

■ ■ ■ ■ ■ BRINGING INFORMATION TO LIFE



2000

# preliminary results presentation



15 m arch 2001

Trinity Mirror plc

# Preliminary results

Trinity Mirror plc

## Presentation overview

- Sir Victor Blank, Chairman
- Philip Graf, Chief Executive
- Margaret Ewing, Group Finance Director



- regional newspapers +12% operating profit
- national newspapers +7.1% operating profit
- repositioning of digital strategy – expenditure down from £150m to £90m over 3 years
- senior management changes underpin future development
- strong start to 2001



## Sir Victor Blank, Chairman

Trinity Mirror plc

### Growth commitment

“The Group has performed well - but solid, reliable performance never has been and never will be enough. The Board and management team are working to deliver real growth as well as reliable performance”



 **GROUP PERFORMANCE OVERVIEW**



# Preliminary results

Trinity Mirror plc

## “Like-for-like” results

- 2000 “statutory”, 1999 “statutory” and “pro forma”
- investment in digital media and Metro titles
- Belfast Telegraph sold 30 July 2000
- Southnews acquired 28 November 2000



# Preliminary results

Trinity Mirror plc

## Financial highlights – pre digital media earnings

52 weeks to 31 December 2000

- group turnover growth 5.2%
- group operating profit increased 8.9%
- operating margin improved from 21.3% to 22.1%
- before exceptional items
  - PBT increased 12.2% to £196.4m
  - EPS grew 8.8% to 48.4p



# Preliminary results

Trinity Mirror plc

## Financial highlights – post digital media earnings

52 weeks to 31 December 2000

- net digital media investment of £42.3m
- post digital media, pre exceptional items EPS 38.0p
- exceptional profit (pre tax) £161.2m
- dividend up 10% to 17.6p





# Preliminary results

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## Consolidated net assets

	31 December 2000 £m	2 January 2000 £m
<b>Fixed assets</b>		
Intangible	2,018.4	1,768.1
Other	420.3	444.5
	<b>2,438.7</b>	<b>2,212.6</b>
Net debt	(768.2)	(778.5)
Other net liabilities	(167.3)	(150.4)
<b>Net assets</b>	<b>1,503.2</b>	<b>1,283.7</b>
Gearing	51.1%	60.6%



# Preliminary results

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## Strong cash flow

52 weeks to 31 December

	2000 £m
<b>Net cash flow from operations</b>	<b>219.9</b>
Capital expenditure	(37.5)
Acquisitions and disposals	(105.8)
Other cash outflows	(121.9)
<b>Net cash outflow (before financing)</b>	<b>(45.3)</b>
Cash conversion	100.9%
Cash interest cover	4.5
Profit interest cover	4.3



     **OPERATIONS** OVERVIEW



# Operations overview

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## Improved performance

	Growth 00/99 %	Growth 99/98 %
<b>Operating profit:</b>		
Regional newspapers	12.1%	1.7%
National newspapers	7.1%	(0.9%)
Sports newspapers	57.7%	26.8%



# Regional newspapers

Trinity Mirror plc

## Revenue and profit improvement

52 weeks to 31 December



# Regional newspapers

Trinity Mirror plc

## Southnews

- considerable progress in achieving £4m cost savings by December 2001
- management and operational structures changed to consolidate TNS / Southnews into Trinity Mirror Southern



# Regional newspapers

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## Metro

- publish in Birmingham and Newcastle throughout year
- Morning News ceased publication in Newcastle in December 2000
- Scottish Metro launched January 2001
- titles to break even within 3 years from launch

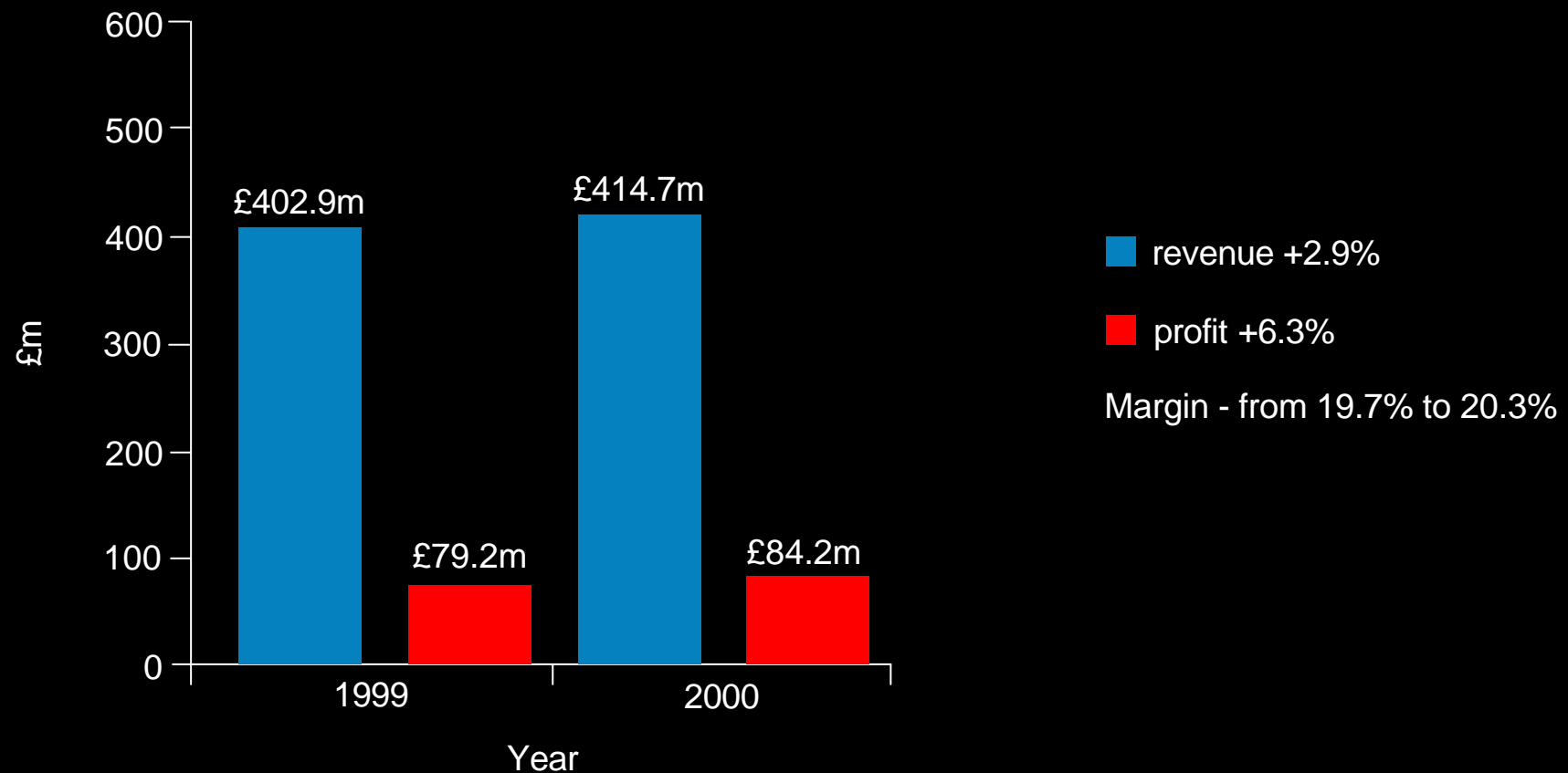


# UK national newspapers

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## Revenue and profit improvement

52 weeks to 31 December



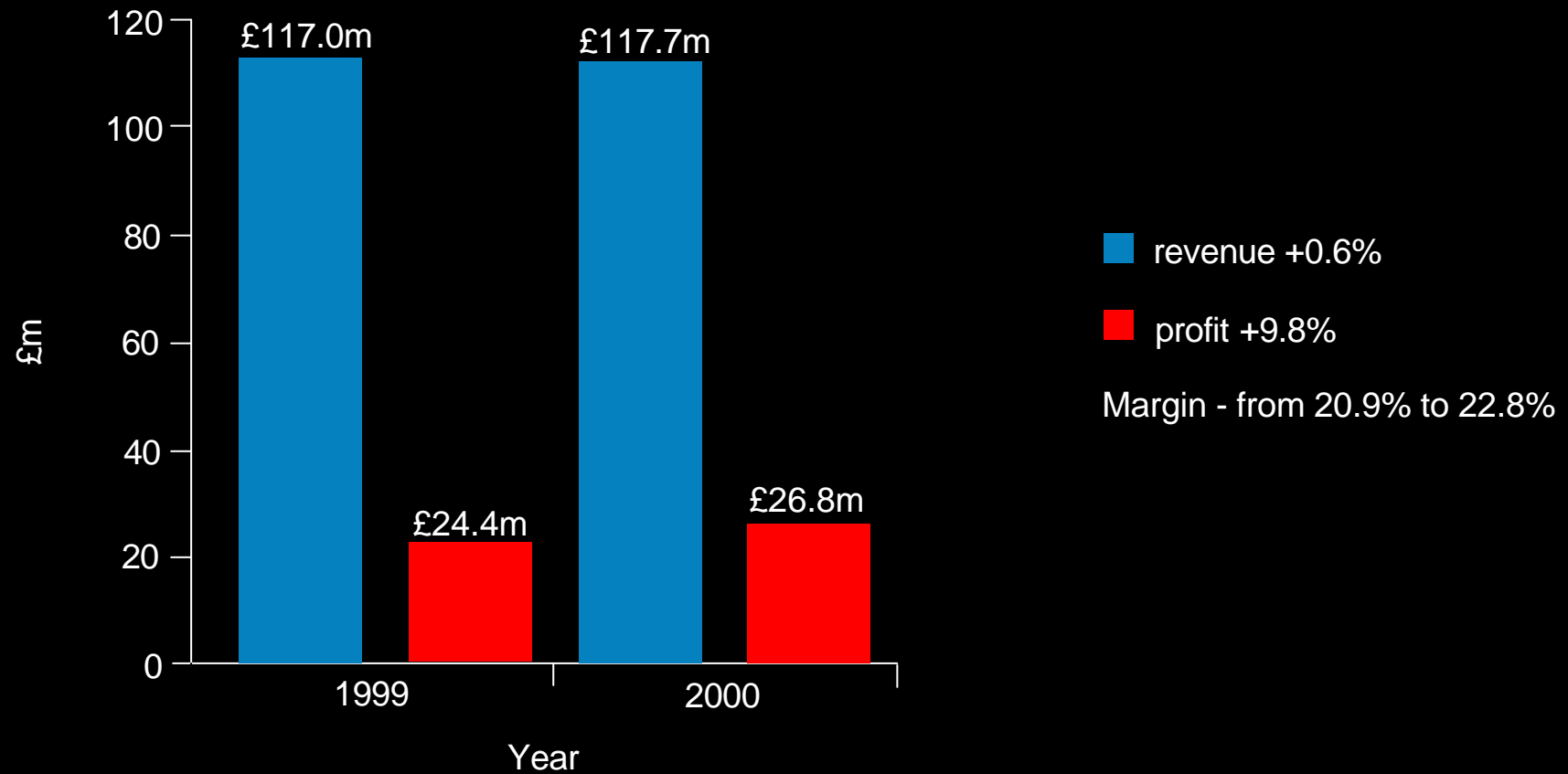


# Scottish national newspapers

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## Revenue and profit improvement

52 weeks to 31 December



# Sports newspapers

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## Revenue and profit improvement

52 weeks to 31 December 2000

- 56.4% improvement in operating profit
- impact of current “foot and mouth” crisis
- Budget and “Go Racing” are positive news



# Digital media

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## Net cost of investment

52 weeks to 31 December 2000

	£m
Revenues	2.5
Costs	44.8
Net costs	42.3



# Preliminary results

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     **TRADING**OUTLOOK



# Trading outlook

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## 2001 outturn

- 12% newsprint price increase
- improved national retail and continued strong recruitment advertising in the last 3 - 4 months
- Board confident of satisfactory full year outturn, given current economic climate



# Operational approach 2001

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## Regional newspapers

- develop best practice and benchmarking
- strengthen cluster approach
- develop digital strategy



# Operational approach 2001

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## National newspapers

- refocus marketing effort
- review and develop brand marketing
- develop advertising approach
- complete and implement Sunday market review



# Operational approach 2001

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## Digital

- align ic network with regional newspaper business
- use content to enhance national newspaper sites
- develop ic brand, technology and content





# Operational approach 2001

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## Group

- continue review of cost base
- continue systems improvement
- dispose of non-core assets



# Preliminary results

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 **FUTUREPOTENTIALOFGROUP**



# Future potential of Group

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## Base for future growth

- demonstrated ability to grow business profitably
- strong management team
- efficient internal operations
- good results

Therefore, established strong platform for future growth



# Future potential of Group

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## Performance improvement

- new management approach to regional newspapers
- national newspapers – prudent and robust strategy to deliver value
- combining offline and online assets by expanding services to local and national communities
- strengthen and expand relationships with consumers and businesses
- refocus technology investment
- take advantage of our scale

