

**RESILIENT TRADING PERFORMANCE WITH REVENUES OF
€1.5 BILLION AND OPERATING PROFIT* OF €290 MILLION**

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

Dublin/London 30 April 2009: The Board of Independent News & Media PLC ('INM' or the 'Group') today announced the Group's full year results for the 12 months ended 31 December 2008. A detailed presentation on these results is available on the Group's website www.inmplc.com. This release also incorporates INM's Interim Management Statement relating to the 17 weeks from 1 January 2009 to 24 April 2009.

<u>RESULTS</u>	2008	2007	Change	Change Constant FX
	€m	€m		
Revenue	1,476.6	1,673.5	-11.8%	-2.6%
Operating Profit*	290.3	349.2	-16.9%	-9.8%
Operating Margin*	19.7%	20.9%	-120bps	
Profit Before Tax*	211.7	286.1	-26.0%	
(Loss)/Profit Before Tax	(161.4)	248.4	-165.0%	
Profit After Tax*	170.3	228.9	-25.6%	
(Loss)/Profit After Tax	(159.4)	195.7	-181.5%	
Cash Generated from Operations	287.3	278.8	+3.0%	
Basic (Loss)/Earnings Per Share	(19.9c)	14.6c	-236.3%	
Adjusted Earnings Per Share**	12.6c	18.8c	-33.0%	
Dividend Per Share – full year	4.57c	13.70c	-66.6%	

* Before exceptional items

** Diluted EPS, before exceptional items

SUMMARY PERFORMANCE

- Group Revenue of €1,476.6 million, represents a 2.6% decline on 2007 in constant currency terms – a good performance in exceptionally challenging market conditions
- INM outperforms peers, with advertising revenues only down by 3.8% and circulation revenues up 0.5% in constant currency
- Operating costs reduced by €138.0 million, down 0.7% in constant currency or down 3.0% on a like-for-like basis
- Reflecting both the diversity of INM's operations and the effectiveness of its cost reduction programme, the Group reported Operating Profit, before exceptional items, of €290.3 million – ahead of the guidance given on 26 January 2009
- Strong industry-leading operating margin at 19.7%
- Cash generated from operations of €287.3 million for 2008, up 3.0% on 2007

- Exceptional Costs of €373.1 million – primarily relates to non-cash impairment charges of €290.9 million, mainly arising on the Group’s intangible assets as a consequence of the current economic downturn. This is in line with other public media groups worldwide: such as DMGT, Fairfax, Johnston Press and Trinity Mirror and includes the impairment charge already reported in the annual results of APN News & Media Limited
- As indicated on 26 January 2009 and consistent with the Group’s financial objective to maximise available cash flow and reduce leverage, the Board has not recommended a Final Dividend for 2008
- Consistent with the objective to de-leverage, INM has identified a number of non-core assets to be disposed. Proceeds will be applied towards debt reduction

– 2008 PERFORMANCE OVERVIEW –

INM’s 2008 full year results reflect a resilient performance in very difficult market conditions. Group revenue of €1,476.6 million (2.6% decline in constant currency terms) yielded an Operating Profit, before exceptional items, of €290.3 million.

	Change (constant currency)
▪ Publishing revenues	-5.2%
▪ Publishing Advertising revenues (<i>incl. Online</i>)	-8.5%
▪ Circulation revenues	+0.5%
▪ Online revenues	+16.3%
▪ Outdoor revenues	+24.5%
▪ Radio revenues	-7.2%

INM continued to manage its operations – in a weakening global advertising climate – through aggressive advertising yield management, selective cover price increases and an unrelenting focus on operating cost reduction and business process improvement initiatives. Strong, effective and ongoing cost management across all geographies and all divisions partially offset the pronounced advertising contraction experienced from September 2008 onwards. Total Group costs were reduced by 10.4% or €138 million in 2008, producing an industry-leading margin of 19.7%.

INM reported a total exceptional charge of €373.1 million in 2008, of which €290.9 million was a non-cash impairment charge arising on the Group’s assets (primarily intangible assets) as a consequence of the current economic downturn. The Directors believe that when the economic climate recovers, these intangible asset valuations will improve. While impairment charges have been recorded during the year on certain of the Group’s intangible assets, the Group has many other intangible assets which have substantial value that is not reflected on the Group’s Balance Sheet because IFRS does not allow any value to be recognised for internally generated mastheads (such as the *Irish Independent*, the *Evening Herald* and the *Sunday Independent*) nor for any value created post acquisition (e.g. South African mastheads).

A further €58.0 million of the 2008 exceptional charge relates to restructuring costs incurred to enable the Group to significantly re-engineer its payroll and internal workflows across each of its main publishing divisions, with headcount reducing by over 630 during the year, with a further 160 headcount reduction to take place in early 2009 in relation to restructuring charges

booked in 2008. The remaining €24.2 million in the 2008 exceptional charge mainly relates to online and education start-up and other development costs and exceptional finance charges incurred.

Net finance charges (excluding exceptional finance charges) were €91.5 million, an increase of 11.0% on 2007 due to higher interest rates in place for most of 2008. The taxation charge (excluding exceptional items) of €41.4 million represents an effective tax rate of 19.6% down marginally from 20.0% in 2007. The exceptional tax credit of €43.4 million in 2008 arose mainly on the impairment charges booked in relation to intangible assets.

INM reported a loss after tax and minority interests of €164.4 million, including exceptional items. However, excluding exceptional items, the result was a profit of €104.0 million. This translated into a Diluted Earnings Per Share excluding exceptional items of 12.6 cent.

Net debt as at 31 December 2008 was €1,310.2 million, a reduction of €5.5 million year-on-year, with cash generated from operations increasing by 3% to €287.3 million. In 2008, INM completed a new four year bank facility for €105 million to fund the redemption of the €112.6 million outstanding under the Group's €125 million Bond, which matured in December.

– FINANCING UPDATE –

As a result of the current difficult credit markets, the Group has been unable to raise new debt to fund the maturity of the €200 million 5.75% bond which is due to mature on 18 May 2009. The Group currently does not have sufficient financial headroom available under its existing facilities in order to meet this maturity and service its debt obligations.

While the Group was compliant with its banking covenants as at 31 December 2008 and it remains both profitable and cash generative, the continued difficult trading conditions within which the Group is currently operating means there is now a strong likelihood of a breach of the financial covenants within the Group's borrowing facilities during 2009, if an amendment or waiver is not granted by the lenders in advance.

The Group has appointed Rothschild and Davy to advise it in relation to its refinancing requirements and the Group has entered into constructive discussions with an ad-hoc committee of the Bondholders, its Banks and the two major shareholders. Discussions to date have indicated a willingness from all parties to seek agreement and, while subject to material uncertainty, the Directors remain confident that an agreement will be reached with them which is acceptable to the Group. Agreement to a financial standstill period is being sought from Bondholders and Banks in order to afford a period beyond 18 May 2009 in which an agreement can be reached.

– DIVIDEND –

INM paid an interim dividend of 4.57 cent per share on 7 November 2008. As announced on 26 January 2009, the Directors are not proposing a final dividend in respect of the year ended 31 December 2008.

– BOARD –

As part of the Group's stated objective to reconstitute and reduce the size of the Board, during 2008, BMA Hopkins resigned as an executive Director and LP Healy and JC Davy retired from the Board after serving 35 years and 25 years respectively.

Since the year end, a number of other substantial changes to the composition of the Board have been announced. Sir Anthony O'Reilly has announced his retirement as a Director and as Group Chief Executive with effect from 7 May 2009. The Board has further announced that GK O'Reilly, who is currently Group Chief Operating Officer, has been appointed as Group Chief Executive Officer effective from 7 May 2009.

The Board appointed three new non-executive Directors, Leslie Buckley, Paul Connolly and Lucy Gaffney, with effect from 13 March 2009, each of whom brings a wide range of experience which will be of significant benefit to all stakeholders.

As part of a detailed restructuring of the Board, two executive Directors, VC Crowley – Chief Executive of Independent News & Media (Ireland) and IG Fallon – Chief Executive of Independent News & Media (UK), will be retiring from the Board and will remain as members of the Executive Committee.

In addition, BE Somers has advised the Board of his decision to retire from the Board with effect from 30 April 2009. The following non-executive Directors, PM Cosgrove, CU Daly, MN Hayes, Dr. IE Kenny, AJ O'Reilly Jr. and AC O'Reilly, have advised the Board that they will not be seeking re-election to the Board at the AGM.

– OUTLOOK –

Against a very difficult market backdrop, your Group is pleased to report a resilient revenue and operating profit performance for 2008. This performance reflects the diversity of the Group's operations and the effectiveness of its ongoing cost reduction programme.

Your Board believes that this performance in 2008 compares favourably to its peer group and is mainly attributable to INM's market leading positions, its strong brand franchises, the diversity of its geography and asset base, a continuing focus on product and platform innovation, increased online activities and continuing cost control. These key attributes should continue to benefit INM in 2009.

Trading in the first quarter of 2009 has been tougher than expected. Although earnings visibility is still limited, assuming advertising and credit markets do not deteriorate further, INM currently expects operating profit before exceptionals for 2009 to be within a €200 million – €230 million range and EBITDA within a €240 million – €270 million range.

– OPERATIONS REVIEW –

AUSTRALASIA

<u>OVERVIEW</u>	2008	2007	Change	Change Constant FX
	€m	€m		
Revenue	671.8	769.4	-12.7%	-4.9%
Operating Profit before Exceptional Items	155.5	192.7	-19.3%	-12.3%
Operating Margin	23.1%	25.0%	-190bps	

APN News & Media Ltd ('APN'), in which INM has a 39.1% shareholding, is listed on the Australian and New Zealand Stock Exchanges. Generally tougher advertising conditions led to a 4.9% decline (in constant currency) in Revenue to €671.8 million, which produced a 2008 Operating Profit of €155.5 million (a 12.3% decline in constant currency).

In the Australian Regional Publishing division, continued readership growth produced a solid advertising performance, particularly from national advertisers, who are emerging as an increasingly important category, which – together with retail advertising – now represents almost 60% of advertising revenue for this division. In addition, despite the challenging macro-economic climate, real estate and employment advertising reported year-on-year growth.

In New Zealand, trading conditions remained very challenging throughout 2008 for both National and Regional publishing, with reduced advertising spend across most categories. Active cost management continued to be a strong focus, with editorial production, marketing and logistics of individual regional titles being transferred to a single outsourced facility in Auckland. After two years of consistent growth, New Zealand's largest daily newspaper, *The New Zealand Herald*, added a further 10,000 readers in the most recent readership survey to reach an average of 583,000 readers per day. Its sister title, the *Herald on Sunday* also continued to gain significant market share, adding 37,000 readers on the prior year, achieving a record total of 382,000 readers, just four years after its launch.

In the Radio division, Australian Radio Network ('ARN') ended the year strongly, with its Sydney stations securing the position of number one network for both the 10+ demographic and its target audience of the 25-54 demographic. Together with a solid performance in Melbourne, ARN is now the top network for the 25-54 demographic in the combined markets of Sydney and Melbourne. Radio advertising remains competitive across Australia, but is showing resilience despite tougher markets. The Radio Network ('TRN') in New Zealand broadcasts across more than 120 FM and AM frequencies around the country, reaching 1.5 million listeners each week, and is the clear market leader in New Zealand radio, with a 10+ audience share at a record 47.3%. *NewstalkZB* is the number one national network, with a 12.9% audience share, and is now the top station in the three major metropolitan cities of Auckland, Wellington and Christchurch.

APN Outdoor, Australasia's leading outdoor advertising business, reported a strong performance for 2008, maintaining revenue on a constant currency basis and growing operating profit. APN Outdoor launched Australia's largest digital billboard in Melbourne, and this is an important revenue development for the business. The Adshel street furniture business retained important contracts and rolled out a programme of new facings in Canberra. While the economic slowdown has impacted revenues, it has also allowed the renegotiation of leases on more advantageous terms. Despite tough trading conditions throughout 2008, the New Zealand Outdoor division retained its market leading positions across all of the major Outdoor categories.

In Online, the development of an APN Regional News Network built on upgraded masthead websites is well advanced and is attracting good traffic and advertising revenue. The sites are being developed in tandem with a suite of 'finda' branded local community and directory sites. APN continues to invest in New Zealand online, with *The New Zealand Herald* website, www.nzherald.co.nz, remaining the most popular news website in New Zealand, generating a near 300% increase in revenue and traffic in the past two years.

IRELAND

OVERVIEW	2008	2007	Change
	€m	€m	
Revenue	377.3	401.3	-6.0%
Operating Profit before Exceptional Items	75.8	98.3	-22.9%
Operating Margin	20.1%	24.5%	-440bps

The Irish division reported 2008 Revenue of €377.3 million, which is down on last year as a result of a significant fall off in advertising in the second half, and delivered a good operating margin of 20.1%, with an operating profit of €75.8 million.

Advertising revenues declined by 15% year-on-year in 2008, after a record first quarter, reflecting the accelerating deterioration in the Irish economy throughout the rest of the year. This advertising decline principally reflected significantly reduced property and recruitment revenues, while run-of-paper and retail advertising achieved modest growth. Against this difficult market backdrop, and in the context of one of the most competitive newspaper markets in the world, circulation revenues still delivered an impressive 2.8% increase in 2008, from select cover price increases and solid circulation volumes.

The market-leading positions of the Group's titles were maintained during the year, with the *Irish Independent* remaining the clear number one quality daily newspaper with an ABC¹ of 154,610 copies (a 47.9% market share). Attracting an average daily readership of 520,000 readers², it continues to reach as many readers each day as its two leading competitors combined. Ireland's largest selling Sunday quality newspaper, the *Sunday Independent*, also delivered a solid performance during 2008 recording an ABC¹ figure of 270,362 copies. It continues to be the Republic of Ireland's most read newspaper attracting over 941,000 readers² each and every Sunday. The *Sunday World* consolidated its position as Ireland's largest selling newspaper in 2008, as well as maintaining its position as Ireland's most read and biggest selling tabloid newspaper, delivering an average sale across the two ABC periods in 2008 of 288,669 copies, an increase of 1.9% on 2007.

Despite the significant volume of free dailies in the Dublin market place, the *Evening Herald* continued to demonstrate the resilience of its brand, reporting 317,000 readers² in 2008 – its fourth consecutive year of readership growth.

The Group's joint venture publication, the *Irish Daily Star*, consolidated its position as a market leader in the popular daily tabloid sector and delivered an ABC¹ of 105,031 copies. The *Irish Daily Star Sunday* is now firmly established in the market after only five years in existence, achieving an ABC¹ of 59,898 copies.

The Group's daily free newspaper, *herald am*, continued to outperform the competition and remains the largest and most read free circulating newspaper in the country, with a verified

¹ July to December 2008 ABC period

² JNRS 2008

free daily distribution of 73,992 copies (March 2009) and a readership² of 100,000, a clear 10,000 readers ahead of its rival publication.

The Group publishes 13 paid-for weekly regional titles in counties Cork, Kerry, Dublin, Louth, Wexford, Wicklow, Carlow and Sligo (following the acquisition of *The Sligo Champion* in March 2008).

Newsread, INM's wholly-owned distribution and wholesaling company, continued to trade well in 2008. Wholesale Newspaper Services Limited (WNS), the largest newspaper and magazine distributor in Northern Ireland, was integrated into Newsread during 2008 to provide an all-Ireland distribution capability. The ongoing market-leading strength of the Group's distribution business has been further underpinned by the installation of a new state-of-the-art SAP distribution system, which went live in March 2009.

In Education, Independent College made excellent progress throughout 2008 – its first full year in operation. To date, it has attracted over 5,000 students for its professional, academic and development courses. The College now has the largest student body for professional law courses in Ireland, with six first place prize winners in the 2008 Law Society of Ireland entrance examinations. In a highly competitive market, the professional accountancy school has become one of the market leaders with a reputation for the best lecturers, as borne out by its seven ACCA prize winners last year.

INM's suite of online offerings continued to perform well in 2008, with significant revenue growth in its publishing platform (up 38% on 2007). The core publishing site *www.independent.ie* continued to establish itself as a leading online news resource with a recently released ABCe confirming 23.1 million page impressions and 1.8 million unique users in October 2008 (+27% and +87% respectively on the last audited statistics). The Group's publishing platform was further expanded in 2008 by the launch of *www.herald.ie* and a suite of regional sites. *www.loadzajobs.ie* continues its innovative and successful approach to the online recruitment market, with its online recruitment fairs proving extremely popular with both advertisers and candidates. The Group's online footprint in Ireland was further expanded in early 2008 with the launch of the *www.yourlocal.ie* website, a dedicated online directory website, which now boasts over 2,500 customers from launch in February 2008.

SOUTH AFRICA

<u>OVERVIEW</u>	2008	2007	Change	Change Constant FX
	€m	€m		
Revenue	212.5	234.7	-9.5%	15.1%
Operating Profit before Exceptional Items	72.2	59.1	22.2%	41.1%
Operating Margin	34.0%	25.2%	+880bps	

The South African division reported 2008 Revenue of €212.5 million and very strong operating profits of €72.2 million, which reflects the positive impact of the acquisition of INM Outdoor and the benefit of INM's ongoing focus on business improvement initiatives leveraged off new operating structures and upgraded newspaper production technology.

¹ July to December 2008 ABC period

² JNRS 2008

INM's South African operations traded well in 2008 despite a rapidly deteriorating economic environment which resulted in a marked slowdown in advertising volumes from July 2008 onwards. Revenues were impacted by reduced consumer spending and confidence in the wake of the increasing interest rates, rising inflation and adverse currency movements. However, it should be noted that economic conditions in South Africa have not been as badly impacted as in Europe and in Australasia, partly due to a more stable financial environment which was supported by conservative banking regulations and the introduction of the National Credit Act in 2007, which reduced consumer credit availability.

The Group's titles maintained their strong market positions in both circulation and advertising despite aggressive competition. In a tougher trading environment, the core (actively purchased) sales of the morning titles (*Cape Times* and *Mercury*) in particular held firm and the daily Zulu-language *Isolezwe* nudged closer to an average daily sale of 100,000 copies (now at around 98,500). Overall readership in the metro markets has been maintained and the Group's titles held their share of advertising spend. A stand-alone Sunday edition of *Isolezwe* (*Isolezwe ngeSonto*) was successfully launched in 2008, with weekly sales now just under 50,000.

Expansion of the Group's online presence continues with the launch of South Africa's largest property website (www.iolproperty.co.za) which is market leader in both terms of search capability and houses for sale and to let, with over 270,000 homes listed.

The wholly-owned Magazine division (Condé Nast Independent Magazines) reported a good trading performance in a very competitive trading environment. Condé Nast *House & Garden* celebrated its 10th Anniversary and continues to be number one in the South African Home Décor market.

In Outdoor, a strong and growing presence in 12 high-growth markets outside South Africa has driven the strong profit contribution. Since acquisition, the business has expanded into Madagascar and further market expansion opportunities in Africa are being assessed. INM Outdoor's market-leading position leaves it well placed to take advantage of the revenue opportunities arising from the 2010 Soccer World Cup.

UNITED KINGDOM

OVERVIEW	2008	2007	Change	Change
	€m	€m		Constant FX
Revenue	215.0	268.1	-19.8%	-6.6%
Operating Profit before Exceptional Items	0.2	15.5	-98.7%	-98.7%
Operating Margin	0.1%	5.8%	-570bps	

The UK division reported 2008 Revenue of €215.0 million, a shortfall of €53.1 million against the prior year, mainly driven by a reduction in advertising and circulation revenues. As a result, operating profit for the year declined to €0.2 million.

The UK division undertook a major cost-efficiency programme in both London and Belfast in 2008 which included the closure of its loss-making magazine division. The Nationals division, comprising *The Independent* and *Independent on Sunday*, reported advertising revenue down 14.3% on 2007 driven by the very weak economic climate in the UK. At the end of 2008, the Nationals division announced a major restructuring programme, aimed at producing substantial savings and greater efficiencies, by entering into a service-sharing

agreement with Daily Mail & General Trust (DMGT) under which the operation will move from its existing Docklands premises to DMGT's offices in Kensington. DMGT will provide office space and services including information technology, production and picture services with further additional services to be shared going forward. This restructuring, combined with the initial phase of savings from the DMGT deal, will yield annualised cost savings of over £10 million (€11.1 million).

Both titles also appointed new editors during the year: Roger Alton, the award-winning former editor of *The Observer*, joined as editor of *The Independent* in July 2008; while John Mullin, after a distinguished career at the daily title, moved to the Sunday title as editor. Simon Kelner, who had edited the daily title for 10 years, was appointed as Managing Director and Editor-in-Chief. With a UK readership of 688,000 - including 588,000 in the lucrative ABC1 segment - *The Independent* remains an integral part of the UK quality newspaper market. In the quality Sunday market the *Independent on Sunday* had 720,000 readers, of which 600,000 were ABC1, providing a strong platform for targeted advertising in a difficult market.

The Group's interests in Northern Ireland comprise the biggest publishing operation (the *Belfast Telegraph* and *Sunday Life*), the biggest commercial printing operation with two modern plants in Belfast and Newry, the number one property website (www.propertynews.com) and the biggest newspaper and magazine distributor, WNS.

The *Belfast Telegraph* remains the number one newspaper serving the Northern Ireland community. Advertising revenue remained weak and was down 14.9% on 2007 reflecting lower government spend, recruitment and property advertising. Despite weak economic conditions, the Group continued its commitment to ongoing innovation and editorial improvement with the launch of a new advertising-led Saturday magazine. *Sunday Life* was also re-designed to reflect the changing environment of the Northern Ireland community. The success of the morning compact edition led to a review of the broadsheet format and in March 2009, the *Belfast Telegraph* successfully moved to a fully compact format.

The new printing plant in Newry, which was commissioned in 2007, is now fully operational, producing both newsprint titles and glossy magazine titles on a revolutionary new dual heatset/coldest press installed by Goss. The Newry plant is now printing the entire island-of-Ireland print run for the *Irish Daily Star* and *Sunday World*, and together with the Belfast plant, most of the UK national newspapers circulating in the Northern Ireland market. It also prints the magazine section of the *Saturday Independent* in London, as well as other Group publications. The Group now has three modern, fully-equipped print plants on the island-of-Ireland, allowing maximum efficiencies in distribution.

In the Online division, www.independent.co.uk has seen significant growth with January 2009 page impressions for the site at 49.3 million, an increase of 179% over January 2008 with unique users up to 10.2 million, a 108% increase year-on-year. In Northern Ireland, www.propertynews.com has continued to expand and improve its functionality and services to the property industry, strengthening its already dominant position in the online property market. A new car site, www.nicarfinder.co.uk, was launched in February 2008 to complement a new classified print product and has performed exceptionally well in an otherwise difficult market. A new jobs website, www.nijobfinder.co.uk was successfully launched in early 2009 on the same model. In addition to these classified platforms, the news portal www.belfasttelegraph.co.uk was re-launched with significantly improved functionality and content, which has resulted in an increase of more than three-fold in unique users and page impressions and a commensurate 78% increase in online revenues in H2 2008.

INDIA

Jagran Prakashan Limited ('JPL'), INM's 20.8% owned Indian associate – which is listed on the Mumbai and National Stock Exchanges in India – recorded Revenue of €130.5 million (an increase of 11.2% in constant currency terms) and an Operating Profit of €20.5 million for the four quarters ended 31 December 2008.

This performance reflects the continuing strong growth of *Dainik Jagran*, India's largest selling newspaper and the world's largest read daily newspaper (with a total of 55.7 million readers weekly). Circulation volumes continued to grow as JPL expanded its footprint. *Dainik Jagran* is now published in 37 editions across 11 states from 30 different printing facilities.

The Outdoor division, *Jagran Engage*, now has exclusive marketing rights in some of the key outdoor properties in Delhi, Mumbai and Bangalore. JPL's mobile division (J9) also continues to expand rapidly in a very fast-growing market. During the year, JPL successfully launched its digital online classified web and SMS portal, www.khojle.in.

Radio Mantra (in which INM has a 20% stake) continued to expand during 2008 with eight radio stations across four major states in Northern India. The Indian Radio Survey R2 – 2008, shows that *Radio Mantra* is the No. 1 radio station in four of the five areas in which it broadcasts, with 2.5 million listeners.

– INTERIM MANAGEMENT STATEMENT –

In accordance with the Transparency Regulations, this Interim Management Statement is an update on INM's trading performance for the first 17 weeks of 2009 (from 1 January 2009 to 24 April 2009).

- To date in 2009, INM has experienced a continuation of the tough trading conditions experienced in the last 4 months of 2008. While the trading performance compared to the same period in 2008 appears very weak, it should be noted that Q1 2008 was a particularly strong quarter, especially in Ireland. The comparators become more favourable as 2009 progresses.
- Currently, total revenues (in constant currency) are down year-on-year by 13.5%, with:
 - Group advertising revenue down by 18.4%; and
 - Group circulation revenue down by 1.0%.
- Costs continue to be well-managed across the Group and, in constant currency terms, are 7.9% below the same period in 2008, despite significant newsprint price increases.
- A number of changes to the Board of Directors of INM have been announced since the year end, details of which are outlined above.
- An update on the Group's refinancing is detailed above.
- Following a period of significant capital spend, 2009 capital expenditure is expected to reduce by 50% to €31 million and is below the 2009 forecasted depreciation charge.
- On 20 March 2009, INM announced that APN confirmed that the New Zealand Inland Revenue Department ('NZIRD') has advised that it has formally decided to discontinue the dispute in relation to the tax treatment of APN's Masthead Licensing Agreement ('MLA'). The decision confirms the taxation and accounting treatment adopted by both

INM and APN in relation to the MLA and results in no additional tax being payable by either INM or APN. This decision also means that INM no longer has any liability to APN under the warranties it granted to APN at the time of the sale of Wilson & Horton Limited to APN in 2001, and the tax indemnity falls away.

- Trading in the first quarter of 2009 has been tougher than expected. Although earnings visibility is still limited, assuming advertising and credit markets do not deteriorate further, INM currently expects operating profit before exceptionals for 2009 to be within a €200 million – €230 million range and EBITDA within a €240 million – €270 million range.

INM expects to announce its Interim results for the half year to 30 June on 27 August 2009.

Note Regarding Forward-Looking Statements

Some statements in this announcement are forward-looking. They represent our expectations for our business, and involve risks and uncertainties. We have based these forward-looking statements on our current expectations and projections about future events. We believe that our expectations and assumptions with respect to these forward-looking statements are reasonable. However, because they involve known and unknown risks, uncertainties and other factors, which are in some cases beyond our control, our actual results or performance, may differ materially from those expressed or implied by such forward-looking statements. These forward-looking statements speak only as of the date of this document and no obligation is undertaken, save as required by law or by the Listing Rules of the Irish Stock Exchange and/or the UK Listing Authority, to reflect new information, future events or otherwise.

ENDS

30 April 2009

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ABOUT INDEPENDENT NEWS & MEDIA PLC
– CORPORATE PROFILE –

INM is a leading international newspaper and communications group, with its main interests in Australia, India, Ireland, New Zealand, South Africa and the United Kingdom. Spanning four continents, 10 major markets and 22 individual countries, INM has market-leading newspaper positions in Australia (regional), India, Indonesia, Ireland, New Zealand and South Africa. In the United Kingdom, it publishes the flagship national title, *The Independent*, as well as being the largest newspaper group in Northern Ireland.

Across these regions, the Group publishes over 200 newspaper and magazine titles, delivering a combined weekly circulation of 32 million copies, with a weekly audience of over 100 million consumers and includes the world's largest read newspaper, *Dainik Jagran*, in India. The Group has established a strong and growing online presence, with over 100 editorial, classified and transactional sites.

INM is the largest radio operator – over 130 stations and an audience of almost six million people – and outdoor advertising operator in Australasia and also has leading outdoor advertising positions in Hong Kong, Malaysia, India, Indonesia and across Africa.

The Group has grown consistently over the last 15 years by building a geographically unique and diverse portfolio of market-leading brands, and today manages gross assets of €2.1 billion, revenue of €1.6 billion and employs approximately 9,600 people worldwide. Further information is available on the Group's website www.inmplc.com.

INDEPENDENT NEWS & MEDIA PLC
FINAL RESULTS

Group Income Statement

		Year Ended 31 December 2008			Year Ended 31 December 2007		
	Notes	Before Exceptional Items €m	Exceptional Items* €m	Total €m	Before Exceptional Items €m	Exceptional Items* €m	Total €m
Revenue	3	1,476.6	-	1,476.6	1,673.5	-	1,673.5
Operating profit/(loss)	3	290.3	(365.9)	(75.6)	349.2	(37.7)	311.5
Share of results of associates and joint ventures		12.9	-	12.9	19.3	-	19.3
Finance income/costs:	5						
- Finance income		8.9	-	8.9	10.9	-	10.9
- Finance costs		(100.4)	(7.2)	(107.6)	(93.3)	-	(93.3)
Profit/(loss) before taxation		211.7	(373.1)	(161.4)	286.1	(37.7)	248.4
Taxation (charge)/credit		(41.4)	43.4	2.0	(57.2)	4.5	(52.7)
Profit/(loss) for the year		170.3	(329.7)	(159.4)	228.9	(33.2)	195.7
Attributable to:							
Minority interests		66.3	(61.3)	5.0	85.2	(0.2)	85.0
Equity holders of the parent		104.0	(268.4)	(164.4)	143.7	(33.0)	110.7
		170.3	(329.7)	(159.4)	228.9	(33.2)	195.7
(Loss)/earnings per ordinary share (cent)							
- Basic	6			(19.9c)			14.6c
- Diluted	6			(19.9c)			14.5c

* Note 4

Group Statement of Recognised Income and Expense

	Year Ended 31 Dec 2008 €m	Year Ended 31 Dec 2007 €m
Items of (expense)/income recognised directly in equity		
Currency translation adjustments	(297.4)	(63.1)
Retirement benefit obligations:		
- Actuarial (losses)/gains	(64.9)	15.1
- Movement on deferred tax asset	7.0	(2.0)
Losses relating to cash flow hedges	(5.1)	(0.7)
Net expense recognised directly in equity	(360.4)	(50.7)
(Loss)/profit for the year	(159.4)	195.7
Total recognised income and expense for the year	(519.8)	145.0
Attributable to:		
Minority interests	(91.6)	82.9
Equity holders of the parent	(428.2)	62.1
	(519.8)	145.0

Group Balance Sheet

	31 Dec 2008	31 Dec 2007
	<u>€m</u>	<u>€m</u>
Assets		
Non-Current Assets		
Intangible assets	1,330.5	1,805.4
Property, plant and equipment	334.9	376.5
Investments in associates and joint ventures	69.6	90.0
Deferred taxation assets	19.3	54.7
Available-for-sale financial assets	16.7	37.0
Trade and other receivables	21.8	45.9
	<u>1,792.8</u>	<u>2,409.5</u>
Current Assets		
Inventories	14.9	16.7
Trade and other receivables	210.6	298.1
Current income tax assets	0.5	3.5
Derivative financial instruments	-	0.9
Cash and cash equivalents	80.7	147.5
	<u>306.7</u>	<u>466.7</u>
Total Assets	<u>2,099.5</u>	<u>2,876.2</u>
Liabilities		
Current Liabilities		
Trade and other payables	238.5	274.3
Current income tax liabilities	12.0	20.1
Borrowings	336.3	221.7
Derivative financial instruments	5.5	3.3
Provisions for other liabilities and charges	36.8	27.1
	<u>629.1</u>	<u>546.5</u>
Non-Current Liabilities		
Borrowings	1,054.6	1,241.5
Retirement benefit obligations	148.8	100.4
Deferred taxation liabilities	125.6	233.5
Other payables	5.0	6.4
Provisions for other liabilities and charges	3.4	0.8
	<u>1,337.4</u>	<u>1,582.6</u>
Total Liabilities	<u>1,966.5</u>	<u>2,129.1</u>
Net Assets	<u>133.0</u>	<u>747.1</u>
Equity		
Capital and Reserves Attributable to Equity Holders of the Parent		
Share capital	263.6	249.2
Other reserves	196.9	377.9
Retained losses	(738.5)	(454.9)
	<u>(278.0)</u>	<u>172.2</u>
Minority Interests	<u>411.0</u>	<u>574.9</u>
Total Equity	<u>133.0</u>	<u>747.1</u>

Group Cash Flow Statement

	Notes	Year Ended 31 December	
		2008 €m	2007 €m
Cash generated from operations		287.3	278.8
Income tax paid		(34.9)	(33.9)
Cash generated by operating activities	8	252.4	244.9
Cash flows from investing activities			
Purchases of property, plant and equipment		(55.8)	(65.0)
Proceeds from sale of property, plant and equipment		17.7	18.0
Purchases of intangible assets		(18.7)	(70.5)
Purchases of subsidiary undertakings		(25.3)	-
Cash acquired with subsidiary undertakings		21.4	-
Purchases of associates and joint ventures		(5.9)	(1.4)
Advances to associates and joint ventures		(4.3)	(3.4)
Loans repaid by associates and joint ventures		3.0	3.6
Purchases of available-for-sale financial assets		(1.4)	(11.1)
Proceeds from sale of available-for-sale financial assets		3.9	0.3
Interest received		8.2	11.4
Dividends received		4.9	7.8
Net cash used in investing activities		(52.3)	(110.3)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		0.1	13.5
Debt issue costs		(1.0)	(1.5)
Interest paid		(94.0)	(89.5)
Proceeds from borrowings		323.3	535.7
Repayment of borrowings		(263.7)	(172.6)
Repayment of compound financial instruments		-	(9.9)
Dividends paid to shareholders of the parent		(97.7)	(72.6)
Payment of finance lease liabilities		(45.6)	(43.6)
Purchases of treasury shares		-	(138.3)
Issue of minority interests by subsidiary undertaking		0.9	6.8
Dividends paid to minority interests		(72.8)	(77.3)
Purchases of minority interests		-	(35.8)
Net cash used in financing activities		(250.5)	(85.1)
Net (decrease)/increase in cash and cash equivalents and bank overdrafts in the year		(50.4)	49.5
Balance at beginning of the year		145.9	100.7
Exchange losses		(23.9)	(4.3)
Cash and cash equivalents and bank overdrafts at end of the year		71.6	145.9

NOTES TO THE FINAL RESULTS

1. Basis of Preparation of Financial Information under IFRS

Basis of Preparation and Liquidity

This financial information has been prepared on the going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due for the foreseeable future. However, as a result of the current difficult credit markets, the Group has been unable to raise new debt to fund the maturity of the €200m 5.75% bond (“Bonds”) which is due to mature on 18 May 2009. The Group currently does not have sufficient financial headroom available under its existing facilities in order to meet this maturity and service its debt obligations.

In addition, the Group’s bank facilities contain certain covenant tests relating to Net Debt to EBITDA and EBITDA to Net Interest. Failure of a covenant test would render the facilities in default and repayable on demand at the option of the lenders if an amendment or waiver is not granted by the lenders in advance. The Group reports on these covenants to the eight banks within the Group’s bank group (the “Banks”) bi-annually as part of the facility agreements. While the Group was compliant with its banking covenants as at 31 December 2008, the covenants are due to be tested again as at 30 June 2009 and 31 December 2009. The Group remains both profitable and cash generative but, given the continued difficult trading conditions within which the Group is currently operating, there is now a strong likelihood of a breach of the financial covenants within the Group’s borrowing facilities during 2009 if an amendment or waiver is not granted by the lenders in advance.

The Group has appointed Rothschild and Davy to advise it in relation to its refinancing requirements and the Group has entered into constructive discussions with an ad-hoc committee of the holders of the Bonds (the “Bondholders”), its Banks and the two major shareholders, in relation to the Group’s proposal to reschedule maturities on the Bonds and Bank debt and agree covenant amendments and the provision of sufficient working capital facilities. However, there can be no certainty that these discussions with the Bondholders, the Banks and the two major shareholders will be successfully concluded or that banking facilities will continue to be available to the Group on commercially acceptable terms.

In order to amend the terms of the Bonds (including the maturity date of the Bonds) a meeting of the Bondholders must be convened. Such a meeting requires 21 clear days notice to the Bondholders and requires 75% of those voting at such a meeting to approve any amendment to the terms. Given the time available does not permit the holding of a Bondholders meeting by 18 May 2009, the Company will seek a financial standstill with the Bondholders and Banks, whereby no party will take any action to enforce any claim for any payment during the financial standstill period.

Given the current economic circumstances and the difficulties in raising finance, the Directors have had detailed and ongoing discussions as a Board. Following these discussions, although the Directors remain confident of a satisfactory outcome, they have concluded that as the combination and timing of these circumstances is not entirely within their control, they indicate the existence of a material uncertainty which may cast significant doubt on the Group’s and Company’s ability to continue as a going concern.

NOTES TO THE FINAL RESULTS (continued)

1. Basis of Preparation of Financial Information under IFRS (continued)

Basis of Preparation and Liquidity (continued)

If this is the case, the Group and Company may be unable to continue to realise assets and discharge liabilities in the normal course of business.

However, discussions to date with the Group's Bondholders, Banks and two major shareholders have indicated a willingness to seek agreement and the Directors remain confident that an agreement will be reached with them which is acceptable to the Group. Consequently, having made due enquiries and considering the uncertainties described above, the Directors have a reasonable expectation that the Group and Company has and will have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing this financial information and this financial information does not include any adjustments that would result from the going concern basis of preparation being inappropriate.

The financial information in this announcement does not constitute the statutory accounts of the Company and the Group, a copy of which is required to be annexed to the Company's annual return to the Companies Registration Office in Ireland. A copy of the statutory accounts in respect of the year ended 31 December 2008 will be annexed to the Company's annual return for 2008.

A copy of the statutory accounts required to be annexed to the Company's annual return in respect of the year ended 31 December 2007 has been annexed to the Company's annual return for 2007 to the Companies Registration Office. The auditor's report on the statutory accounts for the year ended 31 December 2007 was unqualified.

The 2008 statutory accounts of the Company will be available on the Company's website *www.inmplc.com* as of 30 April 2009. Consistent with prior years, the full financial statements for the year ended 31 December 2008 and the audit report thereon will be completed and circulated to shareholders at least 20 working days before the AGM.

The auditors have reported on the statutory accounts for the year ended 31 December 2008. The auditors have issued an unqualified report on the statutory accounts for the year ended 31 December 2008. However, for the reasons outlined above and without qualifying their report, the auditors have emphasised matters that they would wish to draw to the attention of shareholders in respect of funding and going concern. The matters referred to in the auditors' report relating to going concern are described above and are also described in detail in note 1 of the statutory accounts for the year ended 31 December 2008.

General Information

In accordance with EU Regulations, the Group is required to present its annual consolidated financial statements for the year ended 31 December 2008 in accordance with EU adopted International Financial Reporting Standards ("IFRS") and IFRIC interpretations and with those parts of the Companies Acts, 1963 to 2006, applicable to companies reporting under IFRS. This financial information comprises the Group

NOTES TO THE FINAL RESULTS (continued)

1. Basis of Preparation of Financial Information under IFRS (continued)

General Information (continued)

Balance Sheets as of 31 December 2008 and 31 December 2007 and related Group Income Statements, Cash Flow Statements, Statements of Recognised Income and Expense and related notes for the years then ended of Independent News & Media PLC. This financial information for the years ended 31 December 2008 and 31 December 2007 has been prepared in accordance with the Listing Rules of the Irish Stock Exchange. The accounting policies used in preparing this financial information are set out in the audited financial statements for the year ended 31 December 2008 which are available on the Company's website *www.inmplc.com* as of 30 April 2009. The consolidated financial statements are prepared under the historical cost convention and the measurement at fair value of certain financial instruments.

2. Intangible Assets – Supplementary Non-IFRS Information

The Balance Sheet reports the carrying value of newspaper mastheads at their acquired cost; where these assets have been acquired through a business combination, cost will be the fair value allocated in acquisition accounting. The value of internally generated newspaper mastheads or post-acquisition revaluations are not permitted to be recognised in the Balance Sheet in accordance with IFRS and, as a result, no value for certain of the Group's internally generated newspaper mastheads (e.g. the three main Irish titles, the *Irish Independent*, the *Evening Herald* and the *Sunday Independent*) is reflected in the Balance Sheet.

While impairment charges have been recorded during the year on certain of the Group's intangible assets, the Group has many other intangible assets which have substantial value that is not reflected on the Group's Balance Sheet. This is because these intangible assets are carried in the Group's Balance Sheet at either a nil value or a value which is much less than their recoverable amount. IFRS does not allow the offsetting of this excess value on the total of the Group's mastheads against the impairment charge recorded in the year.

NOTES TO THE FINAL RESULTS (continued)

3. Segmental Reporting

(i) Geographical Segment

	Revenue		Operating Profit (Before Exceptionals)	
	2008	2007	2008	2007
	€m	€m	€m	€m
Ireland	377.3	401.3	75.8	98.3
United Kingdom	215.0	268.1	0.2	15.5
South Africa	212.5	234.7	72.2	59.1
Australasia	671.8	769.4	155.5	192.7
Common costs			(13.4)	(16.4)
	1,476.6	1,673.5	290.3	349.2

	Exceptional Items	
	2008	2007
	€m	€m
Ireland	(25.0)	(32.1)
United Kingdom	(205.6)	0.8
South Africa	(3.1)	(1.2)
Australasia	(114.3)	(5.2)
Common/Unallocated	(17.9)	-
	(365.9)	(37.7)

Operating (loss)/profit after exceptional items

Ireland	50.8	66.2
United Kingdom	(205.4)	16.3
South Africa	69.1	57.9
Australasia	41.2	187.5
Common costs	(31.3)	(16.4)
	(75.6)	311.5

(ii) Business Segment

	Revenue		Operating Profit (Before Exceptionals)	
	2008	2007	2008	2007
	€m	€m	€m	€m
Printing, publishing, online, distribution and commercial printing	1,176.7	1,370.2	235.3	295.8
Radio	127.6	149.5	39.5	51.9
Outdoor advertising	172.3	153.8	28.9	17.9
Common costs			(13.4)	(16.4)
	1,476.6	1,673.5	290.3	349.2

NOTES TO THE FINAL RESULTS (continued)

4. Exceptional Items

Exceptional items are those items of income and expense that the Group considers are material and/or of such a nature that their separate disclosure is relevant to a better understanding of the Group's financial performance.

	2008	2007
	€m	€m
Included in (loss)/profit before taxation are the following:		
Impairment of assets and gains/(losses) on sale of assets, net of transaction costs	(i) (295.8)	15.4
Restructuring charges	(ii) (58.0)	(45.9)
Online and education start-up and other development costs	(iii) (12.1)	(7.2)
	(365.9)	(37.7)
Exceptional finance costs	(iv) (7.2)	-
Total exceptional items	(373.1)	(37.7)
Net exceptional tax credit	43.4	4.5
Minority interest share of exceptional items (net of tax)	61.3	0.2
Exceptional items net of taxation and minority interests	(268.4)	(33.0)

- (i) Primarily relates to non-cash impairment charges of €290.9m. These arose on intangible assets €258.7m, investments in associates and joint ventures €3.4m, loans to associates and joint ventures €6.m, property, plant and equipment €11.7m and available-for-sale financial assets €10.4m in respect of the Group's operations in Ireland, United Kingdom and in Australasia. It also includes gains on the sale of properties in Australasia. (2007: Relates to the gain on disposal of investments and properties in Australasia and the United Kingdom net of costs associated with the unsuccessful APN Scheme of Arrangement and charges relating to the decommissioning of certain property, plant and equipment across the Group.)
- (ii) Relates to the restructuring of operations in Ireland €6.0m, United Kingdom €15.1m, South Africa €3.1m and in Australasia €19.0m. It also includes onerous contracts arising in the publishing businesses in Australasia and the United Kingdom. (2007: Relates to the restructuring of operations in Ireland, United Kingdom, South Africa and in Australasia.)
- (iii) Relates to start-up and other development costs in respect of online in Australasia, United Kingdom and Ireland and education in Ireland. It also includes other launch costs incurred in Ireland. (2007: Relates to start-up and other development costs in respect of online in Australasia and Ireland and education in Ireland.)
- (iv) The exceptional finance costs relate to costs incurred by the Group as part of the re-negotiation of financing arrangements during the year.

NOTES TO THE FINAL RESULTS (continued)

5. Net Finance Costs

	2008	2007
	<u>€m</u>	<u>€m</u>
Finance income	(8.9)	(10.9)
Finance costs	100.4	93.3
Net finance costs (before exceptional finance costs)	<u>91.5</u>	82.4
Exceptional finance costs (note 4)	7.2	-
Net finance costs	<u>98.7</u>	82.4

6. (Loss)/Earnings Per Share

	2008	2007
	<u>€m</u>	<u>€m</u>
(Loss)/profit attributable to the parent	(164.4)	110.7
Exceptional items (note 4)	373.1	37.7
Net exceptional tax credit	(43.4)	(4.5)
Minority interest share of exceptional items (net of tax)	(61.3)	(0.2)
Profit before exceptional items	<u>104.0</u>	143.7
Weighted average number of shares outstanding during the year (excluding treasury shares)	825,927,562	759,836,469
Effect of:		
Conversion of options	130,495	5,185,655
Diluted number of shares	<u>826,058,057</u>	765,022,124
Basic (loss)/earnings per share	<u>(19.9c)</u>	14.6c
Basic earnings per share before exceptional items	<u>12.6c</u>	18.9c
Diluted (loss)/earnings per share	<u>(19.9c)</u>	14.5c
Diluted earnings per share before exceptional items	<u>12.6c</u>	18.8c

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

For diluted earnings per share, the weighted average number of ordinary shares outstanding is adjusted to assume conversion of all potential dilutive options over ordinary shares once the adjustment does not reduce a loss per share.

Basic and diluted earnings per share before exceptional items are presented in order to give a better understanding of the Group's financial performance.

NOTES TO THE FINAL RESULTS (continued)

7. Dividends - Approved and Paid

	2008	2007
	<u>€m</u>	<u>€m</u>
Final dividend for the year ended 31 December 2007 of €0.0913 (2006: €0.083) per share	75.9	63.7
Interim dividend for the year ended 31 December 2008 of €0.0457 (2007: €0.0457) per share	38.3	34.0
	<u>114.2</u>	<u>97.7</u>

As announced in the market update on 26 January 2009 the Directors are not proposing a final dividend in respect of the year ended 31 December 2008.

8. Reconciliation of Operating Profit before Exceptional Items to Cash Generated by Operating Activities

	2008	2007
	€m	€m
Operating profit before exceptional items	290.3	349.2
Depreciation/amortisation	40.1	36.1
Non-cash share option charge	0.9	2.2
Earnings Before Interest, Tax, Depreciation and Amortisation	331.3	387.5
Unrealised foreign exchange movements	(7.9)	(8.8)
Increase in inventories	(0.4)	(0.9)
Decrease/(increase) in short-term and medium-term receivables	45.4	(23.3)
Decrease in short-term and long-term payables	(25.6)	(5.9)
Decrease in provisions (excluding restructuring payments)	(1.2)	(3.6)
Retirement benefit obligations	(6.1)	(8.7)
Cash generated from operations (before cash exceptional items)	335.5	336.3
Exceptional expenditure (including restructuring payments)	(48.2)	(57.5)
Cash generated from operations	287.3	278.8
Income tax paid	(34.9)	(33.9)
Cash generated by operating activities	252.4	244.9

NOTES TO THE FINAL RESULTS (continued)

9. Analysis of Changes in Equity

	2008	2008	2008	2007	2007	2007
	<u>€m</u>	<u>€m</u>	<u>€m</u>	<u>€m</u>	<u>€m</u>	<u>€m</u>
	Parent	Minority	Total	Parent	Minority	Total
At 1 January	172.2	574.9	747.1	199.0	519.2	718.2
Issue of share capital	88.4	1.9	90.3	145.1	79.7	224.8
Share based payment	1.3	(0.4)	0.9	2.0	0.2	2.2
Dividends (including minority interests)	(114.2)	(73.8)	(188.0)	(97.7)	(77.3)	(175.0)
Buyback of shares held by minority	-	-	-	-	(27.8)	(27.8)
Treasury shares	2.5	-	2.5	(138.3)	-	(138.3)
Acquisition of minority interest	-	-	-	-	(2.0)	(2.0)
Total recognised income and expense for the year	(428.2)	(91.6)	(519.8)	62.1	82.9	145.0
At 31 December	(278.0)	411.0	133.0	172.2	574.9	747.1