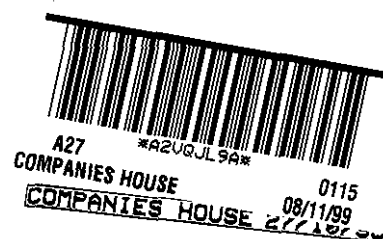


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Reports & Financial Statements

For the year ended 31 December 1998

**International Herald
Tribune Limited**



INTERNATIONAL HERALD TRIBUNE LIMITED

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INTERNATIONAL HERALD TRIBUNE LIMITED

1

COMPANY INFORMATION

DIRECTORS: RJ Bondy
D Taylor
R Wooldridge

SECRETARY: RJ Bondy

REGISTERED OFFICE: 40 March Wall
Isle of Dogs
LONDON E14 9TP

REGISTERED NUMBER: 1106659 England

AUDITORS: Mazars Neville Russell
24 Bevis Marks
LONDON EC3A 7NR

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company and the group for the year ended 31 December 1998.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company and the group is to act as an advertising sales agency and a distributor of newspapers and magazines in the United Kingdom, including the daily newspapers published by its parent undertaking International Herald Tribune SA. On 30 November 1998 all the business activities including assets and liabilities of the subsidiary were disposed. Both the level of business and the year end position remain satisfactory. The directors expect that the present level of activity of the company will be sustained for the foreseeable future. The group profit for the year amounted to £1,586,756 (1997: £226,932) which is taken to profit and loss account. No dividend is recommended.

FIXED ASSETS

Information relating to fixed assets is set out in note 9 to the financial statements.

DIRECTORS AND THEIR INTERESTS

The directors of the company at the date of this report are shown on page 1. According to the register of directors' interests, none of the directors had any beneficial interest in the share capital of the company or of any UK group company at the end of the year.

YEAR 2000 COMPLIANCE

The company has assessed the impact of the inability of some computers and digital storage systems to recognise the year 2000. The intention is that by the end of 1999, all hardware and software utilised by the company will be year 2000 compliant. The costs of ensuring year 2000 compliance are unlikely to result in material additional expense to the company. The company is ascertaining from its service suppliers their year 2000 status.

AUDITORS

On 1 September 1998, the auditors, Mazars & Guérard, changed their name to Mazars Neville Russell. Mazars Neville Russell have indicated their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the forthcoming annual general meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

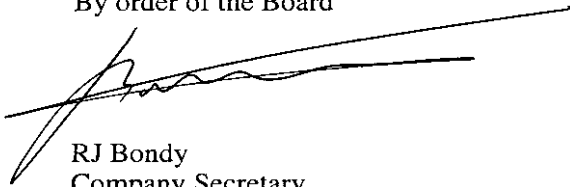
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare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

DIRECTORS' REPORT (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)

The directors are responsible for keeping proper accounting records which 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 1985. 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.

By order of the Board

A handwritten signature in black ink, appearing to read 'RJ Bondy', is written over a horizontal line.

RJ Bondy
Company Secretary

14 OCT 1999

AUDITORS' REPORT TO THE SHAREHOLDERS OF**INTERNATIONAL HERALD TRIBUNE LIMITED**

We have audited the financial statements on pages 5 to 19 which have been prepared under the accounting policies set out on pages 9 and 10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on pages 2 and 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group'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 of the state of affairs of the company and of the group as at 31 December 1998 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



CHARTERED ACCOUNTANTS
and Registered Auditors

London **21 OCT 1999**

INTERNATIONAL HERALD TRIBUNE LIMITED

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CONSOLIDATED PROFIT AND LOSS ACCOUNT**For the year ended 31 December 1998**

	Notes	1998 £	1997 £
TURNOVER			
Continuing operations		-	-
Discontinued operations	2(a)	6,908,145	7,399,755
COST OF SALES	2(b)	<u>(6,264,624)</u>	<u>(6,513,924)</u>
GROSS PROFIT		643,521	885,831
Net operating expenses	2(c)	<u>(739,781)</u>	<u>(592,936)</u>
OPERATING PROFIT/(LOSS)			
Continuing operations		(65,791)	194,482
Discontinued operations		<u>(30,469)</u>	<u>98,413</u>
OPERATING PROFIT/(LOSS)		(96,260)	292,895
Profit on disposal of discontinued operations	23	2,340,000	-
Interest receivable and similar income	3	97,165	67,591
Interest payable and similar charges	4	<u>(7,343)</u>	<u>(7,266)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	2,333,562	353,220
Tax on profit on ordinary activities	8	<u>(746,806)</u>	<u>(126,288)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>1,586,756</u>	<u>226,932</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR	14	<u>£1,586,756</u>	<u>£226,932</u>

The operating profit arises from continuing and discontinued operations. All recognised gains and losses are included in the profit and loss account.

The notes on pages 9 to 19 form part of the financial statements.

INTERNATIONAL HERALD TRIBUNE LIMITED

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CONSOLIDATED BALANCE SHEET as at 31 December 1998

	Notes	1998 £	1997 £
FIXED ASSETS			
Tangible assets	9	147,455	258,544
CURRENT ASSETS			
Debtors (amounts falling due within one year)	11	952,937	1,845,136
Cash at bank and in hand		2,863,104	1,191,990
		3,816,041	3,037,126
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	1,767,717	(2,686,647)
NET CURRENT ASSETS		2,048,324	350,479
TOTAL ASSETS LESS CURRENT LIABILITIES		2,195,779	609,023
NET ASSETS		£2,195,779	£609,023
CAPITAL AND RESERVES			
Called up share capital	13	5,000	5,000
Profit and loss account		2,190,779	604,023
TOTAL EQUITY SHAREHOLDERS' FUNDS	14	£2,195,779	£609,023

As approved by the Board
and signed on its behalf by the directors on **31 AUG 1999**

R Bondy

Director

D Taylor

Director

The notes on pages 9 to 19 form part of the financial statements.

INTERNATIONAL HERALD TRIBUNE LIMITED

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BALANCE SHEET as at 31 December 1998

	Notes	1998 £	1997 £
FIXED ASSETS			
Tangible assets	9	147,455	153,948
Investments	10	2,165,035	521,414
		<u>2,312,490</u>	<u>675,362</u>
CURRENT ASSETS			
Debtors (amounts falling due within one year)	11	705,321	795,188
Cash at bank and in hand		79,697	88,716
		<u>785,018</u>	<u>883,904</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	(901,730)	(950,243)
NET CURRENT LIABILITIES		<u>(116,712)</u>	<u>(66,339)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,195,778</u>	<u>609,023</u>
NET ASSETS		<u>£2,195,778</u>	<u>£609,023</u>
CAPITAL AND RESERVES			
Called up share capital	13	5,000	5,000
Revaluation reserve	10	2,160,035	516,414
Profit and loss account		30,743	87,609
TOTAL SHAREHOLDERS' FUNDS	14	<u>£2,195,778</u>	<u>£609,023</u>

As approved by the Board
and signed on its behalf by the Directors on **31 AUG 1999**

R Bondy

Director

D Taylor

Director

The notes on pages 9 to 19 form part of the financial statements.

INTERNATIONAL HERALD TRIBUNE LIMITED

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CONSOLIDATED CASH FLOW STATEMENT**For the year ended 31 December 1998**

	Notes	1998 £	1997 £
Net cash inflow (outflow) from operating activities	18	(60,561)	604,178
Returns on investments and servicing of finance	19	89,822	60,325
Taxation	19	(127,655)	(40,618)
Capital expenditure	19	(45,257)	(32,499)
Acquisition and disposal	19	1,866,238	-
Cash inflow before use of liquid resources and financing		1,722,587	591,386
Financing	19	-	-
Increase in cash		1,722,587	591,386
Reconciliation of net cash flow to movement in net funds	20		
Increase in cash		1,722,587	591,386
Cash inflow from decrease in liquid resources		-	-
Cash used to increase liquid resources		-	-
Change in net funds resulting from cash flows		1,722,587	591,386
New finance leases		-	-
Movement in net funds in the year		1,722,587	591,386
Net fund at 1 January 1998		1,107,408	516,022
Net fund at 31 December 1998		<u>£2,829,995</u>	<u>£1,107,408</u>

The notes on pages 9 to 19 form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1998

1. ACCOUNTING POLICIES

The principal accounting policies of the group are set out below. The policies remain unchanged from the previous year.

BASIS OF ACCOUNTING

(a) Accounting convention

The financial statements are prepared under the historical cost convention, with the exception of the revaluation of investments discussed in note 10 below, and in accordance with applicable accounting standards.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiary made up to 31 December 1998. In the company's accounts, the investment in the subsidiary undertaking is stated at cost plus the group's share of the post acquisition profit and reserves of the subsidiary undertaking, with a corresponding debit or credit to revaluation reserves. The directors consider that this policy more fairly represents the company's investment.

TURNOVER

Turnover, all of which is derived from the United Kingdom, represents the invoiced value of goods sold and services supplied stated net of value added tax.

FOREIGN CURRENCIES

Transactions denominated in foreign currencies are recorded in sterling at the exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is reported in the profit and loss account.

PENSION COSTS

The company operates a money purchase pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. The assets of the scheme are held independently of the company by insurance companies.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at historical cost. Depreciation is provided to write off the cost less estimated residual value of all fixed assets on straight line bases over their expected useful lives as follows:

Lease	- 15 years
Leasehold improvements	- 3 years
Furniture and equipment	- 5 years
Motor vehicles	- 5 years

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1998 (continued)

1. ACCOUNTING POLICIES (continued)

DEFERRED TAXATION

Provision is made for deferred tax at current rates of taxation in respect of timing differences between profit as computed for taxation purposes and profit as stated in the financial statements, to the extent that the directors expect that a liability will arise in the foreseeable future.

COMPANY'S PROFIT AND LOSS ACCOUNT

The company has taken advantage of the exemption in Section 230 of the Companies Act 1985, not to present its own profit and loss account.

2.(a) TURNOVER – DISCONTINUED OPERATIONS

	1998 £	1997 £
United Kingdom	<u>£6,908,145</u>	<u>£7,399,755</u>

2.(b) COST OF SALES

	Continued £	1998 Dis- continued £	Total £	Continued £	1997 Dis- continued £	Total £
COST OF SALES	<u>-</u>	<u>6,264,624</u>	<u>6,264,624</u>	<u>-</u>	<u>6,513,914</u>	<u>6,513,924</u>

2.(c) NET OPERATING EXPENSES

Distribution costs	(451,883)	(201,532)	(653,415)	(456,532)	(229,871)	(686,403)
Administration expenses	(819,904)	(638,941)	(1,458,845)	(749,743)	(545,644)	(1,295,387)
Other operating income	-	166,483	166,483	3,544	84,166	87,710
Commission and fee income	<u>1,205,996</u>	<u>-</u>	<u>1,205,996</u>	<u>1,301,144</u>	<u>-</u>	<u>1,301,144</u>
	<u>£(65,791)</u>	<u>£(673,990)</u>	<u>£(739,781)</u>	<u>£98,413</u>	<u>£(691,349)</u>	<u>£(592,936)</u>

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	1998 £	1997 £
Bank deposit interest	<u>£97,165</u>	<u>£67,591</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1998 (continued)

4. INTEREST PAYABLE AND SIMILAR CHARGES	1998	1997
	£	£
Bank charges	<u>£7,343</u>	<u>£7,266</u>
5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1998	1997
	£	£
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Lease rental	103,800	103,800
Auditors' remuneration	17,500	20,000
Auditors' remuneration for non-audit work	22,730	3,000
Staff costs (refer note 6)	1,274,664	1,143,853
Depreciation of owned tangible fixed assets	96,891	99,919
Loss/(profit) on sale of fixed assets	<u>3,144</u>	<u>(6,599)</u>
6. EMPLOYEE INFORMATION	1998	1997
	£	£
Wages and salaries	988,842	972,799
Social security costs	96,261	100,608
Pension costs	164,080	42,874
Other personnel costs	<u>25,481</u>	<u>27,572</u>
	<u>£1,274,664</u>	<u>£1,143,853</u>

Included in total staff costs is £54,184 (1997: £51,397) in respect of directors' remuneration (refer note 7).

The average number of persons employed by the group during the year was:	1998	1997
	Number	Number
Sales	16	16
Administration	21	21
Conference	<u>4</u>	<u>4</u>
	<u>41</u>	<u>41</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1998 (continued)

7. DIRECTORS' REMUNERATION	1998	1997
	£	£
Salaries	42,720	41,200
Other emoluments (including pensions)	11,464	10,197
	<u>£54,184</u>	<u>£51,397</u>

Retirement benefits are accruing to one director under a money purchase pension scheme.

8. TAX ON PROFIT ON ORDINARY ACTIVITIES	1998	1997
	£	£
UK corporation tax at 31% (1998: 31.5%)	745,234	126,082
Adjustment in respect of prior years	1,572	206
	<u>£746,806</u>	<u>£126,288</u>

Included in corporation tax is £750,858 which relates to discontinued activities (1997: £84,530).

9. TANGIBLE FIXED ASSETS	Leasehold improvements	Motor vehicles	Furniture and equipment	Total
GROUP	£	£	£	£
COST				
At 1 January 1998	309,974	144,814	345,582	800,370
Additions	-	40,120	20,565	60,685
Disposals	(43,786)	(93,479)	(156,851)	(294,116)
	<u>266,188</u>	<u>91,455</u>	<u>209,296</u>	<u>566,939</u>
DEPRECIATION				
At 1 January 1998	281,010	53,356	207,460	541,826
Charge for the year	17,588	30,057	49,246	96,891
Disposals	(43,786)	(52,199)	(123,248)	(219,233)
	<u>254,812</u>	<u>31,214</u>	<u>133,458</u>	<u>419,484</u>
NET BOOK VALUE				
At 31 December 1998	<u>£11,376</u>	<u>£60,241</u>	<u>£75,838</u>	<u>£147,455</u>
At 31 December 1997	<u>£28,964</u>	<u>£91,458</u>	<u>£138,122</u>	<u>£258,544</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1998 (continued)

9. TANGIBLE FIXED ASSETS (continued)	Leasehold	Motor	Furniture	
COMPANY	improvements	vehicles	and	Total
	£	£	equipment	£
			£	
COST				
At 1 January 1998	266,188	63,220	227,333	556,741
Additions	-	40,120	15,846	55,966
Disposals	-	(11,885)	(33,883)	(45,768)
At 31 December 1998	266,188	91,455	209,296	566,939
DEPRECIATION				
At 1 January 1998	250,261	19,201	133,331	402,793
Charge for the year	4,551	15,974	31,923	52,448
Disposals	-	(3,961)	(31,796)	(35,757)
At 31 December 1998	254,812	31,214	133,458	419,484
NET BOOK VALUE				
At 31 December 1998	<u>£11,376</u>	<u>£60,241</u>	<u>£75,838</u>	<u>£147,455</u>
At 31 December 1997	<u>£15,927</u>	<u>£44,019</u>	<u>£94,002</u>	<u>£153,948</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1998 (continued)

10. FIXED ASSET INVESTMENTS

The net book value of fixed assets investments comprises:

COST	£
At 31 December 1997 and 1998	5,000
REVALUATION	
At 31 December 1997	516,414
Increase during the year	1,643,621
At 31 December 1998	2,160,035
NET BOOK VALUE	
At 31 December 1998	£2,165,035
At 31 December 1997	£521,414

The investment comprises the entire share capital of International Herald Tribune Distributors Limited, a company incorporated in England.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	1998	1997	1998	1997
	£	£	£	£
Trade debtors	53,894	1,251,458	53,894	111,693
Amounts owed by group undertakings	515,780	468,637	520,333	613,407
Other debtors	33,625	58,199	8,113	11,269
Prepayments and accrued income	349,638	66,842	122,981	58,819
	<u>£952,937</u>	<u>£1,845,136</u>	<u>£705,321</u>	<u>£795,188</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1998 (continued)

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	1998	1997	1998	1997
	£	£	£	£
Bank overdrafts	33,109	84,582	33,109	84,582
Trade creditors	53,741	1,517,910	53,741	123,359
Amounts owed to group undertakings	724,832	755,976	644,852	535,768
Corporation tax payable	749,925	126,082	-	41,758
Other creditors	42,097	21,047	42,099	21,047
Accruals and deferred income	164,013	181,050	127,929	143,729
	<u>£1,767,717</u>	<u>£2,686,647</u>	<u>£901,730</u>	<u>£950,243</u>

**13. CALLED UP SHARE CAPITAL
COMPANY AND GROUP**

	1998	1997
	£	£
Authorised 5,000 ordinary shares of £1	<u>£5,000</u>	<u>£5,000</u>
Allotted, called up and fully paid 5,000 ordinary shares of £1	<u>£5,000</u>	<u>£5,000</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1998 (continued)

14. EQUITY SHAREHOLDERS' FUNDS		Share capital	Profit and loss account	Total 1998	Total 1997	
GROUP		£	£	£	£	
At 1 January		5,000	604,023	609,023	382,091	
Retained profit for the year		-	1,586,756	1,586,756	226,932	
At 31 December		<u>£5,000</u>	<u>£2,190,779</u>	<u>£2,195,779</u>	<u>£609,023</u>	
COMPANY		Share capital	Revaluation reserve	Profit and loss account	Total 1998	Total 1997
		£	£	£	£	£
At 1 January		5,000	516,414	87,609	609,023	382,091
Retained profit/(loss) for the year		-	-	(56,866)	(56,866)	65,570
Transfer to revaluation reserve		-	1,643,622	-	1,643,622	161,362
At 31 December		<u>£5,000</u>	<u>£2,160,036</u>	<u>£30,743</u>	<u>£2,195,779</u>	<u>£609,023</u>

15. CAPITAL COMMITMENTS

At the end of the year there were no capital commitments contracted for (1997: £Nil).

16. FINANCIAL COMMITMENTS

The group purchased a short term lease on their premises which expires in 2001. The rental commitment on the lease is £103,800 per annum.

On 1 February the company's operations were reallocated to new premises. The company has a rent free period up to September 1999 at the new premises.

The group did not have any other annual commitment under non-cancellable operating leases at the year end (1997: £Nil).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1998 (continued)

17. PENSION SCHEME

The group participates in a money purchase pension scheme covering substantially all its employees. The group total pension expense for the year in respect of the above scheme was £164,080 (1997: £42,874).

**18. RECONCILIATION OF OPERATING
 (LOSS)/PROFIT TO NET CASH INFLOW
 FROM OPERATING ACTIVITIES**

	Continuing £	Discontinued £	Total £
Operating profit	(65,791)	(30,469)	(96,260)
Depreciation charges	52,448	44,443	96,891
(Profit)/loss on disposal of fixed assets	(6,019)	2,875	(3,144)
(Increase)/decrease in debtors	530,503	(317,253)	213,250
Increase/(decrease) in creditors	87,284	(358,582)	(271,298)
Net cash inflow from continuing operating activities	598,425		-
Net cash outflow from discontinued activities		(658,986)	
Net inflow (outflow) from operating activities			<u>£(60,561)</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1998 (continued)

19. GROSS CASH FLOWS	1998 £	1997 £
Returns on investments and servicing of finance		
Interest received	97,165	67,591
Interest paid	(7,343)	(7,266)
	<u>£89,822</u>	<u>£60,325</u>
Taxation		
UK corporation tax paid	(127,655)	(40,618)
UK corporation tax repaid in respect of prior years	-	-
	<u>£(127,655)</u>	<u>£(40,618)</u>
Capital expenditure		
Purchase of tangible fixed assets	(60,682)	(64,360)
Sale of tangible fixed assets	15,425	31,861
	<u>£(45,257)</u>	<u>£(32,499)</u>
Acquisition and disposal		
Sale of subsidiary business	<u>£1,866,238</u>	<u>-</u>
Financing		
Issue of shares	-	-
Bank loans received	-	-
Bank loans repaid	-	-
Capital element of finance lease rentals paid	-	-
	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1998 (continued)

20. ANALYSIS OF CHANGES IN NET FUNDS	At 1 January 1998 £	Cash flows £	Other changes £	At 31 December 1998 £
Cash at bank and in hand	1,191,990	1,671,114	-	2,863,104
Overdrafts	(84,582)	51,473	-	(33,109)
Total	<u>£1,107,408</u>	<u>£1,722,587</u>	<u>-</u>	<u>£2,829,995</u>

21. RELATED PARTY TRANSACTIONS

In accordance with the disclosure provisions of the Financial Reporting Standard No 8 (Related Party Disclosures), the following material related party transactions took place during the year under review:

	1998 £	1997 £
Advertising commission receivable from the parent undertaking	<u>£855,278</u>	<u>£875,769</u>
Goods for resale purchased from the parent undertaking	<u>£855,278</u>	<u>£1,824,000</u>

Amounts owed by, or owed to, group undertakings are shown under notes 11 and 12 to the accounts.

22. CONTROLLING PARTIES

The immediate parent company is International Herald Tribune SA incorporated in France, and the ultimate parent companies are jointly the New York Times and the Washington Post, both incorporated in the United States.

The parent company of the smallest group to include the company in its consolidated financial statements is International Herald Tribune SA, incorporated in France.

23. PROFIT ON SALE OF BUSINESS

In November 1998 the business operations of International Herald Tribune Distributors Ltd together with substantially all of its assets and liabilities were sold. The consideration, which was entirely in the form of cash, has been received.