

Trinity Mirror plc

10 November 2011

INTERIM MANAGEMENT STATEMENT 17 weeks ended 30 October 2011

Trinity Mirror plc is today issuing an Interim Management Statement covering the 17 weeks of trading to 30 October 2011 ('the period') and describing the Group's financial position and performance, updated to the latest practicable date.

Outlook

While the underlying trading environment remains challenging, Trinity Mirror has delivered revenues in line with the same period in 2010, having seen a significant improvement in the circulation volumes and revenue performance for our Sunday titles following the closure of the News of the World on 10 July 2011. In addition, we have seen an improvement in the rate of decline in advertising revenues compared to the first half and continue to achieve growth in other revenues.

Advertising markets are expected to remain challenging, showing year on year declines and month on month volatility for the remainder of 2011 and into 2012. However, for the rest of this year we anticipate continued year on year growth in circulation and other revenues.

We are making good progress with our investment programme to drive revenues and re-engineer business processes. The Group remains on track to deliver the structural cost savings target of £25 million for 2011.

Strong cash flow during the period contributed to net debt falling by £20 million to £242 million since 3 July 2011. Net debt is expected to fall over the remainder of 2011.

Whilst we expect the trading environment to remain difficult, the Board anticipates that the benefit of management initiatives will continue to help offset the effects of the challenging environment. The Board expects increased circulation volumes and revenues of our Sunday titles will help deliver performance marginally ahead of the top end of the current range of market expectations in 2011.

Group revenue performance

	17 weeks to 30 October 2011 %
Total revenue	0%
Advertising revenue	(8)%
Circulation revenue	7%
Other revenue	6%

Total revenue during the period has been flat year on year with revenue growth of 1% in the 13 weeks to 30 October 2011 offsetting a decline of 3% in the 4 weeks to 31 July 2011.

Divisional revenue performance

Regionals

For our Regionals division, circulation revenues fell by 3% for the period reflecting an improvement in the level of volume trend declines and the benefit of cover price increases. Advertising revenues fell by 7% for the period with display falling by 3% and classified falling by 10%. Whilst overall recruitment advertising has fallen by 9% during the period we achieved growth in digital recruitment advertising revenues. Property, motors and other classified advertising revenues fell by 8%, 16% and 11% respectively. Other revenues fell by 2% reflecting increased revenues from contract publishing for football clubs more than offset by declines in leaflets and other publishing revenues.

Digital revenues have grown by 3% for the period with advertising revenues increasing by 2% and other revenues by 10%.

Nationals

For our Nationals division, circulation revenues increased by 10% for the period. Our Sunday titles have made significant year on year volume gains in the period with the Sunday Mirror up 61%, The People up 58% and the Sunday Mail up 5%. Our national daily titles year on year volume performance was also ahead of market trends. There were no cover price increases during the period. Whilst advertising revenues declined by 10% for the period, we continue to broadly maintain advertising volume market share for our national newspapers. Other revenues have increased by 10% reflecting increased contract print revenues.

Digital revenues increased by 1% for the period. The increase in digital revenues reflects strong growth in advertising revenues increasing by 33% largely offset by declines in other revenue, in particular Bingo revenues.

Financing

On 24 October 2011 the Group repaid £145.4 million of maturing private placement loan notes. This repayment was substantially funded by cash balances with just a £10 million drawing on the otherwise undrawn bank facility.

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

	£m
Net debt as at 3 July 2011*	262
Corporation tax payments	8
Interest payments	3
Other net cash inflows**	(31)
Net debt as at 30 October 2011*	242

* 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 and working capital

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 £21 million to £219 million.

The Group expects to further reduce net debt in the remainder of the year. The £178.5 million bank facility, with £168.5 million remaining undrawn at the end of the period, is committed until June 2013.

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 expected to be in line with previous guidance of around £12 million for the year.

Capital expenditure

The Group continued its investment programme in new systems, infrastructure and revenue driving initiatives during the period and expects total capital expenditure to be in line with previous guidance of around £15 million for the year.

Conference call

Trinity Mirror will be holding a conference call this morning for analysts and investors at 8.00am. The dial-in number is 020 3140 0712. Confirmation code: 307691.

Enquiries:

Trinity Mirror plc

Vijay Vaghela, Group Finance Director

020 7293 3000

Nick Fullagar, Director Corporate Communications

020 7293 3622

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.