

## **INDEPENDENT NEWS & MEDIA PLC PRE-CLOSE TRADING UPDATE**

*Issued 30<sup>th</sup> June 2003*

Independent News & Media PLC ["INM"] is today issuing a trading update in respect of the interim period up to 30<sup>th</sup> June 2003. This statement is intended to update investors on INM's operational and recapitalisation progress in the current year, in advance of the Company's interim results announcement planned for Wednesday 10<sup>th</sup> September 2003.

INM continues to demonstrate reassuringly favourable core operating resilience in each of its operating units and solid progress in its recapitalisation program.

### **Revenues**

The Group's total revenues from its globally-diversified operating base – centred in its five primary markets of Australia, Ireland, New Zealand, South Africa and the United Kingdom – are ahead of 2002. This follows a progressive enhancement in advertising volumes and rate, with particular advertising strength in each of our Southern Hemisphere operations.

To further augment core revenue expansion, the Group has also launched several new products within its publishing division, which have gained good market traction. The Group continues to make good progress in market share, with strength in the core classifieds of property, motors and retail, as well as buoyant colour ROP, more than off-setting still-weak recruitment/ financial advertising.

In addition, circulation revenues - throughout the world - continue to show good advances on 2002, reflecting the impact of cover price increases on the prior year, with increases in market share being achieved.

### **Recapitalisation**

Following the announcement of the €15 million recapitalisation programme (26<sup>th</sup> March 2003), the Group continues to make excellent progress. The combination of the rights issue and certain non-core asset disposals has already realised over €188 million. Further updates will be made during the second half of 2003.

On June 6<sup>th</sup>, INM announced the successful completion of a new 5-year Banking syndicate with its core banks, which was 48% over-subscribed. At that time, INM also announced that it had refinanced in full its New Zealand (NZ\$181.8 million) Cumulative Exchangeable Preference Shares ["CEPS"] which were due to mature in November 2003. This new oversubscribed (NZ\$225 million) CEPS issue will now mature in 2007, and resulted in net additional funds of NZ\$43.2 million (approx. €22 million) being raised. In addition, the Group redeemed its €107.9 million Redeemable Preference Shares on 26<sup>th</sup> June 2003, in accordance with the terms of that instrument.

## **Outlook**

Following further revenue improvements in Quarter 2, advertising visibility is improving and circulation revenues remain buoyant. The Group continues its strong focus on cost efficiencies, cost control and cash generation within each of its operating units. The Group's lower debt levels, coupled with lower interest rates and strong working capital management, will deliver a reduced interest charge for the year.

Assuming a mere continuation of current trading, the Group's uniquely strong brands, leading market positions, geographic diversity and greatly fortified balance sheet leaves INM well positioned to deliver a meaningful improvement in earnings for 2003, in line with market consensus forecasts.

**Ends.**

30<sup>th</sup> June 2003

*For further information:*

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