

Stock Exchange Announcements

INDEPENDENT NEWS & MEDIA PLC ANNOUNCES RECORD RESULTS

The Board of Independent News & Media PLC today announced record interim results for the six months ended 30th June 2000. Independent News & Media PLC operates in Australia, Ireland, New Zealand, South Africa and the United Kingdom and has three core businesses: publishing, electronic media and outdoor advertising.

RESULTS

	2000 EURm	1999 EURm	Change %
Turnover	629.4	525.7	19.7
Operating Profit before New Media	108.0	82.6	30.8
Profit before Tax	74.5	61.0	22.1
Fully Diluted Earnings Per Share*	8.33c	7.04c	18.3
Dividend per Share	2.50c	2.22c	12.6

* Before exceptional items and amortisation

HIGHLIGHTS

· Strong organic growth in all divisions, with double-digit growth in Ireland, Australia, the United Kingdom and New Zealand. · New EUR60 million full colour Irish printing plant - at Citywest - ahead of schedule and on budget. · Core circulation advances in South Africa with all titles growing in the first half and the economy set to improve. · Irish Multichannel (PHL) secures EUR360 million syndicated facility for the rollout of its broadband investment providing bundled digital TV, high speed internet access and local/national telephony throughout Ireland. · Prudent new media strategy delivering quantifiable results. · Unison launches Ireland's premier ISP portal - the first to offer internet access via conventional TV. · Group's 5 year EUR1 billion bank syndicate loan oversubscribed. · Earnings enhancing acquisition of the Belfast Telegraph titles - the leading metropolitan newspaper group in Northern Ireland. · Successful IPO values new media spin-off iTouch at EUR320 million.

Commenting on the record results, Dr AJF O'Reilly, Executive Chairman, said

"I am pleased to report record performances across each of our markets in what has been an exciting, rewarding and better than expected first half. Your Group is at the forefront of media developments worldwide and we are looking forward to a very positive end to the Millennium year."

INDEPENDENT NEWS & MEDIA PLC
INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30TH JUNE 2000

OPERATING PROFITS BEFORE NEW MEDIA INCREASE BY 30.8%

PRE-TAX PROFITS INCREASE BY 22.1%

Independent News & Media PLC today announced record interim results for the six months ended 30th June 2000 and continues to deliver double-digit growth.

Strong advances in Australia, Ireland, United Kingdom and New Zealand drove operating profit, before new media costs, to EUR108 million, up 30.8%. Group turnover grew by 19.7% to EUR629.4 million and profit before tax increased to a record EUR74.5 million, up 22.1% on 1999.

Fully diluted earnings per share, excluding exceptional items and goodwill amortisation were 8.33c, up 18.3% from 7.04c in 1999.

Independent News & Media is a fast growing international media and communications group. Market capitalisation to date has grown from EUR115 million to EUR2.1 billion over the last decade. A shareholder who invested the equivalent of EUR1,000 in 1973, with dividends reinvested, has a holding currently worth EUR479,000 representing an impressive compound annual return to shareholders of 24.7%.

The Board is recommending an interim dividend of 2.50c per share, an increase of 12.6% on 1999. A scrip dividend alternative is again available to shareholders. Relevant Share Certificates and/or Dividend Warrants will be posted on 2nd November 2000 to ordinary shareholders registered at the close of business on 22nd September 2000.

OPERATIONS

Australia

APN News & Media Limited ("APN") (41% owned by Independent News & Media PLC), the largest operator of regional newspapers, radio stations and outdoor advertising in Australasia reported a 31% increase in net profit to a record A\$21.9 million for the six months ended 30th June 2000. Earnings per share were 9.00c, an increase of 30% over the prior period.

Total revenue for the group increased by 30% to A\$294.6 million, total EBIT by 34% to A\$56.7 million, and pre-tax profit by 35% to A\$49.3 million. These results were affected by APN's consolidation of The Radio Network ("TRN") in New Zealand. On a like-for-like basis, EBIT increased by 29%. Double-digit growth was again achieved in the publishing, broadcasting and outdoor advertising divisions, with particularly strong performances in outdoor and radio.

Growth in the regional newspaper division was a function of strong national advertising, buoyant circulations, good local revenue growth and cost savings arising from the new "shared services centre".

The strong radio advertising market combined with tight cost control, delivered a 46% increase in EBIT for the broadcasting division. On a like-for-like basis, taking account of this year's inclusion of TRN, EBIT increased by 35%.

Outdoor's exceptional performance, up 85% on last year, was boosted by a

range of new "blue chip" advertisers using the medium and by the increasing usage of outdoor in major brand campaigns. All APN's outdoor companies - Buspak, Australian Posters, Cody and Adshel - performed well with a number of additional contract wins, particularly by Cody.

Ireland

In Ireland, the continuing economic buoyancy delivered record levels of activity and profits across all operating divisions in the first half. Total turnover at EUR153.4 million, grew by 9.9% and operating profits, at EUR37.4 million, advanced by 11.6% reflecting a further improvement in operating margins to over 24.3%.

In a highly competitive market, Independent's range of leading brands recorded another period of impressive growth in both advertising and circulation. Advertising continued to deliver significant revenue growth and all titles achieved market share increases, with strong performances in the key advertising sectors of retail, financial, recruitment, property and classifieds.

Despite the lack of regulatory response to the continuing predatory pricing activity of UK publishers, circulations advanced on 1999 with *The Star* achieving a noteworthy all-time daily circulation high of 92,403 (+3.5%) for the six months and the *Irish Independent* attaining a 17 year daily high of 167,567. In addition, the *Sunday Independent*, *Sunday World* and *Evening Herald* consolidated their number one positions in each of their market segments with good first half volumes.

The on-going focus on core advertising, circulation and readership growth will be further augmented by the completion of the new EUR60 million full colour printing plant at Citywest. This development is ahead of schedule and on budget and will be fully operational by December 2000. Representing a substantial investment in Ireland, this state-of-the-art facility will provide unrivalled levels of production flexibility, product enhancements and capacity for margin growth.

The Group's Irish regional titles - with combined weekly audited circulations of over 105,000 copies - had another very strong first half. There was significant corporate activity in this sector with a number of titles being acquired by international companies demonstrating the inherent value and competitive diversity of this growing market segment.

In the electronic and new media area, Princes Holdings Limited ("PHL") (trading as *Irish Multichannel*) - jointly owned with Liberty Media (LMGa.N) of the USA - continued its rapid expansion with cable and MDS subscribers now numbering over 250,000 in its franchise area of 650,000 homes (60% of all Irish homes). The past 12 months have seen major developments, with the company being awarded both broadband and narrowband wireless local loop licences. PHL recently secured a EUR360 million syndicated bank facility to fund the development of its high speed fibre optic network to deliver Ireland's first broadband network, offering consumers competitively priced bundled digital TV, telephony and high speed internet access services.

New Zealand

Wilson & Horton reported a good start to trading in the first half driven by strong growth in advertising and improving circulations. Revenue increases coupled with continued cost control resulted in improved results. The New Zealand division, including TRN, contributed EUR25.4 million to operating profit, an increase of 25.7%.

The New Zealand Herald increased daily circulation in the first half to 213,334 copies per day, delivering a 70% readership penetration in New Zealand's largest city and commercial centre - Auckland.

The Herald continues to increase its share of the total advertising market with particularly strong advances in the recruitment sector. The

commissioning of new colour towers at the Herald's Ellerslie printing plant - in response to increasing demand by colour advertisers - will be completed in October.

The Herald's editorial team has achieved a rare "triple crown" this year by taking top honours at three major editorial awards for 1999/2000, winning "Newspaper of the Year" at the Qantas Media Awards and at the Commonwealth Press Union Awards, as well as the inaugural Pacific Area Newspaper Publishers' Association (Panpa) "Newspaper of the Year Award", recognising the Herald as the best newspaper in South East Asia.

The Regional Newspaper Division also reported strong first half performances with circulation and advertising increases.

Wilson & Horton Print, the region's largest commercial and security printing business is also forging strong business growth in Australia and Asia, in addition to its New Zealand operations.

South Africa

After absorbing the impact of developmental new media costs and challenging trading conditions, the South African operation recorded a year-on-year trading profit gain of 6.7% to EUR9.5 million.

Core newspaper revenues (excluding new media) were 9.8% up year-on-year and although advertising support was sluggish, circulation revenue grew ahead of expectations as did the performance of commercial printing and distribution activities. The growth in circulation revenue was as a result of robust volume growth in each of the group's fourteen titles, which all improved their audited ABC figures and market share; whilst the majority of rival newspapers recorded circulation declines.

Ongoing tight control on expenditure limited cost increases in the core newspaper operation to below half the rate of inflation, thereby improving the core operating margin by 1.5% to 12.2%.

There are clear signs that the South African economy is now in the early stages of recovery, and with the advancing circulation and readership figures for each of our titles, we are increasingly confident of a sustainable improvement in trading.

United Kingdom

Revenue in the UK at EUR84.2 million was up a strong 17.9% on 1999, with operating profit for the first half ahead of expectations at EUR100,000 positive. The emergence of profitability was driven by solid circulations and a 21% increase in advertising for *The Independent* and *Independent on Sunday*.

Circulation of the national titles continued to improve - with market share advances - and further growth is anticipated in the second half. Advertising remains buoyant - where our titles command a disproportionately high market share, due to the young, affluent demographics of our readership. This advertising growth has continued through the important Summer UCAS period where revenues recorded double-digit increases over 1999.

The London regional titles performed well with advertising revenue 7% ahead on a like-for-like basis. The magazine division performed well in a highly competitive environment with the Metro, in particular, continuing to compete for low yielding recruitment revenues.

The Belfast Telegraph is not included in the UK performance as the acquisition was completed after the half year close. It will be included from August onwards. August trading has been excellent and the business has already been successfully integrated into the UK group.

INDEPENDENT DIGITAL

Independent Digital, the Group's consolidated on-line media division, continued to develop and expand strongly during the six months under

review. The Group's focus continues to be to invest (either through cash or on an "ads-for-equity" basis) in new and dynamic media channels that are appropriate to, and complement, our leading brands in each of the existing local markets we serve. Your Group has a prudent new media investment policy, and yet has over 50 individual websites worldwide, recording over 60 million page impressions per month.

In Australia, APN Digital increased its shareholding in Peakhour (business-to-business internet) to 15%. The Australian Radio Network (ARN) invested in The Internet Amusement Group (on-line contests) taking a 51% shareholding. Soprano (mobile data) has won a number of significant contracts, including Australia's largest telephone operator Telstra, and is fast-expanding its activities to Asia. APN's organic sites also continue to expand with the launch of *homehunter.com* (regional properties being promoted in major metropolitan centres) and will be followed shortly by *towntalk.com* (community portals) in the regional centres.

In March 2000, Unison, Ireland's newest and fastest growing internet service provider (ISP), was launched and is fast-moving towards broadband. Unison is jointly owned with PHL, and is the exclusive portal for PHL's 250,000 subscriber network. Representing the largest Irish resourced portal for news and information, Unison is the first company to deliver to Irish consumers free internet access via conventional TV, as well as via PC. Unison aims to be Ireland's premier commercial ISP, offering consumers a uniquely user-friendly proposition with a range of e-commerce services, including interactive travel, classified and financial services, and is delighted to have entered into an exclusive partnership arrangement with Bank of Ireland (BKIR.I) for the Unison website.

In New Zealand, the award-winning websites built by Wilson & Horton Interactive are enabling the company to extend its trusted brands into new media such as the internet and mobile telephony. Wilson & Horton Interactive has recently launched *travel.co.nz* to enable customers to book travel on-line. The regional newspaper division will expand on-line through the launch of *MyTown.co.nz*, uniting the group's regional titles.

In South Africa, the group's news and classified website, *iol.co.za* was successfully relaunched in June. It is now the most visited news website in the whole of Africa, currently achieving 4.7 million page impressions per month.

In the United Kingdom, the development of the UK's new media interests progressed well in the first half with, in particular, The Independent's website *independent.co.uk* achieving more than 9 million page impressions per month, making it one of the top 20 UK content sites. The group's investment in MBA Direct continues to make progress with more than 40 MBA Colleges and Universities now enlisted totalling more than 20,000 students. MBA students will be circulated with senior vacancies from the top companies who sign up for the service from Autumn onwards.

In August 2000, iTouch (ITU.L) was valued at EUR320 million following its listing on the London Stock Exchange. Independent News & Media PLC now holds a 50% shareholding following the flotation. iTouch is an international provider of information and commerce applications to mobile and fixed-line telephone customers, with a specific focus on the development of mobile solutions for corporate clientele. The funds raised from the IPO (EUR80 million) will be used to accelerate the further development of iTouch's business in all of Independent's markets and in Israel, where it recently launched a mobile portal accessible through Palm (PALM.O) handheld devices. Through the expansion of its range of mobile services, iTouch is capitalising on the increasing penetration of mobile devices for personal and corporate use, and taking full advantage of the convergence of mobile, internet and other multimedia technologies.

ACQUISITIONS

The acquisition of the Belfast Telegraph was completed at the end of July. The acquisition will be immediately earnings enhancing. The Belfast Telegraph dominates the metropolitan area of Greater Belfast with over 421,000 readers recorded in the last NRS survey, an increase of over 9% on the previous survey. The transaction was closed on 17th March, subject only to regulatory approval which was finally received on 17th July.

In January, the acquisition of Dominion magazines was completed. Dominion is the leading educational course advertising magazine publisher in the UK.

In May, the acquisition of Living Abroad Magazine (LAM) was completed. LAM will enable the UK magazine division to broaden its advertising revenue base and attract recruitment and other revenues from those advertisers wanting to reach the highly attractive market of students travelling to the UK from overseas.

Since the start of the year, the Group has also invested in PrimeLearning (corporate eLearning market), Educational Multimedia Group (eLearning market) and Norkom Technologies (customer relationship management software).

OUTLOOK

The results of the Group for the full year are expected to show a meaningful improvement over 1999.

Ends. Wednesday, 6th September 2000 For Reference: James J

Parkinson Group Finance Director

Independent News & Media PLC Tel: +353 - 1 - 475 8432 Brendan MA

Hopkins Chief Executive - United Kingdom

Independent News & Media PLC Tel: +44 - 20 - 7363 7788 Gavin K

O'Reilly Chief Executive - Ireland

Independent News & Media PLC Tel: +353 - 1 - 705 5455 Jim Milton

Murray Consultants

Tel:

Mob: +353 - 1 - 632 6400

+353 - 86 - 2558400 Mark Edwards Buchanan Communications Tel: +44

- 20 - 7466 5000

ABOUT INDEPENDENT NEWS & MEDIA PLC

Corporate Profile

Independent News & Media PLC is a fast-growing international media and communications group with interests in newspaper and magazine publishing, broadcasting, multi-channel and pay TV, internet, e-commerce, mobile information and outdoor advertising. Spanning four continents, Independent News & Media has market leading newspaper positions in Australia, Ireland, New Zealand and South Africa. It also owns the flagship Independent titles in the United Kingdom and has recently purchased the leading metropolitan newspaper group in Northern Ireland. It holds a 19% stake in Lusomundo Media (formerly called Jornalgeste), Portugal's leading newspaper publisher.

Publishing over 200 newspaper and magazine titles with weekly circulations of over 15 million copies, the Group is at the forefront of delivering web-based content and e-commerce opportunities to the widest audience through the internet, via cable TV and mobile phones. It is the largest radio and outdoor advertising operator in Australasia and the second largest cable TV operator in the Republic of Ireland. It also has an interest in outdoor advertising in Hong Kong. 12,500 people are employed.

Independent Digital brings together the Group's on-line media activities under one umbrella. These involve on-line publishing of the Group's titles with 50 websites worldwide, and over 60 million page impressions per month. Independent Digital leverages the Group's local, national and international content along with new content produced specifically for digital distribution. It encompasses the Group's new media operations such as iTouch, which is at the leading edge of developments in mobile data, WAP technology and m-commerce applications with operations in Australia, New Zealand, the United Kingdom, Ireland, South Africa and Israel.

The Group aims to increase its earnings and enhance shareholder value through a combination of organic growth in its existing markets and by identifying new growth opportunities in these and other markets.

Going forward the Group is well placed to leverage its editorial content through internet and broadcast channels and to develop trading opportunities in the new media environment.

The Group has grown strongly over the last 5 years and now has a market capitalisation of EUR2.1 billion and manages turnover of EUR1.6 billion and gross assets of EUR3.3 billion.

INDEPENDENT NEWS & MEDIA PLC
INTERIM STATEMENT
GROUP PROFIT AND LOSS ACCOUNT (unaudited)

		Six months ended 30 June 2000 EURm
		Six months ended 30 June 1999 EURm
Turnover - continuing operations		
- Traditional media	624.6	
	525.7	
- New media	4.8	

	-	

	629.4	
	=====	
	525.7	
	=====	
Operating profit/(loss) - continuing operations		
- Traditional media	108.0	
	82.6	
- New media	(6.8)	

	-	

	101.2
	82.6
Net interest charge	(26.7)
	<u>(21.6)</u>
Profit on ordinary activities before taxation	74.5
Taxation on profit on ordinary activities	61.0
	(14.8)
	<u>(12.8)</u>
Profit on ordinary activities after taxation	59.7
Minority interests (including non-equity minority interests)	48.2
	(21.2)
	<u>(15.4)</u>
Profit on ordinary activities after taxation and minority interests	38.5
Dividends proposed	32.8
	(12.9)
	<u>(11.3)</u>
Retained profit for the six months for Group and its share of joint ventures and associates	
	25.6
	=====
	21.5
	=====
	(as restated)
Earnings per share	7.49c
	<u>6.54c</u>
Fully diluted earnings per share	7.14c
	<u>7.14c</u>

6.36c

Fully diluted earnings per share before exceptional items and amortisation

8.33c

7.04c

STATEMENT OF RETAINED PROFITS (unaudited)

	Six months ended 30 June 2000 EURm	Six months ended 30 June 1999 EURm
Retained profit at beginning of year as previously stated	203.3	160.9
Prior year adjustment	-	-
	<u>(9.4)</u>	
Retained profit at beginning of year as restated	203.3	151.5
Retained profit for the six months	25.6	21.5
Treasury shares movement	-	-
Exchange rate adjustments	1.8	
	<u>(8.7)</u>	
	<u>29.0</u>	
Retained profit at end of June	220.2	203.8
	====	====

GROUP BALANCE SHEET (unaudited)

**30 June
2000
30 June
1999**

**30 June
2000**
(Inc. Mastheads)
**30 June
1999**
(Inc
Mastheads)

(as restated)
(as restated)
EURm
EURm
EURm
EURm

Fixed Assets

Intangible assets

1,188.7
1,218.8
1,618.1
1,655.1

Tangible assets

364.5
326.8
364.5
326.8

Financial assets

Investment in joint ventures

- Share of gross assets

78.6
48.5
93.7
63.5

- Share of gross liabilities

(69.0)

(43.6)

(69.0)

(43.5)

9.6
4.9
24.7
20.0

Investment in associates

91.9
20.3
91.9
20.3

Other investments

20.5

23.4

20.5

	23.4
	122.0
	48.6
	137.1
	63.7
	1,675.2
	1,594.2
	2,119.7
	2,045.6
Current Assets	
Stocks	23.0
	22.1
	23.0
	22.1
Debtors	248.4
	249.0
	248.4
	249.0
Cash at bank and in hand	97.0
	263.6
	97.0
	263.6
	368.4
	534.7
	368.4
	534.7
Creditors - amounts falling due within one year	
	(194.7)
	(265.2)
	(194.7)

	(265.2)

Net Current Assets	
	173.7

	269.5

	173.7

	269.5

Total Assets Less Current Liabilities	
	1,848.9
	=====
	1,863.7
	=====
	2,293.4
	=====
	2,315.1
	=====
Creditors - amounts falling due after more than one year	
	1,042.4
	1,040.3
	1,042.4
	1,040.3
Provisions for Liabilities and Charges	
	49.5

	52.4

	49.5

	52.4

	1,091.9

	1,092.7

	1,091.9

	1,092.7

Capital and Reserves	
Called up share capital	

	154.9
	81.3
	154.9
	81.3
Capital reserves	(77.2)
	29.8
	367.3
	481.2
Profit and loss account	220.2
	<u>203.8</u>
	<u>220.2</u>
	<u>203.8</u>
	<u> </u>
Equity Shareholders' Funds	
	297.9
	<u> </u>
	314.9
	<u> </u>
	742.4
	<u> </u>
	766.3
	<u> </u>
Minority Interests	
Equity minority interests	225.5
	217.7
	225.5
	217.7
Non-equity minority interests	233.6
	<u> </u>
	238.4
	<u> </u>
	233.6
	<u> </u>
	238.4
	<u> </u>
	459.1
	<u> </u>
	456.1
	<u> </u>
	459.1
	<u> </u>
	456.1

 1,848.9
 =====
 1,863.7
 =====
 2,293.4
 =====
 2,315.1
 =====

GROUP CASH FLOW STATEMENT (unaudited)

Six months ended
30 June 2000
Six months ended
30 June 1999

EURm
EURm
EURm
EURm

Net Cash Inflow from Operating Activities

111.2
 65.9

Dividends Received from Associates

-
 3.3

Dividends Received from Joint Ventures

-
 0.9

Returns on Investments and Servicing of Finance

Interest received - Group

4.3
 5.0

Interest paid - Group

(48.0)
 (32.5)

Debt issue costs

-
 (3.3)

Dividends and other payments to minority shareholders

(17.1)

 (21.8)

Net Cash Outflow from Returns on Investments and Servicing of Finance

(60.8)
 (52.6)

Net Cash Outflow from Taxation

(22.8)

	(23.0)
Capital Expenditure and Financial Investment	
Purchase of tangible fixed assets and titles	(45.1)
	(18.5)
Sale of tangible fixed assets and investments	0.6
	3.8
Deferred expenditure	(4.3)
	(0.5)
Purchase of investments	(14.6)
	(1.8)
Advances to joint ventures	(0.3)
	(0.3)
Advances to associates	(4.2)
	(3.7)
Increase in investment in associates	(25.9)
	-
Other capital expenditure	(0.6)
	-
Advances repaid by associates	-
	-
	<hr/>
	4.3
	<hr/>
Net Cash Outflow from Capital Expenditure and Financial Investment	(94.4)
	(16.7)
Acquisitions and Disposals	
Purchase of equity minority interests	(2.6)
	(100.1)
Purchase and redemption of non-equity minority interests	-
	(1.4)
Purchase of subsidiary undertakings	(16.1)
	(3.9)
Cash acquired with subsidiary undertakings	-
	6.5
Disposal of subsidiary undertakings	-
	-
	<hr/>
	7.3
	<hr/>

Net Cash Outflow from Acquisitions and Disposals	(18.7)
	(91.6)
Equity Dividends Paid	(21.5)
	<u>(8.1)</u>
Cash Outflow before Management of Liquid Resources and Financing	(107.0)
	(121.9)
Management of Liquid Resources	-
	<u>-</u>
	-
	<u>-</u>
Net Cash Flow from Management of Liquid Resources	-
	-
Financing	
Issue of shares	2.4
	2.1
Issue of equity minority interests	1.0
	8.4
Treasury shares movement	-
	5.2
Receipt of short term loans	-
	38.1
Repayment of short term loans	(0.1)
	(0.5)
Receipt of long term loans	3.6
	349.1
Repayment of long term loans	(12.7)
	(150.0)
Capital element of finance lease rental payments	
	(0.2)
	<u>(0.4)</u>
	<u>(0.4)</u>

Net Cash (Outflow)/ Inflow from Financing

(6.0)

 252.0

(Decrease)/Increase in Cash

(113.0)

=====

130.1

=====

SEGMENTAL REPORT (unaudited)

The Group operates mainly in Ireland, the United Kingdom, South Africa, New Zealand and Australia. The following is an analysis of the Group's results by geographical market.

By Geographical Segments

**Turnover
Operating Profit**

2000**1999****2000****1999****EURm****EURm****EURm****EURm**

Turnover (By origin):

Group and share of joint ventures and associates

667.5

555.2

Less:

Share of joint ventures' turnover

(13.2)

(11.7)

Share of associates' turnover

(24.9)

 (17.8)

Group turnover

629.4

=====

525.7

=====

Ireland

153.4

139.6

37.4

33.5

United Kingdom

	84.2
	71.4
	0.1
	(3.0)
South Africa	
	92.3
	83.3
	9.5
	8.9
New Zealand	
	140.0
	104.1
	25.4
	20.2
Australia	
	159.5
	<u>127.3</u>
	<u>32.0</u>
	<u>25.1</u>
	629.4
	=====
	525.7
	=====
	104.4
	<u>84.7</u>
	<u> </u>
Group share of joint ventures	
	0.5
	1.3
Group share of associates	
	0.2
	<u> </u>
	-
	<u> </u>
	0.7
	<u>1.3</u>
	<u> </u>
Common costs	
	(3.9)
	(3.4)
Net interest charge	
	(26.7)
	<u>(21.6)</u>
	<u> </u>
Group profit on ordinary activities before taxation and minority interests	

74.5

====

61.0

====

Turnover by origin has been shown above and does not differ materially from turnover by destination.

By Class of Business

The Group has three main classes of business:

- Printing, publishing and distribution of newspapers and magazines and commercial printing
- Electronic media
- Outdoor advertising

The following is an analysis of the Group's results by class of business.

Turnover Operating Profit

2000

1999

2000

1999

EURm

EURm

EURm

EURm

Turnover:

Group and share of joint ventures and associates

667.5

555.2

Less:

Share of joint ventures' turnover

(13.2)

(11.7)

Share of associates' turnover

(24.9)

(17.8)

Group turnover

629.4

====

525.7

====

Printing, publishing, distribution and commercial printing

511.4

460.3

86.5

71.2

Electronic media

64.4

33.4

	10.5
	8.9
Outdoor advertising	53.6
	<u>32.0</u>
	<u>7.4</u>
	<u>4.6</u>
	<u>629.4</u>
	====
	525.7
	====
	104.4
	<u>84.7</u>
Group share of joint ventures	<u>0.5</u>
	1.3
Group share of associates	0.2
	<u>-</u>
	0.7
	<u>1.3</u>
Common costs	<u>(3.9)</u>
	(3.4)
Net interest charge	(26.7)
	<u>(21.6)</u>
Group profit on ordinary activities before taxation and minority interests	
	74.5
	====
	61.0
	====

RESULTS

2001 2000 Change
(as restated)

	EURm	EURm	%
Turnover	656.0	629.4	4.2
Operating Profit*	109.3	96.3	13.5
Profit before Tax	57.6	69.6	-17.2
Fully Diluted Earnings Per Share**	7.68c	7.53c	2.0
Dividend per Share	2.75c	2.50c	10.0

* Before exceptional items ** Before exceptional items and amortisation

HIGHLIGHTS

- Operating profit grows 13.5% to EUR109.3 million.
- Enhanced margins achieved in all regions.
- Group newspaper advertising revenues increase by 5.6% in contrast to major declines reported by most media companies worldwide.
- Group circulation revenues up on a like-for-like basis.
- New Citywest printing facility helps to deliver 20% growth and significant market share advances in Ireland.
- Belfast Telegraph contributes positive earnings growth in first year together with growth in circulations.
- Interim dividend up 10% to 2.75c per share.

Commenting on the results, Sir Anthony O'Reilly, Executive Chairman, said

"I am pleased to report very satisfactory performances in each of our markets, despite challenging global economic conditions. The Group's performance is testament to the inherent quality of our businesses and our leading brands in each of our markets, underlining the success of our global diversification and the resilience of our earnings capacity."

"We continue to strive for increased margins and this effort is being further enhanced by prudent cost management in all divisions, which we believe will allow us to continue to perform well going forward."

Independent News & Media PLC is a leading international media and communications group, with operations primarily in Australia, Ireland, New Zealand, South Africa and the United Kingdom. The Group operates in three core business activities: publishing, electronic media (principally radio) and outdoor advertising.

INDEPENDENT NEWS & MEDIA PLC INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30TH JUNE 2001

OPERATING PROFITS INCREASE BY 13.5%

Independent News & Media PLC (INM PLC) today announced interim results for the six months ended 30th June 2001.

Advances across the Group, combined with a singular focus on cost efficiencies in all divisions, drove operating profit, before exceptional costs, to a record EUR109.3 million, up 13.5% on 2000. Turnover increased to a record EUR656 million (up 4.2%) and all regions delivered enhanced margins. In constant currency terms and excluding exceptional costs, profit before tax was marginally ahead of last year. Profit before tax at EUR57.6 million was down 17.2% due to adverse currency movements, exceptional start-up costs and the increased financing charges arising from both the acquisition of Belfast Telegraph Newspapers and the investment in the new

Irish printing facility at Citywest.

Fully diluted earnings per share, excluding exceptional items and amortisation were a record 7.68c, up 2.0% from 7.53c in 2000. Based on this solid first half performance, the Board is recommending an interim dividend of 2.75c per share, an increase of 10% on 2000. This dividend will be paid on 2nd November 2001 to ordinary shareholders registered at the close of business on 14th September 2001. A scrip dividend alternative will also be available.

Independent News & Media PLC is a leading international media and communications group, which manages turnover of EUR1.5 billion and gross assets of EUR3.2 billion. A shareholder who invested the equivalent of EUR1,000 in 1973, with dividends reinvested, has a holding worth EUR270,458 representing an impressive compound annual return of 21.3%.

- OPERATIONS -

AUSTRALIA

APN News & Media Limited (APN), (40% owned by INM PLC) - the largest operator in regional newspapers, radio broadcasting and outdoor advertising in Australasia - reported a 1% rise in net profit to a record A\$22.1 million for the six months ended 30th June 2001.

Operating profit was down 6% due to a very tough advertising market that followed on from the weaker second half of last year, and which affected all divisions. However, the radio and outdoor divisions continued to show profit growth, which is noteworthy as both benefited from the very strong advertising market last year in the run up to the Sydney Olympics.

This difficult advertising market continued to affect the publishing division, where revenues fell by A\$9.1 million. However, effective cost controls mitigated this adverse revenue impact, and EBIT fell by only A\$4.4 million. Encouragingly, recent trading has seen some pick up in the regional centres, as improving regional economic conditions begin to take effect. The broadcasting division performed well, even though the very strong advertising market in the first half last year was not replicated this year, with sensible cost controls delivering a small profit increase. The launch of the new Brisbane FM station, a joint venture with Daily Mail & General Trust - which will be managed by the Australian Radio Network - is expected towards the end of the year.

Following impressive growth in 2000, the outdoor division's profits continued to grow, despite difficult conditions in the second quarter and very tough half year comparisons with the advertising activity in support of the Olympics last year. The recent expansion into Asia - with particular emphasis on Hong Kong - delivered profit growth with all operations contributing to the result.

APN's result was the ninth consecutive first half period of net profit and dividend growth since the group was floated in 1992. The outlook for the full year in Australia is hard to predict, with advertising remaining volatile, albeit with some evidence of an improvement in trading conditions in the regional newspaper division.

IRELAND

Against a buoyant economy and the timely investment in Citywest, operating profits grew by a strong 20% to EUR39.6 million and turnover by 12.5% to

EUR172.6 million. Operating margins widened further to 23%.

All of our market-leading brands recorded further growth in share of advertising, circulation and readership. Strong double-digit advertising growth delivered significant revenue gains, with good performances in the key sectors of colour, retail, recruitment and property. In addition, with the successful commissioning of Citywest - the new EUR60 million full-colour printing facility - aggregate advertising growth for the *Irish Independent*, *Evening Herald* and *Sunday Independent* outpaced the market and delivered over 46% total market share (up from 44% in 2000).

The *Evening Herald* was successfully re-launched as Ireland's national evening newspaper, both expanding its distribution and building on its position as Dublin's best read daily paper, with a circulation of 104,288. Despite significant competition and continuing predatory-pricing activity by certain UK publishers, circulations advanced again in 2001, and our five leading titles now account for 47% of all copies sold in Ireland. Notably, the *Irish Independent* continued its upward trend, achieving an eighteen-year high of 168,253 (48% of the quality daily market), *The Star* achieved an all-time ABC circulation high of 97,315, up 6% (and subsequently achieved 101,445 copies per day in July 2001). In addition, the *Sunday Independent* (at 310,590) consolidated its number one position in the quality Sunday market.

In the regional newspaper sector, there continued to be significant market activity. Despite difficulties as a result of the recent Foot and Mouth scare, all our regional newspaper titles performed well with advances in advertising and aggregate circulation increasing by 5% to 107,000 copies per week.

As advertising growth moderates from its prior hectic pace, the focus has been on cost management, and accordingly we expect both market share and operating margins to continue to show improvement in the second half.

NEW ZEALAND

Operating profit for the New Zealand operations grew by 8.6%; an excellent performance following the strong first half performance in 2000 which was bolstered by the America's Cup. Margins also improved year-on-year.

Through strong cost containment, newspaper EBIT was up 2.7% on flat revenues. The major focus at *The New Zealand Herald* has been editorial, and in the first half, the *Weekend Herald* was successfully relaunched, offering consumers a much improved product.

Nationally, W&H Regionals achieved the top four positions for daily core circulation growth for titles under 25,000 copies. This division is currently investigating a press rationalisation strategy, designed to further improve colour capacity, print quality, and market availability.

In the Specialist Publications division, following strong readership growth of 3.6% to 888,000, the *New Zealand Woman's Weekly* achieved circulation growth of 2%, further strengthening the title's position as the country's most popular women's magazine. UBD, the directory and mapping business also substantially improved its results.

In the group's Print division, Bankprint Australia performed well and established a leading presence in the Australian market. On January 1st, Cardcorp Pty Limited was acquired and renamed as Security Plastics Pty Ltd, Australia. This acquisition has strengthened the group's Australian presence in the plastic and Smartcard markets, and enables Security

Plastics to leverage its plant capacity in Australasia, and make further inroads into the growing Asian market.

Despite the uncertainty in global markets, the New Zealand economy remains robust and appears to be benefiting from an export-led recovery. The Group expects the result for the full year to show an improvement over last year.

SOUTH AFRICA

Turnover for the six months increased by 4.6% to R610 million and operating profit grew by 5.7%, reflecting the continuing tight focus on operating costs. All divisions produced solid operating performances, in a challenging market.

The group's newspapers outperformed the market and recorded growth on the prior year. The circulations of the majority of the group's newspaper titles also performed well, in contrast to the sharp declines experienced by all major competitors.

The group has entered into a joint venture with Clear Channel International to purchase control of Corpcom, the largest outdoor advertising operator in South Africa. This business enjoys a market share in excess of 55% in the growing South African outdoor market, and also has operations in 16 other African countries. The acquisition will be earnings accretive, and is subject to regulatory approval.

Recent positive comment on the South African economy, coupled with advances in core circulation and readership, gives us confidence for an improving performance in the second half.

UNITED KINGDOM

The UK group recorded overall profits of Stg£6.7 million on revenues of Stg£79.3 million. Revenues increased by 54%, due principally to the integration of Belfast Telegraph Newspapers, which were acquired in August 2000.

The national titles again achieved growth in year-on-year circulation, and in the latest January-June National Readership Survey (NRS) recorded the highest increases of any UK newspaper title, with *The Independent* increasing its readership by 28.4% and *The Independent on Sunday* by 6.3%. Buoyed by these strong performances, our titles led the market in implementing cover price increases in May on both the daily and Saturday products.

The advertising market has been difficult with overall market declines in excess of 15% in the first half. However, the Independent titles continue to outperform its quality broadsheet peer group being only 13% down in the first half. To offset these tough market conditions, cost efficiencies continue to be achieved, and significant operational savings have been realised.

Circulation of *The Belfast Telegraph* in the January-June Audit Bureau of Circulation (ABC) period increased to 111,329, the first increase for 2 years. *Sunday Life* also strengthened its position as Northern Ireland's leading Sunday, with circulation reaching 96,072 in the same ABC period.

All other divisions performed well, albeit in increasingly challenging conditions. Indications suggest that further progress will be made in the

second half.

INDEPENDENT DIGITAL

The Group has continued to develop its on-line media division, with a very modest and tightly controlled investment strategy. This prudent market execution has been to develop sustainable revenue and profit centres, as core brand extensions of our main newspaper divisions.

iTouch plc - a leading provider of mobile information services - continued to beat market expectations and made excellent progress in 2001, with strong double-digit revenue growth in each of the last four quarters. Operating in nine countries, iTouch now partners 14 mobile telephone networks around the world and is one of the few technology IPOs of recent years which has not only met its prospectus targets, but exceeded them. iTouch ended the half year with net cash of Stg£44.2 million (more than its IPO proceeds), and has sufficient resources to achieve its goals.

OUTLOOK

Our strong brands, leading market positions, and geographic diversity leave us well positioned for continued growth. Despite uncertainty in global markets, the Group expects to report an improved result for the full year.

Ends. Wednesday, 5th September 2001

For Reference: James J Parkinson
Group Finance Director
Independent News & Media PLC
Tel: +353 - 1 - 466 3200

Brendan MA Hopkins
Chief Executive - United Kingdom
Independent News & Media PLC
Tel: +44 - 20 - 7005 3800

Gavin K O'Reilly
Chief Executive - Ireland
Independent News & Media PLC
Tel: +353 - 1 - 705 5455

Jim Milton
Murray Consultants
Tel: +353 - 1 - 663 3313
Mob: +353 - 86 - 2558400

Mark Edwards

Buchanan Communications

Tel: +44 - 20 - 7466 5000

ABOUT INDEPENDENT NEWS & MEDIA PLC

CORPORATE PROFILE

Independent News & Media PLC is a leading international media and communications group which operates primarily in Australia, Ireland, New Zealand, South Africa and the United Kingdom. The Group's core businesses are newspaper publishing, electronic media (principally radio) and outdoor advertising.

Spanning four continents, Independent News & Media PLC has market leading newspaper positions in Australia, Ireland, New Zealand and South Africa. In the UK it owns the largest newspaper group in Northern Ireland and the flagship Independent titles. It also holds a 19% stake in Lusomundo Media, Portugal's leading newspaper publisher. The Group publishes over 200 newspaper and magazine titles with weekly circulation of over 15 million copies.

The Group is also the largest radio and outdoor advertising operator in Australasia, with new outdoor advertising operations in Hong Kong, Malaysia and Singapore.

The Group has grown strongly over the last five years and now manages turnover of over EUR1.5 billion and gross assets of EUR3.2 billion. 12,200 people are employed across the Group.

Going forward the Group's strong brands, leading market positions and geographic diversity leave it well positioned for continued growth.

INDEPENDENT NEWS & MEDIA PLC

INTERIM STATEMENT

GROUP PROFIT AND LOSS ACCOUNT (unaudited)

	Six months ended 30 June 2001	Six months ended 30 June 2000
		<small>(as restated)</small>
	EURm	EURm
Turnover - continuing operations	656.0	629.4
	=====	=====
Operating profit		
- continuing operations	109.3	96.3
- exceptional start-up costs	(7.5)	-
	_____	_____

Profit on ordinary activities before interest	101.8	96.3
Net interest charge	(44.2)	(26.7)
	<hr/>	<hr/>
Profit on ordinary activities before taxation	57.6	69.6
Taxation on profit on ordinary activities	(9.6)	(14.4)
	<hr/>	<hr/>
Profit on ordinary activities after taxation	48.0	55.2
Minority interests (including non-equity minority interests)	(18.9)	(21.2)
	<hr/>	<hr/>
Profit on ordinary activities after taxation and minority interest	29.1	34.0
Dividends proposed	(14.3)	(12.9)
	<hr/>	<hr/>
Retained profit for the six months for the Group and its share of joint ventures and associates	14.8	21.1
	====	====
Earnings per share	5.63c	6.61c
	<hr/>	<hr/>
Fully diluted earnings per share	5.51c	6.34c
	<hr/>	<hr/>
Fully diluted earnings per share before exceptional items and amortisation	7.68c	7.53c
	<hr/>	<hr/>

STATEMENT OF RETAINED PROFITS (unaudited)

	Six months ended 30 June 2001	Six months ended 30 June 2000
	EURm	(as restated) EURm
Retained profit at beginning of year as previously stated	211.7	203.3
Prior year adjustment	-	(7.7)
	<hr/>	<hr/>
Retained profit at beginning of year as restated	211.7	195.6
Retained profit for the six months	14.8	21.1
Treasury shares movement	3.9	-
Exchange rate adjustments	10.2	(8.7)
	<hr/>	<hr/>
Retained profit at end of June	240.6	208.0
	====	====

GROUP BALANCE SHEET (unaudited)

30 June 30 June 30 June 30 June

	2001	2000	2001	2000
			(Inc. Mastheads)	(Inc. Mastheads)
	(as restated)			(as restated)
	EURm	EURm	EURm	EURm
Fixed Assets				
Intangible assets	1,649.6	1,175.3	2,077.1	1,604.7
Tangible assets	413.3	364.5	413.3	364.5
Financial assets				
Investment in joint ventures				
- Share of gross assets	3.5	78.6	18.6	93.7
- Share of gross liabilities	(2.4)	(69.0)	(2.4)	(69.0)
	<u>1.1</u>	<u>9.6</u>	<u>16.2</u>	<u>24.7</u>
Investment in associates	103.1	91.9	103.1	91.9
Other investments	42.8	20.5	42.8	20.5
	<u>147.0</u>	<u>122.0</u>	<u>162.1</u>	<u>137.1</u>
	<u>2,209.9</u>	<u>1,661.8</u>	<u>2,652.5</u>	<u>2,106.3</u>
Current Assets				
Stocks	28.1	23.0	28.1	23.0
Debtors	270.1	247.8	270.1	247.8
Other current assets	68.0	-	68.0	-
Cash at bank and in hand	63.4	97.0	63.4	97.0
	<u>429.6</u>	<u>367.8</u>	<u>429.6</u>	<u>367.8</u>
Creditors - amounts falling due within one year	(544.4)	(193.9)	(544.4)	(193.9)
Net Current (Liabilities)/ Assets	(114.8)	173.9	(114.8)	173.9
Total Assets Less Current Liabilities	<u>2,095.1</u>	<u>1,835.7</u>	<u>2,537.7</u>	<u>2,280.2</u>
Creditors - amounts falling due after more than one year	1,301.7	1,042.4	1,301.7	1,042.4
Provisions for Liabilities and Charges	27.6	49.5	27.6	49.5
	<u>1,329.3</u>	<u>1,091.9</u>	<u>1,329.3</u>	<u>1,091.9</u>

Capital and Reserves				
Called up share capital	155.9	154.9	155.9	154.9
Capital reserves	(91.7)	(77.2)	350.9	367.3
Profit and loss account	240.6	208.0	240.6	208.0
	<hr/>	<hr/>	<hr/>	<hr/>
Equity Shareholders' Funds				
	304.8	285.7	747.4	730.2
	<hr/>	<hr/>	<hr/>	<hr/>
Minority Interests				
Equity minority interests	237.7	224.5	237.7	224.5
Non-equity minority interests	223.3	233.6	223.3	233.6
	<hr/>	<hr/>	<hr/>	<hr/>
	461.0	458.1	461.0	458.1
	<hr/>	<hr/>	<hr/>	<hr/>
	2,095.1	1,835.7	2,537.7	2,280.2
	=====	=====	=====	=====

GROUP CASH FLOW STATEMENT (unaudited)

	Six months ended 30 June 2001		Six months ended 30 June 2000 (as restated)	
	EURm	EURm	EURm	EURm
Net Cash Inflow from Operating Activities		128.6		106.9
Dividends Received from Associates		-		-
Dividends Received from Joint Ventures		0.6		-
Returns on Investments and Servicing of Finance				
Interest received - Group	2.3		4.3	
Interest paid - Group	(71.9)		(48.0)	
Debt issue costs	(0.1)		-	
Dividends and other payments to minority shareholders	(17.9)		(17.1)	
	<hr/>		<hr/>	
Net Cash Outflow from Returns on Investments and Servicing of Finance		(87.6)		(60.8)
Net Cash Outflow from Taxation		(15.2)		(22.8)

Capital Expenditure and Financial Investment			
Purchase of tangible fixed assets and titles	(19.2)	(45.1)	
Sale of tangible fixed assets and investments	0.6	0.6	
Purchase of investments	(13.9)	(14.6)	
Advances to joint ventures	(0.1)	(0.3)	
Advances to associates	(0.9)	(4.2)	
Increase in investment in associates	-	(25.9)	
Other capital expenditure	-	(0.6)	
	<hr/>	<hr/>	
Net Cash Outflow from Capital Expenditure and Financial Investment		(33.5)	(90.1)
Acquisitions and Disposals			
Purchase of equity minority interests	(9.5)	(2.6)	
Purchase of subsidiary undertakings	(21.1)	(16.1)	
Cash acquired with subsidiary undertakings	0.1	-	
	<hr/>	<hr/>	
Net Cash Outflow from Acquisitions and Disposals		(30.5)	(18.7)
Equity Dividends Paid		(24.4)	(21.5)
		<hr/>	<hr/>
Cash Outflow before Management of Liquid Resources and Financing		(62.0)	(107.0)
Management of Liquid Resources	-	-	
	<hr/>	<hr/>	
Net Cash Flow from Management of Liquid Resources		-	-
Financing			
Issue of shares	0.8	2.4	
Issue of equity minority interests	2.8	1.0	

Treasury shares movement	3.9	-
Repayment of short term loans	-	(0.1)
Receipt of long term loans	14.0	3.6
Repayment of long term loans	-	(12.7)
Capital element of finance lease rental payments	(0.5)	(0.2)
	<u> </u>	<u> </u>
Net Cash Inflow/(Outflow) from Financing		
	21.0	(6.0)
	<u> </u>	<u> </u>
Decrease in Cash	(41.0)	(113.0)
	=====	=====

SEGMENTAL REPORT (unaudited)

The Group operates mainly in Ireland, the United Kingdom, South Africa, New Zealand and Australia.

The following is an analysis of the Group's results by geographical market.

By Geographical Segments

	Turnover		Operating Profit	
	2001	2000	2001	2000
			(as restated)	
	EURm	EURm	EURm	EURm
Turnover (By origin):				
Group and share of joint ventures and associates	680.8	667.5		
Less:				
Share of joint ventures' turnover	(3.2)	(13.2)		
Share of associates' turnover	(21.6)	(24.9)		
Group turnover	<u>656.0</u>	<u>629.4</u>		
	=====	=====		
Ireland	172.6	153.4	39.6	33.0
United Kingdom	127.2	84.2	10.7	(0.1)
South Africa	85.8	92.3	9.0	9.5
New Zealand	128.8	140.0	25.6	25.4
Australia	141.6	159.5	28.1	32.0
	<u>656.0</u>	<u>629.4</u>	<u>113.0</u>	<u>99.8</u>
	=====	=====	<u> </u>	<u> </u>
Group share of joint ventures			0.3	0.5

Group share of associates	(6.3)	(0.1)
	<u>(6.0)</u>	<u>0.4</u>
Common costs	(5.2)	(3.9)
Net interest charge	(44.2)	(26.7)
	<u>57.6</u>	<u>69.6</u>
	=====	=====

Turnover by origin has been shown above and does not differ materially from turnover by destination.

By Class of Business

The Group has three main classes of business:

- Printing, publishing and distribution of newspapers and magazines and commercial printing
- Electronic media (principally radio)
- Outdoor advertising

The following is an analysis of the Group's results by class of business.

	Turnover		Operating Profit	
	2001	2000	2001	2000
	EURm	EURm	EURm	EURm
Turnover:				
Group and share of joint ventures and associates	680.8	667.5		
Less:	(3.2)	(13.2)		
Share of joint ventures' turnover				
Share of associates' turnover	(21.6)	(24.9)		
Group turnover	<u>656.0</u>	<u>629.4</u>		
	=====	=====		
Printing, publishing, distribution and commercial printing	548.1	511.4	95.8	81.9
Electronic media	56.4	64.4	9.4	10.5
Outdoor advertising	51.5	53.6	7.8	7.4
	<u>656.0</u>	<u>629.4</u>	<u>113.0</u>	<u>99.8</u>
	=====	=====	=====	=====
Group share of joint			0.3	0.5

ventures		
Group share of associates	(6.3)	(0.1)
	<u>(6.0)</u>	<u>0.4</u>
Common costs	(5.2)	(3.9)
Net interest charge	(44.2)	(26.7)
	<u> </u>	<u> </u>
Group profit on ordinary activities before taxation and minority interests	57.6	69.6
	=====	=====