

Chairman's statement

Results

I am pleased to announce another excellent set of results for the Group. Operating profits were up 21.5% at £23.7m (1999: £19.5m) on turnover up 12% to £130.6m (1999: £116.2m). Pre-tax profits were £26.2m (1999: £28m). Adjusted earnings per share were up 17% at 111p (1999: 95p). Since 1996 annual compound growth has been 55%. Profit margins on our newspaper publishing interests further improved to 22.4% (1999: 19.0%). The overall result includes £1.4m of special dividends from our 3.5% shareholding in the Press Association.

Cash generation was again strong and enhanced by improvements in working capital control. We ended the year with net funds of £25.9m.

Dividend

The Board is recommending a final dividend of 16p (1999: 14p) per ordinary share. This makes a total for 2000 of 24p (1999: 20p), an increase of 20%. This further substantial increase in dividend maintains our progressive policy – dividends have doubled since 1996.

Highlights

Detailed reports follow from the Chief Executive and the Finance Director. This has been a year of great activity in all parts of the business and particularly in the expansion of our magazine interests, with acquisitions including France Magazine, Pilot and Somerset Magazine, new launches of county magazines in Suffolk and Hertfordshire and the successful development of new customer magazines at Summerhouse. We are developing a significant position in the 'county magazine' market, which has been further advanced by the acquisition in January of this year of five titles in the north-west.

Thorpe Print Centre was awarded the Newspaper Society's prestigious Newspaper Printer of the Year award and won a record amount of contract work. The Group was also judged best small company in the Proshare awards for excellence in employee share schemes.

Staff and Board

The Board acknowledges the tremendous efforts of the staff through the year. Devolution of accountability to local teams continues to bear fruit and has led to many innovations and ideas for improvement. We are proud of the many industry awards received.

We were delighted, too, that Geoffrey Copeman was awarded the CBE in the New Year's Honours for his services to the newspaper industry.

Outlook

We have made a good start to the year, albeit we anticipate a slowdown in the economy as the year progresses.

We are making progress in understanding the way the internet will impact on our brands and our businesses, and how we will be able to use it to improve service to our advertisers and readers. We will continue to invest in this area. Indeed, we remain alert for opportunities for investment in all media to enhance the service we provide to communities.

We are doing a great deal of work on the management, structure and relationships of our brands. This may, as indicated last year, have implications for our Group identity.

In spite of significant increases in the cost of newsprint, we hope to make further progress this year. □