

**Company Registration No. OC322404 (England & Wales)**

**APAX SUMMER LLP**

**MEMBERS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007**



# APAX SUMMER LLP

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## **APAX SUMMER LLP**

### **MEMBERS' REPORT**

**FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007**

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The Members present their report and the audited financial statements of Apax Summer LLP for the period from 14 September 2006 to 31 December 2007. This report has been prepared in a way which is consistent with the Walker guidelines recommended for businesses which are controlled by private equity interests.

#### **Principal activities**

The Group's principal activity is the provision of business information for the financial services, capital markets/risk management, professional services and marketing services sectors. Bringing product provider and purchaser business communities together in print, in person or online, it delivers this information to both business to business and specialist consumer markets across a variety of platforms, including daily, weekly and monthly newspapers and magazines, newsletters, directories, conferences and forums, websites and industry awards.

Today, through its principal subsidiaries Incisive Media and ALM Media, the Group employs over 2,000 people, operating out of 27 offices around the world. The Group publishes over 100 print titles, including some of the most recognised brands in business media including Accountancy Age, The American Lawyer, Computing, Corporate Counsel, Investment Week, Legal Week, Post and Risk. The Group produces close to 500 conferences, forums, training products and industry awards in over 20 countries, including Search Engine Strategies, Asian Private Equity and Venture Forum, LegalTech, the Fund Manger of the Year Awards and the British Insurance Awards. Incisive Media also operates over 100 online properties, including Clickz.com, Law.com, Yourmortgage.co.uk and IFAonline.co.uk, generating in excess of 35 million page impressions a month.

#### **Business model and strategy**

The Group's strategic objective is to develop valuable, market-leading brands that serve large and growing end-markets and deliver 'must have' information and measurable marketing solutions to our customers. Central to our business model is a platform-neutral approach to media communication. Whether audiences wish to communicate through the pages of a magazine, newsletter, book or directory, or face-to-face at events, exhibitions or conferences, or even online through websites, videocasts or business TV channels, the Group has products to suit their needs.

The Group is platform agnostic in the delivery of this information and aims to become the preferred medium for connecting buyers and sellers in print, in person and online.

Our market focused approach of delivering high-quality 'must have' information across a variety of platforms to targeted communities allows us to achieve our aim of:

- publishing narrow and deep and integrating into the work stream of the information-intensive communities we serve;
- developing close dynamic relationships with both buyers and sellers in the verticals we serve; and
- delivering information in the most appropriate way by differentiating ("slicing and dicing") content by platform.

The Group seeks profit from the combined result of new brand and platform development and acquisitions. With brands in well-established market-leading positions our strategy ensures we can launch new products at reduced risk and cost. Strict financial and qualitative acquisition criteria are applied to any potential acquisition.

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The Group also has a strong focus on managing the cost base and the operating margins. Our business model of delivering need-to-know information to tightly defined communities is characterised by small, but focused, print runs and premium advertising and subscription rates. The result is high gross margins by brand which gives us the ability to deliver strong operating margins across the Group. Maintaining strong margins is key to our delivery of continued growth and we encourage this through maintained cost discipline, P&L accountability for brand managers including incentives for them to grow profitability, integration of editorial and commercial staff, controlled recruitment and the swift integration of acquisitions.

#### **Core values**

Ever since Incisive Media was started, we have placed considerable emphasis on the core values that shape the Group's culture and attitude towards our employees, customers and suppliers. As a dynamic global business, the Group is committed to the development and success of the people we work with and the communities we serve. We aim to deliver the highest standards of integrity, fair-dealing and quality in the services we provide.

- Our staff are our chief asset. We empower them and provide them with support to achieve excellence and to grow their careers. We treat everyone with respect, fostering teamwork to achieve goals whilst creating an environment that encourages innovation and that is diverse, supportive, creative and fun.
- We are in business to serve our customers. We are committed to providing the best. We aim to make each relationship long-term, dealing with our customers with respect, fairness and honesty.
- We value our audiences and we are passionate about providing them with timely and appropriate content and products. The products and services we offer will be of the best quality, be trusted and respected, with the highest standards of accuracy, independence and integrity.
- We are focused in using our talents and resources to create and foster closer relationships in the communities we serve, for mutual benefit.

#### **Business review**

Apax Summer LLP was incorporated on 14 September 2006. The members hold either a stapled interest (each stapled interest comprising an ordinary interest, preferred interest and a loan stock (Class L or P) interest in a given ratio) or a Class A ordinary interest (if an employee of a company owned by the Partnership). Class A ordinary interests represent up to 15% of the total ordinary interests.

On 19 December 2006 the Partnership purchased 100% of the ordinary share capital of Incisive Media Limited for £208m, as Apax Partners, Caledonia Investments and other minority investors backed the management team in a public-to-private management buyout.

In August 2007 the Group acquired ALM Media Group Holdings, Inc for \$630m. ALM is the premier business information provider in North America to the legal and commercial real estate industries. With its market leading magazines, newspapers, website, events, research and data businesses, ALM's trusted brands, such as the New York Law Journal, The American Lawyer and Real Estate Forum, provide critical, timely and unique information to the legal, commercial real estate and business community.

Since Incisive Media was taken private, the business has grown in annualised revenue by nearly three times, as during the period the Group also purchased 100% of the ordinary share capital of VNU Business Publications Limited, Imark Communications Limited, Learned Information (Europe) Limited, Breakthrough Publishing Limited, Central Banking Publications Limited and Global Technology Forum Limited.

Further details of the acquisitions are disclosed in note 23 of the financial statements.

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#### Operating performance measurement

Throughout these financial statements EBITDA is defined as Earnings before interest, taxation, depreciation, amortisation and exceptional items.

The Group's main Key Performance Indicators (KPIs) are revenue growth, EBITDA growth, EBITDA margin and cash generation. Each division has a managing director responsible for the operation of the division and they use a number of other KPIs to manage and develop the business and achieve the Group's objectives. These include, but are not limited to, yield management analysis, market share analysis, and forward bookings and pacing reports each with comparatives versus budget, prior year and the last rolling twelve months.

#### Operating review

The results of the Group for the period from 14 September 2006 to 31 December 2007 show turnover of £167,257,000 and loss before tax of £24,254,000. EBITDA was £38,106,000. At 31 December 2007, the Group has net debt of £402,026,000 and net cash inflow from operating activities for the period was £30,325,000.

As the Partnership was formed in September 2006 and this is the first period of accounts there are no comparatives for the period in these report and accounts. The Partnership acquired Incisive Media Limited on 19 December 2006, so for the purposes of this operating review, the comparative figures are extracted from the audited consolidated accounts of Incisive Media Limited for the period to 31 December 2006.

	<b>2007</b>	<b>2006</b>	<b>Growth</b>
	<b>£'000</b>	<b>£'000</b>	<b>%</b>
<b>Revenue</b>			
Financial Services	35,996	28,267	27.3%
Risk Management	29,632	20,808	42.4%
Professional Services	86,908	14,288	508.3%
Marketing and Other Specialist Services	14,721	13,424	9.7%
	<u>167,257</u>	<u>76,787</u>	<u>117.8%</u>
<b>EBITDA</b>	38,106	18,753	103.2%
<b>EBITDA margin</b>	22.8%	24.4%	

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The Group has the following four core divisions:

#### **Financial Services**

Financial Services include the Investment, Mortgage and Alternative Assets portfolios.

- The Investment portfolio serves the retail and institutional asset management and financial advisory markets with a range of innovative and market leading products in print, in person and online, including Investment Week, Professional Pensions and Professional Adviser.
- The Mortgage portfolio provides a central knowledge hub for the mortgage industry delivering content to our audiences via magazines, websites and events with products designed to serve every part of the mortgage distribution chain, including Mortgage Solutions and Your Mortgage.
- The Alternative Asset portfolio covers the global private equity industry through its extensive series of market-leading publications, databases, events, bespoke research and consultancy services. Unquote and Asia Venture Capital Journal are the major brands of the portfolio.

Overall in 2007 there was strong growth in the Financial Services portfolio, as the Group benefited from the acquisitions of AVCJ and MSM in 2006. However we also saw growth on the existing Investment brands, especially online, and also on Unquote. After a good start to the year with strong year on year growth, the Mortgage portfolio had a very difficult last quarter as the sector suffered the effects of the credit crunch and the corresponding impact on liquidity and interest rates, which resulted in an 8% decline in revenue.

#### **Risk Management**

The Risk Management division offers global risk management information for the equity, credit, energy and commodity markets through magazines, newsletters, books, journals, events, training courses and websites. The key brands in the division include Risk, Energy Risk, The Journal of Central Banking and the Global Technology Forum.

Like for like revenue growth for the existing business was 16%, driven by a particularly strong performance by Structured Products, but with the full year effect of the acquisitions in 2006 of Pacific Prospect and CIFT and those made in 2007 of Central Banking Publications and Global Technology Forum, revenue has increased by more than 40%.

#### **Professional Services**

The Professional Services division covers a range of professional business disciplines including accountancy, insurance, legal and IT.

- The Insurance division serves the UK's general lines insurance brokers and insurers with the worlds longest published title and market leading weekly 'Post Magazine' and its sister monthly titles offering comprehensive online services, bespoke conferences and awards.
- The Business Finance portfolio provides information to the wider accountancy sector from pre-qualified accountants to FDs through our online, print and exhibition services. The portfolio also holds annual awards for the financial sector and a growing number of related conferences.
- The Business Technology portfolio offers comprehensive reach to the professional IT sector through leading weekly title. News, information, data and lead generation are provided online for decision makers in this sector. Annual awards are held for both the IT professions and the Channel sector as are a number of bespoke conferences.

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- The Consumer Technology portfolio's market leading brand 'Computeractive' sells over 200,000 copies across the UK every fortnight. Together with the monthly 'Personal Computer World' these titles provide the consumer audience with updated information on hardware and software available in an authoritative, reliable and trusted print and online format.
- The Legal portfolio delivers information including news, trends and intelligence to the US legal market through a range of national magazines, including The American Lawyer, and local daily newspapers such as the New York Law Journal, as well UK's top law firms through the weekly title Legal Week.
- The Real Estate Media portfolio is a leading provider of intelligence for the US commercial real estate industry, in print, in person and online.

While the insurance portfolio grew revenues by 3% year on year and the UK based Legal Week by 8%, the year on year comparison for the division as a whole is distorted by the acquisition during the year by the Group of VNU Business Publications (VNU) and ALM Media Group (ALM). The VNU portfolios of Business Finance, Business Technology and Consumer Technology are largely print based, but have a growing web presence on a strong platform. The latter has helped to mitigate the decline in print revenues, particularly in recruitment advertising and has helped accelerate the web properties of the existing Incisive Media brands.

ALM was acquired in August, but if looked at over the full year, delivered 6% annual revenue growth, despite its event portfolio being affected by a downturn in business in the final quarter and a further decline in recruitment advertising. Its legal notice business in particular showed strong growth and print display advertising and online revenues both grew well, albeit the latter from a relatively low base.

#### **Marketing and Other Specialist Services**

Our Trading Technology and Market Data portfolio, Photographic, Interactive Marketing and Information portfolios form this division.

- Trading Technology and Market Data portfolio has a range of market-leading industry brands serving financial trading firms through an extensive series of publications, conferences, research, training, briefings and reports.
- The Interactive Marketing and Information portfolios provide leading events and websites for businesses involved in interactive marketing and advertising, search engine marketing, online information and information management solutions, with key brands being Search Engine Strategies (SES), ClickZ and the Online Information Show.
- The British Journal of Photography specialises in delivering information to the professional and serious amateur photography audience online and in a weekly print format.

Except for Interactive Marketing, this division was mainly in line with last year, but due to the loss of one contract event the Interactive Marketing portfolio's revenue fell by 17% despite strong growth on the key SES events. With VNU, the Group acquired the Information portfolio, including the Online Information Show, a flagship event in December.

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#### Financial performance

##### EBITDA

EBITDA grew by 103%, but year on year comparison is distorted by the effect of the acquisitions, particularly VNU and ALM. Excluding the acquisitions made in 2007, EBITDA grew by 20% and margins improved slightly to 24.7%. Whilst ALM has strong margins in excess of 25%, the overall EBITDA margin has been reduced following the acquisition of VNU. This business has many strengths, but with the print decline of some of its brands some restructuring has been necessary to begin to improve a weak margin, which at the time of acquisition was below 10%. We remain focused to bring it ultimately much closer to overall group margins.

##### Cash flow

The net cash inflow from operating activities for the period was £30,325,000. After adjusting for the movement in creditors relating to acquisitions during the period of £7,004,000, the net cash inflow was £37,329,000 which represented 92% of operating profit before depreciation and amortisation.

##### Depreciation and amortisation

Depreciation charged during the period was £2,258,000. Goodwill arising on acquisitions is capitalised and amortised over a period of 20 years, amortisation for the period was £22,578,000. Amortisation of other intangible assets during the period was £6,000.

##### Interest

The interest charge for the period was £40,239,000 which included the following non-cash items: interest on loans due to members of £11,780,000, PIK interest on the Mezzanine Facility of £2,222,000, amortisation of issue costs of bank loans of £914,000 and the unwinding of discount on deferred consideration £518,000.

##### Tax

The tax charge during the period was £599,000 which represents the tax charge arising in the corporate subsidiaries within the Group.

##### Dividend

There were no dividends paid during the period.

##### Exceptional items

Exceptional items are non-recurring items incurred during the period which amounted to a credit of £2,594,000. These included acquisition costs of £1,403,000, integration and restructuring costs following acquisitions made during the period of £2,585,000, an exceptional foreign exchange gain of £6,522,000 and other one-off credits of £60,000.

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#### **Outlook**

A much more challenging trading environment than we have experienced for a number of years emerged during 2007 as the global economy has been affected by the credit crunch and housing slow down. This has been particularly noticeable in our UK mortgage and US real estate businesses. However, these market conditions emphasise the benefit of our strategy of diversification by platform, geography and end market as we have been able to mitigate much, if not all, of the downturn in these areas with positive trading elsewhere. Furthermore the strength of the brands that we own enables us to maintain yields and gain market share, which gives us confidence that we are in robust shape to weather this storm and be in a stronger position as the global economy improves. Through this forthcoming difficult economic period, while remaining highly focused on cost control, we are still investing in areas of growth, most notably online, and we expect the benefits of this investment to continue.

#### **Principal risks**

The business risks affecting the Group are set out below:

##### Competition

The Group operates in a highly competitive market particularly around editorial and production quality and price. This results not only in potential downward pressure on our margins but also in the risk that we will not meet our customers expectations. In order to mitigate this risk our sales and editorial teams monitor the markets their products serve on an ongoing basis. Furthermore, we undertake market research to understand our customers expectations and whether their needs are being met.

##### Economic factors

A significant change in the global economy or more specifically to the economic backdrop to any of the markets served by the Group may precipitate a decline in the performance of any of the Group's principal brands, particularly in those divisions more exposed to advertising and sponsorship as the major source of revenue. This could have a material adverse effect on the Group's financial condition and results of operations. To mitigate this risk, as well as constantly monitoring individual brands for early warning signs of potential decline, the Group has diversified its portfolio, both geographically and by sector, to reduce the reliance on any one market. Furthermore, the Group has strategically spread its revenue by type to reduce the dependence on advertising and increase the level of subscription and delegate revenues, as well as revenues from online and in person products.

##### Migration from print

As access to the internet has increased and its use has changed many working practices, the Group has had to adapt to the changing needs of its readers, advertisers and other customers by providing information through a plethora of new media. There is a risk that by doing so the Group potentially cannibalises its own print products, but to ensure that this does not happen the Group's strategy has been to treat all new media as complementary to traditional print delivery and adapt the content to meet the audience's need depending on the medium. The speed of this transition differs from market to market but each division remains very close to its given market to understand our customers expectations and whether their needs are being met.

##### Employees

The Group's performance is dependent on key employees. The resignation of key individuals and the inability to recruit people with the right experience and skills could adversely impact the Group's results. To mitigate these issues the Group places great value in its employees and their involvement in the business and has introduced an extensive training programme for employees and implemented a number of incentive schemes linked to brand, division and Group results that are appropriately designed to retain key individuals.

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#### Operational risk

As the business has grown, there is now an increased operational risk that the internal systems and processes fail or are inadequate to meet the business needs. The Group manages this risk by having operational boards by geography and steering groups by discipline that ensure that all systems (including IT systems) are appropriately managed and upgraded as necessary, and that the staffing levels within the business are adequate and at an appropriate skill level for the business. Internal controls include the organisational structure and delegation of authority within the Group. Furthermore the business reviews its insurance policies annually with specialist brokers to ensure that the Group carries adequate insurance cover and has business continuity and disaster recovery plans in place. The above controls and procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide reasonable but not absolute assurance against material misstatement or loss.

#### Intellectual property

Along with its employees, the Group's main asset is its intellectual property and the Group's relies on intellectual property laws and third party non-disclosure agreements to protect its rights. To the extent that the Group's products are protected by intellectual property rights, litigation is sometimes necessary to protect such rights.

#### Financial

The principal financial risks faced by the group are interest rate, currency and liquidity risks.

- The Group's objective with interest rate risk is to reduce any negative impact of rises in interest rates and increase the stability of future cash flows. To achieve this, the Group mitigates its exposure to movement or fluctuations in interest rates through the use of interest rate swaps.
- The Group maintains foreign currency bank accounts to limit recognised losses on currency exchange rate movements but also actively seeks to minimise its exposure to significant movements in foreign currency exchange rates in two further ways. Firstly, the Group matches, as far as possible, the costs of the business (notably interest cost on bank debt) against the revenue of the business in the same currencies. And secondly the Group manages the exchange rate risk through the use of forward rate exchange contracts.
- The Group is quite highly leveraged, but has adequate term debt and working capital facilities to service the business. There is a risk that a downturn in trading may impact the headroom on the Group's bank covenants, so the Group maintains close control on its daily cash balances through active working capital management and undertakes monthly cash flow and covenant reforecasts at a Group level.

#### **Walker Report**

On 20 November 2007 David Walker published his 'Guidelines for Disclosure and Transparency in Private Equity' (the Walker Report) which recommends that portfolio companies of private equity firms, amongst other things, make certain enhanced disclosures in their financial statements.

The Group is a portfolio company as defined by the Walker Report and the Board has agreed to adopt all of the recommendations in the Walker Report. Funds advised and managed by Apax partners have a controlling interest in the Group. Stephen Grabiner and Irina Hemmers, who are both Directors of the Partnership, exercise oversight on behalf of Apax. John May has been nominated under the Group's constitution as the minority investor representative. Details on the composition of the Board and the business and financial review are included in this Members Report.

## APAX SUMMER LLP

### MEMBERS' REPORT FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

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#### **Partnership Board**

The following were Directors of the Partnership during the year and held office throughout the year, unless otherwise indicated:

#### Executive

Jamie Campbell-Harris  
James Hanbury  
William Pollak  
Tim Weller

#### Non-executive

Stephen Grabiner (Chairman)  
Irina Hemmers  
John May

All of the directors were appointed on 19 December 2006 and have served throughout the period, with the exception of William Pollak, who was appointed on 16 August 2007 following the acquisition of ALM Media Group Holdings Inc.

#### **Corporate and Social Responsibility**

As a global business, Incisive Media and its subsidiaries around the world are serious about Corporate Social Responsibility, setting policy and standards at Board level. We ensure that there is awareness and adherence to the policy and standards in all parts and at all levels of the business. Senior executive management reviews the policy on an ongoing basis, recommending improvements to ensure that all potential risks to the business are identified and to ensure that our commitment to CSR remains effective. The CSR policy for the Group can be summarised as follows:

#### Effective corporate governance

- Ensures continuous monitoring of risks, awareness and compliance with CSR legislation and other applicable laws and requirements and ongoing communication to staff regarding awareness and observance of best practices regarding ethics and business conduct.

#### Responsible behaviour within our marketplace

- Working closely with customers and suppliers to ensure that products are produced to the highest possible standard without compromising on our code of ethics.
- Adherence to our Core Values in everything we do.

#### Highest standards within the workplace

- Having an open and fair recruitment policy.
- Creating an inclusive environment that values employees from different backgrounds and enables everyone to reach his/her full potential.
- Running a business as a meritocracy, where talent drives success.
- Observance of the Health and Safety regulations of the jurisdictions in which we operate, to properly protect all of our employees, whether at work or whilst on company business.

#### Supporting our local community

- Active support for community organisations through volunteer initiatives.

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#### Caring for the environment

- Recognition of the impact our business has on the environment, principally in terms of usage of paper, water and waste.
- Working closely with suppliers to incorporate the use of sustainable materials and technologies where appropriate.
- Active participation by all staff in the collecting and recycling of appropriate materials within the workplace.
- Publication of environmentally focused material, such as Business Green website, to advise our customers on how to improve their environmental performance within a business context.

#### **Charitable donations**

During the year the Group made charitable donations of £39,000.

#### **Payments to creditors**

The Group seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions. The Group does not have a standard code of conduct that deals specifically with the payment of suppliers. The average creditor days for the Group were 46 days.

The Partnership is a holding company and has no meaningful equivalent of creditor days.

#### **Members' responsibilities**

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the partnership and of the profit or loss of the partnership for that period.

In preparing those financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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, in which case there should be supporting assumptions or qualifications as necessary.

The members confirm that they have complied with the above requirements in preparing the financial statements.

The members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the partnership and to enable them to ensure that the financial statements comply with the Companies Act 1985 as applied to limited liability partnerships by the Limited Liability Partnership Act 2000 and regulations made thereunder. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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The members are responsible for the maintenance and integrity of the Group's website; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Disclosure of information to auditors**

So far as each member at the date of approval of this report is aware:

- there is no relevant audit information of which the Partnership's auditors are unaware; and
- the directors have taken all steps that they ought to have to make themselves aware of any relevant information and to establish that the auditors are aware of that information.

By order of the Partnership board

Jamie Campbell-Harris  
Designated Member  
27 June 2008

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APAX SUMMER LLP

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We have audited the Group and partnership financial statements (the “financial statements”) of Apax Summer LLP for the period from 14 September 2006 to 31 December 2007 which comprise the consolidated profit and loss account, the consolidated and partnership balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of members and auditors**

The members’ responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Members’ Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the members in accordance with the Companies Act 1985 as applied to limited liability partnerships by the Limited Liability Partnership Act 2000 and regulations made thereunder, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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, as applied to limited liability partnerships. We also report to you if, in our opinion, the limited liability partnership has not kept proper accounting records, or if we have not received all the information and explanations we require for the audit.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Members’ Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the limited liability partnership's circumstances, 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.

### **Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's and the Partnership's affairs as at 31 December 2007 and of the Group's loss and cash flows for the period from 14 September 2006 to 31 December 2007; and
- have been properly prepared in accordance with the provisions of the Limited Liability Partnerships Regulations 2001 made under the Limited Liability Partnership Act 2000.

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
St Albans  
27 June 2008

## APAX SUMMER LLP

### CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

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		<b>Period from 14 September 2006 to 31 December 2007 £'000</b>
	<b>Note</b>	
Turnover	2	167,257
Cost of sales		(101,500)
<b>Gross profit</b>		<hr/> 65,757
- administrative expenses before amortisation of intangible assets		(27,315)
- amortisation of intangible assets		<hr/> (22,584)
Total administrative expenses		(49,899)
<b>Operating profit</b>	3	<hr/> 15,858
Interest receivable and similar income	6	82
Interest payable and similar charges	7	(40,239)
Other finance income	5	45
<b>Loss on ordinary activities before taxation</b>		<hr/> (24,254)
Tax expense in corporate subsidiaries	8	(599)
<b>Loss for the financial period to be funded amongst members</b>	19	<hr/> <hr/> (24,853)

The profit and loss account for the Group has been prepared on the basis that all operations are continuing operations and relate to acquisitions made during the period.

## APAX SUMMER LLP

### CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

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	Note	Period from 14 September 2006 to 31 December 2007 £'000
Loss for the financial period to be funded amongst members		(24,853)
Net exchange adjustment offset in reserves	19	(169)
Actuarial gain on defined benefit pension scheme	5	60
<b>Total recognised losses for the period</b>		<u><u>(24,962)</u></u>

## APAX SUMMER LLP

### CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2007

	Note	2007 £'000
<b>Fixed assets</b>		
Intangible assets	10	603,763
Tangible assets	11	8,297
Investments	12	16
		<u>612,076</u>
<b>Current assets</b>		
Stock	13	850
Debtors	14	50,354
Cash at bank and in hand		22,551
		<u>73,755</u>
<b>Creditors - amounts falling due within one year</b>	15	(83,535)
<b>Net current liabilities</b>		<u>(9,780)</u>
<b>Total assets less current liabilities</b>		<u>602,296</u>
<b>Creditors - amounts falling due after more than one year</b>	16	(415,971)
<b>Net pension deficit</b>	5	(471)
<b>Net assets attributable to members</b>		<u><u>185,854</u></u>
<b>Represented by:</b>		
<b>Loans and other debts due to members after more than one year</b>		
Members' capital classified as a liability under FRS 25		
- unsecured loan stock	19	115,008
<b>Equity</b>		
Members' other interests - other reserves classified as equity under FRS25	19	70,846
		<u>185,854</u>
<b>Total members' interests</b>		
Loans and other debts due to members	19	115,008
Members' other interests	19	70,846
		<u><u>185,854</u></u>

The financial statements on pages 15 to 46 were approved by the members on 27 June 2008 and were signed on its behalf by:

Jamie Campbell-Harris  
Designated member

## APAX SUMMER LLP

### PARTNERSHIP BALANCE SHEET AS AT 31 DECEMBER 2007

	Note	2007 £'000
<b>Fixed assets</b>		
Investment in subsidiaries	12	95,808
<b>Current assets</b>		
Debtors	14	115,008
<b>Net current assets</b>		<u>115,008</u>
<b>Total assets less current liabilities</b>		<u>210,816</u>
<b>Net assets attributable to members</b>		<u><u>210,816</u></u>
<b>Represented by:</b>		
<b>Loans and other debts due to members after more than one year</b>		
Members' capital classified as a liability under FRS 25 - unsecured loan stock	19	115,008
<b>Equity</b>		
Members' other interests - other reserves classified as equity under FRS25	19	95,808
<b>Total members' interests</b>		<u><u>210,816</u></u>
Loans and other debts due to members	19	115,008
Members' other interests	19	95,808
		<u><u>210,816</u></u>

The financial statements on pages 15 to 46 were approved by the members on 27 June 2008 and were signed on its behalf by:

Jamie Campbell-Harris  
Designated member

## APAX SUMMER LLP

### CASH FLOW STATEMENT FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

	Note	2007 £'000
<b>Net cash inflow from operating activities</b>	22	30,325
<b>Returns on investments and servicing of finance</b>		
Interest received		39
Interest paid		(10,614)
<b>Net cash outflow for returns on investments and servicing of finance</b>		(10,575)
<b>Taxation paid by corporate subsidiaries</b>		(444)
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets		(2,980)
<b>Net cash outflow for capital expenditure and financial investment</b>		(2,980)
<b>Acquisitions</b>		
Purchase of subsidiary undertakings	23	(547,060)
Net cash acquired with subsidiary undertakings	23	11,664
Payment of deferred consideration		(2,021)
<b>Net cash outflow for acquisitions</b>		(537,417)
<b>Net cash outflow before financing</b>		(521,091)
<b>Financing</b>		
New bank loans		418,050
Repayment of bank loans		(60,803)
Repayment of loan notes		(1,999)
Issue costs of new bank loans		(10,642)
Capital contribution by members		199,036
<b>Net cash inflow from financing</b>		543,642
<b>Increase in net cash</b>		<u>22,551</u>
<b>Reconciliation of net debt</b>		
Borrowings acquired on acquisitions		(62,911)
Increase in cash in the year		22,551
Movement in borrowings		(355,261)
Other non-cash items		(6,405)
<b>Net debt at 31 December</b>	22	<u>(402,026)</u>

# APAX SUMMER LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

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### **1 Accounting policies**

A summary of the principal accounting policies, which have been applied consistently, is set out below.

#### **1.1 Basis of preparation**

The financial statements have been prepared under the historical cost convention, on a going concern basis and in accordance with the Companies Act and United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnerships March 2006.

#### **1.2 Basis of consolidation**

The financial statements consolidate the Partnership and all its subsidiary undertakings. The Group profit and loss account includes the results of all subsidiaries for the period from their acquisition and up to the date of disposal.

Profits or losses on intra-group transactions are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are recorded at their fair values reflecting their condition at that date in accordance with FRS 7. Any excess of the cost of acquisition over the identifiable net assets acquired is recognised as goodwill. Deferred purchase consideration is discounted with the unwinding of the discount recognised in the profit and loss account.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal.

#### **1.3 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Circulation and advertising revenue relating to magazines is recognised in the month of publication. Conference income is recognised when the event is held. Subscription income is recognised on a straight line basis over the length of the subscription. Revenue in respect of consultancy contracts is recognised based on stage of completion of the contract. Book sponsorship revenue is recognised on the date of publication.

#### **1.4 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

The balance sheets of overseas subsidiary undertakings are translated at the rate of exchange at the balance sheet date. The exchange difference on the re-translation of opening net assets is taken to reserves and the statement of total recognised gains and losses.

The profit and loss accounts of overseas subsidiary undertakings are translated at the average exchange rate for the year, with the year end adjustment to closing rates taken to reserves and the statement of total recognised gains and losses.

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

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#### 1.5 Intangible assets - goodwill

Goodwill arising on acquisitions is capitalised and amortised, on a straight line basis, through the profit and loss account over 20 years, which represents the directors' best estimate of its useful economic life.

Goodwill represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill arising on acquisitions is capitalised and amortised, on a straight line basis, through the profit and loss account over 20 years, which represents the directors' best estimate of its useful economic life.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rate. Re-translation differences are recorded in equity.

#### 1.6 Intangible assets - other

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided on a straight line basis over the following periods which represent the directors' best estimate of its useful economic life. Estimated useful lives of intangible assets are as follows:

Domain names, trademarks	5 years
--------------------------	---------

#### 1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated to write down the cost less estimated residual value of each asset, on a straight-line basis, over its expected useful life, as follows:

Leasehold premises	Full term of lease
Fixtures, fittings and equipment	2 - 10 years

#### 1.8 Investments

Fixed asset investments are shown at the fair value of consideration paid plus direct costs less any provision for impairment.

#### 1.9 Impairment of intangible and tangible fixed assets and investments

Where events indicate the potential impairment of an intangible or tangible asset or investment, the Group will re-assess the value of that asset on the basis of future expected cash flows expected to be generated from that asset. Any impairment losses are charged to the profit and loss account in the period in which they are identified.

#### 1.10 Stock

Stock is valued at the lower of cost and net realisable value.

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

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#### 1.11 Taxation

Tax payable on the profits of the partnership is the responsibility of the individual members of the partnership and consequently is not dealt with in these financial statements.

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 Group'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. Deferred tax assets are recognised to the extent they are regarded as recoverable.

#### 1.12 Pensions

The Group operates several company personal pension schemes. The assets of these schemes are held separately from those of the company in independently administered funds. The pension costs charged in the financial statements represent the contributions payable by the Group during the period.

In addition to the defined contribution schemes, the Group also operates three defined benefit schemes. Pension costs are charged to the profit and loss account in accordance with FRS17. Current service cost, past service costs and gains or losses on settlements and curtailment are charged to operating profit. The net of interest costs and expected return on scheme assets is included in other finance income/expense and the components of actuarial gains and losses are recognised in the statement of total recognised gains and losses.

#### 1.13 Financial instruments

Fixed rate bank borrowings are initially stated at the amount of the consideration received after deduction of issue costs. Issue costs together with finance costs are charged to the profit and loss account over the term of the borrowings and represent a constant proportion of the balance of capital repayments.

The interest differential on amounts due to and from the Group on interest rate swaps is accrued until settlement date and recognised as an adjustment to the interest expense.

#### 1.14 Operating leases

Operating lease costs are charged to the profit and loss account on a straight line basis over the lease term.

#### 1.15 Provision for doubtful debts

Trade debtors are provided against on a specific basis where their recoverability is deemed remote.

#### 1.16 Allocation of profits and excess cash

The Partnership Agreement provides that at any time there is surplus cash available from profits of the business which is not required for the normal business operations, such surplus cash will be applied in making distributions to the holders of Class P and Class L interest holders, *pari passu* as if the same were a single class. The declaration, making or payment of any dividend or other distribution to the holders of the Partnership Interest is a matter for Board consent.

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

#### 2 Segmental analysis

Turnover all relates to the Group's principal business activity of publishing.

	<b>Period from 14 September 2006 to 31 December 2007 £'000</b>
<b>Turnover by type</b>	
Print	104,734
Online	12,805
Events	49,718
	<u>167,257</u>
<b>Turnover by activity</b>	
Financial Services	35,996
Risk Management	29,632
Professional Services	89,604
Marketing and Other Specialist Services	12,025
	<u>167,257</u>

The table below shows turnover, (loss)/profit before taxation and net assets analysed by origin:

	<b>Turnover</b>	<b>(Loss)/profit before taxation</b>	<b>Net assets</b>
	<b>Period from 14 September 2006 to 31 December 2007 £'000</b>	<b>Period from 14 September 2006 to 31 December 2007 £'000</b>	<b>2007 £'000</b>
UK	114,787	(31,898)	76,509
North America	49,476	6,827	107,980
Asia	2,994	817	1,365
	<u>167,257</u>	<u>(24,254)</u>	<u>185,854</u>

Additional segmental information has not been provided as in the opinion of the directors this would be seriously prejudicial to the Group.

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

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#### 3 Operating profit

**Period from 14  
September 2006  
to 31 December  
2007  
£'000**

**Operating profit is stated after charging/(crediting):**

Amortisation of goodwill	22,578
Amortisation of other intangible assets	6
Depreciation of tangible assets	2,258
Operating lease rentals - property	5,055
Operating lease rentals - other	78
Exceptional items	<u>(2,594)</u>

Exceptional items are non-recurring items incurred during the period including acquisition costs (£1,403,000), integration and restructuring costs following acquisitions made during the period (£2,585,000), exceptional foreign exchange gains (£6,522,000) and other one-off credits (£60,000).

#### **Services provided by the Group's auditors**

During the period the Group, including its overseas subsidiaries, obtained the following services from the Group's auditors at costs as detailed below:

**Period from 14  
September 2006  
to 31 December  
2007  
£'000**

Fees payable to Partnership auditor for the audit of the Partnership and consolidated accounts	27
Fees payable to the Partnership's auditor and its associates for other services:	
- the audit of the Partnership's subsidiaries, pursuant to legislation	480
- tax services	420
- corporate finance transactions	912
- other	40
	<u>1,879</u>

Non-audit services have been provided by separate engagement teams from the audit team.

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

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#### 4 Employee information

##### Number of employees

The average monthly number of persons (including executive directors) employed by the Group during the period was:

	<b>Period from 14 September 2006 to 31 December 2007 Number</b>
Editorial and production	788
Advertising, new media and events	743
Administration	440
	<u>1,971</u>

	<b>Period from 14 September 2006 to 31 December 2007 £'000</b>
<b>Employment costs</b>	
Wages and salaries	46,986
Social security	3,641
Other pension costs	781
	<u>51,408</u>

#### 5 Pension commitments

##### Composition of the schemes

The Group operates a defined benefit pension scheme in the UK and two defined benefit pension schemes in the US and assets for all schemes are held in separately administered funds.

##### a) UK pension scheme

A full actuarial valuation of the pension scheme was carried out at 30 June 2006 and updated to 31 December 2007 by Pensions Capital Strategies, a qualified actuary. The major assumptions used by the actuary were:

	<b>2007</b>
Rate of inflation	3.5%
Discount rate	5.8%

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

#### 5 Pension commitments (continued)

	2007 years
<b>The mortality assumptions adopted at 31 December 2007 imply the following life expectancies at age 65:</b>	
Male retiring at age 65 in 2007	22.1
Female retiring at age 65 in 2007	24.9
Male retiring at age 65 in 2032	23.4
Female retiring at age 65 in 2032	26.1

	Long-term rate of return expected at 31 December 2007 %	Value at 31 December 2007 £'000
<b>The assets in the scheme and the expected return were:</b>		
Equities	6.1	420
Bonds	4.1	32
Other	4.1	1,498
Total market value of assets		1,950
Present value of scheme liabilities		(1,333)
Surplus in the scheme		617
Amount of surplus not recoverable		(617)
Net pension position		-

The related deferred tax asset is £nil.

The Group is unable to recover this net surplus from either reduced ongoing contributions or a refund. Accordingly, in accordance with FRS 17 as the net surplus cannot be recovered it has not been recognised.

	2007 £'000
<b>Analysis of the amount credited to other finance income:</b>	
Expected return on pension scheme assets	110
Interest on pension scheme liabilities	(73)
Net return	37

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

#### 5 Pension commitments (continued)

	<b>2007</b>
	<b>£'000</b>
<b>Analysis of amount recognised in statement of total recognised gains and losses:</b>	
Actual return less expected return on pension scheme assets	(22)
Experience gains and losses arising on scheme liabilities	11
Changes in assumptions underlying the present value of the scheme liabilities	139
Adjustment due to surplus cap	(165)
	<u>(37)</u>
Actuarial loss recognised in the statement of total recognised gains and losses	<u>(37)</u>

The cumulative amount of actuarial loss recognised in the statement of recognised gains and losses since adoption of FRS17 is £37,000.

	<b>2007</b>
	<b>£'000</b>
<b>Movement in surplus during the period:</b>	
Surplus in scheme on acquisition	-
Other finance income	37
Actuarial loss	(37)
	<u>-</u>
	<u>-</u>

No contributions are currently being paid as the scheme is in surplus on a continuing valuation basis.

	<b>2007</b>	<b>2007</b>
	<b>Amount</b>	<b>Scheme assets/ (liabilities)</b>
	<b>£'000</b>	<b>%</b>
<b>History of experience gains and losses:</b>		
Difference between the expected and actual return on scheme assets	(22)	(1)
Experience gains and losses on scheme liabilities	11	1
Changes in assumptions underlying the present value of the scheme liabilities	139	10
Total amount recognised in the statement of total recognised gains and losses	(37)	(3)

#### b) US pension schemes

A full actuarial valuation of the pension schemes was carried out at 31 December 2007 by Watson Wyatt Worldwide, a qualified actuary. The major assumptions used by the actuary were:

	<b>2007</b>
Discount rate	6.25%

No rate of inflation assumption was used in the actuarial valuation.

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

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#### 5 Pension commitments (continued)

	<b>2007</b>
	<b>years</b>
<b>The mortality assumptions adopted at 31 December 2007 imply the following life expectancies at age 65:</b>	
Male retiring at age 65 in 2007	19.0
Female retiring at age 65 in 2007	19.0
Male retiring at age 65 in 2032	19.0
Female retiring at age 65 in 2032	19.0

	<b>Value at 31</b>
	<b>December</b>
	<b>2007</b>
	<b>£'000</b>
<b>The liabilities in the schemes and the expected return were:</b>	
Equities	1,557
Fixed income investments	1,072
Other	5
Total market value of assets	<u>2,634</u>
Present value of scheme liabilities	(3,105)
Deficit in the schemes	<u><u>(471)</u></u>

An overall rate of 8.25% has been used as the long term rate of return of assets held within the scheme.

No deferred tax asset has been recognised on the pension deficit as its recovery is considered to be remote.

	<b>2007</b>
	<b>£'000</b>
<b>Reconciliation of present value of scheme liabilities:</b>	
At acquisition	(3,179)
Interest income	(71)
Benefits paid	12
Administrative expense paid	36
Actuarial gain	97
At 31 December	<u><u>(3,105)</u></u>

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

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#### 5 Pension commitments (continued)

	<b>2007</b>
	<b>£'000</b>
<b>Reconciliation of present value of scheme assets:</b>	
At acquisition	2,532
Expected return on scheme assets	70
Contributions paid by employer	71
Benefits paid	(12)
Administrative expense paid	(27)
	<u>2,634</u>
	<b>2007</b>
	<b>£'000</b>
<b>Analysis of the amount credited to other finance income:</b>	
Expected return on pension scheme assets	79
Interest on pension scheme liabilities	(71)
	<u>8</u>
Net return	<u>8</u>
	<b>2007</b>
	<b>£'000</b>
<b>Analysis of amount recognised in statement of total recognised gains and losses:</b>	
Actual return less expected return on pension scheme assets	(9)
Changes in assumptions underlying the present value of the scheme liabilities	106
	<u>97</u>
Actuarial gain recognised in the statement of total recognised gains and losses	<u>97</u>
The cumulative amount of actuarial gain recognised in the statement of recognised gains and losses since adoption of FRS17 is £97,000.	
	<b>2007</b>
	<b>£'000</b>
<b>Movement in deficit during the period:</b>	
Deficit in scheme on acquisition	(647)
Other finance income	8
Employer contributions	71
Actuarial gain	97
	<u>(471)</u>

Employer contributions of £71,000 have been paid to the schemes during the period.

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

#### 5 Pension commitments (continued)

	2007	2007
	Amount	Scheme assets/ (liabilities)
	£'000	%
<b>History of experience gains and losses:</b>		
Difference between the expected and actual return on scheme assets	(9)	-
Experience gains and losses on scheme liabilities	(106)	(3)
Total amount recognised in the statement of total recognised gains and losses	<u>97</u>	<u>3</u>

#### 6 Interest receivable and similar income

	Period from 14 September 2006 to 31 December 2007 £'000
Bank interest income	77
Other	<u>5</u>
	<u>82</u>

#### 7 Interest payable and similar charges

	Period from 14 September 2006 to 31 December 2007 £'000
Interest payable on bank borrowings	26,914
Interest payable on unsecured loan stock due to members	11,780
Interest payable on loan notes	70
Amortisation of issue costs of bank loans	914
Unwinding of discount on deferred consideration	518
Other interest payable	<u>43</u>
	<u>40,239</u>

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

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#### 8 Taxation expense in corporate subsidiaries

The financial statements do not incorporate any charge or liability for taxation on the results of the partnership as the relevant tax is the responsibility of individual members. The charge to tax, which arises in the corporate subsidiaries included within these financial statements, is:

	<b>Period from 14 September 2006 to 31 December 2007 £'000</b>
Current tax comprising UK corporation tax expense at 30% based on taxable profits for the period	-
Overseas taxation	599
Deferred tax movements (note 18)	-
Tax expense in corporate subsidiaries	<u>599</u>

The current tax charge is less than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	<b>Period from 14 September 2006 to 31 December 2007 £'000</b>
Loss on ordinary activities before taxation	<u>(24,254)</u>
Loss on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 30%	(7,276)
Effects of:	
Expenses not deductible for tax purposes	7,607
Accelerated capital allowances and other timing differences	(464)
Adjustment in respect of foreign tax rates	(85)
Losses utilised during the period	(2,348)
Losses not utilised	<u>3,165</u>
	<u>599</u>

At 31 December 2007 the Group had an unprovided deferred tax asset of £30,920,000 in relation to losses carried forward. This deferred tax asset has not been recognised as its recovery is not considered to be more likely than not.

Factors that may affect future tax charges:

The standard rate of corporation tax in the UK changes to 28% with effect from 1 April 2008.

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

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#### 9 Profits of the Parent Company

Of the losses for the financial period to 31 December 2007, a profit of £nil is dealt with in the accounts of Apax Summer LLP. The directors have taken advantage of the exemption available under section 230 of the Companies Act 1985 and not presented a profit and loss account for the Partnership alone.

#### 10 Intangible fixed assets

##### Group

	<b>Goodwill £'000</b>	<b>Other intangible assets £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
Additions	622,557	18	622,575
Exchange difference	3,772	-	3,772
At 31 December 2007	<u>626,329</u>	<u>18</u>	<u>626,347</u>
<b>Amortisation</b>			
Charge for the period	22,578	6	22,584
At 31 December 2007	<u>22,578</u>	<u>6</u>	<u>22,584</u>
<b>Net book amount</b>			
At 31 December 2007	<u>603,751</u>	<u>12</u>	<u>603,763</u>

The Partnership holds no intangible fixed assets.

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

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#### 11 Tangible fixed assets

##### Group

	Short leasehold improvements £'000	Fixtures, fittings and equipment £'000	Total £'000
<b>Cost</b>			
Acquisitions	2,478	5,035	7,513
Additions	452	2,528	2,980
Exchange differences	32	54	86
At 31 December 2007	<u>2,962</u>	<u>7,617</u>	<u>10,579</u>
<b>Depreciation</b>			
Charge for the period	440	1,818	2,258
Exchange differences	4	20	24
At 31 December 2007	<u>444</u>	<u>1,838</u>	<u>2,282</u>
<b>Net book amount</b>			
At 31 December 2007	<u>2,518</u>	<u>5,779</u>	<u>8,297</u>

The Partnership has no tangible fixed assets.

#### 12 Fixed asset investments

##### Group

Other fixed asset investments	£'000
Acquisitions	16
At 31 December 2007	<u>16</u>

The Group's other fixed asset investment is a less than 1% interest in the ordinary share capital of which is registered in the United States of America. The principal activity of clickNsettle.com is the provision of arbitration and mediation services.

##### Partnership

Shares in Group undertakings	£'000
Additions	95,808
At 31 December 2007	<u>95,808</u>

Additions relate to the investment in Apax Summer (Topco) Limited.

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

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#### 12 Fixed asset investments continued

At 31 December 2007 the Group subsidiary undertakings, all of which have ordinary issued share capital were as follows:

<b>Name of company</b>	<b>Business</b>	<b>Holding</b>	<b>Country of registration</b>
ALM Events, Canada, Inc.	Events	100%	Canada
ALM Media Group Holdings, Inc.	Holding company	100%	USA
ALM Media Holdings, Inc.	Holding company	100%	USA
ALM Media, Inc.	Publishing	100%	USA
ALM Properties, inc.	Publishing	100%	USA
American Lawyer Media International Holdings Limited	Publishing	100%	England and Wales
American Lawyer Media International Limited	Publishing	100%	England and Wales
Apax Summer (Bidco) Limited	Holding company	100%	England and Wales
Apax Summer (Topco) Limited	Holding company	100%	England and Wales
Apax Summer (Holdco) Limited	Holding company	100%	England and Wales
Apax Summer UK Acquisition Limited	Holding company	100%	England and Wales
Apax Summer UK Acquisition Holdco Limited	Holding company	100%	England and Wales
Apax Summer US Acquisition Corporation	Holding company	100%	USA
AVCJ Group Limited	Publishing	100%	Hong Kong
Breakthrough Publishing Limited	Dormant	100%	England and Wales
Buckley Press Limited	Dormant	100%	England and Wales
Buckley Publishing Company Limited	Dormant	100%	England and Wales
Buckpill Limited	Publishing	100%	England and Wales
Central Banking Publications Limited	Publishing	100%	England and Wales
CIFT Limited	Publishing	100%	England and Wales
City Financial Communications Limited	Publishing	100%	England and Wales
Conjecture Limited	Publishing	100%	England and Wales
DWT Conferences Limited	Publishing	100%	England and Wales
Global Professional Media Limited	Publishing	100%	England and Wales
Global Technology Forum Limited	Publishing	100%	England and Wales
Imark Communications Limited	Publishing	100%	England and Wales
Incisive Financial Publishing Limited	Publishing	100%	England and Wales
Incisive Financial Publishing (Hong Kong) Limited	Publishing	100%	Hong Kong
Incisive Interactive Marketing LLC	Publishing	100%	USA
Incisive Media Investments Limited	Publishing	100%	England and Wales
Incisive Media Limited	Holding company	100%	England and Wales
Incisive Newco B Limited	Dormant	100%	England and Wales
Incisive Photographic Limited	Publishing	100%	England and Wales
Incisive RWG Limited	Publishing	100%	England and Wales
Incisive RWG Inc.	Publishing	100%	USA
Incisive Services Limited	Publishing	100%	England and Wales
Incisive TBP Group Limited	Holding company	100%	England and Wales
Initiative Europe Consulting Limited	Publishing	100%	England and Wales
Initiative Europe Holdings Limited	Holding company	100%	England and Wales
Initiative Europe Limited	Publishing	100%	England and Wales

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

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#### 12 Fixed asset investments continued

<b>Name of company</b>	<b>Business</b>	<b>Holding</b>	<b>Country of registration</b>
Learned Information (Europe) Limited	Dormant	100%	England and Wales
Matching Hat Limited	Publishing	100%	England and Wales
MSM International Limited	Publishing	100%	England and Wales
The New York Publishing Company	Publishing	100%	USA
Timothy Benn Publishing Limited	Publishing	100%	England and Wales
Topfurbco Limited	FURB trustee	100%	England and Wales
VNU Business Publications Limited	Publishing	100%	England and Wales

No Group undertakings are excluded from the consolidation. All Group undertakings have a co-terminus year end of 31 December. All holdings are indirect with the exception of Apax Summer (Topco) Limited which is direct.

<b>13 Stock</b>	<b>2007 £'000</b>
<b>Group</b>	
Raw materials	339
Work in progress	25
Finished goods	486
	<u>850</u>

The Partnership holds no stock.

<b>14 Debtors</b>	<b>Group 2007 £'000</b>	<b>Partnership 2007 £'000</b>
Trade debtors	38,092	-
Amounts owed by group undertakings	-	115,008
Deferred tax	2,510	-
Other debtors	3,543	-
Prepayments and accrued income	6,209	-
	<u>50,354</u>	<u>115,008</u>

Amounts owed by group undertakings represent loan notes which are repayable in 2036 and bear interest at 15.75%.

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

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#### 15 Creditors - amounts falling due within one year

	<b>2007</b>
	<b>£'000</b>
<b>Group</b>	
Bank loans and overdrafts	2,000
Loan notes	521
Deferred consideration	6,414
Trade creditors	10,595
Corporation tax	1,813
Other tax and social security costs	3,413
Other creditors	2,775
Accruals and deferred income	56,004
	<u>83,535</u>
	<u><u>83,535</u></u>

The Partnership has no creditors falling due within one year.

#### 16 Creditors - amounts falling due after more than one year

	<b>2007</b>
	<b>£'000</b>
<b>Group</b>	
Bank loans	412,328
Deferred consideration	3,643
	<u>415,971</u>
	<u><u>415,971</u></u>

Included within bank loans are unamortised deferred arrangement fees of £9,728,000.

The Partnership has no creditors falling due after more than one year.

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

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#### 17 Loans and other borrowings

<b>Group</b>	<b>2007</b>
	<b>£'000</b>
Bank loans and overdraft	424,056
Deferred arrangement cost	(9,728)
Loan notes	<u>521</u>
	<u>414,849</u>
<b>Maturity of loans and other borrowings:</b>	
In one year or less, or on demand	2,521
In more than one year, but not more than two years	-
In more than two years, but not more than five years	<u>422,056</u>
	<u>424,577</u>

The bank loans and overdrafts are secured by a floating charge over the assets of the Group.

The loan notes have a coupon of between 4.85% and 5.25% and are redeemable within one year after issue. The loan notes are guaranteed by The Royal Bank of Scotland and are subject to a guarantee fee of between 1.25% to 2.25%.

During the period the Group incurred debt issue costs of £10,642,000.

The Partnership has no loans and other borrowings.

#### 18 Deferred tax asset

<b>Group</b>	<b>2007</b>
	<b>£'000</b>
<b>The provision for deferred tax comprises:</b>	
Accelerated capital allowances	309
Short-term timing differences	<u>2,201</u>
	<u>2,510</u>
<b>Analysis of deferred tax asset provided:</b>	
Amount charged to profit and loss account	-
Arising in acquisitions	<u>2,510</u>
At 31 December	<u>2,510</u>

The Partnership has no deferred tax assets and liabilities.

During the year, as a result of the change in the UK corporation tax rate from 30% to 28% which will be effective from 1 April 2008, deferred tax balances have been remeasured. The impact of the change in the calculation of deferred tax assets is not considered material.

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

#### 19 Total Members' Interests

Group	Members' other interests			Loans due to members £'000	Total £'000
	Members' capital (classified as equity) £'000	Other reserves £'000	Total £'000		
Loss for the period to be funded amongst members	-	(24,853)	(24,853)	-	(24,853)
	-	(24,853)	(24,853)	-	(24,853)
Introduced by members	95,808	-	95,808	103,228	199,036
Interest on loans due to members	-	-	-	11,780	11,780
Actuarial loss on defined benefit pension scheme	-	60	60	-	60
Exchange differences on retranslation of foreign subsidiaries	-	(169)	(169)	-	(169)
<b>Balance at end of year</b>	<b>95,808</b>	<b>(24,962)</b>	<b>70,846</b>	<b>115,008</b>	<b>185,854</b>

Partnership	Members' other interests			Loans due to members £'000	Total £'000
	Members' capital (classified as equity) £'000	Other reserves £'000	Total £'000		
Profit for the period available for division among members	-	-	-	-	-
	-	-	-	-	-
Introduced by members	95,808	-	95,808	103,228	199,036
Interest on loans due to members	-	-	-	11,780	11,780
<b>Balance at end of year</b>	<b>95,808</b>	<b>-</b>	<b>95,808</b>	<b>115,008</b>	<b>210,816</b>

The average number of members during the period was 6.

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

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#### 20 Contingent liabilities

All subsidiaries of Apax Summer (Bidco) Limited are party to cross guarantees in respect of bank facilities totalling £222,100,000. All subsidiaries of Apax Summer UK Acquisition Limited are party to cross guarantees totalling £232,400,000.

#### 21 Capital and financial commitments

The Partnership and the Group had no capital commitments provided in the financial statements at 31 December 2007.

Annual commitments of the Group under non-cancellable operating leases as follows:

	<b>2007</b>
	<b>£'000</b>
<b>Land and buildings</b>	
Expiring within one year	1,541
Expiring between one and two years	376
Expiring between two and five years	1,191
Expiring after more than five years	3,834
	<u>6,942</u>
	<u>6,942</u>
<b>Motor vehicles and office equipment</b>	
Expiring within one year	4
Expiring between two and five years	374
	<u>378</u>
	<u>378</u>

The Group leases various offices under non-cancellable operating lease agreements.

The fair values of the financial assets held by the Group at 31 December 2007 are as follows:

	<b>2007</b>
	<b>£'000</b>
Interest rate swaps	<u>5,029</u>
	<u>5,029</u>

The Partnership had no annual commitments or interest rate swaps at 31 December 2007.

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

#### 22 Notes to the consolidated cash flow

##### (a) Reconciliation of operating profit to net cash inflow from operating activities

	2007 £'000
Group operating profit	15,858
Adjusted for:	
Depreciation of tangible fixed assets	2,258
Amortisation of intangible assets	22,584
Increase in stock	(379)
Increase in debtors	(5,287)
Increase in creditors	2,295
Net cash inflow from recurring activities	<u>37,329</u>
Non-recurring decrease in creditors	<u>(7,004)</u>
Net cash inflow from operating activities	<u><u>30,325</u></u>

The non-recurring decrease in creditors relates to the movement in the accrued costs relating to the acquisition of Incisive Media Limited.

##### (b) Analysis of movement in net cash/(debt)

	Acquisitions £'000	Cash flow £'000	Other non cash changes £'000	31 December 2007 £'000
Cash at bank and in hand	11,664	10,887	-	22,551
Debt due in less than one year	(2,108)	(13)	(400)	(2,521)
Debt due in more than one year	<u>(60,803)</u>	<u>(355,248)</u>	<u>(6,005)</u>	<u>(422,056)</u>
Total debt	<u>(62,911)</u>	<u>(355,261)</u>	<u>(6,405)</u>	<u>(424,577)</u>
Total net debt	<u><u>(51,247)</u></u>	<u><u>(344,374)</u></u>	<u><u>(6,405)</u></u>	<u><u>(402,026)</u></u>

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

#### 23 Acquisitions

During the period the Group purchased five businesses all of which have been accounted for as acquisitions. All intangibles have been recognised at their fair values. The residual excess over the net assets acquired is recognised as goodwill in the financial statements.

##### a) Incisive Media Limited

On 19 December 2006 the Group purchased 100% of the ordinary shares of Incisive Media Limited.

The following table sets out the values of the identifiable assets and liabilities at acquisition:

	Carrying value pre- acquisition £'000	Provisional fair value adjustments £'000	Provisional fair value £'000
<b>Fixed assets</b>			
Tangible assets	1,933	-	1,933
<b>Current assets</b>			
Stock	306	-	306
Trade debtors	13,971	-	13,971
Other debtors	1,712	-	1,712
Prepayments and accrued income	3,248	-	3,248
	<u>19,237</u>	<u>-</u>	<u>19,237</u>
<b>Cash</b>	9,273	-	9,273
<b>Current liabilities</b>			
Loan notes	(2,108)	-	(2,108)
Trade creditors	(1,581)	-	(1,581)
Deferred consideration	(960)	-	(960)
Corporation tax	(2,791)	575	(2,216)
Other taxation and social security	(1,885)	-	(1,885)
Other creditors	(1,016)	-	(1,016)
Accruals and deferred income	(24,029)	-	(24,029)
	<u>(34,370)</u>	<u>575</u>	<u>(33,795)</u>
<b>Creditors: amounts falling due after more than one year</b>			
Bank loans	(60,803)	-	(60,803)
Deferred consideration	(7,856)	-	(7,856)
	<u>(68,659)</u>	<u>-</u>	<u>(68,659)</u>
<b>Provisions for liabilities and charges</b>	(375)	140	(235)
<b>Total net assets</b>	<u>(72,961)</u>	<u>715</u>	<u>(72,246)</u>
Goodwill			<u>280,214</u>
<b>Consideration</b>			<u>207,968</u>
<b>Consideration satisfied by:</b>			
Expenses			2,896
Cash			<u>205,072</u>
			<u>207,968</u>

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

#### 23 Acquisitions (continued)

In its last financial year to 31 December 2006, Incisive Media generated a consolidated profit before tax of £2,281,000.

The fair value adjustments to corporation tax and provision for liabilities and charges represent the revision of the current and deferred tax liability at the date of acquisition.

#### b) VNU Business Publications

On 7 February 2007 the Group purchased 100% of the ordinary shares of VNU Business Publications Limited, Imark Communications Limited, Learned Information (Europe) Limited and Breakthrough Publishing Limited (together VNU Business Publications).

The following table sets out the values of the identifiable assets and liabilities at acquisition:

	<b>Carrying value pre- acquisition £'000</b>	<b>Provisional fair value adjustments £'000</b>	<b>Provisional fair value £'000</b>
<b>Intangible assets</b>	708	-	708
<b>Tangible fixed assets</b>	607	-	607
<b>Current assets</b>			
Stock	214	(50)	164
Trade debtors	7,123	224	7,347
Deferred tax	-	2,584	2,584
Other debtors	70	58	128
Prepayments and accrued income	1,046	-	1,046
	<u>8,453</u>	<u>2,816</u>	<u>11,269</u>
<b>Cash</b>	833	-	833
<b>Current liabilities</b>			
Trade creditors	(1,222)	-	(1,222)
Other creditors	(1,800)	805	(995)
Tax and social security	(781)	-	(781)
Accruals and deferred income	(4,643)	(1,323)	(5,966)
	<u>(8,446)</u>	<u>(518)</u>	<u>(8,964)</u>
<b>Total net assets</b>	<u>2,155</u>	<u>2,298</u>	4,453
Goodwill			<u>12,730</u>
<b>Consideration</b>			<u>17,183</u>
<b>Consideration satisfied by:</b>			
Expenses			921
Cash			<u>16,262</u>
			<u>17,183</u>

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

#### 23 Acquisitions (continued)

In its last financial year to 31 December 2006, VNU Business Publications generated a profit before tax of £2,426,000. For the period since that date to the date of acquisition, VNU Business Publications management accounts show:

	£'000
Turnover	<u>2,202</u>
Operating profit	<u>767</u>

The fair value adjustments include the recognition of a deferred tax asset in respect of tax losses, the write off of assets and liabilities owed by or to the vendors of VNU Business Publications, the write down of stock to its estimated realisable value and adjustments to align accounting policies between the Group and VNU Business Publications.

#### c) Central Banking Publications Limited

On 24 May 2007 the Group purchased 100% of the ordinary shares of Central Banking Publications Limited.

The following table sets out the values of the identifiable assets and liabilities at acquisition:

	Carrying value pre- acquisition £'000	Provisional fair value adjustments £'000	Provisional fair value £'000
<b>Tangible fixed assets</b>	2	-	2
<b>Current assets</b>	119	-	119
<b>Cash</b>	568	-	568
<b>Current liabilities</b>	(463)	-	(463)
<b>Total net assets</b>	<u>226</u>	<u>-</u>	<u>226</u>
Goodwill			2,974
<b>Consideration</b>			<u>3,200</u>
<b>Consideration satisfied by:</b>			
Expenses			411
Cash			2,250
Deferred consideration			<u>539</u>
			<u>3,200</u>

Future payments to the vendors of Central Banking Publications Limited are dependent on the principle vendor remaining with the Group until 31 December 2008 under the terms of the sale and purchase agreement. The amount provided represents amount that will be payable of £600,000 which will be settled wholly in cash.

Initial estimates of the deferred consideration will be revised as further and more certain information becomes available with corresponding adjustments to goodwill for the period up to one year after the year of acquisition.

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

#### 23 Acquisitions (continued)

In its last financial year to 31 March 2007, Central Banking Publications Limited generated a profit before taxation of £283,000. For the period since that date to the date of acquisition, Central Banking Publications Limited management accounts show:

Turnover	£'000
	177
Operating loss	(64)

#### d) Global Technology Forum Limited

On 20 July 2007 the Group purchased 100% of the ordinary shares of Global Technology Forum Limited.

The following table sets out the values of the identifiable assets and liabilities at acquisition:

	Carrying value pre- acquisition £'000	Provisional fair value adjustments £'000	Provisional fair value £'000
<b>Tangible fixed assets</b>	14	-	14
<b>Current assets</b>	427	-	427
<b>Cash</b>	294	-	294
<b>Current liabilities</b>	(481)	-	(481)
<b>Total net assets</b>	<u>254</u>	<u>-</u>	<u>254</u>
Goodwill			5,592
<b>Consideration</b>			<u>5,846</u>
<b>Consideration satisfied by:</b>			
Expenses			289
Cash			2,600
Loan notes			400
Deferred consideration			<u>2,557</u>
			<u>5,846</u>

Future payments to the vendors of Global Technology Forum Limited are dependent on the business meeting set profit targets over the next year under the terms of the sale and purchase agreement. The amount provided represents managements best estimate as to the amount that is reasonably expected to be payable. The maximum additional payment is £5m, which will be settled in cash or loan notes.

Initial estimates of the deferred consideration will be revised as further and more certain information becomes available with corresponding adjustments to goodwill for the period up to one year after the year of acquisition.

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

#### 23 Acquisitions (continued)

In its last financial year to 31 December 2006, Global Technology Forum Limited generated a profit before tax of £19,000.

For the period since that date to the date of acquisition, Global Technology Forum Limited management accounts show:

	£'000
Turnover	933
Profit before tax	312

#### e) ALM

On 16 August 2007 the Group purchased 100% of the ordinary share of ALM Media Group Holdings, Inc.

The following table sets out the values of the identifiable assets and liabilities at acquisition:

	Book value pre- acquisition £'000	Provisional fair value adjustments £'000	Provisional fair value £'000
<b>Tangible fixed assets</b>	4,639	337	4,976
<b>Current assets</b>			
Trade debtors	11,416	-	11,416
Other debtors	1,435	-	1,435
Prepayments and accrued income	1,478	-	1,478
	<u>14,329</u>	<u>-</u>	<u>14,329</u>
<b>Cash</b>	696	-	696
<b>Current liabilities</b>			
Trade creditors	(2,929)	-	(2,929)
Other creditors	(568)	-	(568)
Accruals and deferred income	(21,444)	-	(21,444)
	<u>(24,941)</u>	<u>-</u>	<u>(24,941)</u>
<b>Total net liabilities</b>	<u>(5,277)</u>	<u>337</u>	<u>(4,940)</u>
Goodwill			321,078
<b>Consideration</b>			<u>316,138</u>
<b>Consideration satisfied by:</b>			
Expenses			2,884
Cash			313,254
			<u>316,138</u>

## APAX SUMMER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 14 SEPTEMBER 2006 TO 31 DECEMBER 2007

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#### 23 Acquisitions (continued)

In its last financial year to 31 December 2006, ALM Media Group Holdings Inc generated a profit before tax of £19,500,000.

For the period since that date to the date of acquisition, ALM Media Group Holdings Inc management accounts show:

Turnover	£'000 <u>60,108</u>
Profit before tax	<u>12,468</u>

The fair value adjustment relates to the revaluing of fixed assets to their market value.

#### 24 Related parties

The Partnership has related party relationships with its subsidiaries (note 12) and with its members.

There have been no related party transactions during the year apart from those exempt by FRS 8.

The ultimate controlling party is the partnership board as listed on page 1.