

Trinity Mirror plc

11 November 2010

INTERIM MANAGEMENT STATEMENT 17 weeks ended 31 October 2010

Trinity Mirror plc is today issuing an Interim Management Statement covering the 17 weeks of trading to 31 October 2010 ('the period') and describing the Group's financial position and performance, updated to the latest practicable date.

Outlook

The Board remains confident that the Group will deliver a robust performance for 2010 in line with expectations.

Trading since the half year has remained volatile due to the fragile economic environment and the uncertainty resulting from the Government spending review. Whilst September advertising revenues were below recent trends the Board is encouraged by an improvement in the rate of advertising revenue decline in October to 2% (excluding the acquisition of GMG Regional Media).

The Group continues to benefit from ongoing management initiatives which drive efficiencies through the re-engineering of core business processes. As a result the Group remains on track to deliver structural cost savings of £25 million with the absolute cost base falling by circa £60 million for the full year. This reduction in costs is after absorbing inflationary cost increases. Whilst newsprint prices for the full year have fallen, we experienced an increase in prices in the second half of 2010 with further pricing pressure anticipated for 2011.

The Group remains cash generative and net debt has fallen by a further £20 million to £288 million since the half year. The Board expects net debt to fall further in the remainder of the second half of the year.

The Board envisages that the trading environment will remain challenging over the remainder of the year and into 2011, however, it anticipates that the rate of decline in revenues will improve.

Actual Group revenue performance

- Total revenue up 4% for the period
- Advertising revenue up 13% for the period
- Circulation revenue down 4% for the period
- Other revenue up 1% for the period
- Digital revenue up 6% for the period

GMG Regional Media continues to perform ahead of expectations for both revenues and profits. The business is now fully integrated into the Group operations and the MEN business has also been relocated to offices adjacent to our print plant in Chadderton, Greater Manchester.

Having acquired the 50% of Fish4 not previously owned by the Group in October, digital recruitment advertising revenues will be boosted by circa £3 million in the first full year of ownership.

Adjusted Group revenue performance

Excluding GMG Regional Media

- Group revenue down 5.4% for the period
- Advertising revenue down 4.6% for the period. Excluding September, advertising revenue for the period was down 3.4% representing an improvement of 0.7% from the declines experienced in the first half
- Circulation revenue down 6.7% for the period
- Other revenue down 3.5% for the period. Adjusting the comparatives for revenues previously generated from the print contract with GMG Regional Media, other revenues have grown by 4.3%
- Group digital revenues down 2.4% for the period

Divisional revenue performance

For our Regionals division, advertising revenues have grown by 21.4% for the period reflecting the benefit of the acquisition of GMG Regional Media. On an adjusted basis the Regionals division advertising revenues fell by 6.7% for the period which is an improvement from the 8.0% decline experienced in the first half. Recruitment advertising revenue from our national recruitment sites has moved into growth in recent months. Regionals circulation revenues saw growth of 6.3% and on an adjusted basis saw a decline of 7.1% for the period. Regionals digital revenues have grown by 6.4% and on an adjusted basis have fallen by 3.3% for the period.

For our Nationals division, advertising revenues have declined by 1.3% for the period. The decline in the period has been driven by a 5.9% decline in September although we have not seen any significant change in our advertising volume market share for the period. Excluding September, advertising revenues in the period were up 0.8%. Nationals circulation revenues saw a decline of 6.5% for the period. Nationals digital revenues were up 3.1% for the period.

Non-recurring items

Restructuring costs in connection with the delivery of cost reduction measures and the implementation of the new operating model for the Group are estimated to be around £15 million for the full year. As reported at the half year, there is a £27.3 million net gain arising from the acquisition of GMG Regional Media and a credit of £9.0 million relating to pensions primarily from the curtailment gain arising from the closure of the defined benefit pension schemes to future accrual.

Capital expenditure

Capital expenditure is expected to be around £15 million for 2010 in line with previous guidance.

Financing

Net debt on a contracted basis has fallen during the period as follows:

	£m
Net debt as at 4 July 2010*	308
Corporation tax payments	10
Other net cash inflows**	(30)
Net debt as at 31 October 2010*	288

* assuming that the private placement loan notes and related cross-currency interest rate swaps are not terminated prior to their maturity

** operating cash flows, capital expenditure, working capital and interest

Net debt on a statutory basis, including the fair value asset of the cross-currency interest rate swaps and converting the US\$ denominated private placement loan notes at the period end exchange rate, fell by £22 million to £255 million.

Net debt is expected to fall over the remainder of 2010.

Conference call

Trinity Mirror will be holding a conference call this morning for analysts and investors at 8.15am. The dial-in number is 020 3364 5957. Confirmation code: 686438#.

Enquiries:

Trinity Mirror plc

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Forward looking statements

Statements contained in this Interim Management Statement are based on the knowledge and information available to the Company's directors at the date it was prepared and therefore the facts stated and views expressed may change after that date. By their nature, the statements concerning the risks and uncertainties facing the Company in this Interim Management Statement involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. To the extent that this Interim Management Statement contains any statement dealing with any time after the date of its preparation such statement is merely predictive and speculative as it relates to events and circumstances which are yet to occur. The Company undertakes no obligation to update these forward looking statements.