Trinity Mirror plc

14 March 2013

Preliminary Results Announcement
for the 52 weeks ended 30 December 2012

Key Highlights

- **Operating profit (1) up 2.5% to £107.1 million**
  Despite revenue (2) falling by £54.2 million to £706.5 million, in part due to the launch of a new national Sunday tabloid during February 2012.
- **Structural cost savings of £25 million**
  £10 million ahead of the £15 million target we set at the beginning of the year.
- **EPS (1) growth of 10.7% from 27.0 pence to 29.9 pence**
  Driven by increased operating profit and reduced interest costs on falling debt.
- **Further reduction in net debt (3) of £64.2 million**
  Net debt reduced to £157.0 million after funding £14.2 million investment in Local World.
- **Continued de-risking of the Group's defined benefit pension schemes**
  25% of gross liabilities hedged through insurance contracts.
- **A non cash impairment charge of £60 million against the carrying value of goodwill**
  In the acquired digital recruitment and digital property businesses.

Results

	Adjusted results (1)		**Statutory results**	
	2012	2011	**2012**	2011
	£m	£m	**£m**	£m
Revenue (2)	**706.5**	760.7	**706.5**	760.7
Operating profit	**107.1**	104.5	**38.1**	92.4
Profit before tax	**98.7**	91.9	**18.9**	74.4
Earnings per share	**29.9p**	27.0p	**9.6p**	31.4p

(1) Adjusted items relate to 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, the pension finance credit or charge and the impact of tax legislation changes. Set out in note 18 is the reconciliation between the statutory results and the adjusted results.
(2) Prior year revenue and costs have been restated to include £14.1 million of newsprint supplied to a customer which was previously netted off against costs. This change ensures a consistent accounting treatment for all printing revenues. This is further explained in note 2.
(3) On a contracted basis assuming that the private placement loan notes and related cross-currency interest rate swaps are not terminated prior to maturity.

Strategic Update[1]

- **New areas of strategic focus to drive value over time**
  - "One Trinity Mirror" Harnessing the combined strength of our journalists and our audience reach under a unified organisation structure
  - Protecting and revitalising our core brands in print through measures including re-designs, new edition launches, events organisation and third party printing
  - Continued relentless focus on efficiency and cost management through the use of technology to simplify, centralise or outsource those processes which are non-consumer facing
  - Accelerating our digital capabilities to extend their reach as audiences adopt new technologies
  - Investing in new businesses built around distinctive content or audience

[1] More detail on pages 5-8

Commenting on the results for the year, Simon Fox, Chief Executive, Trinity Mirror plc, said:

"It has become clear to me in my first six months that not only is Trinity Mirror a strong and cash generative business, as evidenced by this past year's financial performance, but that there is significant further unrealised potential.

We will be investing £8 million during 2013 to deliver our strategic objectives whilst ensuring we repay maturing long-term debt over the next 15 months. Over this period our financial flexibility will improve such that we can both meet our pension funding obligations and consider the potential for returning capital to shareholders.

Although the trading environment is expected to remain difficult, the strategic initiatives I have implemented will bring significant benefits with the ambition of delivering sustainable profit growth over the medium term."

Enquiries

Trinity Mirror

Simon Fox, Chief Executive	020 7293 3169
Vijay Vaghela, Group Finance Director	020 7293 3169

Brunswick

Mike Smith, Partner	020 7404 5959
Nick Cosgrove, Director	020 7404 5959

Chairman's Statement

My first year as Chairman has been exciting and rewarding. Whilst we have navigated the Group through a period of significant management and operational change, the Group has delivered a strong financial performance despite a challenging external environment.

2012 has seen a number of important changes to the Board.

Simon Fox joined in September as Chief Executive. Simon brings extensive experience in consumer facing businesses and is providing the strategic leadership the Group needs. His skills are an excellent complement to those of the existing executive team. In the short time he has been with the Group he has been instrumental in driving through a major organisational change programme, completing our investment in Local World, improving staff communication and morale and undertaking a strategic review of the entire business.

Mark Hollinshead was promoted in October to the Board as Chief Operating Officer. Mark has been with the Group for 18 years and during this period has worked across both our national and regional newspapers and has played a significant role in delivering the robust performance since the recession in 2008.

We also welcome Donal Smith, as a non-executive director. Donal has considerable expertise in building digital businesses since leaving the Financial Times Electronic Publishing Division where he was Chief Executive.

Sir Ian Gibson retired from the Board in May and on behalf of all of us, I thank him for his leadership as Chairman. Laura Wade-Gery also stepped down from the Board in May and I thank her for her contribution as a non-executive director over the last six years. I also thank Sly Bailey for her leadership as CEO for more than nine years. I wish them all well for the future.

With the changes on the Board and the strong operational management in the business, I remain convinced that the Group is well placed to adapt to a changing media landscape, underpinned by a robust financial and capital position that has been carefully managed over recent years.

Our portfolio of print assets continues to provide news to mass market audiences. Our great national newspapers, including the Daily Mirror and the Sunday Mirror, and our strong portfolio of big metropolitan market leading regional titles which sit at the heart of their communities, all form part of the fabric of everyday life for millions of people across the country. The strong portfolio of newspapers is complemented by a growing portfolio of digital products which leverage the strength and trust of our print titles. Our journalists are the heartbeat of the business and in a multi-media world their compelling content is reaching a wider and wider audience. Our journalism provides a real strength in a fragmenting media landscape, as consumers search for content and brands that they trust and which can deliver informed, timely information and opinion.

The financial strength of the Group has clearly been demonstrated during 2012 through growth in adjusted operating profit up 2.5% and adjusted earnings per share up 10.7% combined with continued strong cash flows. This has been achieved whilst continuing to invest in the technology led transformation of our publishing capabilities, a 20% interest in Local World and in new products across multiple digital channels.

I am also pleased with the progress that the management team, led by Simon, has made in developing the longer term strategic direction of the Group. We are clear that we need to drive the profitability and cash flow of our core print publishing and printing operations, whilst rapidly building our digital publishing revenues and profits. We will also need to continue to seek out appropriate investment opportunities, both organically and through acquisition, which are built around our distinctive content and audience. Over the medium term, whilst the trading environment is expected to remain difficult, our strategy will seek to stabilise revenues and ensure that the Group is well positioned to move into growth as our initiatives build momentum.

We continue to remain focused on delivering strong cash flows to reduce leverage without constraining our ability to invest in the business. The repayment of £98.7 million of maturing long term debt over the next 15 months remains a priority for the use of our free cash flow, ensuring we have increased financial flexibility beyond these maturities. Our improved financial position in 2014 will further increase the ability of the Group to consider all options for driving value for shareholders. In addition to further investment to build a stable and growing portfolio of print and digital assets and continued funding of our pension obligations, these options will also include the potential for returning capital to shareholders.

The dedication and professionalism of our staff coupled with a clear strategic vision for our business provide me with confidence that the Group is well positioned to address the challenges of the uncertain and volatile outlook for the economy whilst ensuring we build a sustainable portfolio of assets over the medium term.

Chief Executive's Statement

I am delighted to have joined Trinity Mirror and have been enormously impressed with both the quality and strength of the brands and the dedication of our staff. The underlying strength of the business is demonstrated by the robust financial performance delivered in 2012 with adjusted operating profit growing by 2.5% to £107.1 million and adjusted earnings per share growing by 10.7% to 29.9 pence per share.

Organisation and people

Having been Chief Executive for 6 months, I firmly believe there is significant unrealised potential in the business. To deliver these opportunities, the Group required a flatter and more efficient management structure that releases the full potential of our journalists across the country and harnesses our audience reach. We have therefore changed the management and organisational structure with the creation of a single Publishing division which combines the former Nationals and Regionals publishing operations. The new division, which is headed by Mark Hollinshead as Chief Operating Officer, ensures that editorial, advertising and all support functions operate as efficiently as possible across all of the Group's print and digital operations.

Chris Ellis as Managing Director, Digital leads a talented team who will develop and deliver a suite of digital products that support all of our titles across web, mobile and tablet and also seek out opportunities where we can build new digital businesses around our distinctive content and audiences.

Our specialist digital businesses (classified verticals and digital marketing services), managed by Philip Machray, Director of Corporate Development, and the Group's printing operations, managed by John Brewis, Managing Director, Trinity Mirror Printing are now separate and report directly to me.

As a consequence of the new management structure, Georgina Harvey, the former Managing Director of the Regionals division and Nick Fullagar, the former Director of Corporate Communications, left the business. They both made very valuable contributions to the Group and I wish them well for the future.

I have been enormously impressed by the talent, commitment and passion of our colleagues across the business and believe that following the organisational changes we have a motivated team with high levels of morale, enthusiasm and determination to perform.

Operational performance

The trading environment during 2012 remained volatile and uncertain with limited visibility. This was made even more challenging with the launch of a new national Sunday tabloid during February 2012 and a number of large retail customers reducing spend to offset the effects of a difficult environment. However, the benefits of tight cost management, the delivery of £25 million of structural cost savings and lower newsprint prices in the second half of the year ensured the Group delivered a robust performance.

Revenues during the year fell by £54.2 million to £706.5 million with an estimated £12 million of this decline attributable to reduction in circulation revenues following the launch of the new national Sunday tabloid. Whilst advertising and circulation revenues declined by 10.4% and 7.9% respectively, it was encouraging that printing revenues grew by 1.7% and other revenues grew by 8.9%. The circulation performance of the Daily Mirror was a particular highlight of the year. In a national tabloid newspaper market that was down by 8.3% during 2012, the Daily Mirror's circulation was down by 6.6%. It outperformed the market for 10 out of the 12 months of the year. Our excellent editorial team, led by Editor-in-Chief Lloyd Embley, should take great pride in this achievement.

Digital revenues across the Group grew by £3.2 million to £40.8 million with incremental digital revenues of £3.8 million from Communicator Corp, acquired in December 2011, and growth in digital display advertising revenues and digital other revenues offset by continued cyclical pressure on our digital classified advertising revenues. Our underlying performance in digital revenue has been far from satisfactory and our increased focus on this area will be a high priority for 2013 and beyond.

Adjusted operating profit increased by £2.6 million to £107.1 million despite revenues falling by £54.2 million. We have seen good growth in our Publishing divisions operating profit which grew by £5.3 million to £125.1 million. This has been partially offset by higher operating losses in our Specialist Digital division of £2.7 million. This includes losses, up £2.9 million to £3.7 million, from happli which was closed in October 2012.

Operational performance *continued*

Having reviewed the market position of our specialist digital classified recruitment and property businesses and the competitive landscape in which these operate, we have taken an impairment charge of £60.0 million against the carrying value of goodwill for these businesses. This non cash charge drove the £54.3 million fall in statutory operating profit to £38.1 million.

The robust underlying operational performance ensured that cash flows remained strong with contracted net debt falling £64.2 million to £157.0 million. This is after investing £14.2 million for a 20% interest in Local World which acquired the former Northcliffe business from DMGT plc and the former Iliffe business from Yattendon plc.

Strategic update

Upon joining the Group in September 2012, I initiated a detailed review of our operations working closely with all our businesses and seeking feedback and input from all employees. We have conducted:

- A detailed review of each of our newspaper titles looking at market position, cover price strategy, overall package and commercial opportunities to improve circulation and advertising revenues;
- An assessment of our digital offering and capabilities in a changing media landscape; and
- An assessment of the qualitative and efficiency benefits that could be delivered through a unified management structure across the entire publishing operations. This covered areas such as editorial, advertising, circulation, distribution, pre-press and all back-office functions.

We also thought carefully about our vision for the business in the future. We concluded that high quality, original journalism, delivered across multiple channels, must be at the heart of our business. We express our vision as follows:

In a dynamic media world we will create distinctive journalism that is an essential and growing part of our customers' daily lives. We stand for content that matters, content that is relevant and content that you can believe in. Our audience understands the value of this content and we understand the value of our audience.

This vision will be delivered through five key areas of strategic focus:

- "One Trinity Mirror": Harnessing the combined strength of our journalists and our audience reach under a unified organisation structure;
- Protecting and revitalising our core brands in print;
- Continued relentless focus on efficiency and cost management;
- Accelerating our digital capabilities to extend their reach as our audiences adopt new technologies; and
- Investing in new businesses built around distinctive content or audience.

Given the rapidly changing nature of our markets, the strategy must be flexible enough to adapt and change over time within these five broad objectives, each of which I touch on in turn below:

"One Trinity Mirror": Harnessing the combined strength of our journalists and our audience reach under a unified organisation structure

Our regional papers are largely situated in major metropolitan cities where significant national news and sport happens. Whether it be the cover-up at Hillsborough, the hunt in Wales for missing 5 year-old April Jones or the shooting of PCs Fiona Bone and Nicola Hughes in Manchester - our regional journalists are at the scene first and are best placed to provide context and detail to these stories. However, their content was often not being used by our national titles so we are introducing closer working between the national and regional titles, with more content being shared across all of Trinity Mirror's newspapers and digital platforms.

Equally, content which has little or no directly local relevance (travel features; real life stories; motoring; film and entertainment reviews) was being produced many times across multiple locations.

We were also not presenting the Trinity Mirror portfolio to our advertisers in a coordinated fashion. Advertising agencies had to connect with multiple sales people within our organisation on behalf of a single client that wanted a national, regional and online campaign. In addition, we have not been packaging our reach to advertisers effectively. For example, whilst mirror online has a reach of 4.2 million monthly unique visitors in the UK and ranks 7th on Comscore's list of news web sites, the combined Trinity Mirror digital brands have a reach of 8.8 million and rank 4th.

Chief Executives' Statement *continued*

Strategic update *continued*

It was evident that a more joined-up approach across our publishing operations would not only be more cost efficient but would also result in higher quality content for our national and regional readers and a better service for advertisers. No other media organisation has the regional and national coverage that we have.

We have reorganised our editorial and advertising teams with coordinated leadership and reporting structures. This new organisation has been made possible by the significant investment in IT systems that has been implemented in recent years and which will complete in early 2014.

Our "One Trinity Mirror" structure has multiple revenue and cost benefits and positions us as unique and different to any of our media competitors.

Protecting and revitalising our core brands in print

The circulation of paid for newspapers is expected to continue to decline. For example, Enders Analysis forecast that over the period 2012 to 2017, the national dailies popular market will fall in volume terms by 11% per annum; popular Sunday titles by 7% per annum and regionals by 11% per annum. Whilst this will be partly mitigated in value terms, the direction of travel is clear and well established.

As a result of these expected circulation declines and the increasing trend of advertisers to move their budgets to digital channels, national and regional newspaper print advertising revenues are forecast by Enders Analysis to decline over the period 2012 to 2017 by 11% and 10% per annum respectively.

Having said this, the market is still very significant with 10.5 million daily newspapers, 8.3 million Sunday newspapers and 2.5 million weekly newspapers sold each week. In addition a further 2.1 million free daily newspapers and 9.5 million free weekly newspapers are distributed every week. As one of the largest UK publishers, we will continue to develop and improve our print titles which will continue to generate strong cash flows for the Group for many years and, as a result of a range of initiatives which we are undertaking, we would expect to outperform the overall market trends. These initiatives include:

- Product redesign – The redesign of a number of our titles during 2013;
- Hybrid editions – The use of a combination of paid for and free to ensure advertiser reach in our key metropolitan centres;
- Weekend editions – Centrally produced content (such as TV guides) to enhance our regional Saturday editions; and
- Editionisation – Editionisation of our larger regional titles into more localised editions (for example North and South Manchester).

We will also build additional revenue streams from our core newspaper brands. For example we already have an events business (with the Mirror's Pride of Britain awards as our flagship event), which will continue to enjoy steady growth from 85 events in 2012 to around 100 in 2013. We also have opportunities to grow revenue from our extensive archive of photographs and to build upon our heritage and sports publishing businesses.

To support our Publishing operations the Group operates 26 full colour presses across nine sites. The efficiency of our presses is evidenced by our growth in third party print contracts and last year we printed around 500 different titles. In 2012, third party contract printing revenues, excluding the supply of newsprint, were £36.7 million, achieving growth of 7.6% year on year. Our printing operations are well invested and require minimal investment. However, the Group will consider additional investment in our core print plants if they are supported by new long term third party print contracts.

On 7 January 2013, we completed the acquisition of a 20% stake in Local World for £14.2 million. Local World is a new entity which was created to acquire the regional publishing businesses of Northcliffe and Iliffe. We believe that this is a robust investment in its own right but in addition retains our ability to partake in any future opportunity for industry consolidation which may emerge.

Chief Executive's Statement *continued*

Strategic update *continued*

Continued relentless focus on efficiency and cost management

The Group has been highly effective in managing its cost base in recent years and this energy will remain undiminished. We will remain focused on driving efficiency through the use of technology to simplify, centralise or outsource those processes which are non-consumer facing.

In the last few months we have outsourced the Group's pre-press operations; we have consolidated our newspaper sales and marketing operations under the management of a new Newspaper Sales and Marketing Director; and have further centralised certain parts of back office functions such as finance, HR and IT. For 2013, we have targeted structural cost savings of £10 million and this year will also be further helped by a fall in newsprint prices and ongoing natural mitigation as revenues remain under pressure due to the fragile trading environment.

Accelerating our digital capabilities to extend their reach as our audiences adopt new technologies

The rapid growth in broadband penetration, smartphones and tablets is changing the way people access content, where they consume it and the frequency of consumption. Total mobile devices ownership in the UK is expected to increase from 39 million to 83 million by 2017.

We are in the midst of unprecedented media innovation which will both disrupt our business and create significant opportunities. Trends such as the rise of digital news aggregators; the personalisation of content; the role of social media (and Facebook in particular) in media consumption and the explosion in 'user-generated' content need to be fully embedded in our strategy.

Digital advertising is expected to continue to grow at 5-10% per annum over the next 5 years. PC desktop display advertising is slowing as advertisers move their budgets into social, video and mobile, in addition to search. The Group comes from a very low base in all of these markets and as such we expect to perform ahead of overall market trends. In order to ensure that we take full advantage of the digital opportunities that are opening up, we are implementing a series of actions:

- Organising our newsrooms for digital – Our newsrooms were originally designed for stories to be written late in the evening for publication the following day. In an environment where news can break in seconds over Twitter or other media, we need to organise ourselves differently. We have embedded digital specialists into all our newsrooms and increasingly all reporters will be equally happy live blogging; tweeting; using social media and using pictures and video as well as words.

- Digital products across all platforms – We have recently launched free e-editions of the Daily Mirror and Daily Record on the iPad platform. In just a few months since launch, total downloads are 100,000 and we will launch on Android platforms at the end of the first quarter. All of our main regional titles will launch e-editions across all platforms by the end of the summer. We are also rolling out greatly enhanced web and mobile sites across our top 30 titles during 2013. These sites will include enhanced image galleries and video; comprehensive What's On guides; weather; traffic and travel; quizzes and elements of news personalisation. The most recent example of this site is the Manchester Evening News, which re-launched in January, and saw page views up 45% year on year in the first 2 weeks of February.

- Digital expertise – We now have a high quality digital leadership team and our product development capability is underpinned by a common technology and product approach. This core set of technologies, grids, templates and functionality means that we can be fast to market with new products and upgrades whilst retaining local control of content.

Alongside the ongoing investment in new systems, we envisage further investment of some £3 million in 2013 to accelerate our digital capabilities to extend reach as our audiences adopt new technologies.

Chief Executive's Statement *continued*

Strategic update *continued*

Investing in new businesses built around distinctive content or audience

Accelerating our digital publishing capabilities will mitigate the decline in print but to generate sustainable growth we will need to reinvest some of our operating cash flow into new digital businesses which will be built around our distinctive content and audience. We expect to invest £5 million for this purpose in 2013. We will also carefully consider selective small scale acquisitions or partnership opportunities and we have set clear parameters around the criteria for assessing investments. We will ensure that all investments deliver meaningful revenues over time.

The areas where we see most opportunity are:

- Building on our sports content;
- Building on our regional news and commercial connections; and
- Engaging new audiences in our news content through distinctive digital propositions.

We will provide further detail on specific initiatives as they progress.

Capital structure

Since the economic downturn in 2008, we have been focused on ensuring that there are no financing issues as the availability of financing has continued to contract. This has enabled the Group to reduce contracted net debt by £227.2 million over the past four years and meet its pension obligations from cash flow without the need to drawdown on working capital facilities provided by the Group's banks.

In March 2012, we secured a new forward starting £110.0 million bank facility and reduced our existing £178.5 million bank facility to £135.0 million. The £135.0 million facility was subsequently cancelled in October 2012. The £110.0 million bank facility is committed until August 2015, reducing to £101.8 million in March 2014 and to £93.5 million in March 2015.

At the same time as the new facility was procured, contributions to fund historic defined benefit pension obligations were reduced to £10.0 million per annum for 2012, 2013 and 2014 to ensure that maturing long term debt repayments for our US private placement loan notes of £69.7 million in June 2012, £54.5 million in October 2013 and £44.2 million in June 2014 could be met through cash flow. The final repayment of the US private placement loan notes is £68.3 million in June 2017. Contributions to fund the pension deficits will increase to some £33 million per annum from 2015. As part of the agreement reached with the pension schemes trustees, any dividends paid by the Group during 2012 to 2014 will trigger an equal and matching payment to the pension schemes.

We have also continued to de-risk our pension schemes and in 2012 the pension schemes trustees hedged a further segment of liabilities through the purchase of insurance contracts. At the end of 2012, £444.8 million or 25% of gross pension schemes liabilities had been hedged by insurance contracts. Whilst the accounting deficit has increased to £297.7 million during the year, due predominantly to falling discount rates, we will continue to seek out opportunities to de-risk our pension schemes, without a material increase in funding obligations. It is clear that a change in the financial markets over the coming years, in particular an increase in long term interest rates could have a material beneficial impact on our pension scheme obligations.

Although our financial position continues to improve, the revenue environment remains difficult and the Board remains mindful of the £98.7 million debt repayments due during 2013 and 2014 and the increase in pension deficit funding payments from 2015. Therefore the Board believes that it is essential to maintain financial flexibility over the next 15 months until such time as the June 2014 debt repayment has been made. This ensures that leverage will continue to reduce whilst providing headroom for investment without the need for any significant drawings on its bank facility.

This prudent approach to financing will provide increased financial flexibility in 2014 and beyond with the potential to consider the return of capital to shareholders alongside meeting our commitment to fund the Group's defined benefit pension schemes to address the historic deficits.

Chief Executives’ Statement *continued*

Financial impact of strategy

Our five key strategic objectives will be supported by investment. In 2013, we plan to invest some £8 million to accelerate our digital capabilities and in the development of new businesses around our distinctive content and audience. We expect capital expenditure of around £15 million per annum going forward which remains well below depreciation as we do not expect any material investment in our printing infrastructure.

The combination of these plans should see us making progress towards our key ambitions to:

- Stabilise profits and cash flow over the medium term. This is underpinned by our ambition to outperform circulation and print advertising market trends; drive digital revenue growth and continue to deliver a structural reduction in the cost base whilst undertaking mitigating actions to minimise the impact of the difficult trading environment; and
- Deliver sustainable profit growth over the medium term. This will be driven by new businesses around our distinctive content and audiences. We will apply rigor and discipline to all investments ensuring they deliver returns in excess of our cost of capital within three years and are earnings enhancing by the end of the second year of investment.

The above plans and ambitions will ensure that the Group is able to further improve financial flexibility to meet our pension obligations and deliver enhanced returns to shareholders.

Current trading

We have seen a slow start to the year with revenues in January and February declining by 13%. By category, advertising revenues declined by 14%, circulation revenues declined by 13%, printing revenues declined by 5% and other revenues declined by 8%.

The January and February performance is distorted by the increased revenues for our Sunday titles prior to the launch of a new national Sunday tabloid during February 2012.

At this early stage in March, we expect revenue declines of some 7% which is a significant improvement from the 13% decline in January and February. The March expected performance is more reflective of the underlying trends.

Outlook

The trading environment is expected to remain difficult throughout 2013 with revenues expected to continue to show year on year declines and month on month volatility. However, the benefits of a number of our revenue driving initiatives should contribute to a reduction in the rate of decline as we move into the second half of the year. We will also have the benefit of a fall in newsprint prices and targeted structural cost savings of £10 million. These cost initiatives and continued tight management of the cost base will provide the required headroom to fund investment across the business during 2013.

The numerous initiatives being implemented across the Group, coupled with the potential benefits of our continued development of our strategy provide the Board with confidence for the Group’s performance in 2013.

Management Report

Group review

The results have been prepared for the 52 weeks ended 30 December 2012 (2012) and the comparative period has been prepared for the 52 weeks ended 1 January 2012 (2011). The results are presented on an adjusted and a statutory basis to provide a more meaningful comparison of the Group's performance between 2012 and 2011. Set out in note 18 is the reconciliation between the statutory results and the adjusted results. Revenue and costs for 2011 have each been restated by £14.1 million as set out on note 2.

	Adjusted results		**Statutory results**	
	2012	2011	**2012**	2011
	£m	£m	**£m**	£m
Revenue (restated)	**706.5**	760.7	**706.5**	760.7
Costs (restated)	**(601.1)**	(657.5)	**(675.6)**	(669.6)
Associates	**1.7**	1.3	**7.2**	1.3
Operating profit	**107.1**	104.5	**38.1**	92.4
Investment revenues	**0.4**	0.7	**0.4**	0.7
Pension finance (charge)/credit	**-**	-	**(5.2)**	2.7
Finance costs	**(8.8)**	(13.3)	**(14.4)**	(21.4)
Profit before tax	**98.7**	91.9	**18.9**	74.4
Tax (charge)/credit	**(25.0)**	(25.0)	**4.9**	3.4
Profit after tax	**73.7**	66.9	**23.8**	77.8
Earnings per share	**29.9p**	27.0p	**9.6p**	31.4p

Adjusted results

Group revenue fell by £54.2 million or 7.1% to £706.5 million with adjusted operating profit increasing by £2.6 million or 2.5% to £107.1 million.

	2012	2011	Variance	Variance
	£m	£m	£m	%
Circulation	**297.2**	322.6	(25.4)	(7.9)
Advertising	**292.8**	326.8	(34.0)	(10.4)
Print	*264.2*	*295.2*	*(31.0)*	*(10.5)*
Digital	*28.6*	*31.6*	*(3.0)*	*(9.5)*
Printing	**66.3**	65.2	1.1	1.7
Other	**50.2**	46.1	4.1	8.9
Revenue	**706.5**	760.7	(54.2)	(7.1)
Labour	**(219.6)**	(237.8)	18.2	7.7
Newsprint	**(122.0)**	(139.0)	17.0	12.2
Depreciation	**(29.1)**	(33.3)	4.2	12.6
Other	**(230.4)**	(247.4)	17.0	6.9
Costs	**(601.1)**	(657.5)	56.4	8.6
Associates	**1.7**	1.3	0.4	30.8
Operating profit	**107.1**	104.5	2.6	2.5
Operating margin	**15.2%**	13.7%	1.5%	10.9

Revenues have remained under pressure during the year from the continued fragility of the trading environment and the launch of a new national Sunday tabloid during February 2012. Both circulation and advertising revenues have been impacted by the trading environment but we are encouraged that we have been able to deliver continued growth in printing and other revenue. The growth in other revenue includes the impact of the acquisition of Communicator Corp, at the end of December 2011, which contributed £3.8 million to revenues in 2012.

Costs continue to be tightly managed, falling by £56.4 million or 8.6% to £601.1 million. The cost reduction includes the delivery of £25 million of structural cost savings and the benefit of a newsprint price reduction in the second half of the year. We anticipate structural cost savings of £10 million in 2013.

Group review *continued*

Adjusted results *continued*

Associates include our share of the results of the PA Group excluding a non-recurring gain on their disposal of a 50% interest in Canada Newswires. The investment in Local World was completed on 7 January 2013 and our share of their results will be included in our results for 2013.

The tight management of the cost base and improved results from associates resulted in adjusted operating profit increasing by £2.6 million or 2.5% to £107.1 million with adjusted operating margin increasing by 1.5 percentage points from 13.7% to 15.2%.

	2012 £m	2011 £m
Operating profit	**107.1**	104.5
Investment revenues	0.4	0.7
Finance costs	(8.8)	(13.3)
Profit before tax	**98.7**	91.9
Tax charge	(25.0)	(25.0)
Profit after tax	**73.7**	66.9
Earnings per share	**29.9p**	27.0p

An increase in adjusted operating profit and reduced finance costs, due to the continued reduction in leverage, resulted in adjusted profit before tax increasing by £6.8 million or 7.4% to £98.7 million. The adjusted tax charge of £25.0 million (2011: £25.0 million) for the year represents 25.3% (2011: 27.2%) of profit before tax and reflects the benefit of the 2% reduction in the rate of corporation tax. Adjusted profit after tax increased by £6.8 million or 10.2% to £73.7 million with adjusted earnings per share increasing by 2.9 pence or 10.7% to 29.9 pence.

Statutory results

Group revenue fell by £54.2 million to £706.5 million with statutory operating profit falling by £54.3 million to £38.1 million. The fall in statutory operating profit is due to the impact of non-recurring items which were a charge of £66.0 million in 2012 compared to a charge of £9.3 million in 2011. The 2012 non-recurring items comprises a non cash impairment charge against goodwill of £60.0 million, a non-recurring gain on sale of investments in associates of £5.5 million and restructuring charges relating to the delivery of cost reduction measures of £11.5 million. Excluding non-recurring items, statutory operating profit increased by £2.4 million to £104.1 million.

Financing related charges increased by £1.2 million to £19.2 million:

	2012 £m	2011 £m
Investment revenues	**0.4**	0.7
Pension finance (charge)/credit	**(5.2)**	2.7
Interest on bank overdrafts and borrowings	(8.8)	(13.3)
Fair value loss on derivative financial instruments	(13.0)	(10.1)
Foreign exchange gain on retranslation of borrowings	7.4	2.0
Finance costs	**(14.4)**	(21.4)
Financing related charges	**(19.2)**	(18.0)

The increase is predominantly driven by a pension finance charge of £5.2 million in 2012 compared to a credit of £2.7 million in 2011 which has been partially offset by the impact of the fair value loss on derivative financial instruments and the foreign exchange gain on retranslation of foreign currency borrowings which were a net charge of £5.6 million in 2012 compared to a net charge of £8.1 million in 2011. Interest on bank overdrafts and borrowings fell by £4.5 million due to lower net debt levels following debt repayments in the current and prior year.

Profit before tax on a statutory basis fell by £55.5 million to £18.9 million reflecting the reduced statutory operating profit and the higher financing related charges.

The statutory tax credit for the year was £4.9 million (2011: credit £3.4 million) reflecting a current year tax charge of £19.1 million (2011: charge £20.5 million) more than offset by a credit of £23.2 million (2011: credit £23.6 million) relating to the impact on opening deferred tax balances of the change in the rate of corporation tax and a prior year credit of £0.8 million (2011: credit £0.3 million). Profit after tax on a statutory basis fell by £54.0 million to £23.8 million with statutory earnings per share falling by 21.8 pence to 9.6 pence.

Management Report *continued*

Divisional review

During October 2012, the Group announced changes in the management and organisational structure of the Group. As a result of the changes the Group now has four operating segments that are regularly reviewed by the Board and chief operating decision maker for the purposes of allocating resources and assessing performance.

The operating segments are: Publishing which includes all of our newspapers and associated digital publishing; Printing which provides printing services to the publishing segment and to third parties; Specialist Digital which includes our digital classified verticals and our digital marketing services businesses; and Central which includes revenue and costs not allocated to the operational divisions and our share of results of associates.

The revision to the operating segments had no impact on the revenue or operating profit of the Group. A review of revenue classification in relation to newsprint supplied to third parties has resulted in revenue and costs for 2011 each being increased by £14.1 million with no impact on operating profit. In addition, the classification of revenue by category has been amended to better reflect the new reporting segments.

The impact of the revised operating segments and the reclassification of revenues and costs on the 2011 results are set out in note 19.

The revenue, costs and operating profit by operating segment, on an adjusted basis, is presented below:

	2012 £m	2011 £m	Variance £m	Variance %
Publishing	**615.6**	674.1	(58.5)	(8.7)
Printing	**66.3**	65.2	1.1	1.7
Specialist Digital	**21.4**	18.0	3.4	18.9
Central	**3.2**	3.4	(0.2)	(5.9)
Revenue	**706.5**	760.7	(54.2)	(7.1)
Publishing	**(490.5)**	(554.3)	63.8	11.5
Printing	**(66.3)**	(65.2)	(1.1)	(1.7)
Specialist Digital	**(24.3)**	(18.2)	(6.1)	(33.5)
Central	**(20.0)**	(19.8)	(0.2)	(1.0)
Costs	**(601.1)**	(657.5)	56.4	8.6
Associates	**1.7**	1.3	0.4	30.8
Publishing	**125.1**	119.8	5.3	4.4
Printing	**-**	-	-	-
Specialist Digital	**(2.9)**	(0.2)	(2.7)	(1,350.0)
Central	**(15.1)**	(15.1)	-	-
Operating profit	**107.1**	104.5	2.6	2.5

Publishing

The Publishing division publishes paid for national titles and paid for and free regional titles and operates a portfolio of related digital products. Key brands include the Daily Mirror, the Sunday Mirror, the Sunday People, the Daily Record, the Sunday Mail, the Liverpool Echo, the Manchester Evening News, the Evening Chronicle and the Birmingham Mail and we publish Metros in each of our key metropolitan markets.

The revenue and operating profit of the Publishing division is as follows:

	2012 £m	2011 £m	Variance £m	Variance %
Circulation	**297.2**	322.6	(25.4)	(7.9)
Advertising	**280.7**	313.0	(32.3)	(10.3)
Print advertising	*264.2*	*295.2*	*(31.0)*	*(10.5)*
Digital advertising	*16.5*	*17.8*	*(1.3)*	*(7.3)*
Other	**37.7**	38.5	(0.8)	(2.1)
Revenue	**615.6**	674.1	(58.5)	(8.7)
Costs	**(490.5)**	(554.3)	63.8	11.5
Operating profit	**125.1**	119.8	5.3	4.4
Operating margin	**20.3%**	17.8%	2.5%	14.0

Management Report *continued*

Divisional review *continued*

Publishing continued

Revenue declined by 8.7% or £58.5 million to £615.6 million.

Circulation revenue fell by 7.9%, in part reflecting the increase in circulation revenues following the closure of the News of the World in July 2011 which reduced following the launch of a new national Sunday tabloid during February 2012. Excluding the impact of these changes in the market, circulation revenues fell by a much reduced 4.4%. This underlying decline in circulation revenues reflects the benefits of limited cover price increases and a particularly strong performance for our leading title, the Daily Mirror. The Daily Mirror, with a circulation volume decline of 6.6% significantly outperformed the national tabloid market which declined by 8.3%. Whilst the fragile trading environment continues to impact the circulation volumes of our newspapers, we anticipate an improved performance in 2013 as we embark on numerous initiatives following a detailed review of the portfolio during 2012.

Advertising markets remained volatile during the year with a revenue decline of 10.3%. Advertising revenues in the first half fell by 10.5%, by 10.7% in the third quarter and an improved performance in the final quarter when advertising revenues fell by 9.8%. The improvement in the final quarter was driven by display advertising which fell by 8.2% and other advertising which fell by 7.0%, with classified categories still remaining under pressure, falling by 13.4%. We are encouraged that our national titles continue to broadly maintain advertising volume market share.

The fragile economy has continued to impact the most cyclical classified categories of print recruitment which fell by 15.5% and print property which fell by 13.5%. Encouragingly, digital display advertising revenues increased by 11.0% whilst classified categories fell by 17.6%, driven by recruitment down 27.7% and property down 5.9%.

Other revenues were broadly flat year on year with growth in digital revenues of £1.1 million being offset by declines in publishing related revenues of £1.9 million.

Costs continued to be tightly managed falling by £63.8 million or 11.5% to £490.5 million. The cost reduction includes cost actions by management, the benefit of a newsprint price reduction in the second half of the year and natural cost mitigation. The reduction in costs, despite the revenue reduction, contributed to operating profit increasing by £5.3 million or 4.4% to £125.1 million. Operating margin increased by 2.5 percentage points from 17.8% to 20.3%.

Printing

The Printing division provides printing services to the Publishing division and to third parties. The division is the largest UK provider of newspaper contract printing services to third parties and operates nine print sites with 26 full colour presses. The Publishing division accounts for 67% of the volumes for the Printing division with the balance being for third party customers. The Printing division has a nil operating result as the net costs, being all external revenues less costs, are charged to the Publishing division.

The revenue and costs of the Printing division is as follows:

	2012 £m	2011 £m	Variance £m	Variance %
Contract printing	**36.7**	34.1	2.6	7.6
Newsprint supply	**26.7**	27.2	(0.5)	(1.8)
Other revenue	**2.9**	3.9	(1.0)	(25.6)
Revenue	**66.3**	65.2	1.1	1.7
External costs	**(219.5)**	(240.7)	21.2	8.8
Publishing division recharge	**153.2**	175.5	(22.3)	(12.7)
Costs	**(66.3)**	(65.2)	(1.1)	(1.7)
Operating result	**-**	-	-	-

Revenues increased by £1.1 million or 1.7% to £66.3 million. The increase in revenue has been driven by contract printing gains of £2.6 million or 7.6%. This has been partially offset by reduced revenues from newsprint supplied to contract print customers as newsprint prices fell during the second half of the year together with a decline in other revenues as a result of a fall in waste prices. External costs fell by £21.2 million or 8.8% to £219.5 million. This includes newsprint price and volume declines of £17.9 million and cost reduction initiatives partially offset by inflationary cost increases.

The recharge to the Publishing division was £153.2 million in 2012 compared to £175.5 million in 2011. The reduction in the recharge includes the benefit of the declining newsprint prices, the increased external revenues and the benefit of cost reduction measures which have been partially offset by inflationary cost increases.

Management Report *continued*

Divisional review *continued*

Specialist Digital

The Specialist Digital division includes our digital classified verticals, Trinity Mirror Digital Recruitment and Trinity Mirror Digital Property and our digital marketing services businesses, Rippleffect and Communicator Corp. Happli, a daily deals business, which was launched in 2011 and closed in 2012, is also included in the Specialist Digital division.

Trinity Mirror Digital Recruitment has a portfolio of specialist job sites such as GAAPweb (finance and accountancy), totallylegal (legal), SecsintheCity (secretarial) and PlanetRecruit (IT and telecoms). Trinity Mirror Digital Property operates SmartNewHomes and email4property websites. Rippleffect is an award-winning digital marketing services agency which helps brands connect with their audiences, providing services which combine the right digital strategy with the best in design and technology to ensure engaging, creative and commercially successful digital solutions. Communicator Corp is a digital communications agency which develops and manages digital communications across email, mobile, social and web enabling clients to send targeted customer communications on a global scale.

The revenue and operating profit of the Specialist Digital division is as follows:

	2012 £m	2011 £m	Variance £m	Variance %
Advertising	**12.1**	13.8	(1.7)	(12.3)
Other	**9.3**	4.2	5.1	121.4
Revenue	**21.4**	18.0	3.4	18.9
Costs	**(24.3)**	(18.2)	(6.1)	(33.5)
Operating loss	**(2.9)**	(0.2)	(2.7)	(1,350.0)

Advertising revenues from the digital classified verticals declined by £1.7 million or 12.3% during the year due to reduced activity in both the recruitment and the property markets. Other revenues represent the digital marketing services and happli revenues and grew by £5.1 million or 121.4% to £9.3 million. Communicator Corp, which was acquired at the end of December 2011, had revenues of £3.8 million and happli had revenues of £0.2 million. Excluding these, the growth in revenue of £1.1 million was delivered by Rippleffect which won a number of major contracts during the year.

The operating loss of £2.9 million is after a £3.7 million loss for happli, which was closed in October 2012. Excluding happli, the Specialist Digital division delivered operating profit of £0.8 million with growth from Communicator Corp and Rippleffect offset by declines in the digital classified verticals.

Following a review of the market in which the digital classified verticals operate and the prospects for these businesses in the medium term due to the difficult trading environment, a non cash impairment charge of £60.0 million has been taken against the carrying value of the goodwill for these businesses and reported in non-recurring items.

Central

The Central division includes revenue and costs not allocated to the operational divisions and the share of results of associates. The revenue and operating profit of the Central division is as follows:

	2012 £m	2011 £m	Variance £m	Variance %
Revenue	**3.2**	3.4	(0.2)	(5.9)
Costs	**(20.0)**	(19.8)	(0.2)	(1.0)
Associates	**1.7**	1.3	0.4	30.8
Operating loss	**(15.1)**	(15.1)	-	-

The result for the year was a loss of £15.1 million in line with the £15.1 million loss in the prior year. Revenue primarily relates to rental income from surplus office space at the Group's main office at Canary Wharf. Costs not allocated to the operational divisions increased to £20.0 million from £19.8 million. The cost increase included compensation to the former CEO following her departure and costs relating to the Leveson enquiry partly offset by cost savings. The share of results of associates was an operating profit of £1.7 million compared to £1.3 million in the prior year.

Management Report *continued*

Other items

Cash flow and net debt

Operating cash flow remains strong with contracted net debt, assuming that the private placement loan notes and the cross-currency interest rate swaps are not terminated prior to maturity, falling by £64.2 million from £221.2 million to £157.0 million with no drawings on the bank facility at the year end.

The contracted net debt movement during the year was as follows:

	£m
Net debt as at 1 January 2012	**221.2**
Pension funding	10.9
Net capital expenditure	5.3
Investment in Local World (held in escrow at the end year prior to completion of investment on 7 January 2013)	14.2
Corporation tax paid	18.1
Net interest payments	7.5
Net other cash inflows	(120.2)
Net debt as at 30 December 2012	**157.0**

The Group had available cash balances at the year end of £10.0 million and also held £14.2 million in escrow in respect of the investment in Local World which completed on 7 January 2013. For the purposes of net debt this amount has been excluded.

Net debt on a contracted basis is different to the statutory net debt which includes the US$ denominated private placement loan notes at the year end exchange rate and the related cross-currency interest rate swaps at fair value. An analysis of net debt on a statutory and contracted basis together with the reconciliation between statutory and contracted net debt is shown in note 14.

On a statutory basis, net debt fell by £58.6 million from £200.7 million to £142.1 million. The fair value of the Group's cross-currency interest rate swaps at the year end was an asset of £2.5 million (2011: £10.6 million). The year end Sterling amount of the US$ denominated and the Sterling private placement loan notes was £154.6 million (2011: £226.8 million).

The Group repaid the maturing £69.7 million of private placement loan notes in June 2012 through cash balances and a £20.0 million drawing on the bank facility which was fully repaid in October 2012. The next repayment of the private placement loan notes of £54.5 million is due in October 2013 and is expected to be repaid through cash balances. Repayments on the private placement loan notes beyond 2013 are £44.2 million in June 2014 and £68.3 million in June 2017. In June 2012, the Group entered into a two year interest rate swap in respect of £100 million of loan notes which ensures that interest on this debt is now fixed at 2.6% until June 2014.

The Group's strong cash flows and prudent management of our financing facilities ensured that the Group maintained significant financing flexibility with no drawings at the year end on the Group's bank facility. In March 2012, the Group secured a new £110.0 million bank facility committed until August 2015 and at the same time reduced the previous £178.5 million facility to £135.0 million. The Group terminated the £135.0 million bank facility in October 2012. The £110.0 million facility reduces to £101.8 million in March 2014 and further reduces to £93.5 million in March 2015.

Pensions

The Group operates defined contribution pension schemes with contributions and associated costs charged to operating profit.

The defined benefit pension schemes operated by the Group were closed to future accrual in 2010. The Group continues to fund pension scheme deficits in accordance with funding schedules agreed with the pension scheme trustees. Valuations are undertaken on a triennial basis. As part of the refinancing of its bank facilities in March 2012, the Group agreed with the pension scheme trustees to reduce the annual deficit funding payments for 2012, 2013 and 2014 to £10.0 million per year. Deficit funding payments during the year were £10.0 million (2011: £33.0 million) with a further £0.9 million payment relating to costs incurred by the schemes in negotiating the revised recovery plans.

The accounting pension deficit has increased during the year by £67.6 million from £230.1 million (£172.6 million net of deferred tax) to £297.7 million (£229.2 million net of deferred tax). This reflects the impact of an increase in liabilities of £97.8 million partly offset by an increase in assets of £30.2 million. The increase in liabilities is caused by a decrease of 0.15% in the real discount rate from 1.85% to 1.70% and by a strengthening of the mortality assumptions from adopting the mortality assumptions in the latest completed scheme actuarial valuation.

Management Report *continued*

Other items *continued*

Pensions continued

Post-retirement mortality tables and future life expectancies at age 65 are:

	Future life expectancy (years) for a pensioner currently aged 65		Future life expectancy (years) at age 65 for a non-pensioner currently aged 55	
	Male	Female	Male	Female
At 30 December 2012	**22.6**	**24.7**	**23.5**	**25.7**
At 1 January 2012	21.8	24.2	23.5	25.9

During the year, the trustees of certain schemes purchased insurance contracts relating to £104.8 million of liabilities. The total liabilities covered by insurance contracts, which removes the future exposure relating to these liabilities, is £444.8 million (2011: £338.4 million) or 24.7% (2011: 19.8%). This, in addition to the closure to future accrual, continues to reduce the exposure the Group has to pension schemes.

Further details relating to the Group's defined benefit pension schemes including details of the refinancing and the agreement regarding pensions and an estimate of the sensitivity of the deficit to key assumptions are shown in note 15.

Non-recurring items

In 2012, the Group had a non-recurring charge of £66.0 million. This includes a non cash impairment charge against goodwill of £60.0 million, a non-recurring gain on sale of investments in associates of £5.5 million and restructuring charges of £11.5 million relating to the delivery of cost reduction measures.

The year end impairment review indicated a potential impairment in the goodwill relating to the digital classified recruitment and digital classified property businesses. Following a review of the market in which the digital classified businesses operate and the prospects for these businesses in the medium term due to the difficult trading environment, a non cash impairment charge of £52.0 million in respect of recruitment and £8.0 million in respect of property has been taken against the respective carrying value of the goodwill and reported in non-recurring items.

In 2011, the Group had a non-recurring charge of £9.3 million relating to restructuring charges in connection with the delivery of cost reduction measures of £10.7 million and a £1.4 million receipt from the liquidators of Dawson, the circulation distribution company which went into liquidation in 2009.

We anticipate non-recurring restructuring charges of around £10 million in 2013.

Capital expenditure

Net capital expenditure in the year was £5.3 million against depreciation of £29.1 million. Capital expenditure is expected to be around £15 million in 2013.

Related party transactions

There have been no changes in the nature of the related party transactions and no material transactions during the year.

Management Report *continued*

Other items *continued*

Principal risks and uncertainties

The principal risks and uncertainties that affect the Group on an ongoing basis are described in the Annual Report and Accounts. The top five risks and uncertainties relate to: strategy execution, advertising revenues, newspaper sales, editorial breach and pensions.

The report following Lord Justice Leveson's inquiry into the Culture, Practices and Ethics of the Press contained many recommendations including a framework for a new independent self regulatory system. The Group is working closely with the newspaper and magazine industries to create a structure that can give the public confidence whilst protecting the freedoms of the press.

Neither the current or former journalist arrested as a result of the Metropolitan Police Operation Elveden has yet been charged. We continue to co-operate with the police on this matter and to provide legal support for both journalists.

Having now received the Particulars of Claim in four civil claims alleging phone "hacking" we have applied to the Court to have two of those claims struck out in their entirety as having no reasonable prospect of success and we have challenged the general basis of the remaining two claims.

Going concern

In determining whether the Group's annual consolidated financial statements can be prepared on a going concern basis, the directors considered all factors likely to affect its future development, performance and its financial position, including cash flows, liquidity position and borrowing facilities and the risks and uncertainties relating to business activities. These are set out in the Chairman's Statement, the Chief Executive's Statement and this Management Report with further detail provided in the Annual Report and Accounts.

The key factors considered by the directors were as follows:

- The implications of the challenging economic environment on the Group's revenues and profits. The Group undertakes regular forecasts and projections of trading for targeting performance and identifying areas of focus for management to improve performance and mitigate the impact of any deterioration in the economic outlook;
- The impact of the competitive environment within which the Group's businesses operate;
- The impact on our business of key suppliers (in particular newsprint) being unable to meet their obligations to the Group;
- The impact on our business of key customers being unable to meet their obligations for services provided by the Group;
- The continued fragmentation of media and the implications for our business; and
- The committed finance facilities available to the Group. The Group has access to overdraft facilities and committed bank facilities to meet day to day working capital requirements, which at the year end had undrawn committed headroom of £110.0 million. This facility is committed to August 2015 and drawings can be made with 24 hours notice.

Having considered all the factors impacting the Group's businesses, including downside sensitivities, the directors are satisfied that the Group will be able to operate within the terms and conditions of the Group financing facilities for the foreseeable future.

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Group's annual consolidated financial statements.

Management Report *continued*

Statement of directors' responsibilities

The directors are responsible for preparing the Preliminary Results Announcement in accordance with applicable laws and regulations. The responsibility statement below has been prepared in connection with the Company's full Annual Report and Accounts for the 52 weeks ended 30 December 2012. Certain points thereof are not included within this Preliminary Results Announcement.

The directors confirm to the best of their knowledge:

a) the condensed consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company and the undertakings included in the consolidation taken as a whole; and
b) the Chairman's Statement, the Chief Executive's Statement and the Management Report, include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face.

By order of the Board of directors

Simon Fox
Chief Executive

Vijay Vaghela
Group Finance Director

Forward looking statements

Statements contained in this Preliminary Results Announcement 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 Preliminary Results Announcement involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. To the extent that this Preliminary Results Announcement 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.

Condensed consolidated income statement

for the 52 weeks ended 30 December 2012 (52 weeks ended 1 January 2012)

	notes	**2012 £m**	2011 (restated) £m
Revenue	3,4	**706.5**	760.7
Cost of sales		**(370.8)**	(407.9)
Gross profit		**335.7**	352.8
Distribution costs		**(77.6)**	(90.1)
Administrative expenses:			
Non-recurring items:			
Impairment of goodwill	5	**(60.0)**	-
Other	5	**(11.5)**	(9.3)
Amortisation of other intangible assets		**(3.0)**	(2.8)
Other administrative expenses		**(152.7)**	(159.5)
Share of results of associates:			
Results before non-recurring items		**1.7**	1.3
Non-recurring items	5	**5.5**	-
Operating profit	3	**38.1**	92.4
Investment revenues	6	**0.4**	0.7
Pension finance (charge)/credit	15	**(5.2)**	2.7
Finance costs	7	**(14.4)**	(21.4)
Profit before tax		**18.9**	74.4
Tax credit	8	**4.9**	3.4
Profit for the period attributable to equity holders of the parent		**23.8**	77.8

Statutory earnings per share		**2012 Pence**	2011 Pence
Earnings per share – basic	10	**9.6**	31.4
Earnings per share – diluted	10	**9.4**	31.4

Adjusted* earnings per share		**2012 Pence**	2011 Pence
Adjusted earnings per share – basic	10	**29.9**	27.0
Adjusted earnings per share – diluted	10	**29.1**	27.0

* Adjusted items relate to 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, the pension finance credit or charge and the impact of tax legislation changes. Set out in note 18 is the reconciliation between the statutory results and the adjusted results.

Condensed consolidated statement of comprehensive income

for the 52 weeks ended 30 December 2012 (52 weeks ended 1 January 2012)

	notes	**2012 £m**	2011 £m
Profit for the period		**23.8**	77.8
Actuarial losses on defined benefit pension schemes	15	**(73.3)**	(104.8)
Tax on actuarial losses on defined benefit pension schemes	8	**16.9**	26.2
Deferred tax charge resulting from the future change in tax rate	8	**(4.6)**	(3.2)
Share of items recognised in equity by associates		**(1.7)**	0.5
Other comprehensive costs for the period		**(62.7)**	(81.3)
Total comprehensive costs for the period		**(38.9)**	(3.5)

Condensed consolidated statement of changes in equity

for the 52 weeks ended 30 December 2012 (52 weeks ended 1 January 2012)

	Share capital £m	**Share premium account £m**	**Capital redemption reserve £m**	**Retained earnings and other reserves £m**	**Total £m**
At 1 January 2012	**(25.8)**	**(1,121.6)**	**(4.3)**	**476.3**	**(675.4)**
Profit for the period	-	-	-	(23.8)	(23.8)
Other comprehensive costs for the period	-	-	-	62.7	62.7
Total comprehensive costs for the period	-	-	-	38.9	38.9
Credit to equity for equity settled share-based payments	-	-	-	(2.5)	(2.5)
At 30 December 2012	**(25.8)**	**(1,121.6)**	**(4.3)**	**512.7**	**(639.0)**

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Retained earnings and other reserves £m	Total £m
At 2 January 2011	(25.8)	(1,121.6)	(4.3)	472.1	(679.6)
Profit for the period	-	-	-	(77.8)	(77.8)
Other comprehensive costs for the period	-	-	-	81.3	81.3
Total comprehensive costs for the period	-	-	-	3.5	3.5
Credit to equity for equity settled share-based payments	-	-	-	(2.3)	(2.3)
Purchase of own shares	-	-	-	3.0	3.0
At 1 January 2012	(25.8)	(1,121.6)	(4.3)	476.3	(675.4)

Condensed consolidated balance sheet

at 30 December 2012 (1 January 2012)

	notes	**2012 £m**	2011 £m
Non-current assets			
Goodwill		**17.8**	77.8
Other intangible assets		**894.9**	897.9
Property, plant and equipment		**357.5**	381.7
Investment in associates		**12.6**	7.2
Retirement benefit assets	15	**36.7**	78.5
Deferred tax assets		**68.9**	58.0
Derivative financial instruments	13	**5.2**	13.0
		1,393.6	1,514.1
Current assets			
Inventories		**7.0**	9.7
Trade and other receivables		**107.1**	101.8
Cash and cash equivalents	14	**24.2**	15.5
		138.3	127.0
Total assets		**1,531.9**	1,641.1
Non-current liabilities			
Borrowings	12	**(104.9)**	(160.9)
Retirement benefit obligations	15	**(334.4)**	(308.6)
Deferred tax liabilities		**(262.9)**	(291.2)
Provisions		**(8.8)**	(8.3)
		(711.0)	(769.0)
Current liabilities			
Borrowings	12	**(49.7)**	(65.9)
Trade and other payables		**(101.1)**	(105.2)
Current tax liabilities		**(21.3)**	(17.4)
Provisions		**(7.1)**	(5.8)
Derivative financial instruments	13	**(2.7)**	(2.4)
		(181.9)	(196.7)
Total liabilities		**(892.9)**	(965.7)
Net assets		**639.0**	675.4
Equity			
Share capital	16	**(25.8)**	(25.8)
Share premium account	16	**(1,121.6)**	(1,121.6)
Capital redemption reserve	16	**(4.3)**	(4.3)
Retained earnings and other reserves	16	**512.7**	476.3
Total equity attributable to equity holders of the parent		**(639.0)**	(675.4)

Condensed consolidated cash flow statement

for the 52 weeks ended 30 December 2012 (52 weeks ended 1 January 2012)

	notes	**2012 £m**	2011 £m
Cash flows from operating activities			
Cash generated from operations	11	**109.2**	93.6
Income tax paid		**(18.1)**	(17.7)
Net cash inflow from operating activities		**91.1**	75.9
Investing activities			
Interest received		**0.4**	0.7
Dividend received from associates		**0.1**	-
Proceeds on disposal of property, plant and equipment		**0.3**	-
Purchases of property, plant and equipment		**(5.6)**	(7.5)
Acquisition of subsidiary undertaking		**-**	(7.5)
Net cash used in investing activities		**(4.8)**	(14.3)
Financing activities			
Interest paid on borrowings		**(7.9)**	(13.9)
Repayment of borrowings		**(69.7)**	(145.4)
Purchase of own shares		**-**	(3.0)
Net cash used in financing activities		**(77.6)**	(162.3)
Net increase/(decrease) in cash and cash equivalents		**8.7**	(100.7)
Cash and cash equivalents at the beginning of the period	14	**15.5**	116.2
Cash and cash equivalents at the end of the period	14	**24.2**	15.5

Notes to the condensed consolidated financial statements

for the 52 weeks ended 30 December 2012 (52 weeks ended 1 January 2012)

1. General information

The financial information in the Preliminary Results Announcement is derived from but does not represent the full statutory accounts of Trinity Mirror plc. The statutory accounts for the 52 weeks ended 1 January 2012 have been filed with the Registrar of Companies and those for the 52 weeks ended 30 December 2012 will be filed following the Annual General Meeting on 16 May 2013. The auditors' reports on the statutory accounts for the 52 weeks ended 1 January 2012 and for the 52 weeks ended 30 December 2012 were unqualified, do not include reference to any matters to which the auditors drew attention by way of emphasis of matter without qualifying the reports and do not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

Whilst the financial information included in this Preliminary Results Announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS), this announcement does not itself contain sufficient information to comply with IFRS. This Preliminary Results Announcement constitutes a dissemination announcement in accordance with Section 6.3 of the Disclosure and Transparency Rules (DTR). The Annual Report and Accounts for the 52 weeks ended 30 December 2012 will be available on the Company's website at www.trinitymirror.com and at the Company's registered office at One Canada Square, Canary Wharf, London E14 5AP and will be sent to shareholders in April 2013.

The financial information has been prepared for the 52 weeks ended 30 December 2012 and the comparative period has been prepared for the 52 weeks ended 1 January 2012. Throughout this report, the financial information for the 52 weeks ended 30 December 2012 is referred to and headed 2012 and for the 52 weeks ended 1 January 2012 is referred to and headed 2011.

2. Accounting polices

The financial information has been prepared in accordance with IFRS as adopted by the European Union. These are subject to ongoing amendment by the International Accounting Standards Board and by the European Union and are therefore subject to change. As a result, the financial information contained herein will need to be updated for any subsequent amendment to IFRS or any new standards that the Group may elect to adopt early. The financial information has been prepared under the historical cost convention as modified by the revaluation of freehold properties which on transition to IFRS were deemed to be the cost of the asset.

The accounting policies used in the preparation of the condensed consolidated financial statements for the 52 weeks ended 30 December 2012 have been consistently applied to all the periods presented and except for the changes in accounting policy noted below, are as set out in the Annual Report and Accounts for the 52 weeks ended 1 January 2012. These condensed consolidated financial statements have been prepared on a going concern basis as set out in the Management Report in this Preliminary Results Announcement.

Changes in accounting policy

The Group has adopted amended standards during the current financial period which have had no material impact on the Group:

- IFRS 1 (Amended) 'First-time Adoption of International Financial Reporting Standards' – effective for periods beginning on or after 1 July 2011
- IFRS 7 (Amended) 'Financial Instruments' – effective for periods starting on or after 1 July 2011
- IAS 12 (Amended) 'Deferred Tax' – effective for periods beginning on or after 1 January 2012

At the date of approval of these condensed consolidated financial statements the following new, amended and revised standards and interpretations, which have not been applied and when adopted, except for IAS19 (Amended) 'Employment Benefits', will have no material impact on the Group, were in issue but not yet effective:

- IFRS 1 (Amended) 'First-time Adoption of International Financial Reporting Standards' – effective for periods beginning on or after 1 January 2013
- IFRS 7 (Amended) 'Financial Instruments' – effective for periods beginning on or after 1 January 2013
- IFRS 9 (Issued) 'Financial Instruments' – effective for periods starting on or after 1 January 2013
- IFRS 10 (Issued) 'Consolidated Financial Statements' – effective for periods beginning on or after 1 January 2013
- IFRS 11 (Issued) 'Joint Arrangements' – effective for periods beginning on or after 1 January 2013
- IFRS 12 (Issued) 'Disclosure of Interests in Other Entities' – effective for periods beginning on or after 1 January 2013
- IFRS 13 (Issued) 'Fair Value Measurement' – effective for periods beginning on or after 1 January 2013
- IAS 1 (Amended) 'Presentation of Financial Statements' – effective for periods beginning on or after 1 July 2012
- IAS 19 (Amended) 'Employment Benefits' – effective for periods beginning on or after 1 January 2013
- IAS 27 (Revised) 'Separate Financial Statements' – effective for periods beginning on or after 1 January 2013
- IAS 28 (Revised) 'Investments in Associates' – effective for periods beginning on or after 1 January 2013
- IAS 32 (Amended) 'Financial Instruments' – effective for periods beginning on or after 1 January 2014
- IFRIC 20 (Issued) 'Stripping Costs in the Production Phase of a Surface Mine' – effective for periods beginning on or after 1 January 2013

Improvements to IFRS (2011), effective for periods starting on or after 1 January 2013 will have no material impact on the Group.

2. Accounting policies (continued)

Changes in accounting policy (continued)

IAS19 (Amended) 'Employment Benefits' - effective for periods beginning on or after 1 January 2013, will be adopted for the 2013 financial year and will be applied retrospectively to 2012 for comparative purposes. It is estimated to have the following impact on the consolidated financial statements:

- Pension scheme administrative expenses which are currently allowed for in the finance charge or credit will be reported in operating profit. The estimated charge for 2013 is £3.0 million and will be included in the statutory results but will be excluded from the adjusted results on the basis that the pension schemes are all closed to future accrual and this cost is in effect a cost of administering historical liabilities;
- The calculation of the finance charge will no longer be based on the net of asset return expectations and unwinding of the discount rate on liabilities and will instead be calculated on the balance sheet liability or asset at the start of the period multiplied by the discount rate at the start of the period with an adjustment for contributions. The estimated charge for 2013 is £13.2 million; and
- Changes in the format of the disclosures and additional disclosures in the notes to the consolidated financial statements.

Adoption of the amended standard will not impact the balance sheet pension scheme deficit or surplus. The 2012 pension finance charge of £5.2 million, which included an allowance for administrative expenses, is included in the statutory results below operating profit. Under the amended standard, in 2012 this would be replaced by a £3.3 million charge to statutory operating profit and a £11.2 million finance charge below operating profit, together an increase of £9.3 million. This does not impact the adjusted results as the pension finance charge is excluded from the adjusted results and the new charge for administrative expenses will also be excluded from the adjusted results.

Changes in reporting

During October 2012, the Group announced changes in the management and organisational structure of the Group. As a result of the changes the Group now has four operating segments that are regularly reviewed by the Board and chief operating decision maker for the purposes of allocating resources and assessing performance.

The revision to the operating segments had no impact on the revenue or operating profit of the Group. A review of revenue classification in relation to newsprint supplied to third parties has resulted in revenue and costs for 2011 each being increased by £14.1 million with no impact on operating profit. In addition, the classification of revenue by category has been amended to better reflect the new reporting segments.

The impact of the revised operating segments and the reclassification of revenues and costs on the 2011 results are set out in note 19.

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, described above, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements:

Acquisitions and intangible assets
Judgements have been made in respect of the identification of intangible assets based on pre-acquisition forecasts and market analysis. The initial valuations of acquired intangible assets are reviewed for impairment at each reporting date, or more frequently if necessary.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Impairment of goodwill and other intangible assets
Determining whether goodwill and other intangible assets are impaired requires an estimation of the value in use of the cash-generating unit to which these have been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

Retirement benefits
Actuarial assumptions adopted and external factors can significantly vary the surplus or deficit of defined benefit pension schemes. Advice is sourced from independent actuaries in selecting suitable assumptions.

Derivative financial instruments
Derivative financial instruments are recognised at fair value and can change significantly from period to period.

Notes to the condensed consolidated financial statements

for the 52 weeks ended 30 December 2012 (52 weeks ended 1 January 2012)

3. Operating segments

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board and chief operating decision maker to allocate resources to the segments and to assess their performance. As set out in note 2, following the changes in the management structure during 2012, the external and internal reporting has been amended to reflect the new reporting structure.

The Group now has four operating segments that are regularly reviewed by the Board and chief operating decision maker. The operating segments are: Publishing which includes all of our newspapers and associated digital publishing; Printing which provides printing services to the publishing segment and to third parties; Specialist Digital which includes our digital classified verticals and our digital marketing services businesses; and Central which includes revenue and costs not allocated to the operational divisions and the share of results of associates.

The accounting policies used in the preparation of each segment's revenue and results are the same as the Group's accounting policies described in note 2. The Board and chief operating decision maker are not provided with an amount for total assets by segment. The Group's operations are located in the UK and the Group is not subject to significant seasonality during the year.

Segment revenue and results

	Publishing 2012 £m	**Printing 2012 £m**	**Specialist Digital 2012 £m**	**Central 2012 £m**	**Total 2012 £m**
Revenue					
Segment sales	**615.6**	**219.5**	**23.0**	**3.2**	**861.3**
Inter-segment sales	**-**	**(153.2)**	**(1.6)**	**-**	**(154.8)**
Total revenue	**615.6**	**66.3**	**21.4**	**3.2**	**706.5**
Segment result	**125.1**	**-**	**(2.9)**	**(15.1)**	**107.1**
Amortisation					**(3.0)**
Non-recurring items					**(66.0)**
Operating profit					**38.1**
Investment revenues					**0.4**
Pension finance charge					**(5.2)**
Finance costs					**(14.4)**
Profit before tax					**18.9**
Tax credit					**4.9**
Profit for the period					**23.8**

	Publishing 2011 £m	Printing 2011 £m	Specialist Digital 2011 £m	Central 2011 £m	Total 2011 £m
Revenue					
Segment sales	674.1	240.7	18.9	3.4	937.1
Inter-segment sales	-	(175.5)	(0.9)	-	(176.4)
Total revenue (restated)	674.1	65.2	18.0	3.4	760.7
Segment result	119.8	-	(0.2)	(15.1)	104.5
Amortisation					(2.8)
Non-recurring items					(9.3)
Operating profit					92.4
Investment revenues					0.7
Pension finance credit					2.7
Finance costs					(21.4)
Profit before tax					74.4
Tax credit					3.4
Profit for the period					77.8

Notes to the condensed consolidated financial statements
for the 52 weeks ended 30 December 2012 (52 weeks ended 1 January 2012)

4. Revenue

Revenue in 2011 has been restated by £14.1 million and the revenue classification has been amended as set out in note 2.

	2012 £m	2011 £m
Circulation	**297.2**	322.6
Advertising	**292.8**	326.8
Print advertising	*264.2*	*295.2*
Digital advertising	*28.6*	*31.6*
Printing	**66.3**	65.2
Other	**50.2**	46.1
Total revenue	**706.5**	760.7

The Group's operations are located primarily in the UK. The Group's revenue by location of customers is set out below:

	2012 £m	2011 £m
UK and Republic of Ireland	**702.1**	756.1
Continental Europe	**3.8**	3.7
Rest of World	**0.6**	0.9
Total revenue	**706.5**	760.7

5. Non-recurring items

	2012 £m	2011 £m
Impairment of goodwill (a)	**(60.0)**	-
Restructuring charges (b)	**(11.5)**	(10.7)
Receipt from impairment of receivables (c)	**-**	1.4
Non-recurring items included in administrative expenses	**(71.5)**	(9.3)
Non-recurring items included in share of results of associates (d)	**5.5**	-
Total non-recurring items	**(66.0)**	(9.3)

(a) An impairment review comparing the carrying value of the Group's goodwill and other intangible assets with value in use was undertaken in accordance with IAS36 which indicated that a £60.0 million impairment charge against goodwill in the digital recruitment cash generating unit (£52.0 million) and the digital property cash generating unit (£8.0 million) was required.
(b) Restructuring charges of £11.5 million (2011: £10.7 million) were incurred in delivery of cost reduction measures.
(c) During 2011, a receipt of £1.4 million was received relating to an impairment of receivables in 2009.
(d) Share of the after tax non-recurring gain made by PA Group Limited on disposal of a 50% interest in Canada Newswires.

6. Investment revenues

	2012 £m	2011 £m
Interest income on bank deposits and other interest receipts	**0.4**	0.7

7. Finance costs

	2012 £m	2011 £m
Interest on bank overdrafts and borrowings	**(8.8)**	(13.3)
Total interest expense	**(8.8)**	(13.3)
Fair value loss on derivative financial instruments	**(13.0)**	(10.1)
Foreign exchange gain on retranslation of borrowings	**7.4**	2.0
Finance costs	**(14.4)**	(21.4)

8. Tax

	2012 £m	2011 £m
Current tax		
Corporation tax charge for the period	**(23.7)**	(24.5)
Prior period adjustment	**0.4**	0.1
Current tax charge	**(23.3)**	(24.4)
Deferred tax		
Deferred tax credit for the period	**4.6**	4.0
Deferred tax rate change	**23.2**	23.6
Prior period adjustment	**0.4**	0.2
Deferred tax credit	**28.2**	27.8
Tax credit	**4.9**	3.4

	%	%
Reconciliation of tax credit		
Standard rate of corporation tax	**(24.5)**	(26.5)
Tax effect of items that are not deductible in determining taxable profit/(loss)	**(86.1)**	(1.6)
Deferred tax rate change	**122.8**	31.7
Prior period adjustment	**4.2**	0.5
Tax effect of share of results of associates	**9.5**	0.5
Tax credit rate	**25.9**	4.6

The standard rate of corporation tax reduced from 26% to 24% on 1 April 2012. The change to 25% was substantively enacted in 2011 and then was subsequently revised to 24% in 2012. The blended rate for the accounting year is 24.5% being a mix of 26% up to 31 March 2012 and 24% from 1 April 2012 (2011: 26.5% being a mix of 28% up to 31 March 2011 and 26% from 1 April 2011). The rate of corporation tax will further reduce to 23% on 1 April 2013. The current tax liabilities amounted to £21.3 million (2011: £17.4 million) at the reporting date.

The opening deferred tax position is recalculated in the period in which a change in the standard rate of corporation tax has been substantively enacted by parliament. The change in rate from 26% to 25% was substantively enacted and therefore accounted for in 2011. The change in rate from 25% to 24% occurred during the year and the further change to 23% was substantively enacted during the year and therefore both of these changes have been accounted for in the year resulting in a £23.2 million credit (2011: £23.6 million credit) in the income statement and a £4.6 million debit (2011: £3.2 million debit) taken directly to equity.

The tax on actuarial losses on defined benefit pension schemes taken to the statement of comprehensive income is a credit of £16.9 million (2011: £26.2 million credit) comprising a current tax credit of £1.3 million (2011: £8.2 million credit) and a deferred tax credit of £15.6 million (2011: £18.0 million credit).

9. Dividends

No dividend was declared for both 2012 and 2011.

Notes to the condensed consolidated financial statements

for the 52 weeks ended 30 December 2012 (52 weeks ended 1 January 2012)

10. Earnings per share

	2012 £m	2011 £m
Profit after tax before adjusted items*	**73.7**	66.9
Adjusted items:		
Non-recurring items (after tax)	**(62.6)**	(6.5)
Amortisation of intangibles (after tax)	**(2.3)**	(2.1)
Pension finance (charge)/credit (after tax)	**(3.9)**	2.0
Fair value loss on derivative financial instruments (after tax)	**(10.0)**	(7.6)
Foreign exchange gain on retranslation of borrowings (after tax)	**5.7**	1.5
Tax legislation changes	**23.2**	23.6
Profit for the period	**23.8**	77.8

*Adjusted items relate to 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, the pension finance credit or charge and the impact of tax legislation changes. Set out in note 18 is the reconciliation between the statutory results and the adjusted results.

Weighted average number of ordinary shares	**Thousand**	Thousand
Weighted average number of ordinary shares for basic earnings per share	**246,686**	247,933
Effect of potential dilutive ordinary shares in respect of share options	**6,698**	25
Weighted average number of ordinary shares for diluted earnings per share	**253,384**	247,958

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the parent by the weighted average number of ordinary shares during the period. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue on the assumption of conversion of all potentially dilutive ordinary shares. The weighted average number of potentially dilutive ordinary shares not currently dilutive was 6,406,571 (2011: 9,777,116).

Statutory earnings per share	**Pence**	Pence
Earnings per share – basic	**9.6**	31.4
Earnings per share – diluted	**9.4**	31.4

Adjusted* earnings per share	**Pence**	Pence
Earnings per share - basic	**29.9**	27.0
Earnings per share - diluted	**29.1**	27.0

*Adjusted items relate to 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, the pension finance credit or charge and the impact of tax legislation changes. Set out in note 18 is the reconciliation between the statutory results and the adjusted results.

The basic earnings per share impact for each non-recurring item disclosed in note 5 is as follows:

	Pence	Pence
Impairment of goodwill	**(24.3)**	-
Restructuring charges	**(3.3)**	(3.0)
Receipt from impairment of receivables	**-**	0.4
Loss per share - non-recurring items included in administrative expenses	**(27.6)**	(2.6)
Profit per share - non-recurring items included in share of results of associates	**2.2**	-
Loss per share - total non-recurring items	**(25.4)**	(2.6)

11. Notes to the cash flow statement

	2012 £m	2011 £m
Operating profit	**38.1**	92.4
Depreciation of property, plant and equipment	**29.1**	33.3
Impairment of goodwill	**60.0**	-
Amortisation of other intangible assets	**3.0**	2.8
Share of results of associates	**(7.2)**	(1.3)
Charge for share-based payments	**2.8**	2.5
(Profit)/loss on disposal of fixed assets	**(0.1)**	0.8
Pension funding in excess of income statement charge	**(10.9)**	(33.0)
Operating cash flows before movements in working capital	**114.8**	97.5
Decrease/(increase) in inventories	**2.7**	(2.4)
Increase in receivables	**(6.0)**	(1.7)
(Decrease)/increase in payables	**(2.3)**	0.2
Cash flows from operating activities	**109.2**	93.6

12. Borrowings

	2012 £m	2011 £m
Loan notes	**(154.6)**	(226.8)
Derivative financial instruments (note 13)	**(2.7)**	(2.4)
	(157.3)	(229.2)
The borrowings are repayable as follows:		
On demand or within one year	**(52.4)**	(68.3)
In the second year	**(41.3)**	(51.7)
In the third year	**-**	(42.7)
In the fourth year	**-**	-
In the fifth year	**(63.6)**	-
After five years	**-**	(66.5)
	(157.3)	(229.2)
The borrowings are included in the consolidated balance sheet as follows:		
Amount included in non-current liabilities	**(104.9)**	(160.9)
Amount included in current liabilities	**(52.4)**	(68.3)
	(157.3)	(229.2)

The amount included in non-current liabilities represents borrowings of £104.9 million (2011: £160.9 million) and in current liabilities represents borrowings of £49.7 million (2011: £65.9 million) and derivative financial instruments of £2.7 million (2011: £2.4 million). Non-current assets include £5.2 million (2010: £13.0 million) relating to derivative financial instruments which are included in net debt in note 14.

	2012 £m	2011 £m
Loan notes movement in the period:		
Opening balance	**(226.8)**	(363.9)
Foreign exchange gain on retranslation	**7.4**	2.0
Repayments	**64.8**	135.1
Closing balance	**(154.6)**	(226.8)
Composition of loan notes:		
US$350 million loan notes	**(49.7)**	(51.8)
£22 million loan notes	**-**	-
US$252 million loan notes	**(94.9)**	(165.0)
£10 million loan notes	**(10.0)**	(10.0)
	(154.6)	(226.8)

US private placement loan notes totalling US$602 million and £32 million were issued in 2001 (US$350 million and £22 million) and 2002 (US$252 million and £10 million). On the issue date the capital repayments and fixed rate interest on the US$ denominated loan notes were swapped into floating rate Sterling through the use of cross-currency interest rate swaps. As hedge accounting under IAS 39 has not been applied, the loan notes and cross-currency interest rate swaps are shown separately in accordance with IAS 39. The loan notes are disclosed at amortised cost and translated into Sterling at the reporting date exchange rate and the cross-currency interest rate swaps are disclosed at fair value at the reporting date. These values do not represent the amounts required to repay the loan notes or the related cross-currency interest rate swaps.

At the reporting date US$80 million of the US$350 million loan notes and £nil of the £22 million loan notes were outstanding following repayments made in 2008 and 2011 and US$150 million of the US$252 million loan notes and £10 million of the £10 million loan notes were outstanding following repayments in 2012.

12. Borrowings (continued)

The Group reduced the £178.5 million facility to £135.0 million in March 2012 and agreed a new facility for £110.0 million starting on the earlier of the termination of the £135.0 million facility and June 2013. The Group terminated the £135.0 million bank facility in October 2012 and now has in place the £110.0 million bank facility which is committed to August 2015. At 30 December 2012 the Group had no drawings on the facility and all conditions precedent had been met.

All borrowings are denominated in Sterling unless otherwise indicated. The bank facility and the US private placement loan notes are unsecured.

The effective interest rates at the reporting date are as follows:

	2012 **%**	2011 %
US$ denominated loan notes	**6.78**	6.75
£ denominated loan notes	**7.14**	7.22

The fair value of the Group's borrowings is estimated by discounting their future cash flows at the market rate. The estimate at the reporting date is as follows:

	2012 **£m**	2011 £m
US$ denominated loan notes	**(144.6)**	(216.8)
£ denominated loan notes	**(10.0)**	(10.0)

In estimating the fair value of the loan notes the future cash flows have been discounted using an appropriate discount factor that includes credit risk.

The fair value of other financial assets and liabilities, excluding derivative financial instruments in note 13, are not materially different from the book values and are not repeated in this analysis.

13. Derivative financial instruments

The Group has cross-currency interest rate swaps to manage its exposure to foreign exchange movements and interest rate movements on the US private placement loan notes. Fair value is calculated using discounted cash flows based upon forward rates available to the Group. The cross-currency interest rate swaps are classed in level three of the financial instruments hierarchy.

The movement in the derivative financial instruments is as follows:

	2012 **£m**	2011 £m
Opening asset	**10.6**	10.4
Repayments	**4.9**	10.3
Movement in fair value	**(13.0)**	(10.1)
Closing asset	**2.5**	10.6

The derivative financial instruments are included in the consolidated balance sheet as follows:

	2012 **£m**	2011 £m
Current liabilities	**(2.7)**	(2.4)
Non-current assets	**5.2**	13.0
Closing asset	**2.5**	10.6

Notes to the condensed consolidated financial statements

for the 52 weeks ended 30 December 2012 (52 weeks ended 1 January 2012)

14. Net debt

The statutory net debt for the Group is as follows:

Statutory Net Debt	1 January 2012 £m	Cash flow £m	Derivative financial instruments* £m	Foreign exchange* £m	Loans repaid £m	Transfer to current £m	30 December 2012 £m
Non-current liabilities							
Loan notes	(160.9)	-	-	6.3	-	49.7	(104.9)
	(160.9)	**-**	**-**	**6.3**	**-**	**49.7**	**(104.9)**
Current liabilities							
Loan notes	(65.9)	-	-	1.1	64.8	(49.7)	(49.7)
Derivative financial instruments	(2.4)	-	(2.5)	-	4.9	(2.7)	(2.7)
	(68.3)	**-**	**(2.5)**	**1.1**	**69.7**	**(52.4)**	**(52.4)**
Non-current assets							
Derivative financial instruments	13.0	-	(10.5)	-	-	2.7	5.2
	13.0	**-**	**(10.5)**	**-**	**-**	**2.7**	**5.2**
Current assets							
Cash and cash equivalents	15.5	78.4	-	-	(69.7)	-	24.2
	15.5	**78.4**	**-**	**-**	**(69.7)**	**-**	**24.2**
Net debt including cash in escrow	**(200.7)**	**78.4**	**(13.0)**	**7.4**	**-**	**-**	**(127.9)**
Cash in escrow	-	(14.2)	-	-	-	-	(14.2)
Net debt excluding cash in escrow	**(200.7)**	**64.2**	**(13.0)**	**7.4**	**-**	**-**	**(142.1)**

* The impact on the loan notes of translation into Sterling at the settlement date or at the reporting date exchange rate and the impact on the derivative financial instruments of being stated at fair value at the settlement date or at the reporting date are included in the consolidated income statement within finance costs as set out in note 7.

Cash and cash equivalents represents the sum of the Group's bank balances and cash in hand at the reporting date. The Group had a cash balance of £24.2 million at the year end. This included £14.2 million held in escrow in respect of the investment in Local World which completed on 7 January 2013. For the purposes of net debt this amount has been excluded with only the free cash of £10.0 million included.

The contracted net debt for the Group, assuming that the private placement loan notes and the cross-currency interest rate swaps are not terminated prior to maturity, is as follows:

Contracted Net Debt	1 January 2012 £m	Cash flow £m	Loans repaid £m	Transfer to current £m	30 December 2012 £m
Non-current liabilities					
Loan notes	(167.0)	-	-	54.5	(112.5)
	(167.0)	**-**	**-**	**54.5**	**(112.5)**
Current liabilities					
Loan notes	(69.7)	-	69.7	(54.5)	(54.5)
	(69.7)	**-**	**69.7**	**(54.5)**	**(54.5)**
Current assets					
Cash and cash equivalents	15.5	78.4	(69.7)	-	24.2
	15.5	**78.4**	**(69.7)**	**-**	**24.2**
Net debt including cash in escrow	**(221.2)**	**78.4**	**-**	**-**	**(142.8)**
Cash in escrow	-	(14.2)	-	-	(14.2)
Net debt excluding cash in escrow	**(221.2)**	**64.2**	**-**	**-**	**(157.0)**

The statutory net debt reconciles to the contracted net debt as follows:

	2012 £m	2011 £m
Statutory net debt	**(142.1)**	(200.7)
Loan notes at period end exchange rate	154.6	226.8
Loan notes at swapped exchange rate	(167.0)	(236.7)
Cross-currency interest rate swaps	(2.5)	(10.6)
Contracted net debt	**(157.0)**	(221.2)

15. Retirement benefit schemes

Defined benefit pension schemes

The Group operates 10 defined benefit pension schemes for certain employees which were closed to new entrants with effect from 1 January 2003 and closed to future accrual from 31 March 2010. The most significant of the schemes are the Mirror Group Pension Scheme (the 'Old Scheme'), the MGN Past Service Pension Scheme (the 'Past Service Scheme'), the MGN Pension Scheme (the 'MGN Scheme'), the Trinity Retirement Benefit Scheme (the 'Trinity Scheme') and the Midland Independent Newspapers Pension Scheme (the 'MIN Scheme') which together represent the majority of the aggregate value of the schemes assets and liabilities.

Formal valuations of the defined benefit pension schemes are carried out regularly. The actuarial methods and assumptions used to calculate each scheme's assets and liabilities vary according to the actuarial and funding policies adopted by their respective trustees. All of the schemes are being funded in accordance with the recommendations of the respective scheme actuaries.

Following a period of consultation with the trustees of the Past Service Scheme, the MGN Scheme, the Trinity Scheme, the MIN Scheme and the Trinity Mirror Retirement Plan (the 'TMRP Plan'), in conjunction with the refinancing completed on 14 March 2012, these schemes agreed to extend their recovery plans with reduced deficit funding payments for 2012, 2013 and 2014. Normalised levels of contributions will recommence from 2015. As part of this consultation process the formal valuations for the Past Service Scheme and the MGN Scheme were completed on 14 March 2012. The Trinity Scheme and the MIN Scheme revised their previous schedules of contributions and recovery plans on 14 March 2012 and the TMRP Plan revised its previous schedules of contributions and recovery plans on 13 March 2012. These revised documents take into consideration their respective scheme actuary's latest estimate of the schemes' shortfall of assets when measured against their technical provisions allowing for changes in market conditions.

The Old Scheme and the Past Service Scheme cover the liabilities for service up to 13 February 1992 for employees and former employees who worked regularly on the production and distribution of Mirror Group's newspapers. The Old Scheme was closed on 13 February 1992 and the Past Service Scheme was established to meet the liabilities, which are not satisfied by payments from the Old Scheme and the Maxwell Communications Pension Plan or by the State. The last formal valuation of these schemes was completed on 14 March 2012 for valuation date as at 31 December 2010 and showed a deficit of £192.5 million. During 2012, deficit funding payments were £5.8 million (2011: £14.1 million) to the Past Service Scheme. No contributions have been paid to the Old Scheme since 1992. For 2013 and 2014 agreement has been reached with the trustees to make deficit funding payments at the same amount as paid in 2012.

The last formal valuations were completed in March 2012 for valuation date as at 31 December 2010 for the MGN Scheme, in May 2011 for valuation date as at 31 March 2010 for the MIN Scheme and in June 2010 for valuation date as at 30 June 2009 for the Trinity Scheme. These valuations showed deficits of £68.8 million, £13.3 million and £102.2 million respectively. During 2012, deficit funding payments were £2.0 million (2011: £7.0 million) to the MGN Scheme, £0.8 million (2011: £3.0 million) to the MIN Scheme and £0.5 million (2011: £6.2 million) to the Trinity Scheme. For 2013 and 2014 agreement has been reached with the trustees to make deficit funding payments at the same amount as paid in 2012. The next full actuarial valuation dates for these schemes are: the MGN Scheme 31 December 2013, the MIN Scheme 31 March 2013 and the Trinity Scheme 30 June 2012.

For the purposes of the Group's annual consolidated financial statements, valuations have been performed in accordance with the requirements of IAS 19 with scheme liabilities calculated using a consistent projected unit valuation method and compared to the value of the scheme assets at 31 December 2012, the day closest to the reporting date for which such values were available.

The assets and liabilities of the most significant schemes included above as at the reporting date are:

	Old Scheme/Past Service Scheme £m	MGN Scheme £m	Trinity Scheme £m	MIN Scheme £m
Present value of scheme liabilities	(779.6)	(447.6)	(331.6)	(189.3)
Fair value of scheme assets	566.6	354.1	364.6	162.4
Scheme (deficit)/surplus	**(213.0)**	**(93.5)**	**33.0**	**(26.9)**

Based on actuarial advice, the assumptions used in calculating the scheme liabilities and the actuarial value of those liabilities and the expected return on scheme assets are:

Principal annual actuarial assumptions used:	**2012 %**	2011 %
Discount rate	**4.50**	4.90
Retail price inflation rate	**2.80**	3.05
Consumer price inflation rate	**2.00**	1.85
Expected return on scheme assets	**3.90-5.30**	2.65-5.75
Pension increases:		
Pre 6 April 1997 pensions	**2.10-5.00**	2.15-5.00
Post 6 April 1997 pensions	**2.70-3.60**	2.85-3.70
In deferment	**2.00-2.80**	1.85-3.05

15. Retirement benefit schemes (continued)

Defined benefit pension schemes (continued)

The impact on the defined benefit deficit at the reporting date to variations in key assumptions are: a 0.25% decrease in the discount rate would increase the deficit by £65 million, a 0.25% increase in the retail price inflation assumption would increase the deficit by £13 million, a 0.25% increase in the consumer price inflation assumption would increase the deficit by £28 million and the effect of a half year increase in assumed life expectancy from age 65 would increase the deficit by £25 million.

Post-retirement mortality tables and future life expectancies at age 65 are:

	Future life expectancy (years) for a pensioner currently aged 65		Future life expectancy (years) at age 65 for a non-pensioner currently aged 55	
	Male	Female	Male	Female
At 30 December 2012	**22.6**	**24.7**	**23.5**	**25.7**
At 1 January 2012	21.8	24.2	23.5	25.9

The amount included in the consolidated balance sheet, consolidated income statement and consolidated statement of comprehensive income arising from the Group's obligations in respect of its defined benefit pension schemes is as follows:

Consolidated balance sheet	**2012 £m**	2011 £m	2010 £m	2009 £m	2008 £m
Present value of scheme liabilities	**(1,803.6)**	(1,705.8)	(1,685.1)	(1,683.1)	(1,378.8)
Fair value of scheme assets	**1,505.9**	1,475.7	1,524.1	1,398.1	1,233.6
Effect of asset ceiling	-	-	-	(11.6)	(61.7)
Net scheme deficit	**(297.7)**	(230.1)	(161.0)	(296.6)	(206.9)
Non-current assets – retirement benefit assets	**36.7**	78.5	61.1	-	-
Non-current liabilities – retirement benefit obligations	**(334.4)**	(308.6)	(222.1)	(296.6)	(206.9)
Net scheme deficit	**(297.7)**	(230.1)	(161.0)	(296.6)	(206.9)
Net scheme deficit included in consolidated balance sheet	**(297.7)**	(230.1)	(161.0)	(296.6)	(206.9)
Deferred tax included in consolidated balance sheet	**68.5**	57.5	43.5	83.0	57.9
Net scheme deficit after deferred tax	**(229.2)**	(172.6)	(117.5)	(213.6)	(149.0)

Consolidated income statement	**2012 £m**	2011 £m
Expected return on scheme assets	**76.6**	91.5
Interest cost on pension scheme liabilities	**(81.8)**	(88.8)
Pension finance (charge)/credit	**(5.2)**	2.7

Consolidated statement of comprehensive income	**2012 £m**	2011 £m	2010 £m	2009 £m	2008 £m
Effect of changes in actuarial assumptions on scheme liabilities	**(112.2)**	(24.5)	16.7	(294.1)	231.9
Experience adjustments on scheme liabilities	**14.2**	16.2	8.1	2.0	(23.0)
Experience adjustments on scheme assets	**24.7**	(96.5)	76.1	136.3	(349.5)
Effect of asset ceiling	**-**	-	11.6	50.1	(16.5)
Actuarial (losses)/gains on defined benefit pension schemes	**(73.3)**	(104.8)	112.5	(105.7)	(157.1)

The cumulative amount of actuarial gains and losses recognised in the consolidated statement of comprehensive income since adoption of IFRS is losses of £236.8 million (2011: £163.5 million).

Pension schemes assets include neither direct investments in the Company's ordinary shares nor any property assets occupied nor other assets used by the Group for any year.

The actual return on scheme assets was a gain of £101.3 million (2011: a loss of £5.0 million).

The contributions made during the year totalled £10.9 million (2011: £33.0 million). The deficit funding payments during the year were £10.0 million (2011: £33.0 million) with a further £0.9 million (2011: £nil) payment relating to costs incurred by the schemes in negotiating the revised recovery plans.

15. Retirement benefit schemes (continued)

Defined benefit pension schemes (continued)

	2012 £m	2011 £m
Changes in the present value of scheme liabilities:		
Opening present value of scheme liabilities	**(1,705.8)**	(1,685.1)
Interest cost	**(81.8)**	(88.8)
Actuarial losses	**(98.0)**	(8.3)
Benefits paid	**82.0**	76.4
Closing present value of scheme liabilities	**(1,803.6)**	(1,705.8)

	2012 £m	2011 £m
Changes in the fair value of scheme assets:		
Opening fair value of scheme assets	**1,475.7**	1,524.1
Expected return	**76.6**	91.5
Actuarial gains/(losses)	**24.7**	(96.5)
Contributions by employer	**10.9**	33.0
Benefits paid	**(82.0)**	(76.4)
Closing fair value of scheme assets	**1,505.9**	1,475.7

	2012 £m	2011 £m
Fair value of scheme assets:		
UK equities	**227.6**	205.4
US equities	**103.9**	79.6
Other overseas equities	**252.7**	289.9
Property	**22.1**	17.3
Corporate bonds	**264.6**	221.1
Fixed interest gilts	**54.8**	114.7
Index linked gilts	**90.4**	167.8
Cash and other	**45.0**	41.5
Insurance contracts	**444.8**	338.4
Fair value of scheme assets	**1,505.9**	1,475.7

	2012 %	2011 %
Expected nominal rates of return on plan assets:		
Equities	**6.90**	7.50
Property	**5.30**	5.75
Corporate bonds	**4.50**	4.90
Fixed interest gilts	**2.70**	2.80
Index linked gilts	**2.75**	2.85
Cash and other	**2.30**	2.70
Insurance contracts	**4.50**	4.90

For each scheme, the expected return on assets has been derived as the weighted average of the expected returns from each of the main asset classes. The expected return for each asset class reflects a combination of historical performance analysis, the forward looking views of the financial markets as suggested by the yields available and the views of investment organisations.

Defined contribution pension schemes

The Group operates defined contribution pension schemes for qualifying employees. The principal scheme is the Trinity Mirror Pension Plan. The assets of the schemes are held separately from those of the Group in funds under the control of trustees. The current service cost charged to the consolidated income statement of £13.7 million (2011: £14.1 million) represents contributions payable to these schemes by the Group at rates specified in the scheme rules. Contributions that were due have been paid over to the schemes at all reporting dates.

16. Share capital and reserves

The share capital comprises 257,690,520 allotted, called-up and fully paid ordinary shares of 10p each. The share premium account reflects the premium on issued ordinary shares. The capital redemption reserve represents the nominal value of the shares purchased and subsequently cancelled under share buy-back programmes.

Cumulative goodwill written off to retained earnings and other reserves in respect of continuing businesses acquired prior to 1998 is £25.9 million (2011: £25.9 million). On transition to IFRS, the revalued amounts of freehold properties were deemed to be the cost of the asset and the revaluation reserve has been transferred to retained earnings and other reserves.

Shares purchased by the Trinity Mirror Employees' Benefit Trust (the 'Trust') are included in retained earnings and other reserves at £12.6 million (2011: £14.1 million). During the year, 1,209,676 shares were released to senior managers relating to grants made in prior years.

During the year 7,278,368 share awards were granted to senior managers on a discretionary basis under the Long Term Incentive Plan approved in 2012 (2011: 2,212,444 under the Long Term Incentive Plan approved in 2004). The exercise price of the granted awards is £1 for each block of awards granted. The awards vest after three years, subject to the continued employment of the participant and satisfaction of certain performance conditions.

During the year 2,683,818 share awards were granted to senior managers on a discretionary basis under the Deferred Share Award Plan approved in 2006 (2011: 3,660,097 under the Deferred Share Award Plan approved in 2006). The exercise price of the granted awards is £1 for each block of awards granted. The awards vest after three years, subject to continued employment of the participant.

17. Post balance sheet event

On 7 January 2013, the Group acquired a 20% equity interest in Local World Limited ('Local World') for a cash consideration of £14.2 million. On the same day, Local World acquired the regional publishing assets previously owned by Northcliffe Media Limited and Iliffe News & Media Limited. Simon Fox and Vijay Vaghela have been appointed to the Board of Local World as unremunerated non-executive directors. The investment is expected to be earnings enhancing in the first full year of investment.

18. Reconciliation of the statutory results to the adjusted results

52 weeks ended 30 December 2012	**Statutory results £m**	**Non-recurring items (a) £m**	**Amortisation (b) £m**	**Finance costs (c) £m**	**Pension finance charge (d) £m**	**Tax legislation changes (e) £m**	**Adjusted results £m**
Revenue	**706.5**	**-**	**-**	**-**	**-**	**-**	**706.5**
Operating profit	**38.1**	**66.0**	**3.0**	**-**	**-**	**-**	**107.1**
Profit before tax	**18.9**	**66.0**	**3.0**	**5.6**	**5.2**	**-**	**98.7**
Profit after tax	**23.8**	**62.6**	**2.3**	**4.3**	**3.9**	**(23.2)**	**73.7**
Basic earnings per share (pence)	**9.6**	**25.4**	**0.9**	**1.8**	**1.6**	**(9.4)**	**29.9**

52 weeks ended 1 January 2012 (restated)	Statutory results £m	Non-recurring items (a) £m	Amortisation (b) £m	Finance costs (c) £m	Pension finance credit (d) £m	Tax legislation changes (e) £m	Adjusted results £m
Revenue	760.7	-	-	-	-	-	760.7
Operating profit	92.4	9.3	2.8	-	-	-	104.5
Profit before tax	74.4	9.3	2.8	8.1	(2.7)	-	91.9
Profit after tax	77.8	6.5	2.1	6.1	(2.0)	(23.6)	66.9
Basic earnings per share (pence)	31.4	2.6	0.8	2.5	(0.8)	(9.5)	27.0

(a) Non-recurring items relate to the items charged or credited to operating profit as set out in note 5 and prior year tax adjustments included in the taxation credit as set out in note 8.
(b) Amortisation of other intangible assets.
(c) Impact of the translation of foreign currency borrowings and fair value changes on derivative financial instruments as set out in note 7.
(d) Pension finance charge or credit as set out in note 15.
(e) Tax legislation changes relate to the change in the corporation tax rate on the opening deferred tax position as set out in note 8.

Notes to the condensed consolidated financial statements

for the 52 weeks ended 30 December 2012 (52 weeks ended 1 January 2012)

19. Changes in reporting

The effect of the changes in reporting, set out in note 2, on the 2011 reported performance is analysed below:

	As reported 2011 £m	Publishing 2011 £m	Printing 2011 £m	Specialist Digital 2011 £m	Central 2011 £m	Newsprint 2011 £m	As restated 2011 £m
Nationals	453.0	(408.3)	(42.2)	-	(2.5)	-	-
Regionals	293.6	(265.8)	(8.9)	(18.0)	(0.9)	-	-
Publishing	-	674.1	-	-	-	-	674.1
Printing	-	-	51.1	-	-	14.1	65.2
Specialist Digital	-	-	-	18.0	-	-	18.0
Central	-	-	-	-	3.4	-	3.4
Revenue	**746.6**	**-**	**-**	**-**	**-**	**14.1**	**760.7**
Nationals	83.1	(83.1)	-	-	-	-	-
Regionals	36.5	(36.7)	-	0.2	-	-	-
Publishing	-	119.8	-	-	-	-	119.8
Printing	-	-	-	-	-	-	-
Specialist Digital	-	-	-	(0.2)	-	-	(0.2)
Central	(15.1)	-	-	-	-	-	(15.1)
Operating profit	**104.5**	**-**	**-**	**-**	**-**	**-**	**104.5**