

Directors' Report

Overview

2008 was characterised by reduced economic activity and high input prices. This was especially evident during the first three quarters of the year as our production inputs – newsprint and ink, utilities, transportation and delivery services - recorded substantial price increases. The fourth quarter offered some reduction in utilities and transportation costs but this was nullified by the global economic crisis. The Gleaner has, as a result, experienced its worst financial performance during this quarter.

Impairment

Due to the international recession and declining cash flows from our intangible assets and in keeping with international financial reporting standards, the Company has provided fully against its intangible assets and inter-company loans in 2008. This expenditure is largely related to our investment in GV Media Group Limited, The Gleaner Company (Canada) Incorporated and The Gleaner Company (USA) Limited. [See note 11(b)]. These provisions are all non-cash transactions and make it unnecessary for the company to evaluate, in the future, assets which are susceptible to unpredictable impairment losses.

Employee Benefit Asset

Our 2008 reported losses were compounded by a small loss in employee benefit asset [See note 2 & 5(c)]. This is also a non cash transaction.

Gleaner Company Limited Employee Investment Trust

The Gleaner Company Limited Employee Investment Trust's loss was due to the fall in share price (See note 2 & 10).

Overseas Operations

The operational performance of your company's overseas subsidiaries showed improvement compared to last year. This was as a result of restructuring overheads and production cost bases. Both companies are now in a better position to handle the challenges of 2009. We continue to monitor them closely.

Income Statements

Though the group has recorded a loss of \$445M, our year-end balance sheet remains strong: net worth per share exceeds the current market value; net current assets are substantial; and total external borrowings amount to less than 0.5% of net worth. Our company is virtually debt free.

Looking Forward

When times are hard and may be getting harder, the prudent act is to become lean and efficient. Your company has already taken steps in early 2009 to reduce costs. Utilisation of a more efficient operating cost base throughout the Group and focus on waste reduction and conservation, will allow your company to create greater value for all stakeholders in this difficult economic climate. The strategic investments made in expanding print capacity and installing cutting-edge circulation technology in the local media business, will result in greater planning flexibility and efficient distribution.

Overseas, your company's subsidiaries should continue to improve in efficiency and maintain that all-important link with the diaspora.

Your Directors expect that the above actions, taken along with planned improvements and aggressive sales efforts, will translate into future shareholder value.

THE GLEANER COMPANY LIMITED
DECEMBER 31, 2008

Balance Sheets

	<u>NOTES</u>	<u>GROUP</u>		<u>COMPANY</u>	
		<u>2008</u> \$'000	<u>2007</u> \$'000	<u>2008</u> \$'000	<u>2007</u> \$'000
Assets					
Property, plant and equipment		914,383	833,240	687,895	611,160
Intangible assets		-	367,835	-	-
Employee benefit asset	5(c)	843,868	819,179	821,700	804,300
Long-term receivables		1,278	1,788	270	280
Interests in subsidiaries		-	-	17,132	17,132
Interests in associates		150	150	-	-
Investments		134,570	250,563	126,184	239,937
Deferred tax assets		<u>6,010</u>	<u>5,983</u>	<u>-</u>	<u>-</u>
Total non-current assets		<u>1,900,259</u>	<u>2,278,738</u>	<u>1,653,181</u>	<u>1,672,809</u>
Cash and cash equivalents		88,553	68,043	20,764	11,136
Securities purchased under agreements for resale		74,447	75,534	4,246	-
Trade and other receivables		598,609	752,523	640,103	1,264,873
Prepayments		35,742	34,250	28,890	22,505
Taxation recoverable		99,524	31,233	79,088	28,969
Inventories and goods-in-transit		<u>470,190</u>	<u>435,413</u>	<u>164,542</u>	<u>107,865</u>
Total current assets		<u>1,367,065</u>	<u>1,396,996</u>	<u>937,633</u>	<u>1,435,348</u>
Total Assets		<u>3,267,324</u>	<u>3,675,734</u>	<u>2,590,814</u>	<u>3,108,157</u>
Equity					
Share capital		605,622	605,622	605,622	605,622
Reserves		<u>1,407,376</u>	<u>1,791,689</u>	<u>1,067,379</u>	<u>1,614,698</u>
Total equity attributable to equity holders of the parent		2,012,998	2,397,311	1,673,001	2,220,320
Minority Interest		<u>31,119</u>	<u>27,171</u>	<u>-</u>	<u>-</u>
Total equity		<u>2,044,117</u>	<u>2,424,482</u>	<u>1,673,001</u>	<u>2,220,320</u>
Liabilities					
Long-term liabilities		44,636	74,180	13,410	17,530
Employee benefit obligation		89,100	71,300	89,100	71,300
Deferred tax liabilities		<u>337,624</u>	<u>388,274</u>	<u>313,601</u>	<u>367,310</u>
Total non-current liabilities		<u>471,360</u>	<u>533,754</u>	<u>416,111</u>	<u>456,140</u>
Bank overdraft		28,325	66,337	18,012	66,337
Trade and other payables		698,564	597,781	475,562	341,031
Taxation		2,572	10,768	-	-
Current portion of long-term liabilities		8,650	25,305	8,128	24,329
Deferred income		<u>13,736</u>	<u>17,307</u>	<u>-</u>	<u>-</u>
Total current liabilities		<u>751,847</u>	<u>717,498</u>	<u>501,702</u>	<u>431,697</u>
Total liabilities		<u>1,223,207</u>	<u>1,251,252</u>	<u>917,813</u>	<u>887,837</u>
Total equity and liabilities		<u>3,267,324</u>	<u>3,675,734</u>	<u>2,590,814</u>	<u>3,108,157</u>
Stockholders' fund per stock unit	9	1.68¢	2.00¢		

The accompanying notes form an integral part of the financial statements.

THE GLEANER COMPANY LIMITED
YEAR ENDED DECEMBER 31, 2008

Income Statements

	<u>NOTES</u>	<u>GROUP</u>		<u>COMPANY</u>	
		<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
		\$'000	\$'000	\$'000	\$'000
Revenue	5(a)	4,048,356	4,248,873	2,738,696	2,536,290
Cost of sales		<u>(2,364,970)</u>	<u>(2,488,752)</u>	<u>(1,434,173)</u>	<u>(1,320,337)</u>
Gross profit		1,683,386	1,760,121	1,304,523	1,215,953
Other operating income	5(b)	<u>144,411</u>	<u>321,163</u>	<u>126,956</u>	<u>139,307</u>
		<u>1,827,797</u>	<u>2,081,284</u>	<u>1,431,479</u>	<u>1,355,260</u>
Distribution costs		(637,670)	(568,628)	(515,619)	(430,115)
Administration expenses		(839,703)	(786,671)	(539,108)	(428,772)
Other operating expenses		(453,485)	(487,532)	(487,118)	(379,016)
Pension costs		<u>(885)</u>	<u>(1,957)</u>	<u>(97)</u>	<u>(367)</u>
		<u>(1,931,743)</u>	<u>(1,844,788)</u>	<u>(1,541,942)</u>	<u>(1,238,270)</u>
Employee benefit asset		<u>(400)</u>	<u>64,500</u>	<u>(400)</u>	<u>64,500</u>
(Loss)/profit from operations	5(c)	(104,346)	300,996	(110,863)	181,490
Finance income		31,515	24,612	48,734	36,385
Finance cost		<u>(11,821)</u>	<u>(25,194)</u>	<u>(26,435)</u>	<u>(15,469)</u>
Net finance (cost)/income		<u>19,694</u>	<u>(582)</u>	<u>22,299</u>	<u>20,916</u>
Impairment losses	11(b)	<u>(367,835)</u>	<u>(201,406)</u>	<u>(443,283)</u>	<u>-</u>
Subsidiaries in Administration/Liquidation	11(c)	<u>-</u>	<u>94,131</u>	<u>-</u>	<u>-</u>
(Loss)/profit before taxation	2, 3	(452,487)	193,139	(531,847)	202,406
Taxation credit/(charge)		<u>7,799</u>	<u>(94,935)</u>	<u>18,845</u>	<u>(50,857)</u>
(Loss)/profit for the year	4	<u>(444,688)</u>	<u>98,204</u>	<u>(513,002)</u>	<u>151,549</u>
Attributable to:					
Parent company stockholders		(450,139)	94,705		
Minority interest		<u>5,451</u>	<u>3,499</u>		
		<u>(444,688)</u>	<u>98,204</u>		
Dealt with in the financial statements of:					
Parent company		(513,002)	151,549		
Subsidiary companies		<u>62,863</u>	<u>(56,844)</u>		
		<u>(450,139)</u>	<u>94,705</u>		
(Loss)/earnings per stock unit:					
Based on stock units in issue	8	<u>(37.16¢)</u>	<u>7.82¢</u>		

The accompanying notes form an integral part of the financial statements.

THE GLEANER COMPANY LIMITED
YEAR ENDED DECEMBER 31, 2008

Company Statement of Changes in Equity

	Share Capital \$'000	Capital reserves \$'000	Fair value reserves \$'000	Retained profits \$'000	Total equity \$'000
Balances at December 31, 2006	605,622	336,296	74,698	1,028,866	2,045,482
Profit for the year	-	-	-	151,549	151,549 *
Dividends paid	-	-	-	(84,787)	(84,787)
Change in fair value of available-for-sale investments	-	-	48,020	-	48,020 *
Deferred tax on fair value of available-for-sale investments	-	-	(16,006)	-	(16,006)*
Gain on revaluation of land and buildings	-	66,593	-	-	66,593 *
Deferred tax on revalued land and buildings	-	<u>9,469</u>	-	-	<u>9,469</u> *
Balances at December 31, 2007	605,622	412,358	106,712	1,095,628	2,220,320
Loss for the year	-	-	-	(513,002)	(513,002)*
Dividends paid	-	-	-	(84,787)	(84,787)
Change in fair value of available-for-sale investments	-	-	(20,431)	-	(20,431)*
Fair value on shares disposed of during the year	-	-	(88,686)	-	(88,686)
Transfer of change in fair value of investment to profit/loss	-	-	10,770	-	10,770
Deferred tax on fair value of investments	-	-	48,788	-	48,788*
Gain on revaluation of land and buildings	-	113,953	-	-	113,953*
Deferred tax on revalued land and buildings	-	<u>(13,924)</u>	-	-	<u>(13,924)*</u>
Balances as at December 31, 2008	<u>605,622</u>	<u>512,387</u>	<u>57,153</u>	<u>497,839</u>	<u>1,673,001</u>

*Total losses recognised for the year amounted to \$384,616,000 (2007: gains of \$259,625,000).
The accompanying notes form an integral part of the financial statements.

THE GLEANER COMPANY LIMITED
YEAR ENDED DECEMBER 31, 2008

Group Statement of Changes in Equity

	Share capital	Capital reserves	Fair Value reserves	Reserve for own shares	Retained profits	Parent company stockholders equity	Minority interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balances at December 31, 2006	605,622	493,132	77,877	(169,506)	1,220,471	2,227,596	23,672	2,251,268
Profit for the year	-	-	-	-	94,705	94,705	3,499	98,204 *
Dividends paid	-	-	-	-	(79,645)	(79,645)	-	(79,645)
Change in fair value of available-for-sale investments	-	-	48,031	-	-	48,031	-	48,031 *
Deferred tax on available for sale investments	-	-	(16,006)	-	-	(16,006)	-	(16,006)*
Gain on revaluation of land and buildings	-	66,593	-	-	-	66,593	-	66,593 *
Deferred tax on revalued land and buildings	-	9,743	-	-	-	9,743	-	9,743 *
Fair value on shares disposed of during the year	-	-	(2,237)	-	-	(2,237)	-	(2,237)
Currency translation differences on foreign subsidiaries	-	29,400	-	-	-	29,400	-	29,400 *
Own shares acquired by The Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	(49,104)	-	(49,104)	-	(49,104)
Own shares sold by The Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	68,235	-	68,235	-	68,235
Balances at December 31, 2007	<u>605,622</u>	<u>598,868</u>	<u>107,665</u>	<u>(150,375)</u>	<u>1,235,531</u>	<u>2,397,311</u>	<u>27,171</u>	<u>2,424,482</u>
(Loss)/profit for the year	-	-	-	-	(450,139)	(450,139)	5,451	(444,688)*
Dividends paid	-	-	-	-	(79,671)	(79,671)	(1,503)	(81,174)
Change in fair value of investments	-	-	(20,536)	-	-	(20,536)	-	(20,536)*
Deferred tax on available for sale investments	-	-	48,788	-	-	48,788	-	48,788 *
Fair value on shares disposed of during the year	-	-	(88,686)	-	-	(88,686)	-	(88,686)
Transfer of change in fair value of investment to profit/loss	-	-	10,770	-	-	10,770	-	10,770
Gain on revaluation of land and buildings	-	138,250	-	-	-	138,250	-	138,250 *
Deferred tax on revalued land and buildings	-	(19,234)	-	-	-	(19,234)	-	(19,234)*
Currency translation differences on foreign subsidiaries	-	122,996	-	-	-	122,996	-	122,996 *
Own shares acquired by The Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	(97,095)	-	(97,095)	-	(97,095)
Own shares sold by The Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	50,244	-	50,244	-	50,244
Balances at December 31, 2008	<u>605,622</u>	<u>840,880</u>	<u>58,001</u>	<u>(197,226)</u>	<u>705,721</u>	<u>2,012,998</u>	<u>31,119</u>	<u>2,044,117</u>

* Total losses recognised for the year amounted to \$271,519,000 (2007: gains of \$235,965,000).
The accompanying notes form an integral part of the financial statements.

THE GLEANER COMPANY LIMITED
YEAR ENDED DECEMBER 31, 2008

Statement of Cash Flows

	<u>Group</u>		<u>Company</u>	
	<u>2008</u> \$'000	<u>2007</u> \$'000	<u>2008</u> \$'000	<u>2007</u> \$'000
Cash flows from operating activities				
(Loss)/profit attributable to stockholders	(450,139)	94,705	(513,002)	151,549
Adjustments for non-cash items	<u>481,366</u>	<u>149,247</u>	<u>389,061</u>	<u>46,379</u>
	31,227	243,952	(123,941)	197,928
Change in working capital	<u>127,524</u>	<u>(176,055)</u>	<u>173,185</u>	<u>(129,398)</u>
Net cash generated by operating activities	158,751	67,897	49,244	68,530
Net cash provided/(used) by investing activities	25,131	(43,462)	113,807	(13,691)
Net cash used by financing activities	<u>(125,360)</u>	<u>(43,169)</u>	<u>(105,098)</u>	<u>(101,447)</u>
Net increase/(decrease) in cash and cash equivalents	<u>58,522</u>	<u>(18,734)</u>	<u>57,953</u>	<u>(46,608)</u>
Cash and cash equivalents at beginning of the year	<u>1,706</u>	<u>20,440</u>	<u>(55,201)</u>	<u>(8,593)</u>
Cash and cash equivalents at end of the year	<u>60,228</u>	<u>1,706</u>	<u>2,752</u>	<u>(55,201)</u>
Comprised of:				
Cash and cash equivalents	88,553	68,043	20,764	11,136
Bank overdraft	<u>(28,325)</u>	<u>(66,337)</u>	<u>(18,012)</u>	<u>(66,337)</u>
	<u>60,228</u>	<u>1,706</u>	<u>2,752</u>	<u>(55,201)</u>

The accompanying notes form an integral part of the financial statements.

Notes to the Interim Financial Report

We hereby present the Report of the Group for the twelve months ended December 31, 2008.

1. Segment Reporting

Segment information is presented in respect of the Group's business. The primary format for the business segments is based on the Group's reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

The main business segments of the Group comprise:

	<u>2008</u>			
	<u>Media Service \$'000</u>	<u>Books and Stationery \$'000</u>	<u>Other \$'000</u>	<u>Total \$'000</u>
Revenue	3,207,223	802,059	39,074	4,048,356
Cost of Sales	(1,753,596)	(608,188)	(3,186)	(2,364,970)
Gross profit	1,453,627	193,871	35,888	1,683,386
Other operating income	<u>146,554</u>	<u>24,659</u>	<u>(26,802)</u>	<u>144,411</u>
	1,600,181	218,530	9,086	1,827,797
Expenses:				
Distribution costs	(538,377)	(99,293)	-	(637,670)
Administration expenses	(700,996)	(118,161)	(20,546)	(839,703)
Other operating expenses	<u>(453,485)</u>	<u>-</u>	<u>-</u>	<u>(453,485)</u>
	(1,692,858)	(217,454)	(20,546)	(1,930,858)
Pension costs	<u>(885)</u>	<u>-</u>	<u>-</u>	<u>(885)</u>
	(1,693,743)	(217,454)	(20,546)	(1,931,743)
Employee benefit asset	<u>(400)</u>	<u>-</u>	<u>-</u>	<u>(400)</u>
(Loss)/profit from operations	(93,962)	1,076	(11,460)	(104,346)
Net finance income/(costs)	18,784	(2,297)	3,207	19,694
Impairment losses	<u>(367,835)</u>	<u>-</u>	<u>-</u>	<u>(367,835)</u>
(Loss)/profit before taxation	(443,013)	(1,221)	(8,253)	(452,487)
Taxation credit/(charge)	<u>13,673</u>	<u>(1,087)</u>	<u>(4,787)</u>	<u>7,799</u>
Segment results	<u>(429,340)</u>	<u>(2,308)</u>	<u>(13,040)</u>	<u>(444,688)</u>
Minority interest				<u>(5,451)</u>
Net loss attributable to stockholders of the parent company				<u>(450,139)</u>
Segment assets	<u>2,665,001</u>	<u>550,170</u>	<u>52,153</u>	<u>3,267,324</u>
Segment liabilities	<u>979,309</u>	<u>191,134</u>	<u>52,764</u>	<u>1,223,207</u>
Capital expenditure	<u>7,964</u>	<u>-</u>	<u>-</u>	<u>7,964</u>
Depreciation and amortisation	<u>97,418</u>	<u>8,873</u>	<u>3,678</u>	<u>109,969</u>
Other non-cash items	<u>373,793</u>	<u>(11,186)</u>	<u>8,790</u>	<u>371,397</u>

Notes to the Interim Financial Report (cont'd)

1. Segment Reporting (cont'd)

	2007			
	Media Service \$'000	Books and Stationery \$'000	Other \$'000	Total \$'000
Revenue	3,253,808	963,477	31,588	4,248,873
Cost of Sales	<u>(1,752,068)</u>	<u>(730,192)</u>	<u>(6,492)</u>	<u>(2,488,752)</u>
Gross profit	1,501,740	233,285	25,096	1,760,121
Other operating income	<u>249,642</u>	<u>18,426</u>	<u>53,095</u>	<u>321,163</u>
	<u>1,751,382</u>	<u>251,711</u>	<u>78,191</u>	<u>2,081,284</u>
Expenses:				
Distribution costs	(477,490)	(91,138)	-	(568,628)
Administration expenses	(651,366)	(115,439)	(19,866)	(786,671)
Other operating expenses	<u>(487,532)</u>	<u>-</u>	<u>-</u>	<u>(487,532)</u>
	(1,616,388)	(206,577)	(19,866)	(1,842,831)
Pension costs	<u>(1,957)</u>	<u>-</u>	<u>-</u>	<u>(1,957)</u>
	(1,618,345)	(206,577)	(19,866)	(1,844,788)
Employee benefit asset	64,500	-	-	64,500
Profit from operations	197,537	45,134	58,325	300,996
Net finance income/(cost)	20,268	(124)	(20,726)	(582)
Impairment losses	201,406)	-	-	(201,406)
Subsidiaries in administration /liquidation	<u>94,131</u>	<u>-</u>	<u>-</u>	<u>94,131</u>
Profit before taxation	110,530	45,010	37,599	193,139
Taxation credit/(charge)	<u>(65,785)</u>	<u>(19,176)</u>	<u>(9,974)</u>	<u>(94,935)</u>
Segment results	44,745	25,834	27,625	98,204
Minority interest				(3,499)
Net profit attributable to stockholders of the parent company				<u>94,705</u>
Segment assets	<u>3,072,119</u>	<u>506,795</u>	<u>96,820</u>	<u>3,675,734</u>
Segment liabilities	<u>1,025,008</u>	<u>192,969</u>	<u>33,275</u>	<u>1,251,252</u>
Capital expenditure	<u>6,612</u>	<u>-</u>	<u>-</u>	<u>6,612</u>
Depreciation and amortisation	<u>90,017</u>	<u>7,253</u>	<u>4,955</u>	<u>102,225</u>
Other non-cash items	<u>84,928</u>	<u>28,996</u>	<u>3,884</u>	<u>117,808</u>

Notes to the Interim Financial Report (cont'd)

2. The Group trading profit (adjusted for impairment, profit on subsidiaries in administration/liquidation and employee benefit asset) was \$14.4M in 2008 (2007: \$195M).

Reconciliation of profit before taxation to trading profit: -

	<u>2008</u> \$M	<u>2007*</u> \$M
Trading profit	14.4	195.0
Employee benefit asset	(0.4)	65.0
Impairment losses	(368.0)	(201.0)
Gleaner Company Limited Employee Investment Trust	(26.0)	40.0
Profit on subsidiaries in administration/liquidation	-	94.0
Restructuring costs	(<u>72.0</u>)	<u>-</u>
(Loss)/profit before tax	<u>(452.0)</u>	<u>193.0</u>

3. Group financial accounts for the twelve months ended December 31, 2008 show, a loss before taxation of approximately \$452M (2007: profit - \$193M).
4. Group loss after taxation, for the twelve months of 2008 was approximately \$445M compared with a profit of approximately \$98M for the same period last year.
5. In comparing the financial statements for the twelve-month period ended December 31, 2008, with those of the previous year, the following should be noted: -
- a. Revenue decreased by approximately \$217M or 5% for the period. This arose mainly because of significant reduction in one of our subsidiary's contract to supply textbooks.
 - b. Other operating income of \$144M (2007: \$321M) decreased due mainly to foreign exchange loss on overseas assets and reduction in investment income.
 - c. Employee benefit asset loss, (\$0.4M) 2007: \$65M), usually represents a portion of the surplus in the parent company's pension scheme, which, in accordance with IAS 19, has been credited to the income statement. The surplus is, however, not realised profit as it represents future economic benefits to be derived from the reduction in the company's contribution to the pension scheme (See Balance Sheet asset of \$844M).
6. The Group financial statements for the twelve months ended December 31, 2008, include the Company's twelve (2007: twelve) subsidiaries – Associated Enterprise Limited, Popular Printers Limited, Sangster's Book Stores Limited, The Book Shop Limited, Gleaner Online Limited, Selectco Publications Limited, Independent Radio Company Limited, The Gleaner Company Limited Employee Investment Trust, Creek Investment Limited and overseas subsidiaries, The Gleaner Company (U.S.A.) Limited, The Gleaner Company (Canada) Incorporated, and GV Media Group Limited.
7. The revenue represents sales by the Group before commission payable but excluding returns.
8. The calculations of loss/earnings per stock unit are arrived at by dividing loss/profit after taxation attributable to parent company stockholders by 1,211,243,827 stock units which is the number of stock units in issue at the end of the year.
9. The calculations of stockholders' fund per stock unit for 2008 and 2007 are arrived at by dividing capital and reserves by 1,211,243,827 stock units (see 8 above).
10. Reserve for own shares is included in the financial statements by consolidation of The Gleaner Company Limited Employee Investment Trust (GCLEIT) as it is regarded as a Special Purpose Entity and is required to be consolidated under IFRS 2. The reserve comprises the cost of the company's shares held by the group through the GCLEIT.

Notes to the Interim Financial Report (cont'd)

11. Overseas Operations

- a. The operations of the Group's United Kingdom subsidiary have shown operational improvement during 2008.
- b. Impairment losses of \$368M represent the difference between the carrying value of the intangible assets and the present value of their estimated future cashflows. The intangible assets include patents and trademarks, newspaper titles and goodwill in G V Media Group Limited, and The Gleaner Company (Canada) Inc.
- c. In the prior year, this represented the accounting profit on disposal of subsidiary, Vee Tee Ay (Media Resources) Limited.

The Management of The Gleaner Company continues to pursue strategies and policies aimed at improving the overall profitability of the Group.

Dividend and Stock Prices

For 2008, your directors approved the payment of a 1st Interim Ordinary Dividend of 3.5 cents per stock unit payable to stockholders on record at March 20, 2008. Payment was made on April 2, 2008.

A 2nd Interim Ordinary Dividend of 3.5 cents per stock unit was paid on October 10, 2008 to stockholders on record at September 26 2008. No final dividend is recommended.

The Directors have declared 1st interim Dividend of 3.5 cents per stock unit which will be paid on April 23, 2009 to stockholders on record at April 9, 2009.

The Company's stock unit price on the Jamaica Stock Exchange closed the year at \$1.70 compared to the opening price at January 1, 2008 of \$4.20.

Libel Cases

The Company's lawyers advised that they are of the opinion that the provision made in the Company's accounts is a reasonable provision for the purpose of covering all reasonable and probable judgements and costs for existing libel actions against the Company.



Hon. O. F. Clarke, O.J.
Chairman and Managing Director



Christopher Barnes
Deputy Managing Director

March 25, 2009