

THE GLEANER COMPANY LIMITED
YEAR ENDED DECEMBER 31, 2010

Balance Sheets

	NOTES	GROUP		COMPANY	
		<u>2010</u> \$'000	<u>2009</u> \$'000	<u>2010</u> \$'000	<u>2009</u> \$'000
Assets:					
Property, plant and equipment		903,407	870,550	799,535	755,762
Intangible assets		7,638	8,616	7,638	8,616
Employee benefit asset	5(c)	-	782,900	-	782,900
Long-term receivables		42,910	70,947	42,035	70,058
Interests in subsidiaries		-	-	44,289	14,482
Interests in associates		150	150	-	-
Investments		228,171	137,064	223,547	124,393
Deferred tax assets		<u>9,335</u>	<u>13,696</u>	-	-
Total non-current assets		<u>1,191,611</u>	<u>1,883,923</u>	<u>1,117,044</u>	<u>1,756,211</u>
Cash and cash equivalents		125,936	70,923	70,814	14,192
Securities purchased under resale agreements		252,896	135,046	184,052	81,823
Trade and other receivables		556,147	819,450	567,433	837,211
Prepayments		32,050	34,339	31,544	33,396
Taxation recoverable		98,568	89,923	87,717	81,106
Inventories and goods-in-transit		88,063	132,028	79,136	126,506
Pension receivable	5(c)	<u>1,277,300</u>	-	<u>1,277,300</u>	-
Total current assets		<u>2,430,960</u>	<u>1,281,709</u>	<u>2,297,996</u>	<u>1,174,234</u>
Total assets		<u>3,622,571</u>	<u>3,165,632</u>	<u>3,415,040</u>	<u>2,930,445</u>
Equity:					
Share capital		605,622	605,622	605,622	605,622
Reserves		<u>1,851,333</u>	<u>1,417,546</u>	<u>1,829,833</u>	<u>1,419,666</u>
Total equity attributable to equity holders of the parent		2,456,955	2,023,168	2,435,455	2,025,288
Non-controlling interest	6(b)	-	<u>15,292</u>	-	-
Total equity		<u>2,456,955</u>	<u>2,038,460</u>	<u>2,435,455</u>	<u>2,025,288</u>
Liabilities:					
Long-term liabilities		40,534	40,105	10,292	9,295
Employee benefit obligation		120,900	96,200	120,900	96,200
Deferred tax liabilities		<u>506,501</u>	<u>312,353</u>	<u>506,182</u>	<u>312,005</u>
Total non-current liabilities		<u>667,935</u>	<u>448,658</u>	<u>637,374</u>	<u>417,500</u>
Bank overdraft		9,076	15,744	7,519	15,744
Trade and other payables		436,421	606,998	295,007	434,583
Taxation		197	4,681	-	-
Current portion of long-term liabilities		6,626	7,213	6,038	6,555
Deferred income		<u>45,361</u>	<u>43,878</u>	<u>33,647</u>	<u>30,775</u>
Total current liabilities		<u>497,681</u>	<u>678,514</u>	<u>342,211</u>	<u>487,657</u>
Total liabilities		<u>1,165,616</u>	<u>1,127,172</u>	<u>979,585</u>	<u>905,157</u>
Total equity and liabilities		<u>3,622,571</u>	<u>3,165,632</u>	<u>3,415,040</u>	<u>2,930,445</u>

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

THE GLEANER COMPANY LIMITED
YEAR ENDED DECEMBER 31, 2010

Income Statements

	NOTES	GROUP		COMPANY	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Continuing operations					
Revenue	7, 5(a)	3,187,725	3,274,179	2,679,201	2,703,373
Cost of sales		(1,704,122)	(1,620,797)	(1,418,114)	(1,392,444)
Gross profit		1,483,603	1,653,382	1,261,087	1,310,929
Other operating income	5(b)	<u>210,029</u>	<u>176,513</u>	<u>265,042</u>	<u>231,289</u>
		<u>1,693,632</u>	<u>1,829,895</u>	<u>1,526,129</u>	<u>1,542,218</u>
Distribution costs		(473,595)	(538,757)	(450,650)	(510,159)
Administrative expenses		(583,054)	(708,728)	(464,559)	(530,822)
Other operating expenses		(511,616)	(538,646)	(501,458)	(508,656)
Pension costs		(4,188)	(93)	(2,676)	(93)
		<u>(1,572,453)</u>	<u>(1,786,224)</u>	<u>(1,419,343)</u>	<u>(1,549,730)</u>
Gain on disposal of subsidiary		-	-	-	351,317
Pension Income/Employee benefit asset	5(c)	494,400	(39,000)	494,400	(39,000)
Employee benefit obligation		(26,200)	(8,900)	(26,200)	(8,900)
	9	<u>468,200</u>	<u>(47,900)</u>	<u>468,200</u>	<u>(47,900)</u>
Profit/(loss) from continuing operations		<u>589,379</u>	<u>(4,229)</u>	<u>574,986</u>	<u>295,905</u>
Finance income		39,785	19,665	35,682	42,704
Finance cost		(8,629)	(13,614)	(8,790)	(10,113)
Net finance income		<u>31,156</u>	<u>6,051</u>	<u>26,892</u>	<u>32,591</u>
Profit from continuing operations before taxation (charge)/credit	4	620,535	1,822	601,878	328,496
Taxation (charge)/credit		(189,836)	158,552	(185,504)	153,853
Profit from continuing operations		430,699	160,374	416,374	482,349
Discontinued operations					
Profit from discontinued operation (net of taxation)		-	47,806	-	-
Profit for the year	3	<u>430,699</u>	<u>208,180</u>	<u>416,374</u>	<u>482,349</u>
Attributable to:					
Parent company stockholders		431,845	224,007		
Non-controlling interest		(1,146)	(15,827)		
		<u>430,699</u>	<u>208,180</u>		
Dealt with in the financial statements of:					
Parent company		416,374	482,349		
Subsidiary companies		15,471	(258,342)		
		<u>431,845</u>	<u>224,007</u>		
Earnings per stock unit:					
Based on stock units in issue	8	<u>35.65¢</u>	<u>18.49¢</u>		
Excluding stock units in GCLEIT		<u>37.56¢</u>	<u>19.61¢</u>		
Earnings per stock unit from continuing operations:					
Based on stock units in issue	8	<u>35.65¢</u>	<u>14.55¢</u>		
Excluding stock units in GCLEIT		<u>37.56¢</u>	<u>15.43¢</u>		

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

THE GLEANER COMPANY LIMITED
YEAR ENDED DECEMBER 31, 2010

Group Statement of Comprehensive Income

	<u>2010</u> \$'000	<u>2009</u> \$'000
Profit for the year	<u>430,699</u>	<u>208,180</u>
Other comprehensive income/(expense):		
Change in fair value of available-for-sale investments	13,250	4,081
Surplus on revaluation of land and buildings	69,980	100,873
Currency translation differences on foreign subsidiaries	9,733	(99,653)
Taxation on other comprehensive income/(expense)	(8,673)	(162,174)
Other comprehensive income/(expense) for the year, net of taxation	<u>84,290</u>	<u>(156,873)</u>
Total comprehensive income for the year	<u>514,989</u>	<u>51,307</u>
Dealt with in the financial statements of:		
Parent company	489,823	418,905
Subsidiary companies	<u>25,166</u>	<u>(367,598)</u>
	<u>514,989</u>	<u>51,307</u>

THE GLEANER COMPANY LIMITED
YEAR ENDED DECEMBER 31, 2010

Company Statement of Comprehensive Income

	<u>2010</u> \$'000	<u>2009</u> \$'000
Profit for the year	<u>416,374</u>	<u>482,349</u>
Other comprehensive income/(expense):		
Change in fair value of available-for-sale investments	12,142	4,023
Surplus on revaluation of land and buildings	69,980	84,790
Taxation on other comprehensive income	(8,673)	(152,257)
Other comprehensive income/(expense) for the year, net of taxation	<u>73,449</u>	(63,444)
Total comprehensive income for the year	<u>489,823</u>	<u>418,905</u>

THE GLEANER COMPANY LIMITED
YEAR ENDED DECEMBER 31, 2010

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Group Statement of Changes in Equity

	<u>Share capital</u> <u>\$'000</u>	<u>Capital reserves</u> <u>\$'000</u>	<u>Fair Value reserves</u> <u>\$'000</u>	<u>Reserve for own shares</u> <u>\$'000</u>	<u>Retained profits</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>	<u>Non-controlling interest</u> <u>\$'000</u>	<u>Total equity</u> <u>\$'000</u>
Balances at January 1, 2008	605,622	840,880	58,001	(197,226)	705,721	2,012,998	31,119	2,044,117
Total comprehensive income/(expense) for the year								
Profit/(loss) for the year	-	-	-	-	224,007	224,007	(15,827)	208,180
Other comprehensive income/(expense) for the year:								
Change in fair value of investments	-	-	(52,109)	-	-	(52,109)	-	(52,109)
Surplus on revaluation of land and buildings	-	(5,111)	-	-	-	(5,111)	-	(5,111)
Currency translation differences on foreign subsidiaries	-	(99,653)	-	-	-	(99,653)	-	(99,653)
Other comprehensive expense for the year, net of taxation	-	(104,764)	(52,109)	-	-	(156,873)	-	(156,873)
Total comprehensive income/(expense) for the year	-	(104,764)	(52,109)	-	224,007	67,134	(15,827)	51,307
Transactions with owners, recorded directly in equity								
Dividends	-	-	-	-	(62,768)	(62,768)	-	(62,768)
Own shares sold by Gleaner Company Limited								
Employee Investment Trust (GCLEIT)	-	-	-	5,804	-	5,804	-	5,804
Total distributions to owners	-	-	-	5,804	(62,768)	(56,964)	-	(56,964)
Balances at December 31, 2009	605,622	736,116	5,892	(191,422)	866,960	2,023,168	15,292	2,038,460
Total comprehensive income/(expense) for the year								
Profit/(loss) for the year	-	-	-	-	431,845	431,845	(1,146)	430,699
Other comprehensive income/(expense) for the year:								
Change in fair value of investments	-	-	15,743	-	-	15,743	-	15,743
Surplus on revaluation of land and buildings	-	58,814	-	-	-	58,814	-	58,814
Currency translation differences on foreign subsidiaries	-	9,733	-	-	-	9,733	-	9,733
Other comprehensive income for the year, net of taxation	-	68,547	15,743	-	-	84,290	-	84,290
Total comprehensive income/(expense) for the year	-	68,547	15,743	-	431,845	516,135	(1,146)	514,989
Transactions with owners, recorded directly in equity								
Dividends	-	-	-	-	(79,937)	(79,937)	-	(79,937)
Share-based payment transactions	-	-	-	-	5,131	5,131	-	5,131
Own shares sold by Gleaner Company Limited								
Employee Investment Trust (GCLEIT)	-	-	-	8,127	-	8,127	-	8,127
Total distributions to owners	-	-	-	8,127	(74,806)	(66,679)	-	(66,679)
Changes in ownership interest in subsidiaries								
Acquisition of non-controlling interests without a change in control	-	-	-	-	(15,669)	(15,669)	(14,146)	(29,815)
Balances at December 31, 2010	605,622	804,663	21,635	(183,295)	1,208,330	2,456,955	-	2,456,955

THE GLEANER COMPANY LIMITED
YEAR ENDED DECEMBER 31, 2010

Company Statement of Changes in Equity

	Share capital \$'000	Capital reserves \$'000	Fair value reserves \$'000	Retained profits \$'000	Total equity \$'000
Balances at January 1, 2009	<u>605,622</u>	<u>512,387</u>	<u>57,153</u>	<u>497,839</u>	<u>1,673,001</u>
Total comprehensive income/(expense) for the year					
Profit for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>482,349</u>	<u>482,349</u>
Other comprehensive income/(expense):					
Change in fair value of investments	<u>-</u>	<u>-</u>	<u>(52,167)</u>	<u>-</u>	<u>(52,167)</u>
Surplus on revaluation of land and buildings	<u>-</u>	<u>(11,277)</u>	<u>-</u>	<u>-</u>	<u>(11,277)</u>
Other comprehensive expense for the year, net of taxation	<u>-</u>	<u>(11,277)</u>	<u>(52,167)</u>	<u>-</u>	<u>(63,444)</u>
Total comprehensive income/(expense) for the year	<u>-</u>	<u>(11,277)</u>	<u>(52,167)</u>	<u>482,349</u>	<u>418,905</u>
Transactions with owners, recorded directly in equity					
Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>(66,618)</u>	<u>(66,618)</u>
Balances at December 31, 2009	<u>605,622</u>	<u>501,110</u>	<u>4,986</u>	<u>913,570</u>	<u>2,025,288</u>
Total comprehensive income for the year					
Profit for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>416,374</u>	<u>416,374</u>
Other comprehensive income:					
Change in fair value of investments	<u>-</u>	<u>-</u>	<u>14,635</u>	<u>-</u>	<u>14,635</u>
Surplus on revaluation of land and buildings	<u>-</u>	<u>58,814</u>	<u>-</u>	<u>-</u>	<u>58,814</u>
Other comprehensive expense for the year, net of taxation	<u>-</u>	<u>58,814</u>	<u>14,635</u>	<u>-</u>	<u>73,449</u>
Total comprehensive income for the year	<u>-</u>	<u>58,814</u>	<u>14,635</u>	<u>416,374</u>	<u>489,823</u>
Transactions with owners, recorded directly in equity					
Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>(84,787)</u>	<u>(84,787)</u>
Share based payment transaction	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,131</u>	<u>5,131</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(79,656)</u>	<u>(79,656)</u>
Balances at December 31, 2010	<u>605,622</u>	<u>559,924</u>	<u>19,621</u>	<u>1,250,288</u>	<u>2,435,455</u>

THE GLEANER COMPANY LIMITED
YEAR ENDED DECEMBER 31, 2010

Statement of Cash Flows

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Cash flows from operating activities				
Profit for the year	430,699	208,180	416,374	482,349
Adjustments to reconcile profit to net cash (used)/provided by operating activities:				
Depreciation	92,699	105,701	72,444	69,145
Amortisation	2,447	2,154	2,447	2,154
Deferred taxation, net	189,836	(161,823)	185,504	(153,853)
Employees benefit asset, net	(469,700)	34,472	(469,700)	45,900
Loss/(gain) on disposal of property, plant and equipment	2,742	(2,187)	(999)	(2,241)
Equity settled share-based payment transaction	5,131	-	5,131	-
Net unrealised exchange losses/(gains)	-	-	-	-
Gain on disposal of subsidiary	-	(32,563)	-	(351,317)
Interest income	(39,785)	(19,665)	(35,682)	(42,704)
Interest expense	8,629	13,614	8,790	10,113
Income tax	-	<u>3,271</u>	-	-
	222,698	151,154	184,310	59,547
Tax paid	(13,129)	(5,198)	(6,611)	-
Interest paid	(8,629)	(7,994)	(8,790)	(10,113)
Trade and other receivables	260,014	(447,348)	257,124	(184,846)
Prepayments	2,289	1,403	1,852	(4,506)
Inventories and goods-in-transit	43,965	35,071	47,370	38,036
Securities purchased under agreements for resale	(117,850)	(98,135)	(102,229)	(77,577)
Trade and other payables	(170,577)	107,916	(136,704)	(10,204)
Deferred income	<u>1,483</u>	<u>30,142</u>	-	-
Net cash provided/(used) by operating activities	<u>220,264</u>	<u>(232,989)</u>	<u>236,321</u>	<u>(189,663)</u>
Cash flows from investing activities				
Interest received	42,638	18,416	32,829	42,436
Additions to property, plant and equipment	(58,318)	(83,535)	(46,237)	(52,863)
Proceeds from sale of property, plant and equipment	-	2,880	-	2,880
Proceeds from sale of subsidiary	-	353,967	-	353,967
Investments	(75,364)	(16,715)	(84,519)	(4,965)
Acquisition of subsidiary	-	-	(29,807)	-
Acquisition of intangible asset	<u>(1,469)</u>	<u>(10,770)</u>	<u>(1,469)</u>	<u>(10,770)</u>
Net cash (used)/provided by investing activities	<u>(92,513)</u>	<u>264,243</u>	<u>(129,203)</u>	<u>330,685</u>
Cash flows from financing activities				
Long-term receivable	14,025	14,130	42,035	(83,800)
Long-term liabilities	(158)	(5,968)	481	(5,688)
Dividends paid	<u>(79,937)</u>	<u>(62,768)</u>	<u>(84,787)</u>	<u>(66,618)</u>
Net cash used by financing activities	<u>(66,070)</u>	<u>(54,606)</u>	<u>(42,271)</u>	<u>(156,106)</u>
Net increase/(decrease) in cash and cash equivalents	61,681	(23,352)	64,847	(15,084)
Cash and cash equivalents at beginning of the year	<u>55,179</u>	<u>78,531</u>	<u>(1,552)</u>	<u>13,532</u>
Cash and cash equivalents at end of the year	<u>116,860</u>	<u>55,179</u>	<u>63,295</u>	<u>(1,552)</u>
Comprised of:				
Cash and bank balances	125,936	70,923	70,814	14,192
Bank overdraft	<u>(9,076)</u>	<u>(15,744)</u>	<u>(7,519)</u>	<u>(15,744)</u>
	<u>116,860</u>	<u>55,179</u>	<u>63,295</u>	<u>(1,552)</u>

THE GLEANER COMPANY LIMITED
YEAR ENDED DECEMBER 31, 2010

Notes to the Financial Report

We hereby present the audited financial report of the Group for the twelve months ended December 31, 2010.

1. Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and comply with the provisions of the Jamaican Companies Act.

The accounting policies followed in these financial statements are consistent with those in the audited financial statements for the year ended December 31, 2009 except for the adoption of the following new/revised standards: -

- *Revised IFRS 3 Business Combinations* became effective for annual reporting periods beginning on or after July 1, 2009. The definition of a business combination has been revised and focuses on control. All items of consideration transferred by the acquirer are measured and recognised at fair value as of the acquisition date, including contingent consideration. An acquirer can elect to measure non-controlling interest at fair value at the acquisition date or on a transaction by transaction basis. Also, minority interest is referred to as non-controlling interest in these financial statements. The group had no acquisitions during the year.
- *IAS 27 (Revised) Consolidated and Separate Financial Statements* becomes effective for annual reporting periods beginning on or after July 1, 2009. All transactions with non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore recorded in equity. No goodwill or gains and losses are recognized as a result of such transactions. The adjustments to non-controlling interest are based on a proportionate amount of the net assets of the subsidiary.

2. Segment reporting

The Group now has two reportable segments, as the Books and Stationery segment was discontinued in 2009. These are: -

- (a) Media services which include the print and electronic media businesses
- (b) Other which includes management services, publication of books and those activities that do not meet any of the quantitative thresholds for determining reportable segments in 2009 and 2010

Management monitors the operating results of business segments separately for the purpose of making decisions about resource allocation and assessment of performance. Finance cost, finance income and income taxes are managed on an individual basis.

Business segments:

The main business segments of the Group comprise:

	Continuing operations						Discontinuing operations	
	Media services		Other		Total		Books and stationery	
	2010	2009	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	3,136,802	3,250,306	50,923	23,873	3,187,725	3,274,179	-	845,919
Segment profit/(loss) before taxation	644,970	13,227	(4,255)	(11,405)	640,715	1,822	-	24,120
Finance income	36,809	15,332	2,976	4,333	39,785	19,665	-	2,221
Finance costs	(8,595)	(13,608)	(34)	(6)	(8,269)	(13,614)	-	(5,431)
Depreciation and amortisation	92,697	99,365	2	12	92,699	99,377	-	8,488
Reportable segment assets	3,496,258	3,053,466	126,313	112,166	3,622,571	3,165,632	-	-
Reportable segment liabilities	1,154,873	1,030,563	10,743	96,609	1,165,616	1,127,172	-	-
Capital expenditure	38,256	50,985	-	-	38,256	50,985	-	-

THE GLEANER COMPANY LIMITED
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Notes to the Financial Report

3. The Group Financial Accounts for the twelve months ended December 31, 2010 show a Profit for the year after taxation of approximately \$431M (2009: \$208M).
4. The Group Financial Accounts for the twelve months ended December 31, 2010 show a Profit from continuing operations before taxation of approximately \$621M (2009: \$1.8M). Profit from Continuing operations includes \$469.7M of pension income arising from the winding up of the defined benefits pension fund (see notes 5(c) and 9).
5. In comparing the financial statements for the twelve-month period ended December 31, 2010, with those of the comparative period, the following should be noted: -
- (a) Revenue decreased by approximately \$86M or 3% for the period. This was mainly due to a reduction in Advertising Sales.
- (b) Other operating income includes increased income from Selectco Publications Limited due to contract printing.
- (c) The company's defined benefits pension fund was discontinued on July 15, 2010. The surplus in the Fund has been used to enhance member benefits and the balance thereafter divided equally between the company and members of the fund. The effect of this is that members will benefit from 54% of the surplus and the company 46%. The company's portion of the surplus is \$1.3B; and is shown on the balance sheet as pension receivable. The trustees have not yet agreed on the assets which will be transferred by the fund to the company, in settlement of this surplus.
- The company's Income Statements reflect a pension income of \$494.4M (surplus of \$1.3B less \$783M previously shown as Employee benefit asset). The Company received the appropriate approvals from the Financial Services Commission for the winding up of the Pension Fund and distribution of the surplus.
- (d) The company's Defined Contribution Pension Fund commenced on May 1, 2010.
6. (a) The Group Financial Statements for the twelve months ended December 31, 2010, include the Company's ten (2009: eleven) subsidiaries – Associated Enterprise Limited, Popular Printers Limited, The Book Shop Limited, The Gleaner Online Limited, Selectco Publications Limited, Independent Radio Company Limited, Creek Investment Limited and overseas subsidiaries, The Gleaner Company (U.S.A.) Limited, The Gleaner Company (Canada) Incorporated, and GV Media Group Limited.
- (b) The Gleaner Company Limited acquired all minority shareholdings in Independent Radio Company Limited in 2010.
7. Revenue represents sales by the Group before commission payable but excluding returns.
8. The calculations of earnings per stock unit are arrived at by dividing profit after taxation attributable to the parent company's stockholders by 1,211,243,827 stock units, the number of stock units in issue at the end of the year.
9. Reconciliation of trading profit: -

	December	December
	<u>2010</u>	<u>2009</u>
	\$M	\$M
Trading profit	211.3	208.7
Gain/(loss) on operation of Gleaner Company Limited Employees Investment Trust	1.6	(59.0)
Pension income/(employee benefit asset)	469.7	(47.9)
Restructuring cost	(62.1)	(100.0)
Profit from Continuing operations before taxation	<u>620.5</u>	<u>1.8</u>

THE GLEANER COMPANY LIMITED
YEAR ENDED DECEMBER 31, 2010

Notes to the Financial Report

10. Dividend and stock prices

In 2010, your directors approved the payment of a 1st Interim Ordinary Dividend of 5 cents per stock unit payable to stockholders on record at January 29, 2010. Payment was made on February 8, 2010.

Your directors approved the payment of a 2nd Interim Ordinary Dividend of 2 cents per stock unit payable to stockholders on record at September 17, 2010. Payment was made on October 11, 2010.

The Company's stock unit price on the Jamaica Stock Exchange at December 31, 2010 was \$1.65; the opening price at January 1, 2010 was \$1.16.

In 2011, the Directors declared 1st Interim Ordinary Dividend of 25 cents per stock unit which was paid on March 1, 2011 to stockholders on record at February 16, 2011.

11. 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.

On behalf of the Board



Hon. O. F. Clarke, O.J., JP, LL.D. (Hon)

Chairman



C. N. Barnes

Managing Director

March 15, 2011