

Stock Exchange Announcements

INDEPENDENT NEWS & MEDIA PLC ANNOUNCES INTERIM RESULTS FOR 2001

The Board of Independent News & Media PLC today announced interim results for the six months ended 30th June 2001 showing a 13.5% increase in operating profit* to a record EUR109.3 million. 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** were up 2.0% to a record 7.68c and the interim dividend increases 10% to 2.75c per share.

RESULTS	2001	2000	Change
	EURm	EURm (as restated)	%
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 (as restated)
	EURm	EURm
Turnover - continuing operations	656.0 =====	629.4 =====

Operating profit		
- continuing operations	109.3	96.3
- exceptional start-up costs	(7.5)	-
	<hr/>	<hr/>
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
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STATEMENT OF RETAINED PROFITS (unaudited)

	Six months ended 30 June 2001	Six months ended 30 June 2000 (as restated)
	EURm	EURm
Retained profit at beginning of year as previously stated	211.7	203.3

Prior year adjustment	-	(7.7)
	_____	_____
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)
	_____	_____
Retained profit at end of June	240.6	208.0
	=====	=====

GROUP BALANCE SHEET (unaudited)

	30 June 2001	30 June 2000	30 June 2001 (Inc. Mastheads)	30 June 2000 (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)
	_____	_____	_____	_____
	1.1	9.6	16.2	24.7
Investment in associates	103.1	91.9	103.1	91.9
Other investments	42.8	20.5	42.8	20.5
	_____	_____	_____	_____
	147.0	122.0	162.1	137.1
	_____	_____	_____	_____

	2,209.9	1,661.8	2,652.5	2,106.3
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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
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	429.6	367.8	429.6	367.8
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				
	2,095.1	1,835.7	2,537.7	2,280.2
	=====	=====	=====	=====
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
	-----	-----	-----	-----
	1,329.3	1,091.9	1,329.3	1,091.9
	-----	-----	-----	-----
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
	-----	-----	-----	-----
Equity Shareholders' Funds				
	304.8	285.7	747.4	730.2
	-----	-----	-----	-----

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
	<u>461.0</u>	<u>458.1</u>	<u>461.0</u>	<u>458.1</u>
	<u>2,095.1</u>	<u>1,835.7</u>	<u>2,537.7</u>	<u>2,280.2</u>
	=====	=====	=====	=====

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)	
	<u></u>		<u></u>	
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	-
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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**

- -

**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)

**Net Cash Inflow/
(Outflow) from Financing**

21.0 (6.0)

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)		
	<hr/>	<hr/>		
Group turnover	656.0	629.4		
	=====	=====		
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
	<hr/>	<hr/>	<hr/>	<hr/>
	656.0	629.4	113.0	99.8
	=====	=====	<hr/>	<hr/>
Group share of joint ventures			0.3	0.5
Group share of associates			(6.3)	(0.1)
			<hr/>	<hr/>
			(6.0)	0.4
			<hr/>	<hr/>
Common costs			(5.2)	(3.9)
Net interest charge			(44.2)	(26.7)
			<hr/>	<hr/>

Group profit on ordinary activities before taxation and minority interests

57.6	69.6
=====	=====

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
			(as restated)	
	EURm	EURm	EURm	EURm
Turnover:				
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	656.0	629.4		
	=====	=====		
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 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></u>	<u></u>
Group profit on ordinary activities before taxation and minority interests			57.6	69.6
			=====	=====