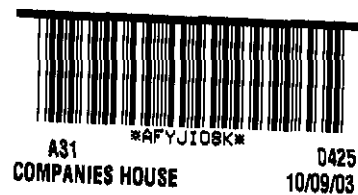


Hurst Italia Limited

Financial statements for the year ended 30 March 2003
together with the directors' and independent auditors' reports

Registered number: 3172104



Directors' report

For the year ended 30 March 2003

The directors present their annual report on the affairs of the company, together with the financial statements and independent auditors' report, for the year ended 30 March 2003.

Principal activity and business review

The company's principal activity is that of a holding company.

The company has not traded during the year and is not expected to trade in the future.

Results and dividends

The directors proposed a final dividend of £2,489,838 during the year (2002:£934,743) (note 5).

Directors and their interests

The directors who held office during the year were as follows:

B G Muirhead

G Luff

A A Miller (Appointed 19 November 2002)

The directors had no interest in the shares of the company required to be disclosed under Schedule 7 of the Companies Act 1985.

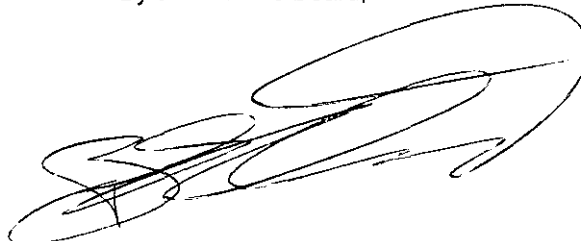
The interests of the directors in the shares of the ultimate parent company are shown in the directors' report of that company.

Auditors

During the year, Arthur Andersen resigned as the Company's auditors following the agreement it reached with Deloitte & Touche under which partners and staff from Arthur Andersen joined Deloitte & Touche. The directors used their powers under the Companies Act 1985 to appoint Deloitte & Touche as the Company's auditors to fill the vacancy created by Arthur Andersen's resignation.

6 Thatcham Business Village
Colthrop Lane
Thatcham
Berkshire
RG19 4LW

By order of the Board,



B G Muirhead
Director

22 May 2003

Statement of directors' responsibilities

30 March 2003

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the Members of Hurst Italia Limited

We have audited the financial statements of Hurst Italia Limited for the year ended 30 March 2003 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

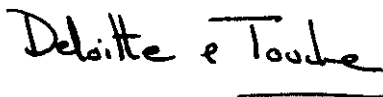
We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the Members of Hurst Italia Limited (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in cursive script that reads "Deloitte & Touche". The signature is written in dark ink and is positioned above a horizontal line.

Deloitte & Touche
Chartered Accountants and Registered Auditors

Reading

22 May 2003

Profit and loss account

For the year ended 30 March 2003

	Note	2003 £	2002 £
Income from subsidiary and associate – being dividends received		2,489,838	934,743
Profit on ordinary activities before taxation		2,489,838	934,743
Tax on profit on ordinary activities	4	-	-
Profit on ordinary activities after taxation, being profit for the year		2,489,838	934,743
Dividends	5	(2,489,838)	(934,743)
Retained profit for the year transferred to reserves		-	-
Opening reserves		2,172,961	2,172,961
Closing reserves		2,172,961	2,172,961

There are no recognised gains or losses other than those included in the results above; accordingly no statement of total recognised gains and losses is presented.

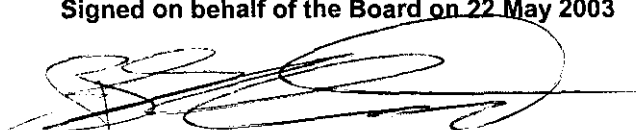
The accompanying notes are an integral part of this profit and loss account.

All results arise from continuing activities in both years.

Balance sheet
30 March 2003

	Note	2003 £	2002 £
Fixed assets			
Investments	6	<u>6,266,902</u>	<u>6,266,902</u>
Current assets			
Debtors	7	1,479,397	112,363
Creditors: Amounts falling due within one year	8	<u>(2,103,161)</u>	<u>(736,127)</u>
Net current liabilities		<u>(623,764)</u>	<u>(623,764)</u>
Total assets less current liabilities		5,643,138	5,643,138
Creditors: Amounts falling due after more than one year	9	<u>(3,470,176)</u>	<u>(3,470,176)</u>
Net assets		<u>2,172,962</u>	<u>2,172,962</u>
Capital and reserves			
Called-up share capital	10	1	1
Profit and loss account		<u>2,172,961</u>	<u>2,172,961</u>
Equity shareholder's funds		<u>2,172,962</u>	<u>2,172,962</u>

Signed on behalf of the Board on 22 May 2003



B G Muirhead
Director

The accompanying notes are an integral part of this balance sheet.

Statement of accounting policies

30 March 2003

The principal accounting policies are summarised below, all of which have been applied consistently throughout the year and the preceding year.

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The company is exempt by virtue of Section 228 of the Companies Act 1985 from the requirement to prepare group financial statements and has taken advantage of this exemption. Consequently no consolidated group financial statements have been prepared and these financial statements present the results of the company only. Group financial statements are prepared by Trader Media Group Limited, the ultimate holding company (note 11).

Cash flow statement

The company has taken advantage of the exemption under Financial Reporting Statement 1 (Revised), from the requirement to produce a cash flow statement as it is a wholly owned subsidiary of Trader Media Group Limited, whose financial statements include a cash flow statement and are publicly available.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss and taken to the profit and loss account in the year in which they arise.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Related party transactions

Under the provisions of Financial Reporting Standard 8, the company is exempt from the requirement to disclose details of certain related party transactions as it is a wholly owned subsidiary of Trader Media Group Limited whose consolidated financial statements are available to the public.

Taxation

UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured on a non-discounted basis.

Notes to financial statements

30 March 2003

1 Directors' emoluments

Of the directors who served in the year, B G Muirhead and G Luff received remuneration for their services as directors of Trader Media Group Limited and subsidiary undertakings. Their remuneration is disclosed in the accounts of Trader Media Group Limited. A A Miller received remuneration in respect of his services as a director of Trader Publishing Limited and fellow Trader Media Group undertakings. The remuneration of A A Miller, B G Muirhead and G Luff was paid by Trader Publishing Limited. The allocation of this remuneration in relation to their services as directors of the company was £41,500 (2002: £35,000).

2 Employee information

The average number of persons (including directors) employed during the year is nil (2002:nil). As such, no staff costs arose during the year.

3 Audit fees

The auditors' remuneration charge for audit services, in both years, has been borne by a fellow group company.

4 Tax on profit on ordinary activities

	2003 £'000	2002 £'000
Current taxation		
UK corporation tax	-	-

The differences between the total current taxation shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before taxation is as follows:

	2003 £'000	2002 £'000
Profit on ordinary activities before taxation	2,489,838	934,743
Taxation on profit on ordinary activities at standard UK corporation tax rate of 30%	746,951	280,423
Income not subject to taxation	(746,951)	(280,423)
Current taxation charge for the year	-	-

The company earns its profits entirely in the UK, therefore the rate used for taxation is the standard rate for UK corporation tax. There is no un-provided deferred tax.

5 Dividends

	2003 £	2002 £
Equity shares		
Interim paid of 248,983,800p (2002: 93,474,300p) per ordinary share	2,489,838	934,743

Notes to financial statements (continued)

6 Fixed asset investments

	2003 £	2002 £
Cost at beginning and end of year	<u>6,266,902</u>	<u>6,266,902</u>

The companies in which the company has an interest are as follows:

	Country of incorporation	Principal activity	Holding	%
Edizeta Srl	Italy	Publisher	Ordinary shares	100
Hurst Italia Srl	Italy	Publisher	Ordinary shares	50

7 Debtors: Amounts falling due within one year

	2003 £	2002 £
Amounts owed by group undertakings	1,333,984	-
Amounts owed by associated undertaking	137,181	104,132
Prepayments and other debtors	<u>8,232</u>	<u>8,231</u>
	<u>1,479,397</u>	<u>112,363</u>

8 Creditors: Amounts falling due within one year

	2003 £	2002 £
Amounts owed to parent undertaking	<u>2,103,161</u>	<u>736,127</u>

9 Creditors: Amounts falling due after more than one year

	2003 £	2002 £
Amounts owed to parent undertaking	<u>3,470,176</u>	<u>3,470,176</u>

These balances are non interest bearing and have no fixed repayment date

Notes to financial statements (continued)

10 Called-up share capital

	2003 £	2002 £
<i>Authorised, allotted, called-up and fully paid</i>		
1 ordinary share of £1	<u>1</u>	<u>1</u>

11 Ultimate parent company

The company's immediate parent company is Trader Publishing Limited, which is incorporated in Great Britain and registered in England and Wales. The company's ultimate parent company is Trader Media Group Limited, which is incorporated in Great Britain and registered in England and Wales.

The smallest group in which the results of this company are consolidated is that headed by Trader Publishing Limited. The largest group in which the results of the company are consolidated is that headed by the ultimate parent company. The consolidated financial statements of this group are available to the public and will be filed with the registrar of companies.

12 Contingent liabilities - financial guarantees

The company participates in group banking arrangements with its parent company, Trader Publishing Limited, and has access to a group cash management facility. The company guarantees the facility to the extent of its cash deposited in the United Kingdom with its clearing bank. The company together with its parent, Trader Publishing Limited, and certain other subsidiary undertakings is a party to the group's syndicated banking arrangements. The company has jointly and severally guaranteed the borrowings under these arrangements. Details of these arrangements are included in the financial statements of its ultimate parent company, Trader Media Group Limited.