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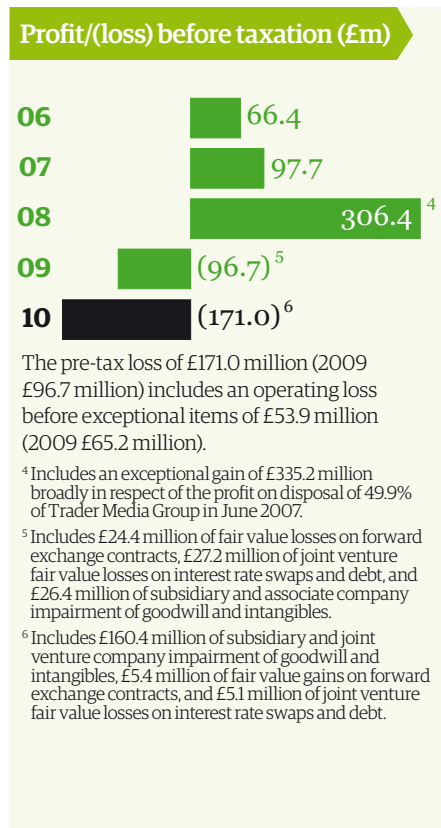
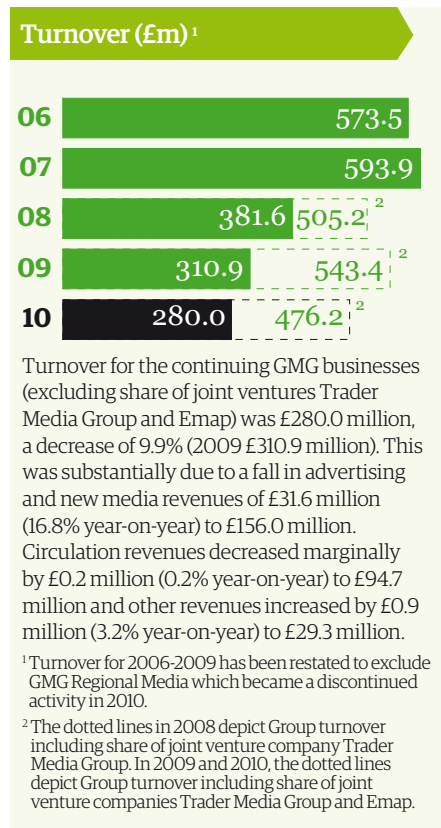
Financial highlights

2009/10 performance

Turnover for the continuing GMG wholly owned businesses fell by £30.9 million to £280 million as a result of the difficult market conditions caused by the recession. This was substantially due to a fall in advertising and new media revenues.

EBITA before exceptionals (including share of Trader Media Group and Emap) of £37.7 million was higher than in the previous year, reflecting substantial cost reductions within the wholly owned businesses.

The pre-tax loss is heavily influenced by two factors: the presence of large, one-off, non-cash adjustments, which



Introduction

A strong portfolio to support our journalism

Guardian Media Group (GMG) is wholly owned by the Scott Trust, which exists to secure the ongoing financial and editorial independence of the Guardian.

The Group fulfils this purpose through the management of a range of media businesses and other investments.

This strong portfolio ensures we have sufficient resources to meet the immediate funding requirements of our journalism, to invest in its development, and to provide it with long-term financial security.

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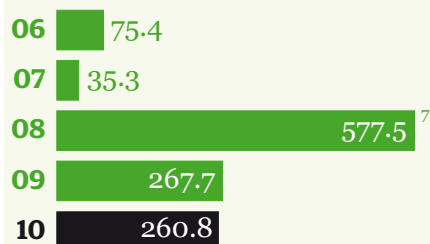
have the effect of significantly inflating the 2009/10 pre-tax loss; and the fact that we have exchanged short-term profitability for longer-term financial security through our investment in two large-scale joint ventures from which we do not take an immediate return (Emap and Trader Media Group).

Assets, cash and investment fund

Combined cash balance and investment fund declined by less than 3%. Given the extreme economic environment, this was a positive result.

Net assets fell due primarily to non-cash impairments in Emap and GMG Radio reflecting trading in the current challenging economic climate.

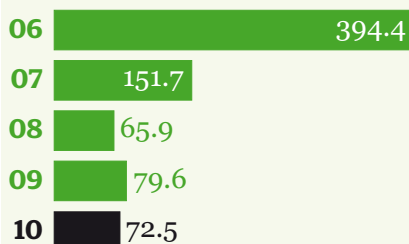
Cash and investment fund (£m)



The Group continues to have significant available resources to fund the cost of Guardian journalism. GMG's combined cash and investment fund totalled £260.8 million (2009 £267.7 million) - a decline of £6.9 million, less than 3% year-on-year.

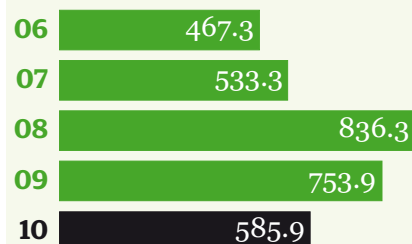
⁷ Group cash balance at 30 March 2008, reflecting the proceeds of the sale of 49.9% of Trader Media Group in June 2007. In early 2008/09, deferred consideration in respect of the Emap transaction of £209.0 million was paid.

Debt (net of issue costs) (£m)



Leasing facilities totalling £72.5 million are in place, the majority of which relate to the Guardian News & Media printing presses. All leases have a fixed interest rate for their entire life with the exception of one which totals £1.4 million and has a variable rate.

Net assets (£m)



The Group had net assets of £585.9 million as at 28 March 2010 (2009 £753.9 million). The decrease of £168.0 million is primarily due to non-cash impairments in Emap and GMG Radio.