

This report sets out the policy and disclosures on directors' remuneration in accordance with the requirements of the Companies Act 1985 (the "Act") as amended by the Directors' Remuneration Report Regulations 2002. Disclosure relating to individual directors' remuneration on page 38, pensions information on page 39 and directors' interests in share options and other long term incentive schemes on pages 41 to 43 has been audited by Ernst & Young LLP.

Remuneration committee

Responsibility for formulating and recommending policy on executive remuneration has been delegated to the remuneration committee by the board. Within the terms of the agreed policy, the committee approves the specific components of remuneration packages of all executive directors and the chairman. It also reviews the general remuneration framework for senior executives and makes awards under the company's option and incentive plans.

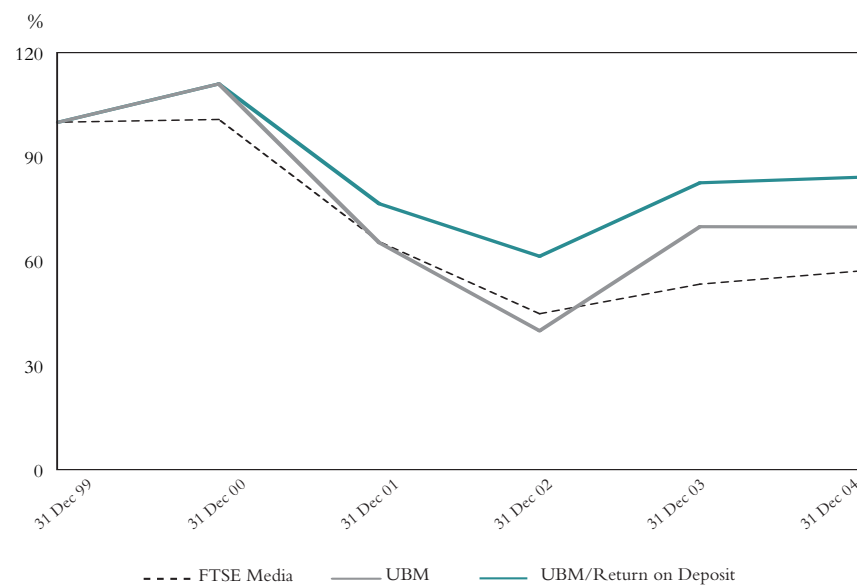
The committee is composed entirely of non-executive directors; further information regarding the independence of directors can be found in the corporate governance statement on page 45. Members of the committee during 2004 were Chris Powell (chairman), Jonathan Newcomb and Adair Turner. The company's chairman Geoff Unwin is not a member of the committee but attends meetings by invitation, except when matters relating to his own remuneration are discussed. Sandy Leitch, who joined the board as an independent non-executive director on 11 January 2005, has also been appointed as a member of the remuneration committee. Chris Powell, the committee's chairman, will retire at this year's annual general meeting in accordance with the company's articles and a resolution will be proposed for his re-election.

The committee met formally on six occasions during 2004. Details of individual directors' attendance are set out in the corporate governance statement on page 44. In addition to its usual schedule of issues for consideration, during 2004 the committee dealt with matters relating to Clive Hollick's forthcoming retirement and the formulation of a remuneration package for David Levin, who will join the group as chief executive in April 2005.

External assistance was provided to the committee by Kepler Associates, who were appointed by the committee in July 2004, and by New Bridge Street Consultants LLP. Kepler Associates have no other connection with the company. New Bridge Street Consultants LLP also provided advice to the company during the year on specific aspects of performance related remuneration. The committee received assistance internally from the acting HR director, Sue Brader, the employee and benefits manager, Jane Allen and the company secretary, Anne Siddell, who is secretary to the committee. The chief executive Clive Hollick assists the committee in formulating performance conditions for executives reporting to him and attends meetings by invitation except where matters relating to his own remuneration are discussed.

The committee's terms of reference comply with the new Combined Code on corporate governance and may be viewed on the group's website. Copies may also be obtained from the company secretary.

Performance graph



The graph above shows UBM's total shareholder return performance over the last five years since 31 December 1999 as compared to the FTSE Media Index, which has been chosen as UBM is a constituent of that Index. The graph reflects the return of a £1.25 billion special dividend to shareholders in April 2001 following the disposal of UBM's three ITV licences to Granada Media for £1.75 billion. In accordance with the requirements of the Act, the "UBM" line assumes that the benefits received by shareholders from this event were reinvested in UBM's shares; it shows a 30.1 percent decline in shareholder return compared to a 42.7 percent decline in the FTSE Media Index. The "UBM/return on deposit" line reflects the return on deposit from the special dividend and shows a decline of 15.8 percent.

Remuneration policy

Non-executive directors' remuneration

The board's policy on non-executive directors' remuneration for 2005 is to pay fees which reflect the non-executive directors' responsibilities, are competitive with those of other FTSE 250 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 remuneration committee.

Pursuant to the policy outlined above, non-executive directors receive a proportion of their fees in the form of shares with the balance payable in cash. Ordinary shares in the company are provisionally awarded and are included in the directors' share interests table on page 43. The directors will become entitled to receive these shares when they leave the board, subject to certain conditions. The remuneration table on page 38 shows the fees paid to non-executive directors and the cash value of shares as at the date they were provisionally awarded. During the year the non-executive directors' fees were benchmarked against market practice and with effect from 1 November 2004 the cash fee was increased from £25,000 to £30,000 per annum. The directors' fees include membership of board committees; an additional payment of £10,000 per annum is made to the chairmen of the remuneration and audit committees respectively and to the senior independent director, John Botts.

The chairman, Geoff Unwin receives a fee of £100,000 per annum paid in cash as well as a provisional allocation of ordinary shares as described above. These fees have remained unchanged since his appointment in November 2002.

In recognition of the significant additional time commitment and workload undertaken by the chairman and all non-executive directors in 2004 during the process of recruiting a new chief executive, the board approved the payment of additional non-recurring fees of £10,000 each for Geoff Unwin, John Botts and Chris Powell, and of £5,000 each for Jonathan Newcomb, Christopher Hyman and Adair Turner. These fees will be paid in March 2005 and are included in the directors' remuneration table on page 38.

Executive directors' remuneration

For 2005, it continues to be the committee's policy that each executive director's remuneration package includes a significant element which is linked to key measures of corporate and personal performance and encourages investment in the company's shares. Base salary is expected to comprise less than 50 percent of the total remuneration that may be earned.

The committee will undertake a detailed review of remuneration policy during 2005, with particular reference to the balance of fixed and performance-related remuneration and the structure of long term incentive arrangements.

Executive directors' remuneration packages

Executive directors' remuneration packages comprise base salary and benefits; an annual bonus based on a combination of personal and corporate annual performance measures; long term incentive arrangements; and pension provision.

Salary

Base salary for each director is determined annually with effect from 1 January. The company regularly benchmarks executive remuneration packages against the market to measure the competitiveness of base salaries, as well as other aspects of remuneration. Factors such as inflation, the individual's responsibilities, the company's performance and the salary policy throughout the group as a whole are taken into account when determining base salary levels. Base salaries for executive directors were increased by 3.5 percent with effect from 1 January 2005.

Bonuses

Executive directors are eligible for an annual bonus dependent on the achievement of stretching performance measures which customarily include a combination of factors recognising both relevant company performance and individual objectives. These measures are reviewed annually and new objectives set by the committee for each director at the start of the financial year. Specific weightings are attached to each objective. Part of the bonus is payable in the form of a deferred share award known as the Medium Term Incentive Plan ("MTIP") which is described in more detail below. Awards under the MTIP are based on the same corporate performance targets as for the cash element of the bonus but require more stretching performance to achieve the maximum award.

The maximum bonus payable for 2004 if all corporate and individual performance targets are substantially exceeded is 110 percent of salary, with 60 percent of salary payable in cash and 50 percent of salary in the form of shares under the MTIP. Previously the maximum bonus payable was 100 percent of salary, of which 60 percent of salary was payable in cash and 40 percent of salary under the MTIP. The committee's view is that the increase in the element of bonus payable in the form of shares is appropriate to ensure that remuneration packages remain competitive. Individual directors may also be invited to invest all or part of their cash bonus in the company's Senior Executive Equity Participation Plan ("SEEPP"), details of which can be found below.

Awards made under the MTIP are in the form of nil cost options over the company's shares, the number to be calculated using the average share price for the month preceding the start of the relevant financial year. Thus the company's results for 2004 will form the basis for awards to be made in 2005, with the number of options granted being calculated by reference to the average share price during December 2003. Awards made in 2005 will vest as to 50 percent in January 2007 and the balance in January 2008, provided the director remains in the group's employment. Awards will also vest if employment ceases due to redundancy, disability, injury, death, retirement at or after contractual retirement age, or in other circumstances at the discretion of the remuneration committee. Only purchased shares may be used to fulfil awards under the MTIP.

Details of awards previously made to individual directors under the MTIP are set out in the table on page 43; the directors' remuneration table on page 38 shows the cash value of bonuses earned under the MTIP in respect of 2004.

Clive Hollick will be eligible for a cash bonus and MTIP award in respect of 2005, dependent upon the company achieving pre set financial targets; the amount of bonus payable will be pro rated by reference to his leaving date. The company also proposes to pay Clive Hollick a bonus of £250,000 following his departure in May 2005, based on achievement of a successful handover to the new group chief executive, David Levin.

Table of Individual Directors' Remuneration

Directors	Basic salary	Fees £	Benefits £	Bonus £	Allocated Shares £	MTIP £	Total for 2004 £	Total for 2003 £	Employer's pension conts (Money Purchase) £
Clive Hollick	688,420		17,850	390,128		344,210	1,440,608	1,312,814	
Charles Gregson	304,223		13,633	147,309 ⁽³⁾		198,920	664,085	622,991	
Malcolm Wall	334,750		18,891	90,808 ⁽⁵⁾		167,375	611,824	544,929	143,847 ⁽⁵⁾
Nigel Wilson	319,300		23,592	185,194		159,650	687,736	633,480	54,082
Geoff Unwin		110,000			99,393		209,393	200,000	
John Botts		45,833			9,938		55,771	43,750	
Christopher Hyman		22,051			3,936		25,987	–	
Jonathan Newcomb		30,833			9,938		40,771	35,000	
Chris Powell		45,833			9,938		55,771	39,167	
Adair Turner		40,833			9,938		50,771	43,750	
Directors who retired during the year									
Fields Wicker-Miurin		9,183			5,050		14,233	35,000	
Total emoluments	1,646,693	304,566	73,966	813,439	148,131	870,155	3,856,950	3,510,881	197,929

Notes to directors' remuneration table

1. Non-executive directors' fees include an element which is payable in the form of ordinary shares, as described on page 37. The allocated shares column reflects the cash value of shares on the date on which they were provisionally allocated, ie 1 April (499 pence) and 1 October (483 pence).
2. The cash element of Chris Powell's fee is paid to BMP DDP Limited, while that of John Botts is paid to Botts & Company Limited.
3. Charles Gregson's cash bonus figure includes the sum of £20,000 being an additional non-pensionable payment in respect of overseas duties.
4. Benefits are non pensionable car and cash allowances. Benefits for Malcolm Wall and Nigel Wilson include allowances paid in relation to pension commitments.
5. Before its award, Malcolm Wall sacrificed a cash bonus of £100,000. This amount is included in the employer's pension contribution column and will be paid to the United Group Pension Scheme to secure additional pension benefits.
6. Directors may be invited to sacrifice part or all of their cash bonus to the United SEEPP.
7. The MTIP column shows the cash value of bonuses earned under the deferred bonus plan in respect of 2004. These cash values have been converted into ordinary shares at a price of 493.98 pence, which was the average market value of these shares during December 2003, and executive directors will be awarded nil cost options over these shares in 2005.
8. The company receives a contribution of £93,617 from ICAP Plc in consideration for making available the services of Charles Gregson as chairman of that company. Charles Gregson's remuneration shown above is net of that contribution.

Long Term Incentive Plans

The company's long term incentive plans are designed to incentivise management and to align their interests with those of shareholders by supporting the company's commitment to long term growth. Long term incentives currently comprise the executive share option scheme and SEEPP, which are summarised below.

Executive Share Options

The company operates a shareholder approved executive share option scheme (the "2000 Scheme") under which options are awarded to senior employees (including executive directors) to reward past performance and to incentivise future performance. Options are granted at market value and awards are generally made on a phased basis. The committee determines the appropriate level of each grant having regard to corporate objectives, market forces and individual circumstances. In each of the last two years, option awards made to executive directors had an aggregate acquisition price, based on the market value of the company's shares at the time of grant, of less than one times salary. Options are subject to a performance condition which requires growth in earnings per share to exceed the increase in the UK retail price index by an average of at least 3 percent per annum over the period of three years from the date of grant. If this condition is met, options with a face value equal to 0.75 times salary will vest. In order for the whole award to vest, growth in earnings per share must exceed the increase in RPI by an average of 5 percent per annum over the measurement period. A sliding scale applies between these two figures.

The committee considers that a performance condition based on long term growth in earnings per share is in line with shareholders' expectations and that the targeted growth levels of 3 percent to 5 percent above inflation are appropriately stretching. The committee determines whether the performance conditions have been met, using calculations which have been reviewed by the group's auditors. Options granted prior to 2004 may be re-tested up to six years from the date of grant from a fixed base. No re-testing is permitted of options granted after February 2004.

Further details of options held by executive directors, including those granted during 2004, are set out in the table on page 41.

Senior Executive Equity Participation Plan (“SEEPP”)

The SEEPP offers selected senior executives (including executive directors) the opportunity to waive part or all of their annual bonus and receive an interest in shares in the company (“bonus shares”) to the equivalent value. The executive may also be granted a right to acquire further shares (“matching shares”) in the company equal in value to the gross amount of the bonus foregone. Invitations to participate in the SEEPP are issued by the remuneration committee, which reviews prospective participants annually; there is no automatic entitlement to participate.

Matching share awards will vest on the fourth anniversary of grant but may be exercised only to the extent that the attached bonus shares are still held on that date. Matching share awards are also subject to a performance condition which is measured over the four year vesting period. One third of the award may only be exercised if growth in earnings per share during that period exceeds inflation by an average of 3 percent per annum; a further one third requires such growth to exceed inflation by an average of 5 percent per annum; the remaining one third requires no performance condition. No re-testing of performance conditions is permitted.

Further details of outstanding awards held by executive directors under the SEEPP, including awards made in 2004, are set out in the table on page 42.

During 2005 the committee will consider the implications of IFRS for the performance conditions relating to the group’s long term incentive schemes.

Sharesave

Executive directors are also entitled to participate in the sharesave scheme, under which eligible employees around the group may acquire options over ordinary shares of the company at a discount of up to 20 percent of their market price, using the proceeds of a related SAYE contract.

Pensions

The company contributes to personal pension plans for Malcolm Wall and Nigel Wilson. During 2004, both directors joined the defined contribution section of the United Group Pension Scheme and contributions are now paid to that scheme. The table below shows the total pension contributions paid by the company during the year on behalf of both directors; payments in excess of Inland Revenue maximum limits are paid as benefits in kind and shown as such in the directors’ remuneration table on page 38.

Name	Normal retirement age	Pension contribution	Company pension contribution during the year £000
Malcolm Wall	60	1.5% of basic salary	50
Nigel Wilson	60	20% of basic salary	64

Clive Hollick and Charles Gregson are members of the United Pension Plan which is an approved defined benefit scheme. The company met the full cost of the benefits until July 2004, from which date, as part of the company’s policy on employee contributions, both directors commenced contributions at a rate of 2 percent of salary. For Charles Gregson, this contribution rate will increase to 6 percent by 2006. Normal retirement age is 60. Charles Gregson’s pension entitlement is two thirds of final pensionable salary, which is calculated as the average of the highest three consecutive pensionable salaries in the ten years prior to retirement. Pensions in payment are increased by 5 percent per annum or RPI, if less. The widow’s pension is two-thirds of the individual’s pension.

Under the terms of Charles Gregson’s service contract, the definition of pensionable salary includes annual bonus up to 50 percent of base salary; this is a long standing term of his service contract. If Charles Gregson’s service were terminated by the company without his consent he would be entitled to an immediate pension calculated as a proportion of his pension entitlement at age 60, based on his final pensionable salary at the date of termination.

Under Clive Hollick’s service contract, bonuses ceased to be pensionable in 2001, at which date his maximum pension entitlement (assuming he remains in office until his normal retirement date) had been earned and was fixed at £726,000 per annum. Clive Hollick will retire from the company in May 2005, when he reaches his 60th birthday. In accordance with his contractual entitlement he has requested that a transfer value be paid by the United Pension Plan prior to his departure to secure the payment of his pension benefits by a self administered scheme. A transfer value of £14.73 million has been calculated by the plan’s actuaries and will be paid on or about 31 March 2005; this will relieve the United Pension Plan of any liability for pension provision to Clive Hollick or his dependants.

In accordance with the regulations, the table below shows accrued pension benefits at 31 December 2004 for Clive Hollick and Charles Gregson as well as the increase in accrued benefits during the year, the transfer value at the beginning and end of the year and the change in transfer value during the year. The table also shows the change in accrued benefit net of inflation and the transfer value of that change, as required by the Listing Rules.

Following actuarial advice, the trustees of the plan amended the basis for calculating transfer values during the year which led to an increase in transfer values for all members of the plan.

Name	Current age	Accrued pension 31.12.2004 £000 pa	Increase in accrued pension during the year ended 31.12.2004 £000 pa	Transfer value 31.12.2003 £000	Transfer value 31.12.2004 £000	Increase in transfer value for year ended 31.12.2004 £000	Increase in accrued pension during year ended 31.12.2004 in excess of inflation £000 pa	Transfer value at 31.12.2004 of increase in excess of inflation £000
Clive Hollick	59	711	39	11,244	14,489	3,238	16	300
Charles Gregson	57	359	–	5,335	6,459	1,118	(12)	(226)

External appointments of executive directors

The company considers that by permitting executive directors to hold office as a non-executive director of another company, they will increase their knowledge and experience thereby benefiting the company. The policy allows executive directors to accept not more than two outside corporate directorships, subject to board approval which may be given or withheld at the board's discretion.

Clive Hollick, Charles Gregson and Nigel Wilson each hold external directorships and are entitled to retain the fees earned. During 2004, Clive Hollick earned £59,885 from Diageo plc and \$97,500 plus deferred stock and dividends with a value of \$62,250 in Honeywell International Inc in respect of his directorships of these companies; Charles Gregson earned £40,000 in respect of his directorship of Provident Financial Plc and Nigel Wilson earned £25,026 in respect of his directorship of Halfords Plc.

Policy on executive directors service contracts and termination payments

It is the company's policy that all executive directors should have service contracts that are terminable on no more than one year's notice and that contracts should not have a fixed term. Contracts provide for automatic termination at age 60. In accordance with this policy, Clive Hollick's contract will terminate on 19 May 2005. He has agreed to provide consultancy services to the company for a period of up to 12 months after his retirement in consideration for a fee of £100,000.

If Clive Hollick or Charles Gregson's employment were terminated other than for cause (summary dismissal), they would be entitled to a payment, calculated by reference to their unexpired period of notice, of up to one year's salary, benefits and 50 percent of average bonus over the preceding three years (excluding any special bonus). Under Malcolm Wall and Nigel Wilson's contracts, any payment on early termination by the company would be by reference to the unexpired period of notice, subject to a duty to mitigate. In accordance with the committee's policy, David Levin's service contract, which will commence on 5 April 2005, is terminable by either party on not less than twelve months' notice; any payment on early termination by the company would be subject to the same considerations as apply in respect of Malcolm Wall and Nigel Wilson's contracts.

The dates on which each executive director's current service contract commenced are as follows:-

Clive Hollick	31 October 2001
Charles Gregson	31 December 2001
Malcolm Wall	24 November 2000
Nigel Wilson	06 July 2001

Policy on non-executive directors' contracts

The chairman, Geoff Unwin, has a contract which was entered into on 5 November 2002 and which is terminable by either party on not less than twelve months' notice. He was last re-elected to the board in 2003. His contract contains no provision for payment of compensation on early termination.

Other non-executive directors do not have a service contract with the company but are engaged under a letter of appointment. John Botts, Adair Turner and Chris Powell have notice periods of six months while Jonathan Newcomb, Christopher Hyman and Sandy Leitch have notice periods of three months. None of the non-executive directors' terms of appointment contain any provision for payment of compensation on early termination. Non-executive directors are not entitled to participate in the company's share option or pension schemes. Each director's appointment (including that of the chairman) is reviewed every three years. Set out below are the dates on which each non-executive director was first appointed to the board and the year in which he was last re-elected by shareholders.

Director	Date of appointment	Date of last re-election
John Botts	8 July 1997	2004
Christopher Hyman	7 May 2004	N/A
Sandy Leitch	11 January 2005	N/A
Jonathan Newcomb	27 September 2001	2002
Chris Powell	04 April 1996	2002
Adair Turner	01 January 2000	2003

Directors' interests in share options

	Date of grant	Options held at 1.1.04	Exercised/ lapsed during 2004	Options held at 31.12.04	Exercise period from	Exercise period to	Exercise price (p)	Market price at date of exercise (p)	Total gain on exercise	
Clive Hollick										
MAI Executive Schemes	13.10.94	44,800	44,800	0	13.10.97	13.10.04	374.219	473.25	£44,365	
1994 Executive Scheme	16.09.96	153,455	-	153,455	16.09.99	16.09.06	686.000			
2000 Scheme	18.12.00	152,500	-	152,500	18.12.03	18.12.10	843.000			
	18.12.00	152,500	-	152,500	18.12.04	18.12.10	843.000			
	08.05.01	152,500	-	152,500	08.05.04	08.05.11	724.800			
	08.05.01	152,500	-	152,500	08.05.05	08.05.11	724.800			
	19.12.01	150,000	-	150,000	19.12.04	19.12.11	529.000			
	19.12.01	150,000	-	150,000	19.12.05	19.12.11	529.000			
	22.08.02	250,000	-	250,000	22.08.05	22.08.12	277.200			
	22.08.02	250,000	-	250,000	22.08.06	22.08.12	277.200			
	09.04.03	120,000	-	120,000	09.04.06	09.04.13	247.250			
United SAYE Scheme	01.11.96	1,464	1,464	0	01.02.04	01.08.04	532.600			
	31.10.97	616	-	616	01.02.05	01.08.05	632.700			
	10.04.03	5,880	-	5,880	01.06.06	01.12.06	160.480			
Charles Gregson										
MAI Executive Schemes	13.10.94	44,800	44,800	0	13.10.97	13.10.04	374.219	490.11	£51,919	
1994 Executive Scheme	16.09.96	69,252	-	69,252	16.09.99	16.09.06	686.000			
2000 Scheme	18.12.00	52,500	-	52,500	18.12.03	18.12.10	843.000			
	18.12.00	52,500	-	52,500	18.12.04	18.12.10	843.000			
	08.05.01	52,500	-	52,500	08.05.04	08.05.11	724.800			
	08.05.01	52,500	-	52,500	08.05.05	08.05.11	724.800			
	19.12.01	75,000	-	75,000	19.12.04	19.12.11	529.000			
	19.12.01	75,000	-	75,000	19.12.05	19.12.11	529.000			
	22.08.02	125,000	-	125,000	22.08.05	22.08.12	277.200			
	22.08.02	125,000	-	125,000	22.08.06	22.08.12	277.200			
	09.04.03	120,000	-	120,000	09.04.06	09.04.13	247.250			
	05.04.04	-	-	65,000	05.04.07	05.04.14	500.670			
United SAYE Scheme	15.12.98	655	655	0	01.02.04	01.08.04	514.800			
	10.04.03	8,187	-	8,187	01.06.08	01.12.08	160.480			
	08.04.04	-	-	793	01.06.09	30.11.09	412.270			
Malcolm Wall										
2000 Scheme	18.12.00	76,000	-	76,000	18.12.03	18.12.10	843.000			
	18.12.00	76,000	-	76,000	18.12.04	18.12.10	843.000			
	08.05.01	76,000	-	76,000	08.05.04	08.05.11	724.800			
	08.05.01	76,000	-	76,000	08.05.05	08.05.11	724.800			
	19.12.01	75,000	-	75,000	19.12.04	19.12.11	529.000			
	19.12.01	75,000	-	75,000	19.12.05	19.12.11	529.000			
	22.08.02	125,000	-	125,000	22.08.05	22.08.12	277.200			
	22.08.02	125,000	-	125,000	22.08.06	22.08.12	277.200			
	09.04.03	120,000	-	120,000	09.04.06	09.04.13	247.250			
	05.04.04	-	-	65,000	05.04.07	05.04.14	500.670			
United SAYE Scheme	20.04.01	1,587	1,587	0	01.06.04	01.12.04	488.300			
	08.04.04	-	-	457	01.06.07	30.11.07	412.270			
Nigel Wilson										
2000 Scheme	08.08.01	104,000	-	104,000	08.08.04	08.08.11	595.700			
	08.08.01	104,000	-	104,000	08.08.05	08.08.11	595.700			
	19.12.01	75,000	-	75,000	19.12.04	19.12.11	529.000			
	19.12.01	75,000	-	75,000	19.12.05	19.12.11	529.000			
	22.08.02	125,000	-	125,000	22.08.05	22.08.12	277.200			
	22.08.02	125,000	-	125,000	22.08.06	22.08.12	277.200			
	09.04.03	120,000	-	120,000	09.04.06	09.04.13	247.250			
	05.04.04	-	-	65,000	05.04.07	05.04.14	500.670			
United SAYE Scheme	10.04.03	11,060	-	11,060	01.06.10	01.12.10	160.480			

Directors' interests in share options

Options granted in the 2000 Scheme are subject to the performance conditions described on page 38. Options granted to Clive Hollick and Charles Gregson under the United 1994 Executive Scheme are subject to a performance condition which requires EPS growth to exceed the increase in UK Retail Price Index by an average of 2 percent per annum over a three year period. At the time of setting up the 1994 Executive Scheme this performance measure was in line with existing market practice. The performance condition has been met in respect of all outstanding options held by these executive directors under United 1994 Executive Scheme, which are consequently fully vested. All options were granted at market value and for no consideration.

Options granted to Clive Hollick and Charles Gregson under the MAI Executive Schemes are not subject to any performance conditions; at the time these schemes were established it was not customary to require performance conditions. All options were granted at market value of the corresponding MAI shares at the date of grant and were converted into options over shares in the company upon the merger of the company and MAI in 1996. No consideration was payable for the grant of options under these schemes.

Options granted under the United SAYE scheme are not subject to performance conditions as these are all-employee schemes.

During 2004 the committee reviewed its policy on re-testing of performance conditions and removed the re-testing provisions for option grants made under the 2000 Scheme after February 2004. There have been no other variations in the terms and conditions of scheme interests during the year.

Senior Executive Equity Participation Plan

	B shares/ options at 01.01.04+	Ordinary shares/ options at 01.01.04+	Ordinary shares/ options granted in 2004	B shares/ options exercised or lapsed in 2004	Ordinary shares/ options exercised or lapsed in 2004	B shares/ options at 31.12.04+	Ordinary shares/ options at 31.12.04+	Exercisable from	Expiry date	Market value†	Gain on exercise
Clive Hollick	20,117	26,516*	–	20,117	26,516**	0	0	17.03.01	29.06.07	n/a	£122,670
	34,038	44,868*	–	0	0	34,038	44,868	18.03.02	29.06.07	£191,076	n/a
	33,354	43,966*	–	33,354‡	43,966‡	0	0	n/a	n/a	n/a	£61,786
Charles Gregson	4,994	6,582*	–	4,994	6,582**	0	0	17.03.01	29.06.07	n/a	£30,451
	15,152	19,972*	–	0	0	15,152	19,972	18.03.02	29.06.07	£85,055	n/a
	9,398	12,388*	–	0	0	9,398	12,388	08.03.03	29.06.07	£52,756	n/a
	2,335	3,076*	–	1,557‡	1,026‡	778	2,050	03.03.04	29.06.10	£4,364	n/a
	–	23,850*	–	–	0	–	23,850	08.05.05	08.05.11	£57,240	n/a
	–	5,500*	–	–	0	–	5,500	16.04.06	16.04.12	£13,200	n/a
	–	121,836*	–	–	0	–	121,836	11.04.07	11.04.13	£292,406	n/a
–	–	80,924*	–	0	–	80,924	24.03.08	24.03.14	£194,218	n/a	
Nigel Wilson	–	59,796	–	–	0	–	59,796	11.04.07	11.04.13	£143,510	n/a
	–	–	66,248	–	0	–	66,248	24.03.08	24.03.14	£158,995	n/a
Malcolm Wall	–	–	28,598	–	0	–	28,598	24.03.08	24.03.14	£68,635	n/a

Awards becoming exercisable on or after 3 March 2004 were granted under the 2000 SEPP, which is described on page 39. Awards becoming exercisable prior to 3 March 2004 were granted under the 1996 SEPP, which operates in a similar manner to the 2000 SEPP, except that the matching awards are subject to a longer vesting period (up to 7 years) but no performance conditions are attached. At the time the 1996 SEPP was established, it was not customary to attach performance conditions to matching awards.

Notes:

- * The directors gave up cash bonuses that would otherwise have been receivable by them in order to receive awards under the SEPP. For Clive Hollick and Charles Gregson, the bonus was paid to each individual's Funded Unapproved Retirement Benefit Scheme ("FURBS") and used by the FURBS Trustees to purchase shares from the SEPP Trustees at full market value. A matching award was granted over an equal number of shares. The table shows the total bonus shares and matching awards. The bonus shares are included in the directors' beneficial interest in shares shown on page 43. The amount used to purchase the bonus shares was included in the director's reported remuneration for the year in which the award was made.
- ** Following exercise of the matching awards, the bonus shares cease to have any restrictions attached to them and are no longer considered to form part of the director's SEPP interests.
- + The SEPP bonus shares/options and matching awards were adjusted to reflect the capital reorganisation which took place on 23 April 2001, whereby every shareholder received 44 B shares and 29 new ordinary shares in place of every 44 ordinary shares previously held.
- ‡ The performance condition was not met for awards made in 2000 and consequently two thirds of the matching options under these awards lapsed during 2004.
- † The market value of the matching awards is calculated at 480 pence per share, the closing mid market price on 31 December 2004, and 245 pence per B share.

Medium Term Incentive Plan

	Date of Grant	Options held at 01.01.04	Exercised/ lapsed during 2004	Options held at 31.12.04	Exercisable from	Expiry date	Market value	Gain on exercise
Clive Hollick	25.03.04	–	–	91,935	01.01.06	25.03.11	£441,288	n/a
Charles Gregson	25.03.04	–	–	42,503	01.01.06	25.03.11	£204,014	n/a
Malcolm Wall	25.03.04	–	–	18,329	01.01.06	25.03.11	£87,979	n/a
Nigel Wilson	25.03.04	–	–	42,641	01.01.06	25.03.11	£204,677	n/a

The MTIP is described on page 37. The market value of MTIP options is calculated at 480 pence per share, the closing mid market price on 31 December 2004.

Directors' interests in shares

The interests of the directors in ordinary shares (all of which are beneficial) are shown as at 1 January 2004 (or date of appointment if later), and at 31 December 2004.

Director	Ordinary shares at 01.01.04	Ordinary shares at 31.12.04	SEEPP Bonus shares at 1.1.2004	SEEPP Bonus shares at 31.12.2004
Clive Hollick	703,794	785,434	–	–
Charles Gregson	420,694	425,622	–	–
Malcolm Wall	12,427	14,014	0	14,299
Nigel Wilson	19,449	19,449	29,898	63,022
John Botts	10,637*	12,661*	–	–
Christopher Hyman	0	815*	–	–
Jonathan Newcomb	6,532*	8,556*	–	–
Chris Powell	11,317*	13,341*	–	–
Adair Turner	8,660*	10,684*	–	–
Geoff Unwin	39,789*	60,032*	–	–

* Interests of non-executive directors include provisional allocations of shares by way of remuneration as described on page 37.

As at 31 December 2004 the Trustees of the United Business Media ESOP Trust and the Qualifying Employee Share Trust held 2,066,589 ordinary shares (2003: 1,194,044) and 279,484 B shares (2003: 329,484) and options over 728,463 ordinary shares (2003: 623,593) and 140,960 B shares (2003: 397,094). Under paragraph 2 of schedule 13 to the Companies Act 1985 the executive directors are deemed to be interested in these shares and options.

The minimum price of ordinary shares during the year was 408.5 pence and the maximum price was 574.5 pence.

Changes in directors' interests since 31 December 2004

There have been no changes to the interests of directors in UBM shares nor in options over UBM shares between 31 December 2004 and 24 February 2005.

This report was approved by the board and signed on its behalf by Chris Powell.

24 February 2005