



DAILY COMPANY NOTE — Independent News & Media See page 2 for full details

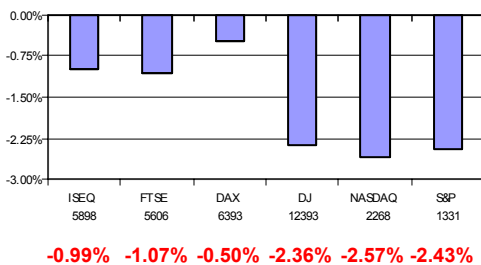
Daily Market Comment

Yesterday's Summary : The ISEQ finished down 0.99% yesterday as rumors began that Britain's largest mortgage provider HBOS was seeking additional funding from the Bank of England. Although this market gossip was later rubbished by the Bank of England, the speculation didn't help the already fragile investor confidence. However it was a positive day for Irish financials, with A.I.B and Bank of Ireland closing up 0.8% and 1.1% to €12.60 and €8.94 respectively. Irish Life was the biggest financial gainer, adding 3.2% to €10.90. It was terrible days trading for Ryanair as it shed 8% to €2.55 amid news that rival low cost airline EasyJet had warned that its second half profits would come in "below expectations", if fuel costs continue to rise.

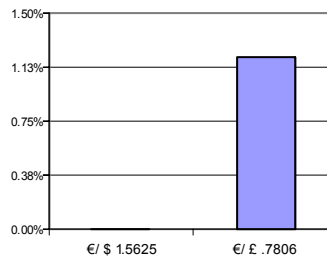
Overnight News : Wall Street erased most of the previous session's big gains as investors grew concerned about the possibility that banks remain vulnerable to further problems from bad debt. The Dow Jones ended the day 2.36% lower at 12,099.66, and the S&P 2.43% to 1,298.42. Asian markets followed US markets lead and the Hang Seng retreated 594.75 points, or 2.72%, to 21,272.19, while the Nikkei 225 was closed for a public holiday.

Breaking News : Credit Suisse has warned that it will probably post a loss this quarter for the first time in five years due to the current market turmoil and debt securities that were intentionally mispriced by traders. Morgan Stanely has announced that its fourth quarter continuing operations income fell to \$1.55bn, or \$1.45 a share from \$2.31bn or \$2.17 a year earlier, which comes in better than market expectations. It has been announced US regulators tht they will allow mortgage firms Fannie Mae and Freddie Mac, which are sponsored by the US government, to pump an extra \$200bn into the suffering housing market.

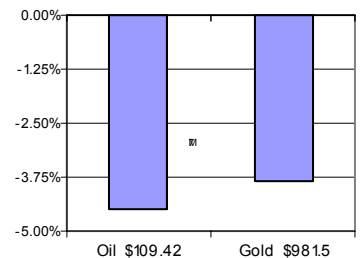
Equity Indices change on day



Currency daily % change



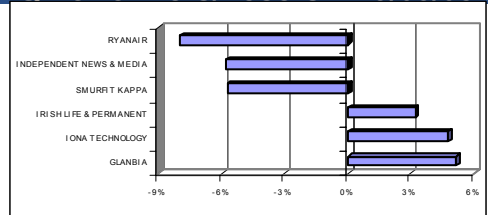
Oil/Gold daily % change



News

- "Resilient Morgan Stanley weathers write-down storm"-**Morgan Stanley**-(I.I)
- "Banks get welcome bounce on safe haven Visa's \$18bn debut"-**Visa**-(I.I)
- "Sony Ericsson profits hit by sales slump in Europe"-**Sony Ericsson**-(Irish Times)
- "Ryanair launches French routes"-**Ryanair**-(Irish Examiner)
- "Retailer Next sees profits up 4%"-**Next**-(Irish Examiner)

ISEQ Performers/Losers 19/03/08



Market Themes and Movers

Commodities fall: Gold has shed more than 2% to its lowest levels in a month and crude oil has fallen below \$100 a barrel in New York on concerns that an economic slowdown will lower consumption. US gasoline in the past four weeks averaged 3.2% less than last year, the US energy department has said. Commodity prices have soared this year as demand outpaced supply, while a slumping dollar also lifted prices as it makes purchases less expensive when done through other currencies.

UK retail Sales: The UK retail sales figures rose 1% for the month of February, compared with the economists expectation for a 0.2% decline. This data is good news for UK monetary policy makers who are attempting a difficult balancing between cushioning the UK economic slowdown and rising prices. Sales at food stores climbed 1.6% on the month, the most since June 2006, sales at department stores climbed 2.7%, while sales of household goods declined 4.2%, led by furniture, the biggest drop since February 2000.



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Independent News & Media

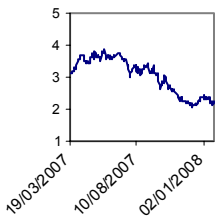
Target	€2.10
Previous (13/02/08)	€2.50
Current	€1.68

ISEQ
Media
Company Profile

The Group's principal activities are printing and publishing national and provincial newspapers in Ireland and New Zealand, national and metropolitan newspapers in the United Kingdom, regional newspapers in Australia and India and metropolitan newspapers in South Africa. It also has radio operations in Australia and New Zealand.

Fundamental view : Over the past 9 months, the share price of Independent News & Media (INWS) has fallen by over 50%. Our view is that at current levels, the shares now represent compelling value, with an attractive dividend yield, and so this month we are adding the group to our Dolmen Dozen list of top 12 stocks, replacing Coca-Cola, the share price of which has outperformed year to date by c.7%. This day week, 27th March, INWS will announce its results for the year ended 31/12/07. We are forecasting revenue and earnings per share of €1.7 bn and 19c respectively, representing year on year increases of 3% and 10%, with the revenue growth being driven by 4% advertising revenue growth and 1% circulation growth. Irish advertising revenue is still expected have shown high single digit growth, with strong recruitment and retail advertising more than offsetting the slowdown in property advertising. With the group's 2007 restructuring programme now complete and in line with the targets provided at the interim stage, some improvement in the operating margin to c.20% is likely to be shown in the 2007 full year results' announcement. With over 20% of group profits now generated by the South African division, the group also stands to profit from a 2008 recovery in the South African Rand versus the Euro. The group's JPL and online associates also continue to generate strong growth.

Next catalyst : In addition to the full year results' announcement next week, the group's final dividend per share of c.9.13c is expected to go ex in mid April, which alone represents a yield of c.5.4% on the current €1.68 share price. With further 10% dividend per share growth expected in 2008 to 15.1c, the expected 2008 dividend represents a yield of c.9% on the current share price. INWS' stronger than sector average earnings growth of c.10% for 2007 and 2008 also warrants a premium valuation, even though at 8x consensus 2008 eps of 21c, the shares continue to trade at a discount of c.20% to the current European newspaper sector average of c.10x. Our current 12 month share price target of €2.10 (25% upside) is based on 10x 2008 eps of 21c. When combined with a current year dividend yield of c.9%, this provides a very attractive 12 month total return from current levels. The above average probability of further major shareholder stake-building provides another potential positive catalyst for the share price, with Denis O'Brien announcing as recently as last week that he had increased his INWS shareholding to 159.3m shares, representing 20.16% of the total number of voting shares.

Statistics
Price Performance

Chart view: Independent News & Media

Support Primary: €1.55
 Support Secondary: €1.35
 Resistance Primary: €1.78
 Resistance Secondary: €2.00

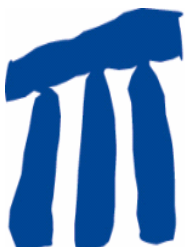
Chart outlook is negative and medium-term downtrend is showing no signs of being over. However, the stock is oversold in the short-term and some respite is likely. Consolidation is needed before any significant upside move can be sustained. A break of trend resistance at €1.90 will improve chart sentiment.

Profit By Sector


- Ireland 24.3%
- UK 16.5%
- South Africa 14.3%
- Australasia 44.8%

Major Shareholders	%	Peer Group Multiples			
Sir Anthony O'Reilly	26.60%	Company name	P/E 08	P/E 09	EPS Growth 08-09
Denis P O'Brien	18.06%	Independent News & Media	8.0	8.4	5.00%
Marathon Assesst Mgt.	4.76%	Pearson	14.3	13.4	7.95%
Bank of Ireland Asset M	2.99%	Daily Mail Trust	10.1	9.2	5.94%
Barclays Global Investor	1.90%	Trinity Mirror	7.7	7.9	0.01%
Shares Outstanding		790.22m			

Share Data	Financial Data	2007	2008e	2009e	
Current Price (€)	1.68	Revenue (£m)	1635.70	1680.67	1727.88
Mkt Cap (€m)	1,329	Profit Before Tax (£m)	265.7	259.97	309.74
Reuters	INME.L	EPS (p)	0.18	0.21	0.20
Bloomberg	INMID	P/E(x)	9.33	8.00	8.40
Sector	Media	DPS (p)	0.12	0.15	0.16
CEO	Sir Anthony O'Reilly	Dividend Yield %	7.14%	8.93%	9.23%
CFO	DJ Buggy				
Website	www.inmplc.com				





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