

13 November 2008

TRINITY MIRROR PLC
INTERIM MANAGEMENT STATEMENT
17 weeks ending 26 October 2008

Trinity Mirror plc is today issuing an Interim Management Statement covering the 17 weeks of trading to 26 October 2008 ('the period') and describes the Group's financial position and performance during the period, updated to the latest practicable date.

Outlook

In line with the worsening economy and the impact it has had on the advertising market, trading conditions have continued to deteriorate since the half year, with rates of decline accelerating in all advertising categories. Digital revenues continue to grow, though at a slower rate. In addition, the reduction in consumer discretionary spend is having a marginal impact on circulation revenues. In view of these uncertain market conditions we expect trading to remain challenging and therefore remain cautious about prospects for the remainder of 2008 and for 2009.

In response the Group is taking a series of measures to drive efficiencies through re-engineering and reducing costs. We will deliver annualised cost savings of £25 million in 2008 being £5 million ahead of target. In addition incremental cost savings of at least £20 million will be delivered in 2009. The Group continues to trade within its borrowing facilities, has concluded the bulk of its capital investment in new colour presses and has also reached agreement with the Mirror Schemes pension trustees with no increase in the schedule of contributions. The Board anticipates performance for the year to be in line with expectations.

Revenue performance

Revenue performance in the 17 weeks to 26 October 2008 and 43 weeks to 26 October 2008 ('the year to date') on an actual and underlying basis was as follows:

Year on Year Change	17 weeks to 26 October 2008		43 weeks to 26 October 2008	
	Actual* %	Underlying* %	Actual* %	Underlying* %
Group revenue	(11.4)	(12.8)	(5.4)	(7.7)
Advertising	(19.4)	(20.1)	(11.3)	(12.2)
Circulation	(5.0)	(5.0)	(2.9)	(2.9)
Other	5.9	(3.2)	19.2	(1.0)
Group digital revenue**	15.5	5.0	29.2	16.1

* Actual includes acquisitions completed in 2007 and 2008 and service contracts in respect of the disposed businesses but excludes the disposals completed in 2007. Underlying includes the impact of acquisitions completed in 2007 and 2008 as if they had been owned by the Group in the current and corresponding period and excludes revenue from the service contracts in respect of the disposed businesses.

** Digital revenues are included in advertising and other revenues.

Group revenues for the year to date fell by 5.4% and for the period fell by 11.4%.

Group advertising revenues in the year to date have fallen by 11.3% reflecting a decline of 6.1% for the first half and 19.4% for the period. On an underlying basis, Group advertising revenues have fallen by 12.2% year to date with a fall of 7.2% for the first half and 20.1% for the period.

For our Regionals division advertising revenues have fallen by 12.0% year to date reflecting a decline of 6.0% for the first half and 21.2% for the period. On an underlying basis, advertising revenues have fallen by 13.3% year to date with a fall of 7.5% for the first half and 22.2% for the period. By category the actual performance for the period was display down 11.6%, recruitment down 26.6%, property down 42.6%, motors down 26.8% and other classified categories were down 6.3%. On an underlying basis the decline in recruitment and property advertising for the period was 27.0% and 46.4% respectively.

For our Nationals division advertising revenues have fallen by 9.9% year to date. This reflects a decline of 6.5% for the first half and 15.4% for the period.

Group circulation revenues have fallen by 2.9% year to date with a decline of 3.8% for the Regionals and 2.7% for the Nationals. Circulation volumes have softened in the period with revenue declines of 5.7% for the Regionals and 4.7% for the Nationals.

Group other revenues have grown by 19.2% year to date, reflecting the benefit of acquisitions and service contracts, in particular printing, to the disposed businesses. On an underlying basis other revenues have fallen by 1.0% year to date with an increase of 0.5% for the first half and a decline of 3.2% for the period.

Group digital revenues have increased by 29.2% year to date with an increase of 26.0% for the Regionals and 55.5% for the Nationals. On an underlying basis Group digital revenues have grown by 16.1% with Regionals growing by 11.9%. As market conditions have deteriorated in the second half we have seen the growth in actual digital revenues slow with increases of 15.5% for the period compared to increases of 40.2% for the first half.

Capital expenditure

We completed the investment in our national presses in the first half, which gives our national and certain regional titles full colour. In September, we also completed the investment required for the 12 year printing contract for the Independent and Independent on Sunday which was secured during 2007. We have now commenced a £7.5 million investment in our Oldham print plant which enables us to transfer the printing of our regional newspapers from Liverpool to Oldham by the end of 2009. This investment will provide improved quality and full colour for our regional newspapers in the North West at a reduced cost.

In addition, we have continued with our programme of developing and modernising our publishing operations across multi-media platforms through investment in key IT systems. The transformation of the editorial, advertising and pre-press systems and processes in the Midlands has been completed.

Despite the increased investment in our Oldham print plant we remain on track for net capital expenditure of approximately £45 million for the year. Having almost completed our major investment in presses, we expect to benefit from a significant reduction in capital expenditure going forward.

Non-recurring

The closure of our Liverpool press site will result in a non cash charge of some £15 million for 2008.

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 £25 million in 2008.

Financing

Net debt has decreased by £14 million since the half year. The key cash flows during the year to date are as follows:

	£m
Net debt as at 30 December 2007	248
Cash flows in the first half	
Share buy back*	102
Acquisitions	5
Pension Contributions**	68
Capital expenditure***	31
2007 final dividend	40
Other cash flows****	(42)
Net debt as at 29 June 2008	424
Cash flows in the period	
Capital expenditure***	20
Other cash flows****	(34)
Net debt as at 26 October 2008	410

* The £175 million share buy-back was cancelled in the first half

** Includes special pension contribution of £54 million and ongoing pensions funding in excess of IAS 19 operating profit charge

*** Net capital expenditure for the full year is expected to be approximately £45 million with gross capital expenditure of £65 million being off-set by £20 million from the disposal of land and buildings expected to be received in December 2008

**** Operating cash flows, tax, interest, working capital

£20 million of cash and a £5 million guarantee drawing have been made from the Group's £210 million bank facility with undrawn committed facilities of £185 million.

During the period, the Group repaid, as planned, £61 million of the 2001 US private placement. This repayment was funded through a £20 million drawing on the bank facility and cash balances.

There are no further material repayments on the Group borrowing due until October 2011.

Pensions

During the period the actuarial valuations of the Mirror Schemes were completed with no changes in the schedule of contributions that were agreed at the previous valuation in 2005.

Acquisitions

No significant acquisitions were completed in the period. The acquisitions of The Career Engineer Limited and Rippleffect Studio Limited were completed in the first half of 2008.

Portfolio

We continue to actively manage our portfolio by launching new online brands to increase our audience reach. However, against the background of a challenging advertising environment we have announced the closure of 17 newspaper titles since the half year. This is in addition to 11 newspaper titles closed in the first half.

Intangible Assets

In accordance with IAS 36 "Impairment of Assets" we will review the carrying value of our intangible assets as part of our normal year end results procedures. In view of the further deterioration in the advertising environment this may result in an accounting adjustment to the carrying value of our intangible assets. There would be no cash impact arising from such an adjustment.

Conference call

Trinity Mirror will be holding a conference call this morning for analysts and investors at 8.15am. For dial in details please contact Nick Fullagar, Director Corporate Communications on 020 7293 3622 or nick.fullagar@trinitymirror.com

Enquiries

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