

For Immediate Release

30 August 2000

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2000

Johnston Press plc, one of the U.K.'s leading regional newspaper publishers, announces interim results for the six months ended 30 June 2000.

KEY FINANCIALS

	2000 £'m	1999 £'m	Change
Operating profit on continuing operations	44.0	29.2	+50%
Operating profit (like-for-like)	33.2	29.2	+14%
Profit before tax	35.2	25.9	+36%
Earnings per share:			
-headline	12.18p	9.29p	+31%
-basic	12.18p	8.81p	+38%
Interim dividend	1.5p	1.25p	+20%

HIGHLIGHTS

- Performance of recently acquired businesses stronger than anticipated
- Like-for-like advertising revenues up 9%
- Like-for-like operating margins increased from 29.1% to 30.6% - overall operating margins including acquisitions advanced to 29.8%
- Continuing progress in new media activities - over 3 million page impressions per month and expected to rise strongly

OUTLOOK

Chairman, Fred Johnston said:

“ Building on the strong results in 1999, the Company forged ahead in the half year to 30 June and recorded further excellent profit growth.

The performance of recently acquired businesses has been stronger than anticipated. We have the management and financial resources to be a leading player in further industry consolidation.

Advertising revenue remains healthy ... the second half of the year has started well.”

For further information please contact:

Tim Bowdler, Chief Executive or
Marco Chiappelli, Finance Director:
or: Richard Oldworth / Richard Darby, Buchanan Communications:

020 7466 5000 (today) or 0131 225 3361 (thereafter)
020 7466 5000

Chairman's Half Year Statement

Building on the strong results in 1999, the Company forged ahead in the half year to 30 June and recorded further excellent profit growth.

Substantial benefits continue to stem from the acquisition of Portsmouth & Sunderland Newspapers at the end of June 1999, and advertising revenues remain healthy, boosted by the general buoyant state of the national economy. Operating profit rose from £29.4 million to £44.0 million, an increase of 50%. On a like-for-like basis, operating profit increased by 14%. Earnings per share before exceptional items were 12.18p (1999 – 9.29p) an increase of 31%.

The interim ordinary dividend payable on 3 November 2000 will be 1.5p, an increase of 20%.

Trading Review

Total advertising revenue for the half year grew on a like-for-like basis by 9% with increased volumes and greater yields both contributing to the improvement. Whilst every division achieved year-on-year revenue increases, the southern half of the country witnessed much stronger market conditions than the North, with double digit growth in the East and South Midlands and the South of England divisions.

All categories of advertising were ahead of the previous period on a like-for-like basis. However, the principal driver was a 28% increase in situations vacant advertising with every division benefiting. National display advertising was also much improved with 17% growth, although this was achieved against a relatively modest performance in this category during the corresponding prior half year period.

All of the Company's principal publishing centres reported increased earnings with particularly strong growth from the East and South Midlands and South of England divisions, reflecting the buoyant market conditions referred to earlier. Nevertheless, the considerable progress in the more northerly divisions demonstrated management's ability to improve performance even where market conditions were less helpful. The Printing Division also benefited from the growth of in-house publishing volumes and the integration of the presses at Hartlepool, Portsmouth and Sunderland.

The performance of recently acquired businesses during the first six months of 2000 has been stronger than anticipated. Following reorganisation, The Tweeddale Press made an excellent contribution, Sunderland performed well and the progress at Portsmouth has been exceptional. As a result of the improvements in both existing and newly acquired businesses, the Company's operating margin has again increased, rising from 29.1% to 29.8%.

The circulations of our weekly titles continue to grow as they have for several years now. Performance of our nine evening titles was, however, disappointing with an overall decline. Two factors influenced this outcome; firstly, our policy of reducing bulk sales which are already at levels below the industry average and, secondly, the temporary disruption

experienced at several press rooms during the current substantial investment programme to provide greater colour capability which is scheduled for completion in mid 2001.

New Media

The Company continues to develop its Internet presence and now has 54 web sites from Scotland to the South Coast of England. Page impressions are running at over 3 million per month and are expected to rise strongly. Johnston's sites are all locally branded, building on the market strength of its local newspapers, and provide extensive content to the local communities they serve. During the period, a number of important developments have taken place including the launch of Johnston Press branded on-line classified search services. Internet revenues for the six months were £1.25 million, substantially ahead of the comparable half year period.

In July, the Company made a strategic investment of £3.5 million for a 17.5% stake in Mirago plc, which operates a U.K. Internet search service identifying sites of specific U.K. interest with software based entirely on technology developed and owned by Mirago. A joint project has been initiated to enable users of Johnston Press web sites to search the Internet from the perspective of the area in which they live.

Acquisitions

Johnston Press regards further industry consolidation as inevitable and the Company remains determined to play an active part in that process. It is expected that this will involve both smaller tactical acquisitions and also more substantial opportunities.

An example of the former was provided by our acquisition in June 2000 from Southnews plc of 14 titles in Lincolnshire, Nottingham and South Yorkshire. These titles are largely contiguous to our existing operations in those regions which will permit economies as well as the possibility of expanded revenues.

In respect of more substantial opportunities, we have applied for clearance under the Fair Trading Act 1973 to acquire the titles of Regional Independent Media Holdings Ltd, which has substantial regional and local newspaper interests in Lancashire and Yorkshire. Two other companies have also applied for similar clearance and the Secretary of State is expected to announce his decision later in the year.

We have the management and financial resources to be a leading player in further industry consolidation. Our determination to do so will be dependent upon the relative attractiveness of any potential target and the overriding need to create shareholder value, a combination which decided us against pursuing our interest in News Communications & Media plc.

Borrowings and Gearing

The Group's total borrowings were £275 million at 30 June 2000. The increase in bank borrowings is principally due to acquisitions in the last six months. The Group's balance sheet remains strong with interest cover at a healthy 4.9 times.

Directors and Management

Nicholas Rudd-Jones was appointed to the Board as an Executive Director as from 1 May 2000 when he became Group Managing Director – Publishing. He has extensive experience in newspaper management and his appointment strengthens our senior management team. Additionally, he brings considerable expertise in the development of Internet-related activities.

Outlook

The second half of the year has started well. Not only are revenues continuing to grow but the Company is also gaining from ongoing operational improvements.

While we do not believe that the business cycle has been abolished, the general outlook remains positive with UK interest rates close to their peak and inflationary pressures remaining subdued.

Costs remain under close control and given the continuing buoyant market conditions, the remainder of 2000 looks healthy. Despite an anticipated increase in the cost of newsprint from 2001, the medium-term outlook also remains positive.

F P M Johnston, Chairman
29 August 2000

JOHNSTON PRESS PLC
GROUP PROFIT AND LOSS ACCOUNT
SIX MONTHS TO 30 JUNE 2000

	Notes	26 weeks to 30.6.00 £000	26 weeks to 30.6.99 £000	52 weeks to 31.12.99 £000
Turnover □Continuing operations		147,465	100,437	239,873
Discontinued operations		-	2,691	2,691
Total turnover	2	147,465	103,128	242,564
Operating profit				
Continuing operations		43,957	29,245	65,807
Discontinued operations		-	107	107
Total operating profit	3	43,957	29,352	65,914
Share of profits of associated undertaking		203	123	310
Exceptional items	4	-	(749)	(5,230)
Profit on ordinary activities before interest and taxation		44,160	28,726	60,994
Net Interest		(8,994)	(2,875)	(11,160)
Profit on ordinary activities before taxation		35,166	25,851	49,834
Taxation	5	(10,668)	(8,107)	(15,272)
Profit for the financial period		24,498	17,744	34,562
Dividends	6	(3,084)	(2,582)	(8,171)
Retained profit		21,414	15,162	26,391
Earnings per share				
Headline	11	12.18p	9.29p	19.20p
Headline diluted		12.09p	9.24p	19.08p
Basic		12.18p	8.81p	17.16p
Diluted		12.09p	8.77p	17.06p

**JOHNSTON PRESS PLC
GROUP BALANCE SHEET
AT 30 JUNE 2000**

	Notes	At 30.6.00 £000	At 30.6.99 £000	At 31.12.99 £000
Fixed Assets				
Intangible	7	419,769	391,524	403,440
Tangible		99,599	91,780	91,846
Investments		1,748	1,694	1,821
		<u>521,116</u>	<u>484,998</u>	<u>497,107</u>
Current Assets				
Stocks		1,673	2,005	2,232
Debtors:				
due within one year		44,552	47,307	37,207
due after more than one year		2,532	6,300	2,549
Cash at bank and in hand	9	8,786	62,609	11,853
		<u>57,543</u>	<u>118,221</u>	<u>53,841</u>
Creditors:				
amounts falling due within one year		<u>(75,738)</u>	<u>(268,925)</u>	<u>(71,512)</u>
Net current (liabilities)/assets		<u>(18,195)</u>	<u>(150,704)</u>	<u>(17,671)</u>
Total assets less current liabilities		502,921	334,294	479,436
Creditors:				
amounts falling due after more than one year		(262,808)	(6,707)	(260,790)
Provisions for liabilities and charges		<u>(5,995)</u>	<u>(6,348)</u>	<u>(5,806)</u>
Net assets		<u>234,118</u>	<u>321,239</u>	<u>212,840</u>
Capital and Reserves				
Called-up share capital	8	21,156	21,154	21,154
Reserves		<u>212,962</u>	<u>180,276</u>	<u>191,686</u>
Shareholders' funds	10	234,118	201,430	212,840
Minority interest		-	119,809	-
Total capital employed		<u>234,118</u>	<u>321,239</u>	<u>212,840</u>

JOHNSTON PRESS PLC
CONSOLIDATED CASH FLOW STATEMENT
SIX MONTHS TO 30 JUNE 2000

	26 weeks to 30.6.00 £'000	26 weeks to 30.6.99 £'000	52 weeks to 31.12.99 £'000
Operating Profit	43,957	29,352	65,914
Exceptional items	-	(86)	(4,550)
Depreciation	5,699	3,423	9,709
Development grant amortisation	-	-	(13)
(Gain)/loss on sale of tangible fixed assets	(98)	18	30
Increase in working capital	(8,375)	(5,838)	(2,495)
Net cash inflow from operating activities	41,183	26,869	68,595
Income from fixed asset investments	578	375	555
Net interest paid	(10,590)	(3,838)	(8,871)
Preference dividends paid	(76)	(76)	(152)
Term debt issue costs	-	(1,710)	(3,420)
Returns on investment and servicing of finance	(10,088)	(5,249)	(11,888)
Taxation	(9,791)	(1,445)	(19,226)
Purchase of tangible fixed assets	(13,414)	(3,605)	(9,892)
Sale of tangible fixed assets	546	339	866
Capital expenditure and financial investment	(12,868)	(3,266)	(9,026)
Purchase of subsidiary undertakings	(14,969)	(35,850)	(208,941)
Net cash acquired with subsidiary undertakings	(61)	59,121	59,245
Sale of subsidiary undertakings	-	1,592	1,576
Acquisitions and disposals	(15,030)	24,863	(148,120)
Equity dividends paid	(5,513)	(4,711)	(7,217)
Net cash (outflow)/inflow before financing	(12,107)	37,061	(126,882)
Issue of ordinary share capital	31	1	16
Additional/(Repayment of) loan capital	8,954	11,386	129,810
Term debt issue costs	(9)	-	(65)
Financing	8,976	11,387	129,761
(Decrease)/increase in net cash	(3,131)	48,448	2,879

Notes to the Accounts
Six months to 30 June 2000

1. Basis of Preparation

The accounts for the six months ended 30 June 2000 and 30 June 1999 are unaudited, but have been prepared on the basis of accounting policies expected to be adopted in the annual accounts for the year ending 31 December 2000. These are consistent with those set out in the audited accounts for the year ended 31 December 1999. The results for the year ended 31 December 1999 are an abridged version of the Company's full accounts which carried an unqualified auditors' report and which have been filed with the Registrar of Companies.

The Group has adopted the provisions of FRS10 in respect of the valuation of intangible fixed assets. In our assessment of the value of our publishing titles, shown as intangible assets, it has been decided that these should not be depreciated since they have a life expectancy of more than 20 years, and impairment tests, in accordance with FRS11, support this treatment.

On 13 June 2000 the Group acquired, through its subsidiary company, Johnston Publishing Ltd, the Lincolnshire Standard Group Ltd and Four Counties Newspapers Ltd. The post acquisition turnover and operating profit are immaterial and are therefore not disclosed separately.

2. Turnover

	26 weeks to 30.6.00 £'000	26 weeks to 30.6.99 £'000	52 weeks to 31.12.99 £'000
Turnover represents:			
Continuing operations			
Newspapers and contract printing	147,465	100,437	239,873
Discontinued operations			
Wholesale stationery	-	2,691	2,691
	<hr/>	<hr/>	<hr/>
Total turnover	147,465	103,128	242,564

3. Operating Profit

	26 weeks to 30.6.00 £'000	26 weeks to 30.6.99 £'000	52 weeks to 31.12.99 £'000
Operating profit represents:			
Continuing operations			
Newspapers and contract printing	43,957	29,245	65,807
Discontinued operations			
Wholesale stationery	-	107	107
	<hr/>	<hr/>	<hr/>
Total operating profit	43,957	29,352	65,914

4. Exceptional Items	26 weeks to 30.6.00 £'000	26 weeks to 30.6.99 £'000	52 weeks to 31.12.99 £'000
Loss/profit on disposal of businesses	-	(663)	(680)
Closure of Web Offset presses	-	-	(988)
Fundamental reorganisation following acquisition of new titles	-	(86)	(3,562)
	<u>-</u>	<u>(749)</u>	<u>(5,230)</u>

5. Taxation

The taxation charge for the six months to 30 June 2000 has been provided on the basis of the estimated effective tax rate for the year to 31 December 2000. The charge for the six months to 30 June 1999 includes a tax charge of £199,000 on the exceptional items.

6. Dividends

	26 weeks to 30.6.00 £'000	26 weeks to 30.6.99 £'000	52 weeks to 31.12.99 £'000
Preference	76	76	152
Ordinary	3,008	2,506	8,019
	<u>3,084</u>	<u>2,582</u>	<u>8,171</u>

The interim dividend of 1.5p per share (1999 -1.25p) is payable on 3 November 2000 to shareholders on the register at close of business on 20 October 2000.

7. Intangible Assets

The increase in intangible assets arises from the acquisition of the Lincolnshire Standard Group Ltd and Four Counties Newspapers Ltd as follows:

	£'000
Cost of Investment	14,969
Fair value of net liabilities acquired	<u>1,360</u>
	<u>16,329</u>

8. Share Capital

	At 30.6.00 000's	At 30.6.99 000's	At 31.12.99 000's
Ordinary shares of 10p each	200,508	200,478	200,487
13.75% Cumulative Preference shares of £1 each	756	756	756
13.75% "A" Preference shares of £1 each	350	350	350

The increase from 31 December 1999 in the number of Ordinary shares arose from the exercise of share options totalling 21,093 shares under the Company's Sharesave and Executive Share Option Schemes.

9. Analysis of net debt

	31 December 1999 £'000	Cash flow £'000	Acquisition £'000	Other non-cash charges £'000	30 June 2000 £'000
Cash at bank and in hand	11,853	(3,067)	-	-	8,786
Overdrafts	-	(64)	-	-	(64)
	11,853	(3,131)	-	-	8,722
Bank loans	(212,521)	(9,859)	-	-	(222,380)
Loan stock	(65,170)	905	-	-	(64,265)
Finance leases	(167)	9	(9)	-	(167)
Term debt issue costs	2,995	-	-	(342)	2,653
Net debt	(263,010)	(12,076)	(9)	(342)	(275,437)
Gearing	124%				118%
Interest Cover	5.5 times				4.9 times

10. Reconciliation of Movements in Shareholders' Funds

	26 weeks to 30.6.00 £'000	26 weeks to 30.6.99 £'000	52 weeks to 31.12.99 £'000
Profit for the financial period	24,498	17,744	34,562
Dividends	(3,084)	(2,582)	(8,171)
Other recognised gains and losses (net)	(167)	-	167
Share issues net	31	1	16
Goodwill written back	-	1,330	1,329
Net increase in shareholders' funds	21,278	16,493	27,903
Opening shareholders' funds	212,840	184,937	184,937
Closing shareholders' funds	234,118	201,430	212,840

11. Earnings per share

Earnings per share are based on profits on ordinary activities after taxation and preference dividends and have been calculated on a weighted average of 200,497,980 shares (1999 - 200,478,147). Diluted earnings per share are based on a weighted average of 201,937,166 shares (1999 - 201,541,041).

Headline earnings per share in prior periods excluded the effects of exceptional items, but as there are no exceptional items in the period to 30 June 2000, headline and basic earnings per share are the same.

12. Regional Independent Media Holdings

On 30 June 2000 the Group applied to the Secretary of State for Trade and Industry for consent to acquire the newspaper titles of Regional Independent Media Holdings Limited. A decision from the Secretary of State is expected in the latter part of October.

The Interim Statement is being sent to shareholders. Further copies will be available from the Company's registered office at 53 Manor Place, Edinburgh EH3 7EG.