



Date: Embargoed until 07.00 am, Tuesday 9 September 2008

Contact: Simon Cox (Chief Executive)
David Haynes (Chairman)
Independent Media Distribution
Tel: 020 7468 6868
Corporate Website: www.imdplc.com

Alistair Mackinnon-Musson
Nathan Field
Hudson Sandler
Tel: 020 7796 4133
Email: imd@hspr.com

Leanne Tritton
Rosa Vaquero
ING MEDIA – Trade Press Enquiries
Tel: 020 7247 8334

Independent Media Distribution PLC

INTERIM RESULTS

“Increased UK Profits Fund European and Digital Media Expansion”

Independent Media Distribution PLC (“IMD”) is the UK’s largest online digital distributor of TV & radio commercials, music videos and data exchange for the media industry (which IMD calls “Media Logistics”). Today it announces its Interim results for the six months ended 30 June 2008.

IMD distributes the majority of all the TV and Radio ads aired across the UK. Additionally, bookings for over 85% by value of all TV ads aired are administered by the Group, through its proprietary ‘industry standard’ CARIA™ data exchange system. IMD also distributes nearly all of the UK’s music videos to TV channels.

Highlights

- Pre-tax profits up by 48%
- Underlying pre-tax profits up by 101% - excluding start-up losses in Europe and investment in the Group’s new Digital service – “Legato”
- Group turnover up 14%
- UK TV distribution revenues up 29%
- Germany revenues building
- Spain and now France launched

Commenting David Haynes, Chairman, said:

“I am delighted with our financial results in the first half and also with the progress we are making in the new overseas markets of Germany, Spain and France that we are busy developing”.

“Although these three new markets will require further investment in the second half and beyond, they represent a three-fold increase in the potential market for our TV commercial delivery services, so they are key to our long term strategy and why we launched Spain earlier this year and have followed this with France which we are announcing today”.

About IMD

Founded in 1996 and working with all of the UK's top creative advertising and media agencies, post production houses and broadcasters, AIM listed IMD connects more components of the UK's advertising and media community than anyone else.

IMD's media solutions are operated through four businesses: **IMD TV** and **IMD Radio** deliver the majority of the ads aired across the UK; **IMD Optimad** administers over 85% by value of all UK TV bookings (via its 'industry standard' CARIA™ system); and **IMD Fastrax** distributes nearly all the UK's music videos to TV channels.

IMD also operates IMD TV and CARIA™ in the Republic of Ireland and has recently launched IMD TV in Germany, Spain and France.

CHAIRMAN'S STATEMENT

I am pleased to announce the Group's Interim results for six months to 30 June 2008 and am delighted to report a 48% increase in pre-tax profits to £0.63m over the first half last year (2007: £0.43m). This result is even more satisfying as it was achieved despite absorbing £0.23m of start-up losses from our European expansion into Germany, Spain and France and our new Digital service "Legato". Excluding these start-up losses, pre-tax profit is up 100% to £0.85m.

Group turnover increased by 14%, in line with market expectations. TV distribution revenues, our key source of future growth, were up 29%.

Results Table

	30 June 2008	30 June 2007
	£'000	£'000
Turnover	3,761	3,313
Profit before tax	629	425
Profit after tax	441	364
Profit per share (basic and diluted)	1.29p	1.06p
Dividend per share	0.70p	0.33p

Cash Flow

Operating cash flow (defined as profit plus depreciation, amortisation and share option charges less investment in tangible and intangible assets) was £0.79m (2007: £1.04m) after increased cash investment in Europe and Digital of £0.34m (£0m).

Net borrowings reduced to £0.37m from £0.62m at the Group's year end (31 December 2007) after payment of an increased dividend of 0.70p (final) (2007: 0.33p Interim) and the new investment in Europe and our Digital service "Legato".

Dividend

We propose to maintain the Interim dividend at the level of last year's final dividend, of 0.70p per share (2007: 0.33p). The Interim dividend will be paid on 31st October 2008 to those shareholders on the register as at 17th October 2008.

David Haynes

Chairman

9 September 2008

CEO's TRADING REVIEW

At the Interim stage last year I set out the Group's strategy, with three key features - and I am delighted to report that both our results today and the new developments we have been pursuing remain consistent with our plans of a year ago, namely:

- Deepening and broadening our position in the UK, by growing revenues from existing and new services
- Rolling out internationally to develop revenues from overseas and
- Creating a position for ourselves in digital media i.e. internet media, including 'on-demand' TV

Below I comment on each of our strategic elements:

“Deeper in the UK”

IMD TV's revenues grew by 29% and our market share of deliveries has clearly passed our major competitor, as during the first half, IMD made 60% of all the digital deliveries of TV ads measured at Channel Four, Sky and Viacom.

Revenues at IMD Radio, IMD Fastrax (music videos) and IMD Optimad (TV campaign administration) have remained stable and a joint venture with Independent Radio News (IRN) to incorporate their fledgling radio distribution business and technology platform with our's, has strengthened our position in the radio market.

“Broader in the UK”

We continue to add services to meet more of our clients' needs and increase yield. At IMD TV we have seen increased take up of our Express TV delivery service, which has recently been improved from providing a 90 minute turnaround service, to now being only 60 minutes. This service is sold at a premium price.

Our newly launched TV Admin service, which enables creative advertising agencies to outsource their TV admin work, is building a significant client base and is already running at break even.

We have also just launched a new digital asset management service, IMD Index, specifically targeted at the needs of people who administer TV and Radio campaigns in creative agencies and production companies to help them organise their libraries of TV and radio commercials and associated paperwork.

“Geographic Expansion”

Moving into mainland Europe increases five-fold our addressable market for the online digital delivery of TV commercials. We therefore began our geographic expansion by entering the German market in the second half of 2007, where we were quickly able to establish connectivity to all the major broadcasters in Germany. This was much faster than in the UK and we started making chargeable deliveries at the end of last year.

In Germany we have now delivered commercials on behalf of many major brands, creative agencies and post production houses and our customer base and volumes are now beginning to build, albeit a little more slowly than the initial market response suggested.

As a result of the overseas opportunities that are available to us, we have decided to bring forward the launch our TV digital delivery services in two of the largest markets in Europe: Spain and France. Both of these markets currently deliver all their TV commercials on tape and so represent large opportunities for IMD TV and with Germany increase our addressable market by

three times over the UK alone. We have opened offices in Madrid and, most recently, Paris and hired country managers with strong local connections in their respective advertising industry markets. Our initial feedback is very encouraging and we have already connected some key broadcasters to our distribution network.

“Digital Media”

In the digital media arena we have delivered the first phase of our campaign administration platform, Legato, which is now being piloted by SKY. Legato is similar to our specialist CARIA™ TV system, but for use in the administration of internet, including on-demand TV, advertising. In the content delivery area of digital media, delivery volumes of video for online advertising remain low but are growing.

Outlook

The ongoing turbulence in consumer markets, with its inevitable knock on effects into the advertising & media sectors continues, however, IMD’s sales in July and August have remained slightly ahead of last year.

Despite these traditionally weaker summer months and the Group continuing to absorb significant start-up losses in Germany, Spain and France, as well as investment in Legato, IMD has continued to trade profitably in July and August and our cash balance is now positive.

In the advertising sector generally, the summer months are seasonally the weakest and more prone to being adversely affected by a downturn. This makes it difficult for the Board to extrapolate an outlook picture for IMD TV and IMD Radio for the important final four months of the year, including the Christmas period.

In contrast, IMD Optimad, which accounts for around 17% of Group revenues, has a high proportion of predictable, contracted revenues that are not linked to the advertising market’s economic cycle. This division is performing as expected and it has recently won two new commissions – one with Channel Four and one for the TV industry as a whole.

Despite the uncertain economic outlook in the short term, the Board feels it is essential for the Group’s longer term strength that it continues with its investment programme to develop new international markets and services – so this will remain a continuing feature into the second half and beyond. In particular, we have brought forward the launch of an operation in France, which was not originally planned for 2008.

Simon Cox
Chief Executive
9 September 2008

INDEPENDENT MEDIA DISTRIBUTION PLC

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2008

		Six months to 30 June 2008 £'000	Six months to 30 June 2007 £'000	Year to 31 December 2007 £'000
	Note			
TURNOVER		3,761	3,313	6,894
Cost of sales and overheads		(3,114)	(2,817)	(5,757)
OPERATING PROFIT		647	496	1,137
Finance income		-	4	7
Finance charges		(18)	(75)	(115)
PROFIT BEFORE TAX		629	425	1,029
Tax charge		(188)	(61)	(313)
PROFIT FOR THE PERIOD		<u>441</u>	<u>364</u>	<u>716</u>
PROFIT PER SHARE				
BASIC	3	<u>1.29p</u>	<u>1.06p</u>	<u>2.09p</u>
DILUTED	3	<u>1.29p</u>	<u>1.06p</u>	<u>2.08p</u>

INDEPENDENT MEDIA DISTRIBUTION PLC**CONSOLIDATED INTERIM BALANCE SHEET
30 JUNE 2008**

	At 30 June 2008 £'000	At 30 June 2007 £'000	At 31 December 2007 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	534	634	530
Intangible assets	2,823	3,144	2,954
Deferred tax asset	337	328	387
	<u>3,694</u>	<u>4,106</u>	<u>3,871</u>
Current assets			
Trade and other receivables	2,080	1,415	1,780
Cash and cash equivalents	62	134	88
	<u>2,142</u>	<u>1,549</u>	<u>1,868</u>
Total assets	<u><u>5,836</u></u>	<u><u>5,655</u></u>	<u><u>5,739</u></u>
EQUITY			
Capital and reserves attributable to the Company's Equity shareholders			
Called up share capital	3,415	3,415	3,415
Share premium account	86	86	86
Other reserve	(1,332)	(1,438)	(1,365)
Retained earnings	1,488	1,056	1,295
Total equity	<u>3,657</u>	<u>3,119</u>	<u>3,431</u>
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	106	34	111
Current liabilities			
Financial liabilities	428	1,250	707
Trade and other payables	1,121	1,027	1,109
Current tax liabilities	524	225	381
	<u>2,073</u>	<u>2,502</u>	<u>2,197</u>
Total liabilities	<u>2,179</u>	<u>2,536</u>	<u>2,308</u>
Total equity and liabilities	<u><u>5,836</u></u>	<u><u>5,655</u></u>	<u><u>5,739</u></u>

INDEPENDENT MEDIA DISTRIBUTION PLC

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital £'000	Share Premium £'000	Other Reserve £'000	Retained Earnings £'000	Total £'000
Balance at 1 January 2007	3,415	86	(1,520)	805	2,786
Profit for the period	-	-	-	364	364
Employee share option charge	-	-	82	-	82
Exchange difference	-	-	-	(2)	(2)
Dividend	-	-	-	(111)	(111)
Balance at 30 June 2007	3,415	86	(1,438)	1,056	3,119
Profit for the period	-	-	-	352	352
Employee share option charge	-	-	73	-	73
Dividend	-	-	-	(113)	(113)
Balance at 31 December 2007	3,415	86	(1,365)	1,295	3,431
Profit for the period	-	-	-	441	441
Employee share option charge	-	-	33	-	33
Exchange differences	-	-	-	(9)	(9)
Dividend	-	-	-	(239)	(239)
Balance at 30 June 2008	3,415	86	(1,332)	1,488	3,657

INDEPENDENT MEDIA DISTRIBUTION PLC

CONSOLIDATED INTERIM CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2008

	Six months to 30 June 2008 £'000	Six months to 30 June 2007 £'000	Year to 31 December 2007 £'000
Cash flows from operating activities			
Profit for the period	441	364	716
<i>Adjustments for:</i>			
Tax charge	188	61	313
Finance income	-	(4)	(7)
Finance charges	18	75	115
Depreciation and amortisation	555	744	1,386
Gain on disposal of fixed assets	(1)	-	(6)
Exchange rate difference	(9)	-	(2)
Share option charge	33	82	155
(Increase)/decrease in trade and other receivables	(300)	358	(6)
Decrease in trade and other payables	12	52	135
	<hr/>	<hr/>	<hr/>
Cash generated from operations	937	1,732	2,799
Tax refunded	-	72	(6)
	<hr/>	<hr/>	<hr/>
Net cash generated from operating activities	937	1,804	2,793
	<hr/>	<hr/>	<hr/>
Cash flows from investing activities			
Purchases of property, plant and equipment	(238)	(89)	(258)
Sale of property plant and equipment	14	-	6
Purchases of intangible assets	(204)	(192)	(371)
Interest received	-	4	7
Interest paid	(18)	(75)	(115)
	<hr/>	<hr/>	<hr/>
Net cash used in investing activities	(446)	(352)	(731)
	<hr/>	<hr/>	<hr/>
Cash flows from financing activities			
Dividends paid to Company's shareholders	(239)	(111)	(224)
Repayment of variable rate loan	-	(3,000)	(3,000)
	<hr/>	<hr/>	<hr/>
Net cash used in financing activities	(239)	(3,111)	(3,224)
	<hr/>	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	252	(1,659)	(1,162)
Cash and cash equivalents at beginning of period	(619)	543	543
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at end of period	(367)	(1,116)	(619)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Operating cash flow as quoted in the highlights is calculated as:			
Operating profit	647	496	1,137
Depreciation and amortisation	555	744	1,386
Share option charge	33	82	155
Capital expenditure	(442)	(281)	(629)
	<hr/>	<hr/>	<hr/>
Operating cash flow	793	1,041	2,049
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

INDEPENDENT MEDIA DISTRIBUTION PLC

NOTES TO THE INTERIM REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2008

1. BASIS OF PREPARATION

These interim consolidated financial statements are for the six months ended 30 June 2008. They have been prepared in accordance with IAS 34, Interim Financial Reporting. These interim financial statements have been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements (September 2008). The IFRS standards and IFRIC interpretations that will be applicable at 31 December 2008, including those that will be applicable on an optional basis, are not known with certainty at the time of preparing these interim financial statements. The policies set out below have been consistently applied to all the years presented.

These consolidated interim financial statements have been prepared under the historical cost convention.

The information set out in this interim report for the six months ended 30 June 2008 does not comprise statutory accounts within the meaning of section 240 of The Companies Act 1985. The statutory accounts for the year ended 31 December 2007, incorporating an unqualified auditors' report, have been filed with the Registrar of Companies.

2. BASIS OF CONSOLIDATION

On 21 February 2002 the Company, then named Chemex International plc, became the legal parent company of Independent Media Distribution plc in a share-for-share transaction. Due to the relative values of the companies, reverse acquisition accounting was adopted as the basis of consolidation.

The joint venture is accounted for using the proportional consolidation method.

The results of the wholly owned subsidiary Optimad Media Systems Limited have been consolidated using the purchase method.

3. PROFIT PER SHARE

The calculation of the profit per share is based on the following profit and number of shares:

	Six months to 30 June 2008	Six months to 30 June 2007	Year to 31 December 2007
Profit for the period (£'000)	441	364	716
Weighted average number of shares (000s)	34,145	34,145	34,145
Adjusted for share options (000s)	138	75	166
Weighted average number of shares for diluted earnings per share (000s)	34,283	34,220	34,311
Basic profit per share	1.29p	1.06p	2.09p
Diluted profit per share	1.29p	1.06p	2.08p

INDEPENDENT MEDIA DISTRIBUTION PLC

INDEPENDENT REVIEW REPORT

INTERIM REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2008

We have been engaged by the company to review the condensed set of financial statements in the interim report for the six months ended 30 June 2008 which comprises the consolidated income statement, consolidated interim balance sheet, consolidated interim statement of changes in shareholders' equity, consolidated interim cash flow statement, and related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' Responsibilities

The interim report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the AIM rules. As disclosed in note 1, the annual financial statements of the Independent Media Distribution plc are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this interim report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim report for the six months ended 30 June 2008 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union.

haysmacintyre
Chartered Accountants
Registered Auditors

9 September 2008

Fairfax House
15 Fulwood Place
London
WC1V 6AY

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