

## **INDEPENDENT NEWS & MEDIA PLC ['INM']**

### **INM ANNOUNCES TENDER OFFER FOR THE EARLY REDEMPTION OF THE STG£75.0 MILLION 9.25% GUARANTEED BONDS**

Independent News & Media PLC (ticker: INWS.I; INWS.L) today announced a Tender Offer, by its wholly owned subsidiary Independent Newspapers Finance PLC, for the early redemption of the Stg£75.0 million 9.25% Guaranteed Bonds due 2005. The Tender Offer is being made as part of INM's commitment to active management of its balance sheet and to assist it in meeting its objective to reduce current debt liabilities and net interest expense.

The notice issued today by Independent Newspapers Finance PLC is as follows:

#### **INDEPENDENT NEWSPAPERS FINANCE PLC**

(incorporated as a public limited company in England and Wales under the Companies Act 1985 and 1989 with registered number 3064815)

**18 November 2004**

#### **NOTICE OF TENDER OFFER AND CERTAIN PROPOSALS TO HOLDERS OF THE £75,000,000 9.25 PER CENT. GUARANTEED BONDS DUE 2005 (THE "BONDS") ISSUED BY INDEPENDENT NEWSPAPERS FINANCE PLC AND GUARANTEED BY INDEPENDENT NEWS & MEDIA PLC (ISIN: XS0058248690; COMMON CODE: 5824869)**

*Independent Newspapers Finance PLC (the "Issuer") gives notice of a Tender Offer to holders of the Bonds (the "Bondholders"). The terms of the Tender Offer are set out in a Tender Offer Memorandum dated today, copies of which are available from the Dealer Manager and the Tender Agent (contact details for each of the Dealer Manager and the Tender Agent are set out below). As more particularly described in the Tender Offer Memorandum and subject to the procedures described therein, the Issuer is inviting Bondholders to tender Bonds for a cash payment of 102.35 per cent. of the principal amount of Bonds validly tendered, which amount (plus accrued and unpaid interest to but excluding the Settlement Date) is expected to be paid on 15 December 2004.*

*In connection with the Tender Offer, the Issuer also gives notice today of a meeting of Bondholders (the "Meeting") to consider a related proposal to amend the terms of the Bonds to insert a right on the part of the Issuer to redeem any remaining Bonds at 100 per cent. of their principal amount plus accrued and unpaid interest to but excluding the date fixed for redemption. Details of the Meeting are set out below.*

*The Tender Offer is being made as part of the Issuer's commitment to active management of its balance sheet and to assist it in meeting its objective to reduce current debt liabilities and net interest expense.*

*For further information on the terms of the Tender Offer and the Proposals, Bondholders should contact the Dealer Manager or the Tender Agent.*

*This Tender Offer is not being made in the Republic of Italy or the United States. Other restrictions also apply, notably in the United Kingdom, Belgium and France, as set out in the Tender Offer Memorandum.*

**THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF BONDHOLDERS. IF BONDHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD CONSULT THEIR OWN INDEPENDENT PROFESSIONAL ADVISERS AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKET ACT 2000 IMMEDIATELY.**

### **NOTICE OF MEETING**

of the holders (the "Bondholders") of the outstanding £75,000,000 9.25 per cent. Guaranteed Bonds due 2005 (the "Bonds") of the Issuer guaranteed by Independent News & Media PLC, formerly Independent Newspapers PLC, (the "Guarantor")

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fourth Schedule of the Trust Deed (as defined below) constituting the Bonds and made between the Issuer, the Guarantor and the Trustee (as defined below) as trustee for the Bondholders, a Meeting of the Bondholders convened by the Issuer will be held at One Silk Street, London EC2Y 8HQ on 10 December 2004 at 9.00 a.m. (London time) for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an Extraordinary Resolution in accordance with the provisions of the Trust Deed. Unless the context otherwise requires, capitalised terms used in this notice shall bear the meanings given to them in the Tender Offer Memorandum dated 18 November 2004 (the "Tender Offer Memorandum") published by the Issuer and relating to the Bonds.

### **EXTRAORDINARY RESOLUTION**

"THAT THIS MEETING (the "Meeting") of the holders (the "Bondholders") of the outstanding £75,000,000 9.25 per cent. Guaranteed Bonds due 2005 (the "Bonds") of Independent Newspapers Finance PLC (the "Issuer") constituted by a trust deed dated 21 June 1995 (the "Trust Deed") between the Issuer, the Guarantor and Bankers Trustee Company Limited (now called Deutsche Trustee Company Limited) (the "Trustee") as trustee for the Bondholders HEREBY:

- (1) assents to the amendment to and modification of the Conditions (as defined in the Trust Deed) of the Bonds by the insertion of the following as a new Condition 7(e):

"(e) Redemption at the Option of the Issuer

The Issuer may at any time on or after 10 December 2004, on giving not more than 30 nor less than 4 days' irrevocable notice to the Bondholders (which notice shall specify the date fixed for redemption) redeem all, but not some only, of the Bonds at their principal amount together with interest accrued to but excluding the date fixed for redemption."

- (2) authorises, directs, requests and empowers the Trustee (i) to concur in and execute a supplemental trust deed (supplemental to the Trust Deed) to effect the amendments and modifications referred to in paragraph (1) of this Extraordinary Resolution, in the form or substantially in the form of the draft produced to the Meeting and for the purpose of identification signed by the chairman thereof, with such amendments (if any) thereto as the Trustee shall require or agree to and concur in, and (ii) to execute and do all such other deeds, instruments, acts and things as may be necessary or desirable or expedient to carry out and give effect to this Extraordinary Resolution;
- (3) discharges and exonerates the Trustee from all liability for which it may have become or may become responsible under the Trust Deed or the Bonds in respect of any act or omission in connection with this Extraordinary Resolution or its implementation, the amendments and modifications referred to in paragraphs (1) and (2) of this Extraordinary Resolution or the implementation of those amendments and modifications; and
- (4) sanctions and assents to every abrogation, amendment, modification, variation, compromise or arrangement in respect of the rights of the Bondholders and the holders of the interest coupons appertaining to the Bonds against the Issuer or the Guarantor involved in or resulting from the amendments and modifications referred to in paragraphs (1) and (2) of this Extraordinary Resolution and the implementation of this Extraordinary Resolution."

### **Background**

The above Meeting of Bondholders is being convened by the Issuer pursuant to, and as part of, an offer by the Issuer to purchase for cash any and all of the outstanding Bonds together with all unmatured coupons relating to the Bonds (the "Tender Offer"). Details of the Tender Offer are contained in the Tender Offer Memorandum, a copy of which is available for inspection as indicated below.

In accordance with normal practice, the Trustee expresses no opinion as to the merits of the Tender Offer or the Proposals (as defined in the Tender Offer Memorandum) as presented to the Bondholders in the Tender Offer Memorandum and referred to above (which it was not involved in negotiating). It has,

however, authorised it to be stated that, on the basis of the information set out in the Tender Offer Memorandum (which it recommends Bondholders to read carefully), and in this Notice, it has no objection to the Extraordinary Resolution referred to above being submitted to the Bondholders for their consideration. The Trustee has, however, not been involved in formulating the Proposals and makes no representation that all relevant information has been disclosed to Bondholders in the Tender Offer Memorandum and this Notice. Accordingly, the Trustee urges Bondholders who are in any doubt as to the impact of the implementation of the Proposals to seek their own independent financial advice.

#### **Documents Available for Display**

Bondholders may, at any time during normal business hours on any weekday (Saturdays, Sundays and bank and other UK public holidays excepted) prior to and during the Meeting, inspect copies of the documents listed below relating to the Bonds at the specified office of each of the Tender Agent and the Dealer Manager and the registered office of the Issuer and at the Meeting itself (and for 15 minutes prior thereto). The specified office of each of the Tender Agent and the Dealer Manager and the registered office of the Issuer are set out at the end of this Notice.

Documents available for inspection:

- the Trust Deed dated 21 June 1995;
- the latest draft (subject to modification) of the Supplemental Trust Deed referred to in the Extraordinary Resolution set out above;
- a copy of the Tender Offer Memorandum dated 18 November 2004 relating to the Tender Offer (the "Tender Offer Memorandum"); and
- a copy of the Offering Circular dated 15 June 1995 relating to the Bonds.

#### **Voting and Quorum**

- (1) The relevant provisions governing the convening and holding of the Meeting are set out in the Fourth Schedule to the Trust Deed, a copy of which is available for inspection as referred to above. Words and expressions used in this section have the meanings and construction ascribed to them in the Trust Deed or the Tender Offer Memorandum, whichever is relevant.
- (2) Bondholders who have submitted valid Electronic Acceptance Instruction(s) to the Clearing Systems pursuant to the Tender Offer Memorandum need take no further action in relation to voting at the relevant Meeting in respect of the Extraordinary Resolution. Each Electronic Acceptance Instruction contains an irrevocable instruction to the Principal Paying Agent for the Bonds to appoint the Tender Agent as proxy in relation to the relevant Meeting and instruct it to vote in favour of the Extraordinary Resolution.

Paragraphs (3) to (7) below apply only to Bondholders who have not submitted Electronic Acceptance Instruction(s) to the Clearing Systems.

- (3) Bonds in bearer form may, not less than 48 hours (as defined in the Trust Deed) prior to the Meeting, be deposited with Paying Agents or (to their satisfaction) held to that order or under their control for the purpose of obtaining voting certificates or appointing proxies. A Bondholder wishing to attend and vote at a Meeting in person must produce at the relevant Meeting either his Bond(s), a valid voting certificate which it may obtain from a Paying Agent (in the case of Bonds in bearer form) or a form of proxy (in the case of Bonds in registered form).
- (4) A holder of a Bond in bearer form not wishing to attend and vote at the relevant Meeting in person may either deliver his Bond(s) or voting certificate(s) to the person whom he wishes to attend on his behalf or give a voting instruction either on a voting instruction form (obtainable from the specified offices of the Paying Agents set out below) or in accordance with the procedures of the Clearing Systems, instructing a Paying Agent to appoint a proxy to attend and vote at the relevant Meeting in accordance with his instructions. A holder of Bonds in registered form may appoint proxies by executing and delivering a form of proxy (as defined in the Trust Deed) in the English language to the specified office of the Registrar or any Transfer Agent not less than 48 hours (as defined in the Trust Deed) before the time fixed for the Meeting or, in the case of corporations, may appoint representatives by resolution of their directors or other governing body.
- (5) An Accountholder who wishes to obtain a voting certificate or procure a Paying Agent to appoint a proxy to attend and vote at the Meeting (or, if applicable, any adjourned such Meeting) on his behalf should (not less than 48 hours (as defined in the Trust Deed)) before the time appointed for the holding of the Meeting (or, if applicable, any adjourned such Meeting) and within the time limit specified by Euroclear or Clearstream, Luxembourg as the case may be) request the relevant Clearing System to block the Bonds in his own account and to hold the same to the order or under the control of the Principal Paying Agent.
- (6) An Accountholder whose Bonds have been so blocked will thus be able to obtain a voting certificate form, or procure that a voting instruction is given either by deposit of a voting instruction form with

or otherwise in accordance with the procedures of Euroclear or Clearstream, Luxembourg to the relevant Paying Agent.

- (7) Any Bond(s) so held and blocked for either of these purposes will be released to the Accountholder by the relevant Clearing System on the earliest of (i) the conclusion of the Meeting (or, if later, any adjourned such Meeting) and (ii) (within the time limit specified by the relevant Clearing System) upon the surrender to the relevant Paying Agent of the voting certificate(s) and notification by the relevant Paying Agent to the relevant Clearing System of such surrender or the compliance in such other manner with the rules of the relevant Clearing System or (iii) upon such Bond(s) ceasing in accordance with the procedures of the relevant Clearing System and with the agreement of such Paying Agent to be held to its order or under its control; provided, however, in the case of (iii) above, that if the Paying Agent has caused a block voting instruction to be delivered to the Issuer in respect of such Bond(s), such Bond(s) will not be released to the relevant Accountholder unless and until the Paying Agent has notified the Issuer of any amendment to such block voting instruction.
- (8) At the Meeting, the quorum will be one or more persons present holding Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than two-thirds of the principal amount of the Bonds for the time being outstanding. If, within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for the Meeting, a quorum is not present, the Meeting shall be adjourned for such period, being not less than 13 clear days nor more than 42 clear days, and to such time and place as the Chairman appoints and is approved by the Trustee. At any adjourned Meeting, the quorum shall be one or more persons present holding Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-third of the principal amount of the Bonds for the time being outstanding.
- (9) Every question submitted to each Meeting will be decided in the first instance by a show of hands. A poll may be demanded by the Chairman, the Issuer, the Guarantor, the Trustee or any person present holding a Bond or a voting certificate or being a proxy or representative (whatever the principal amount of the Bonds so held or represented by him). On a show of hands, every person who is present in person and produces a Bond or voting certificate or is a proxy or representative shall have one vote. On a poll, every person who is so present shall have one vote in respect of each £1 or such other amount as the Trustee may in its absolute discretion stipulate in principal amount of the Bonds so produced or represented by the voting certificate so produced or in respect of which he is a proxy or representative or in respect of which he is the holder.
- (10) To be passed, the Extraordinary Resolution requires a majority in favour consisting of not less than three-fourths of the persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three-fourths of the votes cast on such poll. If passed, the Extraordinary Resolution will be binding on all the Bondholders whether or not present at the Meeting and whether or not voting, and upon all holders of interest coupons appertaining thereto, and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof.
- (11) This notice is governed by, and shall be construed in accordance with, English law.
- (12) Holders of Bonds which are held by Clearstream, Luxembourg or Euroclear should contact the following for further information:

Clearstream, Luxembourg: Corporate  
Action Department (Luxembourg)  
Telephone: +352 24 33 8065  
Telex: 2791

Euroclear: Custody Operations  
Department (Brussels)  
Telephone +322 224 4378  
Telex: 61025

- (13) The Paying Agents with respect to the Bonds are as follows:

Principal Paying Agent  
**Deutsche Bank AG**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

Paying Agent  
**Deutsche Bank Luxembourg S.A.**  
2 Boulevard Konrad Adenauer  
L-1115 Luxembourg

(14) The Tender Agent with respect to the Tender Offer is as follows:

**Deutsche Bank AG**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

Telephone: +44 (0) 20 7547 5000  
Fax: +44 (0) 20 7547 5001  
email: xchange.offer@db.com

(15) The Dealer Manager with respect to the Tender Offer is as follows:

**BNP Paribas**

10 Harewood Avenue  
London NW1 6AA  
United Kingdom

Telephone: +44 (0) 20 7595 8668  
Fax: +44 (0) 20 7595 5095  
email: debt.restructuring@bnpparibas.com

This notice is given by: **Independent Newspapers Finance PLC**  
Independent House, 191 Marsh Wall, London E14 9RS  
18 November 2004

ENDS

18 November 2004

**For reference:**

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