Trinity Mirror plc

2017 Annual Results
5 March 2018

Today's agenda

Highlights	Simon Fox
Financial update	Vijay Vaghela
Strategic and operational update	Simon Fox

Financial highlights

Group revenue	Digital display and transactional revenue	Operating profit (statutory)	Operating profit (adjusted)[1]	Operating margin (adjusted)[1]
£623.2m	£68.7m	£97.9m	£124.7	20.0%
-12.6% (LFL: -8.8%) [2]	+17.6% (LFL: +18.2%) [2]	+4.7%	-9.3%	+0.7 p.p.

EBITDA (adjusted)[1]	IAS 19 pension deficit	Net debt	Dividends per share
£145.1m	£377.6	£9.0m	5.80p
-9.1%	Reduced by £88.4m	Reduced by £21.5m	+6.4%

Note: (1) These are adjusted results which are described on page 43
(2) LFL described on page 5

Strategic highlights

GROW

- Largest commercial digital news provider in the UK – 33m monthly unique users[1]
- Strong publishing digital display and transactional growth – revenue growth (18%)[2] outstripping growth in average monthly page views (15%)[3]

BUILD

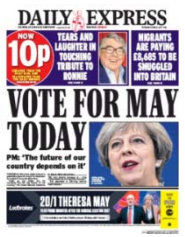
- New products validated and ready for scale up – football.london, InYourArea
- More products in the validation pipeline

PROTECT

- Won contract to print the Guardian and Observer titles – effective early 2018
- Delivered structural cost savings of £20m in 2017 - £5m ahead of target

CONSOLIDATE

- Acquisition of Northern & Shell's publishing assets



Following the acquisition of Northern & Shell's publishing assets, we are proposing to change the name of the Group to Reach plc at the upcoming AGM in May 2018

Note: (1) ComScore UK multi-platform (December 2017)
(2) Based on LFL YoY growth
(3) Based on LFL YoY annual average and excludes apps, galleries , Streamo and Live Event page views (Omniture)

Vijay Vaghela

GROUP FINANCE DIRECTOR

Prior year comparison

- 2017 is a 52-week trading period
- 2016 is a 53-week trading period
- Results are presented on an adjusted basis[1]
- Revenue trends are shown on a LFL basis which excludes:
  - The extra week of trading in 2016
  - The Independent print and distribution contract which ceased in April 2016
  - Rippleffect which was sold in August 2016
  - The four Metros which were handed back to DMGT in December 2016
  - Other portfolio changes in 2016 and 2017

Note: (1) Adjusted results are described on page 43

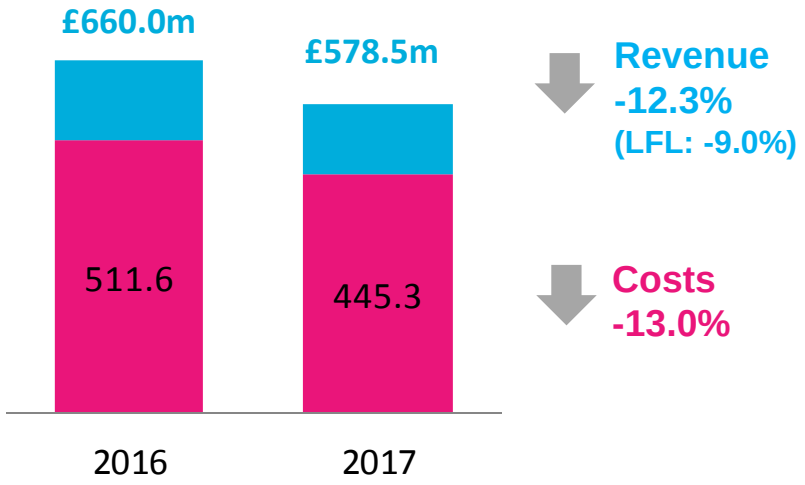
Group performance

Group summary	2017	2016	Var	Var
	£m	£m	£m	%
Revenue	**623.2**	**713.0**	**(89.8)**	**(12.6%)**
Costs	(499.3)	(576.6)	77.3	13.4%
Associates	0.8	1.1	(0.3)	(27.3%)
Operating profit	**124.7**	**137.5**	**(12.8)**	**(9.3%)**
Operating margin	*20.0%*	*19.3%*	*0.7%*	*n/a*
EBITDA	**145.1**	**159.7**	**(14.6)**	**(9.1%)**
EPS	**36.1p**	**38.1p**	**(2.0p)**	**(5.2%)**

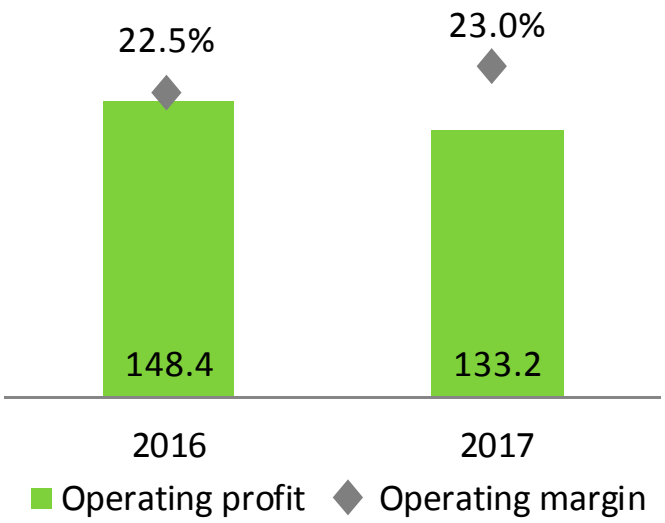
- LFL revenue declined by 8.8%
- Operating costs falling by a material £77.3m
- Improvement in operating margin of 0.7 percentage points limiting fall in operating profit to 9.3%
- Strong EBITDA of £145.1m
- EPS fell by 5.2% – 4 percentage points lower than fall in operating profit
- Resilient performance in a challenging print market

Publishing

Publishing revenue and costs (£m)



Publishing operating profit (£m) & margin (%)

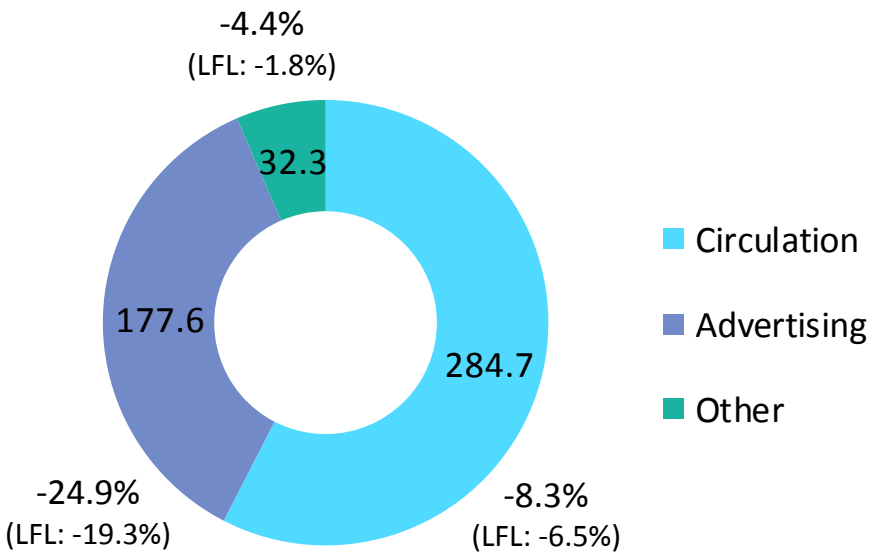


- LFL revenue down 9.0%
  - 9.6% in H1 and 8.4% in H2
- Costs down by £66.3m due to continued tight management of cost base

- Operating profit fell by 10.2% to £133.2m
- Operating margin up 0.5 percentage points to 23.0%

Publishing print

2017 Publishing print revenue mix (£m)

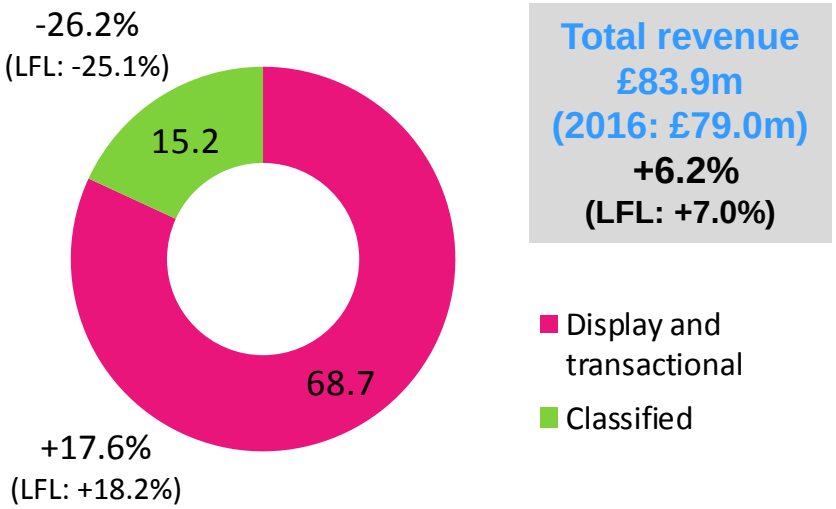


Total revenue
£494.6m (2016: £581.0m)
-14.9%
(LFL: -11.3%)

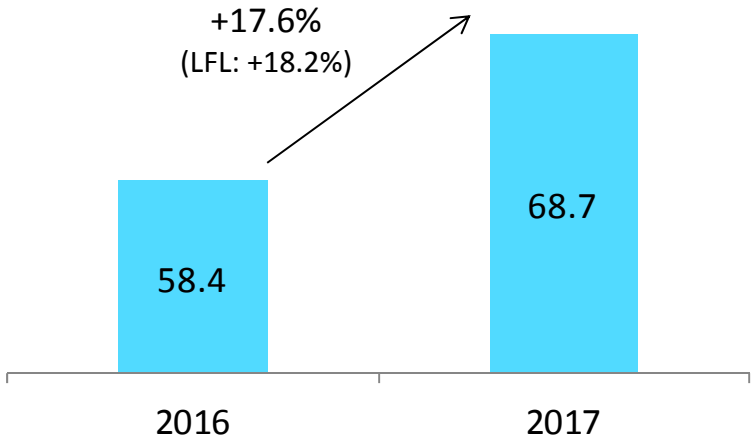
- On a LFL basis, circulation representing 58% of print revenue fell by 6.5%
  - Cover price increases reducing the impact of volume declines
- On a LFL basis, advertising revenue representing 36% of print revenue fell by 19.3%. Trends impacted by:
  - Difficult trading environment
  - The European Football Championship in 2016
- On a LFL basis, display and other advertising revenue fell 14.8% and classified fell 23.5%
- LFL other print revenues fell by 1.8% due to declines in rental income and business enterprise revenues partially offset by growth in Sports Media and syndication

Publishing digital

Publishing digital revenue mix (£m)



Publishing digital display and transactional revenue (£m)



- Total revenue up 6.2% with LFL growth of 7.0%
- Classified revenues, predominantly upsold from print, remain challenging
  - Recruitment advertising representing 49% of classified revenues down 35.8% on a LFL basis

- On a LFL basis, display and transactional revenue growth of 18.2% has outstripped growth in average monthly page views of 15%[1]
  - Strong growth in revenues from video, programmatic and digital marketing services

Note: (1) Based on LFL YoY annual average and excludes apps, galleries , Streamo and Live Event page views (Omniture)

Other divisional performance

Other divisions

£m	2017 Printing	2017 Specialist Digital	2017 Central	2016 Printing	2016 Specialist Digital	2016 Central
Revenue	**31.6**	**9.6**	**3.5**	**36.2**	**12.9**	**3.9**
Cost	(31.6)	(6.9)	(15.5)	(36.2)	(10.5)	(18.3)
Operating profit pre associates	**-**	**2.7**	**(12.0)**	**-**	**2.4**	**(14.4)**
Associates	-	-	0.8	-	-	1.1
Operating profit post associates	**-**	**2.7**	**(11.2)**	**-**	**2.4**	**(13.3)**

Printing

- Revenue decline of 12.7% impacted by cessation of Independent print contract in April 2016 (LFL: -7.9%)
- Costs recharged to the Publishing division of £99.6m fell by 10.8% due to cost reductions exceeding the revenue decline

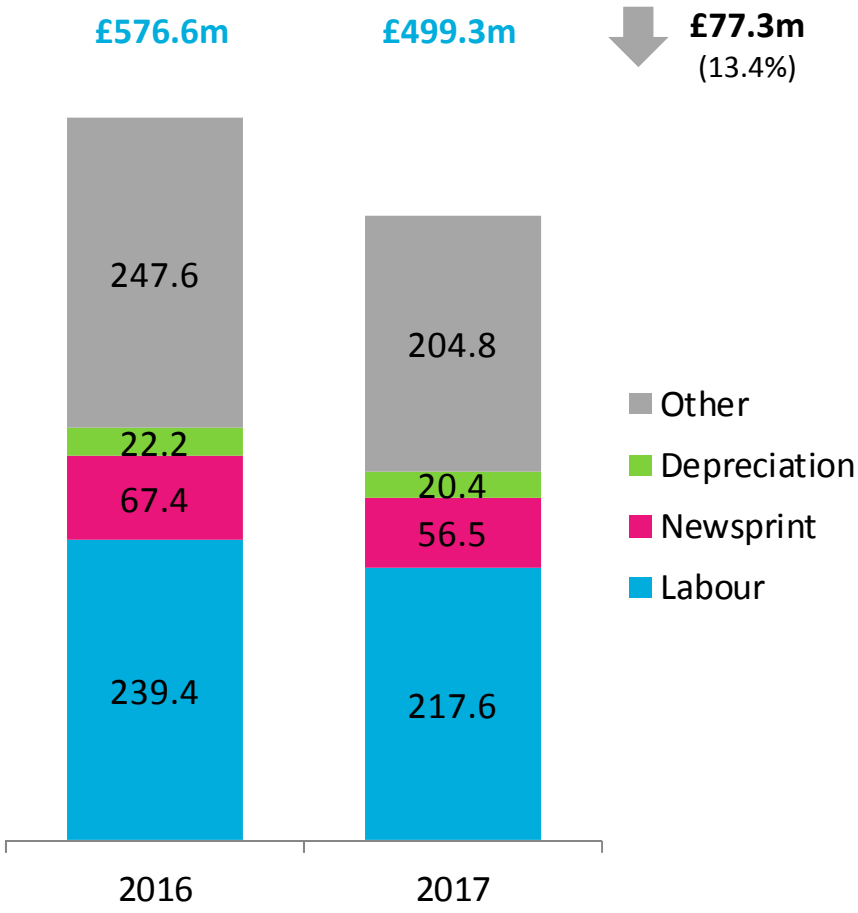
Specialist Digital

- 25.6% revenue decline distorted by sale of Rippleffect in August 2016 (LFL: +£0.1m or +1.1%)
- Operating profit improved by £0.3m

Central

- Costs fell by £2.8m to £15.5m reflecting the ongoing tight management of costs
- Associates income fell by £0.3m due to increased investment in Brand Events

Group costs



- Operating costs fell £77.3m
  - Structural cost savings of £20m achieved against initial full year target of £15m
  - Portfolio changes
  - Mitigating actions
- £15m of structural cost savings targeted for 2018

Restructuring charges

- Incurred £12.6m of restructuring charges in respect of cost reduction measures
- Restructuring costs of £10m in 2018 to deliver targeted cost savings of £15m

Operating adjusted items

Operating adjusted items	2017	2016
	£m	£m
Restructuring charges in respect of cost reduction measures	(12.6)	(15.1)
Provision for historical legal issues	(10.5)	(11.5)
Pension administrative expenses	(1.0)	(2.2)
Amortisation of intangible assets	(0.3)	(0.3)
Profit on sale of land and buildings	0.2	0.2
Transaction costs	(2.2)	-
Impairment of goodwill	-	(2.0)
Contract termination fee	-	(2.0)
Closure of print sites and press line	-	(10.7)
Operating adjusted items included in administrative expenses	**(26.4)**	**(43.6)**
Operating adjusted items included in share of results of associates	(0.4)	(0.4)
Total operating adjusted items	**(26.8)**	**(44.0)**

- Provision for historical legal issues increased by £10.5m
- Transaction costs relate to cost incurred up to the end of 2017 on the acquisition of Northern & Shell's publishing assets

Cash flow

- Cash generation of £47.0m pre distribution to shareholders
- Working capital in 2016 benefitted from additional week

Cash flow	2017	2016	Var
	£m	£m	£m
EBITDA	**145.1**	**159.7**	**(14.6)**
Proceeds from sale of land and buildings	1.2	10.6	(9.4)
Capital expenditure	(8.9)	(4.3)	(4.6)
Net interest	(2.0)	(5.3)	3.3
Restructuring	(13.6)	(15.4)	1.8
Taxation	(13.9)	(12.2)	(1.7)
Pension funding (excluding share buyback contribution)	(36.2)	(35.7)	(0.5)
Historical legal issues	(17.9)	(29.7)	11.8
Working capital and other	(6.8)	16.6	(23.4)
Net cash flow generated pre distribution to shareholders	**47.0**	**84.3**	**(37.3)**
Dividends paid	(15.3)	(14.6)	(0.7)
Purchase of shares under the share buyback programme	(7.7)	(2.3)	(5.4)
Additional pension contribution in connection with the share buyback	(2.5)	(5.0)	2.5
Net cash flow	**21.5**	**62.4**	**(40.9)**

Pensions

Pensions	Dec-17	Dec-16	Var	Insurance contract buyout	Excluding insurance contracts
	£m	£m	£m	£m	£m
Fair value of scheme assets	1,551.6	1,661.6	(110.0)	173.3	63.3
Present value of scheme liabilities	(1,929.2)	(2,127.6)	198.4	(173.3)	25.1
Net scheme deficit	**(377.6)**	**(466.0)**	**88.4**	**-**	**88.4**
Net scheme deficit after deferred tax	**(311.4)**	**(385.1)**	**73.7**	**-**	**73.7**
Discount rate	2.50%	2.65%	(0.15%)		
Inflation rate (RPI)	3.15%	3.20%	(0.05%)		

- Fall in IAS19 pension deficit by £88.4m to £377.6m (£311.4m after deferred tax)
- Following merger of the three Mirror Schemes at the end of 2016, £173.3m of insured assets and liabilities were transferred to an insurance company
- Strong asset returns and company contributions more than offset the payment of benefits and expenses
- Liabilities fell due to change in mortality assumptions and benefit payments
- A 0.5% increase in the discount rate could reduce the deficit by £160m
- Approximately 10% of liabilities hedged through insurance contracts
- Funding valuations agreed in December 2017 with contributions of £43.8m p.a. for 10 years from 2018. Contributions were revised as part of the acquisition of Northern & Shell's publishing assets to £47.0m p.a. for 2018-2020 and then £52.0m p.a. 2021-2027

Financial flexibility

- Net debt of only £9.0m at year end
- The US private placement loan notes fully repaid in June 2017 utilising existing cash balances and drawdown on the £100m RCF
- £100m amortising RCF committed to December 2021
  - £8.3m reduction every 6 months during 2018 to 2020
  - £50m outstanding for final year to December 2021

Financing	Dec-17	Dec-16	Var
	£m	£m	£m
Bank facility	(25.0)	-	(25.0)
Loan notes	-	(68.3)	68.3
Cash balances	16.0	37.8	(21.8)
Contracted net debt	**(9.0)**	**(30.5)**	**21.5**

Acquisition of Northern & Shell's publishing assets

Purchase price							
£m	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**Total**
Cash consideration	47.7 (1)	-	18.9	16.0	17.1	7.0	**106.7**
New TM equity issued	20.0	-	-	-	-	-	**20.0**
Total	**67.7**	**-**	**18.9**	**16.0**	**17.1**	**7.0**	**126.7**

- Total consideration of £126.7m with £106.7m in cash and 20.0m in shares
- Initial cash payment of £47.7m and deferred consideration of £59.0m
- Agreed upfront payment of £41.2m to N&S Pension Schemes and contributions of £29.2m over 10 years (post tax cost of £57.5m)
- New £75m four year acquisition facility to partially fund the acquisition
- Total Enterprise Value of £184.2m – £126.7m equity + £57.5m post tax pension contributions
- Estimated synergies of £20m in 2020
- Represents an EV/EBITDA multiple of 5.4x pre anticipated synergies and 3.4x post anticipated synergies

Note: (1) Cash payment of £42.7m on completion of UK acquisition and £5.0m for Irish acquisition which is conditional on approval of Irish regulatory authorities

Current trading and outlook

- Revenue in the first two months fell by 9% on a LFL basis
  - LFL trends exclude from the 2017 comparative the two Metros handed back in December 2017 and other portfolio changes in 2017

- Acquisition of Northern & Shell's publishing assets expected to be earnings enhancing in 2018

- At this early stage in the year, performance for 2018 is expected to be in line with our expectations

Simon Fox

CHIEF EXECUTIVE

Our vision

OUR VISION	To be an **essential part of people's daily lives** by delivering **quality content and services** that **inform, enlighten and enrich**
OUR BELIEF	**Engaging, differentiated content** is at the heart of our business. It is this content that makes us central to our audience's daily lives and our context which makes us so valuable to advertisers
OUR VALUES	**Collaboration** **Imagination** **Determination**
OUR PEOPLE	Talented people are the **foundation of our business.** We create a **dynamic environment** that **embraces their passions and ambitions**
OUR FINANCIAL OBJECTIVES	To deliver **sustainable growth in revenue, profit and cash flow**

Our strategy

Grow, build, protect and consolidate our strong position in the communities that we serve

OUR STRATEGY

GROW

Grow **digital audience and revenue** through **deepening relationships with readers** and **optimising response for advertisers**

BUILD

Build a **diversified product portfolio** and **sustainable mix of new revenue**

PROTECT

Protect our print brands by **efficiently** delivering **quality products**

CONSOLIDATE

Seek out **strategic opportunities** that **drive value**

In the medium term, growth from digital and new revenue streams will outstrip print declines

OUR STRATEGY

GROW

2017 performance and 2018 objectives

Continue digital audience and revenue growth

	2017 performance	2018 targets
Monthly PVs	+15.4%[1]	>10%
Digital display & transactional revenue[2]	+18.2%	>20%

Note: (1) Based on annual average YoY and excludes apps, galleries, Streamo and Live Event page views (Omniture)

(2) Relates to YoY LFL growth

OUR STRATEGY

BUILD

2017 performance and 2018 objectives

Roll-out of Live brands and new newsroom model

- Launch of Live brand in areas with no existing print presence
- Existing digital sites rebranded to Live
- Existing Live sites to move to new newsroom model in 2018

New Live sites to be launched in areas with no existing print presence in 2018

OUR STRATEGY

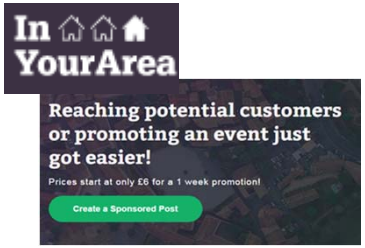
BUILD

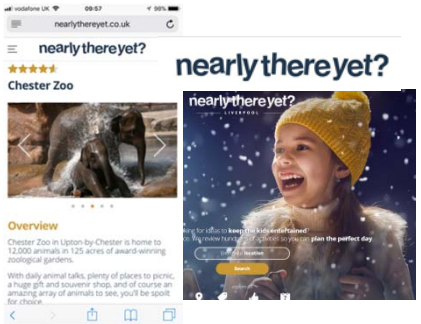
Build a diversified and sustainable mix of new revenue

Strong pipeline of new products

Content verticals	Conversion products	Local	Events

Ticketing





Have successfully validated some concepts for roll-out in 2018

OUR STRATEGY

PROTECT

2017 performance and 2018 objectives

Efficiently deliver quality print products

	2017 performance	2018 targets
Circulation revenue	-6.5%[1]	Single digit declines
Print advertising trends	-19.3%[1]	At least in line with market trends
Structural cost savings	£20m	£15m

Note: (1) Relates to YoY LFL decline

OUR STRATEGY

PROTECT

2017 Performance and 2018 objectives

Efficiently deliver quality print products

2017 initiatives

- Ongoing portfolio reviews resulting in further closure and rationalisation of titles
- Handed back two further Metro titles in December 2017
  - Currently retained: Manchester and Birmingham
- Delivered £20m of structural cost savings

2018 initiatives

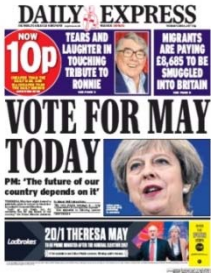
- Won a 5-year contract to print and distribute the Guardian and Observer titles, effective early 2018
- Extended the print and distribution contract for the *i* as well as the Scotsman and Scotland on Sunday for a further three years
- Won contract as official match day programme and tournament magazine publisher for 2018 FIFA World Cup
- Efficiency program to deliver £15m of structural cost savings

OUR STRATEGY

CONSOLIDATE

The acquisition of Northern & Shell's publishing assets is financially compelling and will deliver attractive returns for shareholders

- The business is of a scale to make a material difference to Trinity Mirror's future cash flows and financial performance
  - 2017 Adjusted EBITDA of c.£34m[1]
  - Earnings enhancing in 2018
- The businesses are very operationally similar (albeit with different editorial positions and readership base)
  - Enabling annualised cost synergies of £20m by 2020, with a significant amount of these savings achieved in 2019
- The combined digital scale will enable us to compete more effectively with the digital platforms
  - 963[2] monthly PVs and 234m[2][3] monthly UBs from combined Group

	Circ	Monthly UBs[2]	Monthly PVs[2]
	365k (Mon-Sat) 318k (Sun)	71m	205m
	392k (Mon-Sat) 240k (Sun)	26m	75m
	459k	8m	34m
Magazines			

Note: (1) Estimated (after separation adjustments)
(2) Unique browsers exclude apps and page views exclude apps and galleries
(3) On an aggregated non de-dup basis

Source: ABC (Dec-17 for Newspapers and Jun-17 for Magazines), Omniture (Dec-17), Google Analytics (Dec-17)

Proposal to change the name of the Group

Trinity Mirror plc

Reach

- Trinity Mirror was formed in September 1999 following the merger of Trinity plc and Mirror Group plc
- The Group has evolved significantly since then, particularly since the acquisition of Local World and now, Northern & Shell
- Current name no longer reflects the composition of the Group

- Represents what we do and our ambitions
- This is a corporate name change
  - All of our individual news brands and titles will remain unaffected

Change of name is subject to approval at the Annual General Meeting on 3 May 2018

Reach

People
Places
Platforms
Passions
Cities
Towns
Villages
Communities
Families
Out
Forward
Grimsby, Plymouth & Stoke

In summary…

Summary

- We have delivered a resilient financial performance in a difficult trading environment
  - ✓ Improved our adjusted operating margin by 0.7 percentage points to 20.0%
  - ✓ Reduced net debt by £25.1m to £9.0m
  - ✓ Grew digital display and transactional revenue by 18.2% on a LFL basis to £68.7m
  - ✓ Increased the dividend by 6.4% to 5.80p per share

- Completed the acquisition of Northern & Shell's publishing assets
  - ✓ Transformational to our business
  - ✓ Beneficial for all stakeholders
  - ✓ Earnings enhancing in 2018
  - ✓ Anticipated to deliver significant synergies

- The Board remains confident that our strategy will meet our objective to deliver sustainable growth in revenue, profit and cash flow over the medium term

THANK YOU

Questions

Appendices

Income statement

	2017 Statutory £m	2016 Statutory £m	2017 Adjusted* £m	2016 Adjusted* £m
Group revenue	**623.2**	**713.0**	**623.2**	**713.0**
Operating profit	**97.9**	**93.5**	**124.7**	**137.5**
Adjusted operating profit	124.7	137.5	124.7	137.5
Operating adjusted items	(26.8)	(44.0)	-	-
Profit before taxation	**81.9**	**76.5**	**122.5**	**133.2**
Operating profit	97.9	93.5	124.7	137.5
Investment revenues	0.1	0.6	0.1	0.6
Finance costs	(4.2)	(7.2)	(2.3)	(4.9)
Pension finance charge	(11.9)	(10.4)	-	-
Earnings per share - statutory	**23.0p**	**24.9p**		
Earnings per share - adjusted*			**36.1p**	**38.1p**

** A reconciliation between the statutory and adjusted results is provided on slide 43.*

Revenue, operating profit and margin by division

	2017 £m	2016 £m	Change £m	Change %
Publishing	578.5	660.0	(81.5)	(12.3%)
Printing	31.6	36.2	(4.6)	(12.7%)
Specialist Digital	9.6	12.9	(3.3)	(25.6%)
Central	3.5	3.9	(0.4)	(10.3%)
Revenue	**623.2**	**713.0**	**(89.8)**	**(12.6%)**
Publishing	133.2	148.4	(15.2)	(10.2%)
Printing	-	-	-	-
Specialist Digital	2.7	2.4	0.3	12.5%
Central	(11.2)	(13.3)	2.1	15.8%
Adjusted operating profit	**124.7**	**137.5**	**(12.8)**	**(9.3%)**

	2017	2016	Change
Publishing	23.0%	22.5%	0.5%
Specialist Digital	28.1%	18.6%	9.5%
Adjusted operating margin	**20.0%**	**19.3%**	**0.7%**

Group costs

	2017 £m	2016 £m	Change £m	Change %
Labour	(217.6)	(239.4)	21.8	9.1%
Newsprint	(56.5)	(67.4)	10.9	16.2%
Depreciation	(20.4)	(22.2)	1.8	8.1%
Other	(204.8)	(247.6)	42.8	17.3%
Adjusted costs	**(499.3)**	**(576.6)**	**77.3**	**13.4%**

Publishing

	2017 £m	2016 £m	Change £m	Change %
Print	494.6	581.0	(86.4)	(14.9%)
Digital	83.9	79.0	4.9	6.2%
Revenue	**578.5**	**660.0**	**(81.5)**	**(12.3%)**
Costs	(445.3)	(511.6)	66.3	13.0%
Adjusted operating profit	**133.2**	**148.4**	**(15.2)**	**(10.2%)**
Adjusted operating margin	**23.0%**	**22.5%**	**0.5%**	**2.2%**

Printing

	2017 £m	2016 £m	Change £m	Change %
Contract printing	21.3	25.4	(4.1)	(16.1%)
Newsprint supply	7.6	8.5	(0.9)	(10.6%)
Other revenue	2.7	2.3	0.4	17.4%
Revenue	**31.6**	**36.2**	**(4.6)**	**(12.7%)**
External costs	(131.2)	(147.9)	16.7	11.3%
Publishing division recharge	99.6	111.7	(12.1)	(10.8%)
Adjusted operating result	**-**	**-**	**-**	**-**

Balance sheet

	Dec-17 £m	Dec-16 £m
Intangible assets	901.2	901.5
Property, plant and equipment	247.7	262.1
Investment in associates	16.8	21.8
Deferred tax assets	66.4	81.5
Non-current assets	**1,232.1**	**1,266.9**
Cash and cash equivalents	16.0	37.8
Short-term debt	(25.0)	(81.2)
Retirement benefit obligations	(377.6)	(466.0)
Deferred tax liabilities	(165.4)	(164.1)
Provisions	(20.3)	(31.5)
Net current other assets	7.0	17.5
Non-current liabilities and net current assets	**(565.3)**	**(687.5)**
Net assets	**666.8**	**579.4**
Share capital	(28.3)	(28.3)
Share premium account	(606.7)	(606.7)
Merger reserve	(37.9)	(37.9)
Capital redemption reserve	(4.4)	(4.4)
Retained earnings and other reserves	10.5	97.9
Equity	**(666.8)**	**(579.4)**

Reconciliation of statutory to like for like revenue

	52 weeks ended 31 December 2017 £m	**(a) £m**	**52 weeks ended 31 December 2017 (like for like) £m**	53 weeks ended 1 January 2017 £m	(a) £m	(b) £m	(c) £m	52 weeks ended 1 January 2017 (like for like) £m
Publishing print	**494.6**	**(0.7)**	**493.9**	581.0	(15.4)	(8.9)	(0.1)	556.6
Circulation	**284.7**	**-**	**284.7**	310.6	(0.4)	(5.8)	-	304.4
Advertising	**177.6**	**(0.7)**	**176.9**	236.6	(14.7)	(2.6)	-	219.3
Other	**32.3**	**-**	**32.3**	33.8	(0.3)	(0.5)	(0.1)	32.9
Publishing digital	**83.9**	**-**	**83.9**	79.0	-	(0.6)	-	78.4
Display and transactional	**68.7**	**-**	**68.7**	58.4	-	(0.3)	-	58.1
Classified	**15.2**	**-**	**15.2**	20.6	-	(0.3)	-	20.3
Printing	**31.6**	**-**	**31.6**	36.2	-	(0.6)	(1.3)	34.3
Specialist Digital	**9.6**	**-**	**9.6**	12.9	-	-	(3.4)	9.5
Central	**3.5**	**-**	**3.5**	3.9	-	-	-	3.9
Total revenue	**623.2**	**(0.7)**	**622.5**	713.0	(15.4)	(10.1)	(4.8)	682.7

a) Metros handed back to DMGT in December 2016 and other portfolio changes in 2016 and 2017

b) Extra week of trading in 2016

c) Independent print and distribution contract which ceased in April 2016 and Rippleffect which was sold in August 2016

Group revenue trends 2017

2017	Q1	Q2	H1	Q3	Q4	H2	FY
Publishing	(16.3%)	(12.0%)	(14.2%)	(10.4%)	(10.2%)	(10.3%)	(12.3%)
Print	*(18.9%)*	*(14.1%)*	*(16.6%)*	*(12.5%)*	*(13.4%)*	*(13.0%)*	*(14.9%)*
Digital	*4.5%*	*3.7%*	*4.3%*	*4.3%*	*12.4%*	*8.3%*	*6.2%*
Printing	(19.2%)	(6.4%)	(13.3%)	(11.0%)	(13.5%)	(12.2%)	(12.7%)
Specialist Digital	(37.1%)	(37.9%)	(37.7%)	(13.0%)	(1.5%)	(7.7%)	(25.6%)
Central	5.1%	(13.9%)	(5.0%)	0.4%	(29.3%)	(14.4%)	(10.3%)
Revenue	**(16.7%)**	**(12.3%)**	**(14.6%)**	**(10.4%)**	**(10.3%)**	**(10.4%)**	**(12.6%)**

2017 Like for Like*	Q1	Q2	H1	Q3	Q4	H2	FY
Publishing	(9.3%)	(10.0%)	(9.6%)	(8.4%)	(8.3%)	(8.4%)	(9.0%)
Print	*(11.6%)*	*(11.8%)*	*(11.7%)*	*(10.2%)*	*(11.4%)*	*(10.8%)*	*(11.3%)*
Digital	*7.8%*	*3.7%*	*5.8%*	*4.3%*	*12.4%*	*8.3%*	*7.0%*
Printing	(3.0%)	(4.1%)	(3.6%)	(11.0%)	(13.5%)	(12.2%)	(7.9%)
Specialist Digital	0.9%	0.3%	0.6%	4.7%	(1.5%)	1.5%	1.1%
Central	5.1%	(13.9%)	(5.4%)	0.4%	(29.3%)	(14.4%)	(10.3%)
Revenue	**(8.8%)**	**(9.5%)**	**(9.2%)**	**(8.3%)**	**(8.6%)**	**(8.4%)**	**(8.8%)**

** The like for like trends for 2017 exclude from 2017 the portfolio changes made in the year and exclude from the 2016 comparative: the extra week of trading in 2016, the Independent print and distribution contract which ceased in April 2016, Rippleffect which was sold in August 2016, the four Metros handed back to DMGT in December 2016 and other portfolio changes in 2016 and 2017.*

Group revenue trends 2016

2016	Q1	Q2	H1	Q3	Q4	H2	FY
Publishing	38.5%	32.8%	35.7%	25.7%	5.3%	14.7%	24.8%
Print	*32.2%*	*27.0%*	*29.7%*	*19.8%*	*1.6%*	*10.0%*	*19.6%*
Digital	*120.6%*	*101.0%*	*110.1%*	*93.1%*	*41.3%*	*63.4%*	*84.1%*
Printing	(15.4%)	(23.6%)	(19.4%)	(20.7%)	(18.0%)	(19.4%)	(19.4%)
Specialist Digital	-	(2.6%)	(1.3%)	(26.0%)	(36.6%)	(31.3%)	(16.2%)
Central	(6.1%)	16.8%	5.3%	16.9%	5.0%	10.6%	8.3%
Revenue	**32.6%**	**27.0%**	**29.9%**	**20.8%**	**2.9%**	**11.2%**	**20.3%**

2016 Like for like*	Q1	Q2	H1	Q3	Q4	H2	FY
Publishing	(9.1%)	(6.9%)	(8.0%)	(9.7%)	(7.4%)	(8.6%)	(8.4%)
Print	*(11.6%)*	*(9.1%)*	*(10.3%)*	*(12.1%)*	*(9.4%)*	*(10.7%)*	*(10.7%)*
Digital	*14.8%*	*13.8%*	*14.4%*	*11.5%*	*9.2%*	*10.3%*	*12.8%*
Printing	(9.8%)	(7.2%)	(8.5%)	0.5%	4.5%	2.5%	(3.4%)
Specialist Digital	(1.1%)	2.3%	0.6%	(4.8%)	(3.1%)	(4.0%)	(2.1%)
Central	(6.1%)	16.8%	5.3%	16.9%	5.0%	10.6%	8.3%
Revenue	**(9.0%)**	**(6.7%)**	**(7.9%)**	**(9.0%)**	**(6.7%)**	**(7.9%)**	**(8.0%)**

** Like for like assumes Local World was owned from the beginning of 2015 and excludes revenue from the Independent print and distribution contract which ceased in April 2016, revenues from Rippleffect which was sold in August 2016 and revenue from the contract to publish the Rugby World Cup match day programmes in 2015.*

Note: (1) Quarterly and half year like for like based on same weeks in 2015 as in 2016 i.e. Q1 14 weeks v 14 weeks, Q2 13 weeks v 13 weeks, Q3 13 weeks v 13 weeks, Q4 13 weeks v 13 weeks. Full year like for like based on 52 weeks to 25 December 2016 with 52 weeks to 27 December 2015.

Publishing revenue trends 2017

2017	Q1	Q2	H1	Q3	Q4	H2	FY
Publishing Print	(18.9%)	(14.1%)	(16.6%)	(12.5%)	(13.4%)	(13.0%)	(14.9%)
Circulation	*(13.1%)*	*(6.4%)*	*(9.9%)*	*(6.7%)*	*(6.7%)*	*(6.7%)*	*(8.3%)*
Advertising	*(27.3%)*	*(26.2%)*	*(26.8%)*	*(21.6%)*	*(23.9%)*	*(22.8%)*	*(24.9%)*
Other	*(10.7%)*	*2.3%*	*(4.1%)*	*(6.1%)*	*(3.8%)*	*(4.9%)*	*(4.4%)*
Publishing Digital	4.5%	3.7%	4.3%	4.3%	12.4%	8.3%	6.2%
Display and transactional	*17.1%*	*16.8%*	*16.7%*	*13.9%*	*22.3%*	*18.2%*	*17.6%*
Classified	*(24.0%)*	*(29.7%)*	*(25.9%)*	*(25.2%)*	*(25.7%)*	*(25.4%)*	*(26.2%)*
Publishing	**(16.3%)**	**(12.0%)**	**(14.2%)**	**(10.4%)**	**(10.2%)**	**(10.3%)**	**(12.3%)**

2017 Like for like*	Q1	Q2	H1	Q3	Q4	H2	FY
Publishing Print	(11.6%)	(11.8%)	(11.7%)	(10.2%)	(11.4%)	(10.8%)	(11.3%)
Circulation	*(6.3%)*	*(6.3%)*	*(6.3%)*	*(6.7%)*	*(6.7%)*	*(6.7%)*	*(6.5%)*
Advertising	*(19.7%)*	*(21.6%)*	*(20.6%)*	*(16.2%)*	*(19.4%)*	*(17.8%)*	*(19.3%)*
Other	*(2.0%)*	*3.3%*	*0.8%*	*(5.3%)*	*(3.3%)*	*(4.2%)*	*(1.8%)*
Publishing Digital	7.8%	3.7%	5.8%	4.3%	12.4%	8.3%	7.0%
Display and transactional	*20.2%*	*16.8%*	*18.4%*	*13.9%*	*22.3%*	*18.2%*	*18.2%*
Classified	*(20.5%)*	*(29.7%)*	*(25.0%)*	*(25.2%)*	*(25.7%)*	*(25.4%)*	*(25.1%)*
Publishing	**(9.3%)**	**(10.0%)**	**(9.6%)**	**(8.4%)**	**(8.3%)**	**(8.4%)**	**(9.0%)**

** The like for like trends for 2017 exclude from 2017 the portfolio changes made in the year and exclude from the 2016 comparative: the extra week of trading in 2016, the Independent distribution contract which ceased in April 2016, the four Metros handed back to DMGT in December 2016 and other portfolio changes in 2016 and 2017.*

Publishing revenue trends 2016

2016	Q1	Q2	H1	Q3	Q4	H2	FY
Publishing Print	32.2%	27.0%	29.7%	19.8%	1.6%	10.0%	19.6%
Circulation	*25.3%*	*15.5%*	*20.4%*	*14.1%*	*2.9%*	*8.3%*	*14.3%*
Advertising	*43.2%*	*47.0%*	*45.0%*	*32.5%*	*3.1%*	*16.0%*	*30.0%*
Other	*26.5%*	*18.6%*	*23.4%*	*1.2%*	*(14.8%)*	*(8.1%)*	*5.0%*
Publishing Digital	120.6%	101.0%	110.1%	93.1%	41.3%	63.4%	84.1%
Display and transactional	*117.3%*	*96.0%*	*103.6%*	*90.6%*	*33.4%*	*56.5%*	*92.1%*
Classified	*128.6%*	*115.3%*	*127.5%*	*101.5%*	*84.4%*	*93.4%*	*64.8%*
Publishing	**38.5%**	**32.8%**	**35.7%**	**25.7%**	**5.3%**	**14.7%**	**24.8%**

2016 Like for like*	Q1	Q2	H1	Q3	Q4	H2	FY
Publishing Print	(11.6%)	(9.1%)	(10.3%)	(12.1%)	(9.4%)	(10.7%)	(10.7%)
Circulation	*(4.4%)*	*(4.9%)*	*(4.7%)*	*(5.8%)*	*(5.1%)*	*(5.5%)*	*(5.2%)*
Advertising	*(19.8%)*	*(14.4%)*	*(17.2%)*	*(21.0%)*	*(16.4%)*	*(18.8%)*	*(17.9%)*
Other	*(2.1%)*	*(5.9%)*	*(3.4%)*	*3.0%*	*6.6%*	*4.9%*	*(1.5%)*
Publishing Digital	14.9%	13.8%	14.4%	11.5%	9.2%	10.3%	12.8%
Display and transactional	*28.6%*	*27.0%*	*27.8%*	*24.4%*	*20.1%*	*22.2%*	*24.7%*
Classified	*(7.5%)*	*(10.5%)*	*(9.0%)*	*(16.3%)*	*(19.6%)*	*(17.8%)*	*(11.3%)*
Publishing	**(9.1%)**	**(6.9%)**	**(8.0%)**	**(9.7%)**	**(7.4%)**	**(8.6%)**	**(8.4%)**

** Like for like assumes Local World was owned from the beginning of 2015 and excludes revenue from the Independent distribution contract which ceased in April 2016 and revenue from the contract to publish the Rugby World Cup match day programmes in 2015.*

Note: (1) Quarterly and half year like for like based on same weeks in 2015 as in 2016 i.e. Q1 14 weeks v 14 weeks, Q2 13 weeks v 13 weeks, Q3 13 weeks v 13 weeks, Q4 13 weeks v 13 weeks. Full year like for like based on 52 weeks to 25 December 2016 with 52 weeks to 27 December 2015.

Publishing – print advertising and digital revenue

	2017 £m	2016 £m	Var £m	Var %	LFL* Var %
Publishing - print advertising	**177.6**	**236.6**	**(59.0)**	**(24.9%)**	**(19.3%)**
Display and other	90.5	118.5	(28.0)	(23.6%)	(14.8%)
Classified	87.1	118.1	(31.0)	(26.2%)	(23.5%)
Recruitment	*8.6*	*14.6*	*(6.0)*	*(41.1%)*	*(38.4%)*
Property	*16.3*	*24.9*	*(8.6)*	*(34.5%)*	*(33.1%)*
Motors	*12.9*	*18.9*	*(6.0)*	*(31.7%)*	*(28.8%)*
Other	*49.3*	*59.7*	*(10.4)*	*(17.4%)*	*(14.1%)*
Publishing - digital revenue	**83.9**	**79.0**	**4.9**	**6.2%**	**7.0%**
Display and transactional	68.7	58.4	10.3	17.6%	18.2%
Classified	15.2	20.6	(5.4)	(26.2%)	(25.1%)
Recruitment	*7.4*	*11.7*	*(4.3)*	*(36.8%)*	*(35.8%)*
Other	*7.8*	*8.9*	*(1.1)*	*(12.4%)*	*(11.1%)*

** The like for like trends for 2017 exclude from 2017 the portfolio changes made in the year and exclude from the 2016 comparative: the extra week of trading in 2016, the Independent distribution contract which ceased in April 2016, the four Metros handed back to DMGT in December 2016 and other portfolio changes in 2016 and 2017.*

Reconciliation of statutory to adjusted results

	Statutory results £m	Operating adjusted items (a) £m	Finance costs (b) £m	Pension finance charges (c) £m	Tax items (d) £m	Adjusted results £m
2017						
Revenue	**623.2**	-	-	-	-	**623.2**
Operating profit	**97.9**	26.8	-	-	-	**124.7**
Profit before tax	**81.9**	26.8	1.9	11.9	-	**122.5**
Profit after tax	**62.8**	24.1	1.5	9.6	0.5	**98.5**
Basic EPS (pence)	**23.0**	8.9	0.5	3.5	0.2	**36.1**
2016						
Revenue	**713.0**	-	-	-	-	**713.0**
Operating profit	**93.5**	44.0	-	-	-	**137.5**
Profit before tax	**76.5**	44.0	2.3	10.4	-	**133.2**
Profit after tax	**69.5**	38.2	1.8	8.3	(11.6)	**106.2**
Basic EPS (pence)	**24.9**	13.8	0.6	3.0	(4.2)	**38.1**

a) Operating adjusted items relate to the items charged or credited to operating profit.

b) Impact of the translation of foreign currency borrowings and fair value changes on derivative financial instruments.

c) Pension finance charge relating to the defined benefit pension schemes.

d) Tax items relate to the impact of tax legislation changes due to the change in the future corporation tax rate on the opening deferred tax position and prior year tax adjustments included in the taxation credit or charge.

Cash flow

	2017 £m	2016 £m
Statutory operating profit	**97.9**	**93.5**
Depreciation	20.4	22.2
Pension deficit funding (net of pension administrative expenses)	(37.7)	(38.5)
Share of associates results	(0.4)	(0.7)
Impairment of goodwill	-	2.0
Other (including movements in working capital)	(12.1)	13.0
Cash flows from operating activities	**68.1**	**91.5**
Income tax paid	(13.9)	(12.2)
Net interest paid	(2.0)	(5.3)
Net proceeds on disposal of subsidiary undertaking	-	1.8
Net proceeds on disposal of land and bulidings	1.2	10.6
Capital expenditure	(8.9)	(4.3)
Acquisition of associate undertaking	-	(0.8)
Dividends paid	(15.3)	(14.6)
Repayment of borrowings	(68.3)	(80.0)
Drawndown on bank facility	25.0	-
Purchase of own shares	(7.7)	(2.3)
Purchase of shares for LTIP	-	(2.0)
Net decrease in cash	**(21.8)**	**(17.6)**
Cash at beginning of period	37.8	55.4
Cash at end of period	**16.0**	**37.8**

Reconciliation of net debt

	2017 £m	2016 £m
Statutory net debt	**(9.0)**	**(28.6)**
Loan notes at period end exchange rate	-	81.2
Loan notes at swapped exchange rate	-	(68.3)
Cross-currency interest rate swap	-	(14.8)
Contracted net debt	**(9.0)**	**(30.5)**

** Following repayment of the private placement loan notes and maturity of the associated cross-currency interest rate swaps on 20 June 2017, net debt is the same on a statutory and contracted basis.*

Financial covenants

	Minimum Interest Cover	Maximum Net Debt to EBITDA	Minimum Cash Flow*
Bank facility			
Throughout term of facility	5.0x	2.0x	£25m

** Cash flow before interest, debt repayment, acquisitions and dividends*

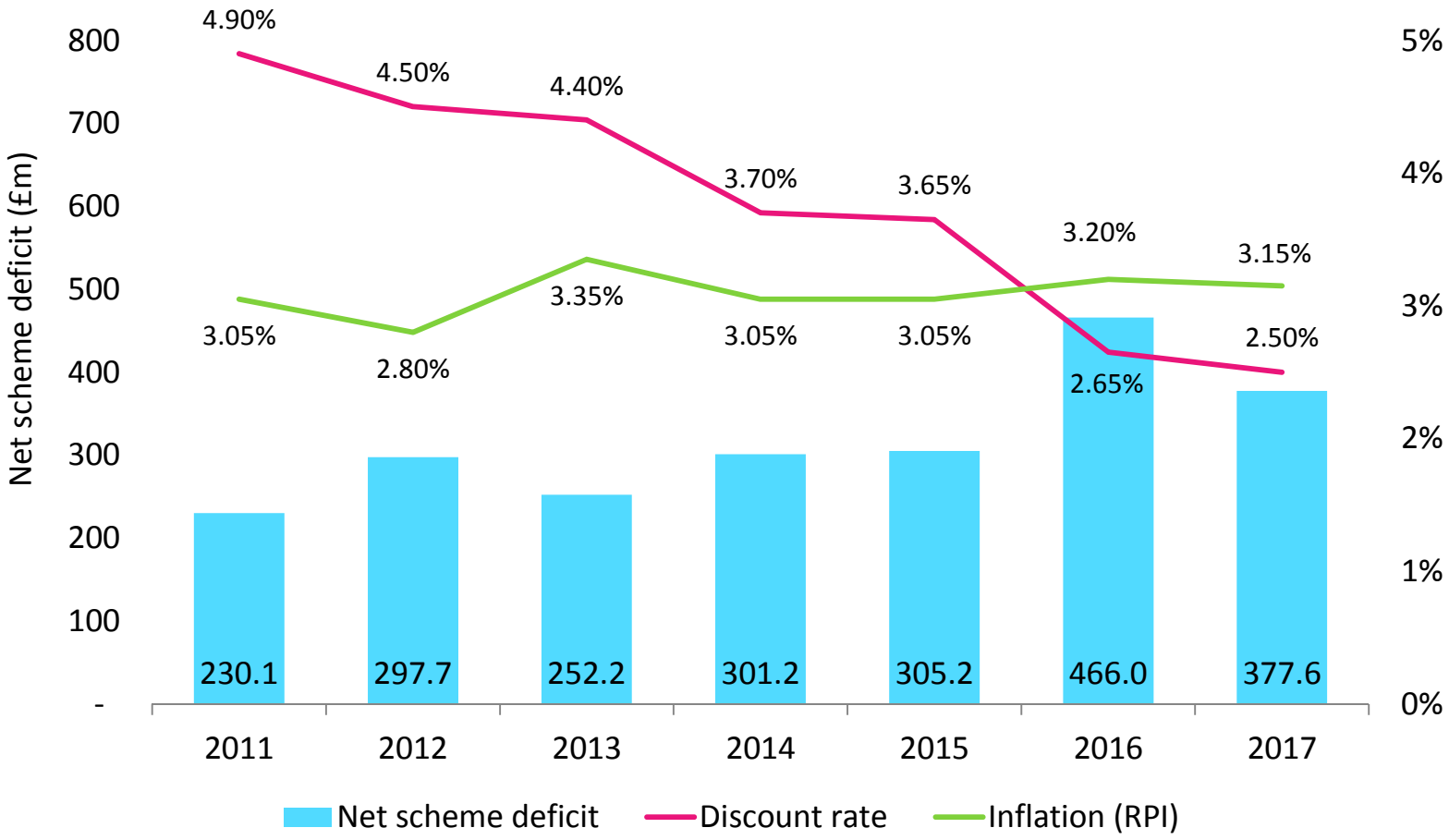
Financing

	Dec-17 £m	Dec-16 £m	Change £m
Bank facility	(25.0)	-	(25.0)
Loan notes	-	(68.3)	68.3
Cash balances	16.0	37.8	(21.8)
Contracted net debt	**(9.0)**	**(30.5)**	**21.5**

Pension scheme assets

	2017 £m	% of total	2016 £m	% of total
UK equities	66.1	4.3%	208.2	12.5%
US equities	218.3	14.1%	217.2	13.1%
Other overseas equities	279.1	18.0%	235.7	14.2%
Total equities	**563.5**	**36.4%**	**661.1**	**39.8%**
Property	24.6	1.6%	26.9	1.6%
Corporate bonds	240.5	15.5%	220.0	13.2%
Fixed interest gilts	60.0	3.9%	77.5	4.7%
Index linked gilts	24.8	1.6%	30.2	1.8%
Liability driven investments	148.9	9.6%	71.2	4.3%
Cash and other	307.2	19.7%	211.4	12.7%
Total non equities	**806.0**	**51.9%**	**637.2**	**38.3%**
Insurance contracts	182.1	11.7%	363.3	21.9%
Total value of scheme assets	**1,551.6**	**100.0%**	**1,661.6**	**100.0%**
Total value of scheme assets excluding insurance contracts	1,369.5	88.3%	1,298.3	78.1%
Total equities as % of assets excluding insurance contracts	41.1%		50.9%	
Total bonds, gilts and liability driven investments as % of assets excluding insurance contracts	34.6%		30.7%	

Reduced discount and higher inflation rates have been key driver of deficit increase since 2011



Provisions

	Share-based payments £m	Property £m	Restructuring £m	Other £m	Total £m
At 1 January 2017	(0.3)	(8.1)	(3.4)	(19.7)	(31.5)
Charged to income statement	-	(1.0)	(12.6)	(11.6)	(25.2)
Utilisation of provision	0.1	2.9	13.6	19.8	36.4
At 31 December 2017	**(0.2)**	**(6.2)**	**(2.4)**	**(11.5)**	**(20.3)**

Associates

	PA Group		Brand Events	
	2017 £m	2016 £m	**2017 £m**	2016 £m
Opening balance	**21.0**	**19.2**	**0.8**	**-**
Investments in Brand Events	**-**	-	-	0.8
Share of results:				
Recognised in income statement	1.0	1.1	(0.2)	-
Recognised in income statement in operating adjusted items	(0.4)	(0.4)	-	-
Share of other comprehensive (costs)/income	(5.4)	1.1	-	-
Closing balance	**16.2**	**21.0**	**0.6**	**0.8**

National newspaper advertising market share (volumes)

UK
Dailies

	2017	2016
1. Daily Mirror	16.2%	17.4%
2. Sun	18.4%	19.0%
3. Daily Star	16.7%	15.0%
4. Daily Mail	24.8%	23.6%
5. Daily Express	23.9%	25.0%

Sundays

	2017	2016
1. Sunday Mirror	14.8%	16.2%
2. Sunday People	10.0%	10.9%
3. Sun on Sunday	13.5%	16.6%
4. Mail on Sunday	32.9%	30.5%
5. Sunday Express	21.5%	19.5%
6. Daily Star Sunday	7.3%	6.3%

Scottish*
Dailies

	2017	2016
Daily Record	19.5%	16.8%

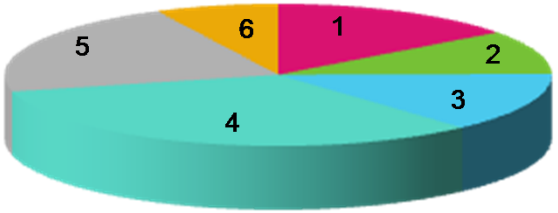
Sundays

	2017	2016
Sunday Mail	28.4%	30.5%

** Share of Scottish market*
Source: Nielsen Media Research

2017 UK Dailies

2017 Sundays



Trinity Mirror plc