Trinity Mirror plc

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Preliminary Results 2010

Vijay Vaghela
Finance Director

Group performance - Overview

52 weeks to 2nd January 2011

The Group has delivered a strong performance:-

- Operating profits* up by 17.0% or £17.9m to £123.3m
- Earnings per share* up by 43.0% to 28.6 pence per share
- Net debt fell by £58.1m in 2010 and has fallen by £118.3m over the past two years to £265.9m
- IAS 19 pension deficit fell by £135.6m to £161.0m
  - post tax pension deficit fell to £117.5m
- Successfully integrated GMG Regional Media
  - cash consideration of £7.4m and operating profit* of £5.7m since acquisition
- Look towards re-instating dividends when the trading environment improves

* On an adjusted basis as described on slide 33

Group performance - Revenues

52 weeks to 2nd January 2011

	2010 £m	2009 £m	Change %
Group including GMG Regional Media			
Revenues	761.5	763.3	**(0.2)%**
Group excluding GMG Regional Media			
Advertising	311.0	331.8	**(6.3)%**
Circulation	310.2	339.3	**(8.6)%**
Other	89.4	92.2	**(3.0)%**
Total revenues	710.6	763.3	**(6.9)%**

- GMG Regional Media revenues of £50.9m in the year
- Underlying revenue declines of 6.5% for Nationals and 7.5% for Regionals
- Improved revenue trends compared to 12.4% decline in revenues in 2009
- Year on year performance adversely impacted by:-
  - additional week of trading in 2009 which contributed £9.9m of revenues
  - disruption from weather in December 2010

Group performance - Revenues

52 weeks to 2nd January 2011

Group excluding GMG Regional Media	Nationals %	Regionals %	Group %
Advertising	(3.1)%	(8.4)%	**(6.3)%**
Circulation	(8.5)%	(9.0)%	**(8.6)%**
Other	(5.6)%	1.9%	**(3.0)%**
Total	(6.5)%	(7.5)%	**(6.9)%**

Excluding the additional week of trading in 2009:

- Advertising revenue down 5.3%
- Broadly similar advertising revenue declines for Regionals in H1 and H2 with FY decline of 7.9%
- Nationals advertising revenue increased by 2.2% in H1 and fell by 4.7% in H2 with FY decline of 1.4%
    - continued to maintain volume market share
- Circulation fell by 7.0% with Regionals down 7.6% and Nationals down 6.9%

Other revenues, adjusted for printing of GMG Regional titles, have increased by 3.2% with Nationals up 3.9% and Regionals up 1.9%

Group performance – Operating profit

52 weeks to 2nd January 2011

		2010 £m	2009 £m	Change £m	Change %
Nationals	Revenues	430.3	460.4	(30.1)	(6.5)%
	Costs	(344.2)	(376.8)	32.6	8.7%
	Operating profit*	86.1	83.6	2.5	**3.0%**
Regionals	Revenues	331.2	302.9	28.3	9.3%
	Costs	(279.5)	(267.0)	(12.5)	(4.7)%
	Operating profit*	51.7	35.9	15.8	**44.0%**
	Operating profit* excl GMG Regional Media	46.0	35.9	10.1	**28.1%**
Central and Associates		(14.5)	(14.1)	(0.4)	(2.8)%
Group	Revenues	761.5	763.3	(1.8)	(0.2)%
	Costs	(638.9)	(658.4)	19.5	3.0%
	Operating profit*	123.3	105.4	17.9	**17.0%**
	Operating profit* excl GMG Regional Media	117.6	105.4	12.2	**11.6%**

Group operating margin* increased by **2.4** percentage points to **16.2%**

Nationals operating margin* up by 1.8 percentage points to 20.0%

Regionals operating margin* up by 3.7 percentage points to 15.6%

GMG Regional Media operating margin* of 11.2%

*On an adjusted basis. A reconciliation between the adjusted results and the statutory results is provided on slide 39

Cost savings

52 weeks to 2nd January 2011

	2010* £m	2009* £m	Change £m	Change %	Impact of GMG Regional Media £m	Underlying Cost Reduction £m
Labour	248.8	255.6	**6.8**	2.7%	15.6	**22.4**
Newsprint	105.0	114.5	**9.5**	8.3%	6.1	**15.6**
Depreciation	33.9	36.8	**2.9**	7.9%	0.8	**3.7**
Other	251.2	251.5	**0.3**	0.1%	22.7	**23.0**
Total costs	**638.9**	**658.4**	**19.5**	**3.0%**	**45.2**	**64.7**

- Underlying cost reduction of £64.7m ahead of £60m guidance and includes benefit of:
  - a fall in newsprint prices
  - additional week's trading in 2009 contributed £5.7m costs
  - structural cost savings of £25m
  - remainder linked to revenue and control of discretionary spend

*On an adjusted basis

Financing

52 weeks to 2nd January 2011

Net debt	Contracted basis* Dec 2010 £m	Contracted basis* Dec 2009 £m	Contracted basis* Movement £m	Statutory basis Dec 2010 £m	Statutory basis Dec 2009 £m	Statutory basis Movement £m
US private placement loan notes	**(382.1)**	(382.1)	**-**	**(363.9)**	(355.0)	**(8.9)**
Derivatives	**-**	(3.1)	**3.1**	**10.4**	(6.0)	**16.4**
Gross debt	**(382.1)**	(385.2)	**3.1**	**(353.5)**	(361.0)	**7.5**
Cash balances	**116.2**	61.2	**55.0**	**116.2**	61.2	**55.0**
Net debt	**(265.9)**	(324.0)	**58.1**	**(237.3)**	(299.8)	**62.5**

- Net debt reduction after £31.9m pension scheme deficit funding, £14.9m net interest, £11.5m net capex, £19.1m of corporation tax and £7.4m GMG Regional Media acquisition
- £178.5m committed undrawn bank facility
- Next debt repayment is £145m of loan notes October 2011

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

Pension costs

52 weeks to 2nd January 2011

	Full Year 2010 £m	Full Year 2009 £m	Change £m
Defined benefit scheme current service costs	4.6	14.6	10.0
Defined contribution scheme costs (incl other costs)[1]	10.5	1.1	(9.4)
Operating profit charge[2]	**15.1**	**15.7**	**0.6**
Finance charge	7.1	10.5	3.4
Income statement charge	**22.2**	**26.2**	**4.0**

- Defined benefit pension schemes closed to future accrual on 31st March 2010
- 2010 finance charge of £7.1m and anticipate a finance credit of £2.7m in 2011
- Cash funding for defined benefit pension schemes in excess of the operating profit charge[2] was £30.6m
- Anticipate deficit funding payments of around £35m in 2011

[1] Includes additional NI, Death in Service and PHI costs to present the 2010 numbers on a like for like basis
[2] Pre non-recurring items

Defined benefit pension schemes deficit

52 weeks to 2nd January 2011

	Dec 2010 £m	Dec 2009 £m	Change £m
Fair value of scheme assets	1,524.1	1,398.1	126.0
Present value of scheme liabilities	(1,685.1)	(1,683.1)	(2.0)
Effect of asset ceiling	-	(11.6)	11.6
Net scheme deficit	**(161.0)**	**(296.6)**	**135.6**

- Increase in assets reflects benefit of deficit funding and increase in asset values partially offset by pension payments
- Increase in liabilities reflects:-
  - a fall in real discount rate from 2.20% to 1.95%
  - the interest charge on opening liabilities
  - some past service enhancements
- These increases in liabilities have been almost offset by:-
  - benefit of change from RPI to CPI for deferred pensions of £80.1 million
  - pension payments of £78 million

Non-recurring items

52 weeks to 2nd January 2011

	2010	2009
	£m	£m
Gain on acquisition of GMG Regional Media	27.3	-
Profit on disposal of land and buildings	1.3	5.1
Release of accruals	3.6	-
Restructuring charges	(11.1)	(17.9)
Defined benefit pension schemes	(0.4)	9.9
Impairment of receivables	-	(6.0)
Loss on disposal of business	-	(2.4)
Total non-recurring items	**20.7**	**(11.3)**

Current trading and outlook

52 weeks to 2nd January 2011

- Economic outlook remains challenging
- Substantial increase in newsprint prices
- Strong cash generation and continued investment in the business
  - £5m operating costs for new revenue initiatives
  - capital expenditure of £15m per annum

January and February Year on Year	Group	Nationals	Regionals
Total revenues	3%	(6)%	15%
Total revenues excl GMG Regional Media	(6)%	(6)%	(7)%
Advertising excl GMG Regional Media	(10)%	(9)%	(11)%
Circulation excl GMG Regional Media	(5)%	(4)%	(6)%

- Too early to call the outlook for revenues but anticipate improvement from levels experienced in January and February

Conclusion

52 weeks to 2nd January 2011

- Strong performance for 2010
  - operating profits up
  - earnings per share up
  - strong cash flows and falling debt
  - successful integration of GMG Regional Media

- Whilst economic environment remains challenging Board anticipates that by:
  - re-engineering of business processes
  - maximising efficiencies and reducing costs
  - new investment to drive revenues

…………will help support profits in 2011

Sly Bailey

Chief Executive

Overview

- Strong performance in the continuing challenging environment
- Considerable rise in profits
- Increased operating margin and reduced costs
- Earnings per share are up
- Strong cash generation
- Significant fall in net debt
- Improvement in pension deficit

Nationals – resilient through downturn

- Nationals performed strongly in 2010 demonstrating resilience through downturn
- Our national journalism remains in high demand
- Titles provide news and analysis readers can trust
- Easy to consume and popular with advertisers

Nationals – competitive market place

- National newspaper market remains highly competitive
- Continued cover price discounting by our competitors
- Our titles performed well in challenging trading environment
- Continue to have higher proportion of full rate sales than any competitors
- Broadly maintained advertising volume market share during year demonstrating continued relevance and importance to advertisers
- Strong market positions of our UK brands ensured advertising revenues grew for most of 2010
- Ad revenue fall of -3% distorted by 53rd week in 2009 – like for like decrease is -1.4%

ContentWatch – more efficient newsrooms

- Implemented ContentWatch editorial production system across UK Nationals
- Created more flexible and more efficient multimedia newsrooms
- New system:
  - eliminated outdated ways of working
  - produces first-class content across multiple channels
  - ensures each title retains quality, integrity and identity
- Outsourced elements of sub editing process to Press Association, merged news and features and tightened newsgathering process

ContentWatch – retains quality and identify

- Reduction in editorial staff of around 200 but not trying to do same things with fewer people
- Using new technology we've made fundamental changes to publishing process
- For our readers and advertisers there is no difference in quality
- For us, a considerably and permanently lower cost base

Pre-ContentWatch

Post-ContentWatch

ContentWatch – evolving to embrace new platforms

- Changed our traditional skills and processes to reflect emerging platforms and preserve financial health of our titles
- In digital age no newspaper should cling to old working practices
- We are evolving as the market for news and media is evolving
- Our reach and influence remains strong

Nationals – impressive mass audience reach

- The Daily Mirror & Daily Record achieved an average joint circulation in excess of 1.5 million copies per day with readership of nearly 4 million per issue

- Average joint circulation of Sunday Mirror, The People and Sunday Mail of 2 million copies per week with readership of over 6 million per issue

- Sunday Mail still biggest selling newspaper in Scotland with circulation of nearly 100k copies higher than next best-selling title

- Sunday Mail readership 46% greater than next best-read Sunday title

Digital content

- Across the market publishers following different strategies and business models
- TM view is that consumers are prepared to pay for content:
    - via tablet and smartphone applications
    - some niche high-value web content

- Little propensity for consumers to pay for general news content on web
- TM has no plans to introduce paywalls
- Experiment with payment for some highly-valued Regionals content, ie, business coverage
- Online audience figures continue to show good growth Jan 2011– Group unique users of 27m, up 23% yoy
- Websites will remain a primarily ad-driven model
- Number of paid-for tablet applications in development across the Group for launch in 2011

Regionals – revenue mix changing

- Challenging year across Regional newspaper industry
- Good progress in our own business
- Reliance on cyclical categories of recruitment, property and motors reduced to 34% of ad revenue
- 2010 print recruitment advertising including GMG is now only £24m - more upside when economy returns to health than downside
- Increased proportion of less cyclical and more robust display revenues to around 45% of ad revenues
- Digital in 2010:
  - 10% of Regional revenues
  - over 18% of profits
  - underlying digital profit growth of 26%

Regionals – GMG acquisition

- Acquisition of GMG Regional Media already a success
- Described by one analyst as ‘deal of the decade’
- It’s a great business and were delighted with it’s performance
- GMG comprises
  - MEN Media (Manchester Evening News and weekly titles and websites across Greater Manchester)
  - S&B Media (Surrey Advertiser amongst other weeklies and websites in the South)

GMG Regional Media – performing well

- Great strategic and highly accretive acquisition
- Already seeing benefits of increased reach and scale across both print and digital
- Sharing best practice between our existing and acquired businesses and investing
- Equipped the business with new revenue generating tools - Local Mole digital directory, self-serve advertising model
- Launched Manchester Business Week in November 2010

Fish4 – perfect fit for our digital portfolio

- Acquisition of fish4 fits with our plans to build a digital recruitment business of scale
- Perfect fit alongside other businesses in our digital recruitment portfolio, GAAPWeb, TotallyLegal and SecsInTheCity
- fish4 increases our overall share of the online recruitment market, and cements our position in the generalist sector
- Ambitious plans for the future
- Using scale and expertise in sector to drive value
- Rebrand and redesign of the site has been extremely well received by advertisers and candidates
- In 2011 we forecast around 45% of our entire recruitment revenues will come from digital
- A strong base for future growth when cycle improves

Power of scale in regional media

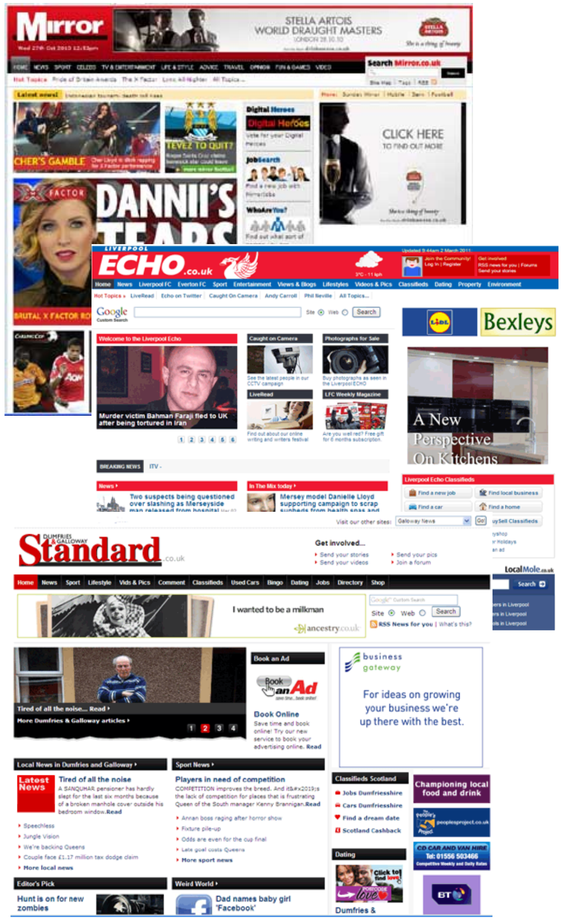
- We believe in the power of scale in regional media
- Can be an important driver of value for shareholders
- Consider further regional consolidation opportunities where there is strong financial case and good commercial and strategic fit
- Government progressing with announced plans to relax local cross-media ownership regulations
- Greater flexibility gives us potential to react quickly to market changes in era when traditional platform distinctions are increasingly irrelevant

Diversification and revenue development

- Improved financial position allows investment to grow and diversify revenues
- Commenced a number of new initiatives
- New customer relationship management (CRM) system:
  - creates opportunities to drive advertising revenues through better customer and data insight
  - effective targeting of marketing initiatives
  - improve customer service
  - focus on increasing customer numbers, improving customer retention and increasing customer value

Diversification and revenue development

- Implementing new digital content management system
  - increased functionality for websites
  - development of audience-growth initiatives
    - integration of social media into our sites
    - improvement in editorial speed around breaking news
    - flexibility to manage publication of content on any device; PC, mobile, smartphone or tablet
  - fully integrated with ContentWatch
  - will allow for better contextual and behavioural targeting, creating new revenue opportunities



Diversification and revenue development

- Investment in our digital marketing services offering in staff and infrastructure
- Widen product offering, customer base and increase revenues
- In addition to print and digital advertising, clients want help with:
  - website design and build
  - search engine optimisation
  - email marketing
  - social media
  - online PR
  - web analytics
- Acquired small digital marketing services business in 2008 – Rippleffect – to meet growing demand
- Encouraged by business performance and customer response to products and services
- Plan to develop expertise and customer offering as strong as print and digital advertising
- This is the future of local media – now is the time to invest

Investment in driving new revenues

- Right platform for the business to drive more diversified revenue streams across multiple media channels

- Support our objective of building a multimedia business of scale

Conclusion

- 2010 challenging but business in good shape
- Produced strong set of numbers
- Macro conditions difficult, but plenty to be positive about across the Group
- Business restructured and modernised
- Changing revenue mix
- Well-positioned to take full advantage from any upturn
- Focusing on diversifying and growing revenues as we continue to invest for the future

Appendices

Financial Summary

Income statement
52 weeks to 2nd January 2011

	2010 Statutory £m	2009 Statutory £m	2010 Adjusted* £m	2009 Adjusted* £m
Group revenue	**761.5**	**763.3**	**761.5**	**763.3**
Operating profit	**138.0**	**87.0**	**123.3**	**105.4**
Adjusted operating profit	123.3	105.4	123.3	105.4
Non-recurring items	20.7	(11.3)	-	-
Amortisation of intangibles	(6.0)	(7.1)	-	-
Profit before taxation	**123.7**	**42.0**	**101.5**	**72.7**
Operating profit	138.0	87.0	123.3	105.4
Investment revenues	1.4	0.2	1.4	0.2
Finance costs	(8.6)	(34.7)	(16.1)	(22.4)
Pension finance charge	(7.1)	(10.5)	(7.1)	(10.5)
Earnings per share (pence)				
Earnings per share – statutory	**44.6**	**11.5**		
Earnings per share – adjusted*			**28.6**	**20.0**

* On an adjusted basis – adjusted items relate to the exclusion of non-recurring items, the amortisation of intangible assets, the retranslation of foreign currency borrowings, the impact of fair value changes on derivative financial instruments and the impact of tax legislation changes. A reconciliation between the adjusted results and the statutory results is provided on slide 39.

Financial Summary

Analysis of revenue by type and segment
52 weeks to 2nd January 2011

Including GMG Regionals	**Group £m**	**% of total**	**Regionals £m**	**% of total**	**Nationals £m**	**% of total**
Circulation	**317.4**	41.7%	73.2	22.1%	244.2	56.8%
Advertising	**351.3**	46.1%	222.5	67.2%	128.8	29.9%
Other	**92.8**	12.2%	35.5	10.7%	57.3	13.3%
Total revenue	**761.5**		**331.2**		**430.3**	
% of total			43.5%		56.5%	

Excluding GMG Regionals	**Group £m**	**% of total**	**Regionals £m**	**% of total**	**Nationals £m**	**% of total**
Circulation	**310.2**	43.6%	66.0	23.5%	244.2	56.8%
Advertising	**311.0**	43.8%	182.2	65.0%	128.8	29.9%
Other	**89.4**	12.6%	32.1	11.5%	57.3	13.3%
Total revenue	**710.6**		**280.3**		**430.3**	
% of total			39.4%		60.6%	

Financial Summary

Digital revenues

52 weeks to 2nd January 2011

	2010 £m	2009 £m	Change %
Regionals incl GMG Regionals			
Advertising	**28.3**	26.5	6.8%
Other	**4.1**	4.3	(4.7)%
Total	**32.4**	**30.8**	**5.2%**
Nationals			
Advertising	**2.5**	2.5	-
Other	**2.2**	2.3	(4.3)%
Total	**4.7**	**4.8**	**(2.1)%**
Group incl GMG Regionals			
Advertising	**30.8**	29.0	6.2%
Other	**6.3**	6.6	(4.5)%
Total	**37.1**	**35.6**	**4.2%**
Regionals excl GMG Regionals			
Advertising	**26.1**	26.5	(1.5)%
Other	**4.1**	4.3	(4.7)%
Total	**30.2**	**30.8**	**(1.9)%**
Group excl GMG Regionals			
Advertising	**28.6**	29.0	(1.4)%
Other	**6.3**	6.6	(4.5)%
Total	**34.9**	**35.6**	**(2.0)%**

Financial Summary

Quarterly revenue trends – year on year change
52 weeks to 2nd January 2011

Excluding GMG Regionals	**Q1**	**Q2**	**Q3**	**2009 13 weeks Q4**	**2009 14 weeks Q4**
Advertising	(4.1)%	(4.3)%	(5.5)%	(7.8)%	(11.4)%
Circulation	(6.4)%	(6.5)%	(6.9)%	(8.3)%	(14.4)%
Other	(0.9)%	(3.3)%	(3.3)%	(0.2)%	(3.2)%
Group revenue	**(4.8)%**	**(5.1)%**	**(5.9)%**	**(7.0)%**	**(11.7)%**
Total Regionals advertising	(7.1)%	(8.7)%	(7.5)%	(8.1)%	(10.3)%
Total Nationals advertising	0.9%	2.9%	(2.0)%	(6.8)%	(12.3)%

Financial Summary

Half yearly revenue trends – year on year change

52 weeks to 2nd January 2011

Excluding GMG Regionals	H1	2009 26 weeks H2	2009 27 weeks H2	2009 52 weeks FY	2009 53 weeks FY
Advertising	(4.1)%	(6.7)%	(8.6)%	(5.3)%	(6.3)%
Circulation	(6.5)%	(7.6)%	(10.7)%	(7.0)%	(8.6)%
Other	(2.5)%	(1.7)%	(3.3)%	(2.2)%	(3.0)%
Group revenue	**(5.0)%**	**(6.5)%**	**(8.9)%**	**(5.7)%**	**(6.9)%**
Regionals advertising	(8.0)%	(7.8)%	(8.9)%	(7.9)%	(8.4)%
Nationals advertising	2.2%	(4.7)%	(7.8)%	(1.4)%	(3.1)%

Financial Summary

Analysis of revenue, operating profit and margin by segment
52 weeks to 2nd January 2011

	2010 £m	2009 £m	Change %
Regionals division incl GMG Regionals	331.2	302.9	9.3%
Nationals division	430.3	460.4	(6.5)%
Group revenue incl GMG Regionals	**761.5**	**763.3**	**(0.2)%**
Regionals division incl GMG Regionals	51.7	35.9	44.0%
Nationals division	86.1	83.6	3.0%
Central costs including associates	(14.5)	(14.1)	(2.8)%
Group operating profit* incl GMG Regionals	**123.3**	**105.4**	**17.0%**
Regionals division incl GMG Regionals	15.6%	11.9%	3.7%
Nationals division	20.0%	18.2%	1.8%
Total operating margin* incl GMG Regionals	**16.2%**	**13.8%**	**2.4%**
Regionals division excl GMG Regionals			
Revenue	280.3	302.9	(7.5)%
Operating profit*	46.0	35.9	28.1%
Margin*	16.4%	11.9%	4.5%
Group excl GMG Regionals			
Revenue	710.6	763.3	(6.9)%
Operating profit*	117.6	105.4	11.6%
Margin*	16.5%	13.8%	2.7%

*On an adjusted basis

Financial Summary

Reconciliation of statutory results to adjusted results
52 weeks to 2nd January 2011

	Statutory results £m	Non-recurring items (a) £m	Amortisation (b) £m	Finance costs (c) £m	Tax legislation changes (d) £m	Adjusted results £m
2010						
Revenue	**761.5**	-	-	-	-	**761.5**
Operating profit	**138.0**	(20.7)	6.0	-	-	**123.3**
Profit before tax	**123.7**	(20.7)	6.0	(7.5)	-	**101.5**
Profit after tax	**113.3**	(28.2)	4.4	(5.5)	(11.4)	**72.6**
Earnings per share (pence)	**44.6**	(11.0)	1.7	(2.2)	(4.5)	**28.6**
2009						
Revenue	**763.3**	-	-	-	-	**763.3**
Operating profit	**87.0**	11.3	7.1	-	-	**105.4**
Profit before tax	**42.0**	11.3	7.1	12.3	-	**72.7**
Profit after tax	**29.3**	7.8	5.1	8.9	-	**51.1**
Earnings per share (pence)	**11.5**	3.0	2.0	3.5	-	**20.0**

(a) Details of non-recurring items are set out on slide 10
(b) Amortisation of other intangible assets
(c) Impact of the translation of foreign currency borrowings and fair value changes on derivative financial instruments
(d) Tax legislation changes relate to the current period change in the deferred tax rate from 28% to 27% on the opening deferred tax position in 2010

Financial Summary

Reconciliation of statutory net debt to contracted net debt at 2nd January 2011 (3rd January 2010)

	2010 £m	2009 £m
Statutory net debt	**(237.3)**	**(299.8)**
Loan notes at period end exchange rate	363.9	355.0
Loan notes at swapped exchange rate	(382.1)	(382.1)
Cross-currency interest rate swaps	(10.4)	2.9
Contracted net debt	**(265.9)**	**(324.0)**

Financial Summary
Financial covenants
at 2nd January 2011 (3rd January 2010)

	Minimum Interest Cover	Maximum Debt to EBITDA
US private placement		
Throughout term of notes	2.0x	4.0x
£178.5 million bank facility		
Up to December 2010	2.50x	3.75x
January 2011 to December 2011	2.75x	3.50x
January 2012 to June 2012	3.00x	3.25x
Thereafter	3.00x	3.00x

Expect to operate comfortably within the levels of financial covenants

Financial Summary

Defined benefit pension schemes assets and liabilities at 2nd January 2011 (3rd January 2010)

	2010 £m		2009 £m	
Present value of scheme liabilities	(1,685.1)		(1,683.1)	
Fair value of scheme assets	1,524.1		1,398.1	
Effect of asset ceiling	-		(11.6)	
Net scheme deficit	**(161.0)**		**(296.6)**	
		%		%
Fair value of scheme assets				
UK equities	299.4	19.6%	290.2	20.7%
US equities	98.3	6.5%	76.4	5.5%
Other overseas equities	252.7	16.6%	227.2	16.3%
Total equities	**650.4**	**42.7%**	**593.8**	**42.5%**
Property	20.6	1.3%	3.1	0.2%
Corporate bonds	487.3	32.0%	461.0	33.0%
Fixed interest gilts	43.1	2.8%	31.0	2.2%
Index-linked gilts	231.3	15.2%	177.4	12.7%
Cash	91.4	6.0%	131.8	9.4%
Total non equities	**873.7**	**57.3%**	**804.3**	**57.5%**
Fair value of scheme assets	**1,524.1**	100%	**1,398.1**	100%

Financial Summary

Defined benefit pension schemes assets and liabilities at 2nd January 2011 (3rd January 2010)

	2010 £m	**2009 £m**
Pension schemes in surplus	61.1	-
Pension schemes in deficit	(222.1)	(296.6)
Net scheme deficit	**(161.0)**	**(296.6)**
Deferred tax	43.5	83.0
Net scheme deficit after deferred tax	**(117.5)**	**(213.6)**

Regionals Division

Divisional performance

52 weeks to 2nd January 2011

	Including GMG Regional Media			Excluding GMG Regional Media		
	2010	**2009**	**Change**	**2010**	**2009**	**Change**
	£m	**£m**	**%**	**£m**	**£m**	**%**
Circulation	**73.2**	72.5	1.0%	**66.0**	72.5	(9.0)%
Advertising	**222.5**	198.9	11.9%	**182.2**	198.9	(8.4)%
Classified	**121.5**	117.3	3.6%	**101.2**	117.3	(13.5)%
Display	**101.0**	81.6	23.5%	**81.0**	81.6	(1.0)%
Other	**35.5**	31.5	12.7%	**32.1**	31.5	1.9%
Total revenue	**331.2**	**302.9**	**9.3%**	**280.3**	**302.9**	**(7.5)%**
Operating costs	**(279.5)**	(267.0)	(4.7)%	**(234.3)**	(267.0)	12.2%
Operating profit*	**51.7**	**35.9**	**44.0%**	**46.0**	**35.9**	**28.1%**
Margin*	**15.6%**	11.9%	3.7%	**16.4%**	11.9%	4.5%

*On an adjusted basis

Regionals Division

Analysis of advertising revenue
52 weeks to 2nd January 2011

Including GMG Regional Media Advertising by category	2010 £m	% of total	2009 £m	% of total	Change yoy %
Display	**101.0**	**45.4%**	**81.6**	**41.0%**	**23.5%**
Recruitment	**38.6**	17.3%	39.3	19.8%	(2.0)%
Property	**23.9**	10.7%	21.4	10.8%	11.1%
Motors	**13.7**	6.2%	12.6	6.3%	8.6%
Other classified	**45.3**	20.4%	44.0	22.1%	4.2%
Total classified	**121.5**	**54.6%**	**117.3**	**59.0%**	**3.6%**
Total net advertising	**222.5**	**100.0%**	**198.9**	**100.0%**	**11.9%**

Regionals Division

Analysis of advertising revenue
52 weeks to 2nd January 2011

Excluding GMG Regional Media Advertising by category	2010 £m	% of total	2009 £m	% of total	Change yoy %
Display	**81.0**	**44.5%**	**81.6**	**41.0%**	**(1.0)%**
Recruitment	**31.8**	17.5%	39.3	19.8%	(19.4)%
Property	**19.7**	10.8%	21.4	10.8%	(8.6)%
Motors	**11.2**	6.1%	12.6	6.3%	(11.6)%
Other classified	**38.5**	21.1%	44.0	22.1%	(11.1)%
Total classified	**101.2**	**55.5%**	**117.3**	**59.0%**	**(13.5)%**
Total net advertising	**182.2**	**100.0%**	**198.9**	**100.0%**	**(8.4)%**

Regionals Division

Divisional performance

52 weeks to 2nd January 2011 (with 2009 on a 52 week basis)

	Including GMG Regional Media			Excluding GMG Regional Media		
	2010 £m	**2009 £m**	**Change %**	**2010 £m**	**2009 £m**	**Change %**
Circulation	**73.2**	71.4	2.5%	**66.0**	71.4	(7.6)%
Advertising	**222.5**	197.8	12.5%	**182.2**	197.8	(7.9)%
Classified	**121.5**	116.7	4.1%	**101.2**	116.7	(13.3)%
Display	**101.0**	81.1	24.5%	**81.0**	81.1	(0.1)%
Other	**35.5**	31.3	13.4%	**32.1**	31.3	2.6%
Total revenue	**331.2**	**300.5**	**10.2%**	**280.3**	**300.5**	**(6.7)%**
Operating costs	**(279.5)**	(265.2)	(5.4)%	**(234.3)**	(265.2)	11.7%
Operating profit*	**51.7**	**35.3**	**46.5%**	**46.0**	**35.3**	**30.3%**
Margin*	**15.6%**	11.7%	3.9%	**16.4%**	11.7%	4.7%

* On an adjusted basis

Regionals Division

Analysis of advertising revenue

52 weeks to 2nd January 2011 (with 2009 on a 52 week basis)

Including GMG Regional Media Advertising by category	2010 £m	% of total	2009 £m	% of total	Change yoy %
Display	**101.0**	**45.4%**	**81.1**	**41.0%**	**24.5%**
Recruitment	**38.6**	17.3%	39.3	19.9%	(1.8)%
Property	**23.9**	10.7%	21.4	10.8%	11.7%
Motors	**13.7**	6.2%	12.4	6.3%	10.5%
Other classified	**45.3**	20.4%	43.6	22.0%	3.9%
Total classified	**121.5**	**54.6%**	**116.7**	**59.0%**	**4.1%**
Total net advertising	**222.5**	**100.0%**	**197.8**	**100.0%**	**12.5%**

Regionals Division

Analysis of advertising revenue

52 weeks to 2nd January 2011 (with 2009 on a 52 week basis)

Excluding GMG Regional Media Advertising by category	**2010 £m**	**% of total**	**2009 £m**	**% of total**	**Change yoy %**
Display	**81.0**	**44.5%**	**81.1**	**41.0%**	**(0.1)%**
Recruitment	**31.8**	17.5%	39.3	19.9%	(19.1)%
Property	**19.7**	10.8%	21.4	10.8%	(7.9)%
Motors	**11.2**	6.1%	12.4	6.3%	(9.7)%
Other classified	**38.5**	21.1%	43.6	22.0%	(11.7)%
Total classified	**101.2**	**55.5%**	**116.7**	**59.0%**	**(13.3)%**
Total net advertising	**182.2**	**100.0%**	**197.8**	**100.0%**	**(7.9)%**

Nationals Division

Divisional performance
52 weeks to 2nd January 2011

	2010 £m	2009 £m	Change %
Circulation	**244.2**	266.8	(8.5)%
Advertising	**128.8**	132.9	(3.1)%
Classified	**21.5**	22.1	(2.7)%
Other	**107.3**	110.8	(3.2)%
Other	**57.3**	60.7	(5.6)%
Total revenue	**430.3**	**460.4**	**(6.5)%**
Operating costs	**(344.2)**	(376.8)	8.7%
Operating profit*	**86.1**	**83.6**	**3.0%**
Margin*	**20.0%**	18.2%	1.8%

* On an adjusted basis

Nationals Division

Divisional performance

52 weeks to 2nd January 2011 (with 2009 on a 52 week basis)

	2010 £m	2009 £m	Change %
Circulation	**244.2**	262.2	(6.9)%
Advertising	**128.8**	130.6	(1.4)%
Classified	**21.5**	21.9	(1.8)%
Other	**107.3**	108.7	(1.3)%
Other	**57.3**	60.1	(4.7)%
Total revenue	**430.3**	**452.9**	**(5.0)%**
Operating costs	**(344.2)**	(372.9)	7.7%
Operating profit*	**86.1**	**80.0**	**7.6%**
Margin*	**20.0%**	17.7%	2.3%

* On an adjusted basis

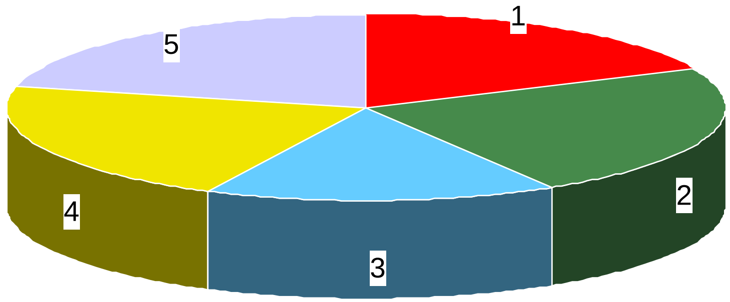
UK Nationals

Newspaper advertising market share (volumes)
52 weeks to 2nd January 2011

Dailies

		2010	**2009**
1.	Mirror	18.0%	18.0%
2.	Sun	23.4%	22.2%
3.	Star	15.8%	15.5%
4.	Mail	21.4%	21.6%
5.	Express	21.4%	22.7%

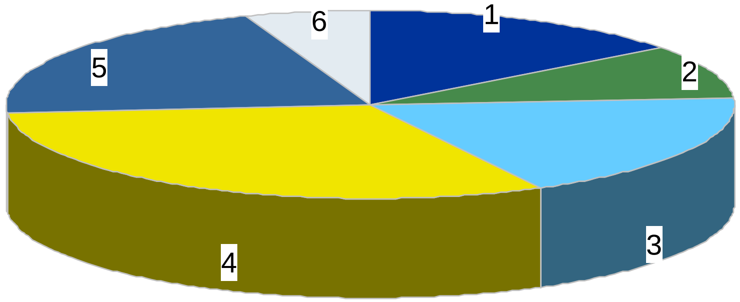
2010



Sundays

		2010	**2009**
1.	Sunday Mirror	14.7%	15.2%
2.	People	9.1%	8.7%
3.	News of the World	18.3%	17.1%
4.	Mail on Sunday	31.5%	31.4%
5.	Sunday Express	20.9%	22.0%
6.	Daily Star Sunday	5.5%	5.6%

2010



Source: Nielsen Media Research

Scottish Nationals

Newspaper advertising market share (volumes)*
52 weeks to 2nd January 2011

Dailies

	2010	2009
Daily Record	12.1%	12.3%

Sundays

	2010	2009
Sunday Mail	27.8%	29.9%

The reduction in the year on year market share of our titles in Scotland is due to the NMR data now including National classified, and local property classified running across the Daily and Sunday editions, in the Scottish editions of some competitor newspapers. This has had the effect of increasing their classified market volume, and the overall market volume and thus reducing the Daily Record and Sunday Mail market share.

Adjustments are not possible to the comparatives. However, estimating an adjustment for identifiable changes in competitors' display volumes, the volume market share of our Scottish titles is broadly similar year on year

*Share of Scottish market

Source: Nielsen Media Research