

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on investments in shares and other securities.

If you sell or have sold or otherwise transferred all of your Ordinary Shares in Independent Media Distribution Plc, please forward this document and the accompanying Form of Proxy as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the transfer or sale was effected, for onward transmission to the purchaser or transferee. If you have sold part only of your holding of Ordinary Shares in Independent Media Distribution Plc you should retain these documents.

Bridgewell Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for Independent Media Distribution Plc and for no-one else in connection with the Delisting and the transfer of trading to AIM and will not be responsible to anyone other than Independent Media Distribution Plc for providing the protections afforded to its customers, or for affording advice in relation to the Delisting and the transfer of trading to AIM.

Independent Media Distribution Plc

(Registered in England and Wales with registered number 02127174)

Proposed cancellation of listing on the Official List and application for admission to AIM

Notice of Extraordinary General Meeting

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Independent Media Distribution Plc which is set out on pages 4 to 6 of this document and which contains the recommendation of the Board that Shareholders vote in favour of the resolutions to be proposed at the Extraordinary General Meeting referred to below.

Notice of the Extraordinary General Meeting to be held at Allan House, 10 John Princes Street, London W1G 0JW, at 12 noon on Wednesday, 8 November 2006 is set out at the end of this document.

Shareholders will find enclosed a Form of Proxy for use at the Extraordinary General Meeting. To be valid the Form of Proxy should be completed, signed and returned in accordance with the instructions printed thereon so as to be received by the Company's Registrars, Neville Registrars Ltd, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, as soon as possible and in any event no later than 12 noon on Monday, 6 November 2006. Completion and return of a Form of Proxy will not preclude a Shareholder from attending and voting in person at the meeting, should they so wish.

CONTENTS

	<i>Page</i>
Expected Timetable of Events	3
Part I Letter from the Chairman of Independent Media Distribution Plc	4
Part II Risk Factors	7
Part III Additional information	8
Definitions	9
Notice of Extraordinary General Meeting	10

EXPECTED TIMETABLE OF EVENTS

Latest time and date for receipt of form of proxy	12 noon on Monday, 6 November 2006
Extraordinary General Meeting	12 noon on Wednesday, 8 November 2006
Last day of dealing in Ordinary Shares on the Official List	Wednesday, 6 December 2006
Admission to AIM and first day of dealings in Ordinary Shares on AIM	Thursday, 7 December 2006

PART I

LETTER FROM THE CHAIRMAN OF INDEPENDENT MEDIA DISTRIBUTION PLC

Directors

David S Haynes	<i>(Executive Chairman)</i>
Simon Cox	<i>(Chief Executive Officer)</i>
Ian D Stevenson	<i>(Finance Director)</i>
Charles W Dunstone	<i>(Non-Executive Director)</i>
Douglas B McArthur OBE	<i>(Non-Executive Director)</i>
Martina A King	<i>(Non-Executive Director)</i>



Allan House
10 John Princes Street
London W1G 0JW

16 October 2006

To holders of shares in Independent Media Distribution Plc and, for information only, to Independent Media Distribution Plc Optionholders

Dear Shareholder,

PROPOSED TRANSFER OF THE COMPANY'S ORDINARY SHARES TO AIM

1. Introduction

Today the Company announced its intention to delist the Company's Ordinary Shares from the Official List and to relist them on AIM. Pursuant to the Listing Rules, the Delisting is subject to Shareholders' approval being obtained and the purpose of this document is to provide Shareholders with information on the transfer to AIM, and to seek the requisite approval at an Extraordinary General Meeting of the Company, notice of which is set out at the end of this document.

2. Background to and reasons for transferring to AIM

AIM was launched in June 1995 as the London Stock Exchange's market specifically designed for smaller companies, with a more flexible regulatory regime. More than 2,100 companies have been admitted to AIM and over £33 billion has been raised collectively. As a consequence, AIM is now a globally respected market.

Following a review of the Company's strategic options, the Board has concluded that AIM is a more appropriate market for the Company's shares than the Official List for the following reasons:

- The Company's market capitalisation remains relatively small compared to other companies whose shares are listed on the Official List and the Directors believe that the Company could attract more interest from investors on AIM since this market is specifically designed for smaller companies, attracts specialist institutional investors, and in many cases allows private investors to take advantage of tax benefits;
- The Company's strategy on an ongoing basis may involve making acquisitions to complement its ongoing organic growth. The regulations for AIM companies when making such acquisitions are less stringent than those which apply to companies on the Official List, and complying therewith implies lower costs and less time when making acquisitions. The Directors believe that this will improve the Company's ability to complete acquisitions in competitive situations and reduce costs.

Independent Media Distribution Plc confirms that there will be no changes to its Board or to its standards of reporting and corporate governance as a result of the proposed transfer to AIM.

The principal regulator of AIM is the London Stock Exchange. The obligations of an AIM listed company are similar to those of a company on the Official List, with certain exceptions, of which the significant ones are referred to below:

- Under the AIM Rules, a nominated adviser is required to be appointed at all times and has ongoing responsibilities to both the Company and the London Stock Exchange. By contrast, companies whose shares are listed on the Official List need not retain the services of a sponsor at all times, but are required to appoint a sponsor under certain circumstances, such as when undertaking a large transaction or capital raising. On admission to AIM, Bridgewell will be appointed as the Company's nominated adviser.
- For AIM companies, prior shareholder approval is only required for reverse takeovers and disposals that result in a fundamental change of business (transactions that exceed 75 per cent. of various tests, such as the ratio of consideration of the transaction to the market capitalisation of the AIM listed company). Under the Listing Rules, a broader range of transactions require shareholder approval.
- There is no requirement under the AIM Rules for listing particulars or admission documents for further issues of securities, except as otherwise required by law.
- The Combined Code does not apply directly to AIM companies.
- There is no requirement under the AIM Rules for a minimum proportion of an AIM company's shares to be held in public hands. By contrast, companies whose shares are listed on the Official List are required to ensure that, at all times, no less than 25 per cent. of their shares are in public hands.

Liquidity on AIM is currently provided by market makers who are member firms of the London Stock Exchange and are obliged to quote a share price between 8.00 a.m. and 4.30 p.m. on business days. The Directors believe that AIM has demonstrated that it can provide a liquid trading platform for shares.

According to their circumstances, there may be tax advantages for private shareholders arising from the proposed transfer to AIM, since companies whose shares are traded on AIM are deemed to be unlisted for the purposes of certain provisions of UK taxation. Following the transfer to AIM, individuals who hold Ordinary Shares may be able to hold those Ordinary Shares without giving rise to a liability to inheritance tax on death, subject to the shares having been held for two years. Business asset taper relief against capital gains tax may also be available for future disposals of Ordinary Shares.

Shareholders or prospective investors should consult their own professional advisers on whether an investment in an AIM security is suitable for them, or whether the tax advantages referred to above may be available to them. In particular, they should note that it is not possible to hold shares traded on AIM in PEPs or ISAs. The Board understands that following admission, Shareholders who currently hold Ordinary Shares in a PEP or ISA will, under current HM Revenue & Customs rules, have 30 days to decide whether to transfer such shareholding into their own name or to sell the shareholding and retain the proceeds within the relevant PEP or ISA.

The comments on tax implications described in this document are based on the Directors' current understanding of tax law and practice, are not tailored to any individual circumstances and are primarily directed at individuals who are UK resident and domiciled. Tax rules can change and the precise tax implications for each Shareholder will depend upon the particular circumstances of that Shareholder. If you are in any doubt as to your tax position, you should consult your professional adviser.

3. Transfer of trading to AIM

Conditional upon approval at the EGM of the resolution concerning the proposed transfer to AIM, the Company will make application and give notice to cancel the listing of the Ordinary Shares on the Official List and will apply to the London Stock Exchange for admission to AIM. Because the Company is currently listed on the Official List the AIM Rules do not require any form of admission document to be published by the Company in connection with the listing of the Ordinary Shares on AIM.

It is anticipated that the listing of the Ordinary Shares on the Official List and trading on the main market of the London Stock Exchange will cease at close of business on Wednesday 6 December 2006, being not less than 20 business days following the passing of the resolution concerning the proposed

transfer to AIM. Admission is expected to take place and dealings are expected to commence on AIM on Thursday, 7 December 2006.

4. Extraordinary General Meeting

You will find set out at the end of this document a notice convening the EGM of the Company to be held at Allan House, 10 John Princes Street, London W1G 0JW, at 12 noon on Wednesday, 8 November 2006.

At the EGM, a special resolution will be proposed to approve the proposal to cancel the listing of the Ordinary Shares on the Official List and admit the Ordinary Shares to listing on AIM. The approval of 75 per cent. of Shareholders voting at the EGM, in person or proxy, must be obtained.

Section 89 of the Act gives holders of relevant shares or relevant employee shares (within the meaning of the Act), with limited but important exceptions, certain rights of pre-emption on the issue for cash of new equity securities. The Directors believe that it is in the best interests of Shareholders that the Board should have limited authority to allot some part of the Company's authorised but unissued share capital for cash without first having to offer such securities to existing Shareholders.

At the last Annual General Meeting of the Company held on 31 May 2006, Shareholders approved the disapplication of statutory pre-emption rights in respect of allotments of equity securities up to an aggregate nominal value of £169,482, representing approximately 5 per cent. of the existing issued share capital of the Company. At the EGM, Shareholders' approval will be sought (by special resolution) to extend the disapplication of statutory pre-emption rights in respect of allotments of equity securities up to an aggregate nominal value of £341,074, representing approximately 10 per cent. of the existing issued share capital of the Company as at the latest practicable date prior to the date of publication of this document. This resolution will not be conditional upon approval at the EGM of the resolution concerning the proposed transfer to AIM.

The investment committees of the ABI and the NAPF advise their members in most circumstances to approve resolutions for disapplication, provided that they are restricted to an amount of shares not exceeding 5 per cent. of the issued ordinary share capital of the company concerned. The proposed special resolution would exceed this level. However, the Directors believe that the disapplication for which approval is sought is in keeping with companies whose shares are traded on AIM and would provide the Company with a degree of flexibility appropriate to its size and stage of development, particularly given the possibility of making acquisitions, which is one of the reasons behind the proposed transfer of the Company's listing from the Official List to AIM.

5. Action to be taken

Shareholders will find enclosed with this document a Form of Proxy for use at the Extraordinary General Meeting. **Whether or not you intend to be present at the meeting, you are requested to complete and sign the Form of Proxy and return it in accordance with the instructions thereon as soon as possible to the Company's registrars, Neville Registrars Ltd, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA, so as to arrive as soon as possible and, in any event, no later than 12 noon on Monday, 6 November 2006.** The return of a completed Form of Proxy will not prevent you from attending the Extraordinary General Meeting and voting in person if you so wish and if you are entitled to do so.

6. Recommendation

Your Board considers the resolutions which are set out in the Notice of EGM on page 10 of this document, and which are to be proposed at the forthcoming EGM, to be in the best interests of the Company and of Shareholders as a whole and unanimously recommends Shareholders to vote in favour of the resolutions, as they intend to do in respect of their own beneficial holdings of 13,618,092 Ordinary Shares, representing 39.9 per cent. of the Company's issued share capital.

Yours sincerely,

David S Haynes
Executive Chairman

PART II

RISK FACTORS

Prior to making any decision to vote in favour of the resolutions at the EGM, Shareholders should carefully consider, together with all other information contained in this document, the specific factors and risks described below.

The Company's business, financial condition and/or results could be materially and adversely affected by any of the risks described below. In such cases, the market price of the Ordinary Shares may decline and investors may lose all or part of their investment. All material risks known to the Directors have been disclosed but additional risks and uncertainties not presently known to the Directors may also have an adverse effect on the Company and its group. The Directors consider the following risks to be the most significant for Shareholders and are not set out in order of priority.

EFFECT OF POSSIBLE VOLATILITY ON THE PRICE OF THE ORDINARY SHARES

Following admission to AIM, the market price of the Ordinary Shares may be subject to significant fluctuations in response to many factors, including variations in the results of the Company; divergence in financial results from analysts' expectations; changes in earnings estimates by stock market analysis; general economic conditions; other events and factors outside the Company's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Ordinary Shares.

Admission to AIM should not be taken as implying that there will be a liquid market for the Ordinary Shares. It may be more difficult for an investor to realise an investment in the Company than in a company whose shares are quoted on the Official List.

REQUIREMENT FOR FUNDS

It may be necessary for the Company to raise funds in the future, which may be by way of Ordinary Shares on a non-pre-emptive basis which could result in a dilution of the interests of the Shareholders at the time of such issue. There can be no guarantee that such a fundraising would be successful.

INVESTMENT RISK

Potential investors should be aware that the value of shares can rise or fall. An investment in a share which is traded on AIM, such as the Ordinary Shares, is likely to be difficult to realise and carries a high degree of risk. The ability of an investor to sell Ordinary Shares will depend on there being a willing buyer for them at an acceptable price. Consequently, Shareholders may lose all their investment. AIM has less stringent rules than the Official List and is self-regulated.

ECONOMIC, POLITICAL, JUDICIAL, ADMINISTRATIVE, TAXATION OR OTHER REGULATORY MATTERS

The Company may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors, as well as unforeseen matters.

PART III

ADDITIONAL INFORMATION

1. Responsibility Statement

The Directors of Independent Media Distribution Plc, whose names appear in paragraph 2.1 below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors

2.1 *Directors of Independent Media Distribution Plc*

The Directors of Independent Media Distribution Plc and their respective functions are as follows:

<i>Director</i>	<i>Position</i>
David S Haynes	(Executive Chairman)
Simon Cox	(Chief Executive Officer)
Ian D Stevenson	(Finance Director)
Charles W Dunstone	(Non-Executive Director)
Douglas B McArthur OBE	(Non-Executive Director)
Martina A King	(Non-Executive Director)

The business address of all the Directors is Allan House, 10 John Princes Street, London W1G 0JW.

3. Consents

Bridgewell Limited has given and not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they appear.

DEFINITIONS

“ABI”	The Association of British Insurers
“Act”	The Companies Act 1985, as amended
“AIM”	the Alternative Investment Market of the London Stock Exchange
“AIM Rules”	the rules of AIM as set out in the publication entitled “AIM Rules for Companies” published by the London Stock Exchange from time to time
“Board”	the Board of Directors of the Company
“Bridgewell”	Bridgewell Limited which is regulated in the United Kingdom by the Financial Services Authority
“Combined Code”	the corporate governance code issued by the Financial Reporting Council
“Delisting”	the cancellation of the listing of the Ordinary Shares on the Official List and from trading on the main market of the London Stock Exchange
“Directors”	the current board of directors of the Company, whose names are set out on page 8 of this document
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company, notice of which is set out at the end of this document, or any adjournment thereof
“Form of Proxy”	the form of proxy for use in the Extraordinary General Meeting accompanying this document
“Independent Media Distribution Plc” or “the Company”	Independent Media Distribution Plc and/or its subsidiary undertakings as the context may require
“Independent Media Distribution Optionholders”	the persons who are entitled to acquire Ordinary Shares pursuant to outstanding options granted under the Company’s share option schemes
“Listing Rules”	the Listing Rules of the UKLA
“London Stock Exchange”	London Stock Exchange Plc
“NAPF”	The National Association of Pension Funds
“Official List”	the official list of the Financial Services Authority
“Ordinary Shares”	the ordinary shares of 10p each in the capital of the Company
“Shareholder” or “Shareholders”	a holder of Ordinary Shares
“UKLA”	the Financial Services Authority acting in its capacity as the competent authority for the purpose of Part VI of the Financial Services and Markets Act 2000

NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Media Distribution Plc

(Registered in England with No. 02127174)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Independent Media Distribution Plc (the "Company") will be held at Allan House, 10 John Princes Street, London W1G 0JW at 12 noon on Wednesday, 8 November 2006 for the purposes of considering and, if thought fit, passing the following resolutions which will be proposed as special resolutions.

1. THAT the listing of the Ordinary Shares of 10 pence each in the capital of the Company on the Official List be cancelled and application be made for admission of the said Ordinary Shares to trading on AIM.
2. THAT the Directors be and are hereby authorised pursuant to Section 95 of the Act to allot equity securities (within the meaning of Section 94(2) of the Act) as if Section 89 of the Act did not apply to any such allotment, provided that this power shall be limited to:
 - (i) the allotment of equity securities in connection with a rights issue in favour of the holders of Ordinary Shares where the equity securities respectively attributable to the interests of all such Shareholders are proportionate (as nearly as may be) to the respective number of Ordinary Shares held (or deemed or notionally held) by them but subject to such exclusions or other arrangements as the Directors may think fit in relation to fractional entitlements or to deal with relevant legal or regulatory requirements; or
 - (ii) the allotment (other than pursuant to paragraph (i) of this resolution) of equity securities up to an aggregate nominal value of £341,074;

and shall expire on the date of the next Annual General Meeting of the Company after the passing of this resolution, or fifteen months from the date of the passing of this resolution, whichever is earlier, save that the Company may, before such expiry, make any offer or agreement which would or might require equity securities to be allotted after such expiry, and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

By order of the Board

Graeme Titmas
Secretary

Registered office
Allan House,
10 John Princes Street,
London W1G 0JW
16 October 2006

Voting Procedures;

1. Holders of Ordinary Shares are entitled to attend and vote at the meeting.
2. Shareholders entitled to attend and vote may appoint one or more proxies to attend and on a poll vote instead of that person.
 - (i) A proxy need not be a member of the Company and such appointment will not preclude a Shareholder from attending and voting at the meeting in person.
 - (ii) Forms of proxy must be lodged with the Company's Registrars not later than 48 hours before the time of the meeting.
 - (iii) The form of proxy must be signed by the member or, in the case of joint holders, any one of them.
 - (iv) The notice of meeting shall prevail over any description of the business of the meeting set out in the form of proxy.
3. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders registered at 12 noon on Monday, 6 November 2006 will be entitled to attend and vote at the meeting in respect of shares registered in their names at that time. Subsequent changes to the register will be disregarded in determining the rights of any person to attend and vote at the meeting.



Perfect Information

End of Document

Perfect Information Limited
Michael House
35 Chiswell Street
London
EC1Y 4SE
Tel: +44 (0) 20 7892 4200
www.perfectinfo.com

London o New York o Hong Kong