

INDEPENDENT NEWS & MEDIA PLC
ISSUES PRE-CLOSE TRADING UPDATE & ANNOUNCES
NEWSPAPER INVESTMENT IN INDIA

LONDON/ DUBLIN, December 22nd 2004 -- The board of Independent News & Media PLC [ticker: INWS.I; INWS.L) [**‘Independent’**] is today issuing a trading update in respect of the financial year ending 31st December 2004.

This statement is intended to update investors on the Group’s significant operational achievements during 2004. This pre-close trading update is made in advance of the Group’s preliminary full year results announcement planned for Wednesday 16th March 2005.

In addition, the Group is pleased to announce that it has entered into a sale and purchase agreement to acquire 26% of Indian newspaper publisher, Jagran Prakashan Private Limited [**‘JPPL’**], for a consideration of Rupees 1,500 million (€25.5 million). This transaction is subject to Indian Government approval and is expected to complete in early 2005.

TRADING

Independent has enjoyed strong revenue growth across all its major markets (Australia, Ireland, New Zealand, South Africa and the United Kingdom) throughout 2004, with a strong seasonally adjusted Q4. The four primary economies of Australia, Ireland, New Zealand and South Africa continue to enjoy strong GDP growth, outpacing European and US growth rates. Group total revenues are comfortably ahead of 2003, with costs well managed. This strong performance is a combination of good advertising and circulation growth, strong underlying economic performances across all markets, coupled with good cost management.

Group advertising revenues have remained buoyant, and are up over 10% year-on-year, augmented by a mixture of strong volumes and proactive rate management. All key advertising categories – including financial and recruitment – have shown progressive improvement on last year, with a notably strong Q4.

Group circulation revenues – across each geographic region – have continued to show solid advances due to positive volume and progressive cover-pricing strategies, and the positive impact of our successful ‘compact’ editions in Ireland and the United Kingdom. Overall Group circulation revenues are expected to be up nearly 10% year-on-year.

Operating cost management continues to be a central management focus, and the successful completion of the €18.9m annualised worldwide restructuring plan – announced a year ago – has ensured that these phased savings will be more than achieved during 2005 and into 2006.

INDIA

Independent is happy to announce the proposed acquisition of a 26% stake in JPPL. This acquisition is subject to Indian Government approval and follows recent changes to India’s foreign ownership legislation in the media sector. JPPL is publisher of the Hindi-language *Dainik Jagran*, India’s largest selling (over 1.99 million copies per day) daily newspaper. *Dainik Jagran*, in its 62nd year, has one of the largest daily readerships of any newspaper worldwide (16.4 million), and publishes 25 editions from 25 printing centres across India. The remaining 74% shareholders are members of the founding Gupta family, who currently own 100% of JPPL. The acquisition is for a consideration of Rupees 1,500 million (€25.5 million) - which will be financed from Independent’s existing cash balances - and is expected to be immediately earnings enhancing.

OUTLOOK

The Group's uniquely strong brands, market-leading positions, geographic diversity, exposure to some of the world's fastest growing economies and the ongoing pursuit of cost efficiencies, places Independent at the forefront of comparable media companies.

Commenting on today's announcement, Chief Executive, Sir Anthony O'Reilly said:

"2004 has proven to be an important year for Independent News & Media. A long-overdue - yet broad-based and well-diversified - positive revenue trend, coupled with extremely good cost management, will generate a strong result for the year 2004, in line with market forecasts. In looking forward, our simple aim at Independent is to be the low cost producer in every region in which we operate. With this as a background and with a strong finish in the current year, I am confident that we will again show a meaningful increase in earnings for 2005."

Ends.

22nd December 2004

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EDITORS' NOTES:

INDEPENDENT NEWS & MEDIA PLC: Independent is a leading international media group with its primary operations in Australia, Ireland, New Zealand, South Africa and the United Kingdom in the areas of newspapers, radio and outdoor advertising. The Group manages turnover in excess of €1.6 billion and gross assets of €3.4 billion from its core business activities. Please visit our new website at www.inmplc.com.

DAINIK JAGRAN: Established in 1942, *Dainik Jagran* is now the highest read National Daily across all languages (including English) in India with a readership of 16.4 million (as per IRS 2003 R1), publishing 25 editions from 25 print locations across India. For further information, please visit the website: www.jagran.com/about/jagprofile.htm.