

INDEPENDENT NEWS & MEDIA PLC OVERSUBSCRIBED ISSUE OF NEW CEPS

Independent News & Media PLC [‘INM’] today announced that its wholly owned subsidiary, News & Media NZ Limited, has successfully concluded the fresh issue of NZ\$225.0 million (approximately €10 million) unsecured, subordinated Cumulative Exchangeable Preference Shares (CEPS), which will refinance the existing NZ\$181.8 million CEPS, which were due to mature on 30th November 2003.

With the funds already committed being well in excess of the NZ\$181.8 million required to refinance the existing CEPS, INM has decided not to accept any further subscriptions, and therefore there will be no public pool.

This new issue was fully underwritten up to NZ\$200.0 million by ABN Amro Rothschild and ASB Securities Limited, and due to oversubscriptions, the total issue size has been increased to NZ\$225.0 million. The new CEPS will mature on 30th November 2007 and will be exchangeable at that time for either NZ\$4.00 cash or one INM ordinary share, at the holder’s option. The new CEPS will carry an annual minimum cash dividend of 8.75%. However, the annual fixed dividend payable by INM – after swapping the New Zealand rate into the lower Euro rate – will be approximately 6.25%.

Existing CEPS holders totalling NZ\$134.6 million (or 74%) opted to exchange into the new issue, and a further NZ\$90.4 million was subscribed for by retail investors and institutions. This exceeded the projections contained in the Investment Statement and Prospectus issued on 16th May 2003, and represented a high level of support for the issue by existing holders.

Commenting on this announcement, INM’s Executive Chairman, Sir Anthony O’Reilly, said:

“The completion of this new CEPS issue is yet another important step in our recapitalisation programme. We are naturally delighted with the strong take-up by existing shareholders, as well as the extremely high level of new demand shown by retail brokers and investor institutions. The completion of this new issue, coupled with the continuing resilient trading performances in our business units, leaves the Group very well positioned for further growth.”

ENDS

6th June 2003

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