

United States Bankruptcy Court
Southern District of New York

In re **The Reader's Digest Association, Inc., et al.,**
Debtor

Case No. 09-23529 (RDD)
Chapter 11

(Jointly Administered)

**PERIODIC REPORT REGARDING VALUE, OPERATIONS AND PROFITABILITY
OF ENTITIES IN WHICH THE DEBTORS' ESTATES HOLD A SUBSTANTIAL OR
CONTROLLING INTEREST**

This is a periodic report as of June 30, 2009 (the "Periodic Report"), on the value, operations and profitability of the following entities in which the estates of The Reader's Digest Association, Inc. and its affiliated debtors and debtors in possession (collectively, the "Debtors") hold a substantial or controlling interest, as required by Bankruptcy Rule 2015.3:

Name of Entity	% of Interest of the Estate	Exhibit
1302791 Alberta ULC	100.00%	B-1, B-2
3634116 Canada Inc.	100.00%	B-1, B-2
Asian Qualiproducts Services, Ltd.	100.00%	B-1, B-2
Caribe Condor S.A. de C.V.	100.00%	B-1, B-2
Corporativo Reader's Digest Mexico S. de R.L. de C.V.	100.00%	B-1, B-2
Das Beste aus Reader's Digest AG	100.00%	B-1, B-2
Direct Entertainment U.K. Limited	100.00%	B-1, B-2
Direct Holdings (N.Z.) Pty Limited	100.00%	B-1, B-2
Direct Holdings Asia Pacific Pty Limited	100.00%	B-1, B-2
Direct Holdings Australia Pty Limited	100.00%	B-1, B-2
Direct Holdings Holland B.V.	100.00%	B-1, B-2
Direct Holdings International B.V.	100.00%	B-1, B-2
Direct Holdings Switzerland GmbH	100.00%	B-1, B-2
Distrimedia Services B.V.	100.00%	B-1, B-2
Editura Reader's Digest SRL	100.00%	B-1, B-2
Fundraising For You Limited	100.00%	B-1, B-2
Group Editorial Reader's Digest, S. de R.L. de C.V.	100.00%	B-1, B-2
JSC Publishing House Reader's Digest	100.00%	B-1, B-2
Libri e piu, S.r.l.	100.00%	B-1, B-2
LLC Digest Direct	100.00%	B-1, B-2
LLC Direct Digest	100.00%	B-1, B-2
LLC Publisher Reader's Digest (KAZ)	100.00%	B-1, B-2
LLC Publisher Reader's Digest (UKR)	100.00%	B-1, B-2
Money Magazine Limited	100.00%	B-1, B-2
Optimail Direktwerbeservice GmbH	100.00%	B-1, B-2
Oy Valitut Palat-Reader's Digest Ab	100.00%	B-1, B-2
Pegasus Medien Produktions- und Vertriebsgesellschaft mbH	100.00%	B-1, B-2



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Name of Entity	% of Interest of the Estate	Exhibit
Pegasus Netherlands Services CV	100.00%	B-1, B-2
R.D. Properties, Ltd.	100.00%	B-1, B-2
RD German Holdings GmbH	100.00%	B-1, B-2
RD Publications Limited (Previously Berkeley Magazine Ltd.)	100.00%	B-1, B-2
Reader's Digest (East Asia) Limited	100.00%	B-1, B-2
Reader's Digest (Philippines) Inc.	99.75%	B-1, B-2
Reader's Digest (Thailand) Limited	99.99%	B-1, B-2
Reader's Digest AB (Aktiebolag)	100.00%	B-1, B-2
Reader's Digest Argentina SRL	100.00%	B-1, B-2
Reader's Digest Asia Pte. Ltd.	100.00%	B-1, B-2
Reader's Digest Asia, Ltd.	100.00%	B-1, B-2
Reader's Digest Association Far East Limited	100.00%	B-1, B-2
Reader's Digest Book and Home Entertainment (India) Private Limited	100.00%	B-1, B-2
Reader's Digest Brasil Ltda.	100.00%	B-1, B-2
Reader's Digest Children's Publishing Limited	100.00%	B-1, B-2
Reader's Digest Deutschland Holding GmbH	100.00%	B-1, B-2
Reader's Digest European Shared Services B.V.	100.00%	B-1, B-2
Reader's Digest Hellas Publications Company Limited	99.00%	B-1, B-2
Reader's Digest Kiado Korlatolt Felelossegu Tarsasag	100.00%	B-1, B-2
Reader's Digest Magazines Limited	25.00%	B-1, B-2
Reader's Digest Mexico S.A. de C.V.	100.00%	B-1, B-2
Reader's Digest N.V.-S.A.	100.00%	B-1, B-2
Reader's Digest Przeglad Sp. z.o.o.	100.00%	B-1, B-2
Reader's Digest Secilmis Yayincilik Dagitim Pazarlama Ticaret Limited Sirketi	100.00%	B-1, B-2
Reader's Digest Selecciones S.A.	100.00%	B-1, B-2
Reader's Digest Vyber s.r.o.	100.00%	B-1, B-2
Reader's Digest World Services S.A.	100.00%	B-1, B-2
Reader's Digest (Australia) Pty. Ltd.	100.00%	B-1, B-2
Reader's Digest (China) Direct Marketing Services Co., Ltd.	100.00%	B-1, B-2
Reader's Digest (Guangzhou) Direct Mail Service Co. Ltd.	100.00%	B-1, B-2
Reader's Digest (Malaysia) Sdn. Bhd	100.00%	B-1, B-2
Reader's Digest (Shanghai) Advertising Co. Ltd.	100.00%	B-1, B-2
Reader's Digest EOOD	100.00%	B-1, B-2
Reader's Digest European Systems	100.00%	B-1, B-2
Reader's Digest Financial Services Limited	100.00%	B-1, B-2
Reader's Digest Global Advertising Ltd.	100.00%	B-1, B-2
Reader's Digest Netherlands Holdings BV	100.00%	B-1, B-2
Reader's Digest Vyber Slovensko, s.r.o.	100.00%	B-1, B-2
Seleccoes do Reader's Digest (Portugal) S.A.	100.00%	B-1, B-2
Selection du Reader's Digest S.A.	99.99%	B-1, B-2
Selection du Reader's Digest Assurances SARL	100.00%	B-1, B-2
Shop Australia Pty Limited	100.00%	B-1, B-2
Sociedad Difusion Cultural, S.L.	99.50%	B-1, B-2

Name of Entity	% of Interest of the Estate	Exhibit
Target Direct Marketing Services	100.00%	B-1, B-2
The Reader's Digest Association (Canada) ULC	100.00%	B-1, B-2
The Reader's Digest Association Limited	100.00%	B-1, B-2
The Reader's Digest Association Pty Limited	100.00%	B-1, B-2
The Reader's Digest Ltd.	100.00%	B-1, B-2
Uitgeversmaatschappij The Reader's Digest B.V.	100.00%	B-1, B-2
Verlag Das Beste Ges GmbH	100.00%	B-1, B-2
Verlag Das Beste GmbH	100.00%	B-1, B-2

This report consists of three exhibits. Exhibit A contains a valuation estimate for the entity as of a date not more than two years prior to the date of this report. It also contains a description of the valuation method used. Exhibit B contains a balance sheet (Exhibit B-1) and a statement of income (loss) (Exhibit B-2) as of and for the six month period ended June 30, 2009, along with summarized footnotes (Exhibit B-3). Exhibit C contains a description of the entity's business operations.

Please note with respect to Exhibit A, it would be prohibitively expensive, unduly burdensome, and an inefficient use of estate assets for the Debtors to obtain current market valuations of the non-debtors in which the Debtors hold a direct interest of 20% or more; therefore, the net book value of the assets of these entities is the basis for the valuation. In addition it would be unduly burdensome to prepare the net book value for each entity as the general ledger is maintained in each country's local currency. These local currencies are then translated to U.S. Dollars at an aggregated level which we have reported.

With respect to Exhibit B, the balance sheets and statements of income have been included for all of the non-debtor affiliates. Statements of cash flow and statements of changes in shareholders' or partners equity are not prepared for each entity but rather only at the consolidated level. System and resource constraints preclude the Debtors from preparing these statements at the entity level; therefore, these statements have been excluded from this report.

The financial information included in this Form 26 filing is unaudited. Although management has made reasonable efforts to ensure that the financial information is accurate and complete based on information that was available to them at the time of the preparation, subsequent information or discovery may result in material changes to the information, and inadvertent errors or omissions may exist. Nothing contained in this filing shall constitute a waiver of any rights of the Debtors, specifically including the Debtors' right to amend the information.

The undersigned, having reviewed the above listing of entities in which the Debtors' estates hold a substantial or controlling interest, and being familiar with the Debtor's financial affairs, verifies under the penalty of perjury that the listing is complete, accurate and truthful to the best of her knowledge.

Date: September 25, 2009

By: Susana D'Emic
Signature of Authorized Individual

Susana D'Emic
Name of Authorized Individual

Vice President and Corporate Controller
of The Reader's Digest Association, Inc.
Title of Authorized Individual

Exhibit A
Valuation Estimate for Entities Held by The Reader's Digest Association, Inc. and Affiliates¹
In millions of U.S. Dollars

Entities held by The Reader's Digest Association, Inc.	Country Code	% of Interest of the Estate	Net Book Value²
Reader's Digest Argentina SRL	ARG	100.00%	1.15
Reader's Digest (Australia) Pty. Ltd.	AUS	100.00%	22.89
The Reader's Digest Association Pty Limited	AUS	100.00%	****
Verlag Das Beste Ges GmbH	AUT	100.00%	0.84
Reader's Digest N.V.–S.A.	BEL	100.00%	1.36
Reader's Digest Brasil Ltda.	BRA	100.00%	3.85
Reader's Digest EOOD	BUL	100.00%	1.15
1302791 Alberta ULC	CAC	100.00%	81.72
The Reader's Digest Association (Canada) ULC	CAN	100.00%	(112.50)
Caribe Condor S.A. de C.V.	CAR	100.00%	8.01
Das Beste aus Reader's Digest AG	CHE	100.00%	48.28
Reader's Digest (Shanghai) Advertising Co. Ltd.	CHN	100.00%	(4.70)
Reader's Digest Children's Publishing Limited	CPL	100.00%	(3.27)
Reader's Digest Vyber s.r.o.	CSK	100.00%	29.02
3634116 Canada Inc.	CUL	100.00%	-
Optimail Direktwerbeservice GmbH	DEU	100.00%	168.42
Pegasus Medien Produktions- und Vertriebsgesellschaft mbH	DEU	100.00%	****
Reader's Digest Deutschland Holding GmbH	DEU	100.00%	****
Verlag Das Beste GmbH	DEU	100.00%	****
Direct Holdings Holland B.V.	DHE	100.00%	3.19
Direct Holdings International B.V.	DHE	100.00%	****
Direct Holdings Switzerland GmbH	DHE	100.00%	****
Target Direct Marketing Services	DHE	100.00%	****
Direct Holdings (N.Z.) Pty Limited	DHS	100.00%	3.30
Direct Holdings Asia Pacific Pty Limited	DHS	100.00%	****
Direct Holdings Australia Pty Limited	DHS	100.00%	****
Shop Australia Pty Limited	DHS	100.00%	****
Direct Entertainment U.K. Limited	DUK	100.00%	(25.21)
Reader's Digest European Systems	ESL	100.00%	17.98
Reader's Digest Selecciones S.A.	ESP	100.00%	(2.01)
Sociedad Difusion Cultural, S.L.	ESP	99.50%	****
Reader's Digest European Shared Services B.V.	ESS	100.00%	1.40
Oy Valitut Palat-Reader's Digest Ab	FIN	100.00%	6.17
Selection du Reader's Digest S.A.	FRA	99.99%	(30.52)
Selection du Reader's Digest Assurances SARL	FRA	100.00%	****
The Reader's Digest Association Limited	GBR	100.00%	18.68
Fundraising For You Limited	GBR	100.00%	****
Money Magazine Limited	GBR	100.00%	****

¹ The entities as listed here have been sorted according to their "country code," for ease of reference with respect to the balance sheet and operations information scheduled on Exhibits B-1 and B-2.

² Net Book Value displayed as "****": The net book value for these entities is reported at the country code level. It would be unduly burdensome to prepare the net book value for each entity, as the general ledger is maintained in each country's local currency. These local currencies are then translated to U.S. Dollars at the aggregated level which we have reported.

Entities held by The Reader's Digest Association, Inc.	Country Code	% of Interest of the Estate	Net Book Value²
RD Publications Limited (Previously Berkeley Magazine Ltd.)	GBR	100.00%	****
Reader's Digest Financial Services Limited	GBR	100.00%	****
RD German Holdings GmbH	GHG	100.00%	99.64
Reader's Digest Hellas Publications Company Limited	GRE	99.00%	(0.11)
Asian Qualiproducts Services, Ltd.	HKG	100.00%	(4.94)
R.D. Properties, Ltd.	HKG	100.00%	****
Reader's Digest Association Far East Limited	HKG	100.00%	****
Reader's Digest (China) Direct Marketing Services Co., Ltd.	HKG	100.00%	****
Reader's Digest Global Advertising Ltd.	HOF	100.00%	(0.53)
Reader's Digest Kiado Korlatolt Felelossegu Tarsasag	HUN	100.00%	3.85
Reader's Digest Book and Home Entertainment (India) Private Limited	IND	100.00%	1.56
Libri e piu, S.r.l.	ITA	100.00%	(2.18)
The Reader's Digest Ltd.	JPN	100.00%	0.56
LLC Publisher Reader's Digest (KAZ)	KAZ	100.00%	1.05
Corporativo Reader's Digest Mexico S. de R.L. de C.V.	MEX	100.00%	1.55
Group Editorial Reader's Digest, S. de R.L. de C.V.	MEX	100.00%	****
Reader's Digest Mexico S.A. de C.V.	MEX	100.00%	****
Reader's Digest (Malaysia) Sdn. Bhd	MYA	100.00%	0.46
Pegasus Netherlands Services CV	NCV	100.00%	272.47
Distrimedia Services B.V.	NLD	100.00%	119.20
Uitgeversmaatschappij The Reader's Digest B.V.	NLD	100.00%	****
Reader's Digest Netherlands Holdings BV	NLH	100.00%	0.02
Reader's Digest Magazines Limited	NONE	100.00%	-
Reader's Digest (Philippines) Inc.	PHL	99.75%	0.02
Reader's Digest Przegląd Sp. z.o.o.	POL	100.00%	13.91
Reader's Digest (Guangzhou) Direct Mail Service Co. Ltd.	PRC	100.00%	0.07
Seleccoes do Reader's Digest (Portugal) S.A.	PRT	100.00%	(1.31)
Editura Reader's Digest SRL	ROM	100.00%	1.11
LLC Digest Direct	RUS	100.00%	30.54
JSC Publishing House Reader's Digest	RUS	100.00%	****
Reader's Digest Asia Pte. Ltd.	SGN	100.00%	9.90
Reader's Digest Asia, Ltd.	SGP	100.00%	0.86
Reader's Digest Vyber Slovensko, s.r.o.	SLO	100.00%	1.71
Reader's Digest AB (Aktiebolag)	SWE	100.00%	1.47
Reader's Digest (East Asia) Limited	TAI	100.00%	0.43
Reader's Digest (Thailand) Limited	THL	99.99%	1.11
Reader's Digest Secilmis Yayincilik Dagitim Pazarlama Ticaret Limited Sirketi	TUR	100.00%	(0.79)
LLC Publisher Reader's Digest (UKR)	UKR	100.00%	4.09
Reader's Digest World Services S.A.	WOS	100.00%	2.01

The basis for the valuation of each entity is the net book value calculated as total liabilities of each entity subtracted from its total assets as of June 30, 2009. The book balances for the assets and liabilities of each entity are maintained based on historic cost as adjusted in accordance with the requirements of U.S. generally accepted accounting principles.

Exhibit B-1

The Non-debtors of Reader's Digest Association				
Balance Sheets for the Year Ended June 30, 2009				
Unaudited				
<i>In millions</i>	June 30,	June 30,	June 30,	June 30,
	2009	2009	2009	2009
<i>Country Code</i>	AUT	BEL	BUL	CHE
Assets				
<i>Current assets</i>				
Cash and cash equivalents	\$ 0.2	\$ 0.0	\$ 0.9	\$ 2.6
Accounts receivable, net	-	-	1.3	3.4
Inventories	-	-	1.4	0.5
Prepaid and deferred promotion costs	-	-	0.5	1.8
Prepaid expenses and other current assets	0.0	0.0	1.1	0.4
Intercompany receivables-current	0.1	1.3	(1.5)	(1.2)
Total current assets	\$ 0.3	\$ 1.4	\$ 3.7	\$ 7.5
Property, plant and equipment, net	0.0	-	0.0	0.0
Goodwill	0.6	-	-	45.9
Other intangible assets, net	-	-	-	-
Prepaid pension assets	-	-	-	-
Intercompany receivables-non-current	-	-	-	7.8
Other noncurrent assets	-	-	0.1	0.0
Total assets	\$ 0.9	\$ 1.4	\$ 3.8	\$ 61.3
Liabilities and stockholder's equity				
<i>Current liabilities</i>				
Short-term debt	\$ -	\$ -	\$ -	\$ -
Accounts payable	0.0	-	1.3	2.0
Accrued expenses	0.0	0.0	0.2	2.2
Income taxes payable	0.0	-	0.0	0.1
Unearned revenues	-	-	-	3.0
Other current liabilities	-	-	-	0.3
Intercompany payables	-	-	-	5.5
Total current liabilities	0.0	0.0	1.5	13.0
Long-term debt	-	-	-	-
Unearned revenues	-	-	-	-
Accrued pension	-	-	-	-
Postretirement and postemployment benefits other than pensions	-	-	-	-
Other noncurrent liabilities	0.0	-	1.1	-
Total liabilities	\$ 0.1	\$ 0.0	\$ 2.6	\$ 13.0
Total stockholder's equity (deficit)	0.8	1.4	1.1	48.3
Total liabilities and stockholder's equity (deficit)	\$ 0.9	\$ 1.4	\$ 3.8	\$ 61.3

Exhibit B-1

The Non-debtors of Reader's Digest Association					
Balance Sheets for the Year Ended June 30, 2009					
Unaudited					
<i>In millions</i>	June 30, 2009	June 30, 2009	June 30, 2009	June 30, 2009	June 30, 2009
<i>Country Code</i>	CPL	CSK	DEU	DHE	DUK
Assets					
<i>Current assets</i>					
Cash and cash equivalents	\$ (3.6)	\$ 7.0	\$ 48.1	\$ (12.3)	\$ (3.5)
Accounts receivable, net	1.3	5.3	14.1	0.2	-
Inventories	0.9	1.9	7.8	-	-
Prepaid and deferred promotion costs	-	1.1	12.3	(0.0)	-
Prepaid expenses and other current assets	0.1	5.1	6.8	0.4	0.0
Intercompany receivables-current	0.2	0.2	(8.8)	19.4	(21.3)
Total current assets	\$ (1.2)	\$ 20.5	\$ 80.2	\$ 7.7	\$ (24.8)
Property, plant and equipment, net	0.0	0.2	0.8	0.0	0.0
Goodwill	0.0	(0.0)	138.9	-	-
Other intangible assets, net	-	-	-	-	-
Prepaid pension assets	-	-	-	-	-
Intercompany receivables-non-current	-	16.2	-	-	-
Other noncurrent assets	0.0	2.0	1.8	0.3	-
Total assets	\$ (1.1)	\$ 39.0	\$ 221.7	\$ 8.0	\$ (24.8)
Liabilities and stockholder's equity					
<i>Current liabilities</i>					
Short-term debt	\$ -	\$ -	\$ 2.0	\$ -	\$ -
Accounts payable	0.6	5.9	20.2	3.0	(0.0)
Accrued expenses	1.2	1.8	17.8	1.3	0.4
Income taxes payable	(0.0)	0.0	0.2	0.0	(0.0)
Unearned revenues	0.3	2.3	11.5	0.0	-
Other current liabilities	0.0	(0.0)	1.5	-	0.0
Intercompany payables	-	-	-	0.0	-
Total current liabilities	2.1	10.0	53.3	4.4	0.4
Long-term debt	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Accrued pension	-	-	0.0	-	-
Postretirement and postemployment benefits other than pensions	-	-	-	-	-
Other noncurrent liabilities	-	-	-	0.4	-
Total liabilities	\$ 2.1	\$ 10.0	\$ 53.3	\$ 4.8	\$ 0.4
Total stockholder's equity (deficit)	(3.3)	29.0	168.4	3.2	(25.2)
Total liabilities and stockholder's equity (deficit)	\$ (1.1)	\$ 39.0	\$ 221.7	\$ 8.0	\$ (24.8)

Exhibit B-1

The Non-debtors of Reader's Digest Association			
Balance Sheets for the Year Ended June 30, 2009			
Unaudited			
<i>In millions</i>	June 30,	June 30,	June 30,
	2009	2009	2009
<i>Country Code</i>	ESL	ESP	ESS
Assets			
<i>Current assets</i>			
Cash and cash equivalents	\$ 16.5	\$ (1.1)	\$ 1.6
Accounts receivable, net	-	0.1	-
Inventories	-	0.0	-
Prepaid and deferred promotion costs	-	0.0	-
Prepaid expenses and other current assets	0.0	0.3	0.1
Intercompany receivables-current	2.8	0.0	1.7
Total current assets	\$ 19.3	\$ (0.7)	\$ 3.4
Property, plant and equipment, net	0.0	0.0	0.0
Goodwill	-	(0.0)	-
Other intangible assets, net	-	-	-
Prepaid pension assets	-	-	-
Intercompany receivables-non-current	-	-	0.2
Other noncurrent assets	0.2	0.8	-
Total assets	\$ 19.5	\$ 0.1	\$ 3.6
Liabilities and stockholder's equity			
<i>Current liabilities</i>			
Short-term debt	\$ -	\$ -	\$ -
Accounts payable	0.1	0.4	0.3
Accrued expenses	1.3	0.1	0.6
Income taxes payable	0.2	(0.0)	0.0
Unearned revenues	-	0.7	-
Other current liabilities	-	-	-
Intercompany payables	-	(0.0)	1.4
Total current liabilities	1.6	1.2	2.2
Long-term debt	-	-	-
Unearned revenues	-	-	-
Accrued pension	-	-	-
Postretirement and postemployment benefits other than pensions	-	-	-
Other noncurrent liabilities	-	0.8	-
Total liabilities	\$ 1.6	\$ 2.1	\$ 2.2
Total stockholder's equity (deficit)	18.0	(2.0)	1.4
Total liabilities and stockholder's equity (deficit)	\$ 19.5	\$ 0.1	\$ 3.6

Exhibit B-1

The Non-debtors of Reader's Digest Association				
Balance Sheets for the Year Ended June 30, 2009				
Unaudited				
<i>In millions</i>	June 30,	June 30,	June 30,	June 30,
	2009	2009	2009	2009
<i>Country Code</i>	FIN	FRA	GBR	GRE
Assets				
<i>Current assets</i>				
Cash and cash equivalents	\$ 15.0	\$ (45.7)	\$ 3.3	\$ 0.0
Accounts receivable, net	2.6	9.6	8.5	-
Inventories	0.5	2.6	1.9	-
Prepaid and deferred promotion costs	0.6	2.5	5.7	-
Prepaid expenses and other current assets	2.8	3.2	4.2	-
Intercompany receivables-current	(2.7)	(5.4)	1.5	(0.1)
Total current assets	\$ 18.9	\$ (33.3)	\$ 25.1	\$ (0.1)
Property, plant and equipment, net	0.5	2.5	12.9	-
Goodwill	(0.0)	-	-	-
Other intangible assets, net	-	-	0.4	-
Prepaid pension assets	-	-	-	-
Intercompany receivables-non-current	0.8	28.1	27.2	-
Other noncurrent assets	0.5	0.3	32.3	-
Total assets	\$ 20.7	\$ (2.3)	\$ 97.9	\$ (0.1)
Liabilities and stockholder's equity				
<i>Current liabilities</i>				
Short-term debt	\$ -	\$ (0.0)	\$ -	\$ -
Accounts payable	4.6	13.0	15.8	-
Accrued expenses	2.7	7.4	18.4	0.0
Income taxes payable	0.0	(0.0)	(0.0)	-
Unearned revenues	5.0	4.4	8.1	-
Other current liabilities	0.5	-	0.0	-
Intercompany payables	-	-	-	-
Total current liabilities	12.8	24.8	42.3	0.0
Long-term debt	-	-	-	-
Unearned revenues	0.1	-	(0.0)	-
Accrued pension	-	2.8	36.8	-
Postretirement and postemployment benefits other than pensions	-	-	-	-
Other noncurrent liabilities	1.6	0.5	0.0	-
Total liabilities	\$ 14.5	\$ 28.2	\$ 79.2	\$ 0.0
Total stockholder's equity (deficit)	6.2	(30.5)	18.7	(0.1)
Total liabilities and stockholder's equity (deficit)	\$ 20.7	\$ (2.3)	\$ 97.9	\$ (0.1)

Exhibit B-1

The Non-debtors of Reader's Digest Association					
Balance Sheets for the Year Ended June 30, 2009					
Unaudited					
<i>In millions</i>	June 30, 2009	June 30, 2009	June 30, 2009	June 30, 2009	June 30, 2009
<i>Country Code</i>	HUN	ITA	KAZ	NLD	POL
Assets					
<i>Current assets</i>					
Cash and cash equivalents	\$ 1.7	\$ -	\$ 0.7	\$ (1.6)	\$ (1.1)
Accounts receivable, net	5.9	-	0.1	4.7	6.9
Inventories	1.0	-	0.5	1.0	3.5
Prepaid and deferred promotion costs	0.6	-	0.0	1.4	1.6
Prepaid expenses and other current assets	1.3	-	0.2	1.3	3.9
Intercompany receivables-current	(0.5)	-	-	(3.2)	(0.9)
Total current assets	\$ 10.0	\$ -	\$ 1.4	\$ 3.6	\$ 13.9
Property, plant and equipment, net	0.4	-	0.0	1.0	0.4
Goodwill	-	-	-	0.0	-
Other intangible assets, net	-	-	-	(0.0)	-
Prepaid pension assets	-	-	-	-	-
Intercompany receivables-non-current	-	-	-	-	8.8
Other noncurrent assets	0.1	-	-	149.2	0.9
Total assets	\$ 10.5	\$ -	\$ 1.5	\$ 153.8	\$ 23.9
Liabilities and stockholder's equity					
<i>Current liabilities</i>					
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	3.3	-	0.1	7.4	5.7
Accrued expenses	1.4	-	0.1	2.4	2.2
Income taxes payable	(0.0)	-	(0.0)	0.0	0.0
Unearned revenues	2.0	-	-	4.2	1.8
Other current liabilities	(0.0)	-	-	-	0.1
Intercompany payables	-	-	0.2	16.4	0.0
Total current liabilities	6.6	-	0.4	30.4	9.8
Long-term debt	-	-	-	-	-
Unearned revenues	-	-	-	0.0	0.2
Accrued pension	-	-	-	4.1	-
Postretirement and postemployment benefits other than pensions	-	-	-	-	-
Other noncurrent liabilities	0.0	2.2	-	0.1	-
Total liabilities	\$ 6.6	\$ 2.2	\$ 0.4	\$ 34.6	\$ 10.0
Total stockholder's equity (deficit)	3.8	(2.2)	1.0	119.2	13.9
Total liabilities and stockholder's equity (deficit)	\$ 10.5	\$ -	\$ 1.5	\$ 153.8	\$ 23.9

Exhibit B-1

The Non-debtors of Reader's Digest Association					
Balance Sheets for the Year Ended June 30, 2009					
Unaudited					
<i>In millions</i>	June 30, 2009	June 30, 2009	June 30, 2009	June 30, 2009	June 30, 2009
<i>Country Code</i>	PRT	ROM	RUS	SLO	SWE
Assets					
<i>Current assets</i>					
Cash and cash equivalents	\$ 2.8	\$ 1.6	\$ 5.2	\$ 2.2	\$ 0.8
Accounts receivable, net	1.8	2.7	7.2	1.1	0.6
Inventories	0.2	0.9	6.7	0.6	0.1
Prepaid and deferred promotion costs	0.5	1.0	1.3	0.4	0.1
Prepaid expenses and other current assets	0.5	0.7	6.6	0.1	0.3
Intercompany receivables-current	(1.5)	(1.0)	6.0	(0.1)	(0.2)
Total current assets	\$ 4.2	\$ 5.9	\$ 32.9	\$ 4.3	\$ 1.6
Property, plant and equipment, net	0.2	0.2	0.2	0.0	0.0
Goodwill	-	-	-	-	-
Other intangible assets, net	-	-	-	-	-
Prepaid pension assets	-	-	-	-	-
Intercompany receivables-non-current	-	-	-	-	-
Other noncurrent assets	0.0	0.5	4.5	0.0	1.4
Total assets	\$ 4.4	\$ 6.6	\$ 37.7	\$ 4.3	\$ 3.0
Liabilities and stockholder's equity					
<i>Current liabilities</i>					
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	2.7	3.2	2.9	1.3	0.6
Accrued expenses	1.3	1.0	1.1	0.2	0.2
Income taxes payable	0.0	(0.0)	0.5	0.0	-
Unearned revenues	1.6	0.5	2.1	0.2	0.7
Other current liabilities	0.0	-	-	-	-
Intercompany payables	-	-	0.6	-	-
Total current liabilities	5.7	4.7	7.1	1.7	1.5
Long-term debt	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Accrued pension	-	-	-	-	-
Postretirement and postemployment benefits other than pensions	-	-	-	-	-
Other noncurrent liabilities	-	0.8	0.0	0.9	-
Total liabilities	\$ 5.7	\$ 5.5	\$ 7.1	\$ 2.6	\$ 1.5
Total stockholder's equity (deficit)	(1.3)	1.1	30.5	1.7	1.5
Total liabilities and stockholder's equity (deficit)	\$ 4.4	\$ 6.6	\$ 37.7	\$ 4.3	\$ 3.0

Exhibit B-1

The Non-debtors of Reader's Digest Association					
Balance Sheets for the Year Ended June 30, 2009					
Unaudited					
<i>In millions</i>	June 30, 2009	June 30, 2009	June 30, 2009	June 30, 2009	June 30, 2009
<i>Country Code</i>	TUR	UKR	WOS	NCV	GHG
Assets					
<i>Current assets</i>					
Cash and cash equivalents	\$ 0.7	\$ 1.0	\$ 3.2	\$ 0.0	\$ 0.7
Accounts receivable, net	(0.2)	0.6	0.0	-	-
Inventories	-	1.4	-	-	-
Prepaid and deferred promotion costs	-	0.2	-	-	-
Prepaid expenses and other current assets	0.3	0.4	0.0	-	4.7
Intercompany receivables-current	(1.0)	0.0	0.8	130.7	5.5
Total current assets	\$ (0.3)	\$ 3.6	\$ 4.0	\$ 130.8	\$ 10.9
Property, plant and equipment, net	0.0	0.1	0.0	-	-
Goodwill	-	-	-	-	-
Other intangible assets, net	-	-	-	-	-
Prepaid pension assets	-	-	-	-	-
Intercompany receivables-non-current	-	-	-	-	-
Other noncurrent assets	-	1.0	-	141.7	193.9
Total assets	\$ (0.3)	\$ 4.7	\$ 4.0	\$ 272.5	\$ 204.8
Liabilities and stockholder's equity					
<i>Current liabilities</i>					
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ 103.9
Accounts payable	0.2	0.2	0.1	-	0.9
Accrued expenses	0.2	0.1	0.1	-	0.4
Income taxes payable	0.0	0.0	(0.0)	-	-
Unearned revenues	-	-	-	-	-
Other current liabilities	-	0.0	-	-	-
Intercompany payables	-	0.2	-	-	-
Total current liabilities	0.5	0.6	0.2	-	105.1
Long-term debt	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Accrued pension	-	-	1.8	-	-
Postretirement and postemployment benefits other than pensions	-	-	-	-	-
Other noncurrent liabilities	-	0.0	-	-	-
Total liabilities	\$ 0.5	\$ 0.6	\$ 2.0	\$ -	\$ 105.1
Total stockholder's equity (deficit)	(0.8)	4.1	2.0	272.5	99.6
Total liabilities and stockholder's equity (deficit)	\$ (0.3)	\$ 4.7	\$ 4.0	\$ 272.5	\$ 204.8

Exhibit B-1

The Non-debtors of Reader's Digest Association					
Balance Sheets for the Year Ended June 30, 2009					
Unaudited					
<i>In millions</i>	June 30, 2009	June 30, 2009	June 30, 2009	June 30, 2009	June 30, 2009
<i>Country Code</i>	NLH	ARG	AUS	BRA	CAR
Assets					
<i>Current assets</i>					
Cash and cash equivalents	\$ 0.0	\$ 0.5	\$ 5.5	\$ 3.1	\$ 0.1
Accounts receivable, net	-	1.1	15.5	8.2	-
Inventories	-	0.4	4.4	2.0	-
Prepaid and deferred promotion costs	-	-	2.7	1.9	-
Prepaid expenses and other current assets	0.0	0.8	5.1	4.4	0.0
Intercompany receivables-current	-	(0.0)	0.7	0.2	-
Total current assets	\$ 0.0	\$ 2.8	\$ 34.0	\$ 19.8	\$ 0.1
Property, plant and equipment, net	-	0.3	1.7	0.4	-
Goodwill	-	-	0.9	-	-
Other intangible assets, net	-	-	0.3	-	-
Prepaid pension assets	-	-	-	-	-
Intercompany receivables-non-current	-	-	13.7	-	-
Other noncurrent assets	-	0.0	0.7	1.5	7.9
Total assets	\$ 0.0	\$ 3.1	\$ 51.3	\$ 21.7	\$ 8.0
Liabilities and stockholder's equity					
<i>Current liabilities</i>					
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	0.6	5.4	6.1	0.0
Accrued expenses	-	0.5	6.1	3.4	0.0
Income taxes payable	-	0.4	0.6	0.0	-
Unearned revenues	-	0.5	15.6	7.9	-
Other current liabilities	-	0.0	-	-	-
Intercompany payables	-	(0.0)	-	0.3	-
Total current liabilities	-	2.0	27.8	17.8	0.0
Long-term debt	-	-	-	-	-
Unearned revenues	-	-	0.3	-	-
Accrued pension	-	-	-	-	-
Postretirement and postemployment benefits other than pensions	-	-	-	-	-
Other noncurrent liabilities	-	-	0.2	(0.0)	-
Total liabilities	\$ -	\$ 2.0	\$ 28.4	\$ 17.8	\$ 0.0
Total stockholder's equity (deficit)	0.0	1.1	22.9	3.9	8.0
Total liabilities and stockholder's equity (deficit)	\$ 0.0	\$ 3.1	\$ 51.3	\$ 21.7	\$ 8.0

Exhibit B-1

The Non-debtors of Reader's Digest Association					
Balance Sheets for the Year Ended June 30, 2009					
Unaudited					
<i>In millions</i>	June 30, 2009	June 30, 2009	June 30, 2009	June 30, 2009	June 30, 2009
<i>Country Code</i>	CHN	DHS	HKG	HOF	IND
Assets					
<i>Current assets</i>					
Cash and cash equivalents	\$ 0.0	\$ 1.9	\$ 2.1	\$ -	\$ 0.8
Accounts receivable, net	0.5	1.2	0.9	-	0.9
Inventories	-	0.7	0.0	(2.5)	2.6
Prepaid and deferred promotion costs	-	0.1	0.0	-	0.1
Prepaid expenses and other current assets	0.2	2.6	1.0	-	0.9
Intercompany receivables-current	(4.8)	(0.6)	(6.8)	(0.7)	(0.8)
Total current assets	\$ (4.0)	\$ 5.9	\$ (2.8)	\$ (3.3)	\$ 4.6
Property, plant and equipment, net	0.1	0.2	0.1	-	0.1
Goodwill	-	-	-	-	-
Other intangible assets, net	-	-	0.0	-	-
Prepaid pension assets	-	-	-	-	-
Intercompany receivables-non-current	-	-	-	-	-
Other noncurrent assets	0.1	0.0	2.0	0.2	0.0
Total assets	\$ (3.8)	\$ 6.2	\$ (0.7)	\$ (3.1)	\$ 4.7
Liabilities and stockholder's equity					
<i>Current liabilities</i>					
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	0.3	0.6	0.2	(2.5)	2.9
Accrued expenses	0.6	2.3	1.6	-	0.3
Income taxes payable	-	0.0	0.6	-	(0.1)
Unearned revenues	0.0	0.0	1.8	-	-
Other current liabilities	-	-	-	-	-
Intercompany payables	-	-	-	-	-
Total current liabilities	0.9	2.9	4.3	(2.5)	3.1
Long-term debt	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Accrued pension	-	-	-	-	-
Postretirement and postemployment benefits other than pensions	-	-	-	-	-
Other noncurrent liabilities	-	0.0	-	-	-
Total liabilities	\$ 0.9	\$ 2.9	\$ 4.3	\$ (2.5)	\$ 3.1
Total stockholder's equity (deficit)	(4.7)	3.3	(4.9)	(0.5)	1.6
Total liabilities and stockholder's equity (deficit)	\$ (3.8)	\$ 6.2	\$ (0.7)	\$ (3.1)	\$ 4.7

Exhibit B-1

The Non-debtors of Reader's Digest Association					
Balance Sheets for the Year Ended June 30, 2009					
Unaudited					
<i>In millions</i>	June 30, 2009	June 30, 2009	June 30, 2009	June 30, 2009	June 30, 2009
<i>Country Code</i>	JPN	MEX	MYA	PHL	PRC
Assets					
<i>Current assets</i>					
Cash and cash equivalents	\$ 0.9	\$ 1.9	\$ 0.0	\$ 0.0	\$ 0.0
Accounts receivable, net	0.1	10.1	-	0.1	-
Inventories	-	0.9	-	-	-
Prepaid and deferred promotion costs	-	0.5	-	-	-
Prepaid expenses and other current assets	0.0	5.8	0.0	0.0	-
Intercompany receivables-current	(0.6)	(1.0)	0.4	(0.1)	0.0
Total current assets	\$ 0.4	\$ 18.2	\$ 0.5	\$ 0.0	\$ 0.1
Property, plant and equipment, net	0.0	0.4	0.0	0.0	(0.0)
Goodwill	-	-	-	-	-
Other intangible assets, net	-	-	-	-	-
Prepaid pension assets	-	0.1	-	-	-
Intercompany receivables-non-current	-	-	-	-	-
Other noncurrent assets	0.6	0.1	0.0	0.0	-
Total assets	\$ 1.1	\$ 18.8	\$ 0.5	\$ 0.0	\$ 0.1
Liabilities and stockholder's equity					
<i>Current liabilities</i>					
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ (0.0)
Accounts payable	0.0	3.9	-	0.0	-
Accrued expenses	0.1	2.0	0.0	0.0	0.0
Income taxes payable	0.0	0.0	0.0	0.0	-
Unearned revenues	-	9.1	-	-	-
Other current liabilities	-	0.3	-	-	-
Intercompany payables	-	2.0	-	-	-
Total current liabilities	0.1	17.2	0.0	0.0	0.0
Long-term debt	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Accrued pension	-	-	-	-	-
Postretirement and postemployment benefits other than pensions	-	-	-	-	-
Other noncurrent liabilities	0.4	0.0	-	-	-
Total liabilities	\$ 0.5	\$ 17.2	\$ 0.0	\$ 0.0	\$ 0.0
Total stockholder's equity (deficit)	0.6	1.5	0.5	0.0	0.1
Total liabilities and stockholder's equity (deficit)	\$ 1.1	\$ 18.8	\$ 0.5	\$ 0.0	\$ 0.1

Exhibit B-1

The Non-debtors of Reader's Digest Association					
Balance Sheets for the Year Ended June 30, 2009					
Unaudited					
<i>In millions</i>	June 30, 2009	June 30, 2009	June 30, 2009	June 30, 2009	June 30, 2009
<i>Country Code</i>	SGN	SGP	TAI	THL	CAN
Assets					
<i>Current assets</i>					
Cash and cash equivalents	\$ 1.3	\$ -	\$ 0.6	\$ 0.8	\$ 4.4
Accounts receivable, net	6.2	-	0.9	1.0	20.4
Inventories	2.3	-	0.5	0.8	5.2
Prepaid and deferred promotion costs	0.9	-	0.1	0.2	3.7
Prepaid expenses and other current assets	1.4	0.0	0.0	0.4	3.7
Intercompany receivables-current	9.3	0.9	0.6	(0.2)	2.0
Total current assets	\$ 21.3	\$ 0.9	\$ 2.7	\$ 3.0	\$ 39.5
Property, plant and equipment, net	0.3	(0.0)	0.0	0.1	0.7
Goodwill	-	-	-	-	-
Other intangible assets, net	-	-	-	-	-
Prepaid pension assets	-	-	-	-	26.5
Intercompany receivables-non-current	-	-	-	-	-
Other noncurrent assets	0.3	0.0	0.1	0.0	1.2
Total assets	\$ 21.9	\$ 0.9	\$ 2.8	\$ 3.1	\$ 67.9
Liabilities and stockholder's equity					
<i>Current liabilities</i>					
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	2.7	-	0.4	0.6	12.7
Accrued expenses	3.9	-	0.2	0.2	3.5
Income taxes payable	0.6	(0.0)	-	0.3	0.2
Unearned revenues	4.8	-	1.8	0.8	20.8
Other current liabilities	-	-	0.0	-	1.3
Intercompany payables	-	-	-	-	130.7
Total current liabilities	12.0	(0.0)	2.4	2.0	169.2
Long-term debt	-	-	-	-	-
Unearned revenues	-	-	-	-	1.6
Accrued pension	-	-	-	-	0.9
Postretirement and postemployment benefits other than pensions	-	-	-	-	1.9
Other noncurrent liabilities	-	-	-	-	6.8
Total liabilities	\$ 12.0	\$ (0.0)	\$ 2.4	\$ 2.0	\$ 180.4
Total stockholder's equity (deficit)	9.9	0.9	0.4	1.1	(112.5)
Total liabilities and stockholder's equity (deficit)	\$ 21.9	\$ 0.9	\$ 2.8	\$ 3.1	\$ 67.9

Exhibit B-1

The Non-debtors of Reader's Digest Association		
Balance Sheets for the Year Ended June 30, 2009		
Unaudited		
<i>In millions</i>	June 30,	June 30,
	2009	2009
<i>Country Code</i>	CAC	CUL
Assets		
<i>Current assets</i>		
Cash and cash equivalents	\$ 0.6	\$ -
Accounts receivable, net	-	-
Inventories	-	-
Prepaid and deferred promotion costs	-	-
Prepaid expenses and other current assets	-	-
Intercompany receivables-current	145.8	-
Total current assets	\$ 146.4	\$ -
Property, plant and equipment, net	-	-
Goodwill	-	-
Other intangible assets, net	-	-
Prepaid pension assets	-	-
Intercompany receivables-non-current	-	-
Other noncurrent assets	66.2	-
Total assets	\$ 212.6	\$ -
Liabilities and stockholder's equity		
<i>Current liabilities</i>		
Short-term debt	\$ -	\$ -
Accounts payable	-	-
Accrued expenses	0.1	-
Income taxes payable	0.0	-
Unearned revenues	-	-
Other current liabilities	-	-
Intercompany payables	130.7	-
Total current liabilities	130.8	-
Long-term debt	-	-
Unearned revenues	-	-
Accrued pension	-	-
Postretirement and postemployment benefits other than pensions	-	-
Other noncurrent liabilities	-	-
Total liabilities	\$ 130.8	\$ -
Total stockholder's equity (deficit)	81.7	-
Total liabilities and stockholder's equity (deficit)	\$ 212.6	\$ -

Exhibit B-2

The Non-debtors of Reader's Digest Association Statement of Operations for the Six Months Ended June 30, 2009 Unaudited					
<i>In millions</i>					
<i>Country Code</i>	AUT	BEL	BUL	CHE	CPL
Revenues	\$ -	\$ -	\$ 4.6	\$ 12.9	\$ 2.9
Product, distribution and editorial expenses	(0.2)	0.0	(2.5)	(4.1)	(1.7)
Promotion, marketing and administrative expenses	0.2	(0.0)	(2.7)	(5.8)	(0.6)
Goodwill and intangible asset impairment	0.0	0.0	0.0	0.0	0.0
Other operating items, net	0.0	0.0	0.0	(0.2)	(0.0)
Operating income (loss)	0.0	(0.0)	(0.7)	2.8	0.6
Interest (expense)	0.0	0.0	0.0	(0.0)	(0.0)
Other (expense) income, net	0.0	0.0	(0.6)	(1.4)	0.0
Loss before (provision) benefit for income taxes and discontinued operations	0.0	(0.0)	(1.3)	1.3	0.6
Income tax benefit (provision)	0.0	0.0	(0.1)	0.3	0.0
Loss from continuing operations	0.0	(0.0)	(1.2)	1.1	0.6
Income (loss) from discontinued operations	0.0	0.0	0.0	0.0	0.0
Net (loss) income	\$ 0.0	\$ (0.0)	\$ (1.2)	\$ 1.1	\$ 0.6

Exhibit B-2

The Non-debtors of Reader's Digest Association					
Statement of Operations for the Six Months Ended June 30, 2009					
Unaudited					
<i>In millions</i>					
<i>Country Code</i>	CSK	DEU	DHE	DUK	ESL
Revenues	\$ 20.2	\$ 108.2	\$ 0.0	\$ -	\$ -
Product, distribution and editorial expenses	(6.4)	(41.1)	0.0	0.0	0.0
Promotion, marketing and administrative expenses	(8.8)	(50.1)	(0.0)	(0.0)	0.8
Goodwill and intangible asset impairment	0.0	0.0	0.0	0.0	0.0
Other operating items, net	(0.0)	(0.0)	0.0	(0.3)	(0.1)
Operating income (loss)	5.1	17.0	0.0	(0.3)	0.7
Interest (expense)	(0.0)	(0.0)	0.0	0.0	0.0
Other (expense) income, net	(1.5)	(14.1)	(0.2)	(0.0)	(0.1)
Loss before (provision) benefit for income taxes and discontinued operations	3.6	2.8	(0.1)	(0.3)	0.6
Income tax benefit (provision)	(1.0)	1.9	0.0	0.0	(0.3)
Loss from continuing operations	4.6	0.9	(0.1)	(0.3)	1.0
Income (loss) from discontinued operations	0.0	0.0	2.8	(4.1)	0.0
Net (loss) income	\$ 4.6	\$ 0.9	\$ 2.6	\$ (4.4)	\$ 1.0

Exhibit B-2

The Non-debtors of Reader's Digest Association					
Statement of Operations for the Six Months Ended June 30, 2009					
Unaudited					
<i>In millions</i>					
<i>Country Code</i>	ESP	ESS	FIN	FRA	GBR
Revenues	\$ 1.3	\$ -	\$ 19.3	\$ 43.8	\$ 59.0
Product, distribution and editorial expenses	(0.7)	0.0	(6.3)	(19.2)	(23.7)
Promotion, marketing and administrative expenses	(0.6)	(1.4)	(10.1)	(22.1)	(30.4)
Goodwill and intangible asset impairment	0.0	0.0	0.0	0.0	(3.6)
Other operating items, net	0.0	0.0	(0.1)	(0.0)	1.9
Operating income (loss)	(0.0)	(1.4)	2.7	2.5	3.3
Interest (expense)	(0.0)	(1.0)	(0.0)	(0.8)	(0.1)
Other (expense) income, net	(0.1)	5.0	(1.8)	(4.0)	3.5
Loss before (provision) benefit for income taxes and discontinued operations	(0.2)	2.6	0.9	(2.4)	6.7
Income tax benefit (provision)	(0.0)	0.0	0.2	0.0	14.6
Loss from continuing operations	(0.2)	2.6	0.7	(2.4)	(7.9)
Income (loss) from discontinued operations	0.0	0.0	0.0	0.0	0.0
Net (loss) income	\$ (0.2)	\$ 2.6	\$ 0.7	\$ (2.4)	\$ (7.9)

Exhibit B-2

The Non-debtors of Reader's Digest Association Statement of Operations for the Six Months Ended June 30, 2009 Unaudited					
<i>In millions</i>					
<i>Country Code</i>	GRE	HUN	ITA	KAZ	NLD
Revenues	\$ -	\$ 16.4	\$ -	\$ 1.0	\$ 21.2
Product, distribution and editorial expenses	0.0	(6.6)	0.0	(0.6)	(9.1)
Promotion, marketing and administrative expenses	0.0	(8.3)	0.0	(0.4)	(11.1)
Goodwill and intangible asset impairment	0.0	0.0	0.0	0.0	0.0
Other operating items, net	0.0	0.0	0.0	0.0	1.0
Operating income (loss)	0.0	1.5	0.0	0.1	1.9
Interest (expense)	0.0	(0.0)	0.0	0.0	(0.1)
Other (expense) income, net	(0.0)	(1.2)	0.0	(0.0)	(3.1)
Loss before (provision) benefit for income taxes and discontinued operations	(0.0)	0.3	0.0	0.1	(1.2)
Income tax benefit (provision)	0.0	0.2	0.0	0.1	1.2
Loss from continuing operations	(0.0)	0.1	0.0	(0.1)	(2.4)
Income (loss) from discontinued operations	0.0	0.0	0.0	0.0	0.0
Net (loss) income	\$ (0.0)	\$ 0.1	\$ -	\$ (0.1)	\$ (2.4)

Exhibit B-2

The Non-debtors of Reader's Digest Association					
Statement of Operations for the Six Months Ended June 30, 2009					
Unaudited					
<i>In millions</i>					
<i>Country Code</i>	POL	PRT	ROM	RUS	SLO
Revenues	\$ 22.0	\$ 6.8	\$ 8.8	\$ 29.1	\$ 5.0
Product, distribution and editorial expenses	(9.3)	(2.5)	(3.9)	(15.2)	(1.8)
Promotion, marketing and administrative expenses	(10.9)	(4.5)	(4.5)	(9.8)	(2.0)
Goodwill and intangible asset impairment	0.0	0.0	0.0	0.0	0.0
Other operating items, net	0.0	(0.0)	(0.0)	0.0	0.0
Operating income (loss)	1.8	(0.1)	0.4	4.0	1.2
Interest (expense)	(0.0)	(0.0)	0.0	0.0	(0.0)
Other (expense) income, net	(2.5)	(0.9)	(2.1)	(1.5)	(0.3)
Loss before (provision) benefit for income taxes and discontinued operations	(0.8)	(1.0)	(1.7)	2.5	0.8
Income tax benefit (provision)	(0.4)	0.0	(0.7)	1.4	0.0
Loss from continuing operations	(0.3)	(1.0)	(1.0)	1.1	0.8
Income (loss) from discontinued operations	0.0	0.0	0.0	0.0	0.0
Net (loss) income	\$ (0.3)	\$ (1.0)	\$ (1.0)	\$ 1.1	\$ 0.8

Exhibit B-2

The Non-debtors of Reader's Digest Association					
Statement of Operations for the Six Months Ended June 30, 2009					
Unaudited					
<i>In millions</i>					
<i>Country Code</i>	SWE	TUR	UKR	WOS	NCV
Revenues	\$ 3.0	\$ (0.0)	\$ 2.5	\$ -	\$ -
Product, distribution and editorial expenses	(1.5)	(0.0)	(1.3)	0.0	0.0
Promotion, marketing and administrative expenses	(1.5)	0.0	(1.7)	0.0	0.0
Goodwill and intangible asset impairment	0.0	0.0	0.0	0.0	0.0
Other operating items, net	0.0	(0.1)	0.0	0.0	0.0
Operating income (loss)	(0.0)	(0.1)	(0.5)	0.0	0.0
Interest (expense)	(0.0)	0.0	(0.0)	(0.0)	0.0
Other (expense) income, net	(0.4)	(0.0)	(0.2)	0.0	2.6
Loss before (provision) benefit for income taxes and discontinued operations	(0.4)	(0.1)	(0.7)	0.1	2.6
Income tax benefit (provision)	(0.1)	0.0	0.0	(0.0)	0.0
Loss from continuing operations	(0.3)	(0.1)	(0.7)	0.1	2.6
Income (loss) from discontinued operations	0.0	(2.0)	0.0	0.0	0.0
Net (loss) income	\$ (0.3)	\$ (2.2)	\$ (0.7)	\$ 0.1	\$ 2.6

Exhibit B-2

The Non-debtors of Reader's Digest Association					
Statement of Operations for the Six Months Ended June 30, 2009					
Unaudited					
<i>In millions</i>					
<i>Country Code</i>	GHG	NLH	ARG	AUS	BRA
Revenues	\$ -	\$ -	\$ 4.7	\$ 41.4	\$ 24.4
Product, distribution and editorial expenses	(0.0)	0.0	(2.0)	(19.9)	(8.1)
Promotion, marketing and administrative expenses	(0.0)	(0.0)	(2.2)	(17.9)	(13.2)
Goodwill and intangible asset impairment	0.0	0.0	0.0	0.0	0.0
Other operating items, net	0.0	0.0	(0.1)	(0.3)	(0.3)
Operating income (loss)	(0.0)	(0.0)	0.4	3.4	2.9
Interest (expense)	(1.9)	(0.0)	0.0	(0.0)	(0.1)
Other (expense) income, net	11.9	0.0	0.0	(2.4)	0.2
Loss before (provision) benefit for income taxes and discontinued operations	9.9	(0.0)	0.4	0.9	3.0
Income tax benefit (provision)	0.4	0.0	0.2	0.6	1.0
Loss from continuing operations	9.5	(0.0)	0.2	0.4	2.0
Income (loss) from discontinued operations	0.0	0.0	0.0	0.0	0.0
Net (loss) income	\$ 9.5	\$ (0.0)	\$ 0.2	\$ 0.4	\$ 2.0

Exhibit B-2

The Non-debtors of Reader's Digest Association					
Statement of Operations for the Six Months Ended June 30, 2009					
Unaudited					
<i>In millions</i>					
<i>Country Code</i>	CAR	CHN	DHS	HKG	HOF
Revenues	\$ -	\$ 0.6	\$ 7.5	\$ 4.3	\$ -
Product, distribution and editorial expenses	0.0	(0.6)	(3.9)	(1.6)	0.0
Promotion, marketing and administrative expenses	(0.0)	(1.3)	(3.1)	(2.8)	(0.2)
Goodwill and intangible asset impairment	0.0	0.0	0.0	0.0	0.0
Other operating items, net	0.0	0.0	0.0	(0.5)	0.0
Operating income (loss)	(0.0)	(1.4)	0.5	(0.5)	(0.2)
Interest (expense)	0.0	(0.0)	(0.1)	(0.0)	0.0
Other (expense) income, net	0.0	(0.0)	0.1	(2.8)	0.0
Loss before (provision) benefit for income taxes and discontinued operations	(0.0)	(1.4)	0.5	(3.3)	(0.2)
Income tax benefit (provision)	0.0	0.0	0.0	0.6	0.0
Loss from continuing operations	(0.0)	(1.4)	0.4	(3.9)	(0.2)
Income (loss) from discontinued operations	0.0	0.0	0.0	0.0	0.0
Net (loss) income	\$ (0.0)	\$ (1.4)	\$ 0.4	\$ (3.9)	\$ (0.2)

Exhibit B-2

The Non-debtors of Reader's Digest Association					
Statement of Operations for the Six Months Ended June 30, 2009					
Unaudited					
<i>In millions</i>					
<i>Country Code</i>	IND	JPN	MEX	MYA	PHL
Revenues	\$ 5.9	\$ -	\$ 10.5	\$ -	\$ -
Product, distribution and editorial expenses	(3.8)	0.0	(5.5)	0.1	0.1
Promotion, marketing and administrative expenses	(2.1)	(0.0)	(5.4)	(0.0)	(0.1)
Goodwill and intangible asset impairment	0.0	0.0	0.0	0.0	0.0
Other operating items, net	0.0	(0.0)	(0.4)	0.0	0.0
Operating income (loss)	(0.0)	(0.0)	(0.8)	0.0	0.0
Interest (expense)	0.0	0.0	0.0	0.0	0.0
Other (expense) income, net	(0.1)	(0.0)	(1.2)	0.0	(0.0)
Loss before (provision) benefit for income taxes and discontinued operations	(0.1)	(0.0)	(2.0)	0.0	0.0
Income tax benefit (provision)	(0.0)	(0.2)	(0.9)	0.0	0.0
Loss from continuing operations	(0.1)	0.2	(1.1)	0.0	0.0
Income (loss) from discontinued operations	0.0	0.0	0.0	0.0	0.0
Net (loss) income	\$ (0.1)	\$ 0.2	\$ (1.1)	\$ 0.0	\$ 0.0

Exhibit B-2

The Non-debtors of Reader's Digest Association			
Statement of Operations for the Six Months Ended June 30, 2009			
Unaudited			
<i>In millions</i>			
<i>Country Code</i>	PRC	SGN	SGP
Revenues	\$ -	\$ 16.8	\$ -
Product, distribution and editorial expenses	0.0	(4.1)	(0.0)
Promotion, marketing and administrative expenses	0.0	(8.2)	0.0
Goodwill and intangible asset impairment	0.0	0.0	0.0
Other operating items, net	0.0	(0.7)	0.0
Operating income (loss)	0.0	3.8	(0.0)
Interest (expense)	0.0	0.0	0.0
Other (expense) income, net	(0.0)	0.1	0.0
Loss before (provision) benefit for income taxes and discontinued operations	0.0	3.8	(0.0)
Income tax benefit (provision)	0.0	0.2	0.0
Loss from continuing operations	0.0	3.6	(0.0)
Income (loss) from discontinued operations	0.0	0.0	0.0
Net (loss) income	\$ 0.0	\$ 3.6	\$ (0.0)

Exhibit B-2

The Non-debtors of Reader's Digest Association Statement of Operations for the Six Months Ended June 30, 2009 Unaudited					
<i>In millions</i>					
<i>Country Code</i>	TAI	THL	CAN	CAC	CUL
Revenues	\$ 2.1	\$ 2.8	\$ 57.8	\$ -	\$ -
Product, distribution and editorial expenses	(1.3)	(1.1)	(21.9)	0.0	0.0
Promotion, marketing and administrative expenses	(0.9)	(0.9)	(25.0)	0.0	0.0
Goodwill and intangible asset impairment	0.0	0.0	(57.9)	0.0	0.0
Other operating items, net	0.0	(0.0)	51.6	0.0	0.0
Operating income (loss)	(0.1)	0.9	4.6	0.0	0.0
Interest (expense)	0.0	(0.0)	(0.0)	(0.0)	0.0
Other (expense) income, net	(0.0)	0.0	(4.8)	0.1	0.0
Loss before (provision) benefit for income taxes and discontinued operations	(0.1)	0.9	(0.2)	0.1	0.0
Income tax benefit (provision)	0.0	0.3	(0.0)	0.0	0.0
Loss from continuing operations	(0.1)	0.6	(0.2)	0.0	0.0
Income (loss) from discontinued operations	0.0	0.0	0.0	0.0	0.0
Net (loss) income	\$ (0.1)	\$ 0.6	\$ (0.2)	\$ 0.0	\$ -

Exhibit B-3

Notes to Exhibits B-1 and B-2

Periodic Report Regarding Value, Operations, and Profitability of Entities in Which the Estates of The Reader's Digest Association, Inc. et al Hold a Substantial or Controlling Interest

The financial statements contained in the Periodic Report are unaudited. While management of the Debtors and their affiliates has made every reasonable effort to ensure that these financial statements are accurate and complete based upon information that was available at the time of preparation, the subsequent receipt of information may result in material changes in the data contained in these financial statements, and inadvertent errors or omissions may exist. To the extent the Debtors discover additional information that may differ materially from the information set forth in the financial statements contained herein, the Debtors may amend, supplement or otherwise modify this Periodic Report to reflect such changes. Accordingly, the Debtors reserve all rights to amend, supplement or otherwise modify this Periodic Report as they deem necessary or appropriate.

1. Reservation of Rights. Nothing contained in this Periodic Report shall constitute a waiver of any of the Debtors' rights or an admission with respect to their chapter 11 cases including, but not limited to, matters involving objections to claims, substantive consolidation, equitable subordination, defenses, characterization or re-characterization of contracts, assumption or rejection of contracts under the provisions of chapter 3 of the Bankruptcy Code and/or causes of action under the provisions of chapter 5 of the Bankruptcy Code or any other relevant applicable laws to recover assets or avoid transfers.

2. Basis of Presentation. The accompanying unaudited financial information presented on Exhibits B-1 and B-2 represents the financial position and statements of operations (collectively, the "Financial Information") of the non-debtor entities in which The Reader's Digest Association, Inc. holds a substantial or controlling interest (the "Form 26 Reporting Entities").

The Financial Information has been assembled from the general ledgers of the Form 26 Reporting Entities. The Financial Information has generally been maintained in accordance with U.S. generally accepted accounting principles ("U.S. GAAP").

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual amounts and results could differ from those estimates.

The Financial Information contained herein was not intended to reconcile to any financial statements otherwise prepared or distributed by the Debtors or any of the Debtors' affiliates. Significant efforts have been put forth to attribute the assets and liabilities to the proper legal entity. However, because the Debtors' accounting systems, policies, and practices were developed with a view to producing consolidated reporting, rather than by legal entity, it is possible that not all assets or liabilities have been recorded in the books and records of the correct legal entity. Accordingly, the Debtors reserve all rights to supplement or amend any financial statements contained in this Periodic Report.

Moreover, given, among other things, the uncertainty surrounding the collection and ownership of certain assets and the valuation and nature of certain liabilities, to the extent that a non-debtor entity shows more assets than liabilities, this is not an admission that the non-debtor entity was solvent as of June 30, 2009, or at any time prior to that date. Likewise, to the extent that a non-debtor entity shows more liabilities than assets, this is not an admission that the non-debtor entity was insolvent as of June 30, 2009, or at any time prior to that date.

The accompanying Financial Information does not include all footnotes and certain financial presentations normally required by U.S. GAAP.

3. Current values. Unless otherwise indicated, the basis for all current values included in this Periodic Report was the net book value from relevant corporate books and records as of the close of business on June 30, 2009. The net book value as of June 30, 2009 may not reflect the current value of the respective assets. In particular, for amounts receivable by non-debtor entities from entities who are debtors in these proceedings, no consideration has been made as to whether the chapter 11 cases will result in the amount ultimately receivable being less than the amount stated in

the this Periodic Report. Additionally, interest on intercompany loans to Debtor entities are reflected at contractual amounts and not adjusted for the impact of the US Bankruptcy.

4. Restricted Cash. Cash and cash equivalents on the accompanying balance sheets includes both restricted and unrestricted cash and cash equivalents as of June 30, 2009.

For the reasons discussed above, the Debtors caution readers not to place undue reliance upon the information contained in this Periodic Report. For further information, please refer to the consolidated financial statements and footnotes thereto in the respective Annual Report on Form 10-K for the fiscal year ended June 30, 2008 for the Debtors' affiliates and other filings by such Debtors' affiliates with the Securities and Exchange Commission.

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Exhibit C
Description of Operations for Entities with a Substantial or Controlling Interest
held by The Reader's Digest Association, Inc.³

Entities held by The Reader's Digest Association, Inc.	Description of Business
1302791 Alberta ULC	Holding Company
3634116 Canada Inc.	Holding Company
Asian Qualiproducts Services, Ltd.	Shelf Corporation
Caribe Condor S.A. de C.V.	Holding Company
Corporativo Reader's Digest Mexico S. de R.L. de C.V.	Operating Subsidiary
Das Beste aus Reader's Digest AG	Operating Subsidiary
Direct Entertainment U.K. Limited	Operating Subsidiary
Direct Holdings (N.Z.) Pty Limited	Operating Subsidiary
Direct Holdings Asia Pacific Pty Limited	Holding Company
Direct Holdings Australia Pty Limited	Operating Subsidiary
Direct Holdings Holland B.V.	Operating Subsidiary
Direct Holdings International B.V.	Holding Company
Direct Holdings Switzerland GmbH	Operating Subsidiary
Distrimedia Services B.V.	Shelf Corporation
Editura Reader's Digest SRL	Operating Subsidiary
Fundraising For You Limited	Shelf Corporation
Group Editorial Reader's Digest, S. de R.L. de C.V.	Shelf Corporation
JSC Publishing House Reader's Digest	Operating Subsidiary
Libri e piu, S.r.l.	Shelf Corporation
LLC Digest Direct	Shelf Corporation
LLC Direct Digest	Shelf Corporation
LLC Publisher Reader's Digest (KAZ)	Operating Subsidiary
LLC Publisher Reader's Digest (UKR)	Operating Subsidiary
Money Magazine Limited	Shelf Corporation
Optimail Direktwerbeservice GmbH	Shelf Corporation
Oy Valitut Palat-Reader's Digest Ab	Operating Subsidiary
Pegasus Medien Produktions- und Vertriebsgesellschaft mbH	Shelf Corporation
Pegasus Netherlands Services CV	Holding Company
R.D. Properties, Ltd.	Shelf Corporation
RD German Holdings GmbH	Holding Company
RD Publications Limited (Previously Berkeley Magazine Ltd.)	Shelf Corporation
Reader's Digest (East Asia) Limited	Operating Subsidiary
Reader's Digest (Philippines) Inc.	Operating Subsidiary
Reader's Digest (Thailand) Limited	Operating Subsidiary
Reader's Digest AB (Aktiebolag)	Operating Subsidiary
Reader's Digest Argentina SRL	Operating Subsidiary
Reader's Digest Asia Pte. Ltd.	Operating Subsidiary
Reader's Digest Asia, Ltd.	Operating Subsidiary
Reader's Digest Association Far East Limited	Operating Subsidiary

³ As with the Debtors, the operations of each of the entities included in this Periodic Report all relate to 'Media and Marketing.'

Entities held by The Reader's Digest Association, Inc.	Description of Business
Reader's Digest Book and Home Entertainment (India) Private Limited	Operating Subsidiary
Reader's Digest Brasil Ltda.	Operating Subsidiary
Reader's Digest Children's Publishing Limited	Operating Subsidiary
Reader's Digest Deutschland Holding GmbH	Holding Company
Reader's Digest European Shared Services B.V.	Shared Services Company
Reader's Digest Hellas Publications Company Limited	No Information Available
Reader's Digest Kiado Korlatolt Felelossegu Tarsasag	Operating Subsidiary
Reader's Digest Magazines Limited	Operating Subsidiary
Reader's Digest Mexico S.A. de C.V.	Operating Subsidiary
Reader's Digest N.V.–S.A.	Shelf Corporation
Reader's Digest Przegląd Sp. z.o.o.	Operating Subsidiary
Reader's Digest Secilmis Yayincilik Dagitim Pazarlama Ticaret Limited Sirketi	Operating Subsidiary
Reader's Digest Selecciones S.A.	Operating Subsidiary
Reader's Digest Vyber s.r.o.	Operating Subsidiary
Reader's Digest World Services S.A.	Shelf Corporation
Reader's Digest (Australia) Pty. Ltd.	Operating Subsidiary
Reader's Digest (China) Direct Marketing Services Co., Ltd.	Shelf Corporation
Reader's Digest (Guangzhou) Direct Mail Service Co. Ltd.	Shelf Corporation
Reader's Digest (Malaysia) Sdn. Bhd	Operating Subsidiary
Reader's Digest (Shanghai) Advertising Co. Ltd.	Operating Subsidiary
Reader's Digest EOOD	Operating Subsidiary
Reader's Digest European Systems	Operating Subsidiary
Reader's Digest Financial Services Limited	Shelf Corporation
Reader's Digest Global Advertising Ltd.	Operating Subsidiary
Reader's Digest Netherlands Holdings BV	Holding Company
Reader's Digest Vyber Slovensko, s.r.o.	Operating Subsidiary
Seleccoos do Reader's Digest (Portugal) S.A.	Operating Subsidiary
Selection du Reader's Digest S.A.	Operating Subsidiary
Selection du Reader's Digest Assurances SARL	Operating Subsidiary
Shop Australia Pty Limited	Inactive
Sociedad Difusion Cultural, S.L.	Operating Subsidiary
Target Direct Marketing Services	Operating Subsidiary
The Reader's Digest Association (Canada) ULC	Operating Subsidiary
The Reader's Digest Association Limited	Operating Subsidiary
The Reader's Digest Association Pty Limited	Holding Company
The Reader's Digest Ltd.	Shelf Corporation
Uitgeversmaatschappij The Reader's Digest B.V.	Operating Subsidiary
Verlag Das Beste Ges GmbH	Operating Subsidiary
Verlag Das Beste GmbH	Operating Subsidiary