



## Independent News & Media PLC Update on Restructuring Discussions

*Dublin/London – 23<sup>rd</sup> September 2009:* Independent News & Media PLC (“INM” or “the Company”) notes the recent widespread media commentary on the expected outcome to its ongoing restructuring discussions with its syndicate of senior lenders (“Lenders”) and with an ad hoc committee of holders of the €200 million 5.75% guaranteed bonds (“Bonds”).

The Company confirms that its discussions with Lenders and holders of the Bonds have advanced significantly, although details of any consensual restructuring remain to be finalised and require the ultimate agreement of all parties (including that of the INM Board).

However, the Company confirms, that in line with its objective of pursuing a consensual financial restructuring which balances the rights of, and preserves value for, all stakeholders, the outcome of the restructuring discussions with Lenders and the holders of the Bonds is likely to include:

- a significant extension on maturities of available senior debt facilities;
- other modifications to senior debt facility terms, including revised financial covenants to provide adequate headroom accommodating prevailing trading conditions and expectations;
- an equitisation of an amount of the Bond claim providing Bondholders with an equity interest in the enlarged issued share capital, in line with that which is now being referred to in media reports; and
- a subsequent rights issue at a rights price of €0.05, providing existing INM shareholders the opportunity to participate in the capital restructuring at an attractive price.

This assumes no other viable proposals are advanced by Lenders or the Bonds.

The Company believes that a successful outcome to the restructuring discussions along these lines will provide INM with a capital structure that gives the Company suitable time and space to restore equity value and optimally position the business for growth. Assuming a successful conclusion and implementation of this restructuring, INM will achieve a significant reduction in net debt (the combination of the equitisation of the Bonds, the rights issue and the Group’s previously-announced disposal programme resulting in deleveraging of approximately €350 million, with further debt reduction anticipated in 2010), increased liquidity and a stabilised financial position.

With economic fundamentals expected to recover over the medium-term, INM’s market-leading assets are very well positioned to benefit from any cyclical economic recovery. The Company’s strong operating leverage, as a result of significant operating cost reductions over the past 2 years and continuing business process improvements, should facilitate incremental revenue growth substantially translating into a much improved operating profit performance.

The Company believes that this consensual restructuring proposal provides a materially better outcome for all stakeholders than any other alternative.

Further detail on the proposals, the conditions precedent, and the expected milestones and timetable to implementation will be announced if and when, the proposals are agreed.

*Page 2... continued*

For further information, please contact:

Independent News & Media PLC  
Gavin O'Reilly  
Chief Executive  
Donal Buggy  
Finance Director  
Tel: +353 1 4663200

Media  
Pat Walsh  
Murray Consultants (Dublin)  
Tel: +353 1 498 0300

Rory Godson/ Paul Durman  
Powerscourt (London)  
Tel: +44 20 7250 1446

Investors and Analysts  
Mark Kenny/ Jonathan Neilan  
K Capital Source (Dublin)  
Tel: +353 1 633 3680