

Trinity Mirror plc
2nd March 2006

Preliminary Results 2005



Sir Victor Blank,
Chairman



Overview

- Operating profit* up by 1.7%
- Profit before tax* up 5.9%
- Group operating margin* up from 21.8% to 22.5%
- £92.7m on acquisitions – including deferred consideration of £5.5m
- Final dividend up by 8.4% to 15.5p

*On a like for like basis, which is before acquisitions, non-recurring items, IAS 39 and for 2004 excludes the additional week's trading. See reconciliation between statutory and like for like results on slides 55 and 56

Vijay Vaghela,
Finance Director



Financial highlights

52 weeks to 01 January 2006

- Revenues* down 1.3% or £14.7m to £1,112.8m (2004: £1,127.5m)
- Operating profit* up 1.7% to £250.2m (2004: £246.1m)
- Operating margin* up 0.7% to 22.5% (2004: 21.8%)
- Net debt increased by £37.6m to £492.5m
- Profit before tax* increased 5.9% to £220.9m (2004: £208.5m)
- Earnings per share* up 6.7% to 52.6p (2004: 49.3p)

*On a like for like basis, which is before acquisitions, non-recurring items, IAS 39 and for 2004 excludes the additional week's trading. See reconciliation between statutory and like for like results on slides 55 and 56

All numbers throughout presented on an IFRS basis for 2005 and 2004

Driving revenues

- Extracting as much revenue as possible in a declining market
- Revenues driven by new launches and in paper platforms
- On-line portfolio driven harder
- Revenue benefits from manufacturing network

Cost Performance

| | 2005 £m | 2004 £m | Change £m | Inflation Impact | | Benefit of reduced pension charge | Underlying cost reduction |
|-------------------|--------------|--------------|---------------|------------------|-------------|--|---------------------------------|
| | | | | % | £m | | |
| Labour | 341.0 | 343.9 | (2.9) | 2.75% | 9.5 | (4.0) | (8.4) |
| Newsprint | 144.8 | 140.4 | 4.4 | 7.0% | 9.8 | - | (5.4) |
| Depreciation | 40.0 | 41.3 | (1.3) | - | - | - | (1.3) |
| Other | 337.6 | 356.6 | (19.0) | 1.0% | 3.6 | - | (22.6) |
| Total Cost | 863.4 | 882.2 | (18.8) | | 22.9 | (4.0) | (37.7) |

Progress against financial objectives

52 weeks to 01 January 2006

- Target - net incremental cost savings of £7m in 2005 with annualised net cost savings of £35m in 2005
Delivered net incremental cost savings of £12m in the period and £40m annualised net savings for the year.
Announced a further Cost Reduction Plan delivering net annualised savings of at least £15 million in 2006.
Cash out flows for restructuring costs £11.9m (£7.9m reported in '05 and a further £4m in '06) will be incurred in '06
- Target - a policy to increase dividends progressively
The final dividend increased by 8.4% to 15.5p
- Intention - to return £250m capital to shareholders over three years
£52.7m returned during 2005. No further buy-back of shares planned
- Target - improvements in Regionals division operating margins
Regionals division operating margins⁽¹⁾⁽²⁾ have improved by 0.5% to 28.2%

Defined benefit pension schemes

52 weeks to 01 January 2006

| | Forecast 2006 £m | Actual 2005 £m | Actual 2004 £m |
|--|------------------------|----------------------|----------------------|
| IAS 19 pension charge | | | |
| Current service cost | 30.4 | 28.6 | 32.6 |
| Past service cost | - | 1.3 | 0.6 |
| Finance (income)/charge | (9.9) | (1.7) | 2.9 |
| Total income statement charge before non-recurring items | 20.5 | 28.2 | 36.1 |

- Cash funding increased from £35.9m to £46.3m in 2005 (excluding past service costs)
- 2006 forecast cash contributions of approx £51m, up £5m from 2005 (excluding PPF levy)
- Retirement benefit obligations have fallen by £16.3m to £305.6m

Capital expenditure

52 weeks to 01 January 2006

- £37.0 million net capital expenditure during the year
- Rephasing of capital expenditure 2005 to 2007 – approx. £80 million in 2006 and £60 million in 2007
- Above rephasing includes the £83 million National repressing announced in July

Regionals division

52 weeks to 01 January 2006

- Revenues* down 1.0% or £5.3m to £530.4m (2004: £535.7m)
- Operating profit* up 0.9% or £1.3m to £149.5m (2004: £148.2m)
- Operating margins* up 0.5% to 28.2% (2004: 27.7%)
- Advertising revenues* decreased by 2.7% to £403.7m (2004: £415.0m) with:
 - Increase of 1.5% in H1 followed by a decline of 7.0% in H2
 - Newspapers* (excluding Metros) down 3.6%
 - Metros* up 11.9%
 - Digital* up 31.3%
- Circulation revenues* increased by 4.3% or £3.4m to £82.8m (2004:£79.4m)

* like for like and profits pre non-recurring items

Nationals division

52 weeks to 01 January 2006

- Revenues* down 2.3% or £11.7 to £499.1m (2004: £510.8m)
- Operating profit* up 1.6% or £1.4m to £91.2m (2004: £89.8m)
- Operating margin* up 0.7% to 18.3% (2004: 17.6%)
- Advertising revenues* down 9.2% or £17.8m to £176.2m (2004: £194.0m)
 - 13.2% fall in the second half and a 5.4% fall in the first half
- Circulation revenues* up 0.9% or £2.4m to £276.6m (2004: £274.2m)

*like for like and profits pre non-recurring items

Acquisitions

52 weeks to 01 January 2006

- £92.7m spent on acquisition (including net debt acquired and acquisition costs) of Smartnewhomes, GAAPWeb, Secsinthecity and the hotgroup
- In 2005 acquisitions contributed:-
 - Total revenues of £9.2m, with £3.5m of on-line revenues and £5.7m of other revenues from the traditional recruitment consultancy business
 - Operating profit, before amortisation of intangibles, of £1.2m, with £0.7m from the on-line businesses and £0.5m from the traditional business
- Aim to grow on-line revenues by at least 10% in 2006, with marginal growth in traditional revenues

Trading outlook

52 weeks to 01 January 2006

- Advertising market conditions experienced in 2005 will continue into 2006
- January and February advertising revenues (excluding acquisitions) down 13.5% year on year
- Advertising performance difficult to call at this stage
 - Regionals excluding acquisitions could fall by 3.5% to 4.0%
 - Nationals could fall by around 5.0%
- Circulation revenues
 - Regionals low to mid single-digit growth
 - Nationals flat
- Continue to run the business very tightly and will explore new opportunities to improve revenues and reduce costs
- Within the context of a challenging advertising environment we expect to deliver a satisfactory performance

Sly Bailey,
Chief Executive



'05 – Challenging Year

- **Stabilise Revitalise Grow** continues to provide the cornerstone of our success
- Foundation for future growth and stability
- Tough decisions taken in '05
- Opportunity to make changes to build a fundamentally better business

National Newspapers

- Operate in extremely aggressive market place
- '05 characterised by difficult ad market
- Despite this we delivered:
 - Circulation revenue growth
 - Profit growth
 - Margin progression
- We prefer to sell at full cover price

“Readers who pay the full cover price are likely to be more media brand loyal and have a much stronger affinity with their chosen newspaper.”



Steve Goodman, Managing Director, Group M

Daily Mirror

- Regained its readability, its credibility and its stickability
- Return to Red Top roots
- New daily section – Your Life – targeted at women
- Improved circulation volume trend in '05
 - H1 (7.6%)
 - H2 (3.3%)
 - Dec (1.3%)
- Cover price increased from 35p to 38p (Feb '06)



Daily Record

- 46% more Scottish readers than the Sun – a hugely valuable and unique readership for advertisers
- Driving growth through:
 - Market segmentation
 - Product layering
- New Hot Jobs recruitment show instant success
 - 14k visitors
 - Profitable in first year



Sports

- Racing Post market leader
- Strengthened proposition
 - New 36 page Saturday supplement RP Sport
 - Upgraded weekday sports and racing coverage
 - Modernised design
 - Major sponsor of Cheltenham
 - Official newspaper of the Festival



Regionals

- Further improved performance in '05:
 - Profits up 0.9%
 - Margins up from 27.7% to 28.2%
- Extremely difficult ad market '05 – sharp decline in recruitment advertising
- Recruitment downturn is overwhelmingly cyclical and volume-driven
- Little evidence of leakage to other media
- Research confirms strength of regional titles as recruitment platforms
- Complementary nature of online recruitment with print

Regionals

- Circulation performance in line with or ahead of market ABC performance
- Investment in our titles delivering success
 - First half saw strong circulation performance
 - Positive circulation trends continue
- Little and often cover price policy grew revenues by 4.3%



Regionals

- In '05 conducted UK's biggest ever Regional Press survey - bigger than TGI and NRS
- Findings reveal Regional Press still first place for
 - jobs
 - cars
 - property
- Build on strengths to increase relevance to readers and value to advertisers
- Growth from new initiatives – deepening presence in core markets and geographies in print and on-line
- Pursuing opportunities via launch and acquisition

Launch or acquire?

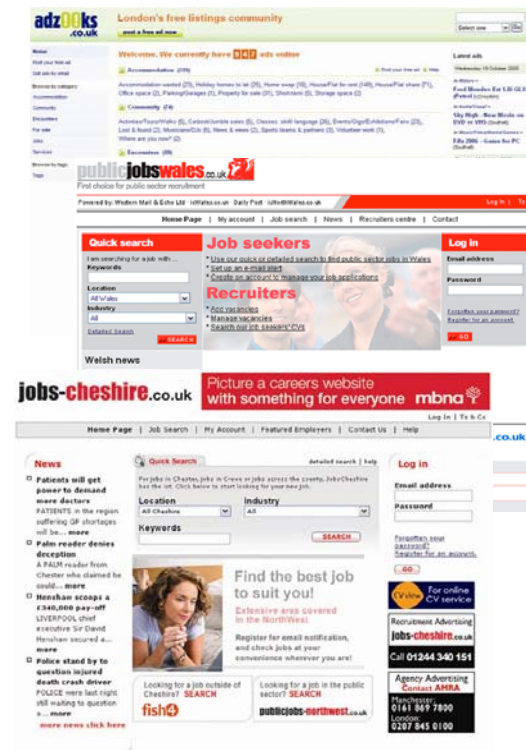
Factors we consider:

- Importance of sector
- Existing brand/market strength
- Competition
- Time constraints on building a position
- Scarcity of assets
- Return on investment

'05 Launches

- In '05 launched 36 new products and services
- 5 weekly paid-for and free newspapers
- 25 on-line brands
- 6 directories, magazines and shows

ALL funded from within our existing resources



Launches

- '05 launched five weekly newspapers
 - All expected to be profitable in year one
 - Growing advertising and circulation market share
- Feb '06 launching two new Metros
 - Liverpool and Cardiff
 - Targeting young urbanite audience
 - New revenue streams
 - Profitable in year one

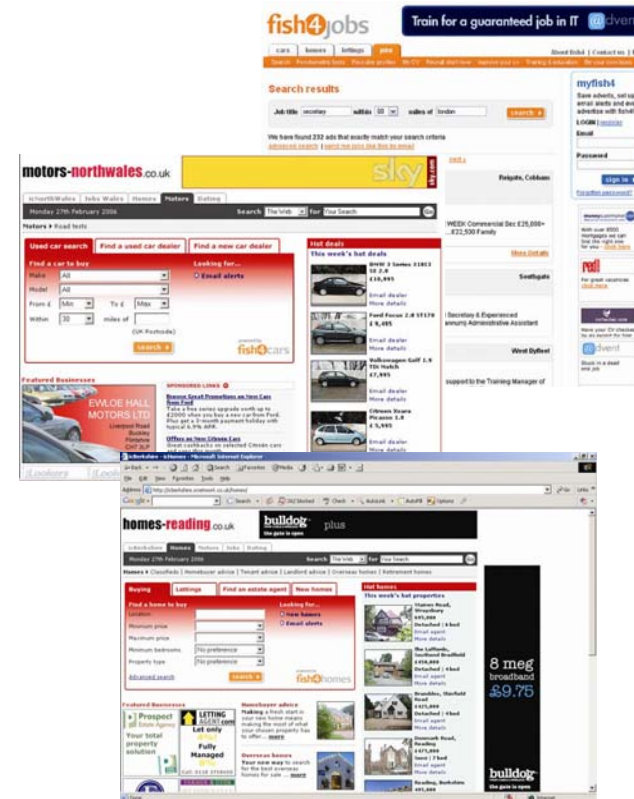


'05 On-line growth via launches

- Growth in on-line recruitment
 - Market up 19% year on year
 - Trinity Mirror up 31% year on year
- Growth in on-line recruitment driven by
 - Recruitment consultancies account for 80% of revenues but only 5% of our regionals print recruitment revenues
 - Specific organisations ie. NHS
 - Internet usage
- During '05 launched 10 recruitment sites
- Revenues driven from up-selling print to on-line
- Fish4 currently delivers 1.6 million unique users up 22% year on year
- We offer a compelling package to advertisers in each market
 - No. 1 local newspaper
 - Market-leading national recruitment site Fish4
 - Precisely targeted local recruitment sites
- Deepening market penetration and accessing new advertisers

'06 Launches

- Property key sector – 10 sites launched in '06
- Working closely with Fish4
- Increasing the monetisation of property inventory and traffic
- Motors – 5 sites launched so far in '06
- Launched community focussed sites in each market



Acquisitions

- Recruitment and property serving our strategic aim
 - Extending our products and services
 - Deepening our local market penetration
 - Broadening our geographic and sector coverage
- Provide access to areas of UK not covered by our newspaper titles
- Coverage of sectors not natural strengths for print titles
- GAAPweb – financial and accounting jobs
- Hot Online – national brand
- Secs in the City – ambitious plans
- Using print and on-line marketing strengths to promote awareness and trial of growing on-line portfolio



Acquisitions

- Smartnewhomes – UK's number one new homes site
- Carries 85% of new homes
- Accelerating growth
- Combining Smartnewhomes services with our newspaper titles to provide integrated marketing solutions



Digital growth - summary

- Acquisition rationale
 - Complementary to existing portfolio
 - Build on existing market leadership positions
 - Create more No.1 positions
 - Deepen and broaden our reach
 - Return cost of capital
- Progress
 - Digital network growing fast
 - More than 8 million unique users
 - Reaching new customers in new markets
 - Building strong, profitable positions in key classified markets on-line
 - Target £50m regionals on-line revenues in '08

Conclusions

- Stabilise Revitalise Grow continues to drive performance
- Group more efficient and agile
- Clear how print and on-line work together
- Creating a sustainable and value-enhancing media business
- Multi-platform publishing and advertising business
- Driving up revenues and driving down costs
- Launch pipeline alive and kicking
- Will acquire the right businesses at the right price

Appendices



Financial summary

Income Statement

52 weeks to 01 January 2006

| | 2005 statutory £m | 2004 statutory £m |
|--|-------------------------|-------------------------|
| Group revenue | 1,122.0 | 1,141.7 |
| Operating profit | 245.4 | 242.8 |
| Pre non-recurring items and amortisation | 251.4 | 255.0 |
| Non-recurring items | (2.7) | (12.2) |
| Amortisation of intangibles | (3.3) | - |
| Profit before taxation | 209.5 | 207.1 |
| Operating profit | 251.4 | 255.0 |
| Non-recurring items | (2.7) | (9.7) |
| Amortisation of intangibles | (3.3) | - |
| Net interest payable | (31.0) | (35.3) |
| Other finance income / (charge) | 1.7 | (2.9) |
| IAS 39 impact | (6.6) | - |
| Earnings per share (p)* | | |
| Underlying earnings per share | 52.9 | 51.2 |
| Non-recurring items | (0.2) | (2.0) |
| Basic earnings per share | 52.7 | 49.2 |

* Excluding amortisation of intangibles and IAS 39 impact

Financial summary

Analysis of revenue by type
52 weeks to 01 January 2006

| | 2005 statutory £m | 2005 like for like ⁽¹⁾ £m | 2004 statutory £m | 2004 like for like ⁽¹⁾ £m | Change statutory % | Change like for like ⁽¹⁾ % |
|-----------------------|-------------------------|---|-------------------------|---|--------------------------|---|
| Circulation | 396.4 | 396.4 | 395.4 | 388.6 | 0.3% | 2.0% |
| Advertising | 611.7 | 608.2 | 644.4 | 637.9 | (5.1)% | (4.7)% |
| Other revenues | 113.9 | 108.2 | 101.9 | 101.0 | 11.8% | 7.1% |
| Total turnover | 1,122.0 | 1,112.8 | 1,141.7 | 1,127.5 | (1.7)% | (1.3)% |

⁽¹⁾ Like for like – 2005 adjusted to exclude the results of businesses acquired during the period. During the 52 weeks ended 1 January 2006, these businesses achieved revenue of £9.2 million (2004: £nil million). 2004 adjusted to exclude the 53rd week

Financial summary

Analysis of revenue by segment and type
52 weeks to 01 January 2006

Statutory

| | Nationals | | | | | Total | % of total |
|----------------------|--------------|--------------|--------------|-------------|-------------|----------------|---------------|
| | Regionals | UK | Scotland | Sports | Magazines | | |
| Circulation | 82.8 | 219.5 | 57.1 | 32.6 | 4.4 | 396.4 | 35.3% |
| Advertising | 407.2 | 127.7 | 48.5 | 14.3 | 14.0 | 611.7 | 54.5% |
| Other | 49.6 | 41.1 | 5.2 | 3.7 | 14.3 | 113.9 | 10.2% |
| Total revenue | 539.6 | 388.3 | 110.8 | 50.6 | 32.7 | 1,122.0 | |
| % of total | 48.1% | 34.6% | 9.9% | 4.5% | 2.9% | | |

Financial summary

Analysis of revenue by segment and type continued
52 weeks to 01 January 2006

Like for like

| | Nationals | | | | | Total | % of total |
|----------------------|--------------------------|--------------|--------------|-------------|-------------|----------------|------------|
| | Regionals ⁽¹⁾ | UK | Scotland | Sports | Magazines | | |
| Circulation | 82.8 | 219.5 | 57.1 | 32.6 | 4.4 | 396.4 | 35.6% |
| Advertising | 403.7 | 127.7 | 48.5 | 14.3 | 14.0 | 608.2 | 54.7% |
| Other | 43.9 | 41.1 | 5.2 | 3.7 | 14.3 | 108.2 | 9.7% |
| Total revenue | 530.4 | 388.3 | 110.8 | 50.6 | 32.7 | 1,112.8 | |
| % of total | 47.7% | 34.9% | 10.0% | 4.5% | 2.9% | | |

⁽¹⁾ Like for like – 2005 adjusted to exclude the results of businesses acquired during the period. During the 52 weeks ended 1 January 2006, these businesses achieved revenue of £9.2 million (2004: £nil million)

Financial summary

Operating Costs⁽²⁾

52 weeks to 01 January 2006

| | 2005 statutory £m | 2005 like for like ⁽¹⁾ £m | 2004 statutory £m | 2004 like for like ⁽¹⁾ £m | Change statutory % | Change like for like ⁽¹⁾ % |
|------------------------------|-------------------------|---|-------------------------|---|--------------------------|--|
| Labour | 347.3 | 341.0 | 344.5 | 343.9 | (0.8)% | 0.8% |
| Newsprint | 144.8 | 144.8 | 142.5 | 140.4 | (1.6)% | (3.1)% |
| Depreciation | 40.1 | 40.0 | 41.3 | 41.3 | 2.9% | 3.1% |
| Other | 339.2 | 337.6 | 359.2 | 356.6 | 5.6% | 5.3% |
| Total operating costs | 871.4 | 863.4 | 887.5 | 882.2 | 1.8% | 2.1% |

⁽¹⁾ Like for like – 2005 adjusted to exclude the results of businesses acquired during the period. During the 52 weeks ended 1 January 2006, these businesses achieved revenue of £9.2 million (2004: £nil million), operating profit of £1.2 million (2004: £nil million), amortisation of intangibles of £3.3 million (2004: £nil million) and non-recurring items of £1.0 million (2004: £nil million).
2004 adjusted to exclude the 53rd week

⁽²⁾ Excludes operating non-recurring items of £2.7 million pre tax (2004: £12.2 million)

Financial summary

Non-recurring items

52 weeks to 01 January 2006

| | 2005 £m | 2004 £m |
|---|------------|-------------|
| Restructuring costs | 7.9 | 11.0 |
| Severance costs following the acquisition of the hotgroup plc | 1.0 | - |
| Profit on disposal of land and buildings | (3.5) | (1.0) |
| Profit on disposal of shares in Scottish Radio Holdings | (2.7) | - |
| Maxwell related recoveries | - | (1.3) |
| Write down of presses in Chester and Oldham | - | 7.0 |
| Release of old accruals for which no further costs are expected | - | (3.5) |
| Total | 2.7 | 12.2 |

Financial summary

Balance Sheet

52 weeks to 01 January 2006

| | 1 st January 2006 £m | 2 nd January 2005 £m | Movement £m |
|----------------------------------|---------------------------------------|---------------------------------------|----------------|
| Non current assets | 2,182.7 | 2,087.7 | 95.0 |
| Current assets | 191.8 | 199.1 | (7.3) |
| Total assets | 2,374.5 | 2,286.8 | 87.7 |
| Non current liabilities | | | |
| Borrowings | (392.0) | (440.8) | 48.8 |
| Obligations under finance leases | (15.6) | (17.7) | 2.1 |
| Retirement benefit obligations | (305.6) | (321.9) | 16.3 |
| Deferred tax liabilities | (547.2) | (540.9) | (6.3) |
| Long term provisions | (12.2) | (8.1) | (4.1) |
| Derivative financial instruments | (56.6) | - | (56.6) |
| Total non current liabilities | (1,329.2) | (1,329.4) | 0.2 |
| Current liabilities | (291.6) | (251.8) | (39.8) |
| Total liabilities | (1,620.8) | (1,581.2) | (39.6) |
| Net Assets | 753.7 | 705.6 | 48.1 |

Acquisitions

Pro forma revenues and operating profits
52 weeks to 01 January 2006

| | Online £m | Traditional £m | Total £m |
|------------------|--------------|-------------------|-------------|
| Turnover | 13.3 | 35.1 | 48.4 |
| Operating profit | 2.7 | 1.0 | 3.7 |
| Margins | 20.3% | 2.8% | 7.6% |

Analysis of revenue by segment

52 weeks to 01 January 2006

| | 2005 statutory £m | 2005 like for like ⁽¹⁾ £m | 2004 statutory £m | 2004 like for like ⁽¹⁾ £m | Change statutory % | Change like for like ⁽¹⁾ % |
|-------------------------|-------------------------|---|-------------------------|---|--------------------------|--|
| Regionals division | 539.6 | 530.4 | 540.1 | 535.7 | (0.1)% | (1.0)% |
| Nationals division | 499.1 | 499.1 | 519.7 | 510.8 | (4.0)% | (2.3)% |
| Sports division | 50.6 | 50.6 | 48.9 | 48.1 | 3.5% | 5.2% |
| Magazines & Exhibitions | 32.7 | 32.7 | 31.8 | 31.7 | 2.8% | 3.2% |
| Other | - | - | 1.2 | 1.2 | (100.0)% | (100.0)% |
| Total revenue | 1,122.0 | 1,112.8 | 1,141.7 | 1,127.5 | (1.7)% | (1.3)% |

⁽¹⁾ Like for like – 2005 adjusted to exclude the results of businesses acquired during the period. During the 52 weeks ended 1 January 2006, these businesses achieved revenue of £9.2million (2004: £nil million). 2004 adjusted to exclude the 53rd week

Group operating profit by segment⁽²⁾

52 weeks to 01 January 2006

| | 2005 statutory ⁽³⁾ £m | 2005 like for like ⁽¹⁾ £m | 2004 statutory £m | 2004 like for like ⁽¹⁾ £m | Change statutory % | Change like for like ⁽¹⁾ % |
|-------------------------------|--|---|-------------------------|---|--------------------------|--|
| Regionals division | 150.7 | 149.5 | 151.0 | 148.2 | (0.2)% | 0.9% |
| Nationals division | 91.2 | 91.2 | 95.2 | 89.8 | (4.2)% | 1.6% |
| Sports division | 17.4 | 17.4 | 18.0 | 17.3 | (3.3)% | 0.6% |
| Magazines & Exhibitions | 7.2 | 7.2 | 7.5 | 7.5 | (4.0)% | (4.0)% |
| Other | - | - | (1.3) | (1.3) | 100.0% | 100.0% |
| Central costs | (15.9) | (15.9) | (16.2) | (16.2) | 1.9% | 1.9% |
| Associates | 0.8 | 0.8 | 0.8 | 0.8 | 0.0% | 0.0% |
| Total operating profit | 251.4 | 250.2 | 255.0 | 246.1 | (1.4)% | 1.7% |

(1) Like for like – 2005 adjusted to exclude the results of businesses acquired during the period. During the 52 weeks ended 1 January 2006, these businesses achieved revenue of £9.2 million (2004: £nil million), operating profit of £1.2 million (2004: £nil million), amortisation of intangibles of £3.3 million (2004: £nil million) and non-recurring items of £1.0 million (2004: £nil million).
2004 adjusted to exclude the 53rd week

(2) Excludes operating non-recurring items of £2.7 million pre tax (2004: £12.2 million)

(3) Excludes amortisation of intangibles of £3.3 million

Margins by segment⁽²⁾

52 weeks to 01 January 2006

| | 2005 statutory ⁽³⁾ % | 2005 like for like ⁽¹⁾ % | 2004 statutory % | 2004 like for like ⁽¹⁾ % | Change statutory % | Change like for like ⁽¹⁾ % |
|-------------------------------|---------------------------------------|--|------------------------|--|--------------------------|--|
| Regionals division | 27.9 | 28.2 | 28.0 | 27.7 | (0.1)% | 0.5% |
| UK Nationals | 17.5 | 17.5 | 17.3 | 16.6 | 0.3% | 0.9% |
| Scottish Nationals | 21.0 | 21.0 | 22.0 | 21.2 | (1.0)% | (0.2)% |
| Sports division | 34.4 | 34.4 | 36.8 | 36.0 | (2.4)% | (1.6)% |
| Magazines & Exhibitions | 22.0 | 22.0 | 23.6 | 23.7 | (1.6)% | (1.7)% |
| Other | - | - | (108.3) | (108.3) | - | - |
| Total operating margin | 22.4 | 22.5 | 22.3 | 21.8 | 0.1% | 0.7% |

⁽¹⁾ Like for like – 2005 adjusted to exclude the results of businesses acquired during the period. During the 52 weeks ended 1 January 2006, these businesses achieved revenue of £9.2 million (2004: £nil million), operating profit of £1.2 million (2004: £nil million), amortisation of intangibles of £3.3 million (2004: £nil million) and non-recurring items of £1.0 million (2004: £nil million).
2004 adjusted to exclude the 53rd week

⁽²⁾ Excludes operating non-recurring items of £2.7 million pre tax (2004: £12.2 million)

⁽³⁾ Excludes amortisation of intangibles of £3.3 million

Regionals division

Performance

52 weeks to 01 January 2006

| | 2005 statutory ⁽³⁾ £m | 2005 like for like ⁽¹⁾ £m | 2004 statutory £m | 2004 like for like ⁽¹⁾ £m | Change statutory % | Change like for like ⁽¹⁾ % |
|-----------------------|--|---|-------------------------|---|--------------------------|--|
| Revenue | 539.6 | 530.4 | 540.1 | 535.7 | (0.1)% | (1.0)% |
| Profit ⁽²⁾ | 150.7 | 149.5 | 151.0 | 148.2 | (0.2)% | 0.9% |
| Margin ⁽²⁾ | 27.9% | 28.2% | 28.0% | 27.7% | (0.1)% | 0.5% |

(1) Like for like – 2005 adjusted to exclude the results of businesses acquired during the period. During the 52 weeks ended 1 January 2006, these businesses achieved revenue of £9.2 million (2004: £nil million), operating profit of £1.2 million (2004: £nil million), amortisation of intangibles of £3.3 million (2004: £nil million) and non-recurring items of £1.0 million (2004: £nil million). 2004 adjusted to exclude the 53rd week

(2) Excludes non-recurring items

(3) Excludes amortisation of intangibles of £3.3 million

Regionals division

Analysis of revenue

52 weeks to 01 January 2006

| | 2005 statutory £m | 2005 like for like ⁽¹⁾ £m | 2004 statutory £m | 2004 like for like ⁽¹⁾ £m | Change statutory % | Change like for like ⁽¹⁾ % |
|----------------------|-------------------------|---|-------------------------|---|--------------------------|--|
| Circulation | 82.8 | 82.8 | 80.7 | 79.4 | 2.6% | 4.3% |
| Advertising | 407.2 | 403.7 | 417.8 | 415.0 | (2.5)% | (2.7)% |
| Other | 49.6 | 43.9 | 41.6 | 41.3 | 19.2% | 6.3% |
| Total revenue | 539.6 | 530.4 | 540.1 | 535.7 | (0.1)% | (1.0)% |

⁽¹⁾ Like for like – 2005 adjusted to exclude the results of businesses acquired during the period. During the 52 weeks ended 1 January 2006, these businesses achieved revenue of £9.2 million (2004: £nil million). 2004 adjusted to exclude the 53rd week

Regionals division

Analysis of advertising revenue
52 weeks to 01 January 2006

| | Change Statutory % | Change like for like ⁽¹⁾ % |
|--------------------------------------|--------------------------|---|
| Gross advertising by category | | |
| Display | (1.4)% | (0.1)% |
| Recruitment | (12.7)% | (14.3)% |
| Property | 12.9% | 10.4% |
| Motors | (6.7)% | (5.7)% |
| Other classified | 3.6% | 4.6% |
| Total net advertising | (2.5)% | (2.7)% |

⁽¹⁾ Like for like – 2005 adjusted to exclude the results of businesses acquired during the period. During the 52 weeks ended 1 January 2006, these businesses achieved revenue of £9.2 million (2004: £nil million). 2004 adjusted to exclude the 53rd week

Nationals division

Performance

52 weeks to 01 January 2006

| | 2005 statutory £m | 2004 statutory £m | 2004 52 weeks £m | Change statutory % | Change 52 weeks % |
|---------------------------|-------------------------|-------------------------|------------------------|--------------------------|-------------------------|
| Nationals division | | | | | |
| Revenue | 499.1 | 519.7 | 510.8 | (4.0)% | (2.3)% |
| Profit* | 91.2 | 95.2 | 89.8 | (4.2)% | 1.6% |
| Margin* | 18.3% | 18.3% | 17.6% | (0.0)% | 0.7% |
| UK Nationals | | | | | |
| Revenue | 388.3 | 407.2 | 400.1 | (4.6)% | (2.9)% |
| Profit* | 67.9 | 70.5 | 66.3 | (3.7)% | 2.4% |
| Margin* | 17.5% | 17.3% | 16.6% | 0.3% | 0.9% |
| Scottish Nationals | | | | | |
| Revenue | 110.8 | 112.5 | 110.7 | (1.5)% | 0.1% |
| Profit* | 23.3 | 24.7 | 23.5 | (5.7)% | (0.9)% |
| Margin* | 21.0% | 22.0% | 21.2% | (1.0)% | (0.2)% |

*Excludes non-recurring items

UK Nationals

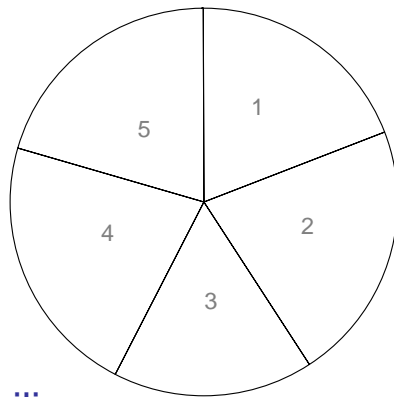
Analysis of revenue

52 weeks to 01 January 2006

| | 2005 statutory £m | 2004 statutory £m | 2004 52 weeks £m | Change statutory % | Change 52 weeks % |
|----------------------|-------------------------|-------------------------|------------------------|--------------------------|-------------------------|
| Circulation | 219.5 | 223.1 | 219.2 | (1.6)% | 0.1% |
| Advertising | 127.7 | 146.9 | 144.2 | (13.1)% | (11.4)% |
| Other | 41.1 | 37.2 | 36.7 | 10.5% | 12.0% |
| Total Revenue | 388.3 | 407.2 | 400.1 | (4.6)% | (2.9)% |

UK Nationals

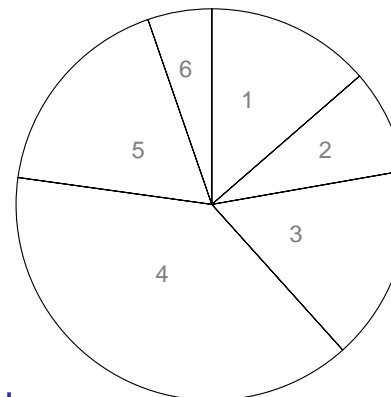
Newspaper advertising market share (volumes)
52 weeks to 01 January 2006



2005

Dailies

| | 2005 | 2004* |
|-----------|-------|-------|
| 1 Mirror | 19.5% | 19.8% |
| 2 Sun | 21.1% | 20.6% |
| 3 Star | 16.4% | 17.5% |
| 4 Mail | 22.7% | 22.8% |
| 5 Express | 20.4% | 19.3% |



2005

Sundays

| | 2005 | 2004* |
|---------------------|-------|-------|
| 1 Sunday Mirror | 13.6% | 13.5% |
| 2 People | 9.0% | 9.1% |
| 3 News of the World | 15.9% | 14.8% |
| 4 Mail on Sunday | 38.6% | 38.4% |
| 5 Sunday Express | 17.4% | 18.3% |
| 6 Daily Star Sunday | 5.6% | 5.9% |

*52 weeks to 2nd January 2005

Scottish Nationals

Analysis of revenue

52 weeks to 01 January 2006

| | 2005 statutory £m | 2004 statutory £m | 2004 52 weeks £m | Change statutory % | Change 52 weeks % |
|----------------------|-------------------------|-------------------------|------------------------|--------------------------|-------------------------|
| Circulation | 57.1 | 55.9 | 55.0 | 2.1% | 3.8% |
| Advertising | 48.5 | 50.6 | 49.8 | (4.2)% | (2.6)% |
| Other | 5.2 | 6.0 | 5.9 | (13.3)% | (11.9)% |
| Total Revenue | 110.8 | 112.5 | 110.7 | (1.5)% | 0.1% |

Sports division

Performance

52 weeks to 01 January 2006

| | 2005 statutory £m | 2004 statutory £m | 2004 52 weeks £m | Change statutory % | Change 52 weeks % |
|---------|-------------------------|-------------------------|------------------------|--------------------------|-------------------------|
| Revenue | 50.6 | 48.9 | 48.1 | 3.5% | 5.2% |
| Profit* | 17.4 | 18.0 | 17.3 | (3.3)% | 0.6% |
| Margin* | 34.4% | 36.8% | 36.0% | (2.4)% | (1.6)% |

*Excludes non-recurring items

Magazines and Exhibitions

Performance

52 weeks to 01 January 2006

| | 2005 statutory £m | 2004 statutory £m | 2004 52 weeks £m | Change statutory % | Change 52 weeks % |
|---------|-------------------------|-------------------------|------------------------|--------------------------|-------------------------|
| Revenue | 32.7 | 31.8 | 31.7 | 2.8% | 3.2% |
| Profit* | 7.2 | 7.5 | 7.5 | (4.0)% | (4.0)% |
| Margin* | 22.0% | 23.6% | 23.7% | (1.6)% | (1.7)% |

*Excludes non-recurring items

Net debt

52 weeks to 01 January 2006

| | 2 nd Jan 2005 IFRS £m | 3 rd Jan 2005 adoption of IAS 39 £m | Cash Flow £m | IAS 39 impact £m | Loans drawn/ repaid £m | Other non-cash changes £m | 1 st Jan 2006 £m |
|----------------------------------|--|---|--------------------|------------------------|---------------------------------|------------------------------------|-----------------------------------|
| Non-current | | | | | | | |
| Loan notes | (440.8) | 86.3 | - | (37.2) | - | (0.3) | (392.0) |
| Derivative financial instruments | - | (87.2) | - | 30.6 | - | - | (56.6) |
| Obligations under finance leases | (17.7) | - | - | - | 2.1 | - | (15.6) |
| | (458.5) | (0.9) | - | (6.6) | 2.1 | (0.3) | (464.2) |
| Current | | | | | | | |
| Bank overdrafts | (22.5) | - | 4.6 | - | - | - | (17.9) |
| Short term loans | - | - | - | - | (40.0) | - | (40.0) |
| Loan notes | (13.9) | - | - | - | 13.1 | - | (0.8) |
| Obligations under finance leases | (2.5) | - | - | - | (0.3) | - | (2.8) |
| | (38.9) | - | 4.6 | - | (27.2) | - | (61.5) |
| Cash and cash equivalents | 43.4 | - | (10.2) | - | - | - | 33.2 |
| Net Debt | (454.0) | (0.9) | (5.6) | (6.6) | (25.1) | (0.3) | (492.5) |

Reconciliation of Group statutory results to like for like results

| 52 weeks ended 1 January 2006 | Statutory Result £m | Non-recurring items £m (a) | Result £m (b) | Amortisation £m (b) | IAS 39 impact £m (c) | Week 53 effect £m (d) | Like for like result £m |
|-------------------------------|------------------------|----------------------------------|---------------------|---------------------------|----------------------------|-----------------------------|----------------------------|
| Revenue | 1,122.0 | - | -9.2 | - | - | n/a | 1,112.8 |
| Operating profit | 245.4 | 2.7 | -1.2 | 3.3 | - | n/a | 250.2 |
| Profit before tax | 209.5 | 2.7 | -1.2 | 3.3 | 6.6 | n/a | 220.9 |
| | pence | pence | pence | pence | pence | pence | pence |
| Underlying earnings per share | 50.5 | - | -0.3 | 0.8 | 1.6 | n/a | 52.6 |
| Non-recurring items | -0.2 | 0.2 | - | - | - | n/a | - |
| Earnings per share – basic | 50.3 | 0.2 | -0.3 | 0.8 | 1.6 | n/a | 52.6 |

(a) Details of non-recurring items are set out on Slide 39

(b) Details of acquisitions are set out on Slide 41

(c) Impact of fair value, exchange rate, and amortisation adjustments on borrowings and associated financial instruments, accounted for under IAS 39

(d) 2004 was a 53-week trading period compared with 52 weeks in 2005

Reconciliation of Group statutory results to like for like results (continued)

| 53 weeks ended 2 January 2005 | Statutory Result £m | Non-recurring items £m (a) | Result £m (b) | Amortisation £m (b) | IAS 39 impact £m (c) | Week 53 effect £m (d) | Like for like result £m |
|-------------------------------|------------------------|----------------------------------|---------------------|---------------------------|----------------------------|-----------------------------|----------------------------|
| Revenue | 1,141.7 | - | - | - | n/a | -14.2 | 1,127.5 |
| Operating profit | 242.8 | 12.2 | - | - | n/a | -8.9 | 246.1 |
| Profit before tax | 207.1 | 9.7 | - | - | n/a | -8.3 | 208.5 |
| | pence | pence | pence | pence | pence | pence | pence |
| Underlying earnings per share | 51.2 | - | - | - | n/a | -1.9 | 49.3 |
| Non-recurring items | -2.0 | 2.0 | - | - | n/a | - | - |
| Earnings per share – basic | 49.2 | 2.0 | - | - | n/a | -1.9 | 49.3 |

(a) Details of non-recurring items are set out on Slide 39

(b) Details of acquisitions are set out on Slide 41

(c) Impact of fair value, exchange rate, and amortisation adjustments on borrowings and associated financial instruments, accounted for under IAS 39

(d) 2004 was a 53-week trading period compared with 52 weeks in 2005

Reconciliation of statutory results from IFRS to UK GAAP⁽¹⁾

52 weeks to 01 January 2006

| | IFRS 2005 £m | Adjust to UK GAAP 2005 £m | Indicative UK GAAP 2005 £m | UK GAAP 2004 £m |
|---|--------------------|------------------------------------|-------------------------------------|-----------------------|
| Revenue | 1,122.0 | - | 1,122.0 | 1,141.7 |
| Operating profit | 245.4 | 2.8 | 248.2 | 242.2 |
| Pre non-recurring items and amortisation | 251.4 | 0.5 | 251.9 | 254.8 |
| Non-recurring items | (2.7) | 2.7 | - | (12.2) |
| Amortisation of intangibles | (3.3) | (0.4) | (3.7) | (0.4) |
| Net interest payable | (31.0) | 0.3 | (30.7) | (34.9) |
| Other finance income / (charge) | 1.7 | 0.1 | 1.8 | (2.7) |
| IAS 39 impact | (6.6) | 6.6 | - | - |
| Profit on disposals of subsidiary undertaking | - | - | - | 2.5 |
| Profit before taxation | 209.5 | 9.8 | 219.3 | 207.1 |
| Tax | (62.6) | (3.2) | (65.8) | (63.0) |
| Profit for like period | 146.9 | 6.6 | 153.5 | 144.1 |

⁽¹⁾ UK GAAP applicable at 2 January 2005

Reconciliation of net assets from IFRS to UK GAAP⁽¹⁾

52 weeks to 01 January 2006

| | IFRS 1 st January 2006 £m | Adjust to UK GAAP £m | Indicative UK GAAP 1 st January 2006 £m | UK GAAP in IFRS format 2 nd January 2005 £m |
|----------------------------------|---|----------------------------|--|--|
| Non current assets | 2,182.7 | (94.6) | 2,088.1 | 1,988.3 |
| Current assets | 191.8 | - | 191.8 | 199.1 |
| Total assets | 2,374.5 | (94.6) | 2,279.9 | 2,187.4 |
| Non current liabilities | | | | |
| Borrowings | (392.0) | (49.1) | (441.1) | (440.8) |
| Obligations under finance leases | (15.6) | 2.3 | (13.3) | (14.9) |
| Retirement benefit obligations | (305.6) | 95.5 | (210.1) | (222.5) |
| Deferred tax liabilities | (547.2) | 475.9 | (71.3) | (64.9) |
| Long term provisions | (12.2) | 0.6 | (11.6) | (7.8) |
| Derivative financial instruments | (56.6) | 56.6 | - | - |
| Total non current liabilities | (1,329.2) | 581.8 | (747.4) | (750.9) |
| Current liabilities | (291.6) | (47.7) | (339.3) | (292.8) |
| Total liabilities | (1,620.8) | 534.1 | (1,086.7) | (1,043.7) |
| Net assets | 753.7 | 439.5 | 1,193.2 | 1,143.7 |

⁽¹⁾ UK GAAP applicable at 2 January 2005