

Trinity Mirror plc

04 March 2010

Preliminary Results 2009



Vijay Vaghela
Finance Director



Overview

53 weeks to 3rd January 2010

- Entered 2009 with uncertain and challenging economic environment
- However, we finished 2009 in a strong position with:
 - profit and cash flows ahead of consensus forecasts
 - a strong balance sheet and healthy finance position
 - continue to meet all defined benefit pensions' obligations
 - increased cost cutting measures and implementation of new operating model
 - reduction in cost base of £67.9m and further targeted cost reductions of £20 million for 2010
 - improving rate of decline in revenues
- Whilst we are cautious about 2010, management actions will support profits and maximise value when market conditions improve

Presentation structure

53 weeks to 3rd January 2010

- Summary of Group results
- Revenue trends
- Cost savings, Financing, Pensions, Non-recurring items
- GMG Regionals acquisition
- Divisional performance
- Current trading and Outlook for 2010

Group performance

53 weeks to 3rd January 2010

- Group revenues⁽¹⁾ down 12.4% or £108.4m to £763.3m (2008: £871.7m)
 - advertising revenues fell 22.2% or £94.7m to £331.8m (2008: £426.5m)
 - circulation revenues fell 1.7% or £6.0m to £339.3m (2008: £345.3m)
- Excluding additional week of trading, revenues fell by 13.6% to £753.4m
 - advertising revenues fell 23.0%
 - circulation revenues fell 3.4%
- Revenue decline of £108.4m mitigated by £67.9m fall in costs
- Operating profit^{(1) (2)} fell by £39.8m to £105.4m (2008: £145.2m)
- Excluding additional week of trading, operating profits fell by 30.3% to £101.2m

⁽¹⁾ The additional week in 2009 contributed revenue of £9.9m and operating profit of £4.2m

⁽²⁾ On an adjusted basis as described on slide 52. A reconciliation between the adjusted results and the statutory results is provided on slide 59.

Group performance

53 weeks to 3rd January 2010

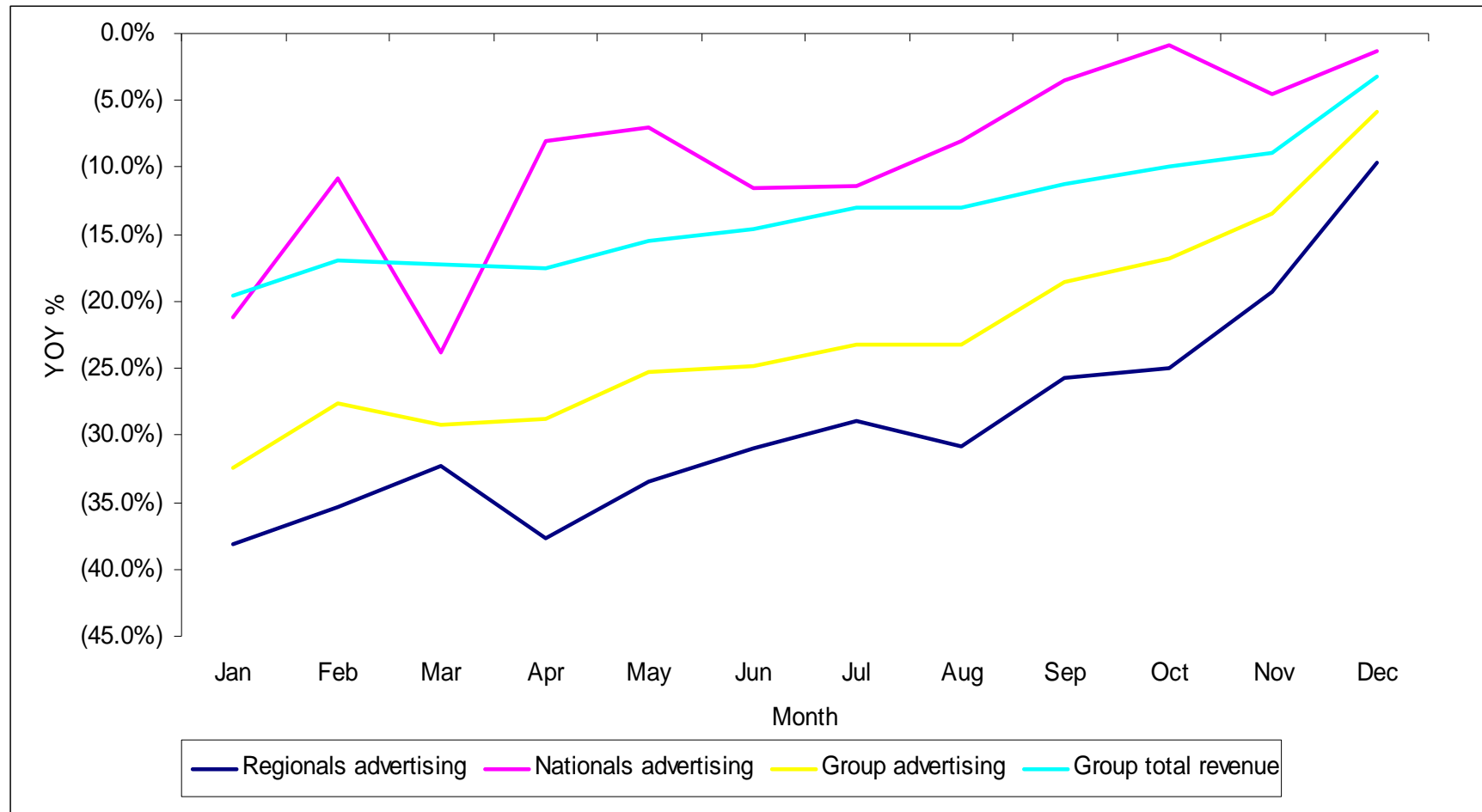
- Profit before tax^{(1) (2)} down 41.5% to £72.7m (2008: £124.2m)
 - in part due to IAS 19 pension finance charge swing of £21.9m from an £11.4m credit to a £10.5m charge
- Earnings per share^{(1) (2)} down 13.4p or 40.1% to 20.0p (2008: 33.4p)
- No final dividend proposed for 2009

⁽¹⁾ The additional week in 2009 contributed revenue of £9.9m and operating profit of £4.2m

⁽²⁾ On an adjusted basis as described on slide 52. A reconciliation between the adjusted results and the statutory results is provided on slide 59.

Revenue trends

Year on year revenue performance - 52 weeks 2009 v 52 weeks 2008



Cost savings

53 weeks to 3rd January 2010

	53 weeks 2009* £m	2008* £m	Change £m	Change %	Impact of 53 rd week £m	Impact of title closures £m	Impact of decreased pension charge £m	Cost reduction £m
Labour	255.6	293.5	37.9	12.9%	0.1	(1.6)	(9.5)	26.9
Newsprint	114.5	115.4	0.9	0.8%	1.8	(1.2)	-	1.5
Depreciation	36.8	38.0	1.2	3.2%	-	-	-	1.2
Other	251.5	279.4	27.9	10.0%	3.8	(5.4)	-	26.3
Total costs	658.4	726.3	67.9	9.3%	5.7	(8.2)	(9.5)	55.9

- Cost down £67.9m
- £40m of structural cost savings and £8.2 million due to title closures is a permanent reduction in the cost base

*On an adjusted basis

Financing

53 weeks to 3rd January 2010

Net debt on contracted basis ⁽¹⁾	Dec 2009 £m	Dec 2008 £m	Movement £m
US private placement loan notes	(382.1)	(382.1)	-
£178.5m bank facility	-	(10.0)	10.0
Finance leases	-	(10.6)	10.6
Interest rate swaps	(3.1)	(2.1)	(1.0)
Gross debt	(385.2)	(404.8)	19.6
Cash balances	61.2	20.6	40.6
Net debt⁽¹⁾	(324.0)	(384.2)	60.2

- On statutory basis, net debt fell by £48.9m to £299.8m (28th Dec 2008 £348.7m)
- Next debt repayment is £145m of US private placement in October 2011
- Group maintains significant headroom on financial covenants

⁽¹⁾Assuming that the US private placement and related cross currency interest rate swaps are not terminated prior to maturity

Defined benefit pension schemes

53 weeks to 3rd January 2010

	Full Year 2009 £m	Full Year 2008 £m	Change £m
IAS 19 pension charge			
Current service cost	14.6	24.1	9.5
Pension finance charge/(income)	10.5	(11.4)	(21.9)
Income statement charge⁽¹⁾	25.1	12.7	(12.4)

- Full year increase in IAS 19 combined charge is £12.4m, reducing EPS by 3.5p
- Cash funding fell by £57.9m from £90.0m to £32.1m in 2009
 - 2008 cash funding included special contributions of £53.8m

⁽¹⁾Excluding past service costs and non-recurring items

Defined benefit pension schemes

53 weeks to 3rd January 2010

- Defined benefit pension scheme closed to future accrual from 31st March 2010
- Deficit funding payments of around £30m in 2010
- 2010 charge for pension provision to be similar to 2009
- 2010 IAS 19 pension finance charge of £5.5m

Defined benefit pension schemes

53 weeks to 3rd January 2010

	Dec 2009 £m	Dec 2008 £m	Change £m
Assets	1,398.1	1,233.6	164.5
Liabilities	(1,683.1)	(1,378.8)	(304.3)
Asset ceiling	(11.6)	(61.7)	50.1
Deficit	(296.6)	(206.9)	(89.7)

- IAS 19 is not basis upon which pension schemes are funded
- £164.5m increase in assets reflects increase in asset values and cash funding, partially reduced by the payment of benefits
- £304.3m increase in liabilities driven by fall in real discount rate of 1.55% from 3.75% to 2.2%

Non-recurring items

53 weeks to 3rd January 2010

	2009
	£m
Restructuring costs	17.9
Impairment of receivables	6.0
Loss/(profit) on disposal of businesses	2.4
Profit on disposal of land and buildings	(5.1)
Curtailment gain on defined benefit scheme liabilities	(9.9)
Total non-recurring items	11.3

Non-recurring restructuring costs of around £15m expected for 2010

GMG Regionals acquisition

- Contracts exchanged on 9 February and completion scheduled for 28 March 2010
- Cash consideration of £7.4m
- Acquisition includes:
 - 30 newspaper titles and related websites
 - print plant in Reading
 - transfer of GMG printing presses in Oldham plant at no cost
- £3m to £4m relocation cost for MEN offices in Manchester
- In 2009 the business achieved revenues of c.£70m and achieved break even

Regionals division

53 weeks to 3rd January 2010

- Revenues⁽¹⁾ fell 23.5% or £93.1m to £302.9m (2008: £396.0m)
 - Excluding 53rd week revenues fell by 24.1%
 - Advertising revenues fell by 29.5% (29.9% excluding 53rd week trading)
 - declines of 34.5% in H1 and 28.2% in Q3 and 18.5% in Q4 (ex 53rd week)
 - cyclical classified revenues now represent 59% (2008: 66%) of total advertising and 39% (2008: 47%) of total revenues
 - Circulation revenues fell by 6.0%
 - Total digital revenues fell by 18.9% or £7.2m to £30.8m (2008: £38.0m)
 - represent 10% of total revenues and 13% of advertising
 - decline in digital revenues driven by recruitment and property with other digital revenues growing by 38.3%

⁽¹⁾The additional week in 2009 contributed revenue of £2.4m and operating profit of £0.6m

⁽²⁾On an adjusted basis

Regionals division

53 weeks to 3rd January 2010

- £93.1m fall in revenues partially mitigated by cost savings⁽¹⁾⁽²⁾ of £60.8m
- Cost savings⁽¹⁾⁽²⁾ were 18.5% of the 2008 cost base
- Operating profit⁽¹⁾⁽²⁾ down 47.4% or £32.3m to £35.9m (2008: £68.2m)
- Operating margin fell 5.3% to 11.9%

⁽¹⁾The additional week in 2009 contributed revenue of £2.4m and operating profit of £0.6m

⁽²⁾On an adjusted basis

Nationals division

53 weeks to 3rd January 2010

- Revenues more resilient through 2009
- Revenues⁽¹⁾ fell by only 3.2% or £15.3m to £460.4m (2008: £475.7m)
 - Excluding 53rd week revenues fell by 4.8% or £22.8m
 - Advertising revenues fell by 7.8%
 - classified only represents 16.6% (2008: 18.9%) of total advertising
 - declines of 14.4% in H1 and 7.3% in Q3 and 2.3% in Q4 (ex 53rd week)
 - Circulation revenues fell by 0.5%
 - excluding 53rd week circulation fell by 2.2%
 - Other revenues fell by 4.1%
 - Total digital revenues fell by 14.3% to £4.8m (2008: £5.6m)
- Operating profit⁽¹⁾⁽²⁾ down 6.0% or £5.3m to £83.6m (2008: £88.9m)
- Robust operating margin⁽¹⁾⁽²⁾ down only 0.5% to 18.2% (2008: 18.7%)

⁽¹⁾The additional week in 2009 contributed revenue of £7.5m and operating profit of £3.6m

⁽²⁾On an adjusted basis

Current trading

53 weeks to 3rd January 2010

- Cautious about outlook for UK economy, moved into 2010 with:
 - much improved financial position
 - a tight grip on cost base and
 - improved revenue trends
- The revenue performance in January and February 2010 is:-

Year on Year	January	February	January & February
Total Revenues	(3)%	(6)%	(4)%
Advertising	(1)%	(5)%	(3)%
- Regionals	(3)%	(8)%	(6)%
- Nationals	2%	almost flat	1%
Circulation	(6)%	(6)%	(6)%

Outlook

53 weeks to 3rd January 2010

- Advertising revenues expected to decline with:
 - improvement in rate of decline as we progress through the year
 - anticipate month-on-month volatility with limited visibility
 - could flatten year on year in H2 dependent on stability of the UK economy
- Circulation revenues are expected to fall by mid single digits
- Board remains cautious about economic outlook but Group will benefit from:
 - improving advertising trends
 - tight management of costs
 - reduced newsprint prices
 - continued investment in our businesses
- Board anticipates satisfactory performance for 2010

Sly Bailey
Chief Executive



Overview

- We said that '09 would be tough, and it was
- We can't control the economic environment or defy gravity of the ad market
- We have focused relentlessly on what is in our control
 - removing costs
 - driving revenues
 - continuing to invest in developing the business for the longer term to ensure a strong, post recession future

Managing the business through recession

- Declining revenues, inflationary cost pressures, steep increase in newsprint prices
- Put in place an aggressive package of self help measures to significantly reduce our fixed cost base
- Group-wide recruitment and salary freeze
- All areas of discretionary spend have been tightly managed

Managing the business through recession

- Closure of or sale of 30 unprofitable regional titles
- Changes to regional titles' format and frequency
- Closure of 15 regional offices
- Closure of Liverpool print plant
- Smaller portfolio of titles allowed us to re-size management structures
- Overall reduction in headcount across the Group of around 20%
- Actions have helped to protect profits and cash ensuring we come successfully through the downturn

Managing the business through recession

Revenues

- Strategy of diversifying revenues has resulted in a more resilient mix of revenues across the Group
 - non-ad revenues accounted for 57% of total revenues up from 51% in 2008
 - non-classified ad revenue now 58% of total ad revenues up from 50% in 2008
 - these revenues are less influenced by structural issues
- Investment in printing presses has enabled us to win contracts from other publishers
- Trinity Mirror now the largest contract printer of newspapers in the UK
- Contract print revenues are more resilient to business cycle
- Continuing to grow revenues in this area is a key management objective
- Group revenue profile is a better and more resilient mix to build for the future

Regionals

- Regionals business hit hard by recession, with significant pressure on recruitment and property reflecting rising unemployment and fragile housing market
- However, recruitment and property now represent a smaller proportion of regionals ad revenues with a growing proportion of these categories coming from digital
- 2009 recruitment ads: £39.3m, 20% of regional advertising down from 27% in 2008



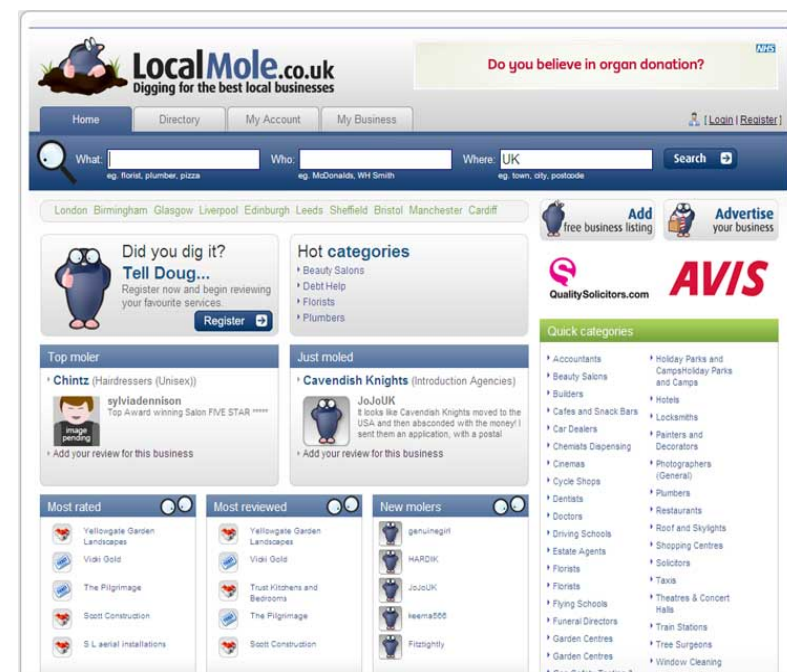
Regionals

- 2009 property ads: £21.4m, 11% of regional advertising down from 14% in 2008
- These categories remain challenging but their impact on overall business is much reduced
- Slowing economy also impacted circulation and other revenues though to a lesser extent



Regionals Digital

- Continue to invest in regionals business
- Extending reach into local markets through launch of new digital products
 - new business directories - LocalMole.co.uk
 - mobile sites
 - social media tools for companion sites to increase interactivity and usage



Regionals Digital

- Digital recruitment and property also hit by downturn
- Excluding recruitment and property, digital revenues grew by 38.3% year on year
- Audience growth driving strong underlying revenue growth
- Average monthly unique users increased by 11% year on year to 7 million per month
- Digital revenue represented 10% of revenues and 18% of operating profit in 2009
- Strong position from which to grow as market conditions improve
- Our combined audience reach across print and digital grew by 5% in 2009*

*Source : JICREG and ARRON

Nationals

- Nationals performed strongly in 2009
- Our titles have a higher proportion of full rate sales than any competitors - 95%
- Ad market remained difficult throughout 2009 however all five titles increased advertising volume market share
- Testament to the strength and appeal of our titles to readers and advertisers



Nationals

- Joint circulation of the Daily Mirror and Daily Record in excess of 1.6 million copies per day on average during 2009
- Readership per issue nearly 4.5 million



Nationals

- Introduced a new look for The People which has improved the circulation trend
- Sunday Mail continued to be biggest selling newspaper in Scotland with 100K more copies than next best-selling title
- Both Scottish newspapers are clear market leaders in readership terms
 - Daily Record reaching 6% more readers than number two title
 - Sunday Mail 68% more readers than next best



Nationals

- Circulation volumes have been under pressure but revenue performance was supported by cover price increases during the year
- Circulation strategy is the appropriate balance of volume, revenue, marketing investment and profit



Nationals Digital



- Average monthly unique users grew by 78% year on year to 9 million
- Over 50% of Mirror Group website users are from the UK
- The highest proportion from within the peer group, a characteristic highly prized by advertisers

New operating model

- Newspaper publishing model had to change
- Required a step change in what and how we publish to significantly and permanently reduce the cost base
- Goal - a more efficient publishing model across all platforms
 - enhance operating margins
 - generate more cash for re-investment
 - deliver better returns for shareholders
- Make working methods more efficient
- Reduce cost but without compromising quality

New operating model

- Replace obsolete and outdated processes
- Detailed analysis of each part of the business – editorial, advertising and production
- Not trying to do the same things with fewer people – fundamentally changing how we publish
- Costs reduced by in excess of £40 million
- Leaner, fitter, business model
- Operationally well equipped to deliver our multi-media strategy
- Highly geared to benefit from any improvement in trading

Charging for online content

- Possible to charge for unique high value content which is difficult for consumers to access elsewhere
- Not possible to successfully charge for general online news content
 - why would a consumer pay when they can get the same thing for free, eg. BBC?
 - consumers always one click away from a number of news sites
 - on-line consumption – multiple news sites
 - consumers feel they have already paid for general web access to content with their broadband connection
- So how do we generate revenue and profit online?
- Starting point driven by what customers want - not what we want

Charging for online content

- Think about customers first – consumers/business
 - what services do they want?
 - what products meet those needs?
 - national or local need?
 - what is the revenue model?
 - who will pay for what.... and how much?
- Our regionals business is developing strong and sustainable digital revenues and profits
- We're publishing a portfolio of regional products which local consumers value and advertisers will pay for
- Regionals have never been a cover price driven model (in print) so we don't have to replicate that online

Charging for online content

- Regionals is an ad-driven business model which works as well online as in print
- Our regionals online model:
 - diversified revenue streams across multiple ad categories
 - low cost base
- Regionals – we know how to make money on-line
- Key challenge – scale:
 - grow digital revenues
 - grow proportion of digital revenues compared to print

Charging for online content

- Regionals digital growth dependent on delivering an attractive and growing audience to advertisers
- No plans to introduce a paywall to regional sites
- Will continue to develop market insight
- Some trials of specific paid on-line content
- Regionals business will remain an ad driven model

Charging for online content

- Nationals model is different
- Cover-price-driven model in print, high cost of content generation, very little classified
- Nationals print model doesn't translate as successfully online
- Needs a different approach
- Role of our Nationals companion websites (ie. mirror.co.uk) is to drive brand awareness at the right cost
- Not on a mindless quest for unique users

Charging for online content

- Based on consumer insight, we're developing new, specific content brands with diversified revenue streams
- Mirrorfootball.co.uk is first example

Mirrorfootball.co.uk

- Multiple revenue streams:
 - gaming and interactive competitions eg. Fantasy football
 - content and section sponsorship
 - e-tailing of merchandise with iconic football photographs from archive
 - display advertising



Mirrorfootball.co.uk

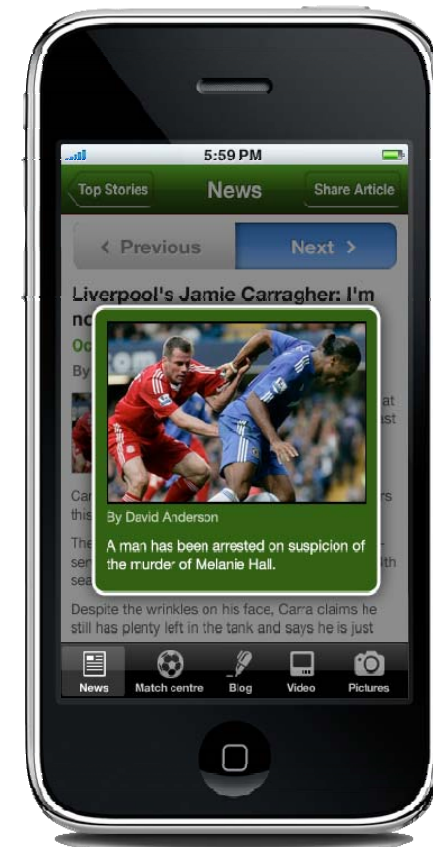
- Passionate, self-defining audience
- Content remains king but we are also exploiting technology to enrich content and further engage our audience
 - real-time interactive match centre
 - live commentary, immediate reaction and real-time betting odds
- Delivers what advertisers want - a truly passionate and engaged audience
- Audience engagement is at the heart of our digital publishing strategy
- Delivering an audience of almost 2 million unique users per month
- Mirrorfootball.co.uk forecast to be profitable in 2010

Mirrorfootball.co.uk

- Mirrorfootball.co.uk is number 14 in the Hitwise football category, ahead of Chelsea FC, the FA and MSN Sport
- Our goal is to achieve a top 10 ranking this year
- Encouraging start

Mirrorfootball.co.uk - iPhone App

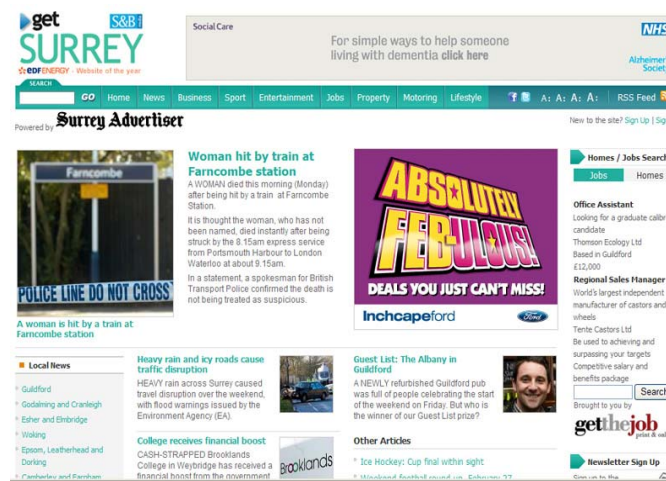
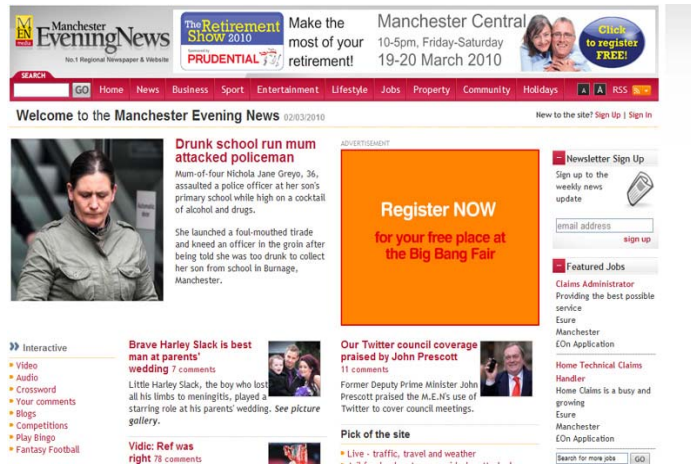
- iPhone app for Mirrorfootball.co.uk website currently in development
- Site is specifically built for the app. A unique portable experience
 - all the best of Mirrorfootball.co.uk
 - breaking news
 - live match tracker
 - club specific news
 - quality video
- Social media tools allows users to comment on articles, send on to friends, publish to Twitter and Facebook
- Paid content
- Ad revenue
- Plans for further apps across the portfolio



Digital

- Consumer-driven approach
- Some opportunities to charge for specific content
- Throwing up a paywall around everything is not the right strategy
- Building a successful digital business is not dependent on a paywall
- Successful digital business
 - strong consumer-driven propositions
 - diversified revenue streams
 - cost base reflects revenues

GMG Regional Media



- A perfect strategic fit for our business
- Increases our reach into new attractive geographies across print and online
- Trusted and well-established brands
- Real opportunities for revenue and profit growth

GMG Regional Media

- Multi-media portfolio, publishing 32 newspapers and associated websites
 - MEN Media publishes 22 titles including flagship Manchester Evening News in the North West
 - S&B Media publishes 10 titles in the South including the Surrey Advertiser and Reading Post



GMG Regional Media

- Clear about characteristics we value in regional media
 - operate well in defined geographical areas
 - strong brands which sit at the heart of their markets
 - strong growth potential across print and digital
 - best in class margin potential
- GMG media has all of these



GMG Regional Media

- Expect to be earnings enhancing in first full year of ownership
- Underlines our commitment to regional media
- Expect to achieve similar margin to the rest of our regionals portfolio in the short to medium term
- Acquisition does not include Channel M
- Take ownership from March 28th

In conclusion

- Resilience of brands and commitment of staff ensured delivery of profits ahead of expectations
- Continued to manage cost base tightly, this coupled with our more resilient circulation revenues played a crucial role in supporting profits
- Reaping benefits of investment in cutting edge IT systems and implementation of new operating model
- Strategy of diversifying revenues strengthens and positions the business for cyclical recovery and digital growth
- Decisive management action coupled with appropriate investment
- Trinity Mirror will emerge from the downturn, profitable and cash generative – modernised, leaner, fitter and growing

Appendices



Financial Summary

Income statement

53 weeks to 3rd January 2010

	53 weeks ⁽¹⁾		53 weeks ⁽¹⁾	
	2009	2008	2009	2008
	Statutory	Statutory	Adjusted ⁽²⁾	Adjusted ⁽²⁾
	£m	£m	£m	£m
Group revenue	763.3	871.7	763.3	871.7
Operating profit/(loss)	87.0	(88.4)	105.4	145.2
Adjusted operating profit	105.4	145.2	105.4	145.2
Non-recurring items	(11.3)	(226.3)	-	-
Amortisation of intangibles	(7.1)	(7.3)	-	-
Profit/(loss) before taxation	42.0	(73.5)	72.7	124.2
Operating profit/(loss)	87.0	(88.4)	105.4	145.2
Investment revenues	0.2	4.0	0.2	4.0
Finance costs	(34.7)	(0.5)	(22.4)	(36.4)
Pension finance (charge)/credit	(10.5)	11.4	(10.5)	11.4
Earnings per share pence				
Earnings/(loss) per share – statutory	11.5	(22.6)		
Earnings per share – adjusted⁽²⁾			20.0	33.4

⁽¹⁾The additional week in 2009 contributed revenue of £9.9m and operating profit of £4.2m

⁽²⁾On an adjusted basis – adjusted items relate to the exclusion of non-recurring items of £11.3m (2008: £226.3m including £190.0m impairment of the carrying value of publishing rights and titles of regional newspapers in the Midlands and the South), 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 59.

Financial Summary

Analysis of revenue by segment and type
53 weeks to 3rd January 2010

	53 weeks ⁽¹⁾ 2009 £m	52 weeks 2009 £m	2008 £m	53 weeks 09 v 08 change %	52 weeks 09 v 08 change %
Circulation	339.3	333.6	345.3	(1.7)%	(3.4)%
Advertising	331.8	328.4	426.5	(22.2)%	(23.0)%
Other revenues	92.2	91.4	99.9	(7.7)%	(8.5)%
Total revenue	763.3	753.4	871.7	(12.4)%	(13.6)%

	53 weeks ⁽¹⁾ Group Total £m	% of total	53 weeks Regionals £m	% of total	53 weeks Nationals £m	% of total
Circulation	339.3	44.5%	72.5	23.9%	266.8	57.9%
Advertising	331.8	43.4%	198.9	65.7%	132.9	28.9%
Other	92.2	12.1%	31.5	10.4%	60.7	13.2%
Total revenue	763.3		302.9		460.4	
% of total			39.7%		60.3%	

⁽¹⁾The additional week in 2009 contributed revenue of £9.9m

Financial Summary

Digital revenues

53 weeks to 3rd January 2010

	53 weeks ⁽¹⁾ 2009 £m	2008 £m	Change %
Regionals			
Advertising	26.5	35.3	(24.9)%
Other	4.3	2.7	59.3%
Total	30.8	38.0	(18.9)%
Nationals			
Advertising	2.5	2.8	(10.7)%
Other	2.3	2.8	(17.9)%
Total	4.8	5.6	(14.3)%
Group			
Advertising	29.0	38.1	(23.9)%
Other	6.6	5.5	20.0%
Total	35.6	43.6	(18.3)%

⁽¹⁾The additional week in 2009 contributed nil to digital revenue

Financial Summary

Quarterly revenue trends – year on year change
53 weeks to 3rd January 2010

	Q1	Q2	Q3	14 weeks Q4	13 weeks Q4
Advertising	(29.7)%	(26.2)%	(21.4)%	(8.5)%	(12.1)%
Circulation	(3.4)%	(4.9)%	(3.2)%	5.1%	(1.9)%
Other	(10.9)%	(8.2)%	(8.0)%	(3.9)%	(6.8)%
Group revenue	(17.9)%	(15.8)%	(12.3)%	(2.4)%	(7.3)%
Total Regionals advertising	(35.1)%	(33.9)%	(28.2)%	(16.5)%	(18.5)%
Total Nationals advertising	(19.1)%	(8.9)%	(7.3)%	3.8%	(2.3)%

Financial Summary

Half yearly revenue trends – year on year change
53 weeks to 3rd January 2010

	H1	27 weeks H2	26 weeks H2	53 weeks FY	52 weeks FY
Advertising	(28.0)%	(15.1)%	(16.8)%	(22.2)%	(23.0)%
Circulation	(4.2)%	0.8%	(2.6)%	(1.7)%	(3.4)%
Other	(9.7)%	(5.9)%	(7.4)%	(7.7)%	(8.5)%
Group revenue	(16.9)%	(7.4)%	(9.8)%	(12.4)%	(13.6)%
Regionals advertising	(34.5)%	(22.8)%	(23.7)%	(29.5)%	(29.9)%
Nationals advertising	(14.4)%	(1.4)%	(4.6)%	(7.8)%	(9.4)%
Group digital total revenue included in above	(16.6)%	(19.9)%	(19.9)%	(18.3)%	(18.3)%

Financial Summary

Analysis of revenue, operating profit and margin by segment
53 weeks to 3rd January 2010

	53 weeks ⁽¹⁾		
	2009	2008	Change
	£m	£m	%
Regionals division	302.9	396.0	(23.5)%
Nationals division	460.4	475.7	(3.2)%
Total revenue	763.3	871.7	(12.4)%
Regionals division	35.9	68.2	(47.4)%
Nationals division	83.6	88.9	(6.0)%
Central costs	(14.6)	(11.7)	(24.8)%
Associates	0.5	(0.2)	350.0%
Total operating profit⁽²⁾	105.4	145.2	(27.4)%
Regionals division	11.9%	17.2%	(5.3)%
Nationals division	18.2%	18.7%	(0.5)%
Total operating margin⁽²⁾	13.8%	16.7%	(2.9)%

⁽¹⁾The additional week in 2009 contributed revenue of £9.9m and operating profit of £4.2m

⁽²⁾Adjusted basis

Financial Summary

Operating costs

53 weeks to 3rd January 2010

Adjusted basis	53 weeks 2009 £m	52 weeks 2009 £m	52 weeks 2008 £m	53 week change %	52 week change %
Labour	255.6	255.5	293.5	12.9%	12.9%
Newsprint	114.5	112.7	115.4	0.8%	2.3%
Depreciation	36.8	36.8	38.0	3.2%	3.2%
Other	251.5	247.7	279.4	10.0%	11.3%
Total operating costs	658.4	652.7	726.3	9.3%	10.1%

Financial Summary

Reconciliation of statutory results to adjusted results

53 weeks to 3rd January 2010

	Statutory results £m	Non- recurring items (a) £m	Amortisation (b) £m	Finance costs (c) £m	Tax legislation changes (d) £m	Adjusted results £m
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
2008						
Revenue	871.1	-	-	-	-	871.1
Operating (loss)/profit	(88.4)	226.3	7.3	-	-	145.2
(Loss)/profit before tax	(73.5)	226.3	7.3	(35.9)	-	124.2
(Loss)/profit after tax	(59.1)	159.3	5.3	(25.9)	7.7	87.3
(Loss)/earnings per share (p)	(22.6)	61.0	2.0	(9.9)	2.9	33.4

(a) Details of non-recurring items are set out on slide 12

(b) Amortisation of other intangible assets

(c) Impact of the translation of foreign currency borrowings and fair value changes on derivative financial instruments

(d) In 2008, tax legislation changes related to the impact of the phasing out of Industrial Building Allowances

Financial Summary

Balance sheet

at 3rd January 2010

	3 rd Jan 2010 £m	28 th Dec 2008 £m	Movement £m
Non-current assets	1,458.8	1,512.6	(53.8)
Current assets	162.7	149.8	12.9
Total assets	1,621.5	1,662.4	(40.9)
Non-current liabilities			
Borrowings	(355.0)	(388.3)	33.3
Obligations under finance leases	-	(7.6)	7.6
Retirement benefit obligations	(296.6)	(206.9)	(89.7)
Deferred tax liabilities	(318.8)	(325.4)	6.6
Long term provisions	(7.2)	(10.6)	3.4
Derivative financial instruments	(2.9)	-	(2.9)
Total non-current liabilities	(980.5)	(938.8)	(41.7)
Current liabilities	(151.8)	(188.9)	37.1
Total liabilities	(1,132.3)	(1,127.7)	(4.6)
Net assets	489.2	534.7	(45.5)

Financial Summary

Net debt - statutory

53 weeks to 3rd January 2010

	28 th Dec 2008 £m	Cash flow £m	Income statement £m	Loans repaid £m	Other non-cash changes £m	3 rd Jan 2010 £m
Non-current liabilities						
Loan notes	(388.3)	-	33.3	-	-	(355.0)
Derivative financial instruments	-	-	(2.9)	-	-	(2.9)
Finance leases	(7.6)	-	-	7.6	-	-
	(395.9)	-	30.4	7.6	-	(357.9)
Current liabilities						
Bank facility	(10.0)	-	-	10.0	-	-
Derivative financial instruments	(2.1)	-	(1.0)	-	-	(3.1)
Finance leases	(3.0)	-	-	2.2	0.8	-
	(15.1)	-	(1.0)	12.2	0.8	(3.1)
Non-current assets						
Derivative financial instruments	41.7	-	(41.7)	-	-	-
	41.7	-	(41.7)	-	-	-
Current assets						
Cash and cash equivalents	20.6	40.6	-	-	-	61.2
Net debt	(348.7)	40.6	(12.3)	19.8	0.8	(299.8)

Financial Summary

Net debt – contracted⁽¹⁾

53 weeks to 3rd January 2010

	28 th Dec 2008 £m	Cash flow £m	Income statement £m	Loans repaid £m	Other non-cash changes £m	3 rd Jan 2010 £m
Non-current liabilities						
Loan notes	(382.1)	-	-	-	-	(382.1)
Finance leases	(7.6)	-	-	7.6	-	-
	(389.7)	-	-	7.6	-	(382.1)
Current liabilities						
Bank facility	(10.0)	-	-	10.0	-	-
Derivative financial instruments	(2.1)	-	(1.0)	-	-	(3.1)
Finance leases	(3.0)	-	-	2.2	0.8	-
	(15.1)	-	(1.0)	12.2	0.8	(3.1)
Current assets						
Cash and cash equivalents	20.6	40.6	-	-	-	61.2
Net debt	(384.2)	40.6	(1.0)	19.8	0.8	(324.0)

⁽¹⁾Assuming that the private placement loan notes and the cross-currency interest rate swaps are not terminated prior to maturity

Financial Summary

Reconciliation of statutory net debt to contracted net debt
at 3rd January 2010

	3 rd Jan 2010 £m	28 th Dec 2008 £m
Statutory net debt	(299.8)	(348.7)
Loan notes at period end exchange rate	355.0	388.3
Loan notes at swapped exchange rates	(382.1)	(382.1)
Cross-currency interest rate swaps	2.9	(41.7)
Contracted net debt	(324.0)	(384.2)

Financial Summary

Financial covenants
at 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

Financial Summary

Defined benefit pension schemes assets and liabilities
at 3rd January 2010

	3 rd Jan 2010 £m		28 th Dec 2008 £m	
Net scheme liabilities				
Present value of defined benefit obligations	(1,683.1)		(1,378.8)	
Fair value of scheme assets	1,398.1		1,233.6	
Effect of asset ceiling	(11.6)		(61.7)	
Scheme deficits included in non-current liabilities	(296.6)		(206.9)	
		%		%
Fair value of scheme assets				
UK equities	290.2	21%	250.1	20%
US equities	76.4	5%	66.1	5%
Other overseas equities	227.2	16%	183.1	15%
Total equities	593.8	42%	499.3	40%
Property	3.1	0%	3.7	0%
Corporate bonds	461.0	33%	361.3	29%
Fixed interest gilts	31.0	2%	63.4	5%
Index-linked gilts	177.4	13%	169.8	14%
Cash	131.8	9%	136.1	11%
Total non equities	804.3	58%	734.3	60%
Fair value of scheme assets	1,398.1	100%	1,233.6	100%

Regionals Division

Regionals division performance

53 weeks to 3rd January 2010

	53 weeks ⁽¹⁾ 2009 £m	2008 £m	Change %
Advertising	198.9	282.3	(29.5)%
Circulation	72.5	77.1	(6.0)%
Other	31.5	36.6	(13.9)%
Total revenue	302.9	396.0	(23.5)%
Operating profit ⁽²⁾	35.9	68.2	(47.4)%
Margin ⁽²⁾	11.9%	17.2%	(5.3)%

⁽¹⁾The additional week in 2009 contributed revenue of £2.4m and operating profit of £0.6m

⁽²⁾Adjusted basis

Regionals Division

Analysis of advertising revenue
53 weeks to 3rd January 2010

Advertising by category	52 weeks	% of total	2008	% of total	Change yoy
	2009 £m				
Display	81.1	41.0%	96.0	34.0%	(15.5)%
Recruitment	39.3	19.9%	76.1	27.0%	(48.4)%
Property	21.4	10.8%	39.2	13.9%	(44.7)%
Motors	12.4	6.3%	18.2	6.4%	(31.7)%
Other classified	43.6	22.0%	52.8	18.7%	(17.3)%
Total classified	116.7	59.0%	186.3	66.0%	(37.2)%
Total net advertising	197.8	100.0%	282.3	100.0%	(29.9)%

Nationals Division

Nationals division performance

53 weeks to 3rd January 2010

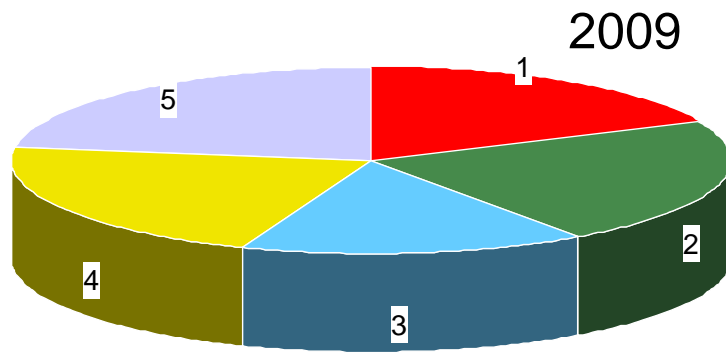
	53 weeks ⁽¹⁾ 2009 £m	2008 £m	Change %
Circulation	266.8	268.2	(0.5)%
Advertising	132.9	144.2	(7.8)%
Classified	22.1	27.3	(19.0)%
Other	110.8	116.9	(5.2)%
Other	60.7	63.3	(4.1)%
Total revenue	460.4	475.7	(3.2)%
Operating profit ⁽²⁾	83.6	88.9	(6.0)%
Margin ⁽²⁾	18.2%	18.7%	(0.5)%

⁽¹⁾The additional weeks trading in 2009 contributed revenue of £7.5m and operating profit of £3.6m

⁽²⁾Adjusted basis

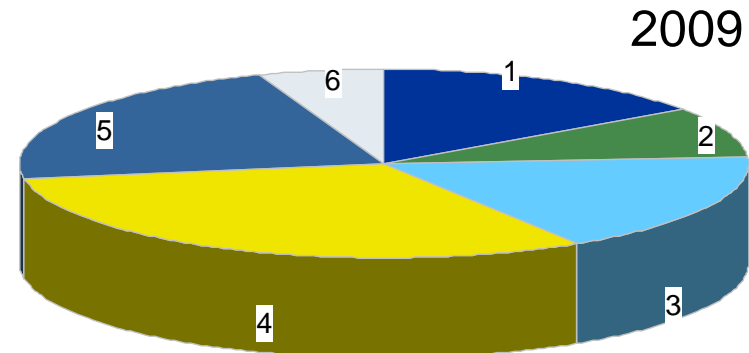
UK Nationals

Newspaper advertising market share (volumes)
53 weeks to 3rd January 2010



Dailies

	2009	2008
1 Mirror	18.0%	17.3%
2 Sun	22.2%	21.0%
3 Star	15.5%	16.2%
4 Mail	21.6%	23.3%
5 Express	22.7%	22.2%



Sundays

	2009	2008
1 Sunday Mirror	15.2%	13.9%
2 People	8.7%	7.5%
3 News of the World	17.1%	14.7%
4 Mail on Sunday	31.4%	36.6%
5 Sunday Express	22.0%	21.1%
6 Daily Star Sunday	5.6%	6.2%

Scottish Nationals

Newspaper advertising market share (volumes)⁽¹⁾
53 weeks to 3rd January 2010

Dailies

	2009	2008
Daily Record	12.3%	10.7%

Sundays

	2009	2008
Sunday Mail	29.9%	27.0%

⁽¹⁾Share of Scottish market