

INDEPENDENT NEWS & MEDIA PLC [“INM”]

**APN NEWS & MEDIA LIMITED – RESULTS FOR
THE SIX MONTHS ENDED 30 JUNE 2004**

APN PROFIT BEFORE TAX UP 36% TO A RECORD A\$94.5 MILLION

APN News & Media Ltd [“APN”], in which Independent News & Media PLC [“INM”] has over 40% shareholding, today announced a record Profit Before Tax before Non Recurring Items (NRI) of A\$94.5 million for the 6 months ended June 30 2004, up 36% on the prior year.

On the same basis, Net Profit After Tax was up 34% to A\$57.9 million, on an increase in Group Revenue of 10% to A\$599.2 million, and an increase in EBIT by 20% to A\$125.5 million. Earnings per share were 12.2 cents, an increase of 25%.

After NRIs, NPAT was up 25% to a reported result of A\$56 million.

The Directors have declared a 23% increase in interim dividend to 8 cents per share.

APN Chief Executive Brendan Hopkins said: *“This is a high quality result that is the outcome of a number of outstanding operational achievements in all five Divisions. Stripping out the effect of currency, the Group produced a 12% increase in revenue, a 22% increase in EBIT, a 39% increase in Profit Before Tax and a 37% increase in Net Profit before Non-Recurring Items.*

“Key to the result was the improved margins in our Newspaper and Radio Divisions, which together account for 90% of APN’s profit. By focusing on maximising the cut-through of revenue through to EBIT, we have been able to produce strong growth in operating profits.

“Our Newspaper and Radio Divisions have produced very good gains in advertising yields without sacrificing volumes, which provides a strong base from which to continue growing our businesses. The Outdoor Division is making good progress in its restructure and is on track for the predicted improvement in performance in 2005. The Commercial Print Division has, as forecasted, delivered a solid turnaround result, increasing EBIT by 50% and securing a number of new third party contracts.

“Overall, we believe this is an excellent result with good growth in revenue producing above market expectation numbers. The second half has started strongly and gives us confidence that our high quality businesses in high growth markets are well positioned for continued above average growth.”

Divisional EBIT results

APN Group EBIT (AUD million)	June 30 2004	June 30 2003	% var.	% var. constant currency
Publishing	91.3	76.6	19%	22%
<i>New Zealand National Publishing</i>	46.4	40.5	15%	18%
<i>Regional Newspapers</i>	44.9	36.1	24%	25%
Radio	26.1	21.5	21%	23%
Outdoor	9.3	9.1	2%	3%
Print & Specialist	3.9	2.6	50%	56%
Corporate	(5.1)	(4.9)	(4%)	(4%)
<i>Group EBIT(pre-NRI)</i>	125.5	104.9	20%	22%

New Zealand National Publishing

The New Zealand National Publishing Division was established in May 2004 and now includes:

- The New Zealand Herald, the country’s largest circulating daily newspaper
- The Herald on Sunday, a new Auckland-based newspaper due to launch in 2004
- The Aucklander, a total Auckland market coverage free weekly ‘newszine’, and
- New Zealand Magazines, which publishes The New Zealand Woman’s Weekly, the most read women’s magazine in New Zealand, and The New Zealand Listener, the top-rated current affairs magazine in New Zealand.

On a constant currency basis, the Division grew revenue by 11% and increased EBIT by 18%. EBIT margin for the overall Division grew to 32.2%.

The Auckland market remained buoyant throughout the first half and continues to grow at above-national average levels. The Herald grew employment advertising by 23% over the same period in 2003 as unemployment in New Zealand remains at 17-year lows. The Auckland property market also produced good growth, with Herald real estate advertising revenue up by 14% over the prior year.

Circulation for The New Zealand Herald remained steady and readership figures continued to grow, with 75% of Aucklanders aged 15+ now reading a copy of The Herald each week. Total readership now exceeds 1 million people every week.

The Auckland, launched in September 2003, performed ahead of expectations with strong reader and retail advertising support. The Listener and The New Zealand Woman's Weekly magazines both grew subscription levels in the first half.

In July, APN announced the launch of the Herald on Sunday, an Auckland-focused newspaper that will extend The Herald's franchise to seven days a week. As previously announced, the Company expects the Herald on Sunday to become profitable within 3 years, based on a circulation of 100,000 copies, leveraging The Herald's existing infrastructure in production, pre-press, advertising and editorial systems, distribution, financial services and IT.

Regional Newspapers

APN's 23 regional daily newspapers and more than 90 non-daily titles continued to trade well in the first half. On a constant currency basis, revenue increased by 11% and EBIT by 25%.

APN's regional markets in both Australia and New Zealand continue to show significant growth. The main advertising pillars of employment, real estate and motoring produced strong increases in both markets. Employment advertising in particular performed well, growing by 36% in Australia and 30% in New Zealand over the prior year. A strategy to introduce a unified employment section across APN's main Australian titles – the 'Recruitment Superhighway' – has been well received by readers and advertisers. New non-daily products were introduced in the high growth southern Gold Coast and south-western Brisbane areas, leveraging existing infrastructure at APN daily newspapers in Ipswich and Tweed Heads.

Circulation in APN's Australian newspapers was up 1.3% in the audit survey for the six months to June – the ninth consecutive quarterly circulation increase for the Group. APN now publishes the four fastest growing daily newspapers in Australia: The Sunshine Coast Daily (+4.2%), the Fraser Coast Chronicle (+4.1%), the Gympie Times (+3.3%) and the Gladstone Observer (+2.8%).

APN announces today a A\$25 million upgrade to newspaper printing facilities on the Sunshine Coast, with the development of a new 'greenfield' site at Yandina. A new press, which is due to be commissioned by February 2006, will have capacity for 80 pages of back-to-back colour and online stitching capability. The development is additional to a A\$14 million pre-press system upgrade that is currently being rolled out across APN's Australian regional centres.

Radio

The Radio Division's focus on yield, inventory and rate management produced a strong outcome. On a constant currency basis revenue increased 15% and EBIT increased 23%.

In Australia, the Australian Radio Network (ARN) continued to reap the benefit of good ratings results by growing market share of agency advertising in the first half. Revenue increased by 19% to A\$61.4 million and EBIT was up 24% to A\$17 million. PricewaterhouseCoopers survey figures to June 2004 show that ARN has increased agency market share year-on-year every month since August 2002. Combined with its ongoing market leading position in direct advertising, ARN is well placed to continue profit growth into the second half.

In New Zealand, The Radio Network (TRN) launched two new stations following the NZ\$9.5 million acquisition of new licences in late 2003. Existing networks were extended into new markets, including ZM into Wanganui and Kapiti and Easy Listening I into Rotorua. TRN now operates eight networks across the country. TRN grew revenue by 7% to A\$49.7 million and increased EBIT by 17% to A\$9.1 million. On a constant currency basis, revenue grew 10% and EBIT by 20%.

Outdoor

The restructure of APN's outdoor advertising businesses into a unified structure made significant progress in the first half. While revenue grew by 18% to A\$104.5 million, a number of uneconomic contracts restricted EBIT growth to 2%, totalling A\$9.3 million. Uneconomic sites continue to be rationalised and APN Outdoor is committed to its investment in growth markets. The New Zealand street furniture build-out continues, with 2700 panels now installed nationally. Buspak Hong Kong secured a key transit advertising contract and in Malaysia, the Kurnia supersite business continued development of high quality sites on the Sprint Freeway. The Outdoor Division remains on track for the forecasted 2005 improvement.

Print & Specialist Publishing

As forecasted, the Commercial Print Division delivered a turnaround result for the first half of 2004, increasing EBIT by 50% to A\$3.9 million, despite a reduction in revenue by 6% to A\$50.2 million. The year-on-year revenue comparables were affected by the sale of the Security Print business in 2003. A number of new print contracts were won and installation has begun on an updated web press in Manukau to handle long-run magazine and catalogue contracts.

Board Appointment

As part of an ongoing process to broaden the expertise on the APN Board, Mr. Gavin O'Reilly will be invited to join the Company as a non-executive Director. Mr. O'Reilly is Chief Operating Officer of Independent News & Media PLC and is a Director of iTouch PLC.

Dividend Reinvestment Plan

The Board has reviewed the Dividend Reinvestment Plan and has decided to discontinue the 2.5% discount, effective from the final dividend for 2004, payable in the First Half of 2005. The DRP discount will continue unchanged for the 8 cent dividend announced today.

Dual Primary Listing

On June 21 2004 APN listed on the New Zealand Exchange as a dual primary listing. The NZX has since announced that APN is likely to be included in the NZX-50 index in two tranches during the fourth quarter this year, ranking it in the top 20 New Zealand companies.

Annual General Meeting

The Board has decided to hold the next Annual General Meeting of the Company in Sydney. This follows the notification in July that the Company had transferred its registered office to Sydney.

Outlook

APN Chief Executive Brendan Hopkins said: *"The first seven weeks of the Second Half have seen a continuation of strong double digit EBIT growth. While it may be challenging to maintain a similar growth rate through to the year-end, EBIT growth remains above expectation as we approach the Fourth Quarter, which is traditionally APN's most profitable Quarter."*

"Providing current market conditions continue, the Company now believes it will better the forecast Net Profit after Tax for 2004 of A\$120 million, after expensing the expected trading losses of the Herald on Sunday."

The interim dividend of 8.0 cents per share will be franked as to 30% and is payable on 28 September 2004. Registrable transfers received by the Company up to the close of business on 14 September 2004 will be registered before entitlements to dividends are determined. Books will close on 14 September 2004. Shareholders wishing to participate in the Dividend Reinvestment Plan (the current rate of discount of which is 2.5%) who have not already lodged their election must do so on or before 14 September 2004 in order to participate.

Commenting on APN's record first half 2004 results, Independent News & Media's chief executive, Sir Anthony O'Reilly said: *"We are very pleased that the economies of Australia and New Zealand are performing so well, buoyed by both strong local advertising demand and the continuing expansion of China and the Far East.*

"APN - as the largest operator of radio, regional newspapers and outdoor in Australia and New Zealand - is extremely well positioned to participate in the continuing growth and demand for advertising in each of its markets."

ENDS

17th August 2004

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ABOUT INDEPENDENT NEWS & MEDIA PLC (INM)

INM is a leading international media and communications group, which operates in Australia, Ireland, New Zealand, South Africa and the United Kingdom. The Group's core businesses are newspaper publishing, radio and outdoor advertising.

Spanning four continents, INM has market-leading newspaper positions in Australia, New Zealand, Ireland and South Africa. In the UK, it owns the largest newspaper group in Northern Ireland and the award-winning Independent titles. The Group publishes over 165 newspaper and magazine titles with weekly circulation of 13.5 million copies and operates 53 on-line sites.

The Group is the largest radio and outdoor advertising operator in Australia and New Zealand, with outdoor advertising operations in South Africa, Hong Kong, Malaysia, and Indonesia.

APN NEWS & MEDIA LIMITED
PRELIMINARY PROFITS ANNOUNCEMENT

	30 June 2004 A\$000	30 June 2003 A\$000	30 June 2004 €000	30 June 2003 €000
Turnover - Continuing Operations	<u>586,598</u>	<u>541,538</u>	<u>354,397</u>	<u>302,181</u>
Operating Profit				
-Continuing Operations	125,449	104,955	75,791	58,566
-Exceptional Items	<u>(1,868)</u>	<u>1,624</u>	<u>(1,129)</u>	<u>906</u>
Profit on Ordinary Activities	123,581	106,579	74,662	59,472
Net Interest Charge	<u>(30,998)</u>	<u>(35,536)</u>	<u>(18,727)</u>	<u>(19,829)</u>
Profit on Ordinary Activities before Taxation	92,583	71,043	55,935	39,643
Taxation	<u>(23,407)</u>	<u>(15,166)</u>	<u>(14,141)</u>	<u>(8,463)</u>
Profit on Ordinary Activities after Taxation	69,176	55,877	41,794	31,180
Equity Minority Interests	<u>(13,164)</u>	<u>(11,200)</u>	<u>(7,953)</u>	<u>(6,249)</u>
Profit for the Period	<u>56,012</u>	<u>44,677</u>	<u>33,841</u>	<u>24,931</u>
Earnings per Share (cents)	<u>11.8</u>	<u>10.2</u>	<u>7.1</u>	<u>5.7</u>

Profit and Loss Accounts translated at average rates
Average Exchange Rate to June 2003 €1 = A\$1.7921
Average Exchange Rate to June 2004 €1 = A\$1.6552

APN NEWS & MEDIA LIMITED
GROUP BALANCE SHEET

	30 June 2004 A\$000	30 June 2003 A\$000	30 June 2004 €000	30 June 2003 €000
Fixed Assets				
Intangible Assets	1,951,490	1,903,039	1,113,864	1,106,868
Tangible Assets	292,566	291,802	166,990	169,721
Financial Assets	<u>64,831</u>	<u>73,498</u>	<u>37,004</u>	<u>42,749</u>
	<u>2,308,887</u>	<u>2,268,339</u>	<u>1,317,858</u>	<u>1,319,338</u>
Current Assets				
Stocks	23,136	27,190	13,205	15,815
Debtors	307,302	278,232	175,401	161,829
Cash at Bank and in Hand	<u>94,625</u>	<u>42,026</u>	<u>54,010</u>	<u>24,444</u>
	425,063	347,448	242,616	202,088
Creditors (Amounts falling due within one year)	<u>(223,930)</u>	<u>(200,263)</u>	<u>(127,814)</u>	<u>(116,479)</u>
Net Current Assets	<u>201,133</u>	<u>147,185</u>	<u>114,802</u>	<u>85,609</u>
	<u>2,510,020</u>	<u>2,415,524</u>	<u>1,432,660</u>	<u>1,404,947</u>
Creditors (Amounts falling due after more than one year)	846,675	919,479	483,262	534,798
Provisions for Liabilities and Charges	<u>45,252</u>	<u>75,160</u>	<u>25,829</u>	<u>43,717</u>
	<u>891,927</u>	<u>994,639</u>	<u>509,091</u>	<u>578,515</u>
Capital and Reserves				
Share Capital	943,499	816,615	538,527	474,969
Capital Reserves	222,772	199,769	127,153	116,192
Profit & Loss Account	<u>170,726</u>	<u>141,139</u>	<u>97,446</u>	<u>82,091</u>
Equity Shareholders Funds	<u>1,336,997</u>	<u>1,157,523</u>	<u>763,126</u>	<u>673,252</u>
Equity Minority Interests	<u>281,096</u>	<u>263,362</u>	<u>160,443</u>	<u>153,180</u>
	<u>2,510,020</u>	<u>2,415,524</u>	<u>1,432,660</u>	<u>1,404,947</u>

Balance Sheets translated at closing rates

Closing Exchange Rate at 30 June 2003 €1 = A\$1.7193

Closing Exchange Rate at 30 June 2004 €1 = A\$1.7520