FOR IMMEDIATE RELEASE 21 March 2000

RESULTS FOR THE YEAR ENDED 31 DECEMBER 1999

Johnston Press plc, one of the U.K.'s leading regional newspaper publishers, announces record results for the year ended 31 December 1999.

KEY FINANCIALS

	1999 £'m	1998 £'m	% Change
Operating profit on continuing operations	65.9	51.1	+28.9
Profit before tax	49.8	45.9	+8.6
Earnings per share:			
-headline	19.20p	15.73p	+22.1
- basic	17.16p	15.70p	+9.3
Dividend:			
- interim	1.25p	1.15p	+8.7
- final	2.75p	2.35p	+17.0
- total	4.0p	3.5p	+14.0
Gearing	124%	37%	N/A
Interest cover	5.5 x	8.5 x	N/A

HIGHLIGHTS

- Like-for-like advertising revenues up 5% driven by increased volumes
- Operating margins in publishing up from 27% to 29%; all six publishing divisions producing increases
- Continued circulation growth on weeklies; evening circulations outperformed the market
- Portsmouth & Sunderland successfully integrated into the Group with savings exceeding expectations
- Substantially increased investment in new media activities

MANAGEMENT

- Roger Parry to become non-executive Chairman in April 2001

OUTLOOK

Chairman, Fred Johnston said:

"The year 2000 has begun very encouragingly with most of the Company's operations outperforming our expectations…."

"We are concentrating a considerable amount of effort on our new media developments and though these will take time to become major profit contributors, I believe that the Internet and our existing newspaper franchises will afford significant opportunities for beneficial growth in the future...."

"The opportunities for acquisitive expansion…remain. The economy is still a benevolent factor at a time when the pace of change in the media has rarely been greater and this must surely open further exciting prospects for the future."

Tim Bowdler, Chief Executive or
Marco Chiappelli, Finance Director: 020 7466 5000 (today) or 0131 225 3361 (thereafter)
or: Richard Oldworth / Richard Darby, Buchanan Communications: 020 7466 5000

CHAIRMAN'S STATEMENT

Despite fears in the latter part of 1998 that the economy might slow during the following year, favourable trading conditions continued unabated and I am pleased to report that Johnston Press recorded another encouraging performance. Perhaps the most satisfactory feature of the year was the very successful integration of Portsmouth & Sunderland Newspapers plc (P & S), where progress has exceeded our expectations since the acquisition at the end of June.

During the year, the Group devoted much attention to developing our new media activities which have become an increasingly important part of our business. We expect that they will complement and substantially enhance our existing local publishing operations.

Financial Results
Operating profit rose to £65.9 million for the year compared to £51.1 million in 1998, an increase of 29%. Acquisitions during the year contributed £9.2 million. The profit on ordinary activities before exceptionals and taxation came to £55 million, compared to £45 million in the previous year. The exceptional charges mainly relate to the post-acquisition reorganisation costs of P & S. Headline earnings per share pre-exceptionals rose from 15.73p to 19.20p per ordinary share, an increase of 22%.

In view of the Company's improved earnings, the Directors will recommend a final dividend of 2.75p per ordinary share to the Annual General Meeting. This will make a total ordinary dividend of 4.0p for the year, compared to 3.5p in 1998, an increase of 14%.

Trading Activities
Following the disposal of S & E Distributors Ltd in the first half of the year, the Group's activities are now all in the media sector. The publication of local and regional newspapers remains by far our most important source of earnings, though the related Printing Division has grown significantly with the acquisition of modern press rooms in Portsmouth, Sunderland and West Hartlepool. Our new media revenues are rising rapidly. The Chief Executive's report deals in some detail with the performance of the Group, but it is particularly pleasing that every division improved its operating margin and profit on the previous year.

A very important feature of the year was the improvement in newspaper sales by the great majority of our weekly newspaper titles. Our evening titles too held their circulations well.

Acquisitions
In addition to the major acquisition of P & S at the half year, the Group also made a smaller but strategically important purchase of The Tweeddale Press Group, which publishes three long established paid-for titles in Northumberland and the Scottish borders. Both Tweeddale and the Arbroath Herald, acquired at the end of 1998, have been incorporated into our Scottish newspaper publishing division and have enabled us to give improved coverage in areas which were adjacent to some of our existing publications.

We have also applied to the Competition Commission, under the Fair Trading Act 1973, for clearance to acquire News Communications & Media plc (Newscom), a major Southampton-based newspaper publisher in which two other newspaper companies have also shown interest. The 1973 Act is increasingly anachronistic in a world of e-commerce and digital communication, particularly as its strict conditions apply only to newspaper publishers. I would express a strong personal hope that the Government can be persuaded to amend the legislation in the near future.

The Board
Mr Ian Dickson retires from the Board at the Annual General Meeting after 15 years as a director. He is also one of the Group's principal legal advisors and his shrewd judgement has been an important factor in the expansion of Johnston Press from the small private company of which he became a director in 1985 to Britain's fourth largest local and regional newspaper publisher today.

I myself will be 65 in the Autumn of this year and it has always been my intention to retire from the Chairmanship at the AGM in 2001. The Board has carefully considered the recommendation of the Nomination Committee and I am delighted to report that Mr Roger Parry, who has been a non-executive director of the Company since 1997, has agreed to become Non-Executive Chairman in April next year. I myself have been invited to remain as a non-executive director, which I shall be happy to do.

Mr Parry is 46 and is currently Chief Executive of Clear Channel International. He has extensive experience in advertising, marketing and the media. He has also worked for seven years as a radio and television reporter, presenter and producer and spent three years as a consultant with McKinsey & Co.

Prospects
The year 2000 has begun very encouragingly with most of the Group's operations outperforming our expectations. Though interest rates have risen, there is little sign that the recent increases have yet had any significant adverse impact on the economy and the trading climate remains favourable.

We are concentrating a considerable amount of effort on our new media developments and, though these will take time to become major profit contributors, I believe that the Internet and our existing newspaper franchises will afford significant opportunities for beneficial growth in the future. It is those companies which have strong traditional media businesses which are likely to be the greatest long term beneficiaries of the Internet. Our newspaper bases and the content which is contained within them give us a very strong platform from which we can advance the scope of our publishing activities.

As far as expansion in our traditional areas is concerned, we continue to believe that the process of consolidation in the newspaper industry is not yet over. Many parts of it still remain independently owned and additionally we have seen a number of titles change hands several times in relatively short periods, which was not a feature of press ownership in the past. The opportunities for acquisitive expansion therefore remain. The economy is still a benevolent factor at a time when the pace of change in the media has rarely been greater and this must surely open further exciting prospects for the future.

Fred Johnston
Chairman
20 March 2000

CHIEF EXECUTIVE'S REVIEW

1999 turned out to be another excellent year for Johnston Press. Advertising revenues remained strong, indeed improving over the course of the year and we also benefited from a further modest reduction in the price of newsprint. The satisfactory outcome also reflected further operational progress throughout the Group's publishing and related printing activities. The major corporate development of 1999 was our mid-year acquisition of Portsmouth and Sunderland Newspapers plc (P & S) which resulted in the Group becoming the fourth largest regional newspaper publisher in the U.K. During the year, particular emphasis has been given to the continuing development and implementation of the Group's new media strategy, a process which is central to the future of our business.

In May 1999, we disposed of the Group's only remaining non-core activity. S & E Distributors, a wholesaler of stationery and toys, was sold to a trade buyer. The business made a valuable contribution to the Group over a number of years but its long-term future will be better served in the hands of owners dedicated to its ongoing development.

As a result, Johnston Press is now wholly focused on local publishing through newspapers and related web sites, coupled with associated printing operations. We are totally committed to the achievement of continued organic growth of our core business and especially of our new media activities. Our declared interest in News Communications & Media plc (Newscom) also demonstrates our determination to pursue sensible acquisitive growth and to play an active role in the continuing process of industry consolidation. We believe that this process still has some way to run, particularly as the regional press remains highly fragmented in comparison with other sections of the media.

Our interest in the possibility of making a bid for Newscom is subject to a Competition Commission inquiry and we expect the Secretary of State for Trade and Industry to announce his decision sometime during the first half of April. We believe that the possible transfer of Newscom's titles to Johnston Press should be expected not to operate against the public interest. Nonetheless, we await the decision and the publication of the Competition Commission's report with considerable interest, not least because it will provide an indication of the prevailing attitude to further consolidation of the regional press. Whilst the current ownership controls are not expected to prevent this, they are outdated and unnecessarily restrictive especially in view of the considerable recent proliferation of media choice available to readers and advertisers alike. As a result, we continue to play an active part in industry initiatives to seek changes to the current regulatory framework.

New Media

The first Johnston Press web site was launched in May 1997 and since then we have expanded our on-line presence to the point where we now have more than 50 local web sites covering all of our major markets. The pace of investment increased substantially in 1999 with the launch of new sites at a rate of over one every two weeks.

Our new media strategy builds on the power of our newspaper brands, our unrivalled access to local news and information and the great strength of our extensive local relationships in the numerous communities we serve. It also recognises that for the great majority of people, life is local with their day-to-day activities and interests being largely focused on their local areas. Meeting the needs of advertisers and readers in focused local markets is our core competence; nobody does it better. Now the Internet is enabling us to do it better still. Local newspapers, the print medium, will continue to be the key information source of choice for many. However, advertisers and individuals alike, will increasingly require a locally-focused on-line platform, the electronic interactive medium, in addition to the more traditional channels. Our new media strategy recognises that need and addresses the exciting opportunities which it presents.

In 2000, we will again substantially increase investment in our new media activities, at least quadrupling our 1999 spend. With around 50 dedicated staff working on the development of our various sites, this will enable us to build rapidly on our existing strengths of local brands, extensive local content and strong ties with local communities. Plans this year will see greatly improved functionality including the imminent launch of an enhanced Johnston Press classified advertising search capability, the full introduction of e-commerce enabling our customers to transact on-line and continued steps to encourage our communities onto the web, in part through our locally-branded free telephony ISP. To add value and stickiness to our content, we expect to enter into a number of partnerships during the year, some of which could involve equity stakes.

We have well advanced plans to create a number of vertical portals bringing together communities of special interest, spanning all of our geographically-based local areas. We are also working on new opportunities to build business-to-business platforms across all of our local markets. In order to meet the anticipated needs of our customers for the delivery of information through on-line channels other than the PC, we have initiated discussions with potential technology partners to explore ways of achieving this.

The new media represents an exciting and rapidly growing opportunity for Johnston Press. We believe that we are strongly placed to resist any threat which these new developments may pose to our traditional publishing activities and remain confident that we are well placed to maximise the opportunities which they present.

Portsmouth & Sunderland Newspapers
The first half of 1999 was taken up with the extended process of acquiring P & S. This was achieved when we took control of the company on 29 June. That we were successful in the face of several competing bidders was to a significant extent due to the 17.35% stake we built up in the company during the initial stages.

The second half of the year was a period of integration for the acquired businesses. We moved rapidly to close the P & S head office and quickly benefited from our increased purchasing power, especially for newsprint. We made several key senior management changes including the appointment of new managing directors for both the Portsmouth and Sunderland publishing centres. The three excellently equipped press rooms in Portsmouth, Sunderland and Hartlepool were transferred to the control of our Printing Division management. Press utilisation has been significantly increased with the transfer of some Johnston Press titles and as a result of winning several new external contract printing jobs.

At both Portsmouth and Sunderland, we have conducted a thorough review of the business operations. This has resulted in the rationalisation of some activities, such as the transfer of certain accounting functions to the two existing Johnston Press accounting centres; and some non-essential activities have been curtailed or scaled back, for example the provision of non-newspaper sales and services in the newspaper front offices. Efficiency improvements have also been achieved in the core publishing activities although compulsory job losses have been limited, being partially offset by redeployment and voluntary means.

In overall terms, the level of savings achieved since acquisition has exceeded our expectations. Both centres have performed well with Portsmouth achieving particularly strong results. The integration process is substantially complete and in 2000 we expect both centres to perform ahead of the expectations we had at the time of acquisition.

Newspaper Publishing
In overall terms, like-for-like advertising revenues in 1999 were almost 5% ahead of the previous year. This reflected the strong market conditions enjoyed by most of our publishing centres. The improvement was driven entirely by increased volumes with yields remaining virtually unchanged from the previous year. Advertising growth accelerated to 6% in the second half after achieving 4% growth in the first six months.

The fastest growing category for the year as a whole was property advertising which showed a 12% improvement, though as expected the rate of growth fell back in the second half after a 16% increase in the first six months. Motors advertising was 6% ahead with a similar performance in both halves. After a static first half, recruitment was well up in the second period to achieve an annual increase of 6%. Display advertising finished 2% ahead, with the local element performing similarly in each half but national showing a substantial improvement to finish 2% up after a 4% shortfall in the first six months.

Operating margins for the Group as a whole were again ahead of the previous year, showing a two point increase to 29%. Every one of our six existing publishing divisions produced an increase, reflecting the strong market conditions but also a continued determination to seek further business efficiencies.

In Scotland, we benefited from the inclusion of the Arbroath Herald which was acquired at the very end of last year. Completion of the press extension at Falkirk enabled the company to increase colour advertising revenues, a benefit which is now also being enjoyed by the Fife-based titles following the closure of the obsolete Kirkcaldy press during the second half. The Tweeddale Press titles acquired at the end of the year have been incorporated into the Scottish division together with the Borders titles which came with the P & S acquisition. The process of integration is well under way and has resulted in the closure of three small and heavily loss-making free newspapers which were launched by P & S just over a year ago. The Borders activities will make a positive contribution to our Scottish operations in 2000. Isle of Man Newspapers also had another excellent year, enjoying buoyant market conditions and benefiting from enhanced colour from their press. A second phase of the press development programme will provide a further increase in colour during 2000.

All companies in the North of England performed well, also benefiting from increased colour availability following completion of recent press extensions at Halifax, Scarborough and Wakefield. Second phase extensions are scheduled in 2000 at both Halifax and Scarborough. The Wakefield centre in particular had an excellent year which included the successful re-launch of the Pontefract and Castleford Express in tabloid format. Market conditions were more difficult in the North Midlands with only marginal advertising revenue growth, a continuing reflection of the decline of the coal industry which affects much of the area. Despite this, continued rationalisation of administrative and production functions enabled both companies to improve operating margins, particularly at North Notts Newspapers which moved ahead strongly.

The market situation was mixed for the East Midlands Division with the Peterborough-based business seeing less buoyant conditions than the strong growth experienced by the two weekly newspaper centres. Anglia Newspapers in particular had a remarkable year though Stamford-based Welland Valley Newspapers also performed extremely well. Buoyed by continued strong market conditions, the South Midlands Division again produced an excellent result with the four principal companies all making good advances. 1999 was the first year to benefit fully from the late 1998 acquisition of eight titles in Bedfordshire and Buckinghamshire which previously formed part of Home Counties Newspapers Holdings plc. The acquired business was significantly loss-making and required considerable rationalisation including several title closures. The resultant performance of Bedfordshire Newspapers showed a most encouraging improvement as a result of the very successful integration of the newly acquired titles. Good progress was again made by the two Sussex-based companies, each producing increased operating margins.

Preparations for the millennium changeover were successfully completed throughout the Group. By the year-end, all systems had been tested and cleared for year 2000 compliance and no problems of significance were encountered. At the start of the year, a Technical Committee was established to co-ordinate better the Group's approach to systems development. It has already delivered a Group wide area network which will enable the electronic transfer of pages throughout Johnston Press.

Yet again we are able to report circulation growth of our weekly titles. Over two-thirds of our paid-for weeklies achieved circulation increases in the six months to the end of 1999 with the overall average increase exceeding 1%. This is the sixth consecutive six-monthly ABC period to show an increase. The fact that continued circulation growth has been achieved against the background of cover price increases for approximately half of our titles in late 1998 is particularly encouraging. The recent improved performance of our evening circulations was sustained with the overall sale holding up during the second half. Amongst several good performances, the Peterborough Evening Telegraph is worthy of special mention for the continued success of its direct household deliveries which now account for almost 20% of the total sale.

Throughout the Group, considerable attention continues to be paid to the achievement of organic growth. The year was particularly successful in that respect with leaflet revenues up 15% and sundry sales 16% ahead, buoyed by further strong growth in internet revenues and premium line services to enable readers to interact and respond by telephone to editorial issues and a variety of advertising services published in-paper.

Printing

The overall performance of the Printing Division with its three existing press rooms based in Burgess Hill, Northampton and Peterborough was satisfactory, being in line with budget. This was particularly encouraging in view of the alterations to business mix as a result of changes to contract work and an increase in the printing of Group titles. At the start of the year we introduced a simplified transfer pricing system for Group titles which in turn enabled a significant reduction in administration costs. 1999 also saw a substantial increase in the electronic transmission of titles from both Group and external customers, with further plans now in place to receive more titles electronically in 2000.

Following a thorough review of our printing strategy, orders have been placed for a substantial upgrading of our double-width presses in Peterborough and Northampton. At a total cost of approximately £15 million, the projects will provide greatly enhanced colour capability on both presses with completion expected in late 2000 and mid-2001 respectively.

The acquisition of P & S has enabled a further review of our printing operations. As a result, the outdated Chesterfield press room has been closed with titles being transferred to Hartlepool and Sunderland. We are also in the process of closing the ageing Eastbourne press with our South Coast printing being concentrated at Burgess Hill and Portsmouth. In addition to the financial benefits, these changes will provide the publishers with enhanced colour capability to meet growing market needs.

People

Not only has the successful integration of P & S demonstrated the capability of our existing management team but it has also brought new talent to the Group. Despite the fact that P & S was acquired only in mid-1999, we are confident that we have the managerial capacity to take on further challenges.

We continue to increase investment in staff training. During the year, we opened a second Group training centre based in Chesterfield and this enabled us to expand greatly the amount of sales training carried out. Editorial training also increased and we introduced a Group-sponsored training course at Darlington College for trainee journalists. A significant number of middle-ranking and senior management attended the Group management development programme at Roffey Park and several of the participants have been promoted to senior management positions during the year.

The continued success of the Group depends absolutely on the calibre, quality and motivation of our staff. That we achieved so much during the year is a credit to their efforts.

Outlook

The current year has started strongly with continued growth of advertising revenues in almost every centre. Furthermore, with the benefits of increased tonnages, the average price of newsprint will show a further marginal decline. 1999 was an exceptional year for Johnston Press with particularly strong growth in the second half. Despite these challenging comparables we nevertheless anticipate a satisfactory outcome to 2000 with the additional impetus of a first full year's contribution from P & S.

We will make further substantial progress in the development of our new media activities during the year. Whilst we remain totally convinced that local newspapers have a bright future, we also expect new media to become an essential and significant contributor to our overall publishing business. These developments represent an exciting opportunity for the Group.

Tim Bowdler
Chief Executive
20 March 2000

GROUP PROFIT AND LOSS ACCOUNT

Year to 31 December 1999	Notes	**1999** **£'000**	1998 £'000
Turnover			
Existing		**202,297**	191,936
Acquisitions		**37,576**	-
Continuing operations		**239,873**	191,936
Discontinued operations		**2,691**	9,796
Total turnover	1	**242,564**	201,732
Cost of sales		**(130,217)**	(107,734)
Gross profit		**112,347**	93,998
Other operating expenses (net)		**(46,433)**	(42,883)
Operating profit		**65,914**	51,115
Existing		**56,614**	50,178
Acquisitions		**9,193**	-
Continuing operations		**65,807**	50,178
Discontinued operations		**107**	937
Operating profit	2	**65,914**	51,115
Share of associated undertakings		**310**	242
Operating profit after associated undertakings		**66,224**	51,357
Exceptional items	3	**(5,230)**	686
Profit on ordinary activities before interest and taxation		**60,994**	52,043
Net interest		**(11,160)**	(6,155)
Profit on ordinary activities before taxation		**49,834**	45,888
Taxation on profit on ordinary activities		**(15,272)**	(14,270)
Profit for the financial year		**34,562**	31,618
Dividends on equity and non-equity shares		**(8,171)**	(7,169)
Retained profit for year		**26,391**	24,449
Earnings per share	4		
Headline		**19.20p**	15.73p
Headline diluted		**19.08p**	15.70p
Basic		**17.16p**	15.70p
Diluted		**17.06p**	15.67p

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year to 31 December 1999	**1999 £'000**	1998 £'000
Profit for the financial year	**34,562**	31,618
Revaluation surplus	**167**	-
Total recognised gains and losses for the financial year	**34,729**	31,618

GROUP RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Year to 31 December 1999	**1999 £'000**	1998 £'000
Profit for the financial year	**34,562**	31,618
Dividends	**(8,171)**	(7,169)
Other recognised gains and losses relating to the year (net)	**167**	-
Goodwill written back on disposal	**1,329**	-
New share capital subscribed, including share premium	**16**	43
Net increase in shareholders' funds	**27,903**	24,492
Opening shareholders' funds	**184,937**	160,445
Closing shareholders' funds	**212,840**	184,937

GROUP NOTE OF HISTORICAL COST PROFITS AND LOSSES

Year to 31 December 1999	**1999 £'000**	1998 £'000
Reported profit on ordinary activities before taxation	**49,834**	45,888
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	**94**	78
Historical cost profit on ordinary activities before taxation	**49,928**	45,966
Historical cost profit for the year retained after taxation and dividends	**26,485**	24,527

GROUP BALANCE SHEET

As at 31 December 1999	**1999 £'000**	1998 £'000
Fixed assets		
Intangible	**403,440**	217,357
Tangible	**91,846**	48,009
Investments	**1,821**	378
	497,107	265,744
Current assets		
Stocks	**2,232**	2,895
Debtors - due within one year	**37,207**	26,389
- due after more than one year	**2,549**	1,790
Cash at bank and in hand	**11,853**	9,044
	53,841	40,118
Creditors: amounts falling due within one year	**(71,512)**	(53,262)
Net current liabilities	**(17,671)**	(13,144)
Total assets less current liabilities	**479,436**	252,600
Creditors: amounts falling due after more than one year	**(260,790)**	(64,258)
Provisions for liabilities and charges	**(5,806)**	(3,405)
Net assets	**212,840**	184,937
Capital and reserves		
Called-up share capital		
Equity	**20,048**	20,047
Non-equity	**1,106**	1,106
	21,154	21,153
Reserves	**191,686**	163,784
Capital employed	**212,840**	184,937

The accounts were approved by the Board of Directors on 20 March 2000.

GROUP CASH FLOW STATEMENT

Year to 31 December 1999	1999 £'000	1998 £'000
Net cash inflow from operating activities	**68,595**	56,960
Returns on investments and servicing of finance	**(11,888)**	(6,218)
Taxation	**(19,226)**	(11,041)
Capital expenditure and financial investment	**(9,026)**	(5,784)
Acquisitions and disposals	**(148,120)**	(10,123)
Equity dividends paid	**(7,217)**	(6,315)
Cash (outflow)/inflow before management of liquid resources and financing	**(126,882)**	17,479
Financing	**129,761**	(18,560)
Increase/(decrease) in cash in the year	**2,879**	(1,081)

NOTES

1. Turnover

	1999	1998
By activity	**£'000**	£'000
Continuing operations		
Newspapers and contract printing		
Existing operations	**202,297**	191,936
Acquisitions	**37,576**	-
Total continuing operations	**239,873**	191,936
Discontinued operations		
Wholesale stationary	**2,691**	9,796
	242,564	201,732

Turnover for newspapers relates to a 53-week period ended 31 December 1999 and for 52 weeks to 31 December 1998.

2. Operating profit

	1999	1998
	£'000	£'000
By activity		
Continuing operations		
Newspapers and contract printing		
Existing operations	**56,614**	50,178
Acquisitions	**9,193**	-
Total continuing operations	**65,807**	50,178
Discontinued operations		
Wholesale stationery	**107**	937
	65,914	51,115

3. Exceptional Items Reported after Operating Profit

	1999	1998
	£'000	£'000
(Loss)/profit on sale of businesses	**(680)**	74
Gain on sale of shares in Scottish Radio Holdings plc	**-**	1,756
Closure of Web Offset presses at Chesterfield and Kirkcaldy	**(988)**	(497)
Fundamental reorganisation of production, accounting and distribution departments		
following acquisition of new titles	**(3,562)**	(519)
on continuing operations	**-**	(128)
	(5,230)	686

The aggregate effect of the exceptional items on the amount charged to the Profit and Loss Account for taxation was to reduce the charge by £1,157,000 (1998 - increase of £319,000).

4. Earnings per Share

The calculations of earnings per share are based on the following profits and weighted average number of shares:

	Headline		Basic/Diluted	
	1999	1998	**1999**	1998
	£'000	£'000	**£'000**	£'000
Profit for the financial year	**34,562**	31,618	**34,562**	31,618
Abortive acquisition costs	**-**	432	**-**	-
Exceptional items	**5,230**	(686)	**-**	-
Tax effect of exceptional items	**(1,157)**	319	**-**	-
Preference dividends	**(152)**	(152)	**(152)**	(152)
	38,483	31,531	**34,410**	31,466

	1999	1998
	No. of shares	No. of shares
Weighted average number of shares for headline/basic earnings per share	**200,480,483**	200,474,874
Exercise of share options	**1,180,286**	363,150
For diluted earnings per share	**201,660,769**	200,838,024

Headline figures are presented to show the effect of excluding exceptional items and abortive acquisition costs from earnings per share.

5. Dividends

The Directors are recommending a final ordinary dividend of 2.75p per ordinary share (1998: 2.35p). Subject to the approval of the Directors' recommendation at the Annual General Meeting, the dividend will be paid on 19 May 2000 to shareholders on the register at 8 May 2000.

6. Statutory Accounts

The above financial information is extracted from the Company's statutory accounts for the years ended 31 December 1998 and 31 December 1999. The accounts for the year ended 31 December 1998 have been filed and those for the year ended 31 December 1999 will be filed with the Registrar of Companies. The Company's auditors, Arthur Andersen gave unqualified reports on the accounts for both those periods and the reports did not contain a statement under section 237 (2) or (3) of the Companies Act 1985.

7. Financial Statements and Annual General Meeting

Audited financial statements and the annual report will be posted to shareholders on 21 March 2000. The Annual General Meeting will be held on 28 April 2000.