Trinity Mirror plc

1 August 2013

Half-Yearly Financial Report
for the 26 weeks ended 30 June 2013

Key Highlights

- **Profit before tax (1) up 2.5% to £49.3 million**
  Continued tight management of costs and reduced interest charge on lower debt supported profit growth despite revenue (2) falling by 8.5% to £332.0 million.
- **EPS (1) growth of 5.5% to 15.4 pence**
  Driven by increased profit before tax and reduced tax rate.
- **Strong cash flows drive further reduction in net debt (3) of £36.7 million**
  Net debt reduced to £120.3 million and on track to repay £54.5 million of maturing debt in October 2013 without the need to draw on the Group's bank facility.
- **Strong growth in digital audience and digital display advertising**
  Average monthly unique users (4) grew by 36.9% and average monthly page views (4) grew by 48.6% year on year across our publishing operations with digital display revenue growing by 15.1%.
- **Strategic initiatives on track**
  Good momentum in delivering the strategic initiatives during the first half.

Results

	Adjusted results (1) (2)		**Statutory results (2) (5)**	
	2013	2012	**2013**	2012
	£m	£m	**£m**	£m
Revenue	**332.0**	362.8	**332.0**	362.8
Operating profit	**52.7**	52.5	**43.5**	43.5
Profit before tax	**49.3**	48.1	**30.3**	30.4
Earnings per share	**15.4p**	14.6p	**9.6p**	14.6p

(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 charge, the pension administrative expenses and the impact of tax legislation changes. Set out in note 15 is the reconciliation between the statutory results and the adjusted results.
(2) Consistent with the 2012 year end results, the 2012 revenue and costs have been restated to include £6.8 million of newsprint supplied to a customer which was previously netted off against costs. This is further explained on page 8.
(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.
(4) Average monthly unique users (ABCe) and average monthly page views (Omniture) for January to June 2013 versus January to June 2012.
(5) As disclosed in the 2012 year end results, the amended pension accounting standard, IAS 19 (Amended), has been adopted for 2013 and applied retrospectively to 2012 for comparative purposes. This is further explained on page 8.

Commenting on the interim results for 2013, Simon Fox, Chief Executive, Trinity Mirror plc, said:

"I am pleased with the progress we have made in the first half. The Group is producing some outstanding journalism and in a challenging market is outperforming its peers on a number of measures in both print and online. Whilst still at an early stage, our transformation plan has got off to an encouraging start and this provides me with confidence in the performance for the year. "

Enquiries

Trinity Mirror

Simon Fox, Chief Executive	020 7293 3553
Vijay Vaghela, Group Finance Director	020 7293 3553

Brunswick

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

Conference Call/Webcast

A teleconference and webcast for analysts will be held at 8.00am on Thursday 1 August 2013. The presentation will be live on our website: www.trinitymirror.com at 8.00am and a playback will be available from 2.00pm. If you wish to ask a question, the dial-in numbers are +44 20 3427 1902 or 0800 279 5004, confirmation code: 5610088.

Interim Management Report

Strategic Highlights

At our 2012 preliminary results announcement we set out our vision *"to be a dynamic and growing media business that is an essential part of our customers' daily lives"* and that our vision would be delivered through five key areas of strategic focus. We have made good progress in each of the five key areas of strategic focus set out below.

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

- Shared content unit established providing high-quality features pages
- Increased content sharing and collaboration between national and regional titles
- Trinity Mirror Wire, giving all newsrooms access to the best live stories, is now operational
- National advertising sales consolidated with the creation of NASa
- Photo archives centralised into one central library

Protecting and revitalising our core brands in print

- The Daily Mirror has outperformed the UK national daily tabloid market for each of the last six months with circulation volume for the first half down 4.6% in a market that declined by 9.6%
- Launch of an enhanced Saturday package in our regional titles and a new magazine, Notebook, in the Sunday Mirror
- Launch of two new free weekly newspapers in Scotland and four new titles in North Liverpool
- More localised editions and introduction of hybrid editions of key titles

Continued relentless focus on efficiency and cost management

- Operating costs fell year on year by £28.5 million in the first half and we remain on target to deliver at least £10 million of structural cost savings in 2013

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

- Eight of our key brands websites upgraded onto new technical platform
- Average monthly unique users across our publishing business up 36.9% year on year to 34.2 million
- Average monthly page views across our publishing business up 48.6% year on year to 182.3 million
- Over 170,000 downloads of the Daily Mirror and Daily Record Apple e-edition with Android e-edition of the Daily Mirror now launched and the Daily Record launching in the coming weeks
- Launch of Apple e-edition for seven other key brands with more launches in the second half
- Accelerating growth of digital display advertising up 15.1% year on year
- Announced the doubling of the size of the Mirror.co.uk digital editorial team

Investing in new businesses built around distinctive content or audience

- New business development team now in place and have commenced work on a number of potential business opportunities
- Strong performance from Local World in its first six months of trading with the Group's share of adjusted post tax profit of £2.7 million
- Contract publishing wins from Sports Media of two Premiership Clubs and the print and digital publishing rights for the 2015 Rugby World Cup

Our five key strategic objectives are supported by investment. We continue to expect to invest some £8 million to accelerate our digital capabilities and in the development of new businesses around our distinctive content and audience.

Further details on each of the five key areas of strategic focus are on pages 4 to 6.

Chief Executive's Statement

I am pleased with the progress we are making on the delivery of our strategy that we outlined just over four months ago. Also encouraging is the solid financial performance we delivered in the first half with profit before tax up 2.5% and earnings per share up 5.5% with strong cash flows enabling net debt to fall by £36.7 million to £120.3 million.

Although revenues remain under pressure, clear progress is being made on the delivery of the areas of strategic focus set out at the beginning of the year.

As result of our strong journalism we are pleased that the Daily Mirror continues to deliver volume trends that remain better than the UK national daily tabloid market with circulation volume for the first half down 4.6% in a market that declined by 9.6%.

Also, our average monthly unique users and average monthly page views across our publishing business have grown year on year by 36.9% to 34.2 million and by 48.6% to 182.3 million respectively. We are already seeing early signs of how we can drive revenues from the growth in our digital audience with digital display advertising growing year on year by 15.1%.

I anticipate further progress as we move through the remainder of 2013.

Operational Performance

The trading environment remained volatile in the first half and the Group also had tougher comparatives for the first two months of the year due to the launch of a new UK national Sunday title in February 2012. This contributed to revenues falling by 8.5% or £30.8 million.

The decline in revenues was more than offset by costs falling by 9.2% or £28.5 million and an increase of £2.5 million in our share of income from associated undertakings. The cost reductions include structural cost savings, the benefit of reduced newsprint prices and ongoing cost mitigating actions. The increase in income from associates includes £2.7 million from our 20% interest in Local World which was completed in January 2013.

Our Publishing division has delivered a strong performance with operating profit falling by only £3.1 million even though revenues were down £29.3 million. Revenues have been impacted by the difficult trading environment and in addition, our year on year performance in January and February was impacted by the launch of a new UK national Sunday title during February 2012. Cost mitigation, structural cost savings and a fall in newsprint prices ensured that costs fell by a material £26.2 million.

Our Printing division achieved a 7.8% growth in third party contract print revenues to £19.3 million. Including newsprint supplied to contract print customers and other revenues, total revenues fell marginally by 2.1% to £32.7 million due to a fall in newsprint prices.

Our Specialist Digital division experienced continued pressure on advertising revenues with recruitment down by 17.2% and property flat. This was partially offset by growth in our digital marketing services revenues of 5.8%. Overall revenues fell by £0.7 million to £10.1 million. With the closure of happli in the second half of last year, the division delivered a profit of £0.1 million in the first half compared to a loss of £1.6 million in the prior year.

The Group operating profit in the first half of £52.7 million, coupled with falling interest costs resulted in profit before tax increasing by 2.5% to £49.3 million.

The Group continued to deliver strong cash flows with net debt falling by £36.7 million to £120.3 million. The Group had a cash balance of £46.7 million at the end of June 2013 and we anticipate that the debt repayment of £54.5 million due in October 2013 can be met without the need to draw on the Group's bank facility.

Strategic Update

We have made good progress in the first half on delivering on our vision *"to be a dynamic and growing media business that is an essential part of our customers' daily lives".* As I outlined with our 2012 preliminary results, our strategic 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.

We have made good progress on all of these objectives and I will provide an update on each of these in turn.

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

Significant progress has already been made to ensure that we are best positioned to harness the strength of our journalists and audience.

We have created a shared content unit, providing high-quality features pages which can be used without amendment in multiple titles across the country. This unit produces content of general appeal but which does not require a specific local flavour. Specific areas of focus have been travel, motoring, food, fashion and film and entertainment reviews.

We have also increased content sharing and collaborative working between our national and regional brands. For example, content from our national titles is regularly repurposed by the shared content unit for use in our regional titles; our reporting teams worked together to enhance our coverage of the trial of April Jones's killer and the aftermath of a road rampage in Cardiff; and we have launched Trinity Mirror Wire, which gives all of our newsrooms access to the best live news stories and pictures from across the Group on a daily basis.

National advertising sales across the business, both print and digital, have been consolidated under our National Advertising Sales Agency, NASa. We are beginning to fully leverage the strength of our portfolio providing compelling advertising solutions to our customers with our unique portfolio of national and regional print and digital brands. New packages that we have started marketing include the Daily Big City package comprising our daily national and regional titles with an average circulation in excess of 1.6 million and a readership in excess of 4.6 million. We have also launched a new Sunday package incorporating all our Sunday titles with an average circulation in excess of 1.8 million and a readership in excess of 5.1 million. Alongside these print packages the Group is developing compelling cross media and digital packages.

We have centralised all photo archives across the Group into one central library creating a single shared resource that all of our journalists can access in print or online. In addition to making fuller use of the content across core brands, the move will also enable increased publication of stand-alone products, such as magazines and books.

Protecting and revitalising our core brands in print

There have been a number of investments and initiatives during the first half to revitalise our core brands. Initiatives across our portfolio of brands have included:

- Hybrid editions of a number of our regional titles with the paid for circulation being supplemented by free copies to grow reach and therefore response for our advertisers. Building on the success of the hybrid edition of the Manchester Evening News we have launched hybrid editions of the Birmingham Mail in Birmingham, The Western Mail in Swansea and the Reading Post in the Reading;

- Launch of an enhanced publishing package for our nine regional Saturday titles with a rebranded edition of the "We Love Telly" magazine published in the Daily Mirror coupled with enhanced entertainment and features content;

Protecting and revitalising our core brands in print (continued)

- The launch of two new free weekly newspapers in Scotland, Aberdeen Now and Edinburgh Now. These are available free in the Daily Record in Aberdeen and Edinburgh respectively and are also distributed separately in the two markets. The new titles showcase the best of the local markets, including the arts, business, columnists, sport and, of course, the people;
- The launch of more localised editions of key titles. These have included North and South editions of the Manchester Evening News and a Wirral edition of the Liverpool Echo;
- The launch of four new titles in the North Liverpool marketplace. The Star series now has free bespoke editions for Anfield and Walton, Maghull and Aintree, Kirkby, and Crosby and Bootle; and
- The launch of a new magazine for the Sunday Mirror, Notebook, with a strong emphasis on fashion and beauty.

Alongside these specific initiatives we continue to redesign our products to improve their appeal to both readers and advertisers.

Continued relentless focus on efficiency and cost management

Cost management remains a key area of focus with operating costs falling by £28.5 million year on year to £282.7 million. The decline in costs is net of additional investment to revitalise our core brands and to accelerate our digital capabilities. We remain on track to deliver at least £10 million of structural costs savings for the full year. The remainder of the cost reductions have been driven by a fall in newsprint prices and ongoing cost mitigation actions.

Tight cost management will remain a key area of focus going forward.

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

I am pleased with the progress we are making in digital. Eight of our key brands websites have now been upgraded onto a new platform delivering a far improved user experience on computer and more significantly on mobile. The product teams continue to make further significant improvements to our sites including picture galleries, live blogging and search optimisation. In addition, we have substantially completed the reorganisation of all of our newsrooms to ensure that we can make the most of breaking news with a variety of multimedia story telling tools.

Content is also increasingly being produced to meet the digital only demands of the communities we serve. Some examples of how our integrated approach can drive both circulation volumes and digital audience have been our coverage of a child in North Korea dying of starvation by the side of the road while just yards away soldiers load rice onto trucks, the murder of a soldier in Woolwich and the exclusive of Nigella Lawson and husband Charles Saatchi. Taken together, as well as increasing print copy sales, these stories achieved 19.6 million page views on the day of publication and 41.7 million page views within a month.

Since launching the Daily Mirror and Daily Record Apple e-editions in 2012 we have had over 150,000 and 20,000 app downloads respectively. In the first half, we have launched Apple e-editions for the Irish Mirror, the Birmingham Mail, the Coventry Telegraph, the Evening Chronicle (Newcastle), the Evening Gazette (Teesside) and business e-editions for the Birmingham Post and the Liverpool Post. Further Apple e-editions are planned for the remaining key regional titles. The Android e-edition of the Daily Mirror launched in July and the Daily Record is launching in the coming weeks with the key regional titles following.

We are also strengthening our product development capabilities and have invested in additional resource across sales, product development and editorial. We have announced plans to double the size of the Mirror.co.uk digital editorial team, following full integration of the seven-day print and digital teams earlier in the year. Based in London and Manchester, the 25 additional staff will enable us to significantly increase our online content and build on recent strong web success.

We have seen good growth in unique users and page views for all re-launched sites with particularly strong growth on mobile as the new platform ensures that all sites are mobile enabled. We are also beginning to see good traction on digital display advertising for all our sites and we anticipate this to improve further as we progress through the year.

Investing in new businesses built around distinctive content or audience

As we outlined at the beginning of the year, investment in new businesses is a key part of our strategy to deliver growth over the medium to long term. In the first half, we launched new digital products through our new product development team and have made a couple of investments in print.

We launched PaperPay, a new app which allows users to purchase newspapers with smartphone technology rather than cash transactions, bringing together the enjoyment of reading a newspaper and the convenience of paying for it using a unique voucher generated on your phone. The service is now available in 47,000 newsagents across the UK. The service was initiated with the Daily Mirror and the Sunday Mirror and has now been rolled out to the Sunday Mail, Daily Record, Newcastle Journal, Liverpool Post, Birmingham Post and Western Mail. By the end of June 2013, some 5,000 readers had used this new, innovative service. We are in discussions with other third party newspaper groups to make the service available to them.

At the end of May 2013, we launched a new social media site, UsVsTh3m. The new site tests a different publishing model from the one we are familiar with and takes a mobile first approach with a focus on social sharing. In June 2013, the site had 464,000 unique visitors.

We completed our 20% investment in Local World which was cleared by the Office of Fair Trading on 28 June 2013. Local World has already delivered a strong performance in its first six months of trading with our share of its adjusted post tax profits being £2.7 million.

We have also increased investment in Sport Media, our sports contract publishing business. In the first half, Sport Media secured new three year publishing contracts for match day programmes and magazines with Premier League clubs: Tottenham Hotspur and West Bromwich Albion which alongside existing contracts with Arsenal, Chelsea, Aston Villa and Everton brings the total to six. Sport Media also secured the print and digital publishing rights for the 2015 Rugby World Cup, being hosted in the UK.

We continue to work on a number of new and distinctive business opportunities and anticipate further launches in the second half of 2013.

Capital Structure

The Group's financial position remains robust with continued strong cash generation and falling debt with no drawings on the bank facility. During the first half, net debt fell by £36.7 million to £120.3 million and leverage (contracted net debt to adjusted EBITDA for the 12 months to 30 June 2013), is now below one times. We are on track to repay £54.5 million of maturing debt in October 2013 without the need to draw on the Group's bank facility.

The accounting pension deficit fell during the first half by £2.4 million from £297.7 million (£229.2 million net of deferred tax) to £295.3 million (£227.4 million net of deferred tax) reflecting the impact of an increase in liabilities of £40.9 million more than offset by an increase in assets of £43.3 million. The increase in liabilities was due to a decrease of 0.45% in the real discount rate from 1.70% to 1.25%. The increase in assets was driven by asset returns and company contributions being higher than pension payments. There has been no change in the mortality assumptions. The change in the accounting pension deficit has no impact on the agreed deficit funding payments.

We remain confident that following the repayment of £98.7 million of maturing debt over the next 11 months, we will have increased financial flexibility during 2014 to consider all options for driving value for shareholders. This will include considering further investment opportunities to build a stable and growing portfolio of print and digital assets and the return of capital to shareholders, alongside meeting our obligations to fund the Group's defined benefit schemes to address historic deficits.

Chief Executive's Statement *continued*

Board Changes

As announced in March, Kathleen O'Donovan left the Board at the Annual General Meeting in May 2013. I thank Kathleen for her contribution to the Board and as Chair of the Audit & Risk Committee over the past six years and wish her well for the future.

We had identified a preferred candidate as a replacement for Kathleen, unfortunately just before accepting the role the candidate withdrew for health reasons. We have restarted the process with the help of Egon Zehnder. In the meantime, David Grigson, our Chairman, will assume the role of Chairman of the Audit & Risk Committee. The Board has decided that, of the current directors, David is best suited to this role, being a Chartered Accountant and an experienced audit committee chairman of other boards including currently chairing the Audit Committee of Standard Life plc. To ensure full independence of reporting, one of the other Non-Executive Directors will present the report of the Audit & Risk Committee's proceedings to the Board.

Current Trading

Having experienced a slow start to the year with year on year revenue declines of 12.6% in January and February, we are encouraged by the improved year on year trends in March to June with revenue declines of 6.6%.

During July, revenues declined by 6.5% with circulation revenues down by 2.3%, advertising revenues down by 11.7% and other revenues down by 10.6% with printing revenue broadly flat.

Outlook

We expect the trading environment to remain difficult for the remainder of the year with continued month on month volatility. Although newsprint prices have increased for the second half, the benefit of at least £10 million of structural cost savings and the ongoing cost mitigation actions will ensure the Group has adequate headroom for investment whilst supporting profits.

The benefits of the strategic initiatives and ongoing cost mitigating actions across the Group provide the Board with confidence for the Group's performance for 2013.

Group Review

The results have been prepared for the 26 weeks ended 30 June 2013 (2013) and the comparative period has been prepared for the 26 weeks ended 1 July 2012 (2012). The results are presented on an adjusted and a statutory basis to provide a more meaningful comparison of the Group's performance between 2013 and 2012. Set out in note 15 is the reconciliation between the statutory results and the adjusted results.

	Adjusted results		Statutory results	
	2013 £m	2012 (restated) £m	**2013 £m**	2012 (restated) £m
Revenue	**332.0**	362.8	**332.0**	362.8
Costs	**(282.7)**	(311.2)	**(291.9)**	(320.2)
Associates	**3.4**	0.9	**3.4**	0.9
Operating profit	**52.7**	52.5	**43.5**	43.5
Investment revenues	**0.1**	0.1	**0.1**	0.1
Pension finance charge	**-**	-	**(6.6)**	(5.6)
Finance costs	**(3.5)**	(4.5)	**(6.7)**	(7.6)
Profit before tax	**49.3**	48.1	**30.3**	30.4
Tax (charge)/credit	**(11.2)**	(12.2)	**(6.5)**	5.6
Profit after tax	**38.1**	35.9	**23.8**	36.0
Earnings per share	**15.4p**	14.6p	**9.6p**	14.6p

The 2012 comparatives have been restated as follows:

- Consistent with the 2012 year end results, revenue and costs for 2012 have each been restated by £6.8 million for newsprint supplied to a customer which was previously netted off against costs. This has no impact on operating profit; and
- As disclosed in the 2012 year end results, the amended pension accounting standard, IAS 19 (Amended), has been adopted for 2013 and applied retrospectively to 2012 for comparative purposes. Statutory operating profit for 2012 has been reduced by £1.7 million due to pension administrative expenses, which were previously allowed for in the pension finance charge, now charged to statutory operating profit and the pension finance charge has increased by £3.0 million due to a change in the basis of calculation. Together, the changes have resulted in a £4.7 million reduction in statutory profit before tax and a £3.5 million reduction in statutory profit after tax with statutory earnings per share decreasing by 1.4 pence. The adjusted results are not impacted as they exclude both the pension administrative expenses and the pension finance charge.

The impact of the amended standard on the full year 2012 comparatives is a reduction in statutory operating profit of £3.2 million and an increase in the pension finance charge of £6.0 million. The impact on statutory profit before tax is a £9.2 million reduction and on statutory profit after tax is a £6.9 million reduction with earnings per share decreasing by 2.8 pence.

Adjusted results

Group revenue fell by £30.8 million or 8.5% to £332.0 million with adjusted operating profit increasing by £0.2 million or 0.4% to £52.7 million.

	2013 £m	2012 £m	Variance £m	Variance %
Circulation	**144.2**	153.8	(9.6)	(6.2)
Advertising	**132.1**	151.1	(19.0)	(12.6)
Print	***118.8***	*136.2*	*(17.4)*	*(12.8)*
Digital	***13.3***	*14.9*	*(1.6)*	*(10.7)*
Printing	**32.7**	33.4	(0.7)	(2.1)
Other	**23.0**	24.5	(1.5)	(6.1)
Revenue	**332.0**	362.8	(30.8)	(8.5)
Labour	**(107.1)**	(112.9)	5.8	5.1
Newsprint	**(51.4)**	(65.4)	14.0	21.4
Depreciation	**(13.2)**	(14.6)	1.4	9.6
Other	**(111.0)**	(118.3)	7.3	6.2
Costs	**(282.7)**	(311.2)	28.5	9.2
Associates	**3.4**	0.9	2.5	277.8
Operating profit	**52.7**	52.5	0.2	0.4
Operating margin	**15.9%**	14.5%	1.4%	9.7

Group Review *continued*

Adjusted results continued

Revenue trends improved as we have moved through the first half. Revenues in January and February were down 12.6% which improved to 6.6% in March to June. Our year on year performance in January and February was impacted by the launch of a new UK national Sunday title during February 2012.

Costs continue to be tightly managed and fell, net of investment, by £28.5 million or 9.2% to £282.7 million. The reduction in costs reflects the benefit of ongoing cost mitigation actions, the delivery of structural cost savings and the benefit of a newsprint price reduction in the second half of last year and again at the start of this year. We remain on track to deliver at least £10 million of structural cost savings in 2013.

Adjusted post tax profit from associates have increased significantly due to the inclusion of our share of the results of Local World which was completed on 7 January 2013 and also includes our share of the results of the PA Group.

The tight management of the cost base and improved results from associates resulted in adjusted operating profit increasing by £0.2 million or 0.4% to £52.7 million with adjusted operating margin increasing by 1.4 percentage points from 14.5% to 15.9%.

	2013 **£m**	2012 £m
Operating profit	**52.7**	52.5
Investment revenues	**0.1**	0.1
Finance costs	**(3.5)**	(4.5)
Profit before tax	**49.3**	48.1
Tax charge	**(11.2)**	(12.2)
Profit after tax	**38.1**	35.9
Earnings per share	**15.4p**	14.6p

The increase in adjusted operating profit and reduced finance costs reflecting the benefit of falling leverage ensured that adjusted profit before tax increased by £1.2 million or 2.5% to £49.3 million. The adjusted tax charge of £11.2 million (2012: £12.2 million) for the first half represents 22.7% (2012: 25.4%) of profit before tax and reflects the benefit of the reduction in the rate of corporation tax and the fact that the associates income is accounted for after tax and is now a more significant component of adjusted operating profit. Adjusted profit after tax increased by £2.2 million or 6.1% to £38.1 million with adjusted earnings per share increasing by 0.8 pence or 5.5% to 15.4 pence.

Statutory results

Group revenue fell by £30.8 million to £332.0 million with statutory operating profit in line with the prior year at £43.5 million.

The statutory financing related charges increased by £0.1 million to £13.2 million:

	2013 **£m**	2012 (restated) £m
Investment revenues	**0.1**	0.1
Pension finance charge	**(6.6)**	(5.6)
Interest on bank overdrafts and borrowings	**(3.5)**	(4.5)
Fair value gain/(loss) on derivative financial instruments	**5.8**	(5.9)
Foreign exchange (loss)/gain on retranslation of borrowings	**(9.0)**	2.8
Finance costs	**(6.7)**	(7.6)
Financing related charges	**(13.2)**	(13.1)

The increase in financing related charges is driven by the lower interest on bank overdrafts and borrowings of £1.0 million more than offset by the higher pension finance charge of £1.0 million reflecting the higher deficit at the end of 2012 compared to 2011 and a £0.1 million increase in the net charge from the fair value changes on derivative financial instruments and the foreign exchange changes on retranslation of foreign currency borrowings.

Profit before tax on a statutory basis decreased by £0.1 million to £30.3 million despite statutory operating profit being the same as in the prior year due to the higher financing related charges.

Group Review *continued*

Statutory results continued

The statutory tax charge for the first half is £6.5 million (2012: credit £5.6 million). This comprises a current year tax charge of £7.2 million (2012: £7.8 million) and a prior year tax credit of £0.7 million (2012: credit of £1.8 million). In 2012, the statutory tax credit of £5.6 million included an £11.6 million credit relating to the impact on opening deferred tax balances of the change in the rate of corporation tax. The Finance Bill 2013 includes changes in the rate of corporation tax from 23% to 21% from 1 April 2014 and from 21% to 20% from 1 April 2015, however these were not substantively enacted by the reporting date. As these changes were enacted on 17 July 2013, the impact in the second half will be a £34.3 million credit in the consolidated income statement and a £8.9 million debit in the consolidated statement of comprehensive income.

Profit after tax on a statutory basis fell by £12.2 million to £23.8 million with statutory earnings per share falling by 5.0 pence to 9.6 pence.

Divisional Review

Following the changes in the management structure in 2012, the Group 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 divisional review that follows is presented on the same basis as the 2012 year end results. The revision to the operating segments had no impact on the revenue or operating profit of the Group.

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.

In 2012, a review of revenue classification in relation to newsprint supplied to third parties resulted in revenue and costs both being increased with no impact on operating profit. In addition, the classification of revenue by category was amended to better reflect the new reporting segments. The 2012 interim comparatives have been presented on a basis consistent to that adopted at the 2012 year end.

The impact of the revised operating segments and the reclassification of revenues and costs on the 2012 comparative results are set out in note 16.

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

	2013 £m	2012 £m	Variance £m	Variance %
Publishing	**287.7**	317.0	(29.3)	(9.2)
Printing	**32.7**	33.4	(0.7)	(2.1)
Specialist Digital	**10.1**	10.8	(0.7)	(6.5)
Central	**1.5**	1.6	(0.1)	(6.3)
Revenue	**332.0**	362.8	(30.8)	(8.5)
Publishing	**(230.7)**	(256.9)	26.2	10.2
Printing	**(32.7)**	(33.4)	0.7	2.1
Specialist Digital	**(10.0)**	(12.4)	2.4	19.4
Central	**(9.3)**	(8.5)	(0.8)	(9.4)
Costs	**(282.7)**	(311.2)	28.5	9.2
Associates	**3.4**	0.9	2.5	277.8
Publishing	**57.0**	60.1	(3.1)	(5.2)
Printing	**-**	-	-	-
Specialist Digital	**0.1**	(1.6)	1.7	106.3
Central	**(4.4)**	(6.0)	1.6	26.7
Operating profit	**52.7**	52.5	0.2	0.4

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 (Newcastle) and the Birmingham Mail and we publish Metros in each of our key metropolitan markets.

Interim Management Report *continued*

Divisional Review *continued*

Publishing continued

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

	2013 £m	2012 £m	Variance £m	Variance %
Circulation	**144.2**	153.8	(9.6)	(6.2)
Advertising	**126.7**	144.8	(18.1)	(12.5)
Print advertising	***118.8***	*136.2*	*(17.4)*	*(12.8)*
Digital advertising	***7.9***	*8.6*	*(0.7)*	*(8.1)*
Other	**16.8**	18.4	(1.6)	(8.7)
Revenue	**287.7**	317.0	(29.3)	(9.2)
Costs	**(230.7)**	(256.9)	26.2	10.2
Operating profit	**57.0**	60.1	(3.1)	(5.2)
Operating margin	**19.8%**	19.0%	0.8%	4.2

Revenue declined by 9.2% or £29.3 million to £287.7 million.

Advertising revenues declined by 12.5% with print declining by 12.8% and digital declining by 8.1%. Within print advertising, display declined by 11.8%, classified by 13.1% and other categories by 16.7%. The decline in digital advertising is driven by a 25.5% decline in classified advertising with display advertising growing by 15.1%.

Our three UK national titles have grown print advertising volume market share. The Daily Mirror grew share from 17.9% to 18.4%, whilst our two Sunday titles grew underlying share with the Sunday Mirror growing share from 15.1% to 16.6% and the Sunday People growing share from 11.0% to 11.4%. The Daily Record has maintained share at 14.5% and the Sunday Mail underlying share is down from 29.1% to 28.2% against the main Scottish competitor set. The Sunday market has been distorted by the launch of a new UK national Sunday title in February 2012 and therefore for the Sunday titles underlying excludes January and February.

For our regional titles, we believe our print advertising performance is broadly in line with market trends with the exception of recruitment where we are underperforming the market following the centralisation of all recruitment advertising last year which we have recently moved back to the businesses and we anticipate improved trends in the second half.

We have delivered strong growth in our publishing digital audience with average monthly unique users up 36.9% to 34.2 million year on year with average monthly page views up 48.6% to 182.3 million year on year. We have seen particularly strong growth in mobile. Although our digital advertising revenue performance is being adversely impacted by a 44.1% decline in recruitment advertising revenues, which was also impacted by the centralisation of all recruitment advertising last year, we are pleased with the 15.1% growth in display advertising revenues.

Circulation revenues declined by 6.2% with January and February declining by 13.4% and March to June declining by 2.6%. The January and February performance is distorted by the launch of a new UK national Sunday title in February 2012 and therefore the March to June performance is more reflective of the underlying trend. The underlying revenue trend is an improvement on the prior year reflecting the benefit of cover price increases for a number of our titles and improved year on year volume trends.

The Daily Mirror, the Sunday Mirror and the Sunday People have outperformed circulation market trends. The Daily Mirror circulation volume for the first half was down 4.6%, the best performer in a UK national daily tabloid market that declined by 9.6%. Excluding January and February, the Sunday Mirror declined by 5.7%, the best performer in the UK national Sunday tabloid market, and the Sunday People declined by 9.2% in a UK national Sunday tabloid market that declined by 12.7%. The Daily Record and the Sunday Mail both outperformed the Scottish circulation market trends. The Daily Record was down 9.5% against an overall Scottish daily tabloid market decline of 10.9%. Excluding January and February, the Sunday Mail was down 9.6% against an overall Scottish Sunday tabloid market decline of 11.8%.

Although the market remains difficult for our regional newspaper titles we have seen circulation volume trends ahead of the market for some of our regional titles. In particular, four of our daily titles, the Liverpool Echo, the Daily Post (North Wales), the Huddersfield Examiner and the South Wales Echo achieved declines of around 7% against a daily regional market that is forecast to be down circa 10%.

Publishing continued

Other revenue declined by 8.7% with print declining by 7.6% and digital by 21.4%. The print decline is driven by reduced leaflets, reader offers and returns waste sales partly offset by increased revenues from events and syndication. The digital decline is due to reduced interactive and online revenues including bingo.

Costs continued to be tightly managed falling by £26.2 million or 10.2% to £230.7 million. The cost reduction includes cost actions by management, the benefit of newsprint price reductions and continued tight management of the cost base to help mitigate the impact of a challenging advertising market.

Although revenues fell by £29.3 million, operating profit only fell by £3.1 million or 5.2% to £57.0 million. Operating margin increased by 0.8 percentage points from 19.0% to 19.8%.

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. In the first half, the Publishing division accounted for 64% 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:

	2013 £m	2012 £m	Variance £m	Variance %
Contract printing	**19.3**	17.9	1.4	7.8
Newsprint supply	**12.1**	14.0	(1.9)	(13.6)
Other revenue	**1.3**	1.5	(0.2)	(13.3)
Revenue	**32.7**	33.4	(0.7)	(2.1)
External costs	**(99.4)**	(114.6)	15.2	13.3
Publishing division recharge	**66.7**	81.2	(14.5)	(17.9)
Costs	**(32.7)**	(33.4)	0.7	2.1
Operating result	**-**	-	-	-

Revenues fell by £0.7 million or 2.1% to £32.7 million. Higher revenues from contract printing have been more than offset by reduced revenues from newsprint supplied to contract print customers due to newsprint price and volume reductions together with a decline in other revenues as a result of a fall in waste prices.

External costs fell by £15.2 million or 13.3% to £99.4 million. This includes newsprint price and volume declines of £14.0 million and cost reduction initiatives partially offset by costs associated with increases in contract printing revenues and inflationary cost increases.

The costs recharged to the Publishing division were £66.7 million in the first half compared to £81.2 million in the prior year. The reduction in the recharge includes the benefit of the declining newsprint prices, the increased contract printing revenues, the reduced volumes for the Sunday titles following the launch of a new UK national Sunday title in February 2012 and the benefit of cost reduction measures which have been partially offset by inflationary cost increases.

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, was 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.

Divisional Review *continued*

Specialist Digital continued

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

	2013 £m	2012 £m	Variance £m	Variance %
Advertising	**5.4**	6.3	(0.9)	(14.3)
Other	**4.7**	4.5	0.2	4.4
Revenue	**10.1**	10.8	(0.7)	(6.5)
Costs	**(10.0)**	(12.4)	2.4	19.4
Operating profit/(loss)	**0.1**	(1.6)	1.7	106.3

Advertising revenues from the digital classified verticals declined by £0.9 million or 14.3% during the first half due to reduced activity in both the recruitment and the property markets. Revenues from digital marketing services grew by £0.3 million or 5.8% to £4.7 million. The prior year other revenue included £0.1 million of revenues from happli which was closed in 2012.

The improvement in the operating profit is driven by the prior year including an operating loss of £1.8 million from happli. Excluding happli, the Specialist Digital division delivered a reduction in operating profit of £0.1 million with the declines in classified verticals only partially offset by the growth from digital marketing services.

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 loss of the Central division is as follows:

	2013 £m	2012 £m	Variance £m	Variance %
Revenue	**1.5**	1.6	(0.1)	(6.3)
Costs	**(9.3)**	(8.5)	(0.8)	(9.4)
Associates	**3.4**	0.9	2.5	277.8
Operating loss	**(4.4)**	(6.0)	1.6	26.7

The result for the first half was a loss of £4.4 million compared to a loss of £6.0 million 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 £9.3 million from £8.5 million. The cost increase is driven by investment in a new business development team and higher legal costs.

The increase in the share of results of associates is driven by £2.7 million from our 20% interest in Local World which was completed on 7 January 2013. The PA Group profit reduced from £0.9 million to £0.7 million due to the sale in the second half of 2012 of a 50% interest in Canada Newswires.

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 £36.7 million from £157.0 million to £120.3 million with no drawings on the bank facility at the reporting date.

The contracted net debt movement during the first half was 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**
Pension funding	5.0
Net capital expenditure	4.8
Dividend from PA Group	(2.3)
Corporation tax paid	12.4
Net interest payments	2.9
Purchase of own shares	3.0
Net other cash inflows	(62.5)
Net debt as at 30 June 2013	**120.3**

The Group held available cash balances at the reporting date of £46.7 million. At the prior year end the Group held available cash balances 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 the amount held is escrow is 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 11.

On a statutory basis, net debt fell by £33.5 million from £142.1 million to £108.6 million. The fair value of the Group's cross-currency interest rate swaps at the reporting date was an asset of £8.3 million (2012: £2.5 million). The period end Sterling amount of the US$ denominated and the Sterling private placement loan notes was £163.6 million (2012: £154.6 million).

The next repayment of the private placement loan notes of £54.5 million is due in October 2013 and we are on track to repay this amount without the need to draw on the Group's bank facility. 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 £100.0 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 reporting date on the Group's £110.0 million bank facility. The facility reduces to £101.8 million in March 2014 and further reduces to £93.5 million in March 2015.

Pensions

The Group operates a defined contribution pension scheme 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 first half were £5.0 million (2012: £5.0 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 fell during the first half by £2.4 million from £297.7 million (£229.2 million net of deferred tax) to £295.3 million (£227.4 million net of deferred tax) reflecting the impact of an increase in liabilities of £40.9 million more than offset by an increase in assets of £43.3 million. The increase in liabilities was due to a decrease of 0.45% in the real discount rate from 1.70% to 1.25%. The increase in assets was driven by asset returns and company contributions being higher than pension payments. There has been no change in the mortality assumptions. The change in the accounting pension deficit has no impact on the agreed deficit funding payments.

Other Items *continued*

Pensions continued

The total liabilities covered by insurance contracts, which removes the future exposure relating to these liabilities, is £443.8 million (2012: £444.8 million) or 24.1% (2012: 24.7%).

Further details relating to the Group's defined benefit pension schemes and an estimate of the sensitivity of the deficit to key assumptions are shown in note 12.

Non-recurring items

Non-recurring items include the Group's restructuring charges of £5.3 million (2012: £5.5 million) relating to the delivery of cost reduction measures and the Group's share of non-recurring items reported by associates of £0.2 million (2012: nil). The Group's restructuring costs for the year are expected to be in line with our previous guidance of around £10 million.

Capital expenditure

Capital expenditure in the first half was £4.8 million against depreciation of £13.2 million. The Group continued its investment programme in new publishing systems and expects total capital expenditure for the year to be in line with our previous guidance of around £15 million.

Related party transactions

With the 20% investment in Local World, the associate is a related party. The Group provides contract printing and media sales services to Local World on normal commercial terms. There have been no further changes in the nature of other related party transactions and no material transactions during the first half.

Principal risks and uncertainties

The principal risks and uncertainties that affect the Group on an ongoing basis are described on page 16 of the Trinity Mirror plc Annual Report 2012. The top five risks and uncertainties, which have not changed since the year end, relate to: strategy execution, advertising revenues, newspaper sales, editorial breach and pensions.

The Company previously announced that a current and a former journalist were arrested as part of the Metropolitan Police Operation Elveden (the investigation relating to alleged inappropriate payments to public officials). The current employee has been informed that no charges will be brought against him.

In addition, it has been previously announced 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.

Other Items *continued*

Going concern

In determining whether the Group's half-yearly financial report 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 on page 34 of the Trinity Mirror plc Annual Report 2012.

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 half-yearly financial report.

Statement of directors' responsibilities

The directors are responsible for preparing the half-yearly financial report in accordance with applicable laws and regulations.

The directors confirm to the best of their knowledge:

a) the condensed consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union; and

b) the half-yearly financial report includes a fair review of the information required by the Financial Conduct Authority's Disclosure and Transparency Rules 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year) and 4.2.8R (disclosure of related parties transactions and changes therein).

By order of the Board of directors

Simon Fox
Chief Executive

Vijay Vaghela
Group Finance Director

Forward looking statements

Statements contained in this Interim Management Report 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 Report 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 Report 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 26 weeks to 30 June 2013 (26 weeks to 1 July 2012 and 52 weeks to 30 December 2012)

	notes	**26 weeks to 30 June 2013 (unaudited) £m**	26 weeks to 1 July 2012 (restated) (unaudited) £m	52 weeks to 30 December 2012 (restated) (audited) £m
Revenue	3,4	**332.0**	362.8	706.5
Cost of sales		**(172.1)**	(189.6)	(370.8)
Gross profit		**159.9**	173.2	335.7
Distribution costs		**(38.9)**	(42.5)	(77.6)
Administrative expenses:				
Non-recurring items:				
Impairment of goodwill	5	**-**	-	(60.0)
Other	5	**(5.3)**	(5.5)	(11.5)
Amortisation of other intangible assets		**(1.1)**	(1.8)	(3.0)
Other administrative expenses		**(72.9)**	(80.8)	(155.9)
Share of results of associates:				
Results before amortisation and non-recurring items		**3.4**	0.9	1.7
Amortisation		**(1.4)**	-	-
Non-recurring items	5	**(0.2)**	-	5.5
Operating profit	3	**43.5**	43.5	34.9
Investment revenues	6	**0.1**	0.1	0.4
Pension finance charge	12	**(6.6)**	(5.6)	(11.2)
Finance costs	7	**(6.7)**	(7.6)	(14.4)
Profit before tax		**30.3**	30.4	9.7
Tax (charge)/credit	8	**(6.5)**	5.6	7.2
Profit for the period attributable to equity holders of the parent		**23.8**	36.0	16.9

Statutory earnings per share		**2013 Pence**	2012 Pence	2012 Pence
Earnings per share – basic	9	**9.6**	14.6	6.8
Earnings per share – diluted	9	**9.4**	14.5	6.7

Adjusted* earnings per share		**2013 Pence**	2012 Pence	2012 Pence
Earnings per share – basic	9	**15.4**	14.6	29.9
Earnings per share – diluted	9	**15.0**	14.5	29.1

* 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 charge, the pension administrative expenses and the impact of tax legislation changes. Set out in note 15 is the reconciliation between the statutory results and the adjusted results.

Condensed consolidated statement of comprehensive income

for the 26 weeks to 30 June 2013 (26 weeks to 1 July 2012 and 52 weeks to 30 December 2012)

	notes	**26 weeks to 30 June 2013 (unaudited) £m**	26 weeks to 1 July 2012 (restated) (unaudited) £m	52 weeks to 30 December 2012 (restated) (audited) £m
Profit for the period		**23.8**	36.0	16.9
Items that will not be reclassified to profit and loss:				
Actuarial gains/(losses) on defined benefit pension schemes	12	**5.2**	21.6	(64.1)
Tax on actuarial gains/(losses) on defined benefit pension schemes	8	**(1.2)**	(5.3)	14.6
Deferred tax charge resulting from the change in tax rate		**-**	(2.3)	(4.6)
Share of items recognised by associated undertakings		**(0.9)**	(1.7)	(1.7)
Other comprehensive income/(costs) for the period		**3.1**	12.3	(55.8)
Total comprehensive income/(costs) for the period		**26.9**	48.3	(38.9)

Condensed consolidated statement of changes in equity

for the 26 weeks to 30 June 2013 (26 weeks to 1 July 2012 and 52 weeks to 30 December 2012)

	Share capital £m	**Share premium £m**	**Capital redemption reserve £m**	**Retained earnings and other reserves £m**	**Total £m**
At 30 December 2012 (audited)	**(25.8)**	**(1,121.6)**	**(4.3)**	**512.7**	**(639.0)**
Profit for the period	-	-	-	(23.8)	(23.8)
Other comprehensive income for the period	-	-	-	(3.1)	(3.1)
Total comprehensive income for the period	-	-	-	(26.9)	(26.9)
Credit to equity for equity settled share-based payments	-	-	-	(0.9)	(0.9)
Purchase of own shares	-	-	-	3.0	3.0
At 30 June 2013 (unaudited)	**(25.8)**	**(1,121.6)**	**(4.3)**	**487.9**	**(663.8)**

	Share capital £m	Share premium £m	Capital redemption reserve £m	Retained earnings and other reserves £m	Total £m
At 1 January 2012 (audited)	(25.8)	(1,121.6)	(4.3)	476.3	(675.4)
Profit for the period (restated)	-	-	-	(36.0)	(36.0)
Other comprehensive income for the period (restated)	-	-	-	(12.3)	(12.3)
Total comprehensive income for the period	-	-	-	(48.3)	(48.3)
Credit to equity for equity settled share-based payments	-	-	-	(1.5)	(1.5)
At 1 July 2012 (unaudited)	(25.8)	(1,121.6)	(4.3)	426.5	(725.2)

	Share capital £m	Share premium £m	Capital redemption reserve £m	Retained earnings and other reserves £m	Total £m
At 1 January 2012 (audited)	(25.8)	(1,121.6)	(4.3)	476.3	(675.4)
Profit for the period (restated)	-	-	-	(16.9)	(16.9)
Other comprehensive costs for the period (restated)	-	-	-	55.8	55.8
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 (audited)	(25.8)	(1,121.6)	(4.3)	512.7	(639.0)

Condensed consolidated balance sheet

at 30 June 2013 (1 July 2012 and 30 December 2012)

	notes	**30 June 2013 (unaudited) £m**	1 July 2012 (unaudited) £m	30 December 2012 (audited) £m
Non-current assets				
Goodwill		**17.8**	77.8	17.8
Other intangible assets		**893.8**	896.1	894.9
Property, plant and equipment		**348.7**	370.7	357.5
Investment in associates		**25.4**	6.3	12.6
Retirement benefit assets		**25.4**	73.1	36.7
Deferred tax assets		**68.4**	50.9	68.9
Derivative financial instruments	11	**8.7**	9.6	5.2
		1,388.2	1,484.5	1,393.6
Current assets				
Inventories		**6.8**	6.8	7.0
Trade and other receivables		**102.4**	108.1	107.1
Cash and cash equivalents	11	**46.7**	11.9	24.2
		155.9	126.8	138.3
Total assets		**1,544.1**	1,611.3	1,531.9
Non-current liabilities				
Borrowings	11	**(67.6)**	(159.2)	(104.9)
Retirement benefit obligations	12	**(320.7)**	(283.0)	(334.4)
Deferred tax liabilities		**(261.5)**	(277.7)	(262.9)
Provisions		**(7.0)**	(8.0)	(8.8)
		(656.8)	(727.9)	(711.0)
Current liabilities				
Borrowings	11	**(96.0)**	(25.8)	(49.7)
Trade and other payables		**(102.1)**	(109.6)	(101.1)
Current tax liabilities		**(17.5)**	(17.3)	(21.3)
Provisions		**(7.5)**	(5.5)	(7.1)
Derivative financial instruments	11	**(0.4)**	-	(2.7)
		(223.5)	(158.2)	(181.9)
Total liabilities		**(880.3)**	(886.1)	(892.9)
Net assets		**663.8**	725.2	639.0
Equity				
Share capital	13	**(25.8)**	(25.8)	(25.8)
Share premium account	13	**(1,121.6)**	(1,121.6)	(1,121.6)
Capital redemption reserve	13	**(4.3)**	(4.3)	(4.3)
Retained earnings and other reserves	13	**487.9**	426.5	512.7
Total equity attributable to equity holders of the parent		**(663.8)**	(725.2)	(639.0)

Condensed consolidated cash flow statement

for the 26 weeks to 30 June 2013 (26 weeks to 1 July 2012 and 52 weeks to 30 December 2012)

	notes	**26 weeks to 30 June 2013 (unaudited) £m**	26 weeks to 1 July 2012 (unaudited) £m	52 weeks to 30 December 2012 (audited) £m
Cash flows from operating activities				
Cash generated from operations	10	**57.5**	57.2	109.2
Income tax paid		**(12.4)**	(8.5)	(18.1)
Net cash inflow from operating activities		**45.1**	48.7	91.1
Investing activities				
Interest received		**0.1**	0.1	0.4
Dividend received from associated undertakings		**2.3**	0.1	0.1
Proceeds on disposal of property, plant and equipment		**-**	-	0.3
Purchases of property, plant and equipment		**(4.8)**	(3.8)	(5.6)
Acquisition of associate	14	**(14.2)**	-	-
Net cash used in investing activities		**(16.6)**	(3.6)	(4.8)
Financing activities				
Drawing on bank facility		**-**	20.0	-
Interest paid on borrowings		**(3.0)**	(4.8)	(7.9)
Repayment of borrowings		**-**	(69.7)	(69.7)
Increase in bank overdrafts		**-**	5.8	-
Purchase of own shares		**(3.0)**	-	-
Net cash used in financing activities		**(6.0)**	(48.7)	(77.6)
Net increase/(decrease) in cash and cash equivalents	11	**22.5**	(3.6)	8.7
Cash and cash equivalents at the beginning of period	11	**24.2**	15.5	15.5
Cash and cash equivalents at the end of period	11	**46.7**	11.9	24.2

Notes to the condensed consolidated financial statements

for the 26 weeks to 30 June 2013 (26 weeks to 1 July 2012 and 52 weeks to 30 December 2012)

1. General information

The financial information in respect of the 52 weeks ended 30 December 2012 does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. A copy of the statutory accounts for that period has been delivered to the Registrar of Companies and is available at the Company's registered office at One Canada Square, Canary Wharf, London E14 5AP and on the Company's website at www.trinitymirror.com. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The condensed consolidated financial statements for the 26 weeks ended 30 June 2013 do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 and have not been audited. No statutory accounts for the period have been delivered to the Registrar of Companies. This half-yearly financial report constitutes a dissemination announcement in accordance with Section 6.3 of the Disclosure and Transparency Rules.

The auditors have carried out a review of the condensed consolidated financial statements and their report is set out on page 33.

The condensed consolidated financial statements were approved by the directors on 1 August 2013. This announcement will be made available at the Company's registered office at One Canada Square, Canary Wharf, London E14 5AP and on the Company's website at www.trinitymirror.com.

2. Accounting policies

Basis of preparation

The Group's annual consolidated financial statements are prepared in accordance with IFRS as adopted by the European Union. The condensed consolidated financial statements included in this financial report have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

Going concern

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 Group has 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 half-yearly financial report.

Changes in accounting policy

Except as noted below, the same accounting policies, presentation and methods of computation are followed in the condensed consolidated financial statements as applied in the Group's latest annual consolidated financial statements.

The Group has adopted IAS 19 (Amended) 'Employee Benefits' during the current financial period. The impact is set out on page 8.

The Group has adopted new, amended and revised standards and interpretations 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 January 2013
- IFRS 7 (Amended) 'Financial Instruments' – effective for periods beginning 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 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
- 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 has had no material impact on the Group.

At the date of approval of these condensed consolidated financial statements, the following new and amended standards, which have not been applied and when adopted will have no material impact on the Group, were in issue but not yet effective:

- IFRS 9 (Issued) 'Financial Instruments' – effective for periods starting on or after 1 January 2015
- IAS 32 (Amended) 'Financial Instruments' – effective for periods beginning on or after 1 January 2014

2. Accounting policies (continued)

Changes in reporting

Following the changes in the management structure in 2012, the Group 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 segmental information in note 3 is presented on the same basis as the 2012 year end results. The revision to the operating segments had no impact on the revenue or operating profit of the Group.

In 2012, a review of revenue classification in relation to newsprint supplied to third parties resulted in revenue and costs both being increased with no impact on operating profit. In addition, the classification of revenue by category was amended to better reflect the new reporting segments. The 2012 interim comparatives have been presented on a consistent basis to that adopted at the 2012 year end.

The impact of the revised operating segments and the reclassification of revenues and costs on the 2012 comparative results are set out in note 16.

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.

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. The Group 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 our 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.

Notes to the condensed consolidated financial statements

for the 26 weeks to 30 June 2013 (26 weeks to 1 July 2012 and 52 weeks to 30 December 2012)

3. Operating segments (continued)

Segment revenue and results

26 weeks to 30 June 2013 (unaudited)	**Publishing 2013 £m**	**Printing 2013 £m**	**Specialist Digital 2013 £m**	**Central 2013 £m**	**Total 2013 £m**
Revenue					
Segment sales	**287.7**	**99.4**	**10.8**	**1.5**	**399.4**
Inter-segment sales	**-**	**(66.7)**	**(0.7)**	**-**	**(67.4)**
Total revenue	**287.7**	**32.7**	**10.1**	**1.5**	**332.0**
Segment result	**57.0**	**-**	**0.1**	**(4.4)**	**52.7**
Amortisation of other intangible assets					**(2.5)**
Pension administrative expenses					**(1.2)**
Non-recurring items					**(5.5)**
Operating profit					**43.5**
Investment revenues					**0.1**
Pension finance charge					**(6.6)**
Finance costs					**(6.7)**
Profit before tax					**30.3**
Tax charge					**(6.5)**
Profit for the period					**23.8**

26 weeks to 1 July 2012 (restated) (unaudited)	Publishing 2012 £m	Printing 2012 £m	Specialist Digital 2012 £m	Central 2012 £m	Total 2012 £m
Revenue					
Segment sales	317.0	114.6	11.4	1.6	444.6
Inter-segment sales	-	(81.2)	(0.6)	-	(81.8)
Total revenue	317.0	33.4	10.8	1.6	362.8
Segment result	60.1	-	(1.6)	(6.0)	52.5
Amortisation of other intangible assets					(1.8)
Pension administrative expenses					(1.7)
Non-recurring items					(5.5)
Operating profit					43.5
Investment revenues					0.1
Pension finance charge					(5.6)
Finance costs					(7.6)
Profit before tax					30.4
Tax credit					5.6
Profit for the period					36.0

52 weeks to 30 December 2012 (restated) (audited)	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 of other intangible assets					(3.0)
Pension administrative expenses					(3.2)
Non-recurring items					(66.0)
Operating profit					34.9
Investment revenues					0.4
Pension finance charge					(11.2)
Finance costs					(14.4)
Profit before tax					9.7
Tax credit					7.2
Profit for the period					16.9

Notes to the condensed consolidated financial statements
for the 26 weeks to 30 June 2013 (26 weeks to 1 July 2012 and 52 weeks to 30 December 2012)

3. Operating segments (continued)

Segment revenue and results (continued)

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

	26 weeks to 30 June 2013 (unaudited) £m	26 weeks to 1 July 2012 (restated) (unaudited) £m	52 weeks to 30 December 2012 (audited) £m
United Kingdom and Republic of Ireland	**330.5**	360.9	702.1
Continental Europe	**1.4**	1.7	3.8
Rest of World	**0.1**	0.2	0.6
Total revenue	**332.0**	362.8	706.5

4. Revenue

	26 weeks to 30 June 2013 (unaudited) £m	26 weeks to 1 July 2012 (restated) (unaudited) £m	52 weeks to 30 December 2012 (audited) £m
Circulation	**144.2**	153.8	297.2
Advertising	**132.1**	151.1	292.8
Printing	**32.7**	33.4	66.3
Other	**23.0**	24.5	50.2
Total revenue	**332.0**	362.8	706.5

5. Non-recurring items

	26 weeks to 30 June 2013 (unaudited) £m	26 weeks to 1 July 2012 (unaudited) £m	52 weeks to 30 December 2012 (audited) £m
Restructuring charges (a)	**(5.3)**	(5.5)	(11.5)
Impairment of goodwill (b)	**-**	-	(60.0)
Non-recurring items included in administrative expenses	**(5.3)**	(5.5)	(71.5)
Non-recurring items included in share of results of associates (c)	**(0.2)**	-	5.5
Total non-recurring items	**(5.5)**	(5.5)	(66.0)

(a) Restructuring charges of £5.3 million (26 weeks to 1 July 2012: £5.5 million and 52 weeks to 30 December 2012: £11.5 million) were incurred in delivery of cost reduction measures.
(b) At the 2012 year end, 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 IAS 36 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.
(c) Share of the after tax non-recurring items incurred by Local World (2012: gain made by PA Group Limited on disposal of a 50% interest in Canada Newswires).

6. Investment revenues

	26 weeks to 30 June 2013 (unaudited) £m	26 weeks to 1 July 2012 (unaudited) £m	52 weeks to 30 December 2012 (audited) £m
Interest income on bank deposits and other interest receipts	**0.1**	0.1	0.4

Notes to the condensed consolidated financial statements

for the 26 weeks to 30 June 2013 (26 weeks to 1 July 2012 and 52 weeks to 30 December 2012)

7. Finance costs

	26 weeks to 30 June 2013 (unaudited) £m	26 weeks to 1 July 2012 (unaudited) £m	52 weeks to 30 December 2012 (audited) £m
Interest on bank overdrafts and borrowings	**(3.5)**	(4.5)	(8.8)
Total interest expense	**(3.5)**	(4.5)	(8.8)
Fair value gain/(loss) on derivative financial instruments	**5.8**	(5.9)	(13.0)
Foreign exchange (loss)/gain on retranslation of borrowings	**(9.0)**	2.8	7.4
Finance costs	**(6.7)**	(7.6)	(14.4)

8. Tax

	26 weeks to 30 June 2013 (unaudited) £m	26 weeks to 1 July 2012 (restated) (unaudited) £m	52 weeks to 30 December 2012 (restated) (audited) £m
Current tax			
Corporation tax charge for the period	**(9.2)**	(11.0)	(23.7)
Prior period adjustment	**0.6**	1.8	0.4
Current tax charge	**(8.6)**	(9.2)	(23.3)
Deferred tax			
Deferred tax credit for the period	**2.0**	3.2	6.9
Deferred tax rate change	**-**	11.6	23.2
Prior period adjustment	**0.1**	-	0.4
Deferred tax credit	**2.1**	14.8	30.5
Tax (charge)/credit	**(6.5)**	5.6	7.2
Reconciliation of tax credit	**%**	%	%
Standard rate of corporation tax	**(23.3)**	(24.5)	(24.5)
Tax effect of items that are not deductible in determining taxable profit/(loss)	**(1.8)**	(1.9)	(152.8)
Deferred tax rate change	**-**	38.2	239.2
Prior period adjustment	**2.3**	5.9	8.2
Tax effect of share of results of associates	**1.3**	0.7	4.1
Tax (charge)/credit rate	**(21.5)**	18.4	74.2

The standard rate of corporation tax reduced from 24% to 23% on 1 April 2013. The blended rate for the accounting year is 23.25% being a mix of 24% up to 31 March 2013 and 23% from 1 April 2013 (2012: 24.5% being a mix of 26% up to 31 March 2012 and 24% from 1 April 2012). The current tax liabilities amounted to £17.5 million (1 July 2012: £17.3 million and 30 December 2012: £21.3 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 enacted or substantively enacted by parliament. The change in rate to 25% was enacted and accounted for in 2011, the change in rate to 24% was substantively enacted and accounted for in the first half of 2012 and the change in rate to 23% was enacted and accounted for in the second half of 2012. The Finance Bill 2013 includes changes in the rate of corporation tax from 23% to 21% from 1 April 2014 and from 21% to 20% from 1 April 2015, however these were not substantively enacted by the reporting date. As these changes were enacted on 17 July 2013, the impact in the second half will be a £34.3 million credit in the consolidated income statement and a £8.9 million debit in the consolidated statement of comprehensive income.

The tax on actuarial gains/(losses) on defined benefit pension schemes taken to the statement of comprehensive income is a debit of £1.2 million (26 weeks to 1 July 2012: £5.3 million debit and 52 weeks to 30 December 2012: £14.6 million credit) comprising a deferred tax debit of £1.2 million (26 weeks to 1 July 2012: £5.3 million debit and 52 weeks to 30 December 2012: £14.6 million credit).

9. Earnings per share

	26 weeks to 30 June 2013 (unaudited) £m	26 weeks to 1 July 2012 (restated) (unaudited) £m	52 weeks to 30 December 2012 (restated) (audited) £m
Profit after tax before adjusted items*	**38.1**	35.9	73.7
Adjusted items*:			
Non-recurring items (after tax)	**(3.6)**	(2.2)	(62.6)
Amortisation (after tax)	**(2.2)**	(1.4)	(2.3)
Finance costs (after tax)	**(2.5)**	(2.4)	(4.3)
Pension charges (after tax)	**(6.0)**	(5.5)	(10.8)
Tax legislation changes	**-**	11.6	23.2
Profit for the period	**23.8**	36.0	16.9

* 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 charge, the pension administrative expenses and the impact of tax legislation changes. Set out in note 15 is the reconciliation between the statutory results and the adjusted results.

	26 weeks to 30 June 2013 (unaudited) Thousand	26 weeks to 1 July 2012 (unaudited) Thousand	52 weeks to 30 December 2012 (audited) Thousand
Weighted average number of ordinary shares for basic earnings per share	**247,906**	246,553	246,686
Effect of potential dilutive ordinary shares in respect of share options	**6,369**	1,560	6,698
Weighted average number of ordinary shares for diluted earnings per share	**254,275**	248,113	253,384

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 9,094,870 (26 weeks to 1 July 2012: 9,042,546 and 52 weeks to 30 December 2012: 6,406,571).

Statutory earnings per share	**Pence**	Pence	Pence
Earnings per share – basic	**9.6**	14.6	6.8
Earnings per share – diluted	**9.4**	14.5	6.7

Adjusted* earnings per share	**Pence**	Pence	Pence
Earnings per share – basic	**15.4**	14.6	29.9
Earnings per share – diluted	**15.0**	14.5	29.1

* 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 charge, the pension administrative expenses and the impact of tax legislation changes. Set out in note 15 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 are as follows:

	Pence	Pence	Pence
Restructuring charges	**(1.4)**	(0.9)	(3.3)
Impairment of goodwill	**-**	-	(24.3)
Loss per share - non-recurring items included in administrative expenses	**(1.4)**	(0.9)	(27.6)
(Loss)/profit per share - non-recurring items included in share of results of associates	**(0.1)**	-	2.2
Loss per share - total non-recurring items	**(1.5)**	(0.9)	(25.4)

10. Notes to the cash flow statement

	26 weeks to 30 June 2013 (unaudited) £m	26 weeks to 1 July 2012 (restated) (unaudited) £m	52 weeks to 30 December 2012 (restated) (audited) £m
Operating profit	**43.5**	43.5	34.9
Depreciation of property, plant and equipment	**13.2**	14.6	29.1
Impairment of goodwill	**-**	-	60.0
Amortisation of other intangible assets	**1.1**	1.8	3.0
Share of results of associates	**(1.8)**	(0.9)	(7.2)
Charge for share-based payments	**1.1**	1.6	2.8
Loss on disposal of fixed assets	**-**	-	(0.1)
Pension funding in excess of income statement charge	**(3.8)**	(4.2)	(7.7)
Operating cash flows before movements in working capital	**53.3**	56.4	114.8
Decrease in inventories	**0.2**	2.9	2.7
Decrease/(increase) in receivables	**4.2**	(6.0)	(6.0)
(Decrease)/increase in payables	**(0.2)**	3.9	(2.3)
Cash flows from operating activities	**57.5**	57.2	109.2

11. Net debt

The statutory net debt for the Group is as follows:

	30 December 2012 (audited) £m	**Cash flow £m**	**Derivative financial instruments* £m**	**Foreign exchange* £m**	**Transfer to current £m**	**30 June 2013 (unaudited) £m**
Non-current liabilities						
Loan notes	(104.9)	-	-	(5.9)	43.2	(67.6)
	(104.9)	**-**	**-**	**(5.9)**	**43.2**	**(67.6)**
Current liabilities						
Loan notes	(49.7)	-	-	(3.1)	(43.2)	(96.0)
Derivative financial instruments	(2.7)	-	2.2	-	0.1	(0.4)
	(52.4)	**-**	**2.2**	**(3.1)**	**(43.1)**	**(96.4)**
Non-current assets						
Derivative financial instruments	5.2	-	3.6	-	(0.1)	8.7
	5.2	**-**	**3.6**	**-**	**(0.1)**	**8.7**
Current assets						
Cash and cash equivalents	24.2	22.5	-	-	-	46.7
	24.2	**22.5**	**-**	**-**	**-**	**46.7**
Net debt including cash in escrow	**(127.9)**	**22.5**	**5.8**	**(9.0)**	**-**	**(108.6)**
Cash in escrow	(14.2)	14.2	-	-	-	-
Net debt excluding cash in escrow	**(142.1)**	**36.7**	**5.8**	**(9.0)**	**-**	**(108.6)**

* 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.

Private placement loan notes totalling US$602 million and £32 million were issued in 2001 (US$350 million and £26 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 cancel 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.

The derivative financial instruments are classed in level 3 of the financial instruments hierarchy, with fair value calculated using discounted cash flows based upon forward rates available to the Group. The fair value of other financial assets and liabilities, excluding the derivative financial instruments, are not materially different from the book values.

11. Net debt (continued)

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:

	30 December 2012 (audited) £m	Cash flow £m	Transfer to current £m	30 June 2013 (unaudited) £m
Non-current liabilities				
Loan notes	(112.5)	-	44.2	(68.3)
	(112.5)	**-**	**44.2**	**(68.3)**
Current liabilities				
Loan notes	(54.5)	-	(44.2)	(98.7)
	(54.5)	**-**	**(44.2)**	**(98.7)**
Current assets				
Cash and cash equivalents	24.2	22.5	-	46.7
	24.2	**22.5**	**-**	**46.7**
Net debt including cash in escrow	**(142.8)**	**22.5**	**-**	**(120.3)**
Cash in escrow	(14.2)	14.2	**-**	**-**
Net debt excluding cash in escrow	**(157.0)**	**36.7**	**-**	**(120.3)**

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

	30 June 2013 (unaudited) £m	30 December 2012 (audited) £m
Statutory net debt	**(108.6)**	(142.1)
Loan notes at period end exchange rate	**163.6**	154.6
Loan notes at swapped exchange rate	**(167.0)**	(167.0)
Cross-currency interest rate swaps	**(8.3)**	(2.5)
Contracted net debt	**(120.3)**	(157.0)

12. Retirement benefit schemes

Defined contribution pension schemes

The Group operates the Trinity Mirror Pension Plan defined contribution pension scheme for qualifying employees. The assets of the scheme are held separately from those of the Group in funds under the control of trustees. The current service cost charged to the condensed consolidated income statement of £7.2 million (26 weeks to 1 July 2012: £7.2 million and 52 weeks to 30 December 2012: £13.7 million) represents contributions payable to the scheme by the Group at rates specified in the scheme rules. Contributions that were due have been paid over to the scheme at all reporting dates.

Defined benefit pension schemes

The Group operates nine 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, the trustees 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 schedules of contributions and recovery plans 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.

12. Retirement benefit schemes (continued)

Defined benefit pension schemes (continued)

For the purposes of the Group's condensed 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 28 June 2013, 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 uninsured scheme liabilities	(575.1)	(462.3)	(273.0)	(89.3)
Present value of insured scheme liabilities	(190.7)	-	(85.6)	(110.5)
Total present value of scheme liabilities	(765.8)	(462.3)	(358.6)	(199.8)
Invested and cash assets at fair value	384.4	365.1	295.1	57.3
Value of insurance contracts	190.7	-	85.6	110.5
Total value of scheme assets	575.1	365.1	380.7	167.8
Net scheme (deficit)/surplus	**(190.7)**	**(97.2)**	**22.1**	**(32.0)**

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

	30 June 2013	1 July 2012	30 December 2012
Financial assumptions (nominal % pa)			
Discount rate	**4.65**	4.85	4.50
Retail price inflation rate	**3.40**	2.90	2.80
Consumer price inflation rate	**2.40**	1.70	2.00
Rate of pension increase in deferment	**2.40**	1.70	2.00
Rate of pension increases in payment	**3.95**	3.90	3.85
Mortality assumptions – future life expectancies from age 65 (years)			
Male currently aged 65	**22.6**	22.5	22.6
Female currently aged 65	**24.7**	24.6	24.7
Male currently aged 55	**23.5**	23.4	23.5
Female currently aged 55	**25.7**	25.6	25.7

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 £10 million, a 0.25% increase in the consumer price inflation assumption would increase the deficit by £30 million and the effect of a half year increase in assumed life expectancy from age 65 would increase the deficit by £30 million.

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

Condensed consolidated income statement	**30 June 2013 (unaudited) £m**	1 July 2012 (restated) (unaudited) £m	30 December 2012 (restated) (audited) £m
Pension scheme administrative expenses	**(1.2)**	(1.7)	(3.2)
Pension scheme finance charge	**(6.6)**	(5.6)	(11.2)
Defined benefit cost recognised in income statement	**(7.8)**	(7.3)	(14.4)

Condensed consolidated statement of comprehensive income	**30 June 2013 (unaudited) £m**	1 July 2012 (restated) (unaudited) £m	30 December 2012 (restated) (audited) £m
Actuarial gain due to liability experience	**-**	11.7	14.2
Actuarial (loss)/gain due to liability assumption changes	**(39.1)**	10.6	(112.2)
Total liability actuarial (loss)/gain	**(39.1)**	22.3	(98.0)
Returns on scheme assets greater/(less) than discount rate	**44.3**	(0.7)	33.9
Total gain/(loss) recognised in statement of comprehensive income	**5.2**	21.6	(64.1)

12. Retirement benefit schemes (continued)

Condensed consolidated balance sheet	**30 June 2013 (unaudited) £m**	1 July 2012 (unaudited) £m	30 December 2012 (audited) £m
Present value of uninsured scheme liabilities	**(1,400.7)**	(1,333.9)	(1,358.8)
Present value of insured scheme liabilities	**(443.8)**	(352.7)	(444.8)
Total present value of scheme liabilities	**(1,844.5)**	(1,686.6)	(1,803.6)
Invested and cash assets at fair value	**1,105.4**	1,123.5	1,061.1
Value of insurance contracts	**443.8**	353.2	444.8
Total value of scheme assets	**1,549.2**	1,476.7	1,505.9
Net scheme deficit	**(295.3)**	(209.9)	(297.7)
Non-current assets – retirement benefit assets	**25.4**	73.1	36.7
Non-current liabilities – retirement benefit obligations	**(320.7)**	(283.0)	(334.4)
Net scheme deficit in condensed consolidated balance sheet	**(295.3)**	(209.9)	(297.7)
Net scheme deficit included in condensed consolidated balance sheet	**(295.3)**	(209.9)	(297.7)
Deferred tax included in condensed consolidated balance sheet	**67.9**	50.4	68.5
Net scheme deficit after deferred tax in condensed consolidated balance sheet	**(227.4)**	(159.5)	(229.2)

Movement in net scheme deficit	**30 June 2013 (unaudited) £m**	1 July 2012 (restated) (unaudited) £m	30 December 2012 (restated) (audited) £m
Opening net deficit	**(297.7)**	(230.1)	(230.1)
Contributions	**5.0**	5.9	10.9
Condensed consolidated income statement	**(7.8)**	(7.3)	(14.4)
Condensed consolidated statement of comprehensive income	**5.2**	21.6	(64.1)
Closing net scheme deficit	**(295.3)**	(209.9)	(297.7)

Scheme assets split	**30 June 2013 (unaudited) £m**	1 July 2012 (unaudited) £m	30 December 2012 (audited) £m
UK equities	**203.3**	208.5	227.6
US equities	**115.8**	99.3	103.9
Other overseas equities	**261.7**	291.1	252.7
Property	**27.6**	17.6	22.1
Corporate bonds	**266.7**	254.4	264.6
Fixed interest gilts	**62.4**	67.6	54.8
Index-linked gilts	**82.0**	138.8	90.4
Cash and other	**85.9**	46.2	45.0
Invested and cash assets at fair value	**1,105.4**	1,123.5	1,061.1
Value of insurance contracts	**443.8**	353.2	444.8
Total value of scheme assets	**1,549.2**	1,476.7	1,505.9

13. 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 (1 July 2012: £25.9 million and 30 December 2012: £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.

No interim dividend is declared for the 52 weeks ending 29 December 2013 (52 weeks ended 30 December 2012: no dividend).

Shares purchased by the Trinity Mirror Employees' Benefit Trust (the 'Trust') are included in retained earnings and other reserves at £13.6 million (1 July 2012: £14.1 million and 30 December 2012: £12.6 million). During the period the Trust purchased 2,600,000 shares for a cash consideration of £3.0 million. The Trust received a payment of £3.0 million from the Company to purchase these shares. During the period 1,506,797 shares were released to senior managers relating grants made in prior years under the Deferred Share Award Plan approved in 2006.

During the period nil share awards were granted to senior managers on a discretionary basis under the Deferred Share Award Plan approved in 2006 (26 weeks to 1 July 2012: 2,683,818 and 52 weeks to 30 December 2012: 2,683,818). 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.

During the period 2,458,487 share awards were granted to senior managers on a discretionary basis under the Long Term Incentive Plan approved in 2012 (26 weeks to 1 July 2012: 4,629,362 and 52 weeks to 30 December 2012: 7,278,368). 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.

14. Acquisition of associated undertaking

On 7 January 2013, the Group acquired a 19.98% equity interest in Local World Limited 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. Local World Limited subsequently changed its name to Local World Holdings Limited.

Notes to the condensed consolidated financial statements
for the 26 weeks to 30 June 2013 (26 weeks to 1 July 2012 and 52 weeks to 30 December 2012)

15. Reconciliation of statutory results to adjusted results

26 weeks to 30 June 2013 (unaudited)	**Statutory results £m**	**Non-recurring items (a) £m**	**Amortisation (b) £m**	**Finance costs (c) £m**	**Pension charges (d) £m**	**Tax legislation changes (e) £m**	**Adjusted results £m**
Revenue	**332.0**	**-**	**-**	**-**	**-**	**-**	**332.0**
Operating profit	**43.5**	**5.5**	**2.5**	**-**	**1.2**	**-**	**52.7**
Profit before tax	**30.3**	**5.5**	**2.5**	**3.2**	**7.8**	**-**	**49.3**
Profit after tax	**23.8**	**3.6**	**2.2**	**2.5**	**6.0**	**-**	**38.1**
Basic earnings per share (pence)	**9.6**	**1.5**	**0.9**	**1.0**	**2.4**	**-**	**15.4**

26 weeks to 1 July 2012 (restated) (unaudited)	Statutory results £m	Non-recurring items (a) £m	Amortisation (b) £m	Finance costs (c) £m	Pension charges (d) £m	Tax legislation changes (e) £m	Adjusted results £m
Revenue	362.8	-	-	-	-	-	362.8
Operating profit	43.5	5.5	1.8	-	1.7	-	52.5
Profit before tax	30.4	5.5	1.8	3.1	7.3	-	48.1
Profit after tax	36.0	2.2	1.4	2.4	5.5	(11.6)	35.9
Basic earnings per share (pence)	14.6	0.9	0.6	1.0	2.2	(4.7)	14.6

52 weeks ended 30 December 2012 (restated) (audited)	Statutory results £m	Non-recurring items (a) £m	Amortisation (b) £m	Finance costs (c) £m	Pension charges (d) £m	Tax legislation changes (e) £m	Adjusted results £m
Revenue	706.5	-	-	-	-	-	706.5
Operating profit	34.9	66.0	3.0	-	3.2	-	107.1
Profit before tax	9.7	66.0	3.0	5.6	14.4	-	98.7
Profit after tax	16.9	62.6	2.3	4.3	10.8	(23.2)	73.7
Basic earnings per share (pence)	6.8	25.4	0.9	1.8	4.4	(9.4)	29.9

(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 charge or credit as set out in note 8.
(b) Amortisation of the Group's other intangible assets and amortisation included in share of results of associates.
(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 and pension administrative expenses relating to the defined benefit pension schemes as set out in note 12.
(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.

16. Changes in reporting

The effect of the changes in reporting, set out in note 2, on the half-year 2012 reported performance is analysed below:

	As reported 2012 £m	Publishing 2012 £m	Printing 2012 £m	Specialist Digital 2012 £m	Central 2012 £m	Newsprint 2012 £m	As restated 2012 £m
Nationals	216.9	(193.6)	(22.1)	-	(1.2)	-	-
Regionals	139.1	(123.4)	(4.5)	(10.8)	(0.4)	-	-
Publishing	-	317.0	-	-	-	-	317.0
Printing	-	-	26.6	-	-	6.8	33.4
Specialist Digital	-	-	-	10.8	-	-	10.8
Central	-	-	-	-	1.6	-	1.6
Revenue	**356.0**	**-**	**-**	**-**	**-**	**6.8**	**362.8**
Nationals	41.6	(41.6)	-	-	-	-	-
Regionals	16.9	(18.5)	-	1.6	-	-	-
Publishing	-	60.1	-	-	-	-	60.1
Printing	-	-	-	-	-	-	-
Specialist Digital	-	-	-	(1.6)	-	-	(1.6)
Central	(6.0)	-	-	-	-	-	(6.0)
Operating profit	**52.5**	**-**	**-**	**-**	**-**	**-**	**52.5**

INDEPENDENT REVIEW REPORT TO TRINITY MIRROR PLC

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the 26 weeks ended 30 June 2013 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated balance sheet, the consolidated cash flow statement and related notes 1 to 16. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRS as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the 26 weeks ended 30 June 2013 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
1 August 2013