

Independent News & Media PLC

Dublin/London – 19th October, 2009: Independent News & Media PLC (“INM” or “the Company”) announces that Independent News & Media (Finance) Limited, a wholly owned subsidiary of INM, and issuer of the €200 million 5.75% Guaranteed Bonds due 2009 (“Bonds”) has today issued a notice convening a meeting (“Bondholder Meeting”) of holders of the Bonds for the purposes of considering and if thought fit approving an extraordinary resolution (“Extraordinary Resolution”) relating to a proposal to equitise the Bonds by means of a First Equity Issue and either a Rights Issue or a Second Equity Issue (each as previously referred to in Company announcements dated 28th September, 2009 and 7th October, 2009).

The full text of the Extraordinary Resolution follows. The Bondholder Meeting will be held in London at 11.00 a.m. on 10 November, 2009. The latest time for submission of block voting instructions by Bondholders through the Clearing Systems in connection with the Bondholder Meeting is 11.00 a.m. on 6 November, 2009.

For further information, please contact:

Independent News & Media PLC

Gavin O'Reilly
Chief Executive Officer
Donal Buggy
Chief Financial Officer
Tel: + 353 1 466 3200

Davy

Hugh McCutcheon
Eugénée Mulhern
Tel: + 353 1 679 6366

North Sea Partners

Michael Brennan
Brian McKeon
Tel: +1 212 901 1509

Media

Pat Walsh
Murray Consultants (Dublin)
Tel: +353 1 498 0300

Rory Godson/ Paul Durman
Powerscourt (London)
Tel: +44 20 7250 1446

Investors and Analysts

Mark Kenny/ Jonathan Neilan
K Capital Source (Dublin)
Tel: +353 1 631 5500

The full text of the Extraordinary Resolution for consideration at the Bondholder Meeting is as follows:

This Meeting approves as an Extraordinary Resolution the following resolution, being a resolution to sanction a proposal (the Proposal) for the exchange, sale, transfer, release and/or cancellation of all of the Bonds for or in consideration of shares or other securities of one or more other companies, including the First Bond Purchaser and the Second Bond Purchaser (each as defined below) or ordinary shares (credited as fully paid) of Independent News & Media PLC (Company), and/or cash, within the meaning of paragraph 18(I) of the Fifth Schedule to the Trust Deed, such Proposal being on the terms set out or envisaged in the memorandum from the Company to Bondholders dated on or about the date of the notice convening this Meeting (the Memorandum) but subject to such variations or amendments as may be authorised to be made pursuant to this resolution:

“That subject to the satisfaction of the following conditions (the defined terms listed below shall bear the same meanings as ascribed to them in the Memorandum) (and subject to the provisions as to the waiver of such conditions set out in paragraph 10 below) on or before the First Equity Issue Date:

- (a) the New Bank Facilities having been executed and being conditional only on the implementation of the Restructuring and the Principal Restructuring Documents having been executed;
- (b) various consents, regulatory approvals and confirmations having been obtained;
- (c) the continuation of the Standstill Period;

- (d) the Company having convened the Share Capital EGM to consider the Share Capital Resolutions and the Rights Issue Resolution;
- (e) the agreement of the Irish Takeover Panel being obtained that all or any of the Bondholders would not be obliged under Rule 9 of the Irish Takeover Rules to make a mandatory offer, or if they were so obliged, the Irish Takeover Panel having granted an unconditional waiver of any such obligation;
- (f) no regulatory impediments to the implementation of the Restructuring having arisen and not having been addressed; and
- (g) no legal proceedings having been issued which materially restrict the rights attached to, or require any disposal of, the First Company Shares (as defined in paragraph 3(a) below) or which delay, or would be likely to delay, completion of the Restructuring beyond 30 December 2009;

1. Such entity as may be nominated to holders of the Bonds by the Ad Hoc Committee (as defined below) on or before the date of this Meeting is with immediate effect appointed as the agent and nominee of the Bondholders (the Nominee) for the purposes set out in the remainder of this Extraordinary Resolution and on the basis that:

- (a) all the acts and omissions of the Nominee shall be deemed to have the benefit of protective provisions equivalent to those contained in the Trust Deed and afforded to the Trustee (including, without limitation, the provisions regulating the duties of, and providing for the remuneration, indemnification and exculpation of the Trustee), as if references in those provisions to “Trustee” were to “Nominee”;
- (b) the Nominee is hereby authorised and directed to concur in, and execute and do, in addition to those specifically referred to in this Extraordinary Resolution, all other deeds, instruments, acts and things which may be necessary or appropriate or which the Nominee is instructed by the Ad Hoc Committee to carry out and give effect to this Extraordinary Resolution and implement the Proposal (as the same may be varied or amended in accordance with the paragraph 10 below) and to concur with the Ad Hoc Committee and the Company, and thereby authorise on behalf of the Bondholders, any such amendments and variations to the implementation of the Proposal as are authorised by the Ad Hoc Committee pursuant to paragraph 10 below;
- (c) the Nominee is hereby authorised to delegate the performance of any of its actions or authorities pursuant to this Extraordinary Resolution to one or more other persons, or procure that one or more other persons hold some or all of the cash and securities to be held by it pursuant to implementation of the Proposal; and
- (d) any modification of the provisions of the Trust Deed required in order to give full legal effect to the nomination and appointment referred to in this Clause 1 and to the implementation of the Proposal shall be and are hereby proposed by the Ad Hoc Committee and shall be and are hereby assented to, in each case in accordance with Clause 18 (C) of the Fifth Schedule to the Trust Deed; and

2.

- (a) The transfer of all of the Bonds to an account or custodian within the relevant clearing systems established by the Nominee (or on its behalf) pending the transfer of Bonds pursuant to paragraph 2(b) and/or 2(c) below or, as applicable, paragraph 9 below;
- (b) The transfer and sale of Bonds (the First Bonds) having a principal amount outstanding which, when aggregated with all accrued but unpaid interest in respect of the First Bonds as at the date on which the First Share Sale and Purchase Agreement (as defined) below is to be completed (the First Equity Issue Date) equals €122.9 million to a company to be established on terms approved by the Nominee for the purpose of purchasing those First Bonds (the First Bond Purchaser) the ordinary shares of which are and will be held by or on behalf of the

Nominee as nominee for those persons who (as evidenced by the accounts of the relevant clearing systems and/or custodians holding through those clearing systems) are Bondholders at the close of this meeting (the Relevant Bondholders) for the purposes described in this Extraordinary Resolution and on the terms described in paragraph 8 below in consideration for an amount equal to the lower of:

- (i) €122.9 million; and
- (ii) the market value of the principal amount of the First Bonds transferred and sold (including accrued but unpaid interest thereon as at the First Equity Issue Date),

to be satisfied in full by the issue to the Nominee (or on its behalf) of 723,199,998 shares in the capital of the First Bond Purchaser credited as fully paid (together with the two ordinary shares of the First Bond Purchaser then in issue, the First Bond Purchaser Shares) (such First Bond Purchaser Shares to be held by the Nominee (or on its behalf) for the Relevant Bondholders on the terms described in paragraph 8 below) pursuant to a First Bond Sale and Purchase Agreement in the form produced to the Meeting and initialled by the Chairman for the purpose of identification, is, subject to paragraph 10 below, hereby approved; and

- (c) The transfer and sale of the remaining outstanding principal amount of the Bonds (the Second Bonds) (together with all accrued but unpaid interest thereon) to a company to be established on terms approved by the Nominee for the purpose of purchasing those Bonds (the Second Bond Purchaser), the ordinary shares of which are and will be held by or on behalf of the Nominee as nominee for the Bondholders for the purposes described in this Extraordinary Resolution and on the terms described in paragraph 8 below, in consideration for the issue to the Nominee (or on its behalf) of such number of further shares in the capital of the Second Bond Purchaser credited as fully paid (together with the two ordinary shares of the Second Bond Purchaser then in issue, the Second Bond Purchaser Shares) as have a value at €0.05 per Second Bond Purchaser Share equal to the aggregate value (the Second Bond Amount) of principal amount of Bonds held by the Second Bond Purchaser and accrued but unpaid interest thereon, such Second Bond Purchaser Shares to be held by or on behalf of the Nominee for the Relevant Bondholders in the terms described in paragraph 8 below, pursuant to a Second Bond Sale and Purchase Agreement in the form produced to the Meeting and initialled by the Chairman for the purpose of identification (subject to the right and power of the Nominee, if it deems it necessary or desirable, itself to hold the Second Bonds in its own name (or through a nominee) and/or itself or through a nominee (and in substitution for the Second Bond Purchaser) enter into the Underwriting Agreement referred to in paragraph 4 below and carry out the Second Bond Purchaser's obligation pursuant thereto (and subject to paragraph 10 below), is hereby approved; and

3.

- (a) The sale by the Nominee (or on its behalf) of the First Bond Purchaser Shares to the Company in consideration for the issue by the Company to the Nominee (or on its behalf) (for the account of the Relevant Bondholders on the terms set out in paragraph 8 below) of this resolution) of such number of new ordinary shares in the capital of the Company, credited as fully paid, (the First Company Shares) as is equal to the number of First Bond Purchaser Shares pursuant to a First Share Sale and Purchase Agreement in the form produced to the Meeting and initialled by the Chairman for the purpose of identification;
- (b) The irrevocable instruction to the Nominee to vote the First Company Shares then held by the Nominee (or on its behalf) in favour of the Share Capital Resolutions and the Rights Issue Resolution (in each case as defined in paragraph 4(a) below) together with such other resolutions as the Nominee acting on the instructions of the Ad Hoc Committee (or its appointee) considers necessary or desirable to ensure the passing of the Share Capital Resolutions and the Rights Issue Resolution and to vote the First Company Shares then held by the Nominee (or on its behalf) against any resolutions proposed at the Shareholder Meeting (as defined in paragraph 4 below) which the Nominee acting on the instructions of the Ad Hoc

Committee (or its appointee) considers may prevent or hinder the passing of the Share Capital Resolutions or the Rights Issue Resolution; and

- (c) At all times whilst the Nominee (or some other person on its behalf) remains the registered holder of the relevant First Company Shares, the instruction and authority to the Nominee to vote those First Company Shares in respect of which a valid voting instruction form (as described in the Memorandum) has been received by the Nominee (or on its behalf) by not later than 3 Business Days before the date of the relevant meeting of shareholders of the Company, at such meetings of the Company and on such resolutions to be proposed at such meeting(s) (but not the resolutions referred to in 3(b) above) as directed by such voting instruction forms, is, subject to paragraph 10 below, hereby approved; and

4.

- (a) If the Company's shareholders pass the ordinary resolutions to increase the Company's authorised share capital by at least three billion ordinary shares and grant the board of the Company authority to allot those shares (the Share Capital Resolutions) and a special resolution to approve a rights issue (the Rights Issue) of such number of ordinary shares in the Company as is equal to the number of Second Bond Purchaser Shares (the Rights Issue Shares) on a non-pre-emptive basis (the Rights Issue Resolution) which are to be put to the Company's shareholders at an extraordinary general meeting to be held on or around 25 November 2009 (the Shareholder Meeting), the cancellation or transfer (directly or indirectly) to the Company of all Bonds held by the Second Bond Purchaser and the subsequent release of all claims under or in respect of those Bonds and the corresponding reduction in the Company's liability under the guarantee given by the Company in connection with those Bonds, in consideration for the delivery to the Second Bond Purchaser for distribution to the Nominee for the account of the Relevant Bondholders on the terms described in paragraph 8 below of:

- (i) any and all gross cash proceeds from the Rights Issue; and

- (ii) any Rights Issue Shares which are not subscribed for in the Rights Issue credited as fully paid; and

- (iii) such further number of new ordinary shares in the Company credited as fully paid as have a value at €0.05 per share equal to 5% of the aggregate value of all the Rights Issue Shares at €0.05 per share (the shares and cash referred to in these subparagraphs (i), (ii) and (iii) being the Rights Proceeds),

all pursuant to an Underwriting Agreement in the form produced to the Meeting and initialled by the Chairman for the purpose of identification, is and are, subject to paragraph 10 below, hereby approved; and

- (b) If the Company's shareholders pass the Share Capital Resolutions but not the Rights Issue Resolution the sale by the Nominee of the Second Bond Purchaser Shares to the Company in consideration for the issue by the Company to the Nominee (or on its behalf) for the account of the Relevant Bondholders on the terms described in paragraph 8 and subject to paragraph 10 below and in accordance with paragraph 7 below, of a number of new ordinary shares in the capital of the Company credited as fully paid (the Second Company Shares) equal to the number of Second Bond Purchaser Shares, credited as fully paid, pursuant to a Second Share Sale and Purchase Agreement in the form produced to the Meeting and initialled by the Chairman for the purpose of identification, is, subject to paragraph 10 below, hereby approved; and

5. The Nominee (and the Trustee, to the extent it is party to any of the following agreements and any nominee or delegate of the Nominee to the extent appropriate) is, subject to paragraph 9 below, hereby authorised and directed to execute as nominee on behalf of the Bondholders the First Bond Sale and Purchase Agreement, the Second Bond Sale and Purchase Agreement, the First Share Sale and Purchase Agreement, the Second Share Sale and Purchase Agreement, the Underwriting Agreement, (and/or any documents or agreements which may be substituted for them as a result of the operation of

the authorities contained in paragraph 10 below), in each case in the forms produced to the Meeting and initialled by the Chairman for the purpose of identification, and all associated transfer forms or instructions, and any other deeds, agreements, instruments, instructions, things or acts necessary or desirable in order to consummate and give effect to the transactions contemplated in any of these agreements; and

6. The Nominee is, subject to paragraph 10 below, hereby authorised and directed to give on behalf of each Bondholder any instructions to or via Euroclear or Clearstream, Luxembourg (the Clearing Systems) which are necessary to effect a transfer of its Bonds to the Nominee (or on its behalf) and/or to the First Bond Purchaser and/or to the Second Bond Purchaser; and

7. The Nominee is, subject to paragraph 10 below, hereby instructed, authorised and directed to transfer the First Company Shares and the Second Company Shares to the Eligible Bondholders (as defined below) and to transfer or procure that the Second Bond Purchaser transfers) the Rights Proceeds to the Relevant Bondholders in accordance with their pro rata entitlements as referred to in paragraph 8 below (A) as soon as practicable after the conclusion of the Shareholder Meeting in the case of the First Company Shares, (B) as soon as practicable after the conclusion of the Rights Issue in respect of the Rights Proceeds and (C) in circumstances where the Rights Resolution has not been passed as soon as practicable after the completion of the Second Share Sale and Purchase Agreement (or any agreement substituted thereof) in respect of the Second Company Shares:

- (a) in the case of those Relevant Bondholders who have notified the Nominee (or some other person on its behalf) of a CREST Stock account for such purposes before 5.00pm on the Business Day prior to the date of transfer, in uncertificated form (in the case of shares) to such CREST Stock accounts; and
- (b) in all other cases, in certificated form (in the case of shares) or by cheque (in the case of cash) by post to the registered address of such Relevant Bondholder as notified by the Relevant Bondholder to the Nominee (or on its behalf) (or, in the case of joint Relevant Bondholders, the first named) (and at the sole risk of the relevant Bondholder);

and in distributing any Shares or cash the Nominee shall be authorised to make or procure the making of such provision to deal with fractional entitlements and cash amounts as it sees fit; and

8. The Nominee is, subject to paragraph 9 below, hereby instructed, authorised and directed to hold and to procure that any nominee or delegate of it holds:

- (a) the First Bond Purchaser Shares pending completion of the First Bond Sale and Purchase Agreement;
- (b) the Second Bond Purchaser Shares pending completion of the Second Bond Sale and Purchase Agreement;
- (c) the First Company Shares;
- (d) the Second Company Shares;
- (e) the Rights Proceeds; and
- (f) such other property as may arise pursuant to the implementation of the Proposal for the benefit of Relevant Bondholders;

for the Relevant Bondholders pro rata to the principal amount of Bonds beneficially owned by each Relevant Bondholder (as evidenced by the records of the relevant clearing systems and, where relevant, the custodians for such Relevant Bondholders) as at the close of this meeting and in effecting any transfers or distributions for the purposes of paragraph 7 above or 9 below of any such property it will make such transfers and distributions in accordance with such pro rata entitlements (but less a pro rata amount of the costs of doing so and of all other costs and expenses of the Nominee (or persons acting on its behalf) or the Trustee incurred in connection with their respective duties and obligations pursuant

to this resolution and which are not recoverable from the Company) but subject to the sale provisions of paragraph 9 below; and

9. Each element of the Proposal described in this Extraordinary Resolution applies only to Eligible Bondholders (as defined below) and accordingly:

(a) Excluded Bondholders (as defined below) have no right to receive or beneficially be entitled to any shares in the capital of the First Bond Purchaser, the Second Bond Purchaser or the Company or any other consideration for their Bonds other than cash (whether directly or by way of sale of securities);

(i) instead, the Nominee is hereby authorised and directed to retain otherwise than for the account of Excluded Bondholders any securities which would otherwise be held by it for the account of the Excluded Bondholders on a pro rata basis and to procure the sale of such securities in the market at the best price reasonably obtainable and to remit the proceeds of such sale to Excluded Bondholders, net of the expenses of such sale, on the basis that neither the Company nor the Nominee will have any responsibility for the timing of the sale or the price obtainable; and

10. That the Ad Hoc Committee of Bondholders (as defined and described in the Memorandum), acting through the holders of a majority in principal amount of Bonds held by the members of the Ad Hoc Committee from time to time, be authorised on behalf of all Bondholders (and without liability to Bondholders for their actions and determinations taken in good faith) to:

(a) represent the interests of all Bondholders and may exercise all and any powers or discretions which the Bondholders could themselves exercise by Extraordinary Resolution;

(b) agree with the Company such variations or amendments to the mechanics and process for the implementation of the Proposal as such Ad Hoc Committee (in its absolute discretion) considers necessary or desirable and for the benefit of Bondholders generally including, without limitation, variations to those documents and agreements referred to in paragraph 5 above and the arrangements authorised by paragraph 9 above and agreeing, where relevant substitutes therefore, and subject to the concurrence of the Nominee acting on the instructions of the Ad Hoc Committee and such variations, amendments, actions, documents, agreements or otherwise shall be binding on all Bondholders and the Nominee shall be authorised to execute all such agreements and documents and take all actions as may be necessary to effect such variations or amendments; and

(c) consent to the waiver (on such terms, if any, as the Ad Hoc Committee deems fit) of any or all of the Conditions at the commencement of this resolution other than that set out in paragraph (a); and

the Ad Hoc Committee members will have absolute and uncontrolled discretion as to the exercise of the Ad Hoc Committee's powers, discretions and functions and will not be responsible or liable to any person for any loss, liability, cost, claim, action, demand, expense or inconvenience which may result from their exercise or non-exercise of any power or discretion and:

(d) no Ad Hoc Committee member shall assume any responsibility towards or have any liability to the Bondholders, the Trustee, the Nominee, the Issuer or the Company or any other party, save in respect of liability arising from an Ad Hoc Committee member's own fraud or wilful misconducts, and

(e) no Ad Hoc Committee member shall be liable for anything done or not done by it or any of them under or in connection with the Bonds save in the case of their own fraud or wilful misconduct; and

this Meeting approves, sanctions and ratifies all exercises of the powers, discretions and authorities hereby conferred on the Ad Hoc Committee and made or exercised prior to this Meeting.

11. This Meeting also hereby:

- (a). sanctions every abrogation, modification, compromise or arrangement in respect of the rights of the Bondholders appertaining to the Bonds against the Issuer and the Guarantor, whether or not such rights arise under the Trust Deed, involved in or resulting from or to be effected by the Proposal, this Extraordinary Resolution and their implementation; and
- (b). fully discharges and exonerates the Nominee and the Trustee from all liability for which either of them may have become or may become responsible under the Trust Deed or the Bonds in respect of any act or omission in connection with the Proposal, its implementation or this Extraordinary Resolution.

For the purposes of this Extraordinary Resolution, an Eligible Bondholder is a Bondholder who is not an Excluded Bondholder. An Excluded Bondholder is any Bondholder who does not (or is unable to) certify that it is:

- (a) located or resident outside the United States in an Approved Jurisdiction; or
- (b) located within the United States and is a qualified institutional buyer (QIB) as defined under Rule 144A of the Securities Act.

An Approved Jurisdiction is any jurisdiction other than the United States, Italy, Japan, Australia, South Africa, Belgium or France, provided that the Bondholders will be deemed to be located or resident in an Approved Jurisdiction if they have demonstrated to the satisfaction of the Company that they are:

- (a) located or resident in a Member State of the European Union (other than in respect of the UK and Ireland) and are qualified investors within the meaning of Directive 2003/71/EC of the European Parliament and of the Council or are otherwise entitled to be offered shares without an obligation to publish a prospectus or equivalent document in that jurisdiction;
- (b) located or resident in Australia and are persons to whom it is lawful for securities to be issued without disclosure under one or more of the exemptions set out in section 708 of the Corporations Act 2001;
- (c) located or resident in Canada and are who are acquiring securities as principal and who are "accredited investors" (as defined under National Instrument 45-106);
- (d) located or resident in Japan and are qualified institutional investors as defined pursuant to Article 10, Paragraph 1 of the Financial Instruments and Exchange Law Definitions Rules;
- (e) located or resident in South Africa and are entities described in Section 144(a) of the Companies Act, No. 61 of 1973; or
- (f) located or resident in any other jurisdiction in which they would be entitled to receive securities in connection with the implementation of the Proposal and the Restructuring in compliance with the laws or regulations of such jurisdiction.