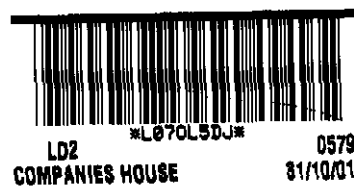


INDEPENDENT NEWS & MEDIA (NORTHERN IRELAND) LIMITED
(Registered Number: 3899652)

DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 2000



INDEPENDENT NEWS & MEDIA (NORTHERN IRELAND) LIMITED

DIRECTORS' REPORT AND ACCOUNTS

53 WEEKS ENDED 31 DECEMBER 2000

DIRECTORS' REPORT

The directors submit their report and the accounts of the company for the 53 weeks ended 31 December 2000. The company was originally incorporated as Hackremco (No. 1595) Limited on 24 December 1999. On 31 January 2000, its name was changed by special resolution to Independent News & Media (Northern Ireland) Limited.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REVIEW OF THE BUSINESS

The principal activity during the period was investment holding. The company's subsidiaries were engaged in newspaper publishing activities.

On 30 July 2000 the company acquired TIH (Belfast) for a consideration of £300 million less indebtedness. TIH (Belfast) owns 100% of the share capital of Belfast Telegraph Newspapers Limited.

The directors do not foresee any significant changes to the business in the forthcoming year.

RESULTS AND DIVIDENDS

Loss on ordinary activities for the year after taxation was £176,246. The directors do not recommend the payment of a dividend.

INDEPENDENT NEWS & MEDIA (NORTHERN IRELAND) LIMITED

DIRECTORS' REPORT AND ACCOUNTS

53 WEEKS ENDED 31 DECEMBER 2000

DIRECTORS' REPORT (continued)

EURO

The future impact of the Euro continues to be addressed. It is not expected that the Euro will have a significant impact on the business.

DIRECTORS

The following directors served throughout the year:

Hackwood Directors Limited (appointed 24 December 1999, resigned 14 March 2000)

B M A Hopkins (appointed 14 March 2000)

A J Round (appointed 14 March 2000)

A A Canavan (appointed 23 March 2000)

Dr C Gibson (appointed 23 March 2000)

B McIvor (appointed 23 March 2000)

Lady M Quigley (appointed 23 March 2000)

T M Ringland (appointed 23 March 2000)

Lord D Rogan (appointed 23 March 2000)

L J P O'Hagan (appointed 23 March 2000)

None of the directors had any beneficial interest in the shares of the company during the year.

The interests of the directors, who are not directors of Independent News & Media PLC, the company's ultimate parent undertaking, in the share options of that company at the beginning (or date of appointment, if later) and end of the year were:

	At 24 December 1999	Bonus Issue	Granted During Year	Exercised During Year	At 31 December 2000	Weighted Average Exercise Price
A J Round	140,000	140,000	70,000	-	350,000	IR 246.39p

The number of options held by each director and the exercise price were adjusted during the year to take account of the one for one bonus issue which was approved on 31 May 2000.

The interests of the other directors, who are also directors of Independent News & Media PLC, in the shares and share options of that company, are disclosed in that company's accounts.

AUDITORS

PricewaterhouseCoopers were appointed as auditors of the company for the 53 weeks to 31st December 2000 and have indicated their willingness to continue in office.

A resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By order of the Board



A J Round
Company Secretary

31 October 2001

**AUDITORS' REPORT TO THE MEMBERS OF
INDEPENDENT NEWS & MEDIA (NORTHERN IRELAND) LIMITED**

We have audited the financial statements on pages 4 to 10.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 1, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2000 and of its loss for the 53 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors

London

31 October 2001

INDEPENDENT NEWS & MEDIA (NORTHERN IRELAND) LIMITED

PROFIT AND LOSS ACCOUNT

53 WEEKS ENDED 31 DECEMBER 2000

	Note	53 weeks ended 31 December 2000 £
Administrative expenses		<u>(176,246)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(176,246)
Taxation		<u>-</u>
RETAINED LOSS FOR THE YEAR		<u>(176,246)</u>
ACCUMULATED LOSSES CARRIED FORWARD		<u>(176,246)</u>

The company has no recognised gains or losses other than the loss for the period and therefore no separate statement of total recognised gains and losses has been presented.

The result for the financial period is derived entirely from continuing operations within the United Kingdom.

There is no difference between the results reported above and the results on an unmodified historical cost basis.

The notes on pages 7 to 10 form part of these accounts.

INDEPENDENT NEWS & MEDIA (NORTHERN IRELAND) LIMITED

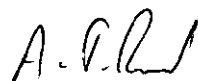
BALANCE SHEET

AS AT 31 DECEMBER 2000

	Note	31 December 2000 £
FIXED ASSETS		
Investments	4	<u>172,092,599</u>
CURRENTS ASSETS		
Debtors	5	<u>123,778,664</u>
CREDITORS		
Amounts falling due within one year	6	<u>(296,047,508)</u>
NET CURRENT LIABILITIES		<u>(172,268,844)</u>
NET LIABILITIES		<u>(176,245)</u>
CAPITAL AND RESERVES		
Called up share capital	7	1
Profit and loss account	8	<u>(176,246)</u>
EQUITY SHAREHOLDERS' DEFICIT		<u>(176,245)</u>

Approved by the Board on

31 October 2001



A J Round - Director

The notes on pages 7 to 10 form part of these accounts.

INDEPENDENT NEWS & MEDIA (NORTHERN IRELAND) LIMITED
RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS
FOR THE 53 WEEKS ENDED 31 DECEMBER 2000

	53 weeks ended 31 December 2000 £
Shareholders' funds at beginning of period	-
Net proceeds of issue of ordinary share capital	1
Loss for the financial period	<u>(176,246)</u>
Shareholders' deficit at end of period	<u>(176,245)</u>

The notes on pages 7 to 10 form part of these accounts.

INDEPENDENT NEWS & MEDIA (NORTHERN IRELAND) LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2000

1 ACCOUNTING POLICIES

a) Historical cost convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

b) Investments

Investments are stated at cost less provision for any diminution in value.

c) Financial year

The financial year ends on the last Friday nearest 31 December. Periodically this results in a fifty-three week year.

2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss is stated after charging	2000 £
Wages and salaries	160,419
Social security costs	<u>15,827</u>

Auditors' remuneration is borne by the parent company.

3 DIRECTORS' EMOLUMENTS

Directors' emoluments consist of:	2000 £
Aggregate emoluments	176,246
Pension contributions	<u>-</u>
	<u>176,246</u>

Full details of the directors' emoluments of A J Round and B M A Hopkins in respect of their services to the UK group and the international group can be found in the financial statements of Independent News & Media (UK) Limited and Independent News & Media PLC.

INDEPENDENT NEWS & MEDIA (NORTHERN IRELAND) LIMITED

NOTES TO THE ACCOUNTS (Continued)

4 INVESTMENTS

	Shares in Group Undertakings £
Opening balance	-
Additions	172,092,599
At 31 December 2000	<u>172,092,599</u>

The additions represent the cost of the acquisition of 100% of the share capital of TIH (Belfast), for £172,092,598 and Independent News & Media (Nominees) Ltd for £1. Both companies are registered in England and Wales.

The principal activity of TIH (Belfast) is an intermediary investment holding company whose subsidiary company's activities are that of newspaper publishers and commercial contract printers.

Independent News & Media (Nominees) Ltd was dormant during the financial period.

The directors are of the opinion that the fair values of the investments in subsidiaries are not less than their book values.

The company's subsidiaries (which are all registered and operating in England) at 31 December 2000 were as follows:

Subsidiaries	Business	Percentage of nominal value of ordinary shares
TIH (Belfast)	Investment	100%
Independent News & Media (Nominees) Ltd	Investment	100%

Under Section 228 of the Companies Act the company is exempted from the obligation to prepare group accounts, as the company is a wholly owned subsidiary of Independent News and Media PLC, a company incorporated in the Republic of Ireland (see Note 12).

5 DEBTORS (amounts falling due within one year)

	2000 £
Amounts owed by group undertakings	<u>123,778,664</u>

Amounts owed by group undertakings are non-interest bearing, unsecured and repayable on demand.

INDEPENDENT NEWS & MEDIA (NORTHERN IRELAND) LIMITED

NOTES TO THE ACCOUNTS (Continued)

6 CREDITORS (amounts falling due within one year)

	2000
	£
Amounts owed to group undertakings	<u>296,047,508</u>

Amounts owed to group undertakings are non-interest bearing, unsecured and repayable on demand.

7 SHARE CAPITAL

	Authorised	Allotted, called up and fully paid
	2000	2000
	£	£
Equity shares:		
Ordinary shares of £1 each	<u>100</u>	<u>1</u>

8 PROFIT AND LOSS ACCOUNT

	2000
	£
Profit and loss account at the beginning of the period	-
Retained loss for the period	<u>(176,246)</u>
Profit and loss account at the end of the period	<u>(176,246)</u>

9 EMPLOYEES

The company had no employees during the period.

10 CONTINGENT LIABILITIES

The company has guaranteed the bank advances of its parent company and certain subsidiary undertakings to a maximum of IR£380,000,000 in conjunction with other group companies.

INDEPENDENT NEWS & MEDIA (NORTHERN IRELAND) LIMITED

NOTES TO THE ACCOUNTS (Continued)

11 CASH FLOW STATEMENT

The company is exempt from producing a cash flow statement under Financial Reporting Standard 1 as it is wholly owned by a parent undertaking established under the law of a member state of the European Community. The parent undertaking prepares consolidated financial statements, including a consolidated cash flow statement, which includes all subsidiary undertakings. These financial statements are drawn up in accordance with companies legislation promulgated within the Republic of Ireland.

12 ULTIMATE HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

The ultimate holding company is Independent News & Media PLC, a company incorporated in the Republic of Ireland.

As permitted by paragraph 3(c) of FRS8 - Related Party Disclosures, transactions with other entities in the group are not disclosed

The only consolidated accounts produced that include the results of the company are those of Independent News & Media PLC. A copy of those accounts can be obtained from Independent House, 2023 Bianconi Avenue, Citywest Business Campus, Naas Road, Dublin 24, Ireland.

13 FINANCIAL SUPPORT

The ultimate parent company, Independent News & Media PLC, has undertaken to provide such additional funds as may be required to enable the company to meet its obligations as they fall due for a period of at least 12 months from the approval of these accounts.