



INM'S INDIAN ASSOCIATE LIFTS Q2 NET PROFIT BY 135%

Dublin/London – 31st Oct, 2006: Jagran Prakashan Limited [**JPL**], in which Independent News & Media PLC [**INM**] (*ticker: INWS.I/INWS.L*) holds a 21% strategic shareholding, announced a 135.2% increase in Net Profit for its Second Quarter (ended 30th September 2006).

JPL (*ticker: JAGP.BO*), publisher of '*Dainik Jagran*' - India's largest read and largest selling daily newspaper - reported (unaudited) net revenues of Rupees 1.42 billion (c. €24 million) in the quarter year ended 30th September, 2006, an increase of 25.9% over the corresponding quarter of the previous year. Net profit at Rupees 175.4 million (c. €3 million), was up 135.2% on the result for the corresponding quarter. The EPS for the quarter was Rupees 3.49, versus Rupees 1.91 in the corresponding quarter, an increase of 82.7%.

Better advertising and circulation revenues from the publishing businesses coupled with the encouraging performance from Out of Home (OOH) and Event Management activities contributed to the increased revenues.

In the publishing business, advertisement revenue increased by 30.1% to Rupees 914.8 million (c. €15.5 million), which was driven by increases both in rates and total space sold, particularly colour. Colour advertising saw a sharp increase, of over 40%, from the corresponding quarter of 2005-06, while circulation revenue increased by 8.4% to Rupees 427 million (c. €7.2 million) over the same period.

The reduction in consumption of imported newsprint led to checking the increasing newsprint cost. EBITDA for the quarter was significantly higher by 69.2% at Rupees 290.6 million (c. €4.9 million).

The OOH advertising division has acquired marketing rights of various outdoor properties in Kanpur, Pune, Kolkata, Delhi, Mumbai and Bangalore, the last three being the top three markets for OOH, in addition to having a significant presence in Lucknow. The division now has a pan-Indian presence.

Jagran Solutions, an event management arm of JPL saw an impressive client list including Microsoft, Hutch, TVS Motors, ICICI Prudential, Escorts, Standard Chartered Bank, M&M, Bajaj, TATA Indicom, HLL, etc.

Commenting on the results, Mr Mahendra Mohan Gupta, CMD of JPL, said "We are delighted to announce that the company was successful in achieving more than the expected revenues and net profit in this quarter. During this quarter, the company's businesses have done well. We have substantially increased our client base in our OOH and Event Management businesses".

Highlights of the Quarter

- *Dainik Jagran* continues to be the No. 1 newspaper in the country in the 7th successive IRS rounds, once again widening the gap further from its closest competitor (IRS-2006 R2).
- Launched two editions of *City Plus*, an English News-Infotainment weekly newspaper targeting the retail segment of advertisers, distributed free in the booming markets of Noida and Gurgaon.



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- JPL has launched its 31st edition in Amritsar and the number of copies sold in Punjab is up over 54% on the first quarter.
- Applied for MIB approval for printing the facsimile edition of *The Independent* in India.
- Achieving high operating margins primarily due to revenue growth.
- Declaration of bonus issue in the ratio of 1 equity share for 5 existing equity shares to the shareholders on the record date of 3rd November 2006.

31st October 2006

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ABOUT INDEPENDENT NEWS & MEDIA PLC ['INM'] – CORPORATE PROFILE –

INM is a leading international newspaper and communications group, with its main interests in Australia, India, Ireland, New Zealand, South Africa and the United Kingdom. Spanning four continents and 21 individual countries, INM has market-leading newspaper positions in Australia (regional), India, Ireland, New Zealand and South Africa. In the United Kingdom, it publishes the flagship national title, *The Independent*, as well as being the largest newspaper group in Northern Ireland.

Across these regions, the Group publishes over 175 newspaper and magazine titles delivering a combined weekly circulation of over 31 million copies with a weekly audience of over 100 million consumers and includes the world's largest read newspaper, *Dainik Jagran*, in India. The Group has established a strong and growing online presence, with over 70 editorial and classified sites.

INM is the largest radio operator – 132 stations and an audience exceeding five million people – and outdoor advertising operator in Australasia and also has leading outdoor advertising positions in Hong Kong, Malaysia, India, Indonesia and across Africa.

The Group has grown consistently over the last 15 years by building a geographically unique and diverse portfolio of market-leading brands, and today manages gross assets of €4.0 billion, revenue of €1.8 billion and employs approximately 10,300 people worldwide. Further information is available on the Group's website www.inmplc.com.