

TRINITY MIRROR PLC
INTERIM MANAGEMENT STATEMENT
17 weeks ending 2 May 2010

Trinity Mirror plc is today issuing an Interim Management Statement covering the 17 weeks of trading to 2 May 2010 ('the period') and describing the Group's financial position and performance during the period, updated to the latest practicable date.

Outlook

In line with the guidance provided earlier in the year, while the Board remains cautious about the economic outlook it continues to look forward to a satisfactory performance for 2010.

Trading conditions continue to be volatile with limited visibility on revenues, factors that were exacerbated during April in the run up to the General Election. The trading environment continues to affect all our sources of revenue, although we expect the rate of decline to ease as we progress through the remainder of the year and we benefit from weaker comparatives. We expect month on month volatility to continue.

We continue to manage the cost base appropriately delivering operating efficiencies across the business and remain on track to achieve at least the £20 million targeted reduction in the underlying cost base in 2010. These management actions will ensure we are well positioned to take full advantage of the revenue and profit benefits that will result when market conditions improve.

The group continues to generate cash and anticipates positive cash flows which will contribute to a reduction in net debt during the year

Divisional performance

Revenue performance in the first 17 weeks of the year was as follows:

Year on Year Change	Including GMG Regionals %	Excluding GMG Regionals* %
Group revenue	(2)	(5)
Advertising	-	(5)
Circulation	(5)	(6)
Other	1	(1)

*like for like

Group revenues in the period have fallen by 2% and on a like for like basis revenues declined by 5%. The acquisition of the GMG Regionals was completed on 28 March 2010 and during the 5 week period to 2 May 2010 it contributed revenues of £6 million. The acquisition is expected to be profitable during 2010 and is performing ahead of our expectations.

Group advertising revenues for the period on a like for like basis fell by 5%, reflecting a decline of 3% for January and February and a decline of 6% for March and April.

For our Regionals division, advertising revenues for the period on a like for like basis have fallen by 8%, reflecting a decline of 6% for January and February and a decline of 10% for March and April. As previously highlighted, the January advertising revenue performance is distorted by the additional week's trading in 2009 which covers the period around New Year's Day which is the weakest trading period for the Regionals. With the exception of display advertising which was up 4% all advertising categories were down year on year with declines in the period of 20% for recruitment, 9% for property, 15% for motors and 11% for other classified categories.

For our Nationals division advertising revenues for the period remained flat year on year, with a 1% increase in January and February being offset by a 1% decline in March and April. Whilst there has been some month on month volatility the advertising performance of the Nationals division has remained relatively stable over the period with the UK Nationals performing ahead of the Scottish Nationals.

Group circulation revenues for the period on a like for like basis have fallen by 6% with a decline of 7% for the Regionals and 6% for the Nationals.

Other Group revenues for the period on a like for like basis have declined by 1% year on year, reflecting an increase in contract print of 7% more than offset by declines in leaflet revenue, rental income and sundry income.

Group digital revenues for the period on a like for like basis have fallen by 8% driven by the impact of the wider economy on the more cyclical recruitment and property categories. However, excluding recruitment and property we continue to see growth in other digital revenues across both Regionals and Nationals.

Capital expenditure

In line with previous guidance the Group expects capital expenditure of around £15 million for 2010.

Pensions

Following an extensive consultation process the Group closed all its defined benefit pension schemes to future accrual on 31 March 2010. All former members have the option to join the Group's defined contribution pension scheme.

The closure of the defined benefit pension schemes ensures that the Group is no longer increasing gross pension scheme liabilities with the potentially uncapped, and increasing, costs associated with the provision of defined benefit pensions.

This step will also eliminate the volatility in the income statement operating profit charge for pension as this will be based on the actual contributions to the Group's defined contribution pension schemes and not the IAS 19 operating profit charge.

Acquisition

The Group completed the acquisition of GMG Regionals on 28 March 2010 for a cash consideration of £7.4 million.

Non-recurring items

Restructuring costs in connection with the delivery of cost reduction measures and implementation of the new operating model for the Group are estimated to be around £15 million for the full year in line with the previous guidance.

A non cash curtailment gain following the closure of the Group's defined benefit pension schemes to future accrual is currently estimated at £8 million and will be finalised at the time of the interim announcement.

Financing

Net debt on a contracted basis, assuming that the US\$ denominated private placement loan notes and related cross-currency interest rate swaps are not terminated prior to their maturity, has marginally increased during the period primarily as a result of the deficit funding payments to the Group's defined benefit pension schemes which are substantially made in March each year:

	£m
Net debt as at 3 January 2010	324
Pension contributions in excess of operating profit charge	30
Corporation tax payments	9
Interest payments	4
Acquisition of GMG Regionals*	8
Other cash inflows**	(42)
Net debt as at 2 May 2010	333

* Including acquisition costs

** operating cash flow, capital expenditure, working capital

As at 2 May 2010 the Group had no drawings on the £178.5 million bank facility which remains committed until June 2013.

Net debt, on a statutory basis, including the fair value liability of the cross-currency interest rate swaps and converting the US\$ denominated private placement loan notes at the period end exchange rate, increased marginally by £3 million to £303 million.

Net debt is expected to fall over the remainder of 2010 and the Group continues to operate comfortably within its financial covenants.

Conference call

Trinity Mirror will be holding a conference call this morning for analysts and investors at 8.00 am. For dial in details please contact Nick Fullagar, Director Corporate Communications on 020 7293 3622 or nick.fullagar@trinitymirror.com.

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