



Mission Statement

“Serving communities – first for news, information and advertising.”

Group Profile

Operations

- The only UK publicly quoted company solely focused on the regional press sector, the largest regional press publisher in the UK in terms of number of titles and the largest publisher of paid-weekly titles in the Republic of Ireland (ROI).
- Publishes 271 local and regional newspapers across UK and ROI, including 18 daily titles, 156 paid for weekly titles and 97 free weekly titles. It also publishes a range of other publications, such as lifestyle magazines and classified directories.
- Develops and maintains 297 local websites which reached 6.9 million unique users per month (+15%) and generated 61 million page impressions per month (+16%) in 2009.
- At the end of 2009, employed over 6,000 people of whom over 2,000 were locally based journalists.
- Prints under contract for 3rd party publishers such as News International in addition to the Group's own work.

Key Financials (2009)

- Turnover: £428m
- Operating Profit*: £72m
- Operating Profit Margin: 17%
- Net cash inflow from operations: £89m

* Before non-recurring items

Strategy

The collapse in advertising revenues resulting from the recession made 2009 a very difficult year for all media companies. Despite this, Johnston Press again outperformed the industry by focussing on tight management of costs, conservation of cash and reduction of debt.

The strategy continues to be to develop further the relationships with the audience and advertisers in the communities in which the company operates. The key elements of the strategy are:

- Maintain the core strength of our newspaper publishing activities – we will remain clearly focussed on this major source of revenue and profit for the Group.
- Developing a fully integrated multi-channel publishing capability by continuing to invest in digital platforms.
- Increasing our audience reach and advertiser response by extending the print portfolio and building on positions in adjacent markets e.g. events and exhibitions, when market conditions permit.
- Ensuring that we have the organisational capability and competence to deliver our strategy and vision.

Strategy Implementation

- Strong cost control and efficiency investments have resulted in a year on year reduction in total costs of £49m on a like for like basis, a 12% reduction.
- Capital expenditure has been significantly reduced, with expenditure in 2009 of £3.9m.
- Newspaper circulation performance was better than the industry's for daily and weekly titles.
- The introduction of a new Content Management System is underway and implementation will be completed by the end of 2010. It improves the way text, pictures, audio and video content are captured and utilised in print, online and mobile.
- Regional exhibitions will be launched in each of the company's 7 geographic divisions in 2010.

Corporate Social Responsibility

The Board of Johnston Press has made a clear commitment to operating all of the Group's business activities to the highest standards of business ethics and integrity. Highlights include:

- Environment: Electricity, gas and water consumption at print sites reduced significantly and the Group achieved its target to reduce energy usage by 10% over 2007-10, one year ahead in 2009.
- Board Director responsible for reducing the carbon footprint, and a taskforce has been set up to reduce the company's carbon footprint.
- Health & safety procedures rigorously applied leading to a reduction in the number of accidents for the third successive year in 2009.
- Numerous good causes and charities were supported by our newspapers through campaigns, publicity for fund raising and free advertising space.

Regional Coverage



People Values

The performance of Johnston Press is entirely dependent on the skill, professionalism and hard work of all staff, and we work hard to strengthen the relationship with our people through the promotion of the following values:

- We have a passion for success
- We value everyone's contribution
- We are open and straightforward
- We act with integrity

Management

J. A. Fry

Chief Executive Officer

Joined the Board in 2009. Formerly Chief Executive of Archant, a regional media group based in East Anglia.

S.R. Paterson

Chief Financial Officer

Joined the Board in 2001. Chartered Accountant. Former Finance Director of Aggreko plc, a leader in the rental of power and temperature control equipment.

D. Cammiade

Chief Operating Officer

Joined the Board in 2005. Joined the Group in 1992 through its acquisition of TR Beckett Ltd. Appointed Director of Operations in 2001.

Revenue Analysis 2009

| Source of Revenue | % of Total Revenue |
|------------------------------|--------------------|
| Print Advertising | 60 |
| Sale of Newspapers | 24 |
| Contract Printing | 7 |
| Digital Advertising/Services | 4 |
| Sundry | 5 |

Summary Financials

