

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the course of action to be taken, you are recommended to consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser (being, in the case of Shareholders in Ireland, an organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments Nos. 1 to 3) Regulations 2007 (as amended) or the Investment Intermediaries Act 1995 as appropriate and, in the case of persons resident in the United Kingdom, an organisation or firm authorised pursuant to the Financial Services and Markets Act 2000 of the United Kingdom (“FSMA”) or, in the case of Shareholders in a territory outside Ireland and the United Kingdom, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred your entire holding of Ordinary Shares in Independent News & Media PLC, please forward this document, together with the enclosed Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee as soon as possible.



Independent News & Media PLC

(Incorporated and registered in Ireland, registered number 2936)

Notice of Requisitioned Extraordinary General Meeting

**THIS IS AN IMPORTANT CIRCULAR AND YOUR BOARD STRONGLY
URGES YOU TO VOTE AGAINST THE RESOLUTIONS AT THE
FORTHCOMING EGM**

Your attention is drawn to the letter from the Board of Independent News & Media PLC which is set out on pages 4 to 11 of this document and which contains the recommendation of the Board to Shareholders to vote against the Resolutions proposed for consideration at the Extraordinary General Meeting referred to below. You should read this document in its entirety.

Notice of an Extraordinary General Meeting to be held at The Normandy Suite, Green Isle Hotel, Newlands Cross, Dublin 22, Ireland on 3 November, 2009 at 11.00 a.m. is set out at the end of this document. This Extraordinary General Meeting has been requisitioned by a nominee acting on behalf of Mr. Denis O’Brien. A Form of Proxy for use at the Extraordinary General Meeting is enclosed which, if you wish to validly appoint a proxy, should be completed and signed in accordance with the instructions printed thereon, and returned by post to the Company’s Registrars, Capita Registrars (Ireland) Limited, P.O. Box 7117, Business Reply, Dublin 2, Ireland or by hand to Capita Registrars (Ireland) Limited, Unit 5, Manor Street Business Park, Manor Street, Dublin 7, Ireland as soon as possible but in any event so as to be received by the Company’s Registrars no later than 11.00 a.m. on 1 November, 2009. The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting, or any adjournment thereof, should you wish to do so.

Electronic proxy appointment is available for the Extraordinary General Meeting. This facility enables a Shareholder to lodge its proxy appointment by electronic means by logging on to the website of the registrars, Capita Registrars (Ireland) Limited: www.capitaregistrars.ie. Shareholders should select “Log onto shareholder services” from the online services menu. Additionally, for those who hold Shares in CREST, a Shareholder may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Capita Registrars (Ireland) Limited (CREST participant ID 7RA08). In each case the proxy appointment must be received by no later than 11.00 a.m. on 1 November, 2009. The completion and return of either an electronic proxy appointment notification or a CREST Proxy Instruction (as the case may be) will not prevent the Shareholder from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof, should the Shareholder wish to do so.

KEY INFORMATION

The Extraordinary General Meeting being convened by way of this document is being convened as a result of a requisition notice submitted on behalf of Mr. Denis O'Brien.

The Board has considered the Proposed Resolutions of Mr. O'Brien, two of which are being put before the EGM.

As detailed in Part I of this document, the Board of INM is recommending that Shareholders vote against the Resolutions.

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 dissenting position with respect to the Resolutions, consistent with that of the Shareholder they represent.

The Board's recommendation is informed by its resolve to secure a consensual deal in respect of its ongoing refinancing negotiations, which the Board believes to be in the best interest of all Shareholders and other stakeholders, and by its considered concern that the Proposed Resolutions:

- seek to overturn policies and strategies that the Board has formally, and in many cases, unanimously agreed to;
- attempt to interfere with the Board's valid authority to conduct the normal business of the INM Group;
- hinder the Company's efforts to reach a refinancing solution outside a court administered process; and
- risk damaging the trading prospects, staff morale, reputation and ultimately, the integral value of the INM Group.

The Resolutions which are being put forward for consideration at the EGM relate to the removal of Dr. Brian Hillery from the Board and from his position as Chairman and the appointment of a new senior independent director (Baroness Margaret Jay is the incumbent Senior Independent Director). The Board is wholly satisfied that the Chairman and Senior Independent Director have acted at all times in the best interests of all Shareholders and all other stakeholders.

The Board believes that the Resolutions if approved would be detrimental to the effective functioning of the Board at this crucial time and therefore would potentially adversely impact the achievement of a consensual restructuring solution.

THE BOARD STRONGLY URGES YOU TO VOTE AGAINST THE RESOLUTIONS AT THE FORTHCOMING EGM.

INACTION ON YOUR PART COULD RESULT IN A RESOLUTION BEING PASSED BY DEFAULT AND YOU ARE THEREFORE URGED TO CONSIDER YOUR POSITION AND EXERCISE YOUR VOTE BY COMPLETING AND RETURNING A FORM OF PROXY, OR FOR CREST SHAREHOLDERS, BY COMPLETING AND RETURNING A CREST PROXY INSTRUCTION, IN EACH CASE AS SOON AS POSSIBLE AND IN ANY EVENT BY NO LATER THAN 11.00 A.M. ON 1 NOVEMBER, 2009.

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OUTLINE TIMETABLE

Date of issue of this document	24 September, 2009
Latest time and date for receipt of Forms of Proxy and CREST Proxy Instructions for the Extraordinary General Meeting	11.00 a.m. on 1 November, 2009
Time and date of Extraordinary General Meeting	11.00 a.m. on 3 November, 2009

Notes:

- (i) References to times and dates in this document are to times and dates in Dublin, Ireland.
- (ii) The Extraordinary General Meeting is being held at The Normandy Suite, Green Isle Hotel, Newlands Cross, Dublin 22, Ireland.

PART I

LETTER FROM THE BOARD OF INDEPENDENT NEWS & MEDIA PLC

Independent News & Media PLC

(Incorporated and registered in Ireland, registered number 2936)

Directors

Dr Brian Hillery (*Chairman*)
GK O'Reilly* (*Chief Executive Officer*)
DJ Buggy* (*Chief Financial Officer*)
L Buckley
K Clarke (UK)
P Connolly
L Gaffney
Baroness M Jay (UK)
B Mulroney (Canada)
F Murray

* denotes executive director

Head and Registered Office

Independent House
2023 Bianconi Avenue
Citywest Business Campus
Naas Road
Dublin 24
Ireland

24 September, 2009

To the Shareholders of Independent News & Media PLC and, for information only, to Option Holders

Notice of Requisitioned Extraordinary General Meeting

Dear Shareholder,

1. Introduction

The Board of INM is convening an Extraordinary General Meeting for 11.00 a.m. on 3 November, 2009. This meeting is being convened as a result of a notice received on 3 September, 2009 from a nominee shareholder acting on behalf of Mr. Denis O'Brien. Mr. O'Brien is interested in 219,456,184 Ordinary Shares representing approximately 26.14 per cent. of the Existing Issued Share Capital of the Company.

This Requisition Notice comes at a time when the Company is engaged in critical discussions with its Banks and Bondholders in relation to a financial restructuring of the Company. These key stakeholder discussions have included significant engagement with representatives of INM's two largest Shareholders (Sir Anthony O'Reilly and Mr. Denis O'Brien) over a number of months, accommodated through a Standstill Agreement with the Banks and Bondholders. The Board wishes to again reassure Shareholders and stakeholders (including creditors) that it is dedicated to reaching a consensual conclusion, and together with the previously announced disposal strategy (announcement dated 26 January, 2009), to achieving significant deleveraging and restoring the Company to a position of enduring financial stability. It is the considered view of the Board that a consensual conclusion is preferable to the uncertainty of any outcome associated with a court administered process which would not be in the interests of all stakeholders, and would almost certainly result in significant value erosion for existing Shareholders.

Against this background, it is very regrettable that Mr. O'Brien has requisitioned an extraordinary general meeting of the Company, proposing a number of resolutions which not only seek to overturn policies and strategies that the Board has formally agreed to, but which also contradict the position previously adopted and agreed to by Mr. O'Brien in March of this year when the three O'Brien nominated Directors joined the Board. The Company believes that the Proposed Resolutions are an attempt to interfere with the Board's valid authority to conduct the normal business of the INM Group.

The Board believes that the Resolutions if approved would be detrimental to the effective functioning of the Board at this crucial time and therefore would potentially adversely impact the achievement of a consensual restructuring solution. Mr. O'Brien has been publicly quoted in the press as saying that he thinks examinership should be considered as an option¹. In pursuing the restructuring process, the Board is acting in full accordance with its legal duty to act in the interests of all Shareholders and all other stakeholders.

The Resolutions which are being put forward for consideration at the EGM relate to the removal of Dr. Brian Hillery from the Board and from his position as Chairman and the appointment of a new senior independent director (Baroness Margaret Jay is the incumbent Senior Independent Director). The Board is wholly satisfied that the Chairman and Senior Independent Director have acted at all times in the best interests of all Shareholders and all other stakeholders.

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 dissenting position with respect to the Resolutions, consistent with that of the Shareholder they represent.

2. Proposed Resolutions and Board Response

Mr. O'Brien has proposed eight resolutions for consideration at the EGM. These Proposed Resolutions are set out below, together with the Board's considered response to each one. Only two of the Proposed Resolutions are being put forward for consideration at the EGM for the reasons set out below.

Proposed Resolutions 1 and 2:

- (1) "That Dr. Brian J. Hillery is removed from his office as the chairman of the Company in accordance with section 182 of the Companies Act 1963 with immediate effect."
- (2) "That a new senior independent director be appointed with immediate effect."

Section 182 of the Companies Act 1963 relates to the removal of persons from the position of director. Accordingly in the event of Resolution 1 being approved, Dr. Brian J. Hillery would be removed from his position as Director and not just from the position of Chairman.

Response:

The Board of Directors of INM is properly constituted and is appointed by you, the Shareholders. The Board is committed to maintaining the highest standards of corporate governance and to ensuring the correct mix of experience at Board level, for the optimum strategic and operational governance of this geographically diverse media and communications group.

In March of this year an alignment between Mr. O'Brien and the Company was effected following a number of years of sustained criticism of the Company by Mr. O'Brien. As part of that alignment, Mr. O'Brien agreed to the composition of the Board as currently constituted. In addition to Sir Anthony O'Reilly's decision to resign as director and Chief Executive, and the resignation/retirement of an additional nine directors from the Board, three O'Brien Directors representing 30 per cent. of the resultant ten member Board were also appointed. Mr. O'Brien is now pushing for the removal of a further two Directors from their important roles on the Board, and such removal would, in the opinion of the Board, be detrimental to the effective functioning of the Board at this crucial time and therefore would potentially adversely impact the achievement of a consensual restructuring solution.

Chairman

The Combined Code provides that the chairman is responsible for leadership of the board, ensuring its effectiveness on all aspects of its role and setting its agenda. The chairman is also responsible for ensuring that the directors receive accurate, timely and clear information, for ensuring effective communication with shareholders and for facilitating the effective contribution of non-executive directors in particular. The chairman is also tasked with ensuring constructive relations between executive and non-executive directors.

¹ Sunday Times 26 July, 2009

The Board believes that Dr. Hillery has fulfilled, and continues to fulfil, his role and responsibilities as Chairman in a fair, balanced and impartial manner serving the best interests of the Company at all times.

In pursuing the restructuring discussions, the Board is required, as a matter of law, to consider the interests of a number of categories of stakeholder in the Company as well as the interests of Shareholders. The Board and Chairman have taken extensive legal and regulatory advice which underpins the Company's responsibility to have due regard to the position and interests of creditors and to take action to avoid or minimize their loss. This is particularly important in circumstances where there is a serious risk of the restructuring discussions failing and of the Company being unable to continue as a going concern outside a court administered process. Adherence to these legal responsibilities by the Directors is not a valid reason to target their *bona fides* and independence.

Biographical details on Dr. Hillery are set out below and it is noted and confirmed that he has no material business relationship with the INM Group or with any of its officers.

Dr. Hillery joined the Board of INM in 2003 and was appointed Non-Executive Chairman in 2004. He is a graduate of University College Dublin (B. Comm and PhD.) and the University of Georgia (MBA). He has held a number of chairmanship roles, including Chairman of UniCredit Bank (Ireland) p.l.c. from August, 1999 to April, 2008 and of Providence Resources P.l.c. from July, 1997 to date. He was an Executive Director of the European Bank for Reconstruction and Development, London from 1994 to 1997 and chaired the Budget and Administrative Affairs Committee in 1995/96 and the EU Directors Group in 1996. He is a former member of Dáil Éireann and Seanad Éireann (1977 to 1994). Dr. Hillery is a member of the National Pensions Reserve Fund Commission and is Professor Emeritus of the Graduate School of Business, UCD. In May, 2008 he was appointed a director of the Central Bank and Financial Services Authority of Ireland. The Board has previously assessed and remains satisfied that Dr. Hillery's directorship of Providence Resources P.l.c. (an AIM and IEX quoted oil and gas company in which Sir Anthony O'Reilly has a significant holding) does not impact on his independence as a director of INM or on his role as Chairman of INM.

Dr. Hillery, who is also a member of the Nomination and Corporate Governance Committee, was last subject to re-election to the Board at the annual general meeting of the Company in 2007, when he received the approval of 99.96 per cent. of the votes cast. In accordance with the Company's Combined Code compliant policy of requiring re-election of non-executive directors every three years, Dr. Hillery is scheduled to be proposed for re-election again at the next annual general meeting of the Company in 2010. Having been originally appointed Chairman for a three year period in June, 2004, and re-appointed in June, 2007, his role as Chairman will also come before the Board for consideration by no later than June, 2010.

The Board is wholly satisfied with, and continues to endorse fully, Dr. Hillery as your Chairman. The Board does not therefore believe that the removal of Dr. Hillery from the Board is in the best interests of the Company and the Shareholders as a whole at this time and urges Shareholders to vote against Resolution 1.

Senior Independent Director

While the selection of a Board member as the senior independent director is a matter for the Board, Proposed Resolution 2 is nonetheless being put to Shareholders for their consideration given the importance of the role of the senior independent director.

Baroness Margaret Jay is the designated Senior Independent Director on the Board, designated as such by the Board from among the independent non-executive Directors in accordance with paragraph A.3.3. of the Combined Code. In identifying directors as 'independent' the Board is required under the Combined Code to determine whether the director is independent in character and judgment and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgment. This approach is also consistent with that taken by many of the international proxy/shareholder voting agencies, to which INM has also had regard as part of its annual review of corporate governance.

Baroness Jay satisfies the specific cited criteria for independence under the Combined Code. In addition her independence has been assessed and confirmed in 2009 by the leading independent proxy advisory services who compiled a report on INM (Manifest, Risk Metrics and Glass Lewis). Furthermore the Board considers that Baroness Jay fully and correctly fulfils the required role of Senior Independent Director. This is an important role with responsibilities including leading the evaluation of the Chairman, and being available to Shareholders if they have concerns which contact through the normal channels of Chairman, Chief Executive or Finance Director has failed to resolve or for which such contact is inappropriate. Baroness Jay is also a member of the Group's Nomination and Corporate Governance Committee and chairperson of the Corporate Social Responsibility Committee.

Biographical details in relation to Baroness Jay are as follows and it is noted and confirmed that she has no material business relationship with the INM Group or with any of its officers.

After graduating from Oxford University, Baroness Jay joined the BBC and began a twenty year career in broadcasting, primarily involved as a producer and journalist in news and current affairs. Baroness Jay has a wealth of commercial experience as a former non-executive director of Carlton (Television) plc, Scottish Power PLC and British Telecom PLC. She was appointed to the House of Lords in 1992 and became a Minister of State in the UK Department of Health in 1997. She later became Leader of the House of Lords, Lord Privy Seal and Minister for Women. She was a founder Director of The National AIDS Trust and Chair of the independent research organisation, The Overseas Development Institute. She is a director of the Group's UK subsidiary, Independent News and Media Limited. She was appointed to the Board of INM in 2003 and was appointed Senior Independent Director in June 2007.

Baroness Jay was last subject to re-election to the Board at the annual general meeting of the Company in 2007, when she received the approval of 99.97 per cent. of the votes cast. In accordance with the Company's Combined Code compliant policy of requiring re-election of non-executive directors every three years, she is scheduled to be proposed for re-election again at the next annual general meeting of the Company in 2010.

The Board is wholly satisfied with, and continues to endorse fully, Baroness Jay as your Senior Independent Director. The Board does not therefore believe that the removal of Baroness Jay from the position of Senior Independent Director of the Company is in the best interests of the Company and the Shareholders as a whole at this time and urges Shareholders to vote against Resolution 2.

Proposed Resolutions 3, 4, 5, 6, 7 and 8:

- (3) "That the annual payments to A.J. O'Reilly in the amount of €300,000 in respect of his position as President Emeritus of the Company cease with immediate effect."
- (4) "That the Company cease to purchase services in the annual amount of €100,000 from Cansult Communications Inc."
- (5) "That the directors be delegated authority by the Company to take immediate action to dispose of or close operations of *The Independent* and *The Independent on Sunday*."
- (6) "That the directors be delegated authority by the Company to take immediate action to close the London executive office and re-locate all of its function to Independent House, Dublin, Ireland."
- (7) "No further steps are taken to dispose of INM Outdoor – South Africa."
- (8) "A detailed schedule of all board member expenses since January 1, 2000, of both executive and non-executive directors, be prepared by a firm of independent accountants and circulated to all shareholders within 21 days of the passing of this resolution."

Response:

These Proposed Resolutions are not being proposed for consideration at the Extraordinary General Meeting.

The Company has received firm legal advice to the effect that even were it to put these Proposed Resolutions to Shareholders, their approval (if approved) would have no legal effect either:

- as an interference, contrary to the Company's Articles of Association, with a prior, valid act of the Board or with the Board's authority on a matter which is expressly within the Board's powers under the Articles of Association; or
- because the Proposed Resolutions purport to authorise the Board to take certain steps which are already within its authority.

The Board would additionally note that Proposed Resolution 3 is based on a mis-conception as described below. As regards Proposed Resolution 7, Shareholders should be aware that the proposed disposal of INM Outdoor will, as detailed below, be the subject of a Shareholder vote at an extraordinary general meeting to be convened in accordance with the Listing Rules.

The Board would however make the following observations in relation to the matters referred to under the Proposed Resolutions by way of information only:

President Emeritus

Sir Anthony O'Reilly (former Chairman from 1974 – 2000; former Chief Executive from 2000 – 2009) has played the key role in building the INM Group over the 36 years since his original investment in the Company in 1973. From his original investment in 1973, he has remained the largest investor and has been a strategic driving force of the INM Group up to his retirement in May 2009. As a former chairman and chief executive of a Fortune 500 company (HJ Heinz Inc.) for over 25 years, former managing director of the Irish Sugar Company and former managing director of Bord Bainne (Kerrygold) amongst many other business pursuits, his considerable commercial experience and vast network of international contacts have been vital to the securing of a number of assets and investment opportunities in certain countries. In acknowledgement of the role of Sir Anthony O'Reilly and in the expectation of his continued goodwill and services on behalf of the Company, it was unanimously agreed by the Board in March, 2009 that he would be appointed President Emeritus to assist the Company's international business and ongoing development, as directed by the Company. While Sir Anthony O'Reilly has accepted the role of President Emeritus (as announced on 13 March, 2009) no contract has been entered into and no fees have been paid or contracted to be paid to Sir Anthony O'Reilly in respect of this role. Sir Anthony O'Reilly continues in the role as President Emeritus without payment.

Cansult Communications Inc.

As disclosed on page 101 of the 2008 Annual Report in the note entitled "35. Related Party Transactions", the contractual arrangement with Cansult Communications Inc, a company in which Mr. Brian Mulroney, the former Prime Minister of Canada, has a beneficial interest, provides for the provision of services, including key political and international development advice, by Mr. Mulroney to the INM Group at an annual cost of €100,000 per annum. This contractual arrangement has been disclosed in successive annual reports since 2005. INM has continued to receive value for the advisory services of Cansult Communications Inc. However, in light of the challenging financial circumstances faced by the Company, and as part of the Group's overall continuing focus on cost management – which has already seen central costs decline 15.4 per cent. year on year (for the six months ended 30 June, 2009) – the contract with Cansult Communications Inc. will cease with effect from 31 December 2009.

The Independent and The Independent on Sunday

The Independent and *The Independent on Sunday* represent a significant and very cost-effective editorial resource for all the Group's international titles, providing foreign bureau services and daily editorial copy in real time. The business is currently loss-making reflecting the dramatic (c. 30 per cent. +) contraction in advertising revenues seen year-to-date. In order to mitigate the revenue loss, operating costs in the business will, based on management estimates, by the end of 2009, have been reduced by over Stg£20 million in the past two years, aided by the new contract-service agreement with DMGT, which came into force in May 2009 – the full benefits of which have yet to accrue.

In early July 2009, the Board fully considered the Group's approach with respect to *The Independent* and *The Independent on Sunday* and unanimously (including the O'Brien Directors) agreed that a policy of minimising the cash cost of the business was the key objective. With this objective in mind, it was agreed by the Board that all options (including trading to breakeven, disposal or closure) should be further assessed and the most cost effective approach pursued.

Mr. O'Brien's repeated calls for the immediate closure of *The Independent* and *The Independent on Sunday* ignores the detailed information in his possession in relation to the very significant contractual cost of closure for the Group due to the existence of certain long-term contractual arrangements (supported by guarantees from the Company) in respect of printing, distribution and back office services, in addition to redundancy costs (total cash costs estimated by the Group to be of the order of approximately €35 million, which cannot readily be accommodated at this time and which is a multiple of the expected cash cost required to bring the titles to break even). In addition, the Company has not received any viable offers to purchase this asset. It is also difficult to see how Mr. O'Brien's public calls for immediate closure or sale can be in the interests of the business itself or the Shareholders as a whole, given the likely implication for the trading performance (particularly advertising revenue), contractual negotiations with suppliers, staff morale and for any value INM might expect to receive from a distressed sales process.

All Shareholders and all stakeholders are assured that the Board is already working towards the objective of minimising the cash cost of these titles and believes a better outcome can be achieved compared to the immediate closure of these titles.

UK office

The "London executive office" relates to the regional head office for the entire UK Group operations (2008 Revenues of €215 million) – which includes the UK Nationals division (*The Independent* and *The Independent on Sunday*), Belfast Telegraph Group (*Belfast Telegraph* and *Sunday Life*), WNS (Northern Ireland's largest wholesale distributor), PropertyNews.com (Northern Ireland's largest property portal) and a number of digital investments, Imprezzeo, Verivox and Truphone. These operations function under the Company's UK subsidiary, Independent News and Media Limited. This UK Group regional head office operation – which is housed in the DMGT offices in Kensington – employs 5 senior executives and 2 support staff, provides Group functions (UK CEO, UK CFO, accounts consolidation, human resources, tax etc) and ensures full management oversight for the entire UK operations that is required for a variety of business, statutory and regulatory reasons. The UK regional head office costs are not significant and in common with the ongoing rationalisation efforts across the Group, these costs have also been reduced significantly (down 33 per cent. year-on-year to date). No Group executive operates from this office – and nor are any Group costs included in this UK Group regional head office function.

Notwithstanding that Group Headquarters is at Citywest, Dublin, it is necessary for the Group Chief Executive to have office facilities in London to undertake a proportion of his work relating to Strategic Development, Investor Relations, Media Relations, Banking, and Capital Markets, much of which takes place from London. In addition the Group Internal Auditor utilises these facilities as he needs to be located in offices removed from the day to day operations of the Group. Accordingly, INM rents a small, self-serviced office in London (at a total cost of approximately €50,000 per annum) for meetings by the Group Chief Executive (and other Group executives) and use by the Group Internal Auditor.

INM Outdoor

The proposed disposal of INM Outdoor will be put before Shareholders at a separate extraordinary general meeting in accordance with the requirements under the Listing Rules (due to the size of this disposal relative to the Group it is a class 1 transaction under the Listing Rules). It is expected that this extraordinary general meeting will be convened to be held before the end of 2009.

The proposed disposal of INM Outdoor is an integral part of the restructuring resolution with INM's creditors, and INM's Banks have confirmed this position in writing to the Company. Any obstruction put in the way of this asset disposal is ultimately an obstruction to a consensual solution of the Group's

refinancing. This proposed disposal is consistent with the Group's stated deleveraging strategy, a strategy with which Mr. O'Brien expressed himself to be in agreement at the time of the appointment of the O'Brien Directors, including explicitly the disposal of INM Outdoor.

As announced on 28 August 2009, and following several months conducting a competitive auction process, the Board formally considered the impact of this transaction on the Group, specifically in relation to the restructuring discussions with its creditors, and the Board approved the entering into of a conditional agreement to sell INM Outdoor to a pan-African private equity investor group led by Helios for a gross consideration of approximately €98 million. The disposal is subject to a number of conditions, including South African regulatory approvals, and the approval of INM Shareholders. The sale and purchase agreement signed by INM obliges it to take various actions to satisfy these conditions and to consummate the proposed transaction, including convening the extraordinary general meeting required under the Listing Rules. Shareholder approval will therefore be sought in accordance with the Listing Rules by means of a circular, to be approved by the ISE and the UKLA, containing all information on INM Outdoor (including historical and pro forma financial information), and on the terms of its disposal and its importance to the INM Group, being such information as is necessary for an assessment by Shareholders as to the manner in which to exercise their voting rights. This level of detail is outside the scope of this Circular and accordingly it is more appropriate that the matter of the INM Outdoor disposal be dealt with in a dedicated document and at a specifically convened extraordinary general meeting.

Directors' Expenses

The Company's policy on Directors' expenses provides that all such expenses must be properly invoiced and approved at the appropriate level within the Company. Permitted expenses are those incurred solely for the purposes of carrying on the business of the Company. Such a policy follows normal business practice. The Board assures Shareholders that it is satisfied with the Company's control framework and approval process in this regard.

3. Extraordinary General Meeting

A notice convening the Extraordinary General Meeting to be held at The Normandy Suite, Green Isle Hotel, Newlands Cross, Dublin 22, Ireland at 11.00 a.m. on 3 November, 2009 is set out at the end of this document.

At the Extraordinary General Meeting, Shareholders will be asked to consider the two Resolutions set out in the Notice of EGM, which the Board has been required by Mr. O'Brien to propose.

The total number of issued Shares on the date of this document, 24 September 2009, is 839,595,903 (excluding treasury shares). On a vote by show of hands every Shareholder who is present has one vote and every proxy has one vote (but no individual shall have more than one vote). On a poll every Shareholder who is present in person or by proxy has one vote for every Share of which he is the holder. The Resolutions are ordinary resolutions and require a simple majority of Shareholders voting in person or by proxy to be passed.

4. Action to be Taken

The EGM will be held at The Normandy Suite, Green Isle Hotel, Newlands Cross, Dublin 22, Ireland at 11.00 a.m. on 3 November, 2009. A Form of Proxy for use at the Extraordinary General Meeting is enclosed.

Whether or not you wish to attend the Extraordinary General Meeting, you should complete and sign the Form of Proxy and return it to the Company's Registrars, by post to Capita Registrars (Ireland) Limited, P.O. Box 7117, Business Reply, Dublin 2, Ireland or by hand to Capita Registrars (Ireland) Limited, Unit 5, Manor Street Business Park, Manor Street, Dublin 7, Ireland so as to arrive no later than 11.00 a.m. on 1 November, 2009. The return of the Form of Proxy will not prevent you from attending the EGM, or any adjournment thereof, and voting in person should you wish to do so.

Electronic proxy appointment is available for the Extraordinary General Meeting. This facility enables a Shareholder to lodge its proxy appointment by electronic means by logging on to the website of the registrars, Capita Registrars (Ireland) Limited: www.capitaregistrars.ie. Shareholders should select “*Log onto shareholder services*” from the online services menu. Additionally, for those who hold Shares in CREST, a Shareholder may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Capita Registrars (Ireland) Limited (CREST participant ID 7RA08) so that it is received by no later than 11.00 a.m. on 1 November, 2009. The completion and return of either an electronic proxy appointment notification or a CREST Proxy Instruction (as the case may be) will not prevent the Shareholder from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof, should the Shareholder wish to do so.

If the Form of Proxy is not returned or the electronic proxy appointment notification or CREST Proxy Instruction is not submitted by 11.00 a.m. on 1 November, 2009, your vote will not count unless you attend in person at the Extraordinary General Meeting.

INACTION ON YOUR PART COULD RESULT IN A RESOLUTION BEING PASSED BY DEFAULT AND YOU ARE THEREFORE URGED TO CONSIDER YOUR POSITION AND EXERCISE YOUR VOTE.

5. Importance of Rejection of the Resolutions

The Board believes that in the context of the ongoing restructuring discussions, the Resolutions are not in the best interests of the Company and its Shareholders as a whole and their approval, in disrupting the Board and creating vacancies in the key positions of Chairman and Senior Independent Director, would be detrimental to the effective functioning of the Board at this crucial time, and therefore would potentially adversely impact the achievement of a consensual restructuring solution.

The Company currently remains committed to procuring a complete and lasting resolution from the financial restructuring discussions and to working with all stakeholders to achieve this, if possible, on a consensual basis and it also remains committed to seeking to complete the INM Outdoor transaction. The Banks and the Ad Hoc Committee of Bondholders have confirmed to the Company that they remain committed to working with the Company in line with these objectives. Indeed the Group’s Banks have consistently stated that they consider the disposal of INM Outdoor and the consequent availability, together with the proceeds of other disposals already effected and in progress (Cashcade, a stake in JPL and Verivox), of in aggregate up to €150 million in proceeds to be applied to reduce debt, to be a key component of any restructuring solution. Reducing the level of debt in the Group and reaching a refinancing solution outside of a court administered process are key to preserving Shareholder value.

While it is currently expected that the Board would remain committed to these objectives, whether or not the Resolutions are passed, there is a risk that the disruption to the Board dynamic and the uncertainty consequent upon the passing of the Resolutions would prejudice the Board’s continuing efforts to achieving a consensual restructuring solution. Rejection of the Resolutions is therefore considered important in order to provide the Board with the stability and continuity to achieve and if agreed, implement, a consensual restructuring solution for the benefit of all stakeholders.

6. Board Recommendation

The Board of INM believes that the Resolutions are not in the best interests of the Company and its Shareholders as a whole and recommends Shareholders to vote AGAINST the Resolutions. The Directors, other than the O’Brien Directors, intend to vote AGAINST the Resolutions in respect of their own respective beneficial holdings, which, at the date of this Circular, amount to, in aggregate, 1,480,110 Ordinary Shares representing approximately 0.18 per cent. of the Existing Issued Share Capital of INM.

Yours sincerely,

BOARD OF INDEPENDENT NEWS & MEDIA PLC

PART II

ADDITIONAL INFORMATION

- (1) The following external source documents have been used in the compilation of this document.
 - (i) The reports of the independent proxy advisory services referred to on page 7:
 - (a) Manifest report on INM dated 28 May, 2009;
 - (b) 2009 Glass Lewis & Co report on INM; and
 - (c) 2009 Risk Metrics report on INM.
 - (ii) The Sunday Times article headed "*O'Brien vows to veto Indo's African sale*" dated 26 July, 2009 referred to on page 5 which contained the following: "*He said examinership is now an option for the troubled publishing company. 'We'll have to consider it. I am being very clear.'*".
- (2) Financial information on the INM Group referred to in this Circular has been extracted without material adjustment from the Half Yearly Report (if information is in respect of the six months ended 30 June, 2009), the Annual Report for the relevant year, or where information is not such as would be contained in those source documents, from the underlying schedules and subsidiary accounts in respect of the relevant period.

DEFINITIONS

In this document and in the Form of Proxy the following expressions have the following meanings, unless the context otherwise requires, or unless it is otherwise specifically provided herein:

“Act” or “Companies Act 1963”	the Companies Act 1963 of Ireland (as amended);
“Ad Hoc Committee of Bondholders”	the committee of Bondholders formed for the purposes of participating in the restructuring discussions;
“Annual Report(s)”	the annual report and accounts of the INM Group;
“Banks”	the eight banks providing senior debt facilities to the INM Group (excluding APN News & Media Limited);
“Board” or “Directors”	the board of directors of INM, whose names are set out on page 4 of this document;
“Bondholder(s)”	holders of the Group’s May 2009 €200m 5.75 per cent. Bond, or any one of them as the context may require;
“Bond(s)”	the Group’s May 2009 €200m 5.75 per cent. Bond;
“Cashcade”	Cashcade Limited;
“Chairman”	the chairman of the Board;
“certificated” or “in certificated form”	a share or other security which is not in uncertificated form (i.e. a share or other security which is not in CREST);
“Circular”	this document dated 24 September, 2009 which comprises a circular to Shareholders prepared in accordance with the Listing Rules and which has been approved for issue by the Irish Stock Exchange and the UK Listing Authority;
“Combined Code”	the Financial Reporting Council’s Combined Code on Corporate Governance June 2008;
“Companies Acts”	the Companies Acts 1963 to 2009 of Ireland;
“CREST”	the relevant system in respect of which CRESTCo is the operator (as defined in the Regulations);
“CRESTCo”	CRESTCo Limited;
“CREST Proxy Instruction”	the appropriate CREST message for a Shareholder holding Shares in CREST to appoint a proxy or proxies utilising the relevant procedures described in the CREST Manual;
“DMGT”	Daily Mail and General Trust plc;
“Existing Issued Share Capital”	839,595,903 Ordinary Shares in issue in INM (excluding treasury shares) as of the close of business on 23 September, 2009, being the latest practicable date prior to the publication of this document;
“Extraordinary General Meeting” or “EGM” or “Requisitioned Extraordinary General Meeting”	the extraordinary general meeting of the Company convened for 11.00 a.m. on 3 November, 2009 and to be held at The Normandy Suite, Green Isle Hotel, Newlands Cross, Dublin 22, Ireland including any adjournment thereof, and notice of which is set out at the end of this document;

“€” or “euro”	the single currency of member states of the European Communities that adopt or have adopted the euro as their currency in accordance with legislation of the European Union relating to European Economic and Monetary Union;
“Financial Regulator”	Irish Financial Services Regulatory Authority;
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the EGM;
“FSA”	the Financial Services Authority, acting in its capacity as the competent authority in the United Kingdom under Part VI of FSMA;
“FSMA”	Financial Services and Markets Act 2000 of the United Kingdom;
“Group” or “INM Group”	the Company and its subsidiaries;
“Half Yearly Report”	the report of the INM Group in respect of the six months ended 30 June, 2009 as published on 28 August, 2009;
“Helios”	Helios Investment Partners, an African private equity partnership;
“Imprezzeo”	Imprezzeo Pty Limited;
“INM” or the “Company”	Independent News & Media PLC;
“INM Outdoor”	INM Outdoor (Proprietary) Limited, the South African outdoor advertising business of the Group contracted to be sold to a group led by Helios for a gross consideration of approximately €98 million;
“Ireland” and “Republic of Ireland”	Ireland, excluding Northern Ireland, and the word “Irish” shall be construed accordingly;
“Irish Stock Exchange”	The Irish Stock Exchange Limited;
“JPL”	Jagran Prakashan Limited, an Indian publishing company in which INM holds a 13.5 per cent. shareholding;
“Listing Rules”	the listing rules of the Irish Stock Exchange and/or where appropriate, of the UK Listing Authority;
“London Stock Exchange”	London Stock Exchange plc;
“Notice”	the notice of Extraordinary General Meeting set out at the end of this document;
“O’Brien Directors”	Messrs. Paul Connolly and Leslie Buckley and Ms. Lucy Gaffney, being the three Directors nominated to the Board by Mr. Denis O’Brien;
“Official Lists”	the official list of the Irish Stock Exchange and/or as appropriate the official list maintained by the UK Listing Authority;
“Option Holders”	holders of Options;
“Options”	options granted pursuant to the terms of the Share Option Schemes;
“Proposed Resolutions”	the eight ordinary resolutions proposed by Mr. O’Brien for consideration at the EGM;

“Ordinary Shares” or “Ordinary Share Capital” or “Shares”	the issued and fully paid ordinary shares of nominal value €0.05 each in the capital of the Company;
“Registrars”	Capita Corporate Registrars (Ireland) Limited, trading as Capita Registrars, being the registrars of the Company;
“Regulations”	the Companies Act, 1990 (Uncertificated Securities) Regulations 1996 (S.I. No. 68 of 1996);
“Requisition Notice”	the notice from nominee shareholders acting on behalf of Mr. Denis O’Brien requisitioning an extraordinary general meeting under section 132 of the Companies Act 1963 dated 3 September, 2009;
“Resolution(s)”	the two ordinary resolutions set out in the Notice to be considered and voted on at the EGM;
“Senior Independent Director”	the senior independent director on the Board;
“Shareholder(s)” or “INM Shareholders”	a holder or holders of Ordinary Shares;
“Share Option Schemes”	the INM Share Option Scheme 1999 for the Directors and full time executives of INM and the INM Employee Share Scheme 2008;
“Standstill Agreement(s)”	the standstill agreement between the Banks, the Ad Hoc Committee of Bondholders and certain members of the INM Group dated 16 May, 2009 (as amended and restated on 26 June, 2009, 24 July, 2009 and 27 August, 2009);
“Stock Exchanges”	together the Irish Stock Exchange and the London Stock Exchange;
“subsidiary”	shall be construed in accordance with the Act;
“subsidiary undertakings”	shall have the meaning given by the European Communities (Companies: Group Accounts) Regulations 1992 (SI No. 201 of 1992);
“Truphone”	Software Cellular Network Limited (trading as Truphone);
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“UK Group”	the UK Nationals division (<i>The Independent</i> and <i>Independent on Sunday</i>), Belfast Telegraph Group (<i>Belfast Telegraph</i> and <i>Sunday Life</i>), WNS (Northern Ireland’s largest wholesale distributor), PropertyNews.com (Northern Ireland’s largest property portal) and a number of digital investments, Imprezzo, Verivox and Truphone;
“UK Listing Authority” or “UKLA”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000 of the United Kingdom; and
“Verivox”	Verivox GmbH.

Notes:

- (i) Unless otherwise stated in this document, all references to statutes or other forms of legislation shall refer to statutes or forms of legislation of Ireland. Any reference to any provision of any legislation shall include any amendment, modification, consolidation, re-enactment or extension thereof.
- (ii) Words importing the singular shall include the plural and vice versa, and words importing the masculine shall include the feminine or neutral gender.

INDEPENDENT NEWS & MEDIA PLC

(Incorporated and registered in Ireland - registered number 2936)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Independent News & Media PLC (“the Company”) will be held at The Normandy Suite, Green Isle Hotel, Newlands Cross, Dublin 22 , Ireland at 11.00 a.m. on 3 November, 2009 for the purpose of considering and, if thought fit, passing the following resolutions, which are being proposed as ordinary resolutions:

- (1) That Dr. Brian J. Hillery is removed from his office as the chairman of the Company in accordance with section 182 of the Companies Act 1963 with immediate effect.
- (2) That a new senior independent director be appointed with immediate effect.

BY ORDER OF THE BOARD

ANDREW DONAGHER
Company Secretary

Registered Office:

Independent House
2023 Bianconi Avenue
Citywest Business Campus
Naas Road
Dublin 24
Ireland

Dated: 24 September, 2009

Notes:

Entitlement to attend and vote

- (i) Only those Shareholders registered on the Company’s register of members at:
 - 6.00 pm on 1 November 2009; or
 - if the Extraordinary General Meeting is adjourned, at 6.00 pm on the day two days prior to the adjourned Extraordinary General Meeting, shall be entitled to attend and vote at the Extraordinary General Meeting, or, if relevant, any adjournment thereof.

Website giving information regarding the meeting

- (ii) Information regarding the Extraordinary General Meeting, including the information required by section 133 A(4) of the Companies Act 1963, is available from www.inmplt.com.

Attending in person

- (iii) The Extraordinary General Meeting will be held at The Normandy Suite, Green Isle Hotel, Newlands Cross, Dublin 22, Ireland. If you wish to attend the Extraordinary General Meeting in person, you are recommended to attend at least 15 minutes before the time appointed for holding of the Extraordinary General Meeting to allow time for registration. Please bring the attendance card attached to your Form of Proxy and present it at the shareholder registration desk before the commencement of the Extraordinary General Meeting.

Appointment of proxies

- (iv) A Shareholder who is entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy to attend and vote instead of him. A Shareholder may appoint more than one proxy to attend and vote at the Extraordinary General Meeting in respect of shares held in different securities accounts. A Shareholder acting as an intermediary on behalf of one or more clients may grant a proxy to each of its clients or their nominees provided each proxy is appointed to exercise rights attached to different shares held by that Shareholder. A proxy need not be a Shareholder of the Company. If you wish to appoint more than one proxy then please contact the Company’s registrars, Capita Registrars (Ireland) Limited, on +353 1 810 2400.
- (v) A Form of Proxy for use by Shareholders is enclosed with this Notice of Extraordinary General Meeting (or is otherwise being delivered to Shareholders). Completion of a Form of Proxy (or submission of proxy instructions electronically) will not prevent a Shareholder from attending the Extraordinary General Meeting and voting in person should they wish to do so.

- (vi) To be valid, a Form of Proxy and any power or other authority under which it is executed (or a duly certified copy of any such power or authority) must be lodged with the Company's Registrar, Capita Registrars (Ireland) Limited, of Unit 5, Manor Street Business Park, Manor Street, Dublin 7, Ireland not later than 48 hours before the Extraordinary General Meeting or adjourned Extraordinary General Meeting or (in the case of a poll taken otherwise than at or on the same day as the Extraordinary General Meeting or adjourned Extraordinary General Meeting) at least 48 hours before the taking of the poll at which it is to be used.
- (vii) To appoint a proxy electronically log on to the website of the registrars, Capita Registrars (Ireland) Limited: www.capitaregistrars.ie. Shareholders should select "Log on to shareholder services" from the online services menu. Shareholders will need their Shareholder Investor Code (or IVC) as printed on the face of the accompanying Form of Proxy. Full details of the procedures are given on the website.
- (viii) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Extraordinary General Meeting and any adjournment(s) thereof by following the procedures laid down in the CREST Manual. CREST Personal Members or other CREST Sponsored Members, and those CREST Members who have appointed a voting service provider(s) should refer to their CREST Sponsor or voting service provider(s), who will be able to take appropriate action on their behalf.
- (ix) In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must be transmitted so as to be received by the Company's registrars, Capita Registrars (Ireland) Limited, as issuer's agent (ID Number 7RA08) by the latest time(s) for receipt of proxy appointments specified in this notice of Extraordinary General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Capita Registrars (Ireland) Limited is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
- (x) CREST members and where applicable, their CREST sponsors or voting service providers, should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member or Sponsored Member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- (xi) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Companies Act, 1990 (Uncertificated Securities) Regulations 1996.

Issued shares and total voting rights

- (xii) The total number of issued Shares on the date of this notice of Extraordinary General Meeting is 839,595,903 (excluding treasury shares). On a vote by show of hands every Shareholder who is present in person and every proxy has one vote (but no individual shall have more than one vote). On a poll every Shareholder shall have one vote for every share carrying rights of which he is the holder. The Resolutions are ordinary resolutions and require a simple majority of Shareholders voting in person or by proxy to be passed.

Questions at the Extraordinary General Meeting

- (xiii) Under section 134C of the Companies Act 1963, the Company must answer any question you ask relating to the business being dealt with at the Extraordinary General Meeting unless:
 - answering the question would interfere unduly with the preparation for the Extraordinary General Meeting or the confidentiality and business interests of the Company;
 - the answer has already been given on a website in the form of an answer to a question; or
 - it appears to the Chairman of the Extraordinary General Meeting that it is undesirable in the interests of good order of the meeting that the question be answered.

Other resolutions

- (xiv) The Extraordinary General Meeting is being convened on the requisition of a Shareholder of the Company to consider resolutions put forward by that Shareholder. As the requisitionist has proposed the specific resolutions which are set out in this notice, Section 133B of the Companies Act 1963 (which provides that a member or members meeting the prescribed qualification criteria may table a draft resolution for an item on the agenda of an extraordinary general meeting) is accordingly inapplicable.

