

Trinity Mirror plc
16 May 2013

INTERIM MANAGEMENT STATEMENT
17 weeks ended 28 April 2013

Ahead of today's Annual General Meeting, Trinity Mirror plc is issuing an Interim Management Statement covering the 17 weeks of trading to 28 April 2013 ('the period') and describing the Group's financial position and performance, updated to the latest practicable date.

Key Highlights

- Improving revenue trends, in particular circulation revenues
- Good growth in digital audience with unique users¹ up 25% year on year to 31 million and page views² up 36% year on year to 163 million
- Continued strong cash generation with net debt falling by £25 million to £132 million
- On track to deliver targeted structural cost savings of £10 million in 2013
- We remain confident in the outlook for the Group's performance in 2013

Outlook

Revenue trends have improved over the 17 week period, despite the trading environment remaining challenging. We continue to expect an improvement in the rate of decline in revenues as we progress through the year as the benefit of our strategic initiatives start to take effect.

The benefit of our strategic initiatives and our targeted cost savings of £10 million gives the Board confidence in the outlook for the Group's performance in 2013.

Revenues

	Jan/Feb	Mar/Apr	YTD
	%	%	%
Circulation	(13)	(3)	(8)
Advertising	(14)	(12)	(13)
<i>Print</i>	(14)	(12)	(13)
<i>Digital</i>	(13)	(13)	(13)
Printing	(5)	(2)	(3)
Other	(8)	(3)	(5)
Revenue	(13)	(7)	(10)

Whilst the trading environment remains challenging we continue to see an improvement in revenues, with March and April down 7% compared to a decline of 13% in January and February.

In particular, we are pleased with the improving circulation revenue trends with the rate of decline falling to 3% in March and April reflecting the benefit of cover price increases and strong circulation volume performance. The Daily Mirror in particular continues to achieve volume trends better than the market.

We have delivered continued strong growth in digital audience with unique users¹ increasing 25% year on year to 31 million with page views² up a more significant 36% to 163 million. The roll out of our digital content management system is progressing well with a number of our sites migrated to the new platform which is driving strong audience growth, particularly on mobile.

¹Average monthly unique users (ABCe) for January to March 2013 versus January to March 2012

²Average monthly page views (Omniture) for January to March 2013 versus January to March 2012

Advertising markets remain difficult. Display advertising during the period was down 11%, reflecting a lower rate of decline in March and April of 11% compared to a 12% decline for the first two months. Our most cyclical classified advertising categories, in particular recruitment, continued to be adversely impacted by the economy with declines of 26% in the period. Although digital advertising revenues were down year on year we are encouraged that digital display grew by 8% in the period with growth of 13% during March and April.

Printing revenues fell for the period due to a decline in newsprint prices and a reduction in print volumes as our customers mitigated the effects of the difficult advertising market. In April, the Group secured a contract to print City AM with the full benefits of the contract accruing from May.

Financing

Cash flows remained strong with net debt on a contracted basis* reducing by £25 million to £132 million during the period and we anticipate a further decline in net debt as we progress through the year.

Net debt on a contracted basis has fallen during the period as follows:

	£m
Net debt as at 30 December 2012	(142.8)
Investment in Local World	(14.2)
Net debt after investment in Local World	(157.0)
Operating cash flows, capital expenditure and working capital	41.7
Pensions deficit funding payments	(3.3)
Interest payments	(1.0)
Corporation tax payments	(12.4)
Net debt as at 28 April 2013	(132.0)

* assuming that the private placement loan notes and related cross-currency interest rate swaps are not terminated prior to their maturity

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 £14.2 million cash for our investment in Local World was held in escrow at the year end.

The Group had cash balances of £35 million at the period end. The next repayment of the private placement loan notes of £55 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 million in June 2014 and £68 million in June 2017.

Net debt on a statutory basis, including the fair value asset of the cross-currency interest rate swaps and converting the US\$ denominated private placement loan notes at the period end exchange rate, fell by £25 million to £117 million.

The Group has in place a £110 million bank facility which is committed to August 2015. There have been no drawings on the facility.

Pensions

The IAS 19 accounting pension deficit increased marginally by £3.2 million from £297.7 million at the 2012 year end to £300.9 million at the end of March 2013. This reflects an increase in liabilities of £92.0 million substantially offset by an increase in assets values of £88.8 million. The increase in liabilities is driven by a further fall in the real discount rate by 0.60 percentage points to 1.10% during the period.

The IAS 19 pension scheme valuation remains volatile and is not the basis upon which schemes are funded. We continue to fund the pension deficit in accordance with funding schedules agreed with the pension scheme Trustees with payments of £10 million in 2013 and in 2014. Payments are expected to be £33 million per annum thereafter.

Non-recurring items

Restructuring costs for the year are expected to be in line with our previous guidance of £10 million.

Capital expenditure

The Group continued its investment programme in new publishing systems and expects total capital expenditure for the year to be in line with the guidance of £15 million.

Other matters

The Company previously announced that a current and former journalist were arrested as part of the Metropolitan Police Operation Elveden (the investigation relating to alleged inappropriate payments to public officials) and that two current and two former journalists employed by the Group were arrested in connection with Operation Weeting (the investigation into alleged phone hacking). The Company continues to co-operate with the police in their investigations and none of the journalists have been charged.

The Company has also previously announced that it has received Particulars of Claim in four civil claims alleging phone “hacking”. An application has been made to the Court (which is yet to be heard) to have two of those claims struck out in their entirety as having no reasonable prospect of success, and the general basis of the other two claims has been challenged.

We will not accept wrong doing within our businesses and take these allegations seriously. In addition to co-operating with the police we have asked external lawyers to investigate all the allegations that have been made against our employees.

It is too soon to know how these matters will progress and further updates will be made if there are any significant developments.

Conference call

Trinity Mirror will be holding a conference call this morning for analysts and investors at 8.00am. The dial-in number is **020 3426 2876** and the pin code is **49591099#**.

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Forward looking statements

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