

TIH (BELFAST)
(Registered Number: 3026542)

ANNUAL REPORT

31 DECEMBER 2002



TIH (BELFAST)
DIRECTORS' REPORT AND ACCOUNTS
YEAR ENDED 31 DECEMBER 2002

DIRECTORS' REPORT

The directors submit their report and the accounts of the company for the year ended 31 December 2002.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity during the year was that of an investment company. The company's subsidiaries were engaged in newspaper publishing activities and commercial contract printing.

RESULTS AND DIVIDENDS

The company did not trade during the year under review and consequently made no profit or loss (2001 profit :£nil). The directors do not recommend the payment of a dividend (2001:£nil).

POST BALANCE SHEET EVENTS

On 30 May 2003 the company sold it's investment in Belfast Telegraph Newspapers Ltd to Independent News & Media (UK) Ltd , another group company for consideration of £300 million, realising a gain on disposal of £180 million.

DIRECTORS

The following directors served throughout the year:

B M A Hopkins (resigned 24 January 2003)
A J Round

D Bracken was appointed as a director to the company on 24 January 2003.

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 31 December 2001	Granted During Year	Exercised During Year	At 31 December 2002	Weighted Average Exercise Price
A J Round	390,000	-	-	390,000	€2.37

The interests of Mr Hopkins who is also a director of Independent News & Media PLC, in the shares and share options of that company, are disclosed in that company's accounts.

TIH (BELFAST)

DIRECTORS' REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 2001

DIRECTORS' REPORT (continued)

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.

AUDITORS

On 1 January 2003 PricewaterhouseCoopers converted to a Limited Liability Partnership (LLP) by transferring substantially all their business to a new entity, PricewaterhouseCoopers LLP. The PricewaterhouseCoopers partnership resigned as auditors on 3 February 2003 and the new firm, PricewaterhouseCoopers LLP was appointed to fill the casual vacancy. A resolution to appoint PricewaterhouseCoopers LLP as auditors to the company will be put to the Annual General Meeting.

By order of the Board



A J Round
Company Secretary
14 July 2003

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

TIH (BELFAST)

We have audited the financial statements which comprise the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Companies Act 1985. 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. The other information comprises only the directors' report.

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 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

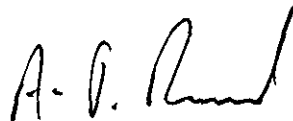
PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
1 Embankment Place
London WC2N 6RH
July 2003

TIH (BELFAST)
BALANCE SHEET
AS AT 31 DECEMBER 2002

	Note	31 December 2002 £	31 December 2001 £
FIXED ASSETS			
Investments	4	<u>119,800,000</u>	<u>119,800,000</u>
		119,800,000	119,800,000
CURRENTS ASSETS			
Debtors	5	4,380,187	4,380,187
CREDITORS			
Amounts falling due within one year	6	<u>(123,778,670)</u>	<u>(123,778,670)</u>
NET CURRENT LIABILITIES		<u>(119,398,483)</u>	<u>(119,398,483)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>401,517</u>	<u>401,517</u>
CAPITAL AND RESERVES			
Called up share capital	7	624	624
Profit and loss account	8	<u>400,893</u>	<u>400,893</u>
EQUITY SHAREHOLDERS' FUNDS		<u>401,517</u>	<u>401,517</u>

Approved by the Board on 16 July 2003.



A J Round
Director

The notes on pages 5 to 8 form part of these accounts.

TIH (BELFAST)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

1 ACCOUNTING POLICIES

a) Historical cost convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards on a basis consistent with the previous year.

b) Deferred taxation

Financial Reporting Standard 19, Deferred Tax, has been adopted in the current year. The introduction of this new accounting standard has not had an effect on the results of the company.

All deferred taxation liabilities arising from timing differences are recognised. Deferred taxation assets arising from timing differences are recognised to the extent that they are expected to become recoverable in the foreseeable future. Timing differences are temporary differences between profits as computed for taxation purposes and profits as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes.

c) Investments

Investments are stated at cost less provision for impairment.

2 PROFIT AND LOSS ACCOUNT

During the current and preceding financial year, the company did not trade. Consequently the company has not presented a profit and loss account. Auditors' remuneration was borne by the parent company.

3 DIRECTORS' EMOLUMENTS AND EMPLOYEES

No director received any emoluments from the company in respect of services during the period.

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 respectively.

The company had no employees during the year.

TIH (BELFAST)

NOTES TO THE ACCOUNTS (Continued)

4 INVESTMENTS

	Subsidiary undertaking £
Cost	119,800,000
Provisions	
At beginning and end of period	-
Net Book Value	
At 31 December 2002	<u>119,800,000</u>
At 31 December 2001	<u>119,800,000</u>

The subsidiary company (which is registered in Northern Ireland) in which the company has a 100% ordinary share interest is as follows:

Subsidiary	Principal activity
Belfast Telegraph Newspapers Limited	Investment holding company

The directors are of the opinion that the value of the investment is not less than its book value.

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)

	2002 £	2001
Amount owed by group undertakings	<u>4,380,187</u>	<u>4,380,187</u>

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

TIH (BELFAST)

NOTES TO THE ACCOUNTS (Continued)

6 CREDITORS (amounts falling due within one year)

	2002 £	2001 £
Amount owed to group undertaking	123,778,664	123,778,664
Corporation tax	6	6
	<u>123,778,670</u>	<u>123,778,670</u>

The amount owed to group undertaking is non-interest bearing, unsecured and repayable on demand.

7 SHARE CAPITAL

	2002 £	Authorised 2001 £	Allotted, called up and fully paid 2002 £	2001 £
99 ordinary shares of £1 each	99	99	-	-
1 deferred share of £1 each	1	1	1	1
1,000,001 US dollar bearer shares of 0.1 cents each	<u>623</u>	<u>623</u>	<u>623</u>	<u>623</u>
	<u>723</u>	<u>723</u>	<u>624</u>	<u>624</u>

The ordinary shares of £1 each and the US dollar bearer shares of 0.1 US cents each rank pari passu as regards income and voting and on a winding up or other repayment of capital. The deferred share has no rights as regards income and voting and confers on the holder the right to receive repayment in full of the nominal capital paid up on or credited as paid up on the deferred share.

8 RESERVES

	Profit and loss account £
Opening balance	400,893
Result for period	<u>-</u>
Closing balance	<u>400,893</u>

TIH (BELFAST)

NOTES TO THE ACCOUNTS (Continued)

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	2002	2001
	£	£
Opening and closing shareholders' funds	<u>401,517</u>	<u>401,517</u>

10 CONTINGENT LIABILITIES

The company has guaranteed the bank advances of its parent company and certain subsidiary undertakings to a maximum of €537,987,571 in conjunction with other group companies.

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 POST BALANCE SHEET EVENTS

On 30 May 2003 the company sold its investment in Belfast Telegraph Newspapers Ltd to Independent News & Media (UK) Ltd, another group company for a consideration of £300 million.

13 ULTIMATE HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

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

The company is exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Independent News and Media PLC group or investees of the Independent News and Media PLC group.

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.