

This announcement replaces the Independent News & Media PLC, Recapitalisation Update released on the RNS system under RNS number 546083 on 16 May 2003 at 13.00.

The change is in the fifth paragraph. The first line should read "For qualifying non-CREST shareholders, it is expected that definitive share certificates in respect of the new ordinary shares will be despatched on or before 12th June 2003." The date previously stated was 6th June 2003.

All other details remain unchanged. The full amended text appears below.

INDEPENDENT NEWS & MEDIA PLC
RECAPITALISATION UPDATE:
RIGHTS ISSUE AND NEW ZEALAND SHARE ISSUE

Independent News & Media PLC ['INM'] today announced two transactions, confirming further progress on its recapitalisation programme announced on 26th March 2003.

At that time, INM announced a series of transformative steps designed to recapitalise the Group's balance sheet and better position the Group going forward. Today's announcements are as follows:

Rights Issue: 97% Acceptance

INM announced that the fully underwritten 4 for 15 rights issue of 153,502,883 new ordinary shares at a price of €0.70 per share, closed at 9.30 a.m. on 15th May 2003. INM received valid acceptances in respect of 148,840,538 rights issue shares from qualifying shareholders, which represents an aggregate take-up of 96.96% of the total number of rights issue shares offered; this includes 43,094,442 (28.07%) new ordinary shares taken up by INM's Directors including the Executive Chairman, Sir Anthony O'Reilly.

In addition, the Group is pleased to announce that Davy Stockbrokers has procured subscribers for all of the rights issue shares for which valid acceptances were not received (including entitlements of overseas shareholders), being 4,662,345 new ordinary shares, at a price of €1.40 per share. The net proceeds from these subscriptions, after deduction of the rights issue price of €0.70 and the expenses of procuring subscribers, will be paid pro rata by cheque to the shareholders originally entitled thereto, except that entitlements of less than €3.80 will not be paid but will be aggregated and retained for the benefit of the Company.

For qualifying non-CREST shareholders, it is expected that definitive share certificates in respect of the new ordinary shares will be despatched on or before 6th June 2003. For qualifying CREST shareholders, it is expected that the Company's registrars will instruct CREST to credit the appropriate CREST member accounts on 6th June 2003.

New Issue of New Zealand Cumulative Exchangeable Preference Shares (CEPS)

INM's wholly-owned New Zealand subsidiary, News & Media NZ Limited, today announced details of the issue of a NZ\$200 million (approx. €100 million) unsecured, subordinated CEPS issue, with the ability for acceptances up to a further NZ\$50 million (approx. €25 million) to replace the existing NZ\$181 million CEPS, which mature on 30th November 2003. This new issue is underwritten by ABN Amro Rothschild and ASB Securities Limited.

This new issue will be offered first to existing CEPS holders, and thereafter to New Zealand retail and institutional investors, and is expected to close on 20th June 2003. These 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.

These new CEPS will carry an annual minimum cash dividend of 8.75% and will offer investors upside exposure to the INM share price. However, the annual fixed dividend payable by INM - after swapping the New Zealand rate into a lower Euro rate - will be approx. 6.25%.

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

"The successful completion of these initial steps in our programme underpins the Group's decision to implement a series of proactive measures designed to fortify its future finances.

When allied with the resilient trading performances in each of our business units, the Group is well positioned for further growth and future opportunities as they arise."

ENDS

16th May 2003

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