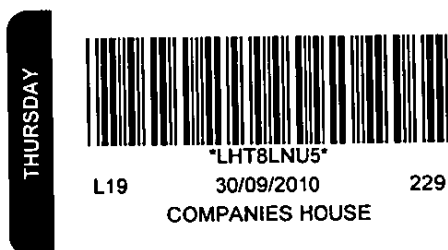


Company registration no 3464980

IPC Magazines Holdings Limited

Report and financial statements for the year ended

31 December 2009



Registered office Blue Fin Building,
110 Southwark Street, London, SE1 0SU

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2009

Business review and principal activities

The company is a wholly owned subsidiary of ultimate parent Time Warner Inc and in the UK the company's results are reported within the group accounts of Time Warner Holdings Limited. The annual reports of these parent entities contain information regarding the performance, future development and risks and uncertainties affecting the company.

The company is an intermediate holding company of a group of undertakings, whose main activity is magazine and online publishing. The principal operating company in this group is IPC Media Limited.

The loss for the year after taxation amounted to £176.0m (2008 - £146.4m profit). No equity dividends were proposed or paid in the year (2008 - £146.4m).

On the basis of their assessment of the company's financial position the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future; thus they consider that it is appropriate to prepare the financial statements on a going concern basis.

Impairment of investment in IPC Media Limited

An impairment review was conducted in respect of the company's investment in IPC Media Limited. In accordance with the results of this review an impairment of £176.0m (2008 - £nil) has been recognised as an exceptional item within operating profit in the profit and loss account.

Directors

The directors during the year and subsequently were

S J Auton
H Averill
R J Evans
S K Evans
E A Webster (appointed 1 January 2009)

Company Secretaries

L E Klein
S J Williams

Directors' indemnity

The company has granted indemnities to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. This qualifying third party indemnity provision was in force throughout the period and remains in force as at the date of approving the directors' report.

Directors' report

Disclosure of information to the auditors

As far as each person who was a director at the date of approving this report is aware there is no relevant information of which the company's auditors are unaware. Directors have taken all the steps they ought to take as directors to make themselves aware of relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of Directors
and signed by order of the Board



S K Evans
Director
Blue Fin Building
110 Southwark Street
London
SE1 0SU

29 September 2010

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they 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 United Kingdom 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 that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible 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 IPC Magazines Holdings Limited

We have audited the financial statements of IPC Magazines Holdings Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

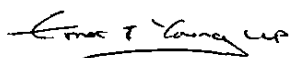
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Les Clifford (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
29 September 2010

IPC Magazines Holdings Limited

Profit and loss account

for the year ended 31 December 2009

	Note	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Dividends received		-	146,395
Administrative expenses			
Exceptional item	4	<u>(176,000)</u>	<u>-</u>
(Loss)/profit on ordinary activities before taxation		(176,000)	146,395
Tax on (loss)/profit on ordinary activities	5	<u>-</u>	<u>-</u>
(Loss)/profit for the year	8	<u><u>(176,000)</u></u>	<u><u>146,395</u></u>

All activities relate to continuing operations

There are no recognised gains or losses for the current financial year or the preceding financial year other than those stated in the profit and loss account

IPC Magazines Holdings Limited
Company registration no. 3464980

Balance sheet

as at 31 December 2009

	Note	31 December 2009 £'000	31 December 2008 £'000
Fixed assets			
Investments	6	<u>608,000</u>	<u>784,000</u>
Total net assets		<u>608,000</u>	<u>784,000</u>
Capital and reserves			
Called up share capital	7	548,670	548,670
Share premium account	8	234,765	234,765
Profit and loss account	8	<u>(175,435)</u>	<u>565</u>
Equity shareholders' funds	8	<u>608,000</u>	<u>784,000</u>

These financial statements were approved by the Board of Directors on 29 September 2010
Signed on behalf of the Board of Directors



S K Evans
Director

Notes to the financial statements
for the year ended 31 December 2009

1 Accounting policies

Basis of preparation

The financial statements are presented for the company as an individual undertaking. The company is not required to prepare group financial statements under Section 400 of the Companies Act 2006 because its parent undertaking is established under the law of a member State of the European Union.

Under the provisions of Financial Reporting Standard 1 - 'Cash Flow Statements', the company has not prepared a cash flow statement because it is a wholly owned subsidiary of Time Warner Inc., which is incorporated in the United States of America, and which has prepared consolidated financial statements which are publicly available.

On the basis of their assessment of the company's financial position the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future; thus they consider that it is appropriate to prepare the financial statements on a going concern basis.

These financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Fixed asset investments

Investments are shown at cost less provision, if appropriate, for any impairment in value.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are only recognised to the extent that they are considered recoverable against future taxable profits.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing

2 Directors and employees

The directors did not receive any emoluments for their services as directors of the company (2008 - £nil).

The company had no other employees during the year (2008 - nil).

3 Auditors' remuneration

The auditors' remuneration in the current and preceding financial years has been borne by another group undertaking. There were no other payments to the auditors.

Notes to the financial statements
for the year ended 31 December 2009

4 Exceptional item

An impairment review was conducted in respect of the company's investment in IPC Media Limited. In accordance with the results of this review an impairment of £176,000,000 (2008 - £nil) has been recognised. The pre-tax discount rate used within the impairment review value in use calculation was 13%.

5 Tax on (loss)/profit on ordinary activities

There is no tax (credit)/charge based on the results for the current financial year or the preceding financial year.

Circumstances affecting current tax

The standard rate of current tax for the year, based on the UK standard rate of corporation tax, is 28% (2008 - 28.5%). The current tax for the year differs from the standard rate for the reasons in the reconciliation below.

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
(Loss)/profit on ordinary activities before tax	<u>(176,000)</u>	<u>146,395</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 - 28.5%)	(49,280)	41,723
Factors affecting the charge		
UK dividend income not taxable	-	(41,723)
Impairment of investment not tax deductible	<u>49,280</u>	
Total current tax	<u>-</u>	<u>-</u>

The following changes were announced on 22 June 2010 in the UK Budget:

- (i) the full rate of corporation tax will reduce to 27% with effect from 1 April 2011, and will decrease by a further 1% each 1 April thereafter until reaching 24% with effect from 1 April 2014.
- (ii) the rate of annual writing down allowances on qualifying plant and machinery will reduce by 2%, to 18% for the general capital allowance pool and to 8% for the integral features pool, with effect from 1 April 2012. As this legislation was not substantively enacted by the balance sheet date, the figures within these accounts are calculated in accordance with existing rates. It is not yet possible to quantify the impact of these rate changes upon current tax.

6 Fixed asset investments

	Shares in subsidiary undertakings £'000
At 1 January 2009	784,000
Impairment of investment (see note 4)	<u>(176,000)</u>
At 31 December 2009	<u>608,000</u>

The company's fixed asset investment relates to its 100% interest in the ordinary share capital of IPC Media Limited, a company incorporated in Great Britain and registered in England and Wales.

IPC Magazines Holdings Limited

Notes to the financial statements

for the year ended 31 December 2009

7 Called up share capital

	31 December 2009 £'000	31 December 2008 £'000
Authorised		
549,000,000 ordinary shares of £1 each	<u>549,000</u>	<u>549,000</u>
Called up, allotted and fully paid		
548,670,002 ordinary shares of £1 each	<u>548,670</u>	<u>548,670</u>

8 Reconciliation of movements in shareholders' funds and movement in reserves

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 January 2008	548,670	234,765	565	784,000
Profit for the year	-	-	146,395	146,395
Dividends paid	-	-	(146,395)	(146,395)
At 31 December 2008	<u>548,670</u>	<u>234,765</u>	<u>565</u>	<u>784,000</u>
Loss for the year	-	-	(176,000)	(176,000)
At 31 December 2009	<u>548,670</u>	<u>234,765</u>	<u>(175,435)</u>	<u>608,000</u>

The company did not declare or pay any equity dividends on ordinary shares in respect of 2009 (2008 - £146,395,038)

9 Related party transactions

The company has taken advantage of the exemption granted under paragraph 3(c) of Financial Reporting Standard 8 from disclosing transactions with fellow members of the group where 90% or more of the voting rights are controlled within the group

10 Parent undertakings

The company's immediate parent undertaking is International Publishing Corporation Limited

Time Warner Holdings Limited is the parent undertaking of the smallest group of undertakings of which the company is a member and for which group financial statements are drawn up. Time Warner Holdings Limited is registered in England and Wales and copies of its financial statements may be obtained from the Registrar of Companies in Cardiff.

Time Warner Inc, a company incorporated in the United States of America, is the ultimate parent undertaking of the largest group of undertakings of which the company is a member and for which group financial statements are drawn up. Copies of Time Warner Inc's financial statements can be obtained from One Time Warner Center, New York, NY 10019, USA.