

24th January 2012

MECOM GROUP PLC

Strategy Presentation

Mecom Group plc ('Mecom' or 'the Group'), a leading European consumer publishing company, today announces the results of a comprehensive strategic review of its businesses, to position it for growth in the rapidly developing media environment.

The review was initiated by Tom Toumazis following his appointment as Chief Executive Officer in August 2011.

Mecom's underlying strengths, in particular the quality of its people and the strength of its subscriber base, provide a powerful platform for growth. Its 1.2 million subscribers have delivered stable circulation revenues in spite of the tough economic backdrop. It has distinctive local brands that enjoy prominent positions with local advertisers and consumers and its businesses are profitable and cash generative. It is financially strong, having paid down debt to a gearing level of under two times EBITDA.

However, all media companies face significant challenges as the industry evolves. The internet, and more recently, tablets and smartphones are changing the way readers choose to consume news and information. At the same time, advertising revenues have been impacted by economic uncertainty and a slowdown in consumer spending.

In order to meet these challenges and capture future opportunities, Mecom has conducted a careful and comprehensive process to identify a number of strategic priorities:

Implementation of pay model across all platforms, including mobile: a roll-out of paid-for iPad apps for each of the Group's top ten titles is currently underway, to be followed by Android and HTML5 apps.

€70 million cost reduction programme: through a reduction in headcount across all functions, greater integration across Mecom and further outsourcing of support functions.

Investment in new revenue opportunities: investment of up to €10m annually to drive the development of new products and product extensions for subscribers.

Consumer sales: expanding offers to subscribers and integrating more closely across all operations, including *Sweetdeal* which is already growing strongly.

Strengthening of portfolio: to target higher margin businesses through reviews in the first half of 2012 of (a) lower margin businesses, (b) the Group's free sheet operations, which are non-core unless they support paid operations or deliver high margins and (c) the Group's Polish operations to consider options for investment, collaboration or divestment.

Reinvigoration of advertising sales: review of in-house advertising sales operations to ensure greater commerciality.

Improve application of high quality subscriber data: mining extensive subscriber data to tailor Mecom's proposition and enhance consumer revenue growth opportunities.

People and culture: Mecom's employees are one of its greatest assets and significant emphasis will be placed on aligning all of Mecom behind the new strategic direction, giving greater focus to the Netherlands as the Group's centre of gravity, greater operational integration and fueling innovation as the lifeblood of the Group.

Financial

Mecom is planning a reduction in costs of €70 million between 2011 and 2014: €25 million of these savings to be realised in 2012, a further €25 million in 2013 and the full €70 million ongoing cost savings to be realised by 2014. There will be an exceptional cost of €70 million associated with these reductions, to be incurred in 2012 and 2013.

This cost reduction programme is expected, after the anticipated effect of inflation across the Group's total base, to result in a net cost reduction by 2014 of €25 million. Taking into account the previously announced savings from outsourcing of IT, the Group expects its cost base to be €35 million lower in 2014 than in 2011.

Over the same period to the end of 2014, the Group, taking into account both revenue trends and plans, and its cost reduction programme, is targeting an improvement in EBITDA margin of 2.5 percentage points to 13.3 per cent. Finally, the Group is targeting average compound annual growth in earnings per share of at least 10% over this period.

Tom Toumazis, Chief Executive Officer, commented:

"Since I joined six months ago, I have been impressed by the underlying strengths of Mecom – in particular our 1.2 million subscriber base and the quality of our people - which provide a powerful platform for long-term growth. Indeed, Mecom has more subscribers than any of our European peers and more than the entire UK national newspaper industry. There is a clear need, however, for Mecom to adapt quickly to meet the challenges our industry faces.

"The strategy we are announcing today will ensure greater commercial focus through a commitment to paid platforms and closer integration to capture better the strengths of the group. Emphasising our existing strengths and developing new revenue streams will benefit readers, advertisers, our people and shareholders and enable us to deliver sustainable future growth."

A presentation and webcast of the strategy presentation will be available at www.media-server.com/m/p/3wpm2agg.

Enquiries:

Mecom Group plc

Tom Toumazis, CEO

Henry Davies, Group Finance Director

+44 (0) 207 925 7200

Pendomer Communications

Ben Foster

Rosie Oddy

+44 (0) 203 603 5221

+44 (0) 203 603 5223