	(2.6)
Impairment charge	8	–	(0.3)	(0.3)
At 30th September, 2012		–	1.5	1.5

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.

25) NON-CURRENT ASSETS – AVAILABLE-FOR-SALE INVESTMENTS – CONTINUED

Available-for-sale investments are analysed as follows:

	At 30th September, 2012 £m	As at 2nd October, 2011 £m	As at At 3rd October, 2010 £m
Listed			
CoStar, Inc.	–	–	17.7
Other	–	–	0.3
	–	–	18.0
Unlisted			
Other	1.5	4.2	5.2
	1.5	4.2	5.2

Information on principal available-for-sale investments, taken from the latest published accounts is as follows:

	Class of holding	Group interest %
The Press Association Limited (incorporated and operating in the UK)	Ordinary	15.6%
Spot Runner, Inc. (incorporated and operating in the US)	Common stock	5.3%

Currency analysis of available-for-sale investments:

	At 30th September, 2012 £m	As at 2nd October, 2011 £m	As at At 3rd October, 2010 £m
Sterling	0.3	1.4	1.5
US dollar	0.9	2.5	21.0
Australian dollar	–	0.1	0.2
Canadian dollar	–	–	0.3
Euro	0.2	0.2	–
Other	0.1	–	0.2
	1.5	4.2	23.2

Interest analysis of available-for-sale investments:

	At 30th September, 2012 £m	As at 2nd October, 2011 £m	As at At 3rd October, 2010 £m
Non-interest bearing	1.5	4.2	23.2

26) INVENTORIES

	Note	At 30th September, 2012 £m	As at 2nd October, 2011 £m	As at At 3rd October, 2010 £m
Raw materials and consumables		10.9	11.7	13.9
Work in progress		18.0	11.4	13.6
		29.0	23.1	27.5
Classified as held-for-sale	19	(0.6)	–	–
		28.3	23.1	27.5

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27) TRADE AND OTHER RECEIVABLES

	Note	At 30th September, 2012 £m	At 2nd October, 2011 Restated (note 2) £m	At 3rd October, 2010 Restated (note 2) £m
Current assets				
Trade receivables		255.7	254.9	262.7
Allowance for doubtful debts		(24.5)	(27.6)	(29.1)
		231.2	227.3	233.6
Prepayments and accrued income		109.9	103.8	96.9
Other debtors		14.5	16.3	28.5
		355.6	347.4	359.0
Classified as held for sale	19	(26.9)	–	–
		328.7	347.4	359.0
Non-current assets				
Trade receivables		–	–	0.5
Prepayments and accrued income		6.0	4.7	3.4
Other debtors		8.6	26.0	13.3
		14.6	30.7	17.2
		343.3	378.1	376.2

Movement in the allowance for doubtful debts:

	At 30th September, 2012 £m	At 2nd October, 2011 £m	At 3rd October, 2010 £m
At start of period	(27.6)	(29.1)	(33.1)
Impairment losses recognised	(8.2)	(7.4)	(8.6)
Amounts written off as uncollectible	7.0	5.1	6.2
Amounts recovered during the year	3.7	3.6	4.2
Owned by subsidiaries disposed	0.2	0.4	2.0
Exchange adjustment	0.4	(0.2)	0.2
At end of period	(24.5)	(27.6)	(29.1)

In determining the allowance for doubtful debts the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the period end date.

27) TRADE AND OTHER RECEIVABLES – CONTINUED

Ageing of impaired trade receivables:

	At 30th September, 2012 £m	At 2nd October, 2011 £m	At 3rd October, 2010 £m
31 – 60 days	0.5	0.4	1.7
61 – 90 days	0.5	2.1	2.0
91 – 120 days	0.7	1.0	2.1
121+ days	18.2	22.0	20.7
Total	19.9	25.5	26.5

Included in the Group's trade receivables are debtors with a carrying value of £80.0 million (2011 £77.2 million, 2010 £59.8 million) which are past due as at 30th September, 2012 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.

Ageing of past due but not impaired receivables:

	At 30th September, 2012 £m	At 2nd October, 2011 £m	At 3rd October, 2010 £m
1 – 30 days overdue	36.9	36.0	29.4
31 – 60 days overdue	19.6	18.8	11.7
61 – 90 days overdue	9.8	7.8	9.0
91+ days overdue	13.7	14.6	9.7
Total	80.0	77.2	59.8

The carrying amount of trade and other receivables approximates their fair value.

28) CASH AND CASH EQUIVALENTS

	Note	At 30th September, 2012 £m	At 2nd October, 2011 £m	At 3rd October, 2010 £m
Cash and cash equivalents		107.3	174.3	65.7
Unsecured bank overdrafts	32	–	(2.6)	(1.4)
Cash and cash equivalents in the cash flow statement	15	107.3	171.7	64.3
Cash and cash equivalents		107.3	174.3	65.7
Classified as held-for-sale	19	(2.6)	–	–
		104.7	174.3	65.7
Analysis of cash and cash equivalents by currency:				
Sterling		47.5	152.7	41.1
US dollar		23.1	6.8	9.3
Australian dollar		0.6	–	–
Canadian dollar		0.9	1.2	1.6
Euro		15.2	5.4	0.3
Other		17.4	8.2	13.4
		104.7	174.3	65.7
Analysis of cash and cash equivalents by interest type:				
Floating rate		104.7	174.3	65.7

The fair values of cash and cash equivalents equate to their book values.

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29) TRADE AND OTHER PAYABLES

	Note	At 30th September, 2012 £m	At 2nd October, 2011 £m	At 3rd October, 2010 £m
Current liabilities				
Trade payables		54.4	66.4	70.1
Interest payable		28.3	33.9	34.2
Other taxation and social security		29.9	32.6	29.0
Other creditors		45.7	31.2	46.0
Accruals		257.2	234.9	212.4
Deferred income		271.0	255.2	240.4
Classified as held-for-sale	19	(31.4)	–	–
		655.1	654.2	632.1
Non-current liabilities				
Other creditors		8.1	11.9	1.5
		663.2	666.1	633.6

The carrying amount of trade and other payables approximates their fair value.

30) CURRENT TAX

	At 30th September, 2012 £m	At 2nd October, 2011 Restated (note 2) £m	At 3rd October, 2010 Restated (note 2) £m
Corporation tax payable	20.8	53.2	69.4
Corporation tax receivable	(3.6)	(9.1)	(0.9)
	17.2	44.1	68.5

31) ACQUISITION PUT OPTION COMMITMENTS

	At 30th September, 2012 £m	At 2nd October, 2011 £m	At 3rd October, 2010 £m
Current	4.5	1.1	1.1
Non-current	4.1	10.7	–
	8.6	11.8	1.1

32) BORROWINGS

The Group's borrowings are unsecured and are analysed as follows:

	Other borrowings £m	Overdrafts £m	Bank loans £m	Bonds £m	Loan notes £m	Hire purchase £m	Total £m
At 30th September, 2012							
Within one year	–	–	–	47.3	2.6	–	49.9
Over five years	–	–	–	678.1	–	–	678.1
	–	–	–	725.4	2.6	–	728.0
At 2nd October, 2011							
Within one year	23.4	2.6	–	–	3.3	–	29.3
Between two and five years	–	–	–	158.3	–	–	158.3
Over five years	–	–	–	673.7	–	–	673.7
	23.4	2.6	–	832.0	3.3	–	861.3
At 3rd October, 2010							
Within one year	–	1.4	0.5	–	7.3	5.1	14.3
Between one and two years	–	–	–	–	–	8.3	8.3
Between two and five years	–	–	2.2	159.9	–	6.9	169.0
Over five years	–	–	–	693.3	–	–	693.3
	–	–	2.2	853.2	–	15.2	870.6
	–	1.4	2.7	853.2	7.3	20.3	884.9

The Group's borrowings are analysed by currency and interest rate type as follows:

	Sterling £m	US dollar £m	Australian dollar £m	Euro £m	Other £m	Total £m
At 30th September, 2012						
Fixed rate interest	725.4	–	–	–	–	725.4
Floating rate interest	2.6	–	–	–	–	2.6
	728.0	–	–	–	–	728.0
At 2nd October, 2011						
Fixed rate interest	832.0	–	–	–	–	832.0
Floating rate interest	28.4	0.1	0.8	–	–	29.3
	860.4	0.1	0.8	–	–	861.3
At 3rd October, 2010						
Fixed rate interest	873.5	–	–	–	–	873.5
Floating rate interest	7.3	3.1	0.5	–	0.5	11.4
	880.8	3.1	0.5	–	0.5	884.9

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32) BORROWINGS – CONTINUED
The Group's borrowings, analysed by currency and interest rate type, adjusting the principal borrowed and interest rate type by the notional amount of interest rate swaps and by the notional amount of currency derivatives, are as follows:

	Sterling £m	US dollar £m	Australian dollar £m	Euro £m	Other £m	Total £m
At 30th September, 2012						
Analysed as:						
Fixed rate interest	458.1	178.7	–	–	–	636.8
Floating rate interest	(181.3)	266.9	–	5.6	–	91.2
	276.8	445.6	–	5.6	–	728.0
At 2nd October, 2011						
Analysed as:						
Fixed rate interest	556.2	256.5	8.5	–	–	821.2
Floating rate interest	(195.2)	234.5	0.8	–	–	40.1
	361.0	491.0	9.3	–	–	861.3
At 3rd October, 2010						
Analysed as:						
Fixed rate interest	562.4	338.4	12.3	–	–	913.1
Floating rate interest	(121.8)	143.8	0.5	–	0.5	23.0
	440.6	482.2	12.8	–	0.5	936.1

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.

During the period the Group cancelled certain of its committed borrowing facilities amounting to £90.0 million which were surplus to the Group's requirements.

The Group's facilities and their maturity dates are as follows:

	At 30th September, 2012 £m	At 2nd October, 2011 £m	At 3rd October, 2010 £m
Expiring in one year or less	–	–	180.0
Expiring in more than one year but not more than two years	–	90.0	–
Expiring in more than two years but not more than three years	–	–	240.0
Expiring in more than three years but not more than four years	300.7	–	–
Expiring in more than four years but not more than five years	–	300.0	–
Total bank facilities	300.7	390.0	420.0

The following undrawn committed borrowing facilities were available to the Group in respect of which all conditions precedent had been met:

	At 30th September, 2012 £m	At 2nd October, 2011 £m	At 3rd October, 2010 £m
Expiring in one year or less	–	–	153.6
Expiring in more than one year but not more than two years	–	36.4	–
Expiring in more than two years but not more than three years	–	–	201.6
Expiring in more than three years but not more than four years	298.3	–	–
Expiring in more than four years but not more than five years	–	291.1	–
Total undrawn committed bank facilities	298.3	327.5	355.2

32) BORROWINGS – CONTINUED

The Group has issued standby letters of credit in favour of the Trustees of the Group's defined benefit pension fund amounting to £nil (2011 £53.6 million, 2010 £54.5 million) together with other guarantees of £2.4 million (2011 £9.3 million, 2010 £8.1 million).

Bonds

The nominal, carrying and fair values of the Group's bonds and the coupons payable are as follows:

Maturity	Coupon %	At 30th September, 2012 Fair value £m	At 2nd October, 2011 Fair value £m	At 3rd October, 2010 Fair value £m	At 30th September, 2012 Carrying value £m	At 2nd October, 2011 Carrying value £m	At 3rd October, 2010 Carrying value £m	At 30th September, 2012 Nominal value £m	At 2nd October, 2011 Nominal value £m	At 3rd October, 2010 Nominal value £m
2013	7.50	47.4	162.3	166.0	47.3	158.3	159.9	46.4	156.5	156.5
2018	5.75	344.2	307.6	337.1	307.4	304.1	324.4	324.7	324.7	349.7
2021	10.00	195.3	188.0	197.1	171.4	171.1	170.9	156.4	156.4	156.4
2027	6.375	193.2	177.5	180.2	199.3	198.5	198.0	200.0	200.0	200.0
		780.1	835.4	880.4	725.4	832.0	853.2	727.5	837.6	862.6

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 £3.5 million (2011 £3.8 million, 2010 £4.5 million), the unamortised premia £9.2 million (2011 £10.5 million, 2010 £13.6 million).

The fair value of the Group's bonds have been calculated on the basis of quoted market rates.

Further details of the Group's borrowing arrangements are set out in the Financial and Treasury Report on page 42.

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.

33) 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 42 and 43.

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 2.0 to 2.5 times whilst the limit imposed by its bank covenants is no greater than 3.75 times. On a bank covenant basis the ratio uses the average exchange rate in the calculation of net debt. The resultant Net Debt to EBITDA ratio is 1.65 times (2011 1.96 times, 2010 2.33 times). Using a closing rate basis for the valuation of net debt, the ratio was 1.62 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.

Market risk management

The Group's primary market risks are interest rate fluctuations and exchange rate movements.

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33) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – CONTINUED
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 6.54 times (2011 6.36 times, 2010 4.91 times).

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 interest rate 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 £108.9 million (2011 £75.0 million, 2010 £75.0 million) with the Group paying floating rates of between 0.63% and 1.86% (2011 1.24% and 1.61%, 2010 1.24% and 3.60%).

(ii) Fixed to floating interest rate swaps which are not designated as hedging instruments; Changes in the fair value of the swaps are recognised in the income statement. These interest rate swaps amount to US$67.0 million (2011 US$nil, 2010 US$nil) with the Group receiving floating US dollar interest at rates of between 0.38% and 0.47%.

(iii) Cross currency fixed to fixed interest rate swaps. These amount to £158.4 million/US$288.0 million (2011 £192.3 million/US$355.0 million, 2010 £227.6 million/US$ 435.0 million) resulting in the Group paying fixed US dollar interest at rates of between 4.40% and 6.07% (2011 4.40% and 6.07 %, 2010 4.40% and 6.07%), £nil/AUS$nil (2011 £8.5 million/AUS$20.0 million, 2010 £8.5 million/AUS$20.0 million) with the Group paying fixed Australian dollar interest at nil% (2011 6.22%, 2010 6.15% and 6.22%).

(iv) The Group also had a number of outstanding interest rate caps. These amounted to US$100.0 million notional (2011 US$100.0 million, 2010 US$100.0 million) at a rate of 6.00% (2011 6.00%, 2010 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 30th September, 2012. 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 US 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 43 days (2011 42 days, 2010 44 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 'A' rated counterparties.

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.

33) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – CONTINUED

Derivative financial instruments and hedge accounting

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 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. When the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting, hedge accounting is discontinued.

Gains and losses on the borrowings and related derivatives designated as fair value hedges included in the Consolidated Income Statement for the year ended 30th September, 2012 were:

	At 3rd October, 2010 £m	Fair value movement gain/(loss) £m	At 2nd October, 2011 £m	Fair value movement gain/(loss) £m	At 30th September, 2012 £m
Sterling interest rate swaps	8.2	0.1	8.3	2.2	10.5
Sterling debt	(8.2)	(0.1)	(8.3)	(2.2)	(10.5)
Total	–	–	–	–	–

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 Consolidated 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 Consolidated Income Statement in the same period in which the hedged item affects the Consolidated 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 Consolidated Income Statement for the period.

All cash flow hedges were effective throughout the year ended 30th September, 2012. All amounts deferred in equity at the year end are expected to impact the Consolidated Income Statement in the next 18 months when the related cash flows are expected to occur.

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 Consolidated 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 Consolidated Income Statement on disposal of the foreign operation.

All net investment hedges were effective throughout the year ended 30th September, 2012.

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33) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – CONTINUED
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.

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
At 30th September, 2012					
Within one year	0.8	2.7	5.4	–	8.9
Between one and two years	–	0.3	–	–	0.3
Over five years	22.9	–	1.4	–	24.3
	22.9	0.3	1.4	–	24.6
	23.7	3.0	6.8	–	33.5
At 2nd October, 2011					
Within one year	–	1.1	–	–	1.1
Between one and two years	1.9	0.2	–	–	2.1
Over five years	6.5	–	–	–	6.5
	8.4	0.2	–	–	8.6
	8.4	1.3	–	–	9.7
At 3rd October, 2010					
Within one year	–	1.8	0.3	0.2	2.3
Between one and two years	–	0.4	–	–	0.4
Between two and five years	2.8	–	–	0.1	2.9
More than five years	5.4	–	–	–	5.4
	8.2	0.4	–	0.1	8.7
	8.2	2.2	0.3	0.3	11.0

33) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – CONTINUED

Derivative financial liabilities:

	Cash flow hedges £m	Net investment hedges £m	Derivatives not qualifying for hedge accounting £m	Derivative financial assets £m
At 30th September, 2012				
Within one year	(0.3)	(13.8)	–	(14.1)
Over five years	(21.7)	(13.2)	–	(34.9)
	(22.0)	(27.0)	–	(49.0)
At 2nd October 2011				
Within one year	(4.7)	(0.8)	(0.4)	(5.9)
Between one and two years	(0.7)	(22.8)	–	(23.5)
Over five years	–	(37.4)	–	(37.4)
	(0.7)	(60.2)	–	(60.9)
	(5.4)	(61.0)	(0.4)	(66.8)
At 3rd October 2010				
Within one year	(6.4)	(0.1)	(0.1)	(6.6)
Between one and two years	(3.7)	–	–	(3.7)
Between two and five years	–	(30.4)	–	(30.4)
Over five years	–	(45.7)	–	(45.7)
	(3.7)	(76.1)	–	(79.8)
	(10.1)	(76.2)	(0.1)	(86.4)

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.

At 30th September, 2012, it is estimated that an increase of 1.0% in interest rates would have increased the Group's finance costs by £1.2 million (2011 £1.1 million, 2010 £1.0 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 30th September, 2012, it is estimated that a decrease of 1.0% in interest rates would have decreased the Group's finance costs by £1.1 million (2011 £1.3 million, 2010 £1.0 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 30th September, 2012, it is estimated that a 10.0% strengthening of sterling against the US dollar would have reduced the net loss taken to equity by £49.1 million (2011 £55.6 million, 2010 £51.1 million) and increased the net loss taken to income by £nil (2011 £nil, 2010 £nil). A 10.0% weakening of sterling against the US dollar would have increased the net loss taken to equity by £53.6 million (2011 £64.0 million, 2010 £62.4 million) and decreased the net loss taken to income by £nil (2011 £nil, 2010 £nil). 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 30th September, 2012, it is estimated that an increase of 1.0% in the rate used to discount the expected gross value of payments would lead to a decrease in the fair value of acquisition put option commitments of £nil (2011 £0.2 million, 2010 £nil).

At 30th September, 2012, it is estimated that a decrease of 1.0% in the rate used to discount the expected gross value of payments would lead to an increase in the fair value of acquisition put option commitments of £nil (2011 £0.2 million, 2010 £nil).

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33) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – CONTINUED

The carrying amounts and gains and losses on financial instruments are as follows:

	At 30th September, 2012 Carrying amount £m	52 weeks ending 30th September, 2012 Gain/(loss) to income £m	52 weeks ending 30th September, 2012 Gain/(loss) to equity £m	At 2nd October, 2011 Carrying amount £m	52 weeks ending 2nd October, 2011 Gain/(loss) to income £m	52 weeks ending 2nd October, 2011 Gain/(loss) to equity £m	At 3rd October, 2010 Carrying amount £m	52 weeks ending 3rd October, 2010 Gain/(loss) to income £m	52 weeks ending 3rd October, 2010 Gain/(loss) to equity £m
Available-for-sale investments	1.5	0.5	(0.1)	4.2	2.7	4.4	23.2	0.6	2.9
Trade receivables	231.2	3.1	(3.1)	227.3	1.5	1.1	234.1	1.8	2.4
Other debtors	23.1	–	–	42.3	–	–	41.8	–	–
Cash and deposits	107.3	1.5	(1.7)	174.3	1.9	–	65.7	0.8	2.1
Loans and receivables	361.6	4.6	(4.8)	443.9	3.4	1.1	341.6	2.6	4.5
Interest rate swaps	23.7	4.5	–	8.4	2.3	–	8.2	5.9	–
Fixed to fixed cross currency swaps	1.4	–	–	–	–	–	–	–	–
Forward foreign currency contracts	8.4	(0.2)	19.8	1.3	0.2	2.0	2.5	–	5.2
Derivative assets in effective hedging relationships	33.5	4.3	19.8	9.7	2.5	2.0	10.7	5.9	5.2
Interest rate caps	–	–	–	–	–	–	0.3	(0.3)	–
Derivative assets not designated as hedging instruments	–	–	–	–	–	–	0.3	(0.3)	–
Trade payables	(54.4)	–	8.4	(66.4)	–	(3.6)	(70.1)	–	(2.8)
Bank overdrafts	–	0.1	0.1	(2.6)	–	–	(1.4)	(0.2)	(1.4)
Bonds	(725.4)	(61.7)	–	(832.0)	(63.4)	–	(853.2)	(66.8)	–
Bank loans	–	(5.9)	–	–	(5.3)	–	(2.7)	(6.1)	0.3
Loan notes	(2.6)	–	–	(3.3)	(0.1)	–	(7.3)	(0.2)	–
Amounts payable under hire purchase contracts	–	–	–	–	(1.7)	–	(20.3)	(1.6)	–
Liabilities at amortised cost	(782.4)	(67.5)	8.5	(904.3)	(70.5)	(3.6)	(955.0)	(74.9)	(3.9)
Fixed to fixed cross currency swaps	(27.0)	(2.3)	12.8	(60.3)	(2.6)	(6.0)	(76.2)	(3.8)	(2.6)
Forward foreign currency contracts	(0.3)	(0.2)	5.4	(6.1)	1.5	(7.5)	(10.1)	–	(1.2)
Derivative liabilities in effective hedging relationships	(27.3)	(2.5)	18.2	(66.4)	(1.1)	(13.5)	(86.3)	(3.8)	(3.8)
Acquisition put option commitments	(8.6)	2.0	0.3	(11.8)	(0.5)	–	(1.1)	(1.3)	–
Interest rate swaps	(21.7)	(0.3)	–	–	–	–	–	–	–
Forward foreign currency contracts	–	–	–	(0.4)	–	–	(0.1)	(0.1)	–
Interest rate caps	–	–	–	–	–	–	–	–	–
Derivative liabilities not designated as hedging instruments	(30.3)	1.7	0.3	(12.2)	(0.5)	–	(1.2)	(1.4)	–
Total for financial instruments	(443.4)	(58.9)	41.9	(525.1)	(63.5)	(9.6)	(666.7)	(71.3)	4.9

33) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – CONTINUED

Reconciliation of net gain or loss taken to equity:

	Note	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 £m	52 weeks ending 3rd October, 2010 £m
Change in fair value of hedging derivatives	38	34.4	(18.3)	(2.9)
Fair value movement in available-for-sale assets	38	–	4.6	2.9
Translation of financial instruments of overseas operations		3.9	(2.7)	0.6
Transfer of gain on cash flow hedges from fair value reserves to Consolidated Income Statement	38	3.6	6.8	4.3
Total loss on financial instruments to equity		**41.9**	**(9.6)**	**4.9**

Reconciliation of net gain or loss taken through income to net finance costs:

	Note	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 £m	52 weeks ending 3rd October, 2010 £m
Total loss on financial instruments to income		(58.9)	(63.5)	(71.3)
Add back:				
Impairment of trade receivables	27	(3.1)	(1.5)	(1.8)
Impairment of available-for-sale assets	8	0.3	0.2	–
Divided income	9	(0.8)	(2.9)	(0.6)
Interest receivable from short-term deposits	9	(1.5)	(1.9)	(0.8)
Finance charge on discounting of contingent consideration	10	(0.3)	(0.4)	(0.7)
Fair value movement of contingent consideration	10	0.2	(1.7)	(2.2)
Net finance costs	10	(64.1)	(71.7)	(77.4)

Reconciliation of amounts due under hire purchase agreements:

At 30th September, 2012	Total £m	Due in less than one year £m	Due between one and five years £m	Due in more than 5 years £m
Future minimum lease payments	–	–	–	–
Future finance charges	–	–	–	–
Present value of minimum lease payments	–	–	–	–

At 2nd October, 2011	Total £m	Due in less than one year £m	Due between one and five years £m	Due in more than 5 years £m
Future minimum lease payments	–	–	–	–
Future finance charges	–	–	–	–
Present value of minimum lease payments	–	–	–	–

At 3rd October, 2010	Total £m	Due in less than one year £m	Due between one and five years £m	Due in more than 5 years £m
Future minimum lease payments	(24.3)	(6.3)	(12.9)	(5.1)
Future finance charges	4.0	1.2	2.4	0.4
Present value of minimum lease payments	(20.3)	(5.1)	(10.5)	(4.7)

The hire purchase agreements in the prior periods related to certain of the Group's colour print assets.

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33) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – CONTINUED

The remaining undiscounted contractual liabilities and their maturities are as follows:

	Trade payables £m	Hire purchase £m	Interest rate swaps £m	Currency swaps £m	Forward contracts £m	Bonds £m	Bank loans and overdrafts £m	Loan notes £m	TOTAL £m
At 30th September, 2012									
Within one year	(54.4)	–	–	(106.0)	(59.7)	(95.2)	–	(2.6)	(317.9)
Between one and two years	–	–	–	(4.8)	(7.8)	(47.1)	–	–	(59.7)
Between two and five years	–	–	–	(14.3)	–	(141.2)	–	–	(155.5)
Between five and 10 years	–	–	–	(23.9)	–	(622.1)	–	–	(646.0)
Between 10 and 15 years	–	–	(68.5)	(101.7)	–	(260.2)	–	–	(430.4)
	–	–	(68.5)	(144.7)	(7.8)	(1,070.6)	–	–	(1,291.6)
	(54.4)	–	(68.5)	(250.7)	(67.5)	(1,165.8)	–	(2.6)	(1,609.5)
At 2nd October, 2011									
Within one year	(66.4)	–	–	(13.4)	(367.5)	(58.4)	(2.6)	(3.3)	(511.6)
Between one and two years	–	–	–	(126.0)	(16.2)	(209.3)	–	–	(351.5)
Between two and five years	–	–	–	(22.7)	–	(141.2)	–	–	(163.9)
Between five and 10 years	–	–	–	(37.8)	–	(656.4)	–	–	(694.2)
Between 10 and 15 years	–	–	–	(37.8)	–	(63.8)	–	–	(101.6)
Between fifteen and twenty years	–	–	–	(130.8)	–	(209.2)	–	–	(340.0)
	–	–	–	(355.1)	(16.2)	(1,279.9)	–	–	(1,651.2)
	(66.4)	–	–	(368.5)	(383.7)	(1,338.3)	(2.6)	(3.3)	(2,162.8)
At 3rd October, 2010									
Within one year	(70.1)	(6.3)	–	(15.5)	(105.6)	(60.2)	(1.9)	(7.4)	(267.0)
Between one and two years	–	(6.3)	–	(15.5)	(40.3)	(60.2)	–	–	(122.3)
Between two and five years	–	(6.6)	–	(190.5)	–	(307.8)	(2.3)	–	(507.2)
Between five and 10 years	–	(5.1)	–	(37.3)	–	(555.7)	–	–	(598.1)
Between 10 and 15 years	–	–	–	(37.3)	–	(228.3)	–	–	(265.6)
Between 15 and 20 years	–	–	–	(136.4)	–	(222.0)	–	–	(358.4)
	–	(18.0)	–	(417.0)	(40.3)	(1,374.0)	(2.3)	–	(1,851.6)
	(70.1)	(24.3)	–	(432.5)	(145.9)	(1,434.2)	(4.2)	(7.4)	(2,118.6)

33) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – CONTINUED

Reconciliation of undiscounted liabilities to amounts on the Statement of Consolidated Financial Position:

	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
At 30th September, 2012								
Within one year	(317.9)	48.8	0.4	1.6	(10.5)	(0.3)	151.8	(126.1)
Between one and two years	(59.7)	47.1	0.4	1.7	–	0.4	12.1	2.0
Between two and five years	(155.5)	141.2	1.3	6.1	–	1.5	12.8	7.4
Between five and 10 years	(646.0)	141.0	1.1	(0.6)	–	2.5	21.4	(480.6)
Between 10 and 15 years	(430.4)	94.3	0.3	0.4	–	8.7	92.6	(234.1)
	(1,291.6)	423.6	3.1	7.6	–	13.1	138.9	(705.3)
	(1,609.5)	472.4	3.5	9.2	(10.5)	12.8	290.7	(831.4)
Analysed as follows:								
Trade payables	(54.4)	–	–	–	–	–	–	(54.4)
Loan notes	(2.6)	–	–	–	–	–	–	(2.6)
Bonds	(1,165.8)	438.2	3.5	9.2	(10.5)	–	–	(725.4)
Interest rate swaps	(68.5)	34.2	–	–	–	12.6	–	(21.7)
Fixed to fixed cross currency swaps	(250.7)	–	–	–	–	0.4	223.3	(27.0)
Forward foreign currency contracts	(67.5)	–	–	–	–	(0.2)	67.4	(0.3)
	(1,609.5)	472.4	3.5	9.2	(10.5)	12.8	290.7	(831.4)

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33) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – CONTINUED

	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
At 2nd October, 2011								
Within one year	(511.6)	58.4	0.5	1.6	(8.8)	3.2	371.9	(84.8)
Between one and two years	(351.5)	52.8	0.4	1.7	–	0.2	118.6	(177.8)
Between two and five years	(163.9)	141.2	1.3	6.3	–	4.2	18.4	7.5
Between five and 10 years	(694.2)	175.3	1.3	0.4	–	7.0	30.7	(479.5)
Between 10 and 15 years	(101.6)	63.8	0.2	0.5	–	7.0	30.8	0.7
Between 15 and 20 years	(340.0)	9.2	0.1	0.1	–	(17.5)	110.9	(237.2)
	(1,651.2)	442.3	3.3	9.0	–	0.9	309.4	(886.3)
	(2,162.8)	500.7	3.8	10.6	(8.8)	4.1	681.3	(971.1)
Analysed as follows:								
Trade payables	(66.4)	–	–	–	–	–	–	(66.4)
Cash flow	(2.6)	–	–	–	–	–	–	(2.6)
Loan notes	(3.3)	–	–	–	–	–	–	(3.3)
Bonds	(1,338.3)	500.7	3.8	10.6	(8.8)	–	–	(832.0)
Fixed to fixed cross currency swaps	(368.5)	–	–	–	–	3.6	304.6	(60.3)
Forward foreign currency contracts	(383.7)	–	–	–	–	0.5	376.7	(6.5)
	(2,162.8)	500.7	3.8	10.6	(8.8)	4.1	681.3	(971.1)
At 3rd October, 2010								
Within one year	(267.0)	61.6	0.5	1.6	(8.8)	3.1	111.5	(97.5)
Between one and two years	(122.3)	61.1	0.5	1.8	–	3.2	48.9	(6.8)
Between two and five years	(507.2)	152.9	1.3	6.3	–	3.2	156.9	(186.6)
Between five and 10 years	(598.1)	206.4	1.8	4.1	–	10.1	27.2	(348.5)
Between 10 and 15 years	(265.6)	71.9	0.3	(0.4)	–	10.1	27.2	(156.5)
Between 15 and 20 years	(358.4)	22.0	0.1	0.2	–	(17.8)	108.4	(245.5)
	(1,851.6)	514.3	4.0	12.0	–	8.8	368.6	(943.9)
	(2,118.6)	575.9	4.5	13.6	(8.8)	11.9	480.1	(1,041.4)
Analysed as follows:								
Trade payables	(70.1)	–	–	–	–	–	–	(70.1)
Bank overdrafts	(1.4)	–	–	–	–	–	–	(1.4)
Loan notes	(7.4)	0.1	–	–	–	–	–	(7.3)
Bank loans	(2.8)	0.1	–	–	–	–	–	(2.7)
Hire purchase	(24.3)	4.0	–	–	–	–	–	(20.3)
Bonds	(1,434.2)	571.7	4.5	13.6	(8.8)	–	–	(853.2)
Fixed to fixed cross currency swaps	(432.5)	–	–	–	–	12.4	343.9	(76.2)
Forward foreign currency contracts	(145.9)	–	–	–	–	(0.5)	136.2	(10.2)
	(2,118.6)	575.9	4.5	13.6	(8.8)	11.9	480.1	(1,041.4)

33) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – CONTINUED

Valuation techniques and assumptions applied for the purpose of measuring fair value

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable ;

Level 1 fair value measurements are those derived from quoted process (unadjusted) in active markets for identical assets or liabilities ;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices) ; and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 30th September, 2012	Note	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets					
Available-for-sale financial assets	25	0.7	–	0.8	1.5
Derivative instruments in designated hedge accounting relationships	33	–	33.5	–	33.5
		0.7	33.5	0.8	35.0
Financial liabilities					
Fair value through profit and loss					
Acquisition put options	31	–	–	(8.6)	(8.6)
Derivative instruments not designated in hedge accounting relationships	33	–	(21.7)	–	(21.7)
Derivative instruments in designated hedge accounting relationships	33	–	(27.3)	–	(27.3)
		–	(49.0)	(8.6)	(57.6)

At 2nd October, 2011	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets				
Available-for-sale financial assets	2.0	–	2.2	4.2
Derivative instruments in designated hedge accounting relationships	–	9.7	–	9.7
	2.0	9.7	2.2	13.9
Financial liabilities				
Fair value through profit and loss				
Acquisition put options	–	–	(11.8)	(11.8)
Derivative instruments in designated hedge accounting relationships	–	(66.8)	–	(66.8)
	–	(66.8)	(11.8)	(78.6)

There were no transfers between categories in the period.

Reconciliation of level 3 fair value measurement of financial liabilities:

	Note	£m
At 2nd October, 2011		(11.8)
Change in fair value of acquisition put option commitments in income	10	2.0
Settlements		0.8
Exchange adjustment		0.4
At 30th September, 2012	31	**(8.6)**

The key input into the significant level 3 financial liabilities is the future profitability of the businesses to which the acquisition put options relate. The range of possible outcomes for the fair value of these options is £nil to £37.5 million (2011 £nil to £39.2 million).

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34) RETIREMENT BENEFITS

The Group operates a number of pension schemes under which contributions are paid by the employer and employees. The total net pension costs of the Group for the year ended 30th September 2012 were £11.7 million (2011 £16.5 million, 2010 £27.7 million).

The schemes include funded defined benefit pension arrangements, providing service-related benefits, in addition to a number of defined contribution pension arrangements. The defined benefit schemes in the UK, together with some defined contribution plans, are administered by trustees or trustee companies.

In compliance with recent legislation the Group is making arrangements for relevant employees to be automatically enrolled into the defined contribution pension plans. The first staging date for the Group for automatic enrolment is expected to be July 2013.

For reporting years beginning on or after 1st January, 2013, a revision to the International Accounting Standard 19 – Employee Benefits (IAS19 R) will become effective. IAS19 R will first apply to the Group for the year ending 28th September, 2014. Had IAS19 R been applied at the year ended 30th September, 2012, Finance Costs reported in the Consolidated Income Statement would have increased by £23.5 million (2011 £25.1 million, 2010 £22.5 million) with a corresponding decrease in the actuarial loss reported within Cumulative actuarial (loss)/gain in the Consolidated Statement of Comprehensive Income (SOCI).

Defined Benefit Schemes

(a) Background

The Company operates two main defined benefit schemes, the Harmsworth Pension Scheme (HPS) and the Senior Executive Pension Scheme (SEPF), both of which are now closed to new entrants. Existing members still in employment can continue to accrue benefits in the scheme on a cash basis, with members using this cash account to purchase an annuity at retirement.

Full actuarial valuations of the defined benefit schemes are carried out triennially by the Scheme Actuary. The latest valuations of the main schemes were completed as at 31st March, 2010. As a result of these valuations, the Company agreed to make annual contributions of 10.0% or 15.0% of members' basic pay (depending on membership section) for HPS and 27.0% of pensionable pay for SEPF. In addition, the Company has agreed Recovery Plans involving a series of annual funding payments amounting to £265.9 million over a period to end on 5th October, 2023. In accordance with these agreements, a payment of £36.7 million was made on 5th October, 2011 and a payment of £24.0 million was made on 28th September, 2012. A further payment of £11.6 million was made post year end on 5th October, 2012. The Company considers that these contribution rates are sufficient to eliminate the deficit over the agreed period. Both the ongoing contributions and Recovery Plan will be reviewed at the next triennial funding valuation of the main schemes due to be completed with an effective date 31st March, 2013.

The Company also has a defined benefit obligation relating to the DMGT AVC Plan (the Plan) which is closed to further member contributions. The most recent actuarial funding valuation of the Plan, carried out with an effective date of 31st March, 2011, showed a funding deficit of £5.6 million. The trustees and the Company have agreed that this funding shortfall will be removed through the expected investment returns, with no further contributions required from the Company.

(b) Limited Partnership investment vehicle

The Company has enabled the trustee of the HPS to acquire a beneficial interest in a Limited Partnership investment vehicle (LP). The LP has been designed to facilitate payment of part of the deficit funding payments described above to the scheme over the next 15 years. In addition, the LP is required to make a final payment to the scheme of £150.0 million or the funding deficit within the scheme on an ongoing actuarial valuation basis at the end of the 15-year period if this is less. For funding purposes, the interest held by the trustee in the LP will be treated as an asset of the scheme and reduce the actuarial deficit within the scheme. However, under IAS19 the LP is not included as an asset of the scheme and therefore is not included in the disclosures below. In exchange for its interest in the LP, the trustee has allowed the standby letters of credit previously provided by the Company to be cancelled.

The figures in this note are based on calculations using membership data as at 30th September 2012 along with asset valuations and cash flow information from the schemes for the year to 30th September, 2012.

34) RETIREMENT BENEFITS – CONTINUED

A reconciliation of the net pension obligation reported in the Consolidated Statement of Financial Position is shown in the following table:

	At 30th September, 2012 Schemes in deficit £m	At 2nd October, 2011 Schemes in deficit £m	At 3rd October, 2010 Schemes in deficit £m
Present value of defined benefit obligation	(2,089.0)	(1,921.1)	(1,878.2)
Assets at fair value	1,764.6	1,584.9	1,606.8
Deficit reported in the Consolidated Statement of Financial Position	(324.4)	(336.2)	(271.4)

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 Statement of Financial Position. 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 Statement of Financial Position is in accordance with the interpretations of IFRIC 14. In 2012, 2011 and 2010 all schemes were in deficit.

The deficit for the year, set out above, excludes a related deferred tax asset of £74.6 million (2011 £83.6 million, 2010 £73.3 million).

A reconciliation of the present value of the defined benefit obligation is shown in the following table:

	Note	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 £m	52 weeks ending 3rd October, 2010 £m
Defined benefit obligation at start of year		(1,921.1)	(1,878.2)	(1,901.8)
Service cost		(12.0)	(17.2)	(23.8)
Service cost in respect of salary sacrifice		(4.9)	(5.5)	(6.4)
Interest cost	9	(97.7)	(91.7)	(101.4)
Settlement/curtailment		–	–	9.5
Member contributions		(0.5)	(0.2)	(1.2)
Benefit payments		85.0	87.1	89.4
Actuarial (gain)/loss as a result of:				
– changes in assumptions	38, 39	(116.7)	32.5	(104.0)
– membership experience	38, 39	(21.1)	(47.9)	161.5
Defined benefit obligation at the end of year		(2,089.0)	(1,921.1)	(1,878.2)

A reconciliation of the fair value of assets is shown in the following table:

	Note	At 30th September, 2012 £m	At 2nd October, 2011 £m	At 3rd October, 2010 £m
Fair value of assets at start of year		1,584.9	1,606.8	1,471.4
Expected return on assets	9	106.2	104.1	99.2
Company contributions		82.0	35.2	35.0
Member contributions		0.5	0.2	1.2
Benefit payments		(85.0)	(87.1)	(89.4)
Actuarial movement	38, 39	76.0	(74.3)	89.4
Fair value of assets at end of year		1,764.6	1,584.9	1,606.8

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34) RETIREMENT BENEFITS – CONTINUED

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
At 30th September, 2012					
Value at 30th September, 2012 (£ million)	981.7	581.6	172.6	28.7	1,764.6
% of assets held	55.63	32.96	9.78	1.63	100.00
Long-term rate of return expected at 30th September, 2012 (%)	7.60	3.40	6.00	3.40	6.00
At 2nd October, 2011					
Value at 2nd October, 2011 (£ million)	849.2	562.3	157.3	16.1	1,584.9
% of assets held	53.60	35.50	9.90	1.00	100.00
Long-term rate of return expected at 2nd October, 2011 (%)	8.30	4.30	6.80	4.30	6.70
At 3rd October, 2010					
Value at 3rd October, 2010 (£ million)	883.6	519.7	156.1	47.4	1,606.8
% of assets held	55.00	32.30	9.70	3.00	100.00
Long-term rate of return expected at 3rd October, 2010 (%)	7.90	4.40	7.00	4.40	6.60

Equities include hedge funds and infrastructure funds that have the same long-term expected rate of return.

The value of employer-related assets held on behalf of the schemes at 30th September, 2012 was £18.2 million (1.03% of assets), (2011 £0.1 million – 0.00% of assets, 2010 £0.1 million – 0.00% of assets).

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 £182.2 million (2011 £29.7 million, 2010 £188.6 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:

	52 weeks ending 30th September, 2012 %	52 weeks ending 2nd October, 2011 %	52 weeks ending 3rd October, 2010 %
Price inflation	2.40	3.00	3.10
Salary increases	2.40	2.90	2.90
Pension increases	2.40	2.90	2.90
Discount rate for scheme liabilities	4.40	5.20	5.00
Expected overall rate of return on assets	6.00	6.70	6.60

The discount rate for scheme liabilities reflects yields at the period end date on high quality corporate bonds. 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 'long cohort' projections but with a minimum rate of improvement in future mortality rates of 1.5% per annum. Allowance is made for the extent to which employees have chosen to commute part of their pension for cash at retirement.

34) RETIREMENT BENEFITS – CONTINUED

The table below illustrates examples of the assumed average life expectancies from age 60 for the principal schemes:

	52 weeks ending 30th September, 2012 Future life expectancy from age 60 (years)	52 weeks ending 2nd October, 2011 Future life expectancy from age 60 (years)	52 weeks ending 3rd October, 2010 Future life expectancy from age 60 (years)
For a current 60-year old male member of the scheme	27.2	27.0	25.8
For a current 60-year old female member of the scheme	29.0	28.8	27.7
For a current 50-year old male member of the scheme	28.7	28.6	26.9
For a current 50-year old female member of the scheme	30.5	30.3	28.3

The amounts charged to the Consolidated Income Statement based on the above assumptions are shown in the following table:

	Note	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 £m
Service cost		(12.0)	(17.2)
Service cost in respect of salary sacrifice		(4.9)	(5.5)
Charge to operating profit		(16.9)	(22.7)
Interest cost		(97.7)	(91.8)
Expected return on assets		106.2	104.1
Credit to net Finance costs	9	8.5	12.3
Total net charge to the Consolidated Income Statement		(8.4)	(10.4)

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:

		52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 £m	52 weeks ending 3rd October, 2010 £m
Mortality				
Change in pension obligation at 30th September, 2012 from a one year change in life expectancy	+/-	77.2	71.0	57.6
Change in pension cost from a one year change	+/-	3.7	4.1	3.9
Inflation rate				
Change in pension obligation at 30th September, 2012 from a 0.1% per annum change	+/-	30.4	27.7	25.5
Change in pension cost from a 0.1% per annum change	+/-	0.1	0.2	0.6
Discount Rate				
Change in pension obligation at 30th September, 2012 from a 0.1% per annum change	+/-	33.8	31.0	31.9
Change in pension cost from a 0.1% per annum change	+/-	0.1	0.1	0.7

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34) RETIREMENT BENEFITS – CONTINUED
Amounts recognised in the Consolidated Statement of Comprehensive Income (SOCI) are shown in the following table:

	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 £m	52 weeks ending 3rd October, 2010 £m
Actuarial (loss)/gain recognised in SOCI	(61.8)	(89.6)	146.9
Cumulative actuarial loss recognised in SOCI at beginning of period	(220.8)	(131.2)	(278.1)
Cumulative actuarial loss recognised in SOCI at end of period	(282.6)	(220.8)	(131.2)

A history of experience gains and losses is shown in the following table:

	At 30th September, 2012 £m	At 2nd October, 2011 £m	At 3rd October, 2010 £m	As at 4th October, 2009 £m	As at 28th September, 2008 £m
Present value of defined benefit obligation	(2,089.0)	(1,921.1)	(1,878.2)	(1,901.8)	(1,621.0)
Fair value of scheme assets	1,764.6	1,584.9	1,606.8	1,471.4	1,582.7
Impact of asset ceiling in AVC Plan (from 2006)	–	–	–	–	(2.9)
Combined deficit in schemes	(324.4)	(336.2)	(271.4)	(430.4)	(41.2)
Experience adjustments on defined benefit obligation	(137.7)	(15.4)	57.5	(256.6)	233.2
Experience adjustments on fair value of scheme assets	76.0	(74.3)	89.4	(167.9)	(351.0)

The Group expects to contribute approximately £25.8 million to the schemes during the 2013 financial year including the deficit funding payments described above.

UK 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 £50.3 million (2011 £39.8 million, 2010 £39.1 million) at the year end. The pension cost attributable to these plans during the year amounted to £1.9 million (2011 £3.4 million, 2010 £2.6 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 £1.4 million (2011 £2.7 million, 2010 £2.2 million).

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, no executive Directors accrued further pension 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. These arrangements will be superseded when automatic enrolment begins in 2013.

35) PROVISIONS

	Note	Contract discount £m	Coupon discount £m	Onerous leases £m	Reorgan-isation costs £m	Contingent consideration £m	Legal £m	Other (Note (ii)) £m	Total £m
Current liabilities									
At 3rd October, 2010		11.6	1.9	4.2	7.3	3.3	5.0	4.4	37.7
Additions		–	–	–	–	1.1	–	–	1.1
Charged during year		3.7	1.4	0.1	12.7	–	0.4	1.5	19.8
Utilised during year		(2.4)	(1.5)	(3.8)	(4.4)	–	–	(1.4)	(13.5)
Transfer from non-current liabilities		–	–	0.8	–	10.3	–	–	11.1
Contingent consideration paid		–	–	–	–	(8.4)	–	–	(8.4)
Notional interest on contingent consideration		–	–	–	–	0.3	–	–	0.3
Adjustment to goodwill/contingent consideration		–	–	–	–	(0.1)	–	–	(0.1)
Fair value adjustment to contingent consideration		–	–	–	–	1.8	–	–	1.8
Exchange adjustment		–	–	–	–	(0.1)	–	–	(0.1)
At 2nd October, 2011		12.9	1.8	1.3	15.6	8.2	5.4	4.5	49.7
Additions	16	–	–	–	–	0.2	–	–	0.2
Charged during year		8.8	8.3	0.2	9.5	–	5.4	5.6	37.8
Utilised during year		(9.3)	(8.4)	(0.4)	(14.2)	–	(7.6)	(4.9)	(44.8)
Reclassification between categories		–	–	–	(1.4)	–	–	1.4	–
Transfer from non-current liabilities		–	–	0.3	–	0.2	–	1.2	1.7
Contingent consideration paid	16	–	–	–	–	(7.7)	–	–	(7.7)
Notional interest on contingent consideration	10	–	–	–	–	0.1	–	–	0.1
Adjustment to goodwill/contingent consideration	20, (i)	–	–	–	–	(0.3)	–	–	(0.3)
Classified as held-for-sale	19	(0.2)	–	–	(1.4)	–	(0.3)	(0.3)	(2.2)
Exchange adjustment		–	0.1	(0.1)	0.1	–	(0.1)	(0.3)	(0.3)
At 30th September, 2012		12.2	1.8	1.3	8.2	0.7	2.8	7.2	34.2

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35) PROVISIONS – CONTINUED

	Note	Onerous leases £m	Reorgan-isation costs £m	Contingent consideration £m	Other (Note (ii)) £m	Total £m
Non-current liabilities						
At 3rd October, 2010		3.6	7.5	14.5	2.0	27.6
Additions		–	–	2.1	–	2.1
Charged during year		0.3	–	–	1.1	1.4
Utilised during year		(0.2)	(3.6)	–	–	(3.8)
Transfer to current liabilities		(0.8)	–	(10.3)	–	(11.1)
Contingent consideration paid		–	–	(3.6)	–	(3.6)
Notional interest on contingent consideration		–	–	0.1	–	0.1
Adjustment to goodwill/contingent consideration		–	–	0.9	–	0.9
Fair value adjustment to contingent consideration		–	–	(0.1)	–	(0.1)
At 2nd October, 2011		2.9	3.9	3.6	3.1	13.5
Additions	16	–	–	20.5	–	20.5
Charged during year		0.2	(3.9)	–	1.1	(2.6)
Utilised during year		(0.1)	–	–	–	(0.1)
Transfer to current liabilities		(0.3)	–	(0.3)	(1.2)	(1.8)
Notional interest on contingent consideration	10	–	–	0.2	–	0.2
Adjustment to goodwill/contingent consideration	20, (i)	–	–	(0.3)	–	(0.3)
Fair value adjustment to contingent consideration	10	–	–	(0.2)	–	(0.2)
Exchange adjustment		0.1	–	–	–	0.1
At 30th September, 2012		2.8	–	23.5	3.0	29.3

(i) The adjustment to goodwill/contingent consideration relates to prior period acquisitions only.

(ii) Other current provisions principally of dilapidation provisions of £0.7 million (2011 £0.4 million, 2010 £0.3 million) and provisions for national insurance of £1.4 million (2011 £0.4 million, 2010 £0.7 million).

Other non-current provisions principally of dilapidation provisions of £1.7 million (2011 £1.6 million, 2010 £1.6 million) and provisions for national insurance of £1.1 million (2011 £1.1 million, 2010 £nil).

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:

	At 30th September, 2012 £m	At 2nd October, 2011 £m	At 3rd October, 2010 £m
Expiring in one year or less	0.7	8.2	3.3
Expiring between one and two years	0.8	0.4	11.9
Expiring between two and five years	22.7	3.2	2.6
	24.2	11.8	17.8

The contingent consideration is based on future business valuations and profit multiples and has been estimated on an acquisition by acquisition basis using available data forecasts. The range of undiscounted outcomes for contingent consideration is £4.1 million to £59.1 million. Certain contingent consideration arrangements are not capped since they are based on future business performance.

36) DEFERRED TAXATION

	Note	Accelerated capital allowances £m	Goodwill and intangible assets £m	Share-based payments £m	Deferred interest £m	Trading losses and tax credits £m	Pension scheme deficit £m	Other £m	Total £m
Disclosed within non-current liabilities		–	25.4	–	–	–	–	0.3	25.7
Disclosed within non-current assets		22.9	39.3	(8.9)	(25.7)	(89.9)	(73.3)	(23.3)	(158.9)
At 3rd October, 2010		22.9	64.7	(8.9)	(25.7)	(89.9)	(73.3)	(23.0)	(133.2)
(Credit)/charge to income		(11.5)	2.5	(7.1)	(13.0)	–	6.7	(5.8)	(28.2)
(Credit)/charge to income due to change in tax rate		(1.7)	(0.5)	0.1	1.9	2.3	(1.2)	0.2	1.1
Credit to equity		–	–	(0.2)	–	–	(22.4)	(1.6)	(24.2)
Charge to equity due to change in tax rate		–	–	–	–	–	6.6	–	6.6
Owned by subsidiaries acquired		–	0.8	–	–	–	–	–	0.8
Owned by subsidiaries sold		(2.1)	1.9	–	–	–	–	–	(0.2)
Exchange adjustment		–	0.6	–	–	(1.0)	–	0.9	0.5
At 2nd October, 2011		7.6	70.0	(16.1)	(36.8)	(88.6)	(83.6)	(29.3)	(176.8)
Disclosed within non-current liabilities		–	27.8	(3.5)	–	(0.8)	–	0.3	23.8
Disclosed within non-current assets		7.6	42.2	(12.6)	(36.8)	(87.8)	(83.6)	(29.6)	(200.6)
(Credit)/charge to income	11	(29.8)	4.9	(0.5)	(74.9)	72.1	7.9	6.0	(14.3)
Charge/(credit) to income due to change in tax rate	11	(0.8)	(3.0)	–	3.0	1.5	(1.7)	0.2	(0.8)
Credit to equity	38, 39	–	–	(1.2)	–	–	(14.1)	1.8	(13.5)
Charge to equity due to change in tax rate	38, 39	–	–	–	–	–	8.5	–	8.5
Owned by subsidiaries acquired	16	–	8.6	–	–	–	–	0.1	8.7
Owned by subsidiaries sold	17	1.3	(1.0)	–	–	0.2	–	1.2	1.7
Classified as held-for-sale	19	3.1	(0.2)	–	–	1.5	2.0	–	6.4
Exchange adjustment		0.1	(1.3)	–	1.5	0.5	–	(1.5)	(0.7)
At 30th September, 2012		(18.5)	78.0	(17.8)	(107.2)	(12.8)	(81.0)	(21.5)	(180.8)
Disclosed within non-current liabilities		0.5	30.4	(4.1)	–	–	(0.6)	(2.3)	23.9
Disclosed within non-current assets		(19.0)	47.6	(13.7)	(107.2)	(12.8)	(80.4)	(19.2)	(204.7)
At 30th September, 2012		(18.5)	78.0	(17.8)	(107.2)	(12.8)	(81.0)	(21.5)	(180.8)

The deferred tax assets disclosed in the Consolidated Statement of Financial Position in respect of deferred interest, tax losses and tax credits are analysed as follows:

	At 30th September, 2012 £m	At 2nd October, 2011 £m	At 3rd October, 2010 £m
UK	39.6	56.2	56.8
North America	75.0	62.4	55.1
Australia	5.4	6.8	3.7
	120.0	125.4	115.6

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 none have an expiry date.

Included in the credit to income of £15.1 million (2011 £27.2 million, 2010 £31.2 million) is a charge of £9.3 million (2011 credit £1.2 million, 2010 credit £0.5 million) relating to discontinued operations.

Included in Other deferred tax are deferred tax assets of £1.7 million (2011 £3.2 million, 2010 £3.4 million) in respect of capital losses and deferred tax liabilities of £1.7 million (2010 £3.2 million, 2010 £6.6 million) in respect of revaluations and rolled over gains and £0.4 million (2011 asset £5.3 million, 2010 asset £3.6 million) in respect of financial instruments. The £1.9 million charge to equity (2011 credit of £1.7 million, 2010 £nil) relates entirely to financial instruments.

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36) DEFERRED TAXATION – CONTINUED

There is an unrecognised deferred tax asset of £79.1 million (2011 £72.9 million, 2010 £89.2 million) which relates to revenue losses where there is insufficient certainty that these losses will be utilised in the foreseeable future. Of these assets none have an expiry date. There is an additional unprovided deferred tax asset relating to capital losses carried forward of £62.4 million (2011 £63.1 million, 2010 £42.2 million).

No deferred tax liability is recognised on temporary differences of £117.2 million (2011 £79.8 million, 2010 £68.2 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 30th September, 2012 represent only the unremitted earnings of those overseas subsidiaries where remittance to the UK of those earnings may still result in a tax liability, principally as a result of a dividend withholding taxes levied by the overseas tax jurisdictions in which these subsidiaries operate.

37) CALLED UP SHARE CAPITAL

	Allotted, issued and fully paid At 30th September, 2012 £m	Allotted, issued and fully paid At 2nd October, 2011 £m	Allotted, issued and fully paid At 3rd October, 2010 £m
Ordinary shares of 12.5 pence each	2.5	2.5	2.5
‘A’ Ordinary Non-Voting Shares of 12.5 pence each	46.6	46.6	46.6
	49.1	49.1	49.1

	Allotted, issued and fully paid At 30th September, 2012 Number of shares	Allotted, issued and fully paid As at 2nd October, 2011 Number of shares	Allotted, issued and fully paid As at 3rd October, 2010 Number of shares
Ordinary shares	19,886,472	19,886,472	19,886,472
‘A’ Ordinary Non-Voting shares	373,073,648	372,774,648	372,696,648
	392,960,120	392,661,120	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 7,018,953 ‘A’ Ordinary Non-Voting shares, in order to satisfy incentive schemes. This represented 1.88% of the called up ‘A’ Ordinary Non-Voting share capital at 30th September, 2012.

The Company also purchased 7,478,953 ‘A’ Ordinary Non-Voting shares having a nominal value of £934,869 to match obligations under incentive plans. The consideration paid for these shares was £30.1 million. Shares repurchased during the period represented 2.0% of the called up ‘A’ Ordinary Non-Voting share capital at 30th September, 2012.

At 30th September, 2012 options were outstanding under the terms of the Company’s 1997 and 2006 Executive Share Option Schemes, together with nil cost options, over a total of 4,929,968 (2011 5,399,633, 2010 5,557,567) ‘A’ Ordinary Non-Voting shares.

38) RESERVES

	Note	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 £m
Share premium account			
At beginning of period		12.7	12.5
Issue of shares		0.8	0.2
At end of period		13.5	12.7
Capital redemption reserve			
At beginning and end of period		1.1	1.1
Revaluation reserve			
At beginning of period		3.3	7.0
Transfer to retained earnings	43, (i)	(3.3)	–
Fair value movement in available-for-sale assets	25	–	4.6
Fair value adjustment to contingent consideration		–	0.2
Transfer to Consolidated Income Statement on sale of Sanborn		–	(8.5)
At end of period		–	3.3

The revaluation reserve arose on the revaluation of the group's available-for-sale investments. It includes £nil (2011 £3.3 million, 2010 £3.7 million) in relation to historic property valuations originally recorded under UK 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.

(i) During the year the Group transferred several of its investment properties to its pension scheme in an arm's length transaction resulting in a transfer of associated revaluation reserves of £3.3 million to retained earnings.

	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 £m
Shares held in treasury		
At beginning of period	(46.3)	(45.0)
Purchase of own shares	(30.1)	(11.7)
Own shares released on vesting of share options	32.6	10.4
At end of period	(43.8)	(46.3)

The Group's investment in its own shares is classified within shareholders' funds as shares held in treasury. At 30th September, 2012, this investment comprised the cost of 10,188,174 'A' Ordinary Non-Voting shares (2011 9,728,174 shares, 2010 9,577,814 shares). The market value of these shares at 30th September, 2012 was £49.1 million (2011 £35.3 million, 2010 £50.3 million).

	Note	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 £m
Translation reserve			
At beginning of period		(42.5)	(16.3)
Foreign exchange differences on translation of foreign operations		(22.6)	7.3
Translation reserves recycled to Consolidated Income Statement on disposals	17	(0.9)	(21.6)
Transfer of loss on cash flow hedges from translation reserve to Consolidated Income Statement		2.1	4.1
Change in fair value of cash flow hedges		1.9	(0.8)
Gain/(loss) on hedges of net investments in foreign operations		29.4	(15.2)
At end of period		(32.6)	(42.5)

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.

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38) RESERVES – CONTINUED

	Note	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 Restated (note 2) £m
Retained earnings			
At beginning of period		50.5	84.4
Net profit for the period		257.2	108.5
Dividends paid	12	(66.2)	(62.4)
Actuarial loss on defined benefit pension schemes	34	(60.7)	(89.3)
Credit to equity for share-based payments	41	12.5	16.9
Settlement of exercised share options of subsidiaries		(15.6)	(12.7)
Initial recording of put options granted to non-controlling interests in subsidiaries	(i)	–	(7.1)
Transfer from revaluation reserves following disposal of properties previously revalued		3.3	–
Adjustment to equity following increased stake in controlled entity		(13.5)	(5.5)
Adjustment to equity following decreased stake in controlled entity		0.1	0.5
Corporation tax on share based payments		0.4	–
Deferred tax on actuarial movement	36	5.4	15.8
Deferred tax on other items recognised directly in equity	36	–	1.4
At end of period		173.4	50.5
At end of period – Total Reserves		111.6	(21.2)

(i) £nil (2011 £7.1 million, 2010 £nil) representing the fair value of written put options granted to non-controlling interests 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 Consolidated Income Statement.

39) NON-CONTROLLING INTERESTS

	Note	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 £m
At beginning of period		80.3	57.4
Share of profit for the period		22.7	15.9
Dividends paid		(9.6)	(7.8)
Shares issued		1.5	1.9
Non-controlling interests arising from business combinations	16	–	6.0
Gain/(loss) on hedges of net investments in foreign operations		1.9	(1.9)
Transfer of loss on cash flow hedges to Consolidated Income Statement		1.5	2.7
Change in fair value of cash flow hedges		1.2	(0.4)
Foreign exchange differences on translation of foreign operations		(3.8)	3.1
Actuarial loss on defined benefit pension schemes	34	(1.1)	(0.3)
Credit to equity for share-based payments	41	0.7	2.7
Deferred tax on actuarial movement	36	0.2	–
Deferred tax on other items recognised directly in equity	36	(0.6)	0.4
Current tax on items recognised in equity		0.2	
Adjustment to non-controlling interest following decreased stake in controlled entity		(0.1)	(0.5)
Adjustment to non-controlling interest following increased stake in controlled entity		(0.6)	4.3
Other transactions with non-controlling interests		0.9	–
Initial recording of put options granted to non-controlling interests in subsidiaries		–	(3.2)
At end of period		95.3	80.3

40) COMMITMENTS AND CONTINGENT LIABILITIES
Commitments

	At 30th September, 2012 £m	At 2nd October, 2011 £m	At 3rd October, 2010 £m
Property, plant and equipment			
Contracted but not provided in the financial statements	0.7	17.4	–

At 30th September, 2012 the Group had outstanding capital commitments relating to the construction of a new printing operation in Thurrock, Essex.

At 30th September, 2012 the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	At 30th September, 2012 Properties £m	At 2nd October, 2011 Properties £m	At 3rd October, 2010 Properties £m	At 30th September, 2012 Plant and equipment £m	At 2nd October, 2011 Plant and equipment £m	At 3rd October, 2010 Plant and equipment £m
Within one year	20.1	28.2	25.6	5.9	7.3	3.7
Between one and two years	16.9	24.8	22.3	5.1	5.8	2.4
Between two and five years	33.8	59.7	55.7	3.4	7.1	2.7
After five years	26.7	74.9	71.5	–	–	–
	97.5	187.6	175.1	14.4	20.2	8.8

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.

Commitments in relation to properties as at 30th September, 2012 have been restated to exclude future payments under non-cancellable agreements made to secure venues for future events and exhibitions which are separately disclosed below.

	At 30th September, 2012 £m	At 2nd October, 2011 £m	At 3rd October, 2010 £m
Within one year	12.6	10.3	9.7
Between one and two years	1.3	2.4	2.6
Between two and five years	0.8	0.2	1.7
After five years	–	–	0.1
	14.7	12.9	14.1

The Group entered into arrangements with its ink suppliers to obtain ink for the period to September 2018 at competitive prices and to secure supply. At the year end, the commitment to purchase ink over this period was £76.8 million (2011 £91.2 million, 2010 £109.6 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 £68.6 million (2011 £100.5 million, 2010 £130.8 million).

Contingent liabilities

As set out in note 34 the Group has issued standby letters of credit in favour of the Trustees of the Group's defined benefit pension fund amounting to £nil (2011 £53.6 million, 2010 £54.5 million) together with other guarantees of £2.4 million (2011 £9.3 million, 2010 £8.1 million).

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 were issued in Malaysia against the company and three of its employees in respect of an article published in one of the company's magazines, International Commercial Litigation, in November 1995. The writs were served on Euromoney Institutional Investor PLC (Euromoney) on 22nd October, 1996. Two of these writs have been discontinued. The total outstanding amount claimed on the two remaining writs is Malaysian Ringgits 82.3 million (£16.6 million) (2011 Malaysian Ringgits 82.0 million (£16.5 million)). No provision has been made for these claims in these financial statements as the Directors do not believe Euromoney has any material liability in respect of these writs.

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41) SHARE-BASED PAYMENTS
The Group offers a number of share-based remuneration schemes to Directors and certain employees. The principal schemes comprise share options under the DMGT, Euromoney and within DMG Information, Risk Management Solutions (RMS), Genscape and Trepp Executive Share Option Schemes (ESOS), the Euromoney Capital Appreciation Plan and the Company's LTIP. Share options are 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 schemes are explained in the Remuneration Report on pages 71 and 76.

For equity-settled share-based payment transactions, IFRS 2 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 Consolidated Income Statement is as follows:

Division	Scheme	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 £m	52 weeks ending 3rd October, 2010 £m
DMGT	Executive Share Option Scheme	0.3	–	0.6
	Executive Bonuses	0.5	0.9	1.9
	Long-Term Incentive Plan	1.9	1.2	1.5
RMS		6.6	7.3	6.9
Euromoney	Capital Appreciation Plan	2.3	8.1	2.0
Others – principally Business information		1.6	1.9	2.8
		13.2	19.4	15.7

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.

Expected volatility has been estimated, based upon relevant historic data in respect of the DMGT 'A' Ordinary share price. 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 73.

	52 weeks ending 30th September, 2012 Number of share options	52 weeks ending 30th September, 2012 Weighted average exercise price £	52 weeks ending 2nd October, 2011 Number of share options	52 weeks ending 2nd October, 2011 Weighted average exercise price £	52 weeks ending 3rd October, 2010 Number of share options	52 weeks ending 3rd October, 2010 Weighted average exercise price £
Outstanding at 2nd October, 2011	1,737,745	6.43	1,815,807	6.43	2,172,807	6.43
Forfeited during the year	(336,265)	6.42	(78,062)	6.38	(357,000)	6.43
Outstanding at 30th September, 2012	1,401,480	6.44	1,737,745	6.43	1,815,807	6.43
Exercisable at 30th September, 2012	–	–	–	–	–	–
Exercisable at 2nd October, 2011	–	–	–	–	–	–

No share options were granted or exercised during the year.

The options outstanding at 30 September, 2012 had a weighted average remaining contractual life of 1.3 years (2011 2.3 years, 2010 3.3 years).

41) SHARE-BASED PAYMENTS – CONTINUED

Options under the DMGT 1997 Executive Share Option Scheme Continued

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 December, 2004
Market value of shares at date of grant (£)	5.73	5.82	6.08	7.24
Option price (£)	5.73	5.82	6.08	7.24
Number of share options outstanding	378,530	32,000	434,242	556,708
Term of option (years)	10.00	10.00	10.00	10.00
Assumed period of exercise after vesting (years)	6.50	6.50	6.50	6.50
Exercise price (£)	5.73	5.82	6.08	7.24
Risk-free rate (%)	5.00	5.00	4.80	4.50
Change in fair value of cash flow hedges	1.61	1.58	1.65	1.52
Volatility (%)	20.00	20.00	20.00	20.00
Fair value per option (£)	1.35	1.37	1.43	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 72.

	52 weeks ending 30th September, 2012 Number of share options	52 weeks ending 30th September, 2012 Weighted average exercise price £	52 weeks ending 2nd October, 2011 Number of share options	52 weeks ending 2nd October, 2011 Weighted average exercise price £	52 weeks ending 3rd October, 2010 Number of share options	52 weeks ending 3rd October, 2010 Weighted average exercise price £
Outstanding at 2nd October, 2011	2,394,074	4.73	2,571,960	4.74	2,931,954	5.43
Granted during the year	370,000	3.96	266,000	5.39	491,427	4.04
Forfeited during the year	(164,000)	5.91	(48,000)	3.56	(30,000)	2.50
Exercised during the year	(299,000)	2.96	(221,703)	5.62	(333,500)	6.80
Expired during the year	–	–	(174,183)	5.05	(487,921)	6.88
Outstanding at 30th September, 2012	2,301,074	4.59	2,394,074	4.73	2,571,960	4.74
Exercisable at 30th September, 2012	1,183,647	5.15	1,100,647	5.97	838,579	6.47
Exercisable at 2nd October, 2011	1,100,647	5.97	838,579	6.47	551,000	6.83

Options were forfeited by leavers during the period.

The options outstanding at 30th September, 2012 had a weighted average remaining contractual life of 6.5 years (2011 6.8 years, 2010 7.4 years).

The aggregate of the estimated fair values of the options granted during the year is £0.3 million (2011 £0.3 million, 2010 £0.6 million).

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	27th May, 2008	24th November, 2008
Market value of shares at date of grant (£)	6.98	6.11	6.88	5.05	4.02	2.50
Option price (£)	6.98	6.11	6.88	5.05	4.02	2.50
Number of share options outstanding	246,376	52,000	249,500	275,771	35,000	205,000
Term of option (years)	10.00	10.00	10.00	10.00	10.00	10.00
Assumed period of exercise after vesting (years)	7.00	7.00	7.00	7.00	7.00	7.00
Exercise price (£)	6.98	6.11	6.88	5.05	4.02	2.50
Risk-free rate (%)	4.50	4.80	4.30	4.30	4.30	3.00
Expected dividend yield (%)	1.72	2.01	1.90	2.84	3.66	5.89
Volatility (%)	20.00	20.00	20.00	20.00	20.00	40.00
Fair value per option (£)	1.53	1.44	1.51	1.18	0.92	0.56

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41) SHARE-BASED PAYMENTS – CONTINUED

Date of grant	26th January, 2009	14th December, 2009	6th December, 2010	5th December, 2011	27th June 2012
Market value of shares at date of grant (£)	2.53	4.04	5.39	3.98	3.91
Option price (£)	2.53	4.04	5.39	3.98	3.91
Number of share options outstanding	120,000	481,427	266,000	270,000	100,000
Term of option (years)	10.00	10.00	10.00	10.00	10.00
Assumed period of exercise after vesting (years)	7.00	7.00	7.00	7.00	7.00
Exercise price (£)	2.53	4.04	5.39	3.98	3.91
Risk-free rate (%)	3.00	3.00	2.00	1.50	1.00
Expected dividend yield (%)	5.81	3.64	2.97	4.27	4.43
Volatility (%)	40.00	40.00	30.00	30.00	30.00
Fair value per option (£)	0.56	1.13	1.22	0.71	0.70

Nil-Cost Options under the DMGT Executive Bonus Scheme

Since December 2009, half of the Executive Bonus paid to the executive Directors has been deferred into shares in the form of nil-cost options which cannot be exercised for at least three years. These options are to the value of the equity portion of the bonus and are fully expensed in the year in which they are earned. A portion of the bonus earned by Directors under the Scheme in the current year will also be deferred into shares in the form of nil-cost options. The cash portion of the bonus is included in the remuneration table on page 79 of the Remuneration Report. The total bonus is calculated in accordance with the scheme rules, as set out on page 76 of the Remuneration Report.

	52 weeks ending 30th September, 2012 Number of share options	52 weeks ending 30th September, 2012 Weighted average exercise price £	52 weeks ending 2nd October, 2011 Number of share options	52 weeks ending 2nd October, 2011 Weighted average exercise price £	52 weeks ending 3rd October, 2010 Number of share options	52 weeks ending 3rd October, 2010 Weighted average exercise price £
Outstanding at 2nd October, 2011	951,445	–	429,625	–	–	–
Granted during the year	275,949	–	678,013	–	429,625	–
Exercised during the year	–	–	(156,193)	–	–	–
Outstanding at 30th September, 2012	1,227,394	–	951,445	–	429,625	–
Exercisable at 30th September, 2012	–	–	–	–	–	–
Exercisable at 2nd October, 2011	–	–	–	–	–	–

No share options expired or were forfeited during the year.

827,414 of these outstanding options are grants to Directors, as shown in the Remuneration Report. A further 400,000 options are outstanding to a former senior executive, other than a Director, including a grant of 80,000 options during the year which will vest in February 2013.

DMGT Long-Term Incentive Plan

Details of the terms and conditions relating to this scheme are set out in the Remuneration Report on pages 71 to 73.

	52 weeks ending 30th September, 2012 Number of share options	52 weeks ending 30th September, 2012 Weighted average exercise price £	52 weeks ending 2nd October, 2011 Number of share options	52 weeks ending 2nd October, 2011 Weighted average exercise price £	52 weeks ending 3rd October, 2010 Number of share options	52 weeks ending 3rd October, 2010 Weighted average exercise price £
Outstanding at 2nd October, 2011	1,555,853	5.14	1,637,225	4.92	1,200,516	5.76
Granted during the year	643,614	4.37	595,695	5.59	1,031,709	4.04
Exercised during the year	–	–	(356,890)	5.17	(131,493)	6.52
Expired during the year	(73,202)	7.06	(320,177)	4.81	(463,507)	4.70
Outstanding at 30th September, 2012	2,126,265	4.84	1,555,853	5.14	1,637,225	4.92
Exercisable at 30th September, 2012	–	–	–	–	–	–
Exercisable at 2nd October, 2011	–	–	–	–	–	–

No share awards were forfeited during the year.

41) SHARE-BASED PAYMENTS – CONTINUED

The awards outstanding at 30th September, 2012 had a weighted average remaining contractual life of 2.2 years (2011 2.3 years, 2010 2.6 years).

The aggregate of the estimated fair values of the awards made during the year is £2.8 million (2011 £3.3 million, 2010 £4.2 million).

Options under the DMGT Long-Term Incentive Scheme

The inputs into the Black-Scholes model are as follows:

Date of grant	1st January, 2006	1st January, 2007	19th December, 2009	19th December, 2009	19th December, 2009
Market value of shares at date of grant (£)	7.88	7.17	4.04	4.04	4.04
Option price (£)	7.88	7.17	4.04	4.04	4.04
Number of share options outstanding	77,137	89,101	244,853	122,427	122,425
Term of option (years)	5.00	5.00	2.80	3.00	4.00
Assumed period of exercise after vesting (years)	–	–	–	–	–
Exercise price (£)	Nil	Nil	Nil	Nil	Nil
Risk-free rate (%)	4.50	4.30	3.00	3.00	3.00
Expected dividend yield (%)	1.52	1.82	3.64	3.64	3.64
Volatility (%)	20.00	20.00	40.00	40.00	40.00
Fair value per option (£)	5.99	5.45	4.04	4.04	4.04

Date of grant	19th December, 2009	19th December, 2009	20th December, 2010	20th December, 2010	20th December, 2010
Market value of shares at date of grant (£)	4.04	4.04	5.59	5.59	5.59
Option price (£)	4.04	4.04	5.59	5.59	5.59
Number of share options outstanding	119,159	119,159	192,758	96,379	93,944
Term of option (years)	5.00	6.00	2.78	3.00	4.00
Assumed period of exercise after vesting (years)	–	–	–	–	–
Exercise price (£)	Nil	Nil	Nil	Nil	Nil
Risk-free rate (%)	3.00	3.00	3.00	3.00	3.00
Expected dividend yield (%)	3.64	3.64	2.86	2.86	2.86
Volatility (%)	40.00	40.00	30.00	30.00	30.00
Fair value per option (£)	4.04	4.04	5.59	5.59	5.59

Date of grant	20th December, 2010	20th December, 2010	1st January, 2011	13th February, 2012
Market value of shares at date of grant (£)	5.59	5.59	5.74	4.37
Option price (£)	5.59	5.59	5.74	4.37
Number of share options outstanding	93,944	93,944	17,421	643,614
Term of option (years)	5.00	6.01	3.00	5.00
Assumed period of exercise after vesting (years)	–	–	–	–
Exercise price (£)	Nil	Nil	Nil	Nil
Risk-free rate (%)	3.00	2.00	1.50	1.00
Expected dividend yield (%)	2.86	2.86	2.97	3.89
Volatility (%)	30.00	30.00	30.00	30.00
Fair value per option (£)	5.59	5.59	5.74	4.37

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41) 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 10 years and five years from grant date under the 2001 and 2005 option plan respectively. 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. After 30th September, 2011 options under the 2001 and 2005 plan will no longer be awarded.

During fiscal year 2011 RMS introduced the Executive Incentive Plan (EIP) and the Long-Term Incentive Plan (LTIP). Under the EIP options and Restricted Stock Units (RSU) were awarded to Senior Management. Under the LTIP RSUs were awarded to key employees. The options and RSUs were granted at market value under both plans. The options vest based on the conditions of time and company performance at three and five years from date of grant. The options lapse after seven years from grant date. The RSUs under both plans vest annually over three years.

RSU expense is determined by the fair market value of RMS stock at the date of grant. The expense is amortised using an accelerated method. Under this method the RSUs are equally allocated to each of the three annual vesting components and the related expense is amortised over 12, 24, and 36 months respectively.

	52 weeks ending 30th September, 2012 Number of share options	52 weeks ending 30th September, 2012 Weighted average exercise price US$	52 weeks ending 2nd October, 2011 Number of share options	52 weeks ending 2nd October, 2011 Weighted average exercise price US$	52 weeks ending 3rd October, 2010 Number of share options	52 weeks ending 3rd October, 2010 Weighted average exercise price US$
Outstanding at 2nd October, 2011	4,570,290	45.67	3,878,417	43.52	3,003,397	42.12
Granted during the year	132,682	52.27	1,569,073	46.89	1,156,877	45.25
Forfeited during the year	(420,694)	46.59	(244,079)	46.66	(81,521)	45.87
Exercised during the year	(1,383,549)	44.17	(633,121)	36.89	(200,336)	29.63
Expired during the year	(8,167)	36.39	–	–	–	
Outstanding at 30th September, 2012	2,890,562	46.59	4,570,290	45.67	3,878,417	43.52
Exercisable at 30th September, 2012	1,134,841	45.86	2,265,976	44.71	1,763,341	40.78
Exercisable at 2nd October, 2011	2,265,976	44.71	1,763,341	40.78	1,015,951	35.64

The weighted average share price at the date of exercise for share options exercised during the year was US$52.27 (2011 US$46.89, 2010 US$45.25).

The options outstanding at 30th September, 2012 had a weighted average exercise price of US$45.86 (2011 US$45.67, 2010 US$43.52) and a weighted average remaining contractual life of 3.27 years (2011 4.06 years, 2010 5.05 years).

The aggregate of the estimated fair values of the options granted during the year is US$18.2 million (2011 US$15.3 million, 2010 US$11.6 million).

The inputs into the Black-Scholes model are as follows:

Date of grant	During 2003	During 2004	During 2005	During 2007	During 2008
Market value of shares at date of grant (US$)	5.56	9.13	16.61	36.39	45.43
Option price (US$)	5.56	9.13	16.61	36.39	45.43
Number of share options outstanding	2,075	5,939	8,938	2,500	264,728
Term of option (years)	1.67	2.67	3.67	3.80	3.80
Assumed period of exercise after vesting (years)	6-9	6-9	6-9	6-9	6-9
Exercise price (US$)	5.56	9.13	16.61	36.39	45.43
Risk-free rate (%)	4.00	4.00	4.00	4.67	4.10
Expected dividend yield (%)	2.00	2.00	2.00	2.00	2.00
Volatility (%)	35.00	35.00	35.00	35.00	29.00
Fair value per option (US$)	21.38	17.91	12.53	10.29	10.69

41) SHARE-BASED PAYMENTS – CONTINUED

Date of grant	During 2009	During 2010	During 2011	During 2012
Market value of shares at date of grant (US$)	47.81	45.25	46.89	52.27
Option price (US$)	47.81	45.25	46.89	52.27
Number of share options outstanding	504,839	645,257	1,324,004	132,282
Term of option (years)	3.80	3.80	4.30	4.75
Assumed period of exercise after vesting (years)	6-9	6-9	6-9	6-9
Exercise price (US$)	47.81	45.25	46.89	52.27
Risk-free rate (%)	2.20	1.78	2.27	1.25
Expected dividend yield (%)	2.50	2.63	3.05	3.05
Volatility (%)	29.32	36.58	33.00	35.15
Fair value per option (US$)	9.59	10.93	10.08	10.08

Expected volatility was determined by calculating the historical volatility of comparable companies.

Euromoney Capital Appreciation Plan 2010 (CAP 2010)

The CAP 2010 executive share option scheme was approved by shareholders on 21st January, 2010. Each CAP 2010 award comprises two equal elements – an option to subscribe for ordinary shares of 0.25p each in the company at an exercise price of 0.25p per ordinary share, and a right to receive a cash payment. The awards will vest in two equal tranches. The first tranche of awards will become exercisable on satisfaction of the primary performance condition, but no earlier than February 2013 and lapse to the extent unexercised by 30th September, 2020. The second tranche of awards becomes exercisable in the February following a subsequent financial year in which adjusted pre-tax profits of the Euromoney Group again equal or exceed £100.0 million (increased to £105.0 million following the acquisition of NDR), but no earlier than February, 2014. The second tranche only vests on satisfaction of the primary performance condition and an additional performance condition. The number of options received under the share award of the CAP 2010 is reduced by the number of options vesting with participants from the 2010 Company Share Option Plan (see below). The primary performance condition was achieved in the 2011 financial year, two years earlier than expected, when adjusted pre-tax profits were £101.3 million. However, the internal rules of the plan prevent the awards vesting more than one year early so although the primary condition has been achieved the award pool will be allocated between the holders of outstanding awards by reference to their contribution to the growth in profits of the Group from the 2009 base year to the profits achieved in the 2012 financial year and these awards are expected to become exercisable in February, 2013.

The CAP 2010 options were valued using a fair value model that adjusted the share price at the date of grant for the net present value of expected future dividend streams up to the date of expected exercise. The expected term of the option used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

	52 weeks ending 30th September, 2012 Number of share options	52 weeks ending 30th September, 2012 Weighted average exercise price £	52 weeks ending 2nd October, 2011 Number of share options	52 weeks ending 2nd October, 2011 Weighted average exercise price £	52 weeks ending 3rd October, 2010 Number of share options	52 weeks ending 3rd October, 2010 Weighted average exercise price £
Outstanding at 2nd October, 2011	2,719,801	0.0025	2,719,801	0.0025	–	–
Granted during the year	–	–	–	–	2,719,801	0.0025
Outstanding at 30th September, 2012	2,719,801	0.0025	2,719,801	0.0025	2,719,801	0.0025
Exercisable at 30th September, 2012	–	–	–	–	–	–
Exercisable at 2nd October, 2011	–	–	–	–	–	–

The weighted average share price at the date of exercise for share options exercised during the year was £nil (2011 £nil, 2010 £nil).

The options outstanding at 30 September, 2012 had a weighted average exercise price of £0.0025 (2011 £0.0025, 2010 £0.0025) and a weighted average remaining contractual life of 8.0 years (2011 9.0 years, 2010 10.0 years).

The aggregate of the estimated fair values of the options granted during the year is £nil (2011 £nil, 2010 £11.6 million).

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41) SHARE-BASED PAYMENTS – CONTINUED
The inputs into the Black-Scholes model are as follows:

Date of grant	30th March, 2010	30th March, 2010
Market value of shares at date of grant (p)	501.00	501.00
Option price (p)	0.25	0.25
Number of share options outstanding	969,305	1,750,496
Term of option (years)	10.00	10.00
Assumed period of exercise after vesting (years)	4.00	5.00
Exercise price (p)	0.25	0.25
Risk-free rate (%)	2.28	2.75
Expected dividend yield (%)	7.00	7.00
Fair value per option (p)	4.37	4.20

Company Share Option Plan (CSOP 2010)
In parallel with the CAP 2010, the shareholders approved the CSOP 2010 UK and Canada at the AGM on 21st January, 2010. The CSOP 2010 UK was approved by HM Revenue and Customs on 21st June, 2010 and granted on 28th June, 2010. The CSOP 2010 UK option enables each participant to purchase up to 4,972 shares in the company at a price of £6.03 per share, the market value at the date of grant. The options will vest and become exercisable at the same time as the corresponding share award under the CAP 2010 providing the CSOP option is in the money at that time and does not vest before 28th June, 2013. The CSOP 2010 Canada, granted on 30th March, 2010, enables each participant to purchase up to 19,960 shares in the company at a price of £5.01 per share, the market value at the date of grant. No option may vest after the date falling three months after the preliminary announcement of the results for the financial year ended 30th September, 2019 and the option shall lapse to the extent unvested at the time. The CSOP has the same performance criteria as that of the CAP 2010 as set out above. The number of CSOP 2010 awards that vest proportionally reduce the number of shares that vest under the CAP 2010, the CSOP effectively a delivery mechanism for part of the CAP 2010 award. The CSOP 2010 option exercise price of £6.03 (UK) and £5.01 (Canada) will be satisfied by a funding award mechanism and results in the same net gain on the CSOP options (calculated as the market price of the company's shares at the date of exercise less the exercise price multiplied by the number of options exercised) delivered in the equivalent number of shares to participants as if the award had been delivered using £0.0025 CAP options.

	52 weeks ending 30th September, 2012 Number of share options	52 weeks ending 30th September, 2012 Weighted average exercise price £	52 weeks ending 2nd October, 2011 Number of share options	52 weeks ending 2nd October, 2011 Weighted average exercise price £	52 weeks ending 3rd October, 2010 Number of share options	52 weeks ending 3rd October, 2010 Weighted average exercise price £
Outstanding at 2nd October, 2011	781,191	5.7200	781,191	5.7200	–	–
Granted during the year	–	–	–	–	781,191	5.7200
Outstanding at 30th September, 2012	781,191	5.7200	781,191	5.7200	781,191	5.7200
Exercisable at 30th September, 2012	–	–	–	–	–	–
Exercisable at 2nd October, 2011	–	–	–	–	–	–

The weighted average share price at the date of exercise for share options exercised during the year was £nil (2011 £nil, 2010 £nil).

The options outstanding at 30th September, 2012 had a weighted average exercise price of £5.72 (2011 £5.72, 2010 £5.72) and a weighted average remaining contractual life of 7.38 years (2011 8.38 years, 2010 9.38 years).

The aggregate of the estimated fair values of the options granted during the year is £nil (2010 £nil, 2010 £3.4 million).

41) SHARE-BASED PAYMENTS – CONTINUED

The inputs into the Black-Scholes model are as follows:

Date of grant	28th June, 2010	30th March, 2010
Market value of shares at date of grant (p)	603.34	501.00
Option price (p) *	603.34	501.00
Number of share options outstanding	541,671	239,520
Term of option (years)	9.38	10.00
Assumed period of exercise after vesting (years)	3.00	3.00
Exercise price (p)	603.34	501.00
Risk-free rate (%)	2.28	2.28
Expected dividend yield (%)	7.00	7.00
Fair value per option (p)	437.00	437.00

The number of CSOP 2010 awards that vest proportionally reduce the number of shares that vest under the CAP 2010, the CSOP effectively a delivery mechanism for part of the CAP 2010 award. The CSOP 2010 options have an exercise price of £6.03 (1), which will be satisfied by a funding award mechanism which results in the same net gain (2) on these options delivered in the equivalent number of shares to participants as if the same award had been delivered using £0.0025 CAP options. The amount of the funding award will depend on the company's share price at the date of exercise. Because of the above and the other direct links between the CSOP 2010 and the CAP 2010, including the identical performance criteria, IFRS 2 'Share-based payments' combines the two plans and treats them as one plan (vesting in two tranches). As such the long-term incentive expense recognised in the year for the CSOP 2010 and CAP 2010 options (including the charge in relation to the cash element) was £8.1 million (2011 £15.9 million).

1. Exercise price of Canadian CSOP is £5.01.
2. Net gain on the CSOP options is the market price of the company's shares at the date of exercise less the exercise price (£6.031) multiplied by the number of options exercised.

* Exercise price excludes the effect of the funding award.

Cash-settled options

Euromoney has liabilities in respect of three share option schemes that are classified by IFRS 2 'Share-based payments' as cash-settled. These consist of the cash element of the CAP 2010 scheme, options held by employees over new equity shares in Internet Securities Inc., a subsidiary of the Group, and, from 2011, options held by employees over equity shares in Structured Retail Products Limited (previously Arete Consulting Limited), a subsidiary of the Group. The total carrying value at 30th September, 2012 included in the Statement of Financial Position is a liability of £14.6 million (2011 £10.3 million). Of these schemes, options with an intrinsic value of £3,000 (2011 £7,000) had vested but are not yet exercised.

The Euromoney Capital Appreciation Plan 2004 (CAP 2004)

The CAP 2004 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 in 2009 and 1,527,152 options (including a true-up adjustment of 5,654) for the third (final) tranche of options in 2009 vested in February 2010. The additional performance condition was applied again to profits for the 2010 financial year for those individual participants where the additional performance conditions for the second and final tranches had not been met 303,321 and 244,152 options vested in February, 2011 and February, 2012 respectively. For 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 Directors estimate 54,599 of options will vest in February 2013 following satisfaction of the additional performance test.

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41) SHARE-BASED PAYMENTS – CONTINUED
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.

	52 weeks ending 30th September, 2012 Number of share options	52 weeks ending 30th September, 2012 Weighted average exercise price £	52 weeks ending 2nd October, 2011 Number of share options	52 weeks ending 2nd October, 2011 Weighted average exercise price £	52 weeks ending 3rd October, 2010 Number of share options	52 weeks ending 3rd October, 2010 Weighted average exercise price £
Outstanding at 2nd October, 2011	351,828	0.0025	335,606	0.0025	1,754,937	0.0025
Granted during the year	–	0.0025	334,997	0.0025	308,975	0.0025
Forfeited during the year	–	0.0025	–	0.0025	(815)	0.0025
Exercised during the year	(245,469)	7.3300	(313,765)	7.2700	(1,727,491)	4.7300
Expired during the year	(36,245)	0.0025	(5,010)	0.0025	–	–
Outstanding at 30th September, 2012	70,114	0.0025	351,828	0.0025	335,606	0.0025
Exercisable at 30th September, 2012	70,114	0.0025	351,828	0.0025	335,606	0.0025
Exercisable at 2nd October, 2011	351,828	0.0025	335,606	0.0025	1,754,937	0.0025

The weighted average share price at the date of exercise for share options exercised during the year was £7.33 (2011 £7.27, 2010 £4.73).

The options outstanding at 30th September, 2012 had a weighted average exercise price of £0.0025 (2011 £0.0025, 2010 £0.0025) and a weighted average remaining contractual life of 2.0 years (2011 3.0 years, 2010 4.0 years).

The aggregate of the estimated fair values of the options granted during the year is £0.2 million (2011 £1.0 million, 2010 £0.9 million).

The inputs into the Black-Scholes model are as follows:

Date of grant	Tranche 1 20th June, 2005	Tranche 3 20th June, 2005
Market value of shares at date of grant (p)	401.00	401.00
Option price (p)	0.25	0.25
Number of share options outstanding	421	69,693
Term of option (years)	10.00	10.00
Assumed period of exercise after vesting (years)	3.28	5.53
Exercise price (p)	0.25	0.25
Risk-free rate (%)	5.00	5.00
Dividend growth (%)	8.44	8.44
Fair value per option (p)	328.00	282.00

42) ULTIMATE HOLDING COMPANY
The Company's ultimate holding company and immediate parent company is Rothermere Continuation Limited, a company incorporated in Bermuda.

43) 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.

43) RELATED PARTY TRANSACTIONS – CONTINUED

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 audited part of the Directors' Remuneration Report on pages 78 to 80.

	52 weeks ending 30th September, 2012 £m	52 weeks ending 2nd October, 2011 £m
Short-term employee benefits	6.7	6.9
Other long-term benefits	6.9	6.5
Share-based payments	1.6	2.0
Post employment benefits	0.2	0.3
	15.4	15.7

There were no termination charges in 2012 or 2011.

Transactions with joint ventures and associates

Associated Newspapers Limited has a 33.3% (2011 33.3%, 2010 33.3%) shareholding in Fortune Green Limited. During the period the Group received revenue for newsprint, computer and office services of £0.6 million (2011 £0.5 million, 2010 £0.5 million). The amount due from Fortune Green Limited at 30th September, 2012 was £0.2 million (2011 £0.2 million, 2010 £0.1 million).

Associated Newspapers Limited has a 12.5% (2011 12.5%, 2010 12.5%) share in the Newspapers Licensing Agency (NLA) from which royalty revenue of £3.8 million was received (2011 £3.1 million, 2010 £2.9 million), and £0.4 million due at the year end (2011 £0.4 million, 2010 £nil). Commissions paid on this revenue total £0.7 million (2011 £0.6 million, 2010 £0.6 million). The amount due to the NLA at 30th September, 2012 was £0.1 million (2011 £nil, 2010 £0.1 million). Interest bearing loans of £0.4 million are due to Associated Newspapers from NLA at 30th September, 2012 (2011 £0.4 million, 2010 £nil).

Daily Mail and General Holdings Limited has a 15.6% (2011 15.6%, 2010 15.6%) shareholding in The Press Association. During the period the Group received dividends of £0.1 million, services amounting to £3.8 million (2011 £3.7 million, 2010 £3.5 million) and the net amount due from the Press Association as at 30th September, 2012 was £0.2 million (2011 £0.1 million, 2010 £0.2 million).

The Group has a 24.9% (2011 24.9%, 2010 24.9%) shareholding in the Evening Standard. During the year, the Group has received revenue of £18.1 million (2011 £28.0 million, 2010 £25.6 million) and incurred charges of £10.0 million (2011 £9.4 million, 2010 £9.3 million). The net amount due to the Group at 30th September, 2012 was £2.0 million (2011 £8.1 million, 2010 £2.3 million).

During the period the Group received a dividend of £0.4 million (2011 £0.3 million, 2010 £0.3 million) from Hasznaltauto kft a joint venture.

During the period, Landmark Information Group Limited (Landmark) charged management fees of £0.3 million (2011 £0.3 million, 2010 £0.3 million) to Point X Limited, a joint venture and recharged costs of £0.1 million (2011 £0.1 million, 2010 £0.1 million). Point X Limited received royalty income from Landmark of £0.1 million (2011 £0.1 million, 2010 £0.1 million) and the amount from Landmark at 30th September, 2012 was £0.1 million (2011 owed to Landmark £0.3 million, 2010 owed to Landmark £5,200).

During the period, Trepp and Rockport made no cash contributions (2011 £0.6 million and £0.1 million, 2010 £nil and £nil respectively) to TreppPort LLC a joint venture.

During the period, DMG Information made investments of £2.5 million in Real Capital Analytics, Inc. an associate and £2.4 million in Xcelligent, Inc. an associate.

Associated Newspapers Limited has a 100% shareholding (50.0% to January 2012) in Globrix Limited (Globrix) and a 50.0% shareholding in Artirix Limited (Artirix). During the period, the Group recharged £nil staff costs to Globrix (2011 £0.2 million, 2010 £nil) and Globrix recharged the Group £0.5 million (2011 £0.6 million, 2010 £nil) for website development costs. The Group provided services totalling £0.1 million to Artirix, with £nil remaining due at 30th September, 2012. At 30th September, 2012 Globrix owed £nil to Artirix (2011 £1.1 million, 2010 £nil) and £1.3 million to various Group companies (2011 £0.2 million, 2010 £31,000), and £nil was due from Artirix (2011 £nil, 2010 £18,000) to Globrix.

During the period, Artirix received revenues of £0.5 million from Globrix (2011 £0.6 million, 2010 £nil). At 30th September, 2012 Artirix owed £1.3 million to various A&N Media companies (2011 £1.9 million, 2010 £nil) and £nil to Globrix (2011 £nil, 2010 £18,000). Artirix provided staff and other services to Teletext Holdings Limited (an associate company) totalling £0.2 million, with £0.1 million remaining due from Teletext Holdings Limited at 30th September, 2012.

Associated Newspapers Limited had a 50.0% interest in Teletext Holdings Limited (Teletext). The Group provided services (under the Transitional Services Agreement) amounting to £0.3 million (2011 £nil, 2010 £nil) for the period, and £0.1 million (2011 £nil, 2010 £nil) due from Teletext Holdings at 30th September, 2012. VAT of £0.5 million (2011 £nil, 2010 £nil) was paid by Associated Newspapers Limited on behalf of Teletext and £nil was due from Teletext at 30th September, 2012 (2011 £nil, 2010 £nil).

Artirix provided staff and other services to Teletext totalling £0.2 million (2011 £nil, 2010 £nil), with £0.1 million (2011 £nil, 2010 £nil) remaining due from Teletext at 30th September, 2012.

Proceeds on the sale of Teletext Ltd to Teletext Holdings Ltd of £6.0 million is due to Associated Newspapers as at 30th September, 2012 (2011 £nil, 2010 £nil).

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43) RELATED PARTY TRANSACTIONS – CONTINUED

From June, 2012 Associated Newspapers Limited has a 52.25% shareholding in Zoopla Limited. During the year, listing services amounting to £1.0 million were provided by Zoopla to A&N Media as part of a revenue share agreement, with £0.2 million remaining due to Zoopla at 30th September, 2012. Net services (under the Transitional Services Agreement) provided by A&N Media totalled £0.2 million for the period, £5.4 million of other transactional payments were made by A&N Media on behalf of Zoopla, with a balance of £0.9 million being due from Zoopla at 30th September, 2012.

Associated Newspapers Limited has a 26.0% interest in Mail Today (Dubai). During the year, additional share capital of £2.3 million (2011 £2.8 million, 2010 £nil) was invested in Mail Today, by AN Mauritius Limited.

Associated Newspapers Limited has a 30.0% interest in Social Metrix SA (Argentina). During the year, £0.4 million (2011 £0.9 million, 2010 £nil) additional share capital was invested by A&N International Media Limited.

Associated Newspapers Limited has a 50.0% shareholding in Northprint Manchester Limited. The net amount due to Associated Newspapers Limited for £5.8 million (2011 £5.8 million, 2010 £nil) has been fully provided.

Associated Newspapers Limited has a 25.0% shareholding in Extra Newspapers Limited to which it provided £0.3 million of funding during the period. This amount is due to Associated Newspapers Limited at 30th September, 2012, with repayments commencing June 2014.

During the period, the Group received a dividend of £3.5 million (2011 £14.6 million, 2010 £1.3 million) from dmg Radio Investments Pty Limited, a joint venture.

The Group received a dividend of £0.3 million (2011 £0.7 million, 2010 £0.2 million) from Capital Net, an associate.

Other related party disclosures

At 30th September, 2012 the Group owed £1.5 million (2011 £1.2 million, 2010 £3.3 million) to the pension schemes which it operates. This amount comprised employees' and employer's contributions in respect of September 2012 payrolls which were paid to the pension schemes by 9th October, 2012.

The Group recharges its principal pension schemes with costs of investment management fees. The total amount recharged during the year was £0.2 million (2011 £1.7 million, 2010 £0.7 million).

In September 2012 the Group transferred several of its properties to its pension scheme in an arm's length transaction. These properties had a carrying value of £20.5 million and were transferred at an open market valuation of £24.0 million.

In July 2012, the Group entered into a new contingent asset partnership whereby a £150.0 million loan note, guaranteed by the Group, has been used to commit £10.8 million of interest funding per annum to the Harmsworth Pension Scheme. Interest payable to DMG Pension Partnership Limited Liability Partnership totalled £2.8 million for the current period. As a result of this new partnership, letters of credit totalling £45.2 million were released by the trustees of Harmsworth Pension Scheme.

44) POST BALANCE SHEET EVENTS

Following the year end the Group disposed of its central European online recruitment businesses for a cash consideration of €25.4 million and its Hungarian joint venture online motors business for cash consideration of €8.4 million. Additionally, in November 2012 the Group announced it had reached agreement to sell its local media segment to Local World, a newly formed media group that will combine the Group's local media titles with those of Iliffe News and Media Limited. The Group will receive consideration of £52.5 million and a 38.7% share in Local World.

In addition, following a review of the Group's capital management programme, the Board has decided to utilise part of its authority to make on market purchases of its 'A' Ordinary Non-Voting Shares. The Company anticipates spending up to approximately £100.0 million over the coming year.

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Principal Subsidiaries

Principal Subsidiary	Activity
Central activities	
Daily Mail and General Holdings Limited*	Holding company
RMS	
Risk Management Solutions, Inc (98.0%)	Provider of risk management information on natural and other related perils
(Incorporated and operating in the USA)	
dmg information	
DMG Information, Inc	Holding company
(Incorporated in the USA)	
Trepp, LLC	Provider of commercial mortgage-backed securities and real estate information
(Incorporated and operating in the USA)	
Lewtan Technologies, Inc	Provider of asset-backed securities information
(Incorporated and operating in the USA)	
Environmental Data Resources, Inc	Provider of geographic based real estate information services
(Incorporated and operating in the USA)	
Landmark Information Group Limited	Provider of property and mapping information
Genscape, Inc. (98.1%)	Provider of real time power supply and other energy information
(Incorporated and operating in the USA)	
Hobsons Australia Pty Ltd	Careers and education information publishing and services
(Incorporated and operating in Australia)	
Hobsons, Inc	Careers and education information publishing and services
(Incorporated and operating in the USA)	
dmg events	
dmg events (UK) Limited	Trade publishing and exhibition management
dmg events (Abu Dhabi) Ltd	Organisers of trade exhibitions and events
(Incorporated and operating in Abu Dhabi)	
Ad:Tech Expositions LLC	Organisers of trade exhibitions and events
(Incorporated and operating in the USA)	
DMG World Media Dubai (2006) Limited	Organisers of trade exhibitions and events
(Incorporated in Jersey; managed and operating in Dubai)	
Euromoney	
Euromoney Institutional Investor PLC (68.1%)	Publishing, training and events
BCA Research, Inc (68.1%)	Information Services
(Incorporated and operating in Canada)	
Information Management Network, Inc (68.1%)	Conferences
(Incorporated and operating in the USA)	
Institutional Investor, Inc (68.1%)	Publishing
(Incorporated and operating in the USA)	
Internet Securities, Inc (68.0%)	Information Services
(Incorporated and operating in the USA)	
Metal Bulletin Limited (68.1%)	Publishing and event management
A&N Media	
Associated Newspapers Limited	Publication of the Daily Mail, The Mail on Sunday and Metro
Lapcom Kft	Publication of newspapers in Gyor and Szeged, Hungary
(Managed, incorporated and operating in Hungary)	
Northcliffe Media Limited	Holding company of local media group

The company has taken advantage of the exemption under Section 410(2) of the Companies Act 2006 by providing information only in relation to subsidiary undertakings whose results or financial position, in the opinion of the directors, principally affected the financial statements.

(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.

Financial Statements
Five Year Financial Summary

CONSOLIDATED INCOME STATEMENT

	2008 Restated (Note 2) £m	2009 Restated (Note 2) £m	2010 Restated (Note 2) £m	2011 Restated (Note 2) £m	2012 £m
Revenue	1,932.6	1,772.9	1,703.4	1,748.5	1,746.8
Operating profit before exceptional operating costs and amortisation and impairment of goodwill and acquired intangible assets	215.9	234.0	271.8	264.4	273.7
Exceptional operating costs, impairment of internally generated and acquired computer software, investment property and property, plant and equipment and amortisation and impairment of goodwill and acquired intangible assets arising on business combinations	(189.2)	(316.0)	(57.2)	(94.3)	(126.7)
Operating profit/(loss) before share of results from joint ventures and associates	26.7	(82.0)	214.6	170.1	147.0
Share of results of joint ventures and associates	2.8	(9.7)	(5.2)	(2.7)	(1.8)
Total operating profit/(loss)	29.5	(91.7)	209.4	167.4	145.2
Other gains and losses	25.8	(26.7)	0.4	13.1	114.4
Profit/(loss) before net finance costs and tax	55.3	(118.4)	209.8	180.5	259.6
Net finance costs	(99.3)	(106.8)	(76.0)	(54.6)	(53.3)
Profit/(loss) before tax	(44.0)	(225.2)	133.8	125.9	206.3
Tax	78.5	64.5	41.1	3.7	18.8
Profit/(loss) for the year after tax	34.5	(160.7)	174.9	129.6	225.1
Discontinued operations	(20.0)	(146.6)	42.6	(5.2)	54.8
Equity interests of minority shareholders	(16.8)	2.0	(19.2)	(15.9)	(22.7)
Profit/(loss) for the year	(2.3)	(305.3)	198.3	108.5	257.2
Adjusted profit before tax and non-controlling interests	248.4	185.6	227.7	232.1	255.4
Basic loss/earnings per share	(0.6)p	(80.6)p	51.8p	28.3p	67.2p
Adjusted earnings per share (before amortisation and impairment of intangible assets and exceptional items)	46.2p	33.9p	46.0p	46.1p	49.4p
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	376.8	335.5	371.3	355.1	378.3
Adjusted profit after taxation and non-controlling interests	174.5	128.3	176.3	176.6	189.1

CONSOLIDATED CASH FLOW STATEMENT

	2008 £m	2009 £m	2010 £m	2011 £m	2012 £m
Net cash inflow from operating activities	354.9	283.8	334.4	318.6	261.4
Investing activities	(144.4)	(140.0)	2.1	(33.5)	(17.8)
Financing activities	(235.4)	(147.3)	(319.8)	(177.7)	(306.4)
Net (decrease)/increase in cash and cash equivalents	(24.9)	(3.5)	16.7	107.4	(62.8)
Cash and cash equivalents at beginning of year	64.0	44.3	46.9	64.3	171.7
Exchange (loss)/gain on cash and cash equivalents	5.2	6.1	0.7	–	(1.6)
Cash and cash equivalents at end of year	44.3	46.9	64.3	171.7	107.3
Net (decrease)/increase in cash and cash equivalents	(24.9)	(3.5)	16.7	107.4	(62.8)
Cash outflow/(inflow) from change in debt and hire purchase finance	(20.6)	23.5	174.2	1.9	126.2
Change in net debt from cash flows	(45.5)	20.0	190.9	109.3	63.4
Loan notes issued and loans arising from acquisitions	–	–	(1.0)	–	–
Other non-cash items	(18.7)	(54.0)	(3.3)	33.1	43.2
Decrease/(increase) in net debt in the year	(64.2)	(34.0)	186.6	142.4	106.6
Net debt at beginning of year	(950.4)	(1,014.6)	(1,048.6)	(862.0)	(719.6)
Net debt at end of year	(1,014.6)	(1,048.6)	(862.0)	(719.6)	(613.0)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2008 Restated (Note 2) £m	2009 Restated (Note 2) £m	2010 Restated (Note 2) £m	2011 Restated (Note 2) £m	2012 £m
Goodwill and intangible assets	1,503.5	1,195.1	1,113.7	1,035.2	986.0
Tangible assets	501.9	440.4	377.8	327.0	244.9
Fixed asset investments	37.7	46.2	56.3	33.5	150.3
Other non current assets	29.4	159.8	174.1	239.9	243.9
Fixed assets	2,072.5	1,841.5	1,721.9	1,635.6	1,625.1
Net current liabilities	(349.4)	(352.1)	(315.7)	(238.4)	(266.3)
Long-term liabilities	(1,191.2)	(1,599.8)	(1,269.0)	(1,289.0)	(1,102.8)
Net assets	531.9	(110.4)	137.2	108.2	256.0
Shareholders' equity					
Called-up share capital	49.1	49.1	49.1	49.1	49.1
Share premium account	12.4	12.4	12.5	12.7	13.5
Revaluation reserve	39.5	4.1	7.0	3.3	–
Other reserves	(70.2)	(35.9)	(60.2)	(87.7)	(75.3)
Minority interests	38.7	46.8	57.4	80.3	95.3
Retained earnings	462.4	(186.9)	71.4	50.5	173.4
Total equity	531.9	(110.4)	137.2	108.2	256.0
Shareholder information					
	2008	2009	2010	2011	2012
Dividend per share *	14.70p	14.70p	16.00p	17.00p	18.00p
Price of 'A' Ordinary Non-Voting shares:					
Lowest	£2.59	£2.11	£3.90	£3.47	£3.48
Highest	£6.77	£4.61	£5.33	£5.95	£4.97

* Represents the dividends declared by the Directors in respect of the above years.

Financial Statements
Independent Auditor's Report

INDEPENDENT AUDITOR'S 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 30th September, 2012 which comprise the Balance Sheet, and the related Notes 1 to 16. 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 Chapter 3 of Part 16 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 auditor's 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 auditor

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 and express an opinion on the parent Company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board'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 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the parent Company's affairs as at 30th September, 2012 and of its profit for the year then ended;
- 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 30th September, 2012.

Simon Letts
(Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

4th December, 2012

Financial Statements
Company balance sheet

AS AT 30TH SEPTEMBER, 2012

	Note	As at 30th September, 2012 £m	At 2nd October, 2011 £m
FIXED ASSETS			
Tangible fixed assets	4	0.5	0.5
Investments in group undertakings	5	2,024.6	2,016.5
CURRENT ASSETS			
Debtors – amounts falling due within one year	6	90.1	37.9
Cash and cash equivalents	7	25.3	120.1
Deferred tax assets	11	3.1	2.8
CREDITORS			
Amounts falling due within one year	8	(597.1)	(661.1)
Net current liabilities		(478.6)	(500.3)
Total assets less current liabilities		1,546.5	1,516.7
CREDITORS			
Amounts falling due after more than one year	9	(750.8)	(892.3)
Provisions for liabilities	10	(0.5)	(0.5)
NET ASSETS		795.2	623.9
CAPITAL AND RESERVES			
Called-up share capital		49.1	49.1
Share premium account	12	13.4	12.7
Shares held in treasury	12	(43.8)	(46.3)
Capital redemption reserve	13	1.1	1.1
Profit and loss account	14	775.4	607.3
EQUITY SHAREHOLDERS' FUNDS		795.2	623.9

The accounts on pages 179 to 186 were approved by the Directors and authorised for issue on 4th December, 2012. They were signed on their behalf by:

Rothermere
M.W.H. Morgan

Directors

Financial Statements
Notes to the Company Balance Sheet – UK 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 UK Generally Accepted Accounting Principles (UK GAAP). The following paragraphs describe the main accounting policies under UK GAAP, which have been applied consistently in both the current and prior year.

Profit for the financial year
As permitted by section 408 of the Companies Act 2006, a separate profit and loss account for the Company has not been included in these accounts. The Company's profit after tax for the year, calculated on a UK GAAP basis, was £236.3 million (2011 loss £108.8 million).

Impact of amendments to accounting standards
In the current year certain minor amendments to UK financial reporting standards were issued by the UK 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 purchased 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.

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 intangible 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.

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. Some 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 UK 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. Deferred tax is not discounted.

Financial instruments disclosures

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.

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 closed line integral policies, which are set out on pages 42 and 43 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.

Financial instruments – disclosures

The Company has taken advantage of the exemption provided in FRS 29, 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 41 of the Group's Annual Report.

Retirement benefits

The Company contributes to defined benefit and defined contribution pension schemes on behalf of its employees. These are managed on a Group basis and so the Company is unable to identify its share of the underlying assets and liabilities in the defined benefit scheme in which it participates on a consistent and reasonable basis. The scheme is operated on an aggregate basis with no segregation of the assets to individual participating employers and, therefore, the same contribution rate is charged to all participating employers; the contribution rate charged to each employer being affected by the experience of the scheme as a whole. The scheme is therefore accounted for as a defined contribution scheme by the Company. This means that the pension charge reported in these financial statements is the same as the cash contributions due in the period.

Details of the financial position and key valuation assumptions of these schemes can be found in note 34 of the Group's Annual Report.

Financial Statements
Notes to the Company Balance Sheet – UK GAAP continued

3) EMPLOYEES

	2012 Number	2011 Number
Average number of persons employed by the Company including Directors:	18	10

	2012 £m	2011 £m
Total staff costs comprised:		
Wages and salaries	8.0	4.7
Share-based payments	2.1	1.7
Social security costs	1.5	1.0
Pension costs	0.2	0.3
	11.8	7.7

The remuneration of the Directors of Company during the year are disclosed in the Remuneration Report on pages 66 to 80 of the Group Annual Report and Accounts.

4) TANGIBLE FIXED ASSETS

	Fixtures, fittings and artwork £m
Cost	
At 2nd October, 2011 and at 30th September, 2012	0.7
Accumulated depreciation	
At 2nd October, 2011 and at 30th September, 2012	0.2
Net book value – 2011	0.5
Net book value – 2012	0.5

5) INVESTMENTS IN GROUP UNDERTAKINGS (AS LISTED ON PAGE 175)

	Cost £m	Provision £m	Net book value £m
At 2nd October, 2011	2,119.1	(102.6)	2,016.5
Additions	1.1	–	1.1
Write back of provision	–	7.0	7.0
At 30th September, 2013	2,120.2	(95.6)	2,024.6

6) DEBTORS

	2012 £m	2011 £m
Amounts falling due within one year		
Amounts owed by Group undertakings	44.6	7.9
Prepayments and accrued income	1.2	–
Other debtors	–	0.2
Corporation tax	20.4	20.6
Derivative financial assets	23.9	9.2
	90.1	37.9

The Company's corporation tax debtor represents amounts due from subsidiaries for Group relief.

7) CASH AND CASH EQUIVALENTS

	2012 £m	2011 £m
Cash and cash equivalents	25.3	120.1

8) CREDITORS – DUE WITHIN ONE YEAR

	2012 £m	2011 £m
Bank overdrafts	6.4	1.9
Loan notes	1.2	1.5
Interest payable	28.5	34.1
Amounts owing to Group undertakings	534.6	594.5
Accruals and deferred income	4.8	4.2
Other borrowings	–	24.5
Derivative financial liabilities	21.6	0.4
	597.1	661.1

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.

Amounts owing to subsidiary undertakings are repayable on demand and bear interest of UK bank base rate plus 0.5%.

Financial Statements
Notes to the Company Balance Sheet – UK GAAP continued

9) CREDITORS – DUE AFTER MORE THAN ONE YEAR

	2012 £m	2011 £m
7.50% Bonds 2013	47.3	158.3
5.75% Bonds 2018	307.4	304.1
10.00% Bonds 2021	171.4	171.1
6.375% Bonds 2027	199.2	198.5
Derivative financial liabilities	25.5	60.3
	750.8	892.3

The nominal values of the bonds are as follows:

	2012 £m	2011 £m
7.50% Bonds 2013	46.4	156.5
5.75% Bonds 2018	324.7	349.7
10.00% Bonds 2021	156.4	156.4
6.375% Bonds 2027	200.0	200.0
	727.5	862.6

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 £3.5 million (2011 £3.8 million), the unamortised premia £9.2 million (2011 £10.5 million).

Details of the fair value of the Company's bonds are set out in note 32 of the Group's Annual Report and Accounts.

The bonds are subject to fair value hedging using derivatives as set out in note 33 of the Group's Annual Report and Accounts. Consequently, their carrying value is also adjusted to take into account the affects of this hedging activity.

The book value of the Company's other borrowings equates to fair value.

The interest rate charged on the Company's borrowings during the year ranged as follows:

	2012 High	2012 Low	2011 High	2011 Low
Sterling	2.66%	1.54%	2.17%	1.38%
US dollar	2.10%	1.23%	1.78%	1.05%

The maturity profile of the Company's borrowings is as follows:

	Overdrafts £m	Other borrowings £m	Bonds £m	Loan notes £m	Total £m
2012					
Within one year	6.4	–	47.3	1.2	54.9
Over five years	–	–	678.1	–	678.1
	–	–	678.1	–	678.1
	6.4	–	725.4	1.2	733.0
2011					
Within one year	1.9	23.4	–	1.5	26.8
Between two and five years	–	–	160.0	–	160.0
Over five years	–	–	672.0	–	672.0
	–	–	832.0	–	832.0
	1.9	23.4	832.0	1.5	858.8

10) PROVISIONS FOR LIABILITIES

	2012 £m	2011 £m
Other provisions	0.5	0.5
Movements on other provisions were as follows:		
At 2nd October, 2011	0.5	0.6
Utilised during year	–	(0.1)
At 30th September, 2012	0.5	0.5

11) DEFERRED TAXATION

	2012 £m	2011 £m
Other timing differences	3.1	2.8

Movements on the deferred taxation asset were as follows:

	2012 £m	2011 £m
At 2nd October, 2011	2.8	1.9
LTIP credit to reserves	0.5	0.5
Net credit to profit and loss account	(0.2)	0.4
At 30th September, 2012	3.1	2.8

In the opinion of the Directors it is more likely than not that the Company will be able to recover the deferred tax asset against suitable future taxable profits generated by its subsidiary undertakings.

12) RESERVES

Share premium account

	2012 £m	2011 £m
At 2nd October, 2011	12.7	12.5
Issued on shares	0.7	0.2
At 30th September, 2012	13.4	12.7

Shares held in treasury

	2012 £m	2011 £m
At 2nd October, 2011	(46.3)	(45.0)
Additions	(30.1)	(11.7)
Own shares released on vesting of share options	32.6	10.4
At 30th September, 2012	(43.8)	(46.3)

The Group's investment in its own shares is classified within shareholders' funds as shares held in treasury. At 30th September, 2012, this investment comprised the cost of 10,188 174 'A' Ordinary Non-Voting shares (2011 9,728,174 shares). The market value of these shares at 30th September, 2012 was £49.1 million (2011 £35.3 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 37 of the Group's Annual Report and Accounts.

Financial Statements
Notes to the Company Balance Sheet – UK GAAP continued

13) CAPITAL REDEMPTION RESERVE

	£m
At 2nd October, 2011 and at 30th September 2012	1.1

14) PROFIT AND LOSS ACCOUNT

	£m
At 2nd October, 2011	607.3
Net profit for the year	235.5
Dividends paid	(66.2)
Other movements on share option schemes	(1.2)
At 30th September, 2012	775.4

Total reserves – 2011	574.8
Total reserves – 2012	746.1

The Company estimates that £583.6 million of the Company's profit and loss account reserve is not distributable (2011 £607.3 million).

15) CONTINGENT LIABILITIES
At 30th September, 2012 the Company had guaranteed a subsidiary's outstanding derivatives which have a mark to market asset valuation of £7.2 million (2011 liability £3.9 million) and letters of credit with a principal value of £2.4 million (2011 £9.3 million). The Company has also issued standby letters of credit in favour of the Trustees of the Group's defined benefit pension fund amounting to £nil (2011 £53.6 million).

16) 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.

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Shareholder Information

COMPANY SECRETARY AND REGISTERED OFFICE
C. Chapman
Northcliffe House
2 Derry Street
London
W8 5TT
England
Registered Number: 184594

WEBSITE
The Group has an internet website which gives information on the Company and its operating businesses and provides details of significant Group announcements.

THE ADDRESS IS:
www.dmgt.com

FINANCIAL CALENDAR 2013 (PROVISIONAL)

10th January	Annual Report and Corporate Brochure published
6th February	Interim Management Statement
6th February	Annual General Meeting
8th February	Payment of final dividend
31st March	Payment of interest on loan notes
31st March	Half year end
23rd May	Half Yearly Financial Report released
5th June	Interim ex-dividend date
7th June	Interim record date
5th July	Payment of interim dividend
25th July	Interim Management Statement
29th September	Year End
30th September	Payment of interest on loan notes
21st November	Preliminary announcement of annual results
27th November	Ex-dividend date
29th November	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 190.

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 Annual Report. 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
Equiniti 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 08456 037 037. Details of this and other low cost dealing services can be found on the Company's website at www.dmgt.com/investors.

LOAN NOTES
Loan notes issued by the Company 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.

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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.com. A graph, illustrating the historical performance of the 'A' shares, is shown on page 21.

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 3615 2917, and whose email address is john.donegan@dmgt.com.

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 Adam Webster. The investor relations' email address is investor.relations@dmgt.com.

SHAREGIFT
In the UK, 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 ShareGift, 17 Carlton House Terrace, London, SW1Y 5AH.

SHAREHOLDINGS AT 30 SEPTEMBER, 2012
Ordinary Shares

Range of holdings	Number of shareholders	%	Shares	%
1–1,000	457	73.48	161,756	0.81
1,001–5,000	126	20.26	282,239	1.42
5,001–10,000	10	1.61	72,369	0.36
10,001–20,000	10	1.61	139,743	0.70
20,001–50,000	6	0.96	182,460	0.92
50,001–100,000	5	0.80	379,060	1.91
100,001–500,000	5	0.80	930,682	4.68
500,001 & over	3	0.48	17,738,163	89.20
	622	100.00	19,886,472	100.00

'A' Ordinary Non-Voting Shares

Range of holdings	Number of shareholders	%	Shares	%
1–1,000	888	41.59	334,787	0.09
1,001–5,000	535	25.08	1,394,495	0.37
5,001–10,000	239	11.19	1,744,528	0.47
10,001–20,000	151	7.07	2,112,189	0.57
20,001–50,000	106	4.96	3,269,747	0.88
50,001–100,000	37	1.73	2,531,241	0.68
100,001–500,000	95	4.45	22,528,489	6.04
500,001 & over	84	3.93	339,158,172	90.90
	2,135	100.00	373,073,648	100.00

RECONCILIATION OF REPORTED RESULTS TO UNDERLYING PERFORMANCE

Underlying Analysis – Adjusted profit before tax*

		2012				2011				
	%	Underlying £m	M&A £m	Other £m	Reported £m	Underlying £m	M&A £m	Exchange £m	Other £m	Reported £m
B2B										
RMS	+7%	56	–	–	56	52	4	1	–	47
dmg::information	+19%	49	–	1	48	42	(1)	1	–	42
dmg::events	+21%	21	–	–	21	17	(16)	–	(6)	39
Euromoney	+2%	103	(8)	(1)	112	101	–	1	7	93
	+8%	229	(8)	–	237	212	(14)	3	1	221
Consumer										
Associated Newspapers	+3%	76	(2)	–	78	74	(2)	–	–	76
Northcliffe Media	+54%	26	–	–	26	17	–	–	–	17
	+12%	102	(2)	–	104	91	(2)	–	–	93
Head office costs	(26%)	(41)	–	–	(41)	(33)	–	–	–	(33)
Operating profit	+7%	289	(10)	–	300	270	(16)	3	1	281
Joint ventures and associates		8	(5)	–	13	5	–	–	–	5
Net finance charges		(66)	–	(9)	(57)	(66)	–	–	(12)	(54)
Adjusted profit before tax*	+11%	232	(15)	(9)	255	208	(16)	3	(11)	232

Note: M&A includes the disposals of Sanborn, RMSI, GLM, Teletext Retail, Teletext Holidays and various regional newspapers; the acquisition of Ned Davis Research, Jobrapido, Intelliworks and various other bolt-on acquisitions, and the disposal of The Digital Property Group to form Zoopla Property Group.

Figures, including totals, are rounded to the nearest million pounds whilst percentages are calculated on actual numbers to one decimal place.

Underlying Analysis – Revenues

		2012				2011				
	%	Underlying £m	M&A £m	Other £m	Reported £m	Underlying £m	M&A £m	Exchange £m	Other £m	Reported £m
B2B										
RMS	+6%	163	–	–	163	154	(8)	3	–	159
dmg::information	+11%	256	1	2	253	230	(5)	3	–	232
dmg::events	+13%	85	–	(4)	89	75	(45)	1	(13)	132
Euromoney	+2%	374	(20)	–	394	366	–	3	–	363
	+7%	879	(19)	(2)	899	825	(58)	10	(13)	886
Consumer										
Associated Newspapers	+2%	834	(14)	–	848	820	(25)	(4)	(14)	862
Northcliffe Media	(6%)	207	(5)	–	213	220	(16)	–	–	236
	0%	1,041	(19)	–	1,060	1,040	(41)	(4)	(14)	1,098
Total	+3%	1,920	(38)	(2)	1,960	1,865	(99)	6	(27)	1,985

Note: M&A includes the disposals of Sanborn, RMSI, GLM, Teletext Retail, Teletext Holidays & various regional newspapers; the acquisition of Ned Davis Research, Jobrapido, Intelliworks and various other bolt-on acquisitions, and the disposal of The Digital Property Group to form Zoopla Property Group.

Figures, including totals, are rounded to the nearest million pounds whilst percentages are calculated on actual numbers to one decimal place.

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RECONCILIATION OF REPORTED RESULTS TO UNDERLYING PERFORMANCE – CONTINUED
Underlying analysis – operating margin*

	2012			2011		
	Adjusted results including discontinued operations £m	Discontinued operations £m	Adjusted results excluding discontinued operations £m	Adjusted results including discontinued operations £m	Discontinued operations £m	Adjusted results excluding discontinued operations £m
Revenues						
Continuing operations	1,747	–	1,747	1,749	–	1,749
Discontinued operations	213	213	–	236	236	–
Total Revenue	1,960	213	1,747	1,985	236	1,749
Operating Profit						
Continuing operations	274	–	274	264	–	264
Discontinued operations	26	26	–	17	17	–
Total Operating Profit	300	26	274	281	17	264
Operating margin %	15%	12%	16%	14%	7%	15%

ADVISERS
STOCKBROKERS
Credit Suisse Securities
(Europe) Limited
One Cabot Square
London
E14 4QJ
Telephone: 020 7888 8888

AUDITOR
Deloitte LLP
2 New Street Square
London
EC4A 3BZ
Telephone: 020 7936 3000

REGISTRARS
Equiniti
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

www.shareview.co.uk
Telephone: 0871 384 2302
International Callers: +44 121 415 7047
Textel/Minicom: 0871 384 2255

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Contact details

DMGT HQ
Northcliffe House
2 Derry Street
London
W8 5TT
Great Britain

T+44 (0)20 7938 6000
F+44 (0)20 7938 4626
enquiries@dmgt.com
www.dmgt.com

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