



**DISPOSAL BY INM OF *THE INDEPENDENT* AND  
*THE INDEPENDENT ON SUNDAY* IN THE UK TO  
MR. ALEXANDER LEBEDEV**

Ticker: (Bloomberg) INM.ID/ INM.LN and (Reuters) INME.I/ INME.L

*Dublin/London 25 March 2010:* Independent News & Media PLC (“INM” or the “Group”) is pleased to announce the disposal of *The Independent* and *The Independent on Sunday* to Independent Print Limited (“IPL”), a company controlled by the family of Mr. Alexander Lebedev. IPL will acquire all rights to *The Independent*, *The Independent on Sunday* and the related website, [www.independent.co.uk](http://www.independent.co.uk) (the “Titles”).

The consideration payable by IPL is Stg£1. As part of the transaction, INM will pay IPL Stg£9.25m over the next ten months for use within the Titles, in exchange for IPL assuming all future trading liabilities and obligations. The disposal is subject to certain conditions, including Irish Competition approval.

Existing Independent and Independent on Sunday staff will transfer to IPL, who will continue to operate from the current premises in Kensington, London.

INM and IPL have also entered a new commercial agreement that ensures that all of INM’s market-leading publications worldwide will continue to enjoy full access, in real-time, to the Titles’ award-winning editorial copy.

Commenting, Gavin O’Reilly, Group Chief Executive Officer of INM said, *“This is a most satisfactory and positive outcome for the Titles, their staff and for INM’s shareholders. The transaction will be immediately earnings accretive for INM. After our successful refinancing in late 2009, this transaction marks an important milestone in the repositioning of our Group and will allow INM to focus solely on its market leading, cash generative assets in Ireland, Northern Ireland, South Africa, Australia and New Zealand.*

*“I wish IPL and the staff every success for the future in continuing the development of these important and influential titles. I believe that the Lebedevs will be progressive and supportive owners of the Independent titles which have played such an important role in British public life for nearly 25 years. I wish them, the Titles and our former colleagues every success for the future.*

As a result of this disposal, Ivan Fallon, chief executive of Independent News & Media UK has retired from the Group. Gavin O’Reilly commented: *“Ivan has made a significant contribution to INM since he joined the Group in 1994. He first led INM’s very successful investment in South Africa, before taking on the challenges of the UK market, where The Independent led the industry moving to the compact format. We wish him continuing success with his future endeavours”.*

## Transaction Overview

- Certain existing financial guarantees provided by INM to Trinity Mirror Printing Limited and Daily Mail & General Trust plc (pursuant to a number of long term contracts relating to the operation of the business of the Titles, including with respect to printing, distribution and back office services) will continue, albeit the Trinity Mirror guarantee will be at a significantly reduced level and for a shorter period.
- INM will continue to print certain Trinity Mirror publications in INM's Northern Ireland production facilities, with the existing print contract adjusted in recognition of the curtailment of the guarantee period.
- The Titles will continue to be printed by Trinity Mirror under a new five year contract agreed between IPL and Trinity Mirror.
- None of the significant punitive payments which would have been incurred in the event of termination of the contracts with Trinity Mirror Printing Limited and Daily Mail & General Trust plc are being activated by this proposal.
- The value of the assets being disposed of was nil at 31 December 2009 and the operating loss (i.e. before exceptionals, interest and tax) for the 12 months ended 31 December 2009 was Stg£12.4 million.
- INM was advised on this transaction by Nicholas Shott of Lazard & Co (London).

The transaction is expected to complete in May 2010, subject to satisfaction of certain conditions.

For further information, please contact:

|                        |                                |                        |
|------------------------|--------------------------------|------------------------|
| <b>Gavin O'Reilly</b>  | <b>Chief Executive Officer</b> | <b>+353 1 466 3200</b> |
| <b>Vincent Crowley</b> | <b>Chief Operating Officer</b> | <b>+353 1 466 3200</b> |
| <b>Dónal Buggy</b>     | <b>Chief Financial Officer</b> | <b>+353 1 466 3200</b> |

### Media

|                             |                         |
|-----------------------------|-------------------------|
| Pat Walsh                   | Rory Godson/Paul Durman |
| Murray Consultants (Dublin) | Powerscourt (London)    |
| Tel: +353 1 498 0300        | Tel: +44 20 7250 1446   |

### Investors and Analysts

Mark Kenny/Jonathan Neilan  
K Capital Source (Dublin)  
Tel: +353 1 663 3680  
Email: [INM@kcapitalsource.com](mailto:INM@kcapitalsource.com)