

Scheme of Arrangement between Mid-Day Multimedia Ltd. and Jagran Prakashan Limited

JPL is India's leading media and communications group, with the group's flagship brand, *Dainik Jagran*, being the most widely read newspaper in the country with a total readership of 54.2 million. Besides *Dainik Jagran*, JPL also has compact newspapers known as I-Next, a bilingual youth oriented city centric daily and City Plus, an English infotainment community weekly. *Dainik Jagran*, which publishes 37 editions and more than 200 sub-editions across 11 states, has maintained its position as India's widest read newspaper for the last six years. JPL has evolved as a leading end-to-end media solutions provider with interests across newspapers, outdoor advertising, below the line solutions, internet, magazines and mobile value added services. Its web portal jagran.com in association with yahoo is the most visited portal across all Indian languages and khojle.in is a recently launched classified portal.

MML's publication business which is run through its subsidiary Midday Infomedia Ltd. comprises the iconic afternoon newspaper Mid-Day (published from Mumbai, Pune, Bangalore and Delhi), Sunday Mid-Day, Gujarati Mid-Day and the largest read Urdu newspaper in the country, *The Inquilab*, and the rapidly growing website mid-day.com.

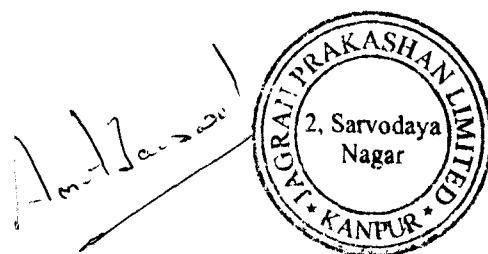
As part of the Scheme of Arrangement which has been passed by the Board of Directors of both MML and JPL; the publishing business of Mid-Day Multimedia Ltd. would be demerged and transferred to JPL. **For the Demerged publication business, the MML Shareholder will receive 2 shares of JPL for every 7 shares held as on the Record Date. Fractional entitlement shall be rounded off to the nearest whole number.** The current management of Midday Infomedia Ltd. would continue to run the publication business and grow the business to the next level, subject to overall control and superintendence of Board of Directors comprising of majority of JPL's nominees.

As a result of this arrangement, JPL through its various publication brands and other media related business such as outdoor and event and the resources at its disposal will help in meeting more effectively the high intensity competition being faced by the publishing business and in rapid expansion of various publication brands in its existing as well as new markets, internet properties and other related activities of Mid-Day, thereby enhancing the value of brand Mid-Day and its own business for the benefit of all the stakeholders of both the companies.

Upon the coming into effect of the Scheme, MML will continue to carry on the Radio Business through its subsidiary Radio Mid-Day West (India) Ltd. and the shares of MML will continue to remain listed on Bombay Stock Exchange Limited and National Stock Exchange of India Ltd.

Appointed Date of the Scheme is 1st April, 2010. JPL will issue shares to the shareholders of MML, as on the Record Date, based on the swap ratio determined by Independent Valuer, Ernst & Young Pvt Ltd, as under:

Two (2) fully paid-up Equity Shares of Rs. 2 each of Jagran prakashan Limited for every Seven (7) Equity Shares of Rs. 10 held in Mid-Day Multimedia Limited. Fractional entitlement.



RATIONALE OF THE PROPOSED SCHEME:

Jagran Prakashan Limited (hereinafter referred to as the “Transferee Company”), a company incorporated under the Companies Act, 1956 and having its registered office at Jagran Building, 2, Sarvodaya Nagar, Kanpur-208005 is inter-alia engaged in the business of publication of newspapers, magazines, journals etc., outdoor advertisement, event management, value added services through mobile and maintaining and running various web portals. The shares of the Transferee Company are currently listed on the Bombay Stock Exchange Limited (“BSE”) and National Stock Exchange of India Ltd. (“NSE”).

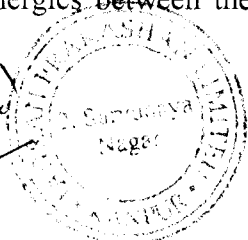
Mid-Day Multimedia Limited (hereinafter referred to as “MML”), a company incorporated under the Companies Act, 1956, and having its registered office at Peninsula Centre, Dr S. S. Rao Road, Near M. G. Hospital, Parel, Mumbai – 400012 is engaged in the Print Business and the Radio Business. The equity shares of MML are currently listed on BSE and NSE.

The Print Business is currently being carried out through Midday Infomedia Ltd. (“MIFL”), a 100% subsidiary of MML and the Radio Business is being carried out by Radio Mid-Day West (India) Ltd., a 69.936% subsidiary of MML.

This Scheme proposes to demerge the investment arm of MML, holding investment in MIFL, comprising of the entire Print Business and all the estate, assets, rights, claims, title, interest, licenses, liabilities and authorities including accretions and appurtenances of MML pertaining to the Print Business (“Demerged Undertaking”) and transfer it to the Transferee Company.

The proposed demerger of the Demerged Undertaking envisaged in this Scheme, is aimed at achieving the following business and commercial objectives and is expected to result in the following benefits for the Transferee Company and MML:

1. Demerger of the Demerged Undertaking would enable MML to streamline its operations by being focused in the Radio Business and explore strategic options to grow the Radio Business and to rationalize its management, businesses and finances;
2. The Transferee Company’s existing management expertise and quality system in the print media sector are expected to further enhance the performance of the Print Business.
3. The strong marketing network across the country of the Transferee Company is expected to bring to the Print Business new advertisers and thus increase the advertisement revenue.
4. The Transferee Company is expected to pass on the benefits of scale of economy to the Demerged Undertaking which along with the Transferee Company is also expected to benefit from various other synergies between the two resulting in cost savings.

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5. The pan India presence of the Transferee Company through its various publication brands and other media related businesses and the resources at its disposal will help in meeting more effectively the high intensity competition in Mumbai being faced by the Print Business and in rapid expansion of various publication brands, internet properties and other related activities of MIFL, thereby enhancing the value of MIFL and its own business in the interest of all the stake holders of both the companies.
6. The respective boards of directors feel that the Scheme is beneficial to the respective shareholders, creditors, employees and all stakeholders of MML as well as the Transferee Company. The Scheme is expected to contribute in furthering and fulfilling the objects of both the companies and in the growth and development of their respective businesses.

