Trinity Mirror plc

26 February 2009

Preliminary Results 2008

Vijay Vaghela,
Finance Director

Presentation structure

52 weeks to 28th December 2008

- Overview
- Group performance
- Net debt and covenants
- Pensions
- Cost management
- Non-recurring items
- Capital expenditure
- Divisional performance
- Current trading and outlook for 2009

Group overview
52 weeks to 28th December 2008

- Rapid slowdown in UK economy during 2008
- Further efficiencies and cost savings to protect profitability
- Cost savings
  - annualised savings of £30 million, ahead of £20 million target
  - increased '09 target by £5 million to £25 million
- Investment
  - major press investment completed
  - continued investment in IT systems and digital
- Group continued to generate cash
- Prudent leverage and secure long term financing
  - provides resilience in current downturn

Group performance
52 weeks to 28th December 2008

- Group revenues[(1) (2)] fell 6.5% or £60.6m to £871.7m (2007: £932.3m)
- Advertising revenues[(1) (2)] fell 12.3% to £426.5m (2007: £486.1m)
- Circulation revenues[(1) (2)] fell 3.4% to £345.3m (2007: £357.6m)
- Operating profit[(1) (2)] fell 22.0% or £40.9m to £145.2m (2007: £186.1m)
- Operating margin[(1) (2)] down 3.3% to 16.7% (2007: 20.0%)
- Earnings per share[(1)] down 12.1p or 26.6% to 33.4p (2007: 45.5p)
- Interim dividend of 3.2p per share with no final dividend

(1) On an adjusted basis – adjusted items relate to the inclusion of discontinued operations and the exclusion of non-recurring items, 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 result and the statutory result is provided on slides 49 and 50.

(2) Retained businesses

Net debt

52 weeks to 28th December 2008

	2008 £m	2007 £m	Movement £m
US private placement loan notes	**(388.3)**	(341.3)	(47.0)
Cross currency interest rate swaps	**41.7**	(103.7)	145.4
£178.5 million bank facility (committed to June 2013)	**(10.0)**	-	(10.0)
Finance leases and other	**(12.7)**	(15.1)	2.4
Gross debt	**(369.3)**	(460.1)	90.8
Net cash balances	**20.6**	211.6	(191.0)
Net debt	**(348.7)**	(248.5)	(100.2)

- Next US private placement loan note repayment is £145m in October 2011
- Excluding £41.7m swaps asset, net debt increased by £141.9m after
  - £102m expended on share buy back
  - £64m funding payments to pension schemes
  - £48m for '07 final and '08 interim dividend

  £214m
- Net debt assuming US private placement and related swaps not cancelled prior to maturity date is £384.2m

Financial covenants

52 weeks to 28th December 2008

	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

Expect to operate comfortably within the levels of financial covenants

Defined benefit pension schemes

52 weeks to 28th December 2008

IAS 19 pension charge	2008 £m	2007 £m	Change £m	Annual Forecast 2009 £m
Current service cost	**24.1**	27.0	(2.9)	16.5
Past service cost	**2.3**	0.8	1.5	-
Finance (income)/charge	**(11.4)**	(12.3)	0.9	10.5
Total income statement charge before non-recurring items	**15.0**	**15.5**	**(0.5)**	**27.0**

- Change in finance costs for 2009 driven by
  - fall in asset values
  - increase in real discount rate on liabilities from 2.5% to 3.75%
  - cash funding fell from £104.8m to £90.0m in 2008 and is expected to be approx £35m in 2009

Defined benefit pension schemes

52 weeks to 28th December 2008

	2008 £m	2007 £m	Change £m
Assets	**1,233.6**	1,458.9	(225.3)
Liabilities	**(1,378.8)**	(1,538.5)	159.7
Asset ceiling	**(61.7)**	(45.2)	(16.5)
Deficit	**(206.9)**	**(124.8)**	**(82.1)**

Fall in assets
- underlying fall in asset values
- partially offset by deficit funding payments

Fall in liabilities reflects
- increase in the real discount rate from 2.5% to 3.75%
- partially offset by strengthening of mortality assumptions

Defined benefit pension schemes

52 weeks to 28th December 2008

- The Group has 10 defined benefit pension schemes

- Over 95% of assets are concentrated in 5 schemes
  - the Trinity scheme (last actuarial valuation completed Sept 2007)
  - the MIN scheme (last actuarial valuation completed June 2008)
  - 3 schemes relating to the former Mirror Group (last actuarial valuation completed Oct 2008)

- No increase in deficit funding payments arising from valuations completed in 2008

Cost management

52 weeks to 28th December 2008

	2008* £m	2007* £m	Change £m	Change %	Inflation impact £m	Digital investment £m	Acq's £m	Newsprint recharges to disposed businesses £m	Impact of decreased pension charge £m	Underlying cost reduction £m
Labour	293.5	306.7	**13.2**	4.3%	(10.0)	(2.2)	(2.7)	-	2.9	**25.2**
Newsprint	115.4	133.6	**18.2**	13.6%	8.0	-	-	(4.4)	-	**14.6**
Depreciation	38.0	36.0	**(2.0)**	(5.6)%	-	-	-	-	-	**(2.0)**
Other	279.4	270.2	**(9.2)**	(3.4)%	(6.8)	(2.3)	(2.7)	-	-	**2.6**
Total costs	**726.3**	**746.5**	**20.2**	**2.7%**	**(8.8)**	**(4.5)**	**(5.4)**	**(4.4)**	**2.9**	**40.4**

*On an adjusted basis, retained businesses only

Investment

52 weeks to 28th December 2008

- £50m net capital expenditure during the year including
  - £24.5m on presses
  - £14.1m on new IT systems
  - £12.2m on buildings
  - partially offset by £4.0m disposal proceeds
- Capital expenditure forecasts
  - expect net capital expenditure of around £25m in 2009
  - post 2009 annualised spend around £15m to £20m per annum

Non-recurring items

52 weeks to 28th December 2008

	2008 £m	2007 £m
Continuing operations:		
Impairment of intangible assets	**190.0**	150.0
Impairment of fixed assets	**14.3**	-
Restructuring costs	**25.1**	10.4
Other	**(3.1)**	(0.1)
Total non-recurring items	**226.3**	**160.3**

Non-recurring restructuring costs of around £15m expected for 2009

Regionals division
52 weeks to 28th December 2008

- Revenues* fell 11.0% or £48.7m to £396.0m (2007: £444.7m)
  - Advertising revenues* fell by 13.6%
    - decline of 6.0% in H1 and 21.7% in H2
  - Circulation revenues* fell by 4.2%
  - Total Digital revenues* increased by 25.0% or £7.6m to £38.0m (2007: £30.4m)
    - represents 9.6% of revenues and 17.4% of operating profits
- Operating profit* down 37.4% or £40.8m to £68.2m (2007: £109.0m)
- Operating margins* down 7.3% to 17.2% (2007: 24.5%)

*On an adjusted basis, retained businesses only

Nationals division

52 weeks to 28th December 2008

- Revenues fell 2.4% or £11.9m to £475.7m (2007: £487.6m)
  - Advertising revenues fell by 9.5%
    - Decline of 6.5% in H1 and 12.7% in H2
  - Circulation revenues fell by 3.2%
  - Other revenues increased by 23.9% (£12.2m)
  - Total digital revenues increased by 43.6% to £5.6m (2007: £3.9m)
- Operating profit* down 5.7% or £5.4m to £88.9m (2007: £94.3m)
- Operating margin* down 0.6% to 18.7% (2007: 19.3%)

*On an adjusted basis

Current trading and outlook for 2009

52 weeks to 28th December 2008

2009 will be a 53 week year - benefit 09 profits by some £3m to £4m

Entered 2009 with an uncertain and difficult outlook for UK economy

Current trading for January and February

- Advertising revenues expected to fall by around 30%
  - Regionals down 37% and Nationals down 16%
- Circulation revenues expected to fall by around 4%

Outlook

- Advertising revenues expected to decline throughout 2009
- Minimal falls in circulation revenues
- Double digit increases in the price of newsprint to be absorbed
- Will manage through downturn to protect profits
- Improved operating efficiency ensures Group best positioned when economy returns to growth

Sly Bailey,
Chief Executive

2008 performance

- Trinity Mirror has performed creditably in difficult conditions
- Operating profits of £145.2m ahead of market forecasts
- Annualised cost savings of £30m – 50% ahead of target
- Continued to generate strong cash flows

Economic climate

- The entire media industry has been adversely impacted by the economic downturn
- Key driver of ad budgets is corporate profitability – when profits are under pressure budgets are cut
- Regional newspapers are quick to feel effects of reduction in ad spend across jobs, property and cars
- Indications are that 09 will be tough
  - prospect of declining consumer spending
  - declining corporate profits
  - rising unemployment
- Opportunity to re-shape the business
  - lower costs
  - a more diverse revenue base
  - cutting edge IT systems driving more efficient publishing
  - multi-platform portfolio

Survival of the fittest

- Media industry in transition but Trinity Mirror is a pioneer of the changes
- We're well positioned to manage our way through these challenging times
- Sold or closed more than 30 unprofitable titles
- Strengthened our balance sheet
- Continue to appropriately fund our pension schemes
- Completed investment in printing presses
- Media fragmentation continues but digital provides many opportunities for new revenues and audiences

Re-engineering the business

- Pressing ahead with technology-led operating model
- Focusing on replacing obsolete processes with more efficient ways of working
- Resulting in lower costs across the business
- Re-thinking the publishing process using digital technology
- Modernising how we publish without compromising quality
- Utilising IT to transform entire publishing process…across editorial, advertising and production
- New systems help us exploit content and advertising across multimedia platforms

Editorial restructuring

- Regionals business undergone substantial restructure of editorial departments
- Scottish Nationals titles announced fully integrated editorial operation
- ‘ContentWatch’ web-based content management system
- System already successfully operating in our Birmingham business
- Traditional five-step publishing process reduced to a leaner, faster three-step process
- Journalists work across a number of titles creating multimedia content for print, online and mobile
- Old five-step editorial process
  - reporter – newsdesk – designer – sub-editor – revise
- New three-step editorial process
  - content creation – multimedia desk – page finishing

Developing our regionals business

- Regional press facing most challenging time in its history
- Focus on maintaining robust position in print while developing strong positions in digital
- Requires strong and decisive portfolio management – right mix of products across print and digital to serve the needs of readers and advertisers and best drive profitability
- Closed unprofitable titles
- Focusing on market-leading newspaper titles, companion and hyperlocal websites and recently launched mobile sites
- Better positioned to weather downturn

Cost savings

- Real barometer of change
- Group target of at least £25m savings in 09
- Announced Group-wide pay freeze for 09
- Introducing a new all-employee bonus scheme for 2009
- Focus on increasing efficiencies across Group has resulted in a reduction in headcount
- Announced 1,200 headcount reduction since beginning of 2008
- Cost management is not jeopardising potential growth opportunities
- Continue to invest to drive revenue growth

Importance of print titles

- Print titles continue to play crucial role in our multi-platform strategy
- Latest Audit Bureau of Circulation figures show national newspapers circulate around 11 million copies every day
- Each week our titles reach up to 40% of UK adult population and in the majority of our regional print markets we reach 70% of all adults

Resilience of print

- Continue to provide mass audience reach in a fragmenting media world
- Delivering advertisers with fast, efficient coverage of their target market
- Print audiences provide the platform for strong and sustainable digital growth
- Circulation revenues more resilient than ad revenues and account for 56% of our Nationals revenue…
- ….and provide protection against the volatility of the ad markets

Non-ad revenues

- £250 million investment in our print plants is driving new revenues across the business
- Completion of investment programme positions us well to win long term contracts
- Contract print revenues provide further resilience against advertising revenues
- Non-ad revenues account for 51% of Group revenue
- Increasing revenues in this area is a strategic objective
- We have been a pioneer of shared services in the industry and this will become increasingly important throughout the downturn

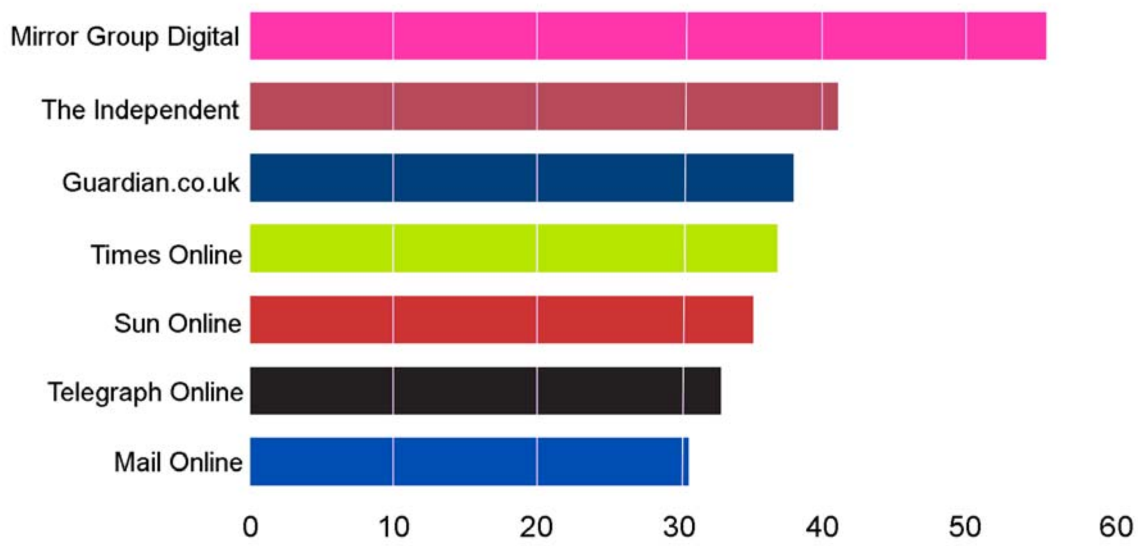
Digital progress

- Group digital revenues grew by 27% in 2008
- Average monthly unique user numbers rose by over 40% to 11.3m per month in '08…
- …and reached 14.2m for the Group in Jan '09, and we expect this to accelerate in 2009
- Right skills to drive growth - recruited an additional 120 digital staff in 2008

Nationals websites UK reach

- Mirror Group websites have highest proportion of UK unique users – 55% against a market average of 35% - and UK audience up 70% in Dec ‘08

Proportion of newspaper website traffic from the UK (%)



Source: ABCe

Driving profitable digital growth

- Digital represented 17.4% of regionals profit in 2008
- Launched 56 newspaper companion sites in 2008
- Launched around 100 hyperlocal and town-specific websites
- New Daily Mirror and Daily Record ‘Cashback’ sites
- Strong digital recruitment portfolio with an estimated 9% of UK online recruitment market by revenue
- Launched range of mobile sites to accompany our national and regional newspaper titles
- Made good progress towards our goals of reaching 24m unique users by 2010 and £100 million of digital revenue by the end of 2011
- Severity of economic downturn will slow digital growth in the near term

Media industry regulation

- Regulatory reform could create important new opportunities for our business
- We have made our views clear on the Government's Digital Britain report
- Continue to believe that consolidation in the regional press is crucial to the future of local media
- Urging Lord Carter to acknowledge importance of regional press in final Digital Britain report
- In active and ongoing dialogue with the Government

Conclusions

- Managing business tightly but not to the detriment of driving revenues
- Reduced fixed cost base to provide further flexibility in challenging economy
- Made good progress towards digital goals of increased revenue and unique user numbers
- Robust balance sheet and no expected changes to pension funding in short term
- Remain cash-generative with minimal CapEx requirement in future
- Times are tough….but our strategy is on course
- Committed to steering ourselves through the downturn to emerge stronger

Appendices

Financial Summary

Income Statement
52 weeks to 28th December 2008

	2008 Statutory continuing operations £m	2007 Statutory continuing operations £m	2008 Adjusted[1] £m	2007 Adjusted[1] £m
Group revenue	**871.7**	**971.3**	**871.7**	**1,009.8**
Retained businesses	871.7	971.3	871.7	932.3
Disposed businesses	-	-	-	77.5
Operating (loss)/profit	**(88.4)**	**29.4**	**145.2**	**208.9**
Retained businesses	145.2	196.0	145.2	186.1
Disposed businesses	-	-	-	22.8
Non-recurring items	(226.3)	(160.3)	-	-
Amortisation of intangibles	(7.3)	(6.3)	-	-
(Loss)/profit before taxation	**(73.5)**	**21.0**	**124.2**	**191.0**
Operating (loss)/profit	(88.4)	29.4	145.2	208.9
Investment revenues	4.0	5.2	4.0	5.2
Finance costs	(0.5)	(25.9)	(36.4)	(35.4)
Pension finance credit	11.4	12.3	11.4	12.3
Earnings per share (p)				
Basic (loss)/earnings per share – continuing	(22.6)	23.3		
Basic earnings per share – discontinued	-	46.6		
Basic (loss)/earnings per share – total	**(22.6)**	**69.9**		
Basic earnings per share – adjusted[1]			**33.4**	**45.5**

[1] Adjusted basis as described on page 4

Financial Summary

Analysis of revenue by type
52 weeks to 28th December 2008

Adjusted[1]	2008 £m	2007 £m	Change %
Circulation	**345.3**	357.6	(3.4)%
Advertising	**426.5**	486.1	(12.3)%
Other revenues	**99.9**	88.6	12.8%
Total revenue	**871.7**	**932.3**	**(6.5)%**

[1] Adjusted basis, retained businesses only

Financial Summary

Analysis of revenue by segment and type
52 weeks to 28th December 2008

Adjusted[1]

	Regionals £m	% of total	Nationals £m	% of total	Group Total £m	% of total
Circulation	77.1	19.5%	268.2	56.4%	**345.3**	39.6%
Advertising	282.3	71.3%	144.2	30.3%	**426.5**	48.9%
Other	36.6	9.2%	63.3	13.3%	**99.9**	11.5%
Total revenue	**396.0**		**475.7**		**871.7**	
% of total	45.4%		54.6%			

[1]Adjusted basis, retained businesses only

Financial Summary

Revenue trends – year on year change
52 weeks to 28th December 2008

Adjusted[1]	**H1**	**H2**	**FY**
Advertising	(6.1)%	(18.7)%	(12.3)%
Circulation	(1.6)%	(5.3)%	(3.4)%
Other	29.5%	0.0%	12.8%
Group revenue	(1.5)%	(11.6)%	(6.5)%
Regionals advertising	(6.0)%	(21.7)%	(13.6)%
Nationals advertising	(6.5)%	(12.7)%	(9.5)%
Group digital revenue included in above	40.2%	16.4%	27.1%

[1] Adjusted basis, retained businesses only

Financial Summary

Operating costs[1]
52 weeks to 28th December 2008

Adjusted[2]	**2008 £m**	**2007 £m**	**Change %**
Labour	**293.5**	306.7	4.3%
Newsprint	**115.4**	133.6	13.6%
Depreciation	**38.0**	36.0	(5.6)%
Other	**279.4**	270.2	(3.4)%
Total operating costs	**726.3**	**746.5**	**2.7%**

[1] Excluding non-recurring items and amortisation

[2] Adjusted basis, retained businesses only

Financial Summary

Balance Sheet
52 weeks to 28th December 2008

	28th December 2008 £m	30th December 2007 £m	Movement £m
Non-current assets	1,512.6	1,651.8	(139.2)
Current assets	149.8	361.0	(211.2)
Total assets	**1,662.4**	**2,012.8**	**(350.4)**
Non-current liabilities			
Borrowings	(388.3)	(294.3)	(94.0)
Obligations under finance leases	(7.6)	(10.7)	3.1
Retirement benefit obligation	(206.9)	(124.8)	(82.1)
Deferred tax liabilities	(325.4)	(366.8)	41.4
Long term provisions	(10.6)	(6.5)	(4.1)
Derivative financial instruments	-	(88.5)	88.5
Total non-current liabilities	(938.8)	(891.6)	(47.2)
Current liabilities	(188.9)	(269.3)	80.4
Total liabilities	**(1,127.7)**	**(1,160.9)**	**33.2**
Net assets	**534.7**	**851.9**	**(317.2)**

Analysis of revenue, operating profit[1] and margin[1] by segment
52 weeks to 28th December 2008

Adjusted[2]	2008 £m	2007 £m	Change %
Regionals division	396.0	444.7	(11.0)%
Nationals division	475.7	487.6	(2.4)%
Total revenue	**871.7**	**932.3**	**(6.5)%**
Regionals division	68.2	109.0	(37.4)%
Nationals division	88.9	94.3	(5.7)%
Central costs	(11.7)	(17.5)	33.1%
Associates	(0.2)	0.3	(166.7)%
Total operating profit[1]	**145.2**	**186.1**	**(22.0)%**
Regionals division	17.2%	24.5%	(7.3)%
Nationals division	18.7%	19.3%	(0.6)%
Total operating margin[1]	**16.7%**	**20.0%**	**(3.3)%**

[1]Excluding non-recurring items and amortisation
[2]Adjusted basis, retained businesses only

Regionals division performance
52 weeks to 28th December 2008

	2008 Statutory(2) & adjusted(3)	2007 Statutory(2)	2007 Adjusted(3)	Change statutory(2)	Change adjusted(3)
	£m	£m	£m	%	%
Advertising	282.3	361.3	326.7	(21.9)%	(13.6)%
Circulation	77.1	82.5	80.5	(6.5)%	(4.2)%
Other	36.6	39.9	37.5	(8.3)%	(2.4)%
Total revenue	396.0	483.7	444.7	(18.1)%	(11.0)%
Operating profit(1)	68.2	118.9	109.0	(42.6)%	(37.4)%
Margin(1)	17.2%	24.6%	24.5%	(7.4)%	(7.3)%

(1)Excluding non-recurring items and amortisation
(2)Statutory continuing operations
(3)Adjusted basis, retained businesses only

Regionals division
Analysis of advertising revenue
52 weeks to 28th December 2008

Adjusted[1] **Advertising by category**	**2008 £m**	**2007 £m**	**Change %**
Display	96.0	103.6	(7.4)%
Recruitment	76.1	90.7	(16.2)%
Property	39.2	53.7	(27.2)%
Motors	18.2	23.5	(22.7)%
Other classified	52.8	55.2	(4.7)%
Total net advertising	**282.3**	**326.7**	**(13.6)%**

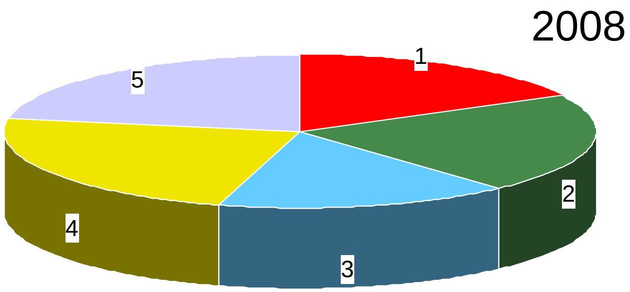
(1)Adjusted basis, retained businesses only

Nationals division performance
52 weeks to 28th December 2008

Nationals division	2008 £m	2007 £m	Change %
Circulation	268.2	277.1	(3.2)%
Advertising	144.2	159.4	(9.5)%
Other	63.3	51.1	23.9%
Total revenue	475.7	487.6	(2.4)%
Operating profit[1]	88.9	94.3	(5.7)%
Margin[1]	18.7%	19.3%	(0.6)%

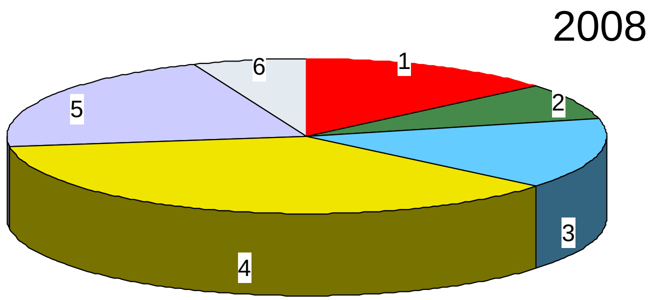
[1]Excluding non-recurring items and amortisation

UK Nationals
Newspaper advertising market share (volumes)
52 weeks to 28th December 2008



Dailies

		2008	2007
1	Mirror	17.3%	17.5%
2	Sun	21.0%	20.0%
3	Star	16.2%	16.6%
4	Mail	23.3%	23.6%
5	Express	22.2%	22.3%



Sundays

		2008	2007
1	Sunday Mirror	13.9%	12.9%
2	People	7.5%	6.9%
3	News of the World	14.7%	15.5%
4	Mail on Sunday	36.6%	38.6%
5	Sunday Express	21.1%	20.4%
6	Daily Star Sunday	6.2%	5.7%

Digital revenues
52 weeks to 28th December 2008

Adjusted[1]	2008 £m	2007 £m	Change %
Regionals			
Advertising	35.3	30.2	16.9%
Other	2.7	0.2	1,250.0%
Total	**38.0**	**30.4**	**25.0%**
Nationals			
Advertising	2.8	2.5	12.0%
Other	2.8	1.4	100.0%
Total	**5.6**	**3.9**	**43.6%**
Group			
Advertising	38.1	32.7	16.5%
Other	5.5	1.6	243.8%
Total	**43.6**	**34.3**	**27.1%**

[1] Adjusted basis, retained businesses only

Disposed businesses
52 weeks to 30th December 2007

	Full Year 2007		
	Sports	**TMS**	**Total**
Adjusted[1]	**£m**	**£m**	**£m**
Advertising	10.8	34.6	45.4
Circulation	24.7	2.0	26.7
Other	3.0	2.4	5.4
Total revenue	**38.5**	**39.0**	**77.5**
Operating profit	**12.9**	**9.9**	**22.8**

[1]Adjusted basis

Net debt - statutory
52 weeks to 28th December 2008

	30th Dec 2007 £m	Cash Flow £m	Income statement £m	Loans repaid/ (drawn) £m	Other non-cash changes £m	28th Dec 2008 £m
Non-current liabilities						
Loan notes	(294.3)	-	(93.9)	-	(0.1)	**(388.3)**
Derivative financial instruments	(88.5)	-	88.5	-	-	**-**
Finance leases	(10.7)	-	-	2.6	0.5	**(7.6)**
	(393.5)	**-**	**(5.4)**	**2.6**	**0.4**	**(395.9)**
Current liabilities						
Bank overdrafts	(0.6)	0.6	-	-	-	**-**
Bank facility	-	-	-	(10.0)	-	**(10.0)**
Loan notes	(47.9)	-	(10.3)	58.2	-	**-**
Derivative financial instruments	(15.2)	-	9.9	3.2	-	**(2.1)**
Finance leases	(2.9)	-	-	-	(0.1)	**(3.0)**
	(66.6)	**0.6**	**(0.4)**	**51.4**	**(0.1)**	**(15.1)**
Non-current assets						
Derivative financial instruments	-	-	41.7	-	-	**41.7**
	-	**-**	**41.7**	**-**	**-**	**41.7**
Current assets						
Cash and cash equivalents	211.6	(191.0)	-	-	-	**20.6**
	211.6	**(191.0)**	-	-	-	**20.6**
Net debt	**(248.5)**	**(190.4)**	**35.9**	**54.0**	**0.3**	**(348.7)**

Net debt[1]
52 weeks to 28th December 2008

	2008 £m	2007 £m	Movement £m
US private placement loan notes and related swaps	**(382.1)**	(442.6)	**60.5**
Other loan notes	**-**	(0.9)	**0.9**
£178.5m bank facility	**(10.0)**	-	**(10.0)**
Finance leases	**(10.6)**	(13.6)	**3.0**
Other	**(2.1)**	(0.6)	**(1.5)**
Gross debt	**(404.8)**	(457.7)	**52.9**
Net cash balances	**20.6**	211.6	**(191.0)**
Net debt	**(384.2)**	(246.1)	**(138.1)**

[1]Assuming that the US private placements and related cross-currency interest rate swaps will not be terminated prior to maturity

Defined benefit pension schemes assets and liabilities
52 weeks to 28th December 2008

Net scheme liabilities	**28th December 2008 £m**	**30th December 2007 £m**
Present value of scheme liabilities	(1,378.8)	(1,538.5)
Fair value of scheme assets	1,233.6	1,458.9
Effect of asset ceiling	(61.7)	(45.2)
Scheme deficits included in non-current liabilities	**(206.9)**	**(124.8)**

Fair value of scheme assets		
UK equities	250.1	414.1
US equities	66.1	123.6
Other overseas equities	183.1	271.7
Property	3.7	0.4
Corporate bonds	361.3	244.9
Fixed interest gilts	63.4	92.9
Index-linked gilts	169.8	111.3
Cash	136.1	200.0
Closing fair value of scheme assets	**1,233.6**	**1,458.9**

Reconciliation of statutory result to adjusted result
52 weeks to 28th December 2008

2008	Continuing operations statutory result (a) £m	Sports division (b) £m	Non-recurring items (c) £m	Amortisation (d) £m	Finance costs (e) £m	Tax legislation changes (f) £m	Adjusted result £m
Revenue	**871.7**	-	-	-	-	-	**871.7**
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	**pence**	pence	pence	pence	pence	pence	**pence**
Basic	**(22.6)**	-	61.0	2.0	(9.9)	2.9	**33.4**

(a) Excludes the Sports division which is classified as discontinued
(b) Inclusion of operating results of the Sports division
(c) Details of non-recurring items are set out on slide 12
(d) Amortisation of other intangible assets
(e) Impact of the translation of foreign currency borrowings and fair value changes on derivative financial instruments
(f) Tax legislation changes relate to the impact of the phasing out of Industrial Building Allowances

Reconciliation of statutory result to adjusted result
52 weeks to 30th December 2007

2007	Continuing operations statutory result (a) £m	Sports division (b) £m	Non-recurring items (c) £m	Amortisation (d) £m	Finance costs (e) £m	Tax legislation changes (f) £m	Adjusted result £m
Revenue							
- retained	**932.3**	-	-	-	-	-	**932.3**
- disposed	**39.0**	38.5	-	-	-	-	**77.5**
Total	**971.3**	38.5	-	-	-	-	**1,009.8**
Operating profit							
- retained	**24.5**	-	155.3	6.3	-	-	**186.1**
- disposed	**4.9**	12.9	5.0	-	-	-	**22.8**
Total	**29.4**	12.9	160.3	6.3	-	-	**208.9**
Profit before tax	**21.0**	12.9	160.3	6.3	(9.5)	-	**191.0**
Profit after tax	**67.8**	9.0	88.1	4.5	(6.8)	(30.0)	**132.6**
Earnings per share	**pence**	pence	pence	pence	pence	pence	**pence**
Basic	**23.3**	3.1	30.2	1.5	(2.3)	(10.3)	**45.5**

(a) Excludes the Sports division which is classified as discontinued
(b) Inclusion of operating results of the Sports division
(c) Details of non-recurring items are set out on slide 12
(d) Amortisation of other intangible assets
(e) Impact of the translation of foreign currency borrowings and fair value changes on derivative financial instruments
(f) Tax legislation changes relate to the impact of the change in tax rate from 30% to 28% on the opening deferred tax position