26TH March 2003

INDEPENDENT NEWS & MEDIA PLC ANNOUNCES PRELIMINARY RESULTS FOR 2002 & RECAPITALISATION PROGRAMME

The Board of Independent News & Media PLC ['INM'] today presented the Group's preliminary results for the year ended 31st December 2002. The Board simultaneously announced the favourable disposal of the Group's UK Regional newspaper business and a fully underwritten Rights Issue, which - when combined with the €65 million received last November on the disposal of our APN convertible notes - means that €256 million in fresh funds will have been injected into the Group. These announcements reflect the Board's unrelenting focus on enhancing shareholder value, positioning INM for future growth.

Independent News & Media's 2002 preliminary results confirm, once again, a strong performance, gaining market share in readership, advertising and circulation. In summary, all operating regions produced an improved performance (collectively up 1.5%), yielding increased adjusted earnings per share of 12.65 cent (up 1.2%).

RESULTS	**2002 €m**	**2001 €m**
Turnover	**1,310.3**	**1,341.4**
Operating Profit *	**223.2**	**219.9**
Operating Margin	***17.0%***	***16.4%***
Net Exceptional Items	**(106.8)**	**(57.6)**
Profit Before Tax (including exceptionals)	**22.2**	**61.8**
Profit Before Tax (excluding exceptionals) **	**129.0**	**119.4**
(Loss)/Earnings Per Share (including exceptionals)	**(7.30c)**	**0.58c**
Adjusted Earnings Per Share ***	**12.65c**	**12.50c**
Dividend per Share	**8.15c**	**7.75c**

* *Before exceptional items*
** *PBT on a "like-for-like" basis, excluding exceptional items*
*** *Fully diluted EPS, before exceptional items and amortisation*

SUMMARY HIGHLIGHTS FOR FULL YEAR 2002

- Solid operating performances in improving market conditions delivered a strong operating margin of 17.0%.
- Profit Before Tax (excluding exceptionals) up 8%.
- Total revenues up 1.0% in constant currencies.
- Circulation revenue growth of 5.4% in constant currencies, backed up by strong readership numbers.
- Newspaper advertising revenues up 0.7% in constant currencies, and only down 3.2% in real terms.
- Operating costs reduced by over 3% due to successful ongoing cost containment.
- Adjusted Earnings Per Share up 1.2% to 12.65 cent, demonstrating a strong operational performance.
- Proposed final dividend up 5.0% to 5.25 cent, yielding a full year dividend of 8.15 cent up 5.2%.

Commenting on these announcements, Sir Anthony O'Reilly, INM's Executive Chairman, said:

"I am very pleased to report good performances from each of our individual operations, which all showed increases in local currency.

In turbulent global markets, these results once again underscore the strength and vitality of our leading brands, our geographic spread of businesses and our relentless focus on cost efficiencies across all our operations.

The Board's decision to take a €82.5 million exceptional impairment provision against its entire investment in Chorus reflects the difficult economic conditions faced by the cable television industry in Ireland and globally and is in line with similar provisions recorded by comparable media and cable companies. This exceptional charge results in a once-off lower Profit Before Tax at €22.2 million, while I am pleased to report that adjusted earnings per share was actually up 1.2% to 12.65 cent.

The dual announcements of a €107 million gross rights issue (net €103 million approximately) and the disposal of our regional newspaper interests in the UK are timely, and when combined with the €65 million received from the disposal of our APN convertible notes, mean that €256 million in fresh funds will have been injected into the Group. This – I believe – will provide a greatly fortified capital structure for your Group.

The combination of improving sentiment, a fortified balance sheet, our robust brands and a proven operational track record, point to continuing favourable performance prospects for the Group. Allying these factors with the transformative recapitalisation measures announced today, Independent News & Media expects to show a meaningful improvement for 2003."

<u>INDEPENDENT NEWS & MEDIA PLC</u>
<u>PRELIMINARY ANNOUNCEMENT OF RESULTS</u>
<u>FOR THE YEAR ENDED 31ST DECEMBER 2002</u>

Independent News & Media PLC ['INM'] today announced preliminary results for the year ended 31st December 2002.

Group turnover at €1,310.3 million was €31.1 million behind last year due primarily to the 28.3% devaluation of the South African Rand during the year. However, in constant currency terms, Group turnover was actually marginally ahead of 2002, underscoring the operational resilience of its worldwide operations' base.

Operating profit (before exceptionals) for the year, at €223.2 million, was €3.3 million ahead of last year due to enhanced operational efficiencies and a good second-half performance, which was 9.0% ahead of the corresponding period in 2001.

Contained in the detailed numbers, there is an exceptional cost of €82.5 million, reflecting the Group's decision to take an exceptional impairment provision against its entire investment in Chorus. This provision reflects the difficult economic conditions faced by the cable television industry in Ireland and globally and is in line with similar provisions recorded by comparable media and cable operators, and follows Chorus's decision to take an impairment of its own asset base in its financial statements. The net effect on INM of this provision is a resultant Profit Before Tax ['PBT'] of €22.2 million, down from €61.8 million in 2001. Stripping out exceptional charges, however, on a like-for-like basis PBT grew by 8%. Adjusted earnings per share in 2002 was up 1.2% to 12.65 cent.

The Board is proposing to increase the Group's final dividend by 5.0% over last year to 5.25 cent per share, making a total dividend for the year of 8.15 cent – an increase of 5.2% on 2001. This reflects the Board's confidence in the Group's ongoing operations. The final dividend will be paid on 10th June 2003 to ordinary shareholders registered at the close of business on 2nd May 2003. A scrip dividend alternative will also be available.

- OPERATIONS REVIEW -

AUSTRALASIA

APN News & Media Limited ['APN'], (44% owned by INM) – the publisher of *The New Zealand Herald* and Australasia's largest operator of regional newspapers, radio and outdoor advertising – contributed A$205 million to Group operating profits. The result was 1.7% ahead of last year, reflecting a strong second half performance by APN's newspaper and radio assets.

The Publishing division increased revenues by 9% to A$551 million, and operating profit was up 16% to A$138 million. APN's largest publication, *The New Zealand Herald* ['*The Herald*'] produced very good results, with advertising revenue up 4%. Furthermore, circulation revenue was up 5.5% on the prior year, having recorded audited average net sales of 211,246 for the six months to September 2002. Not only was *The Herald* the only New Zealand daily metropolitan to increase its circulation during the year – with more than twice the circulation of any other daily newspaper in the country – but *The Herald* became the first newspaper in New Zealand to reach more than one million individual readers each week.

After a satisfactory first half performance, economic conditions in APN's Australian regional markets improved significantly in the second half, in spite of the drought which affected inland areas of Queensland and New South Wales. All major classified advertising categories produced volume growth, with particular strength in property and employment. Total advertising revenue was up 8%. Circulation volumes for the regional titles grew more than 2% in the six months to December 2002, compared with the corresponding period in the prior year.

The New Zealand regional newspaper division also performed ahead of expectations. Advertising revenue increased by 9%. During the year, APN acquired the *Wairarapa Times-Age* in Masterton and the *Te Puke Times* in the high growth region of the Bay of Plenty. Both publications were significant strategic in-fill acquisitions on the North Island.

The Radio division's revenues grew marginally (+1.8%) to A$186.4 million, despite a tough national advertising market, and operating profit was up 3.8% on 2001. Good listenership survey results in February 2003 continued the strong results from the end of 2002, and point towards improved revenue share for APN's stations.

The Outdoor division saw overall revenue for the year down 7.1% to A$177.7 million. The result reflected the slowdown in national advertising in the Australian market. Second half 2002 saw improvement and early indications for 2003 look likely to show further improvements. The division made important gains in market share by securing a number of strategic contracts.

IRELAND

Turnover for the Irish group, at €365.6 million, was marginally (1.4%) down on 2001; a creditable performance in a tough advertising environment. Good circulation revenue growth partially offset weaker advertising revenues. Operating profits, however, were up by 2.3% to €74.9 million, resulting in a record operating margin (20.5%). Tight cost control in all areas of the business assisted this performance, and new group purchasing initiatives also generated meaningful savings.

The group further enhanced its advertising market share in 2002, despite continuing slow recruitment and property revenues, and good yield growth was achieved during the year.

Circulation revenues showed good year-on-year growth, consistent with cover price increases implemented, as full price sales held up well and cover price drove revenue growth. Since the year end, circulation revenue growth and core volume growth continue in our titles, which – when coupled with the uniquely strong readership results – leave the group well positioned.

Our excellent printing facilities enabled exciting new product developments in 2002, including the launch of a new sports tabloid in Monday's *Irish Independent* and *It's Friday* magazine in the *Evening Herald*. Very recently, the group launched a new classified supplement called '*Dublin Trader*' on Wednesdays. *The Sunday Independent* now includes a stand-alone business section and will shortly launch a new glossy magazine.

In addition to the publishing division, the other divisions (contract printing and distribution) performed well, and a number of significant contract wins in these areas will assist performance in 2003.

SOUTH AFRICA

During 2002, the South African operation performed extremely well despite a tough economic and trading environment. A weak Rand in the first half of the year contributed to significant inflation and interest rate increases. However, business confidence remained high with retail and manufacturing activity buoyant.

Overall, the group delivered solid growth year-on-year, with operating margins showing a healthy improvement from 13.9% to 14.5% in 2002. Revenue growth, combined with a focused cost containment programme, delivered a 12.0% increase in operating profits to SAR194.5 million, despite an unprecedented 24% increase in newsprint prices.

Overall press advertising in South Africa was static during 2002, however, Independent fared considerably better than its peers, retaining a firm share of the display advertising market and recording some notable increases, particularly in the classified market, where the group already holds a 50%+ market share. Circulation also performed very well, with 12 of the group's 14 titles showing year-on-year growth, in a market where most competitors showed substantial declines. *The Star* is now South Africa's largest selling daily newspaper showing year-on-year growth in core sales and overtaking the *Sowetan*. During 2002, the group launched a daily Zulu language title, *Isolezwe,* which was an instant success and has already reached a steady daily circulation of 38,000 copies in the 9 months since launch.

In outdoor advertising, the group's 37.5% interest in Clear Channel Independent - South Africa's leading outdoor advertising company - delivered a solid 20% increase in revenue and a 32% uplift in operating profit growth, and now commands a 56% market share.

UNITED KINGDOM

In a continuing tough advertising market, the UK group performed significantly better than the vast majority of its competitors. Despite a 6.1% contraction in revenues, the group recorded a 20.1% uplift in operating profits to Stg£12.8 million and an improved profit margin of 8.8%. Significant cost efficiencies and operational savings across the group offset these revenue pressures, and all divisions are now extremely well placed to benefit from even the most modest uplift in the advertising market.

While overall revenues were disproportionately affected by the loss of print contracts (which have been replaced since the year end), national advertising expenditure suffered the continuing malaise of the UK market, particularly in the area of recruitment. However, the group's 8% reduction in advertising revenue stands in stark contrast to the double-digit declines seen in competitor titles.

In the Nationals division, re-formatting of *The Independent* was well received by readers and advertisers, with further increases in circulation revenues and market share recorded, while *The Independent on Sunday* made sustained progress. The London magazine division faced a poor London recruitment advertising market, which we believe is either at, or close to, the bottom of its cycle.

The Northern Ireland division continued to perform to expectations, with advertising bucking the softer UK trend. Circulation volumes and revenues of both *The Belfast Telegraph* and *Sunday Life* continue to grow, strengthening their position as Northern Ireland's leading titles.

Subsequent to the year-end, the following announcements are made:-

UK ASSET DISPOSAL

INM's wholly owned subsidiary, Independent News and Media Limited, has today finalised the proposed disposal of its London-based UK regional newspaper business to Newsquest (London) Limited, a subsidiary of Gannett UK Limited, for an agreed cash consideration of Stg£60 million (approximately €88 million). This represents an extremely good EBIT multiple of 13.7 times. The disposal is subject to the approval of the Secretary of State for Trade and Industry pursuant to section 58(1) of the Fair Trading Act 1973. The Directors expect that the disposal will be completed by the end of June 2003.

The UK regional newspaper business comprises 29 paid-for and 16 free weekly publications, which generated profits before taxation in the year ended 31st December 2002 of €6.9 million on turnover for the year of approximately €27 million. The net assets, the subject of the disposal, as at 31st December 2002 were €31.9 million and the total number of employees of the UK regional newspaper business is approximately 275. INM acquired its first interest in regional newspapers in the early 1980's, and progressively built up this division through subsequent acquisitions.

This sale represents an important part of the Group's recapitalisation programme. It will, on completion yield net proceeds (after estimated expenses) of Stg£59.5 million (approximately €87.2 million), and will facilitate the Group in securing more cost efficient financing for the future.

RIGHTS ISSUE

The Rights Issue, participation in which will be available to all Shareholders on the record date (other than certain overseas shareholders) on a pro-rata basis, will raise approximately €103 million, net of expenses (including underwriting commissions), by the issue of approximately 153.5 million Rights Issue Shares at a price of €0.70 per share on the basis of 4 Rights Issue Shares for every 15 Existing Ordinary Shares held on the Record Date (expected to be 6.00pm on 15 April, 2003). The proposed Rights Issue price of €0.70 represents a 44% discount to the closing price of €1.25 per Existing Ordinary Share on 25th March 2003, the day before this announcement and a discount of approximately 41.5% relative to that closing price adjusted for the final dividend announced today. Accordingly, your right to participate in the Rights Issue is potentially valuable. The proposed Rights Issue is fully underwritten by Davy Stockbrokers, and is conditional inter alia on Shareholder and banking approvals and the Underwriting Agreement becoming unconditional in all respects and not being terminated.

It is intended that the proceeds of the disposal of the UK Regional newspaper business and the Rights Issue will, subject to the approval of the senior debt lenders to their repayment therefrom, and upon the Company's receipt thereof, be used to repay amounts outstanding and falling due under existing senior debt facilities. While confidentiality undertakings in respect of the disposal of the UK Regional newspaper business have restricted INM's ability to seek the required agreement of a majority of the Group's senior debt lenders to this proposed repayment schedule prior to the date hereof, the Directors and the Joint Lead Arrangers to the bank facility (who have already provided their approval) are confident that such agreement will be forthcoming on a timely basis and, in any event, no later than 22 April 2003.

The effect of the proposed Rights Issue, when combined with the sale of the Group's holding of APN Convertible Notes for €65.0 million last November and the proposed disposal of the UK Regional newspaper business, will be to substantially recapitalise our balance sheet by the injection of €256 million in fresh funding, and will also facilitate the Group in securing more cost efficient financing for the future.

Further detail in relation to the Rights Issue is set out in a separate announcement issued today and will be set out in the shareholder documentation to be posted to shareholders tomorrow, 27th March 2003.

OUTLOOK

Our strong brands, leading market positions, and geographic diversity place INM at the forefront of comparable media companies worldwide. In these turbulent world markets, we continue to grow our operations' market share, maintain our yield, and efficiently reduce our cost base.

Overall, INM's revenues and operating profit for the first quarter of 2003 have continued the positive trend seen in the last quarter of 2002. The Group is trading in line with, or above market expectation, and is ahead of the first quarter of 2002.

The combination of improving sentiment, a fortified balance sheet, our robust brands and a proven operational track record, lead us to believe that the Group will continue to perform well. Allying these factors with the transformative recapitalisation measures announced today, INM expects to show a meaningful improvement for 2003, and we believe that our shareholders can look forward with confidence in the future.

EXTRAORDINARY GENERAL MEETING

A specially convened Extraordinary General Meeting is proposed to be scheduled for 11:00am on Tuesday, 22nd April 2003 (at the Shelbourne Hotel, St. Stephen's Green, Dublin 2, Ireland) to seek all necessary shareholder approvals and consents in respect of the Rights Issue. A document to shareholders setting out the basis of, and providing details of, the Rights Issue timetable and actions to be taken by qualifying shareholders, and containing notice of the Extraordinary General Meeting, is expected to be posted to shareholders tomorrow, 27th March, 2003.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 12.00 noon on Friday, 6th June 2003 at the Shelbourne Hotel, St. Stephen's Green, Dublin 2, Ireland.

ENDS 26th March 2003

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ABOUT INDEPENDENT NEWS & MEDIA PLC ['INM']
- CORPORATE PROFILE -

INM is a leading international media and communications group, which operates primarily in Australia, Ireland, New Zealand, South Africa and the United Kingdom.

Spanning four continents and ten individual countries, INM has market leading newspaper positions in Australia (regional), New Zealand, Ireland and South Africa. In the UK, it owns the largest newspaper group in Northern Ireland and the flagship Independent titles.

The Group publishes over 200 newspaper and magazine titles with weekly circulation of 15 million copies and operates 51 on-line sites, achieving 100 million page impressions per month in aggregate. The Group is also the largest radio and outdoor advertising operator in Australasia, with outdoor advertising operations in South Africa, Hong Kong, Malaysia, Indonesia and Singapore.

The Group has grown consistently over the last five years by building a geographically diverse portfolio of market leading brands. Managing turnover of €1.5 billion and gross assets of €3.4 billion, the Group employs 11,700 people worldwide.

INDEPENDENT NEWS & MEDIA PLC

PRELIMINARY ANNOUNCEMENT OF RESULTS

GROUP PROFIT AND LOSS ACCOUNT

	2002 €m	**2001 €m**
Turnover - continuing operations	1,310.3	1,341.4
Operating profit		
- Continuing operations	223.2	219.9
- Exceptional items	(25.9)	(83.9)
Operating profit from continuing operations	197.3	136.0
Exceptional items	(80.9)	32.5
Profit on ordinary activities	116.4	168.5
Net interest charge	(94.2)	(100.5)
Exceptional finance charge	-	(6.2)
Profit on ordinary activities before taxation	22.2	61.8
Taxation on profit on ordinary activities	(9.7)	(23.8)
Profit on ordinary activities after taxation	12.5	38.0
Minority interests (including non-equity minority interests)	(54.0)	(34.9)
(Loss)/profit on ordinary activities after taxation and minority interests	(41.5)	3.1
Dividends paid	(16.3)	(14.3)
Dividends proposed	(29.7)	(28.6)
Retained loss for the Group and its share of joint ventures and associates	(87.5)	(39.8)
(Loss)/Earnings per share	(7.30c)	0.58c
Fully diluted (loss)/earnings per share	(7.30c)	0.58c
Fully diluted earnings per share before exceptional items and amortisation	12.65c	12.50c

RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	2002 €m	2001 €m	2002 (Inc. Mastheads) €m	2001 (Inc. Mastheads) €m
(Loss)/profit on ordinary activities after taxation and minority interests	(41.5)	3.1	(41.5)	3.1
Dividends paid	(16.3)	(14.3)	(16.3)	(14.3)
Dividends proposed	(29.7)	(28.6)	(29.7)	(28.6)
	(87.5)	(39.8)	(87.5)	(39.8)
New share capital subscribed (including share premium)	5.2	105.2	5.2	105.2
Currency translation differences on foreign currency net investments	(13.9)	(57.4)	(14.7)	(75.7)
Related foreign tax (charge)/credit on currency translation differences	(0.1)	0.1	(0.1)	0.1
Revaluation surplus	-	-	-	301.1
Movement in treasury shares	(15.8)	2.2	(15.8)	2.2
Net movement in equity shareholders' funds	(112.1)	10.3	(112.9)	293.1
Opening equity shareholders' funds	257.9	247.6	979.7	686.6
Closing equity shareholders' funds	145.8	257.9	866.8	979.7

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2002 €m	2001 €m	2002 (Inc. Mastheads) €m	2001 (Inc. Mastheads) €m
(Loss)/profit on ordinary activities after taxation and minority interests	(41.5)	3.1	(41.5)	3.1
Currency translation differences on foreign currency net investments	(13.9)	(57.4)	(14.7)	(75.7)
Related foreign tax (charge)/credit on currency translation differences	(0.1)	0.1	(0.1)	0.1
Revaluation surplus	-	-	-	301.1
Profit on sale of treasury shares	1.0	0.9	1.0	0.9
Total recognised (losses)/gains relating to the year	(54.5)	(53.3)	(55.3)	229.5

GROUP BALANCE SHEET

	2002	2001	2002 (Inc. Mastheads)	2001 (Inc. Mastheads)
	€m	€m	€m	€m
Fixed assets				
Intangible assets	1,655.8	1,681.2	2,367.7	2,393.9
Tangible assets	384.8	395.5	384.8	395.5
Financial assets				
Investment in joint ventures				
- share of gross assets	28.0	23.6	37.1	32.7
- share of gross liabilities	(8.7)	(8.1)	(8.7)	(8.1)
	19.3	15.5	28.4	24.6
Investment in associates	79.2	95.7	79.2	95.7
Other investments	19.3	14.9	19.3	14.9
	117.8	126.1	126.9	135.2
	2,158.4	2,202.8	2,879.4	2,924.6
Current assets				
Stocks	26.4	27.1	26.4	27.1
Debtors	270.1	270.7	270.1	270.7
Other current assets	-	67.9	-	67.9
Cash at bank and in hand	75.3	281.3	75.3	281.3
	371.8	647.0	371.8	647.0
Creditors - amounts falling due within one year	(524.3)	(540.7)	(524.3)	(540.7)
Net current (liabilities)/assets	(152.5)	106.3	(152.5)	106.3
Total assets less current liabilities	2,005.9	2,309.1	2,726.9	3,030.9
Creditors - amounts falling due after more than one year	1,142.3	1,357.3	1,142.3	1,357.3
Provisions for liabilities and charges	46.1	55.2	46.1	55.2
	1,188.4	1,412.5	1,188.4	1,412.5
Capital and reserves				
Called up share capital	172.7	171.6	172.7	171.6
Capital conversion reserve fund	4.5	4.5	4.5	4.5
Share premium account	185.1	180.0	185.1	180.0
Revaluation reserve	(79.6)	(84.7)	641.4	637.1
Other reserves	(189.0)	(161.4)	(189.0)	(161.4)
Profit and loss account	52.1	147.9	52.1	147.9
Equity shareholders' funds	145.8	257.9	866.8	979.7
Minority interests				
Equity minority interests	443.7	411.6	443.7	411.6
Non-equity minority interests	228.0	227.1	228.0	227.1
	671.7	638.7	671.7	638.7
	2,005.9	2,309.1	2,726.9	3,030.9

GROUP CASH FLOW STATEMENT

	2002		2001	
	€m	**€m**	**€m**	**€m**
Net cash inflow from operating activities		283.1		227.3
Dividends received from joint ventures		1.6		1.3
Dividends received from associates		-		0.1
Returns on investments and servicing of finance				
Interest received - Group	8.9		5.7	
Interest paid - Group	(106.4)		(104.6)	
Dividends and other payments to equity minority shareholders	(20.3)		(12.8)	
Dividends and other payments to non-equity minority shareholders	(15.0)		(10.6)	
Debt issue costs	(1.1)		(17.4)	
Net cash outflow from returns on investments and servicing of finance		(133.9)		(139.7)
Net cash outflow from taxation		(17.5)		(20.5)
Capital expenditure and financial investment				
Purchase of tangible fixed assets and titles	(28.9)		(66.3)	
Sale of tangible fixed assets, titles and investments	6.1		10.5	
Purchase of investments	(27.7)		(33.2)	
Increase in investment in joint ventures and associates	(4.4)		(3.7)	
Advances to joint ventures	-		(15.3)	
Advances to associates	(1.5)		(3.5)	
Advances repaid by associates	-		3.3	
Other capital expenditure	(6.9)		(11.9)	
Net cash outflow from capital expenditure and financial investment		(63.3)		(120.1)
Acquisitions and disposals				
Purchase of equity minority interests	(1.3)		(9.2)	
Purchase of subsidiary undertakings	(3.5)		(24.1)	
Cash acquired with subsidiary undertakings	0.2		0.6	
Net cash outflow from acquisitions and disposals		(4.6)		(32.7)
Equity dividends paid		(41.2)		(38.1)
Cash inflow/(outflow) before management of liquid resources and financing		24.2		(122.4)

GROUP CASH FLOW STATEMENT (continued)

	2002		2001	
	€m	€m	€m	€m
Cash inflow/(outflow) before management of liquid resources and financing (brought forward)		24.2		(122.4)
Management of liquid resources				
Movement in short term deposits	-		-	
Net cash flow from management of liquid resources		-		-
Financing				
Issue of shares	1.0		105.7	
Share issue costs	-		(2.5)	
Issue of equity minority interests	4.0		148.3	
Purchase/sale of treasury shares	(15.8)		2.2	
Repayment of short term loans	(275.0)		(282.4)	
Repayment of long term loans	-		(161.7)	
Proceeds from masthead licencing agreement	-		241.7	
Sale/issue of convertible notes	65.3		71.7	
Receipt of long term loans	16.8		204.2	
Capital element of finance lease rental payments	(30.3)		(0.3)	
Net cash (outflow)/inflow from financing		(234.0)		326.9
(Decrease)/increase in cash		(209.8)		204.5

SEGMENTAL REPORT

The Group operates mainly in Ireland, the United Kingdom, South Africa and Australasia. The following is an analysis of the Group's results by geographical market.

(A) BY GEOGRAPHICAL SEGMENTS

	TURNOVER		OPERATING PROFIT	
	2002	**2001**	**2002**	**2001**
	€m	**€m**	**€m**	**€m**
Turnover (By origin):				
Group and share of joint ventures and associates	1,378.3	1,411.7		
Less: share of joint ventures' turnover	(18.2)	(12.2)		
share of associates' turnover	(49.8)	(58.1)		
Group turnover	1,310.3	1,341.4		
Ireland	365.6	370.9	74.9	73.2
United Kingdom	231.0	248.7	20.3	17.1
South Africa	136.0	161.5	19.7	22.5
Australasia	577.7	560.3	118.1	116.6
	1,310.3	1,341.4	233.0	229.4
Exceptional items:				
Ireland			(0.9)	(30.8)
United Kingdom			(0.8)	(3.3)
South Africa			(0.5)	(17.1)
Australasia			(8.4)	(8.2)
Common			-	(10.5)
			(10.6)	(69.9)
Group share of joint ventures	18.2	12.2	1.7	1.5
Group share of associates	49.8	58.1	(16.0)	(13.9)
Common costs			(10.8)	(11.1)
Exceptional items			(80.9)	32.5
Net interest charge			(94.2)	(100.5)
Exceptional finance charge			-	(6.2)
Group profit on ordinary activities before taxation and minority interests			22.2	61.8

Turnover by origin has been shown above and does not differ materially from turnover by destination. Turnover significantly relates to external customers. The minority interest share of operating profit for the financial year is €65.5m (2001: €39.3m).

SEGMENTAL REPORT (continued)

(B) BY CLASS OF BUSINESS

The Group has three main classes of business:

- Printing, publishing and distribution of newspapers and magazines and commercial printing
- Electronic media (mainly radio)
- Outdoor advertising

The following is an analysis of the Group's results by class of business.

	TURNOVER		OPERATING PROFIT	
	2002	**2001**	**2002**	**2001**
	€m	**€m**	**€m**	**€m**
Turnover:				
Group and share of joint ventures and associates	1,378.3	1,411.7		
Less: share of joint ventures' turnover	(18.2)	(12.2)		
share of associates' turnover	(49.8)	(58.1)		
Group turnover	1,310.3	1,341.4		
Printing, publishing, distribution and commercial printing	1,094.9	1,118.4	196.5	187.1
Electronic media	113.2	112.5	26.9	25.9
Outdoor advertising	102.2	110.5	9.6	16.4
	1,310.3	1,341.4	233.0	229.4
Exceptional items:				
Printing, publishing, distribution and commercial printing			(8.2)	(20.7)
Electronic media			(1.4)	(38.7)
Outdoor advertising			(1.0)	-
Common			-	(10.5)
			(10.6)	(69.9)
Group share of joint ventures	18.2	12.2	1.7	1.5
Group share of associates	49.8	58.1	(16.0)	(13.9)
Common costs			(10.8)	(11.1)
Exceptional items			(80.9)	32.5
Net interest charge			(94.2)	(100.5)
Exceptional finance charge			-	(6.2)
Group profit on ordinary activities before taxation and minority interests			22.2	61.8

The minority interest share of operating profit for the financial year is €65.5m (2001: €39.3m).

NOTES TO THE PRELIMINARY ANNOUNCEMENT

1. Basis of Preparation

This preliminary announcement has been prepared on a consistent basis with the accounting policies set out in the audited financial statements for the year ended 31 December 2001.

2. Pension Fund Position

At year end the Group's defined benefit pension funds had a net deficit of €66.4 million (2001: net deficit of €15.2 million) as measured under FRS 17 – Retirement Benefits. As permitted by FRS 17 this amount has not been provided for in the Group's Balance Sheet.

3. Earnings Per Share

	2002 €m	2001 €m
(Loss)/profit attributable to Independent News & Media PLC	(41.5)	3.1
Adjustment for conversion of cumulative exchangeable preference shares	-	-
Fully diluted (loss)/profit	(41.5)	3.1
Exceptional items net of taxation and minority interests	106.4	53.8
Amortisation of mastheads and goodwill	7.4	10.5
Fully diluted profits before exceptional items and amortisation	72.3	67.4
Weighted average number of shares in issue during the year	569,244,219	532,738,342
Effect of:		
Conversion of options	2,060,991	6,279,261
Conversion of cumulative exchangeable preference shares	-	-
Fully diluted number of shares	571,305,210	539,017,603
(Loss)/Earnings per share	(7.30c)	0.58c
Fully diluted (loss)/earnings per share	(7.30c)	0.58c
Fully diluted earnings per share before exceptional items and amortisation	12.65c	12.50c

Basic (loss)/earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potential dilutive options over ordinary shares and dilutive cumulative exchangeable preference shares.

Fully diluted earnings per share before exceptional items and amortisation is presented in order to give a better indication of the underlying performance of the Group.

NOTES TO THE PRELIMINARY ANNOUNCEMENT (continued)

4. Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	2002 €m	2001 €m
Operating profit from continuing operations	197.3	136.0
Share of profit of joint ventures	(1.7)	(1.5)
Share of loss of associates	16.0	13.9
Depreciation and amortisation charges	53.2	52.0
Loss on sale of fixed assets	0.7	3.9
Increase in stocks	(2.0)	(2.0)
Decrease/(increase) in short term and medium term debtors	23.5	(12.2)
Increase/(decrease) in creditors	4.6	(15.5)
Net movement in provisions	(4.6)	(6.9)
Non-cash exceptional items	-	64.6
Effects of foreign exchange rate changes	(3.9)	(5.0)
Net cash inflow from operating activities	283.1	227.3