

## **Independent News & Media PLC**

### **Restructuring Agreement Signed**

*Dublin/London* – 7<sup>th</sup> October, 2009: Independent News & Media PLC (“INM” or “the Company”) announces that it has today entered into a formal agreement with the members of the Ad Hoc Committee of Bondholders (“Restructuring Agreement”) with respect to the implementation of the Restructuring, as announced on 28<sup>th</sup> September, 2009.

In the circular to shareholders dated 5<sup>th</sup> October, 2009 (“Circular”) in connection with the convening of an extraordinary general meeting requisitioned by Mr. Denis O’Brien, the Company noted that the resolution proposed by Mr. O’Brien (“Resolution”) would, if approved, have the effect of revoking the authority of the Board to issue shares. However, it was noted that under the share issue authority granted at the Company’s annual general meeting in 2009 (and based on legal advice received by the Board to this effect) the Directors may, notwithstanding revocation, issue shares pursuant to any offer or agreement made by the Company before revocation.

The Company has committed, subject to a number of conditions, to the implementation of the Restructuring, including the First Equity Issue, on the terms and subject to the conditions of the Restructuring Agreement. Shareholders should note that, even if the Resolution is passed, the Company will nonetheless remain entitled, in accordance with the terms and conditions of the Restructuring Agreement, to proceed with the Restructuring and to issue shares pursuant to the First Equity Issue.

After many months of negotiation and taking account of the financial circumstances of the Company, the Board believes the Restructuring to be fair and reasonable, acknowledging the economic interests of all parties and providing the Group with the required debt facilities. It is therefore the view of the Board that the best prospect for the INM Group lies in concentrating all efforts on the timely implementation of the Restructuring, thereby providing the Group with a more appropriate capital structure and liquidity for the current climate and allowing management to renew its focus on its business and position itself for economic recovery across its geographic portfolio.

For these reasons and as further set out in the Circular the Board has concluded that the utilisation of the existing share issue authority to implement the First Equity Issue as an integral part of the Restructuring is in the best interests of the Company and its stakeholders, including Shareholders.

While approval of the Resolution will not invalidate the Restructuring Agreement or the making of the First Equity Issue pursuant to the Agreement, the Board believes that the Resolution is not in the best interests of the Company and its Shareholders as a whole and is recommending Shareholders to vote AGAINST the Resolution for the reasons set out in the Circular.

As the Restructuring is conditional, there can be no certainty that the Restructuring will be completed. If the Restructuring were not to complete for any reason, the Board believes that the effect of the Resolution, if passed, would be to hinder the Board’s ability to negotiate and implement swiftly a transaction for the benefit of the Company, its Shareholders and other stakeholders (including creditors).

The Board also believes that the Resolution, if passed, would undermine the authority of the Board at this critical time to the potential detriment of the Company and its Shareholders and other stakeholders and may impact on market confidence that the Restructuring can be implemented on a timely basis. Accordingly, the Board strongly believes that it would be detrimental to the interests of the Company and its stakeholders to revoke the Board's existing authority to issue shares, thereby imposing significant limitations on the Board's future ability to act.

**Shareholders are strongly urged to participate in the future of INM, to support the Restructuring, and to vote AGAINST the Resolution.**

The three Directors nominated to the Board by Mr. Denis O'Brien, being Messrs. Paul Connolly and Leslie Buckley and Ms. Lucy Gaffney, have taken a position contrary to that of the Board with respect to the Resolution, consistent with that of the shareholder they represent. None of these three nominated Directors are shareholders in INM.

*Defined terms used in this announcement have, unless otherwise stated, the same meaning as used in the announcement by the Company dated 28<sup>th</sup> September, 2009.*

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