The Gleaner Company Limited

Mission Statement

The Gleaner…committed to being
the source for accurate, independent information.

COMMITTED TO PROVIDING OUR

CUSTOMERS with quality Products & Service delivered in courteous timely & efficient manner

SHAREHOLDERS with a profitable return on their investment

EMPLOYEES with a work environment that is safe, innovative, dynamic & rewarding

COMMUNITY with corporate citizenship that is socially active & environmentally responsible

SUPPLIERS with a harmonious & mutually beneficial business relationship

- ✓ INFORMATION
- ✓ CREDIBILITY
- ✓ INDEPENDENCE

TABLE OF CONTENTS

DIRECTORS

The Hon. O. F. Clarke, O.J., J.P., B.Sc. (Econ.), F.C.A. - Chairman/Managing Director
Dr. The Hon. J. J. Issa, O.J., C.D., J.P., B.Sc., LL.D. (Hons.) - Vice-Chairman
C. S. Roberts, J.P., C.A.,
J. M. Matalon, B.Sc. (Hons.) Econ.
Dr. D. R. Orane, C.D., J.P., B.Sc. (Hons.), M.B.A., LL.D. (Hons.)
M. M. Seymour, J.P., B.Sc., M.B.A, F.L.M.I.
L. G. Johnston (Mrs.), B.A., M.A.,
Dr. C. D. Archer, B.A, M.A., M.U.R.P., M.Phil, Ph.D.
H. W. Dear, J.P., C.L.S.
C. N. Barnes, B.Sc., M.B.A.

HONORARY CHAIRMAN

Prof. The Hon. G. C. Lalor, O.J., C.D., B.Sc., M.Sc., Ph.D

MANAGEMENT AND KEY OFFICERS

Christopher Barnes	-	Deputy Managing Director
Mavis Belasse	-	Information Systems Manager
Collin R. Bourne	-	Administration Manager/Company Secretary
Jennifer Campbell	-	Managing Editor
The Hon. Oliver F. Clarke, O.J.	-	Managing Director
Karin E. Daley-Cooper	-	Corporate Affairs/Marketing Manager
Marlene Davis	-	Managing Director, Gleaner On-Line Limited
Paget deFreitas	-	Editor - Overseas Publications
Mary Dick	-	Training Officer
Burchell Gibson	-	Circulation Manager
Dwayne Gordon	-	Editor, Daily/Weekend Star
Garfield Grandison	-	Editor-in-Chief
John Hudson	-	Overseas Publications Manager
Errol Knight	-	Technology Manager
L. Anthony O'Gilvie	-	Industrial Relations/Personnel Manager
Ian R. Roxburgh	-	Print Manager
Yvonne Senior	-	Advertising Manager
Rudolph A. Speid	-	Group Financial Controller/Manager & Managing Director - Sangster's Book Stores Ltd.
Colin Steer	-	Associate Opinion Editor
Shena Stubbs	-	Senior Legal Advisor

BRANCH OFFICES

Miss Shernett Robinson Branch Manager	-	Western Bureau Montego Bay Ph: 876-952-2822
Mrs. Sheila Alexander Director	-	The Gleaner Co. (Can.) Inc. Ontario Ph: 416-784-3002
Mrs. Sheila Alexander Director		The Gleaner Co. (USA) Ltd. New York Ph. 416-784-3002
Mr. George Ruddock Acting Managing Director	-	GV Media Group Limited, London Ph: 207-510-6340

7 North Street
P.O. Box 40
Kingston
Phone: (876) 922-3400
Email: admin@gleanerjm.com
Fax: (876) 922-6297

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Stockholders of the Company will be held at the registered office of the Company, 7 North Street, Kingston, Jamaica, on Thursday, June 11, 2009 at 8:30 a.m. for the following purposes:

1. To receive the Directors' and Auditors' Reports and Audited Financial Statements for the year ended December 31, 2008 and to consider, and if thought fit, pass the following resolution:-

   Resolution 1

   RESOLVED THAT the Directors' and Auditors' Reports and the Audited Financial Statements for the year ended December 31, 2008 be hereby approved and adopted.

2. To re-elect Directors who have retired from office in accordance with Article 93 of the Company's Articles of Incorporation. The Directors namely Dr. Douglas Orane, Messrs. Christopher Roberts and H. Winston Dear being eligible, have offered themselves for re-election.

   To consider, and if thought fit, pass the following resolutions:-

   Resolution 2

   (a) That Dr. Douglas Orane be and is hereby re-elected Director of the Company;

   (b) That Mr. Christopher Roberts be and is hereby re-elected Director of the Company; and

   (c) That Mr. H. Winston Dear be and is hereby re-elected Director of the Company.

3. To fix the remuneration of the Directors and to consider, and if thought fit, pass the following resolution:-

Resolution 3

Resolved that the Directors' fees agreed and payable for the year ending December 31, 2009 to all non-executive Directors of the Company be and are hereby approved.

4. To re-appoint the retiring auditors and to authorise the Directors to determine their remuneration and to consider and if thought fit, pass the following resolution:-

Resolution 4

That the retiring auditors, KPMG, Chartered Accountants, having expressed their willingness to continue as auditors of the Company until the conclusion of the next Annual General Meeting, be and are hereby re-appointed and the Directors be authorised to fix their remuneration.

5. As Special Business

To consider and, if thought fit, pass with or without modifications, the following Special Resolution:-

Resolution 5

Resolved that Article 26 of the Company's Articles of Incorporation be deleted and by the insertion in its place a new Article "26"

Condition of Registration of Transfers:

"(a) The Directors may in their absolute discretion, serve a notice in writing on a member requiring him to make a voluntary declaration within one month as of the date of the notice as regards the following:

(i) Whether he beneficially holds all the shares in the capital of the Company entered in the register of the members in his name;

(ii) Whether, in case the member does not beneficially own all or some of the shares, the identity of the person who holds the beneficial interest in those shares;

(iii) Where his interest in the shares is a past interest to give (so far as lies within his knowledge) particulars of the identity of the person who held that interest immediately upon his ceasing to hold it;

(iv) Whether the member is an affiliate or associate of any other member or beneficial owner of shares in the capital of the Company, and particulars as to that affiliate or associate; and or

(v) Such other information or other facts that may be relevant.

(b) The Directors may also by such notice require any person seeking to have a share issued or a transfer of a share registered in his name to make a declaration as regards the matters mentioned in Article 26 (a) above.

(c) Where a member or a person mentioned in Article 26 (a) or (b) above fails to make a declaration as required within the time specified the Directors may withhold any dividend or monies payable in respect of the relevant shares and no voting rights shall be exercisable in respect of the relevant shares until the requirements of the notice shall have been complied with to the satisfaction of the Directors.

(d) The Directors shall cause to be entered against the name of the registered holder(s) of the shares the following:

(i) The fact that a notice was served on a member or a person pursuant to Article 26 (a) or (b) above and the date on which the notice was served;

(ii) Any information provided pursuant to the notice and the date provided;

(iii) Any other relevant information; and

(e) If the dividends or monies payable in respect of the relevant shares are withheld or the voting rights are suspended pursuant to Article 26 (c) above the Directors shall cause the fact that the dividends or monies payable were withheld and the voting rights so suspended to be entered against the name of the registered holder(s) of the shares.

(f) With respect to any declaration required under this Article 26 the Directors may in their absolute discretion determine the circumstances in which any declarations are required, their form and the time when they are to be furnished.

(g) In administering the provisions in this Article 26, the Directors may rely upon any statement made in a declaration and the knowledge of a director, officer, employee or agent of the Company."

(h). Dividends or monies payable in respect of the relevant shares withheld pursuant to Article 26 (c) shall be held in a segregated account and the dividends or monies payable so held shall bear no interest against the company.

6. To transact any other business which may be transacted at an Ordinary General Meeting.

By Order of the Board

C.R. Bourne
Secretary

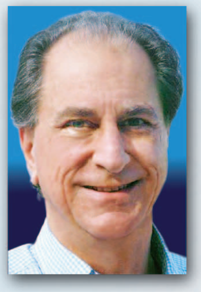
April 14, 2009

Note: In accordance with Section 131 of the Companies Act, 2004, a member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him, and such proxy need not also be a member. A proxy form is included at page 85 .

Hon. Oliver F. Clarke
O.J., J.P., B.Sc. (Econ), F.C.A.
Chairman/ Managing Director

Chairman (From April, 1979) and
Managing Director (From May, 1976)

He serves as Chairman of Jamaica National Building Society, Sangster's Book Stores Limited and NEM Insurance Company (Ja.) Limited. He is a Board Member of a number of companies, including Jamaica Producers Group Limited, Independent Radio Company Limited, PALS Jamaica, Caribbean News Agency and the Peace Education Foundation in Miami. He is a member of the Police Service Commission and Police (Civilian Oversight) Authority. Mr. Clarke was President of the Inter American Press Association (1997/1998) and the Private Sector Organisation of Jamaica (2002/2003). He was inducted into the Hall of Fame of the Private Sector Organisation of Jamaica and received the Americas Award 1990 from the Americas Foundation for the University of the West Indies. He is a Chartered Accountant and a Justice of the Peace. In 2006 he received the American Friends of Jamaica International Humanitarian Award.



Dr. Hon. John J. Issa
O.J., C.D., J.P., B.Sc., LL.D. (Hons.)
Director/ Vice Chairman

Director (February, 1975 - June, 2003) and
Vice Chairman (From July, 2003)

He serves as Chairman of Super Clubs International Limited and its subsidiaries and the Pegasus Hotels of Jamaica Limited. Other Boards on which he serves include Grace Kennedy Limited and Globe Insurance Company of Jamaica Limited. Mr. Issa served as a member of the Senate (1983-1989) and Chairman of the Jamaica Tourist Board (1984-1989).

Mr. Christopher S. Roberts
J.P., C.A.

Financial Manager/Director (February, 1975 to June, 2003), Deputy Managing Director (July 2003 to March 2005)

He serves as a member of other Boards including Independent Radio Company Limited, Sangster's Book Stores Limited, NEM Insurance Company (Ja.) Limited, KIC Limited and is a Trustee of the Verley Home. Mr. Roberts is a Chartered Accountant and a Justice of the Peace.

Mr. Joseph M. Matalon
B.Sc. (Hons.) Econ.

Director (From October, 1987)

He is Chairman of ICD Group Limited and of a number of ICD Group Company boards including CGM Gallagher Group Limited and British Caribbean Insurance Company Limited. He also holds directorships on a number of boards including West Indies Home Contractors Limited, WIHCON Properties Limited, Prime Asset Management Limited, Margarita Limited and The Tony Thwaites Wing of the University Hospital of the West Indies. Mr. Matalon serves as Honorary Chairman of St. Patrick's Foundation, which supports charitable activities in inner-city communities and as Chairman of the Board of Governors of Hillel Academy in Kingston, Jamaica.

In addition, he has served as a Vice President of the Private Sector Organisation of Jamaica (PSOJ) and has been involved with a number of Special Committees to advise the Government on financial and economic matters. Most recently he was appointed to chair the board of the Development Bank of Jamaica Limited.

Dr. Douglas R. Orane
C.D., J.P., B.Sc. (Hons.), M.B.A., LL.D. (Hons.)

Director (From May,1988)

He is Chairman and the Chief Executive Officer/Managing Director of Grace Kennedy Limited. He is Chairman of Hardware and Lumber Limited and is a member of other Boards. He served as President of the Private Sector Organisation of Jamaica from December 1992 to December 1994 and as Vice President from December 2001 to February 2003. Dr. Orane served as an Independent Senator in the Senate from 1998 to 2002. He is an Industrial Engineer.

Mr. H. Winston Dear
J.P., C.L.S.,

Director (From April, 2004)

Retired from the Land Surveyors Firm of Dear Kindness and Partners Limited, Mr. Dear currently serves as Chairman of Windear Limited, Montego Bay Free Zone and Kingston Free Zone. He serves as a Director of the Port Authority of Jamaica and Margueritaville Limited. Mr. Dear is also a Director and Development Consultant of Barnett Estates Limited and Development Consultant at Rose Hall Development Limited. He is a past President of the Montego Bay Chamber of Commerce & Industry and Commodore of the Montego Bay Yacht Club.

Mr. Morin M. Seymour
J.P., B.Sc., M.B.A., F.L.M.I.

Director (From April, 2000)

He is Executive Director of the Kingston Restoration Company Limited and Chairman of PALS Jamaica, President of the Jamaica American Friendship Association and a member of other Boards, including Excelsior Education Centre and the General Purposes Committee of the Jamaica Methodist District. In 1979 he obtained the designation Fellow of the Life Management Institute from LOMA, USA; 1983 received Certificate in Public Enterprise Policy for developing countries from Harvard University; 1995 designated an Eisenhower Fellow; 1999 the Governor General's Achievement Award for Surrey, Jamaica; 2003 the Prime Minister's Appreciation Award for Community Development and Honorary visiting Fellow Joseph C. Cornwall Centre for Metropolitan Studies at Rutgers the State University of New Jersey. In 2004, he received the Prestigious Alumnus Award from the Graziadio School of Business and Management, Pepperdine University, California. On November 26, 2006 he was awarded the Silver Medal Award for Urban Regeneration by the Kingston and St. Andrew Corporation.

Mrs. Lisa Johnston
B.A., M.A.,

Director (From April, 2000)

She is the Corporate Affairs Manager at the Jamaica Producers Group Limited and a member of the Jamaica Trade and Adjustment Team in the Ministry of Foreign Affairs and Foreign Trade, as well as of the Trade Policy Committee at the Private Sector Organisation of Jamaica. She also serves as a member of the Board of the Nature Preservation Foundation and as Honorary Consul of Costa Rica. Mrs. Johnston was a former Galo Plaza Fellow at the Inter-American Dialogue in Washington D.C.

Dr. Carol D. Archer
B.A., M.A., M.U.R.P., M.Phil, Ph.D.

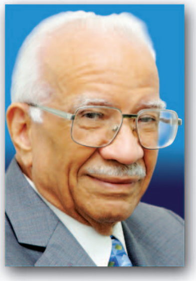
Director (From December, 2001)

She was appointed Dean of the Faculty of the Built Environment at the University of Technology, January 2006. Prior to her appointment as Dean, she served as Head of the School of Building and Land Management from July 2004 and as Programme Director for the Urban and Regional Planning Programme from February 2000 to June 2004. Dr. Archer is also a member of other Boards including Scotia Jamaica Building Society, University Council of Jamaica, Town & Country Planning Authority, National Investment Bank of Jamaica and Water Resources Authority. Dr. Archer has worked as Research Director for the Center for Law and Social Justice at Medgar Evers College of the City University of New York and also as Consultant with the New York City's Municipal Government on issues related to local government reform and inner-city poverty alleviation. She has served as political advisor to New Yorker Una Clarke, the first Jamaican Woman to run for a seat in the United States Congress.

Mr. Christopher N. Barnes
B.Sc., M.B.A.
Deputy Managing Director

Deputy Managing Director (From February, 2008)

He serves on the Board of Sangster's Book Stores Limited, Independent Radio Company Limited, Ocho Rios Beach Limited, Caribbean New Agency Limited, Caribbean Media Corporation, Gleaner Online Limited, The Gleaner Company (USA) Limited and The Gleaner Company (Can.) Inc. Prior to joining The Gleaner, he spent 10 years with Montreal-based Alcan Inc. in various international roles including his last as Director, Strategic Initiatives for Alcan's US$1.2B pharmaceutical packaging group.



HONORARY CHAIRMAN
Prof. The Hon. Gerald C. Lalor
O.J. C.D., B.Sc., M.Sc., Ph.D.
Honorary Chairman

Honorary Chairman (From December 15, 2005) and Director (March, 1990 - December 8, 2005)

A scientist by profession, he is a former Pro-Vice Chancellor of the University of the West Indies and Principal of the Mona Campus and is at present Director General of the International Centre for Environmental and Nuclear Sciences. He is a Fellow of the Third World Academy of Sciences and a member of several scientific organisations. He is a Director of the Insurance Company of the West Indies Group, a founding member of the National Commission on Science and Technology and of editorial boards of several scientific journals. He has been awarded the National Medal for Science and Technology.

The Gleaner Company Limited
Established 1834

SENIOR MANAGERS

Hon. Oliver Clarke, O.J.
Chairman/Managing Director

Marlene Davis
Managing Director, Gleaner On-Line Limited

Anthony O'Gilvie
Industrial Relations/ Personnel Manager

Rudolph Speid
Group Financial Controller/ Manager and Managing Director of Sangster's Bookstores

Collin R. Bourne
Administration Manager/ Company Secretary

Mavis Belasse
Information Systems Manager

Garfield Grandison
Editor-in-Chief

Newton James
Managing Director, Independent Radio Company Limited

Burchell Gibson
Circulation Manager

John Hudson
Overseas Publications Manager

Yvonne Senior
Advertising Manager

Christopher Barnes
Deputy Managing Director

Karin Cooper
Corporate Affairs and Marketing Manager

Ian Roxburgh
Print & Plant Manager

Errol Knight
Technology Manager

OGM Integrated Communications won The Gleaner's Advertising Top Billing Award for 2008.


The Capital and Credit Group won The Gleaner's Advertising Award for Online placements in 2008

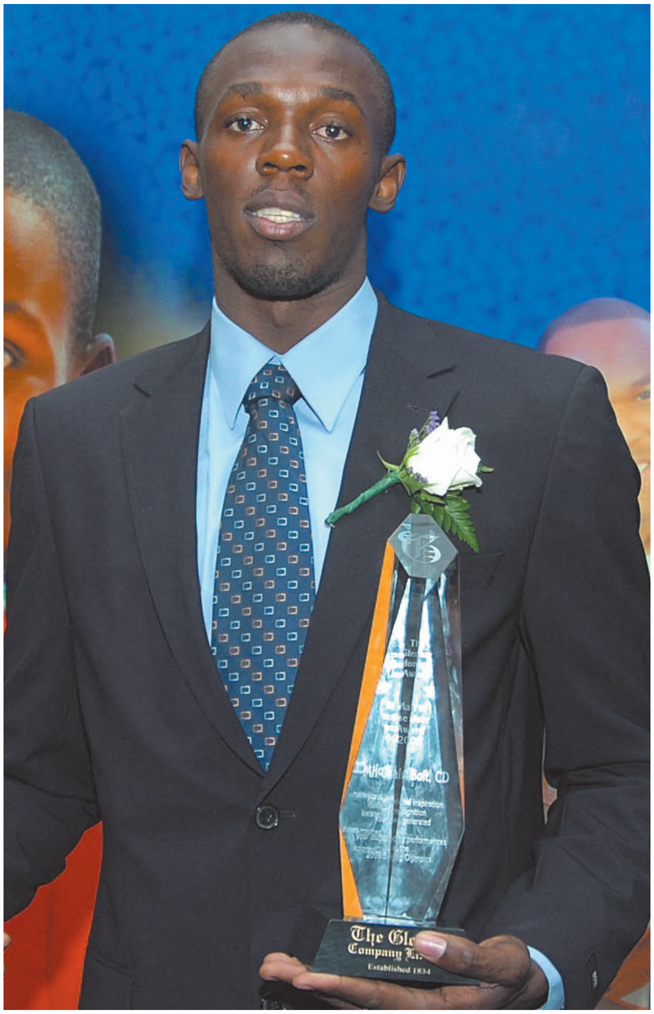

Chairman and Managing Director, Hon. Oliver Clarke and the INMA's Earl Wilkinson at the Gleaner-sponsored 'Ads That Fly' seminar


Gleaner Managers feted various Advertising & Corporate clients during the Gleaner-sponsored Kingston Restaurant Week


Employee of the Year 2008: Paul Chambers


The Gleaner's Enterprise team won the PAJ President's Award for Investigative Journalism. Team member, Mark Titus receives the award.

Shari-Jo Miller emerged as The Gleaner's Children's Own Spelling Bee Champion for 2009



Usain Bolt, triple gold medallist at the 2008 Beijing Olympics was The Gleaner's Honour Award Man of the Year for 2008

Teachers were feted at The Gleaner's Teachers' Awards Luncheons in Kingston and Montego Bay

Gleaner-pensioners were again feted at our annual pensioners' Luncheon

The Gleaner's Money $1,000,000 Grand Draw Winner

Hon. Oliver F. Clarke O.J., J.P.

2008 was characterised by reduced economic activity and high input prices. This was evident during the first three (3) quarters of the year. All our production inputs – newsprint and ink, utilities, transportation and delivery services all recorded high price increases during the period. The fourth quarter of the year, during which we experienced some reduction in utilities and transportation cost, was unfortunately hard hit by the global economic crisis. Your parent Company and its overseas subsidiaries have, as a result, experienced their worst financial performances during the year.

When times are hard and may be getting harder, the prudent act is to become lean and efficient. Faced with the international recession and every likelihood of a few challenging years your company, based on the cash flow projection of these investments, provided fully against its intangible assets and intergroup loans. These special provisions that have been made are all non-cash transactions. This major special expenditure we have booked largely relates to our investment in GV Media and our other overseas companies. Even though our overseas companies have shown improved performances in 2008 they are businesses that remain under stress. It is hard at this time to run a newspaper business profitably in the UK and North America.

Our 2008 losses were further compounded by a reduction in the employee benefit asset and your company has had to record a provision in the employee investment trust due to the fall in share price. The value of both of these funds are subject to market fluctuations.

Even though the company has recorded a loss of over $445 Million, its year-end balance sheet remains very strong. The net worth per share exceeds the current market value. Net current assets are substantial and only marginally below the 2007 value. Total external borrowings amount to less than 0.5% of net worth. In fact the company is virtually debt free.

In spite of the challenges experienced your company had many accomplishments to be proud of in 2008.

We continued to dominate readership in Jamaica across our products. Our Sunday Gleaner leads the nearest competitors by a margin of almost three times. Our Daily Gleaner commands a distinct readership advantage every day and is shown to be widening the gap. Our Star publication is in a market of its own where readership is considered. Its readership is greater than that of the other daily competitors. Gleaner products remain, in the public eye the most credible source for information; a characteristic we hold dear to us.

Editorially, your company remains top of the game with excellent coverage of the Olympics, Hurricane Gustav and the US Presidential election. Our Editors' fora continue to highlight issues of interest for specialist groups on topical issues and help to guide healthy public debate. Our news team demonstrated continued excellence in copping five PAJ awards this year across varying fields. Two reporters received PAHO awards for their work in health journalism.

The operational performance of your company's overseas subsidiaries showed significant improvement compared to last year after significant restructuring to their overhead and production costs bases. Both companies, while not turning profits yet, are much better poised to take on the coming year. We continue to evaluate them closely.

The expansion and overhaul of some stores during the year served to drive increased revenues and enhance the appeal of shopping with Sangster's.

Our online platform continues to dominate with Gleaner page views averaging 8-10M per month with 18% visitors coming from Jamaica. We have added breaking news online throughout the day to increase traffic and prime readers to look to our printed products the following day.

Consistency of our delivery times has improved greatly over the last year due to improvements in the workflow, press times and some tweaks to the distribution process. You can be more confident that your treasured read will show up where and when you want it.

With a leaner operating cost base, focus on waste reduction and conservation, and strategic investments in print capacity and cutting-edge circulation technology, your company will add value to all stakeholders with greater planning, flexibility and efficient distribution.

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

Your company's online business will boast a new design and additional features which, coupled with a completely integrated newsroom, will manifest itself in rich content online with beneficial links to the rest of your company's media channels.

Your company will continue to leverage its content and brand to remain top of mind with our readers and maintain the significant market leadership demonstrated by the 2008 polls.

GOVERNANCE

Directors

The Directors retiring by rotation at this year's Annual General Meeting are: Mr. Christopher Roberts, Mr. Winston Dear and Dr. Douglas Orane, C.D. All have played important roles on the Board and, being eligible, offer themselves for re-election.

Audit Committee

This Committee chaired by Board member and Vice Chairman the Hon. John Issa, O.J., has as its other members Directors Mr. Christopher Roberts and Mrs. Lisa Johnston. It continues to carry out its mandate of monitoring and keeping under review the scope of the Company's audit and the integrity of its financial reporting.

Company's Articles of Incorporation

The proposed new Article 26, passed at the 2008 Annual General Meeting, had not found favour with the Jamaica Stock Exchange who after months of deliberation advised us in January 2009 of their decision.

We have had dialogue with the Exchange, as we feel a satisfactory resolution to this matter is of paramount importance. A revised Article 26 is set out in the Notice of the Meeting.

Auditors

The retiring auditors are KPMG, and they have expressed their willingness to continue in office.

The following Interim Ordinary Dividends were paid during the year:-

Dividends and Stock Prices

Dividends Declared	Amount (cents/stock unit)	Record Date	Payment Date	Amount Paid
1st Interim Revenue	3.5	20.03.08	02.04.08	$42M
2nd Interim Revenue	3.5	26.09.08	10.10.08	$42M

The Company's stock unit price on the Jamaica Stock Exchange closed the year at $1.73 compared to $4.30 at the beginning of the year. The 2007 stock price of $4.30 represented a premium caused by significant purchase activity in the market.

For 2009, your Directors approved the payment of an Interim Ordinary Dividend of 3.5 cents per stock unit payable to stockholders on record at April 9, 2009. Payment was made on April 23, 2009.

I would like to place on record my sincere appreciation for the services given by Managers, Officers and Staff. Once again, they have demonstrated resilience in pursuit of our operating objectives. I am also grateful for the support and loyalty of our advertisers, readers and all other stakeholders for their support during the year under review.

ON BEHALF OF THE BOARD OF DIRECTORS

Hon. Oliver F. Clarke, O.J., J.P.
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP FINANCIAL HIGHLIGHTS

J$M (unless otherwise indicated)	2008	2007	2006	2005	2004
Group Revenue	4,048	4,249	3,621	3,291	2,936
Group profit after taxation	(445)	98	274	179	366
Net Current Assets	615	679	507	528	835
Dividends paid	81	79	79	81	73
Share Price	1.7	4.3	1.36	2.62	2.60
Net Worth	2,044	2,424	2,251	2,043	2,067
ROE	(22%)	4%	11%	9%	18%
Number of 50 cents Stock Units Issued	1,211	1,211	1,211	1,211	1,211
Earnings per Stock Unit after tax	(37¢)	8¢	21¢	15¢	30¢
Dividends per Stock Unit	7¢	7¢	7¢	7¢	6.0¢
Capital Assets	1,900	2,279	2,209	1,870	1,660
Other Assets	1,367	1,396	1,356	1,193	1,500
Long-term debt	45	74	37	49	116
Other Long-term obligations	426	460	428	305	312
Future income tax and deferred credits	114	48	61	29	51

Profit:
Net loss after taxation amounted to $445 Million (2007 – profit of $98 Million). The net loss for 2008 included employee benefit asset (a reduction in the surplus in the pension scheme recognised during the year) of $400 thounsand (2007 - $65 Million profit) and an impairment loss of $368 Million (2007 - $201 Million) for intangible asset in overseas subsidiaries..

The Group Financial Statements for 2008 as for 2007, were prepared under the International Financial Reporting Standards (IFRS).

Under the IFRS, a portion of the loss/surplus in the pension scheme is recognised in the Income Statements. The portion of the surplus credited in 2007 is not realised profit as it represents future economic benefits to be derived from a reduction in the Company's contribution to the pension scheme.

Revenue:
Group Revenue decreased by $201M or 5% from $4,249 Million in 2007 due to a subsidiary not acquiring a Government contract to supply textbooks valued at over $212M.

Working Capital:
Working capital of $615M reduced as compared with $679M in 2007. Receivables declined by 20%. Payables grew by 17% over the period.

Assets:
The group's total asset base shrunk by $408M in 2008 ($3,266 Million) compared to 2007 ($3,676 Million). This change was due to impairment of our intangible (titles) assets in the overseas operations.

Return on Equity:
ROE in 2008 was -22% vs. 4% in 2007. This variance is largely driven by the write offs of intangibles in the overseas businesses. Normalised to remove the impact of the impairments the ROE for 2008 would have been -4%.

Net Worth:
2008 saw a decline in net worth of $380M (2008: $2,044 Million; 2007: $2,424 Million) mainly due to the effects of the impairment of intangible assets in the overseas operations.

Long-term Debt:
The company remains virtually debt free with long-term debt outstanding at $45M. Debt amounts to 2% of capital employed.

TRADING PROFIT

J$M	**2008**	**2007**	**2006**	**2005**	**2004**
(Loss)/profit before taxation	(452.0)	193.0	425	265	538
Employee benefit asset	0.4	(65.0)	(310)	(55)	(224)
Impairment losses	368.0	201.0	-	-	-
(Loss)/profit in operation of Gleaner Employees Investment Trust	26.0	(40.0)	9	7	2
Profit on subsidiaries in administration/liquidation	-	(94.0)	-	-	-
Restructuring costs	72.0	-	-	-	-
Trading profit	**14.4**	**195.0**	**124**	**217**	**316**

After adjusting for restructuring expenses and changes to employee benefit asset, the trading profit for the Group was $14.4 Million in 2008, versus $195 Million achieved in 2007.

LIQUIDITY AND CAPITAL RESOURCES

J$M (unless otherwise stated)	2008	2007	2006	2005	2004
Cash flows provided by operations (before working capital changes)	33.0	244.0	(5.0)	159.0	211.0
Changes in working capital	128.0	(176.0)	(77.0)	(17.0)	465.0
Cash flows provided by operations	160.0	67.9	(82.7)	142.0	676.0
Cash flows provided/(used) by investing activities	25.0	(44.0)	137.0	20.0	(699.0)
Cash flows provided/(used) by financing activities	(127.0)	(43.0)	(90.0)	(168.0)	54.0
Capital Spending	56.0	165.0	82.0	106.0	146.0
Depreciation/Amortization	109.0	102.0	108.0	92.0	128.0
Capital as a % of amortization	51.0	161.0	76.0	115.0	113.0
Total debt to capitalization	0.23	0.34	0.37	-	-

Capital Investment:
$56M of fixed capital (66% less than 2007) was invested by the group. Capital spend as a percentage of depreciation/amortization was 51 compared to 161 in 2007. Major capital investments made in 2008 amounted to 56 Million dollars due to a reduction in purchasing of machinery, motor vehicles and refurbishing of stores. In 2007 the major capital spend was 165 Million dollars.

Cash Flow:
Operating Cash Flow of $160 Million showed 235% improvement over 2007 ($68 Million). More efficient working capital management contributed to the improvement.

Total debt to capitalization came in at 0.23 for 2008 and is lower than prior years.

SUMMARY OF QUARTERLY RESULTS

	2008				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	923	1,041	1,218	866	865	882	1,403	1,099
EBITDA	59	115	48	(210)	35	24	124	133
Net Earnings(loss)	44	36	27	(552)	20	17	61	0
Net Earnings (loss) per share	3.7¢	2.9¢	2.1¢	(45.6¢)	1.54¢	1.4¢	.46¢	-

KEY STATISTICS

	2008	2007	2006	2005	2004
US$/J$	80	70	67	64	61
CDN$/J$	66	70	57	54	50
GBP/J$	117	140	129	110	117
Inflation	13	18	6	13	14
Average Newsprint Price ($)	64,724	48,951	49,028	42,127	37,049

Exchange Rates:
The US$ exchange rate saw a 14% increase over prior year. It is anticipated that this trend will continue throughout 2009.

Newsprint Prices:
Newsprint price increased by 32% over 2007. This contributed to an overall increase of 9% in newsprint cost given better efficiencies.

BUSINESS SEGMENTS

MEDIA SERVICES

J$ Million	2008	2007	2006	2005	2004
Revenues	3,207.0	3,253.8	2,913.5	2,632.6	2,361.4
Employee Benefit Asset	(0.4)	64.5	307.8	54.0	216.4
(Loss)/profit before taxation	(443.0)	110.5	422.7	233.8	491.3
Assets	2,665.0	3,072.1	3,095.7	2,634.5	2,638.1
Liabilities	979.0	1,025.0	1,192.8	921.2	956.2
Capital Expenditure	56.1	164.9	79.1	89.3	80.8

Revenue
Total revenue for the Media Services sector declined by 1.4% compared to 2007. However, local operations saw a 0.3% decrease in revenues over 2007 from $2,776 Million to $2,975 Million.

The Company's advertising revenue increased by 1% moving from $1.6 billion to $1.7 billion for 2008. This was largely due to a volume increase as there were marginal increases in rates during 2008.

Profit
The loss before taxation from Media Services (newspapers and radio) amounted to $443 Million (2007: $111 Million profit). This includes employee benefit asset loss of $0.4 Million (2007: $64.5 Million) recognised in the Income Statement for the year.

BOOKS AND STATIONERY

J$ Million	2008	2007	2006	2005	2004
Revenues	802.0	963.5	666.2	612.5	542.9
Employee Benefit Asset	-	-	1.9	1.2	7.7
(Loss)/profit before taxation	(1.0)	45.0	5.3	16.9	27.9
Assets	550.0	506.8	378.9	345.4	365.0
Liabilities	191.0	193.0	106.1	78.1	119.8
Capital expenditure	-	-	2.9	3.0	11.1

Revenue

The introduction of a superstore in the Mall Plaza in Kingston not only helped in improving the company's retail business revenues, it provided an opportunity for the company to enhance the profile of its business operation.

A contact to supply the government with secondary textbooks was reduced during 2008 in excess of $212M.

Profit

Profit this year was impacted by stock loss charges and provisions for obsolete stock. These provisions are in keeping with the company's policy of providing for impairment in the value of certain books and stationery.

OTHER

J$ Million	2008	2007	2006	2005	2004
Revenues	39	31.6	40.8	46.1	34.3
Employee Benefit Asset	-	-	-	-	-
(Loss)/profit before taxation	(8)	37.6	(2.8)	14.0	11.5
Assets	52	96.8	90.3	82.4	88.9
Liabilities	53	33.7	14.8	19.8	35.4
Capital Expenditure	-	-	14.8	13.6	53.9

The other activities in which your Company continues to be engaged include real estate, publication of a racing guide, "Track & Pools", and books including "The Jamaican Directory of Personalities" , "Black Pages" and "GSAT Revision Guide & Workbooks".

SUBSIDIARY COMPANIES

Overseas Companies

The North American companies underwent significant restructuring in 2008 which saw rationalisation of products, and rightsizing, which resulted in a significant reduction in operating losses compared to 2007. 2008 also saw the introduction of the online product www.gleanerextra.com which focuses primarily on overseas "local" Jamaican and Caribbean community news. The focus for 2009 will be to shore up advertising and circulation revenues on both print and online platforms to restore profitability to both companies.

The results of GV Media Group Ltd., for 2008 showed an improvement over the corresponding period for 2007. During 2006/2007, however, the Voice Group Limited, a subsidiary company, was placed into voluntary liquidation.

Independent Radio Company – Power 106 FM

The year 2008 has been another profitable year for Independent Radio Company Limited. Despite the increased market competition and the slowing down in the growth of available media dollars, the stations achieved record levels of sponsorship support for a number of their outside broadcasts activities.

The stations have developed a full service advertising operation for the medium and small client market which has brought positive advertising results. Advertising revenue performance has also improved among the large advertising agency clients.

A new sales office has been opened in Montego Bay in order to increase sales, and a new programme has been developed which targets specifically current affairs, business, sports, tourism and entertainment in western Jamaica entitled, "Western Focus on Both Sides of the Story".

A special sales unit has also been established to maximize revenue on Music 99FM and our very successful and popular night time talkshow, "Dear Pastor".

The stations performed creditably during tropical storm Gustav in providing useful information to listeners not only in Jamaica but also throughout the Diaspora.

Power 106FM continues to dominate the daytime and night time talk shows and, in response to great listener demand, the station has moved in line with international trend by re-broadcasting popular daytime talk shows during late nights.

Gleaner Online – www.jamaica-gleaner.com
"go-jamaica.com" celebrated its 12th year of operation on February 16, 2009.

It continues to be the leading news media web site in Jamaica. The number of page views (complete web pages read) for all of the Gleaner Online properties, as reported by Google, grew over 2008. Page views for the Jamaica Gleaner have grown by 20% moving from 77 Million in 2007 to 91 Million in 2008. Page views for the Jamaica Star (www.jamaica-star.com) have grown by 22% moving from 42 Million in 2007 to 52 Million in 2008.

go-jamaica.com in collaboration with the Gleaner/Power106FM News Room continues to launch new packages, the latest being "Breaking News' on week days.

www.go-jamaica.com continues to excel online as evidenced by its superior coverage of the 2008 Olympic Games via www.sportscaribe.com (a Gleaner Company owned web site). The site reflects a content partnership with the Trinidad Express, Barbados Nation, Jamaica Gleaner and CMC. Together, the achievements of Caribbean athletes were shared in a timely manner with the World. For the month of August 2008 www.sportscaribe.com generated more than 700,000 page views and 50,000 (Absolute) Unique Visitors.

Property Companies
The property companies in which the Company continues to have an interest recorded another profitable year in 2008. For the year, they made a combined profit of $11M compared to $13 Million for 2007.

Your Company through a 100% subsidiary company, Selectco Publications Limited, owns 33 1/3% of a property company, Jamaica Joint Venture Investment Company Limited.

Jamaica Joint Venture, through its two subsidiaries, Manhart Properties Limited and City Properties Limited, owns properties at No. 34 and 40 Duke Street in Kingston.

COMMITTED TO CONTENT

Market Research

The Company continued to use the services of Johnson Research Survey Limited to provide the market research which informs our product improvement activities for 2008. The research was extended, for the first time, to include Go-Jamaica in 2008.

The results of the research were used to determine new strategies for The Star and the Saturday Gleaner. Some of the changes made to The Star include increased use of photo coverage of events and more community stories. A new format for the Saturday Gleaner, inclusive of content and layout, was intro-duced to our readers based on the survey.

Readership

In the 2008 Gleaner commissioned All-print Media Market Research conducted by Johnson Research Survey Limited, The Sunday Gleaner, once again, proved its dominance as the leading newspaper product in Jamaica, with 671, 000 readers.

The Gleaner remains the preferred daily source for advertising information, as 83% of readers turn to The Gleaner when making decisions on where and what to buy. Other areas of strength for The Gleaner, reinforced by the survey, were: it is the preferred medium when compared to TV and radio for news and information; it is the most credible newspaper, and it is more in touch with readers and their lifestyles.

The Gleaner shows the greatest potential for capturing the youth market, which is made up of readers ages 14-25 years. Its readership among this age group is approximately 23% higher than its nearest competitor. The Youthlink Magazine has also grown 23% in 2008 over 2007, which places it as market leader with 42% of readership in the youth category. The combination of The Gleaner and Youthlink shows that the company is poised to greatly increase its readership among young Jamaicans in 2009. The Children's Own remains the dominant newspaper with 967,000 readers.

The survey also revealed that more persons are using the internet for their news and information needs. This trend is strongest among young professionals and teenagers. As a result, increased focus will be placed on Go-Jamaica in 2009. Advertising campaigns and increased promotional and sponsorship exposure will be used to facilitate the growth potential of this medium.

Editorial Coverage

In 2008, your editorial team provided excellent Olympics coverage. They presented timely reports and the team here in Jamaica ensured that the excitement and euphoria were captured from every nook and cranny of Jamaica.

Our Editors' Forum series continued throughout the year with the added dimension of rural sittings in Trelawny, Hanover and Clarendon.

As your editorial team stepped up its efforts to provide news, information and analysis, your special enterprise unit produced top rate investigative work that spanned police and government corruption, financial irregularities and political misdemeanours.

Your editorial team also provided full coverage of Tropical Storm Gustav during which time the public was kept informed using our multimedia services, including Go-Jamaica and Power 106. Team members (working round-the clock) were posted at critical points across the island. With the support of your extensive correspondents network, we were able to provide a minute-by-minute report on the storm.

The presidential election in the United States in November provided a great opportunity for your newsroom to explore its full range and force. Our coverage was world class and our front page of Barack Obama's victory has become a collector's item among readers.

Your news team won five Press Association of Jamaica (PAJ) awards in 2008. Your Enterprise Team walked away with the President's Award for Investigative Journalism; Designer Shawn Batchelor got the award for the best cover design for a newspaper; Deputy chief photographer Norman Grindley was awarded the Errol Harvey prize for human-interest photography; Ian Boyne won the Morris Cargill award for opinion journalism; and Las May won the Livingstone McLaren award for cartoons.

Reporter Mark Beckford received a scholarship to pursue a Masters degree in journalism at the University of Illinois in the United States. Reporters Petrina Francis and Athalia Reynolds have received PAHO award for excellence in health journalism for a series on child pornography. The Gleaner was honoured by the Ritz-Carlton Rose Hall hotel for its support of tourism. Senior Journalist Janet Silvera collected the award. Your weekly series Roving with Lalah was launched in book form last December and is now available at bookshops islandwide.

With much being said about the challenges ahead, your editorial team has pledged to continue to provide readers with the highest standard of service. Your Gleaner products will help readers to navigate the times by placing critical information at their fingertips and opening to them a world of commentary and expert opinions through a range of positive options to beat the odds as they come.

Libel
In 2008, two lawsuits were filed against the company and three matters were settled without the need for trial. All three settlements were quite amicable and underscores the success of aggressively addressing claims as they occur.
During the year, management as part of its continuous effort to reduce the number of new libel suits, secured the services of another fulltime attorney-at-law.

The Libel Reform Committee appointed by Government in 2007 to review and make recommendations for changes to the existing defamation law, submitted its report in early 2008. We are disappointed that to date the Government is yet to take to Parliament a proposal for a new defamation law.

The Jamaica Directory of Personalities
There continues to be much support and interest in this publication and, so far, over 1000 copies of the new 2007-2008 edition have been sold. Copies are still available through Sangster's Book Stores Limited and the Company's offices at $3,000 each.

Black Pages
The 2008-2009 Black Pages Directory was once again successfully and profitably published by the Canadian Company. The 160 page directory is a resource guide created to help users find products and services within Canada's Black and Caribbean communities in the Greater Toronto area and Hamilton Ontario. The directory is also available online at www.blackpages.ca.

Gleaner Archives
The Gleaner Archives is an online database which contains more than 970,000 historical newspaper pages from The Gleaner newspaper. The full-page newspapers, dating back to 1834, are searchable by keyword and date, making it easy for subscribers to quickly explore historical content. This database allows subscribers to gain a local perspective on historical news, to research family history or to simply read about a person or events of interest.

This product is made available on the Internet with the assistance of Heritage Microfilm Company. Pages are added to the site three months after publication.

A total of 541 active members subscribed to the Gleaner Archives during the period 2008.

Readers can subscribe to the Gleaner archives by visiting the website: www.gleanerarchives.com or the Gleaner Library at 7 North Street, Kingston.

LEADING THE CHARGE ON SOCIAL RESPONSIBILITY

PALS Jamaica

PALS continues to carry out its work under very challenging financial circumstances, and most of 2008 was spent trying to keep the organisation's doors open. Private sector funding (except for a few committed organizations) has ceased, and the Government's programme of support has not materialized. In spite of its challenges, PALS was able to successfully accomplish:

- The training of sixty Jamaica Constabulary Force school resource officers.
- Training of trainers course for early childhood practitioners.
- The development of new curriculum for the training of the officers and early childhood practitioners.
- The development of a critical incident management manual for schools.
- The completion of PALS' work under the Citizen Security and Justice, IDB-Government of Jamaica funded initiative.

The 2008 annual PEACE Day event which was celebrated islandwide by schools was well supported by the public.

HIV/AIDS Awareness

In August 2008, The Gleaner became a registered member of the Jamaica Business Council on HIV and AIDS (JaBCHA); an organization aimed at eliminating HIV and AIDS related stigma and discrimination in the workplace. The Gleaner collaborated with JaBCHA to make presentation to staff on World AIDS Day.

CELEBRATING EXCELLENCE

The Governor General's Achievement Award: co-sponsored by The Gleaner Company in association with the Jamaica National Building Society and other Building Societies gives recognition to the ordinary Jamaican who is an 'unsung hero' in his/her community. The Youth Awards continue to be given to persons under 35 years old who embody the principles of excellence in various fields of endeavour.

Three county functions were held across the island. The presentation of the pins to the award recipients for 2008 was done by Her Excellency, Lady Rheima Hall on November 12, 2008.

The Gleaner Honour Awards is an annual programme that recognises individuals and organisations which have contributed significantly to improving Jamaica's quality of life. On November 10, 2008 The Gleaner Company Limited honoured nineteen individuals and six organisations at its 2008 Gleaner Honour Awards Presentation luncheon.

The category winners were:

Category	Award Recipient
Arts & Culture	Calabash International Literary Festival
Business	The Tank Weld Group
Education	The University of the West Indies
Health & Wellness	The National Health Fund
Sports	Gold Medal Winners – Beijing 2008
Science & Technology	Prof. Robert Lancashire
Voluntary Service	The Jamaica Cancer Society
Entertainment	Rev. Dr. Thomas 'Tommie' Cowan, OD
Public Service	The Jamaica Defence Force

The Gleaner Youth Honour Awards for Excellence (for Sports and Education) were presented to Bobby-Gaye Wilkins, Nickel Ashmeade, Dexter Lee. The Gleaner Merit Award for Sports Administration went to Molly Rhone CD and the Merit awards for Sports were presented **to**: The Jamaican Paralympics Team, Tanto Campbell, Sylvia Grant, Vinnette Green and Alphonso Cunningham.

The 'Man of the Year' Recipient was Mr. Usain Bolt, OD, one of the Sports Recipients.

FIRST GLOBAL VISION AWARDS

The Gleaner brand has become synonymous with the promotion of excellence through our education programme as well as a suite of awards programmes we organise and support, led by our own Honour Awards programme, which also awards excellence among young persons. Our association with the First Global Vision Awards, through The Flair magazine, which recognises the impact of individual women to the society, provides the opportunity for us to be associated with an excellence programme that caters to this particular niche market. The First Global Vision Awards joins programmes such as the Governor-General's Achievement Awards Scheme and the Jamaica Institute of Management's Manager of the Year award as elements in The Gleaner's activities which promote excellence.

PROMOTING EDUCATION

The Gleaner's Children's Own Spelling Bee started in 1958 and has been conducted by The Gleaner in Jamaica for the past 50 years. The 2009 Gleaner Children's Own Spelling Bee Champion is Shari-Jo Miller a student at the Bishop Gibson High Schools in Manchester.

The 2008 champion, Sade Dunbar, represented Jamaica in the Scripps Spelling Bee in Washington DC in that year and placed thirteenth out of 288 spellers.

Newspapers in Education

As part of our support of the education sector, our Newspaper in Education initiative continues to supplement the learning materials of students in 100 schools across the island.

Hector Wynter Scholarship
The Company in 2005, through Sangster's Book Stores Limited, established a scholarship in Library Studies tenable at the University of the West Indies in honour of the late Hon. Hector Wynter.

The first scholarship recipient, Ms. Mitchel Barnes, successfully completed her degree with first class honours and is now working with the Jamaica Library Service.

The second recipient, Ms. Nordia Miller, is in the second year of her three-year course of study.

GSAT Workbook Project
During the year 2009, your Company through its subsidiary Selectco Publications Limited, will be revising all five textbooks in the series titled, "*Children's Own* GSAT *Revision Guide & Workbooks*". The textbooks currently on the market are: Mathematics, Language Arts, Social Studies, Communication Task and Science.

CSEC SEMINARS
The Gleaner provides face-to-face assistance to students and teachers through seminars in Kingston, St. James and Westmoreland each year. Its Youthlink CSEC Seminar is a very popular annual seminar that increases the confidence of the students who are about to sit the CSEC Examinations. It teaches them strategies to earn the best grades on the examination. In the pre-Easter week of each year markers of these regional examinations are used to give the students the highest level of exposure and the best opportunity to succeed at the examination. Thousands of students and scores of teachers have benefited from this programme so far.

BURGER KING NATIONAL SCHOOLS DEBATE
Each year a number of students are given the opportunity to hone their research, analytical and presentation skills in the annual Burger King National Schools Debates competition. The Gleaner, through its Youthlink magazine, has been a long-standing partner of the programme which is consistent with our own educational and youth development activities.

COMMITTED TO EMPLOYEE WELFARE

Human Resource Development
Learning and advancement through training and development

Committed to the development of the quality of its human resources, The Gleaner continues to facilitate and encourage employees to participate in skill development and higher education programmes. In 2008, over one hundred and fifty seven (157) employees were given opportunities to improve their competencies by participating in in-house and external training courses. The Editorial Department had the largest group of persons benefiting from the training programme during the year. We continue to lay the customer service foundation early in the Gleaner life of all employees, with each new employee being exposed to 2½ hours of customer service training during orientation .

In addition to basic and specialized skill development, the company provided financial assistance to staff pursuing higher level academic and professional certification in job related courses and to attend conferences. The training investment made in 2008 was $4M.

Initiatives to improve employee satisfaction; engender good working relations and encourage positive work attitude continue in the forms of quarterly birthday celebrations, appreciation for administrative professionals, long service awards and recognition of top performing employees in departments and the company's 'Employee of the Year'.

With sponsorship from the company, staff members willingly participated in charitable events such as the Jamaica Cancer Society's Relay for Life and Pan Caribbean's Sigma Run. 2008 saw one of the largest turnouts of staff.

The Gleaner Company Limited Employees Investment Trust

This Trust, which was established in 1994 for the benefit of employees, continues to be financially viable and holds approximately 73 Million stock units in the Company at December 31, 2008.

The Trust did not make an issue of shares to staff during 2008, but the trustees have decided to make one in mid 2009.

The accounts of the Trust are consolidated in the Group's Accounts for the year.

The Gleaner Superannuation Fund

The Company has since May 1957 operated a Contributory Defined Benefit Pension Scheme on behalf of the employees of the parent Company without much difficulties. Recent changes in the accounting treatment of defined pension benefits have had significant impact on our reported profit – see Employee Benefit Asset in the Profit & Loss Accounts and Balance Sheet. Your Directors having recognised the volatile nature of these defined pension benefits on your Company's financial statements and operating expenses, decided to establish a Defined Contribution Fund for new employees. This Fund would conditionally be opened to existing members of the Defined Benefit Fund.

The Defined Contribution Fund was approved for operation by the Financial Services Commission in November 2008.

Industrial Relations

Of the 445 employees in your company, 195 are unionised.

The second year of the two-year Collective Agreement between the Company and the Union of Technical, Administrative & Supervisory Personnel (UTASP) was implemented on March 1, 2008 and April 15, 2008.

Employees of this union benefited from a 10% increase in salaries along with improvements to fringe benefits.

Non-unionised employees also benefited from increased salaries and improved benefits during the year.

In June, the Industrial Disputes Tribunal (IDT) handed down its Award with respect to the dispute involving the Bustamante Industrial Trade Union (BITU) representing our production employees over the Unions claim for increased wages and improved conditions of work for the two-year period, March 1, 2007 to February 28, 2009.

The IDT awarded wage increases of 10% for each year in addition to increases in fringe benefits.

In February 2008, the Company signed a two-year agreement with the Newspaper Delivery Contractors for the period January 1, 2008 to December 31, 2009. Rates were increased by 18% in the first year and a further 10% in the second year.

Long Service Awards

In appreciation for and recognition of their service to the company, 33 employees were recognised at the annual Long Service awards Luncheon, held on September 22, 2008 at the Jamaica Pegasus Hotel. Of these employees, 4 received awards for 35 years of service, 2 for 40 years and 1 for 45 years of continuous service to the company.

Pensioners Lunch

Each year the Gleaner Company fetes its pensioners. At these luncheons guest speakers present on relevant issues and the pensioners are brought up to speed on the activities of the company for the year. The luncheon is a great opportunity for former colleagues to gather to celebrate their friendships and the Gleaner Company. In 2008, 27 pensioners were in attendance.

KPMG
The Victoria Mutual Building
6 Duke Street
Kingston
Jamaica, W.I.

P.O. Box 76
Kingston
Jamaica, W.I.
Telephone +1 (876) 922-6640
Fax +1 (876) 922-7198
+1 (876) 922-4500
e-Mail firmmail@kpmg.com.jm

Report on the Financial Statements

We have audited the accompanying financial statements of The Gleaner Company Limited (company), set out on pages 29 to 82, which comprise the group and company balance sheets as at December 31, 2008, the group and company statements of income, changes in equity and cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the Jamaican Companies Act. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and consistently applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether or not the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence relating to the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial positions of the group and the company as at December 31, 2008, and of the group's and the company's financial performance, changes in equity and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the Jamaican Companies Act, so far as concerns members of the company.

Report on additional requirements of the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, proper returns have been received for branches not visited by us and the financial statements, which are in agreement with the accounting records and returns, give the information required by the Jamaican Companies Act in the manner so required.

KPMG

Chartered Accountants
Kingston, Jamaica

March 26, 2009

	NOTES	GROUP		COMPANY	
		2008	2007	2008	2007
		$'000	$'000	$'000	$'000
Assets					
Property, plant and equipment	7	914,383	833,240	687,895	611,160
Intangible assets	8	-	367,835	-	-
Employee benefit asset	9(a)	843,868	819,179	821,700	804,300
Long-term receivables	10	1,278	1,788	270	280
Interests in subsidiaries	11	-	-	17,132	17,132
Interests in associates	12	150	150	-	-
Investments	13	134,570	250,563	126,184	239,937
Deferred tax assets	21	6,010	5,983	-	-
Total non-current assets		1,900,259	2,278,738	1,653,181	1,672,809
Cash and cash equivalents	14	88,553	68,043	20,764	11,136
Securities purchased under resale agreements	15	74,447	75,534	4,246	-
Trade and other receivables	16	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	17	470,190	435,413	164,542	107,865
Total current assets		1,367,065	1,396,996	937,633	1,435,348
Total assets		**3,267,324**	**3,675,734**	**2,590,814**	**3,108,157**
Equity					
Share capital	18	605,622	605,622	605,622	605,622
Reserves	19	1,407,376	1,791,689	1,067,379	1,614,698
Total equity attributable to equity holders of the parent		2,012,998	2,397,311	1,673,001	2,220,320
Minority interest		31,119	27,171	-	-
Total equity		2,044,117	2,424,482	1,673,001	2,220,320
Liabilities					
Long-term liabilities	20	44,636	74,180	13,410	17,530
Employee benefit obligation	9(b)	89,100	71,300	89,100	71,300
Deferred tax liabilities	21	337,624	388,274	313,601	367,310
Total non-current liabilities		471,360	533,754	416,111	456,140
Bank overdraft	22	28,325	66,337	18,012	66,337
Trade and other payables	23	698,564	597,781	475,562	341,031
Taxation		2,572	10,768	-	-
Current portion of long-term liabilities	20	8,650	25,305	8,128	24,329
Deferred income	24	13,736	17,307	-	-
Total current liabilities		751,847	717,498	501,702	431,697
Total liabilities		**1,223,207**	**1,251,252**	**917,813**	**887,837**
Total equity and liabilities		**3,267,324**	**3,675,734**	**2,590,814**	**3,108,157**

The financial statements on pages 29 to 82 were approved for issue by the Board of Directors on March 26, 2009, and signed on its behalf by: -

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

Director
Christopher N. Barnes

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

	NOTES	GROUP 2008 $'000	GROUP 2007 $'000	COMPANY 2008 $'000	COMPANY 2007 $'000
Revenue	25	4,048,356	4,248,873	2,738,696	2,536,290
Cost of sales		(2,364,970)	(2,488,752)	(1,434,173)	(1,320,337)
Gross profit		1,683,386	1,760,121	1,304,523	1,215,953
Other operating income		144,411	321,163	126,956	139,307
		1,827,797	2,081,284	1,431,479	1,355,260
Distribution costs		(637,670)	(568,628)	(515,619)	(430,115)
Administration expenses		(858,903)	(786,671)	(558,308)	(428,772)
Other operating expenses		(453,485)	(487,532)	(487,118)	(379,016)
Pension costs		(885)	(1,957)	(97)	(367)
		(1,950,943)	(1,844,788)	(1,561,142)	(1,238,270)
Employee benefit asset	9(c)	18,800	64,500	18,800	64,500
(Loss)/profit from operations	26	**(104,346)**	**300,996**	**(110,863)**	**181,490**
Finance income		31,515	24,612	48,734	36,385
Finance cost		(11,821)	(25,194)	(26,435)	(15,469)
Net finance income/(cost)	27	19,694	(582)	22,299	20,916
Impairment losses	28	(367,835)	(201,406)	(443,283)	-
Subsidiaries in administration/liquidation		-	94,131	-	-
(Loss)/profit before taxation		**(452,487)**	**193,139**	**(531,847)**	**202,406**
Taxation credit/(charge)	30	7,799	(94,935)	18,845	(50,857)
(Loss)/profit for the year		**(444,688)**	**98,204**	**(513,002)**	**151,549**
Attributable to:					
Parent company stockholders		(450,139)	94,705		
Minority interest		5,451	3,499		
		(444,688)	98,204		
Dealt with in the financial statements of:					
Parent company		(513,002)	151,549		
Subsidiary companies		62,863	(56,844)		
		(450,139)	94,705		
(Loss)/earnings per stock unit:					
Based on stock units in issue	31	(37.16)¢	7.82¢		
Excluding stock units in GCLEIT		(39.54)¢	8.25¢		

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

Group Statement of Changes in Equity

	Share capital $'000	Capital reserves $'000	Fair Value reserves $'000	Reserve for own shares $'000	Retained profits $'000	Parent company stockholders equity $'000	Minority interest $'000	Total equity $'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 (see note 32)	-	-	-	-	(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 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	605,622	598,868	107,665	(150,375)	1,235,531	2,397,311	27,171	2,424,482
(Loss)/profit for the year	-	-	-	-	(450,139)	(450,139)	5,451	(444,688)*
Dividends paid (see note 32)	-	-	-	-	(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 Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	(97,095)	-	(97,095)	-	(97,095)
Own shares sold by Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	50,244	-	50,244	-	50,244
Balances at December 31, 2008	605,622	840,880	58,001	(197,226)	705,721	2,012,998	31,119	2,044,117

* Total losses recognised for the year amounted to $174,424,000 (2007: gains of $235,965,000).

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

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 (see note 32)	-	-	-	(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	-	9,469	-	-	9,469 *
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 (see note 32)	-	-	-	(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	-	(13,924)	-	-	(13,924)*
Balances as at December 31, 2008	605,622	512,387	57,153	497,839	1,673,001

*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.

	Group 2008 $'000	Group 2007 $'000	Company 2008 $'000	Company 2007 $'000
Cash flows from operating activities				
(Loss)/profit for the year	(444,688)	98,204	(513,002)	151,549
Adjustments to reconcile profit to net cash provided by operating activities:				
Depreciation	109,969	102,226	72,598	73,439
Deferred taxation, net	(21,126)	19,546	(18,845)	4,526
Employees benefit asset, net	(6,889)	(56,662)	400	(53,800)
Gain on disposal of property, plant and equipment	(2,792)	(1,213)	(2,670)	(1,165)
Gain on subsidiaries in liquidation/administration	-	(94,131)	-	-
Impairment losses on subsidiaries	-	201,409	443,283	-
Transfer of change in fair value of investment to profit/loss	10,770	-	10,770	-
Impairment on intangible assets	367,835	-	-	-
Net unrealised exchange losses/(gains)	113,722	(43,421)	-	(2,684)
Gain on disposal of investments	(87,704)	(57,977)	(94,176)	-
Interest income	(31,515)	(24,612)	(48,734)	(36,385)
Interest expense	11,821	25,194	26,435	15,469
Income tax	13,327	75,389	-	46,329
	32,730	243,952	(123,941)	197,278
Tax paid	(82,551)	(47,615)	(48,386)	(37,724)
Interest paid	(38,438)	(11,955)	(26,435)	(3,850)
Trade and other receivables	159,864	(73,915)	180,660	(193,794)
Prepayments	(1,492)	(10,676)	(6,385)	(356)
Inventories and goods-in-transit	(34,777)	(93,554)	(56,677)	70,965
Securities purchased under agreements for resale	1,087	119,257	(4,246)	58,198
Trade and other payables	127,402	(66,136)	134,654	(22,187)
Deferred income	(3,571)	8,539	-	-
Net cash provided by operating activities	160,254	67,897	49,244	68,530
Cash flows from investing activities				
Interest received	31,358	23,654	47,828	31,804
Additions to property, plant and equipment	(56,058)	(164,863)	(38,115)	(70,437)
Proceeds from disposal of investments and property, plant and equipment	6,189	2,980	5,646	1,165
Investments	43,642	94,767	98,448	23,777
Net cash provided/(used) by investing activities	25,131	(43,462)	113,807	(13,691)
Cash flows from financing activities				
Long-term receivable	510	(380)	10	(266)
Long-term liabilities	(46,199)	36,856	(20,321)	(16,413)
Dividends paid	(81,174)	(79,645)	(84,787)	(84,768)
Net cash used by financing activities	(126,863)	(43,169)	(105,098)	(101,447)
Net increase/(decrease) in cash and cash equivalents	58,522	(18,734)	57,953	(46,608)
Cash and cash equivalents at beginning of the year	1,706	20,440	(55,201)	(8,593)
Cash and cash equivalents at end of the year	60,228	1,706	2,752	(55,201)
Comprised of:				
Cash and bank balances	88,553	68,043	20,764	11,136
Bank overdraft	(28,325)	(66,337)	(18,012)	(66,337)
	60,228	**1,706**	**2,752**	**(55,201)**

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

1. Identification

The Gleaner Company Limited ("company" or "parent company") is incorporated under the laws of, and is domiciled in Jamaica. The principal activities of the company and its subsidiaries are the publication and printing of newspapers, radio broadcasting, and the sale of books and stationery. Its registered office is located at 7 North Street, Kingston.

The company, established in 1897, is the holding company of the following subsidiary companies:

		2008	2007
(a)	Sangster's Book Stores Limited and its wholly-owned subsidiary, The Book Shop Limited	100%	100%
(b)	Popular Printers Limited and its wholly-owned subsidiaries,		
	Creek Investments Limited	100%	100%
	Selectco Publications Limited and Associated Enterprise Limited	100%	100%
	Selectco Publications Limited owns 33 1/3% of the shares in Jamaica Joint Venture Investment Company Limited, a property company.		
(c)	Independent Radio Company Limited	65%	65%
(d)	GV Media Group Limited	100%	100%
(e)	The Gleaner Company (Canada) Inc.	100%	100%
	and its wholly-owned subsidiary, The Gleaner Company (USA) Limited.	100%	100%

All these companies are incorporated under the laws of Jamaica with the exception of GV Media Group Limited. The Gleaner Company (Canada) Inc. and The Gleaner Company (USA) Limited, which are incorporated in the United Kingdom, Canada and the United States of America, respectively. The parent company's shares are quoted on the Jamaica Stock Exchange. During 2006/2007, Vee Tee Ay (Media Resources) Limited, a subsidiary of GV Media Group Limited was placed in administration.

2. Basis of preparation

(a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations, issued by the International Accounting Standards Board (IASB), and comply with the provisions of the Jamaican Companies Act.

During the year, certain amendments to published standards and interpretations became effective. The adoption of these standards did not result in any change in accounting policies nor had any significant effect on the group's and company's financial statements.

(b) Basis of measurement:

The financial statements are prepared on the historical cost basis, except for buildings [note 7(c)] and available-for-sale investments (note 13), which are measured at fair value.

2. **Basis of preparation (cont'd)**

(c) Functional and presentation currency:

The financial statements are presented in Jamaica dollars, which is the group's functional currency.

(d) Use of estimates and judgements:

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the balance sheet date and the income and expenses for the year then ended. Actual amounts could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next financial year are discussed below:

(i) Pension and other post-retirement benefits:

The amounts recognised in the balance sheet and income statement for pension and other post-retirement benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include expected long-term return on plan assets, the discount rate used to determine the present value of estimated future cash flows required to settle the pension and other post-retirement obligations and the expected rate of increase in medical costs for post-retirement medical benefits.

The expected return on plan assets is assumed considering the long-term historical returns, asset allocation and future estimates of long-term investments returns. The discount rate is determined based on the estimate of yield on long-term government securities that have maturity dates approximating the terms of the group's obligation; in the absence of such instruments in Jamaica, it has been necessary to estimate the rate by extrapolating from the longest-tenor security on the market. The estimate of expected rate of increase in medical costs is determined based on inflationary factors. Any changes in these assumptions will impact the amounts recorded in the financial statements for these obligations.

(ii) Allowance for impairment losses on receivables:

In determining amounts recorded for impairment losses in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from receivables, for example, default and adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired receivables, as well as timing of such cash flows. Historical loss experience is applied where indicators of impairment are not observable on individual significant receivables with similar characteristics, such as credit risks.

2. **Basis of preparation (cont'd)**

(d) Use of estimates and judgements (cont'd):

(iii) Impairment of intangible assets

Impairment of intangible assets is dependent upon management's internal assessment of future cashflows from the cash-generating units that gave rise to the assets. That internal assessment determines the amount recoverable from future use of those units. In addition, the estimate of the amount recoverable from future use of those units is sensitive to the discount rates used. See note 8 for additional information on intangible assets.

It is possible, based on existing knowledge, that outcomes that are different from these assumptions could require a material adjustment to the carrying amount reflected in future financial statements.

(e) Basis of consolidation:

(i) Subsidiaries are entities controlled by the company. Control exists when the company has the power directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date that control ceases.

The consolidated financial statements comprise the financial results of the company and its subsidiaries, including The Gleaner Company Limited Employee Investment Trust, a special purpose entity (SPE), prepared to December 31, 2008. The principal operating subsidiaries are listed in note (1) and are referred to as "subsidiaries" or "subsidiary". The company and its subsidiaries are collectively referred to as the "group". The results of associated companies are also included to the extent explained in note 3(o).

An SPE is consolidated if, based on an evaluation of the substance of its relationship with the group and the SPE's risks and rewards, the group concludes that it controls the SPE.

(ii) Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Ordinary shares held by third parties in the company's subsidiaries are included in minority interests reported in the financial statements.

3. **Significant accounting policies**

(a) Property, plant and equipment:

(i) Owned assets:

Items of property, plant and equipment are stated at cost, or valuation, less accumulated depreciation and impairment losses [see note 3(m)]. Cost includes expenditures that are directly attributable to the acquisition of the assets.

3. Significant accounting policies (cont'd)

(a) Property, plant and equipment (cont'd):

(i) Owned assets (cont'd):

The cost of self-constructed assets includes the cost of materials and direct labour, plus any other costs directly attributable to bringing the asset to a working condition for its intended use.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied with the part will flow to the group and its costs can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

The fair value of building is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction; as determined by a professional appraiser.

(ii) Leased assets:

Leases, the terms of which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leasing arrangements are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation (see below) and impairment losses.

(iii) Depreciation:

Property, plant and equipment, with the exception of freehold land on which no depreciation is provided, are depreciated on both the straight-line and reducing-balance methods at annual rates estimated to write down the assets to their residual values over their expected useful lives. The depreciation rates are as follows:

Buildings [see note 7(c)]	-	2½% and 5%
Machinery & equipment	-	10%, 12½%, 20% and 25%
Fixtures and fittings	-	10% and 20%
Motor vehicles & computer equipment	-	20% and 25%
Press	-	5%
Typesetting equipment	-	33%
Leased assets	-	over the period of the leases

The depreciation methods, useful lives and residual values are reassessed at each reporting date.

(b) Intangible assets:

(i) Goodwill:

Goodwill arising on an acquisition represents the excess of the cost of the acquisition over the fair value of the net identifiable assets acquired. Goodwill is measured at cost, less accumulated impairment losses.

3. **Significant accounting policies (cont'd)**

(b) Intangible assets (cont'd):

(ii) Newspaper titles, patents and trade marks:

Newspaper titles, patents and trade marks are stated at cost, less impairment loss, if any. The useful life is estimated to be indefinite (see note 8).

(c) Employee benefits:

Employee benefits comprising pensions and other post-employment benefit asset and obligation included in the financial statements are actuarially determined by a qualified independent actuary, appointed by management. The appointed actuary's report outlines the scope of the valuation and the actuary's opinion. The actuarial valuations are conducted in accordance with IAS 19, and the financial statements reflect the group's and the company's post-employment benefit assets and obligations as computed by the actuary. In carrying out their audit, the auditors rely on the work of the actuary and the actuary's report.

(i) Pension obligations:

The group operates both defined-benefit and defined-contribution pension schemes (see note 9); the assets of the schemes are held separately from those of the group.

(a) Defined benefit scheme:

The group's net obligation in respect of the defined-benefit pension schemes is calculated separately for each scheme by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods; that benefit is discounted to determine the present value, and the fair value of any scheme assets is deducted. The discount rate is the yield at balance sheet date on long-term government instruments that have maturity dates approximating the terms of the group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statements on the straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statements.

In calculating the group's obligation in respect of a scheme, to the extent that any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the defined benefit obligation and the fair value of the scheme's assets, that portion is recognised in the income statements over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

Where the calculation results in a benefit to the group, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the scheme or reductions in future contributions to the scheme.

(b) Defined contribution schemes:

Obligations for contributions to defined contribution plans are recognised as an expense in the income statements as incurred.

3. Significant accounting policies (cont'd)

(c) Employee benefits (cont'd):

(ii) Equity compensation benefits:

A share option scheme is operated by the parent company. Share options are granted to management and employees of the company with more than three years of service. Options are granted at the market price of the shares on the date of the grant and are exercisable at that price. Options are exercisable beginning one year from the date of grant and have a contractual option payment term of five years. The cost of providing this benefit is not recognised in these financial statements as the amounts are not considered material.

(iii) Termination benefits:

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan, without possibility of withdrawal, or provision of termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(iv) Profit-sharing and bonus plans:

A liability for employee benefits in the form of profit sharing and bonus plans is recognised in other provisions when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

- there is a formal plan and the amounts to be paid are determined before the time of issuing the financial statements; or
- past practice has created a valid expectation by employees that they will receive a bonus/profit sharing and the amount can be determined before the time of issuing the financial statements.

Liabilities for profit sharing and bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(d) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents, trade and other receivables, securities purchased under agreements for resale, investments, and long-term receivables. Financial liabilities include bank overdraft, trade and other payables and long-term liabilities.

(i) Classification of investments:

Management determines the classification of investments at the time of purchase and takes account of the purpose for which the investments are made. Investments are classified as loans and receivables and available-for-sale ("AFS").

3. Significant accounting policies (cont'd)

(d) Financial instruments (cont'd):

(i) Classification of investments (cont'd):

Investments with fixed or determinable payments and which are not quoted in an active market are classified as loans and receivables and are stated at amortised cost, less impairment losses. Other investments held by the group are classified as available-for-sale and are stated at fair value. Available-for-sale investments include certain debt and equity securities.

(ii) Measurement:

Financial instruments are measured initially at cost, including transaction costs.

Subsequent to initial recognition, all AFS investments are measured at fair value, except that any instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably determined, is stated at cost, including transaction costs, less impairment losses.

All non-trading financial liabilities and loans and receivables are measured at amortised cost, less impairment losses. Amortised cost is calculated on the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

[i] Government of Jamaica securities which are not traded in an active market, securities purchased under resale agreements and interest-bearing deposits are stated at historical or amortised cost, less impairment losses.

[ii] Government of Jamaica securities traded in an active market and equity securities are classified as available-for-sale and measured at fair value.

[iii] Securities purchased under resale agreements:

Reverse repurchase agreements ("Reverse repo") are short-term transactions whereby securities are bought with simultaneous agreements for reselling the securities on a specified date and at a specified price. Reverse repos are accounted for as short-term collateralised lending, and are carried at amortised cost.

The difference between the purchase and resale considerations is recognised on the accrual basis over the period of the agreements, using the effective yield method, and is included in interest income.

[iv] Investment in subsidiaries:

Investment in subsidiaries, for the company, is stated at cost, less impairment losses.

3. **Significant accounting policies (cont'd)**

(d) Financial instruments (cont'd):

(iii) Gains and losses on subsequent measurement:

Unrealised gains and losses arising from a change in the fair value of available-for-sale investments are recognised directly in equity. When the financial assets are impaired, sold, collected or otherwise disposed of, the cumulative gain or loss recognised in equity is transferred to the income statement.

(iv) Derecognition:

A financial asset is derecognised when the company loses control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when it is extinguished.

Available-for-sale assets that are sold are derecognised and corresponding receivables from the buyer for the payment are recognised as of the date the company commits to sell the assets.

Loans and receivables are derecognised on the day they are transferred by the company.

(e) Cash and cash equivalents:

Cash and cash equivalents, which comprise cash and bank balances and include short-term deposits, with maturities ranging between one and three months from balance sheet date, are shown at cost. For the purpose of the statement of cash flows, bank overdraft is included as a component of cash and cash equivalents.

(f) Trade and other receivables:

These are stated at amortised cost, less impairment losses.

(g) Taxation:

(i) Income tax:

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement, except to the extent that it relates to items recognised directly to equity, in which case, it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred tax

Deferred tax is provided, using the balance sheet liability method, for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the balance sheet date.

3. **Significant accounting policies (cont'd)**

(g) Taxation (cont'd):

(ii) Deferred tax (cont'd)

A deferred tax asset in respect of tax losses carried forward is recognised only to the extent that it is probable that future taxable profits will be available against which the losses can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(h) Inventories:

Inventories are stated at the lower of cost, determined principally on an average cost or first-in first-out (FIFO) basis and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

(i) Trade and other payables and provisions:

Trade and other payables, including provisions, are stated at amortised cost. A provision is recognised in the balance sheet when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(j) Revenue recognition:

(i) Revenue from the sale of goods and services is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised, if there are significant uncertainties regarding recovery of the consideration due, material associated costs or the possible return of goods.

(ii) Subscription revenue is recognised over the life of the subscription. Revenue received in advance is deferred to match the revenue with the future costs associated with honouring the subscription.

(iii) Interest income:

Interest income is recognised on the accrual basis, taking into account the effective yield on the asset.

(iv) Dividend income:

Dividend income is recognised on the date the group's right to receive payment is established.

(k) Expenses:

(i) Finance costs:

Finance costs comprise material bank charges, interest payments on finance leases and bank loans, and are recognised in the income statements using the effective interest rate method.

3. Significant accounting policies (cont'd)

(k) Expenses (cont'd):

(ii) Lease payments:

Payments made under operating leases are recognised in the income statement on the straight-line basis over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(l) Foreign currencies:

Foreign currency balances outstanding at the balance sheet date are translated at the rates of exchange ruling on that date [US$1 = J$80.47 (2007: US$1 = J$70.18); £1= J$116.84 (2007: £1 = J$140.21); Can$1 = $65.54 (2007: Can$1 = J$105.52). Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions.

Gains and losses arising from fluctuations in exchange rates are included in the income statement. For the purpose of the statement of cash flows, all foreign currency gains and losses recognised in the income statement are treated as cash items and included in cash flows from operating or financing activities along with movements in the principal balances.

The reporting currencies of the foreign subsidiaries (see note 1) are also the currencies in which their economic decisions are formulated. For the purpose of the financial statements, revenues, expenses, gains and losses have been translated at the average rates of exchange for the year; assets and liabilities have been translated at exchange rates ruling at the balance sheet date.

Unrealised gains and losses arising on translation of net stockholders' equity in foreign subsidiaries are taken to equity on the group balance sheet and added or deducted to reflect the underlying group cash flows from operating activities on the group statement of cash flows.

(m) Impairment:

(i) Financial assets:

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Objective evidence that financial assets are impaired can include default or delinquency by a customer or counter party, indications that the customer or counter party will enter bankruptcy or a significant or prolonged decline in fair value in respect of quoted equities.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

3. Significant accounting policies (cont'd)

(m) Impairment (cont'd):

(i) Financial assets (cont'd):

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risks characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(ii) Non-financial assets:

The carrying amounts of the group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

3. **Significant accounting policies (cont'd)**

(n) Related party balances and transactions:

A party is related to the company if:

(i) directly or indirectly through one or more intermediaries the party: -

- controls, is controlled by, or is under common control with the company (this included parents, subsidiaries and fellow subsidiaries);
- has an interest in the company that gives it significant influence over the company, or
- has joint control over the company

(ii) the party is an associate of the company;

(iii) the party is a joint venture in which the company is a venturer;

(iv) the party is a member of the key management personnel of the company or its parent;

(v) the party is a close member of the family of any individual referred to in (i) and (iv) above;

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the company, or any company that is related party of the company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(o) Associated companies:

Jamaica Joint Venture Company Limited and its subsidiaries are associated companies, which are shown at cost. The company has not adopted the equity method of accounting for investments as the directors of the company do not consider that they exercise significant influence over the financial or operating policies of Jamaica Joint Venture Investment Company Limited and its subsidiaries (see note 12).

(p) New standards and interpretations issued but not yet effective:

At the date of authorisation of the financial statements, certain new standards and amendments to and interpretations of existing standards, have been issued which are not yet effective and which the group has not early-adopted. The group has assessed the relevance of such new standards, amendments and interpretations with respect to its operations and has determined that the following are relevant:

- IFRS 8 *Operating Segments* which becomes effective for reporting period beginning on or after January 1, 2009 replaces IAS 14. It requires segment disclosure based on the components of the group that management monitors in making decisions about operating matters, as well as qualitative disclosures on segments. Segments will be reportable based on threshold tests related to revenues, results and assets. The group is currently assessing the impact that IFRS 8 will have on the disclosures in the financial statements.

3. Significant accounting policies (cont'd)

(p) New standards and interpretations issued but not yet effective (cont'd):

- Revised IAS 23 *Borrowing Costs* removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised IAS 23 will become mandatory for the group's 2009 consolidated financial statements. The group is assessing the impact that the revised standard will have on the financial statements.

- Revised IAS 1 *Presentation of Financial Statements* (2007) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income. Revised IAS 1 becomes mandatory for the 2009 consolidated financial statements. The group has not yet made a decision on the total comprehensive income that will be provided.

- Amendments to IAS 32 *Financial Instruments: Presentation* and IAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation* requires puttable instruments, and instruments that impose on the entity an obligation to deliver to another party a *pro rata* share of the net assets of the entity only on liquidation, to be classified as equity if certain conditions are met. The amendments, which become mandatory for the 2009 consolidated financial statements, with retrospective application required, are not expected to have any impact on the group's financial statements.

- Revised IFRS 3 *Business Combinations* (2008) incorporates the following changes to the recognition and measurement of a business combination:
  - The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations.
  - Contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss.
  - Transaction costs, other than share and debt issue costs, will be expensed as incurred.
  - Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss.
  - Any non-controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

  Revised IFRS 3, which becomes mandatory for the 2010 consolidated financial statements is not expected to have any material impact on the group's financial statements.

3. **Significant accounting policies (cont'd)**

(p) New standards and interpretations issued but not yet effective (cont'd):

- Amended IAS 27 *Consolidated and Separate Financial Statements* (2008) requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The amendments to IAS 27, which become mandatory for the 2010 consolidated financial statements, are not expected to have a significant impact on the group's financial statements.

- Amendment to IFRS 2 *Share-based Payment – Vesting Conditions and Cancellations* clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The amendments to IFRS 2 will become mandatory for the 2009 consolidated financial statements, and is not expected to have any material impact on the group's financial statements.

- Amendments to IFRS 7 *Financial Instruments: Disclosures* requires enhanced disclosures in respect of two aspects: disclosures over fair value measurement relating to financial instruments specifically in relation to disclosures over the inputs used in valuation techniques and the uncertainty associated with such valuations; and improving disclosures over liquidity risk to address current diversity in practice. The amendments will become mandatory for the 2009 consolidated financial statements. The group is assessing the impact that the revised standard will have on the financial statements.

4. **Financial risk management**

The group has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk.

This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the group's risk management framework. The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. The group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures.

4. Financial risk management (cont'd)

(a) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers, investment and cash and cash equivalents.

Trade and other receivables

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the group's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk.

A credit policy has been established under which each new customer is analysed individually for creditworthiness before the group's standard payment and delivery terms and conditions are offered. The group's review includes review of the customer's financial strength, history with the company if any, payment habits to existing suppliers and bank references. Credit limits are established for each customer and require the authorisation by approved personnel. Customers that fail to meet the group's benchmark creditworthiness may transact with the group only on a prepayment basis.

More than 98 percent of the group's customers have been transacting with the group for over four years, and losses have occurred infrequently. In monitoring customer credit risk, customers are grouped according to the ageing of their debt. Trade and other receivables relate mainly to the group's media service customers.

The group does not require collateral in respect of trade and other receivables.

The group establishes an allowance for impairment that represents its estimate of specific losses in respect of trade and other receivables. The group's allowances for impairment of trade receivables are based on the extent of default, including its ageing profile and other external factors indicating inability to collect.

Based on customer default rates, the group believes that no impairment allowance is necessary in respect of trade receivables not past due or past due to 30 days. Ninety-five percent of the balance relates to customers that have a good track record with the group.

The allowance accounts in respect of accounts receivables are used to record impairment losses, unless the group is satisfied that no recovery of the amount owing is possible. At that point, the amounts considered irrecoverable are written off the financial asset directly (see note 16).

Investments, cash and cash equivalents and securities purchased under agreement for resale

The group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that are licensed under the Financial Institutions Act and Financial Services Commission. The group's investment portfolio consists of Government of Jamaica instruments. The group holds collateral for securities purchased under resale agreements.

Management does not expect any counterparty to fail to meet its obligations.

4. Financial risk management (cont'd)

(a) Credit risk (cont'd)

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at reporting date was:

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
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
Investments	134,570	250,563	126,184	239,937
	896,179	1,146,663	791,297	1,515,946

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Group Carrying Amount		Company Carrying Amount	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Domestic	565,915	669,161	640,103	728,060
Overseas	32,694	83,362	-	536,813
	598,609	752,523	640,103	1,264,873

The maximum exposure to credit risk for trade receivables at the reporting date of customers by segments was:

	Group Carrying Amount	
	2008	2007
	$'000	$'000
Media service	547,860	671,894
Books and Stationery	44,748	49,779
Other	6,001	30,850
	598,609	752,523

There has been no change to the group's exposure to credit risk on the manner in which it manages and measures risk.

4. Financial risk management (cont'd)

(b) Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

Typically, the group ensures that it has sufficient cash on demand and marketable securities to meet expected operational expenses including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the group maintains a line of credit of J$15 million in overdraft facility.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

	Group					
	2008					
	Carrying Amount $'000	Contractual cash flows $'000	1 yr or less $'000	1-2 yrs $'000	2-5 yrs $'000	More than 5 yrs $'000
Long –term liabilities	53,286	120,830	13,453	21,852	17,268	68,257
Trade and other payables	698,564	698,564	698,564	-	-	-
Bank overdraft	28,325	28,325	28,325	-	-	-
	780,175	824,300	716,923	21,852	17,268	68,257

	Group					
	2007					
	Carrying Amount $'000	Contractual cash flows $'000	1 yr or less $'000	1-2 yrs $'000	2-5 yrs $'000	More than 5 yrs $'000
Long –term liabilities	99,485	174,920	27,383	29,316	20,226	97,995
Trade and other payables	597,781	597,781	597,781	-	-	-
Bank overdraft	66,337	66,337	66,337	-	-	-
	763,603	813,933	666,396	29,316	20,226	97,995

4. Financial risk management (cont'd)

(b) Liquidity risk (cont'd)

	Company 2008					
	Carrying Amount $'000	Contractual cash flows $'000	1 yr or less $'000	1-2 yrs $'000	2-5 yrs $'000	More than 5 yrs $'000
Long –term liabilities	21,538	27,065	8,171	1,626	17,268	-
Trade and other payables	475,562	475,562	475,562	-	-	-
Bank overdraft	18,012	18,012	18,012	-	-	-
	515,112	520,639	478,326	1,626	17,268	-

	Company 2007					
	Carrying Amount $'000	Contractual cash flows $'000	1 yr or less $'000	1-2 yrs $'000	2-5 yrs $'000	More than 5 yrs $'000
Long –term liabilities	41,859	50,990	26,730	24,260	-	-
Trade and other payables	341,031	341,031	341,031	-	-	-
Bank overdraft	66,337	66,337	66,337	-	-	-
	449,227	458,358	408,993	24,260	-	-

There has been no change to the group's exposure to liquidity risk or the manner in which it manages or measures risk.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. There has been no change to the group's exposure to market risk or the manner in which it measures and manages this risk.

(i) Currency risk

The group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currency of group. The main currencies are the United States dollar (US$), Pound Sterling (GBP) and Canadian dollar (Can $).

4. Financial risk management (cont'd)

(c) Market risk (cont'd)

(i) Currency risk (cont'd)

The group ensures that the risk is kept to an acceptable level by monitoring its risk exposure and by maintaining funds in US dollars as a hedge against adverse fluctuations in exchange rates.

The group's investments in overseas subsidiaries are not hedged as those currency positions are considered to be long-term in nature.

The group's exposure to foreign currency risk are as follows:

	Group					
	2008			2007		
	USD	GBP	CAD	USD	GBP	CAD
Investments	680	-	115	546	-	92
Trade and other receivables	-	192	62	-	321	363
Securities purchased under agreement for resale	108	-	-	50	-	-
Trade payables	(2,743)	(676)	(191)	(2,011)	(258)	(272)
Cash and cash equivalents	99	31	311	104	81	249
Net exposure	(1,856)	(453)	297	(1,311)	144	432

	Company					
	2008			2007		
	USD	GBP	CAD	USD	GBP	CAD
Investments	680	-	-	546	-	-
Trade payables	(2,195)	(1)	-	(1,214)	-	-
Cash and cash equivalents	99	-	-	104	20	-
Net exposure	(1,416)	(1)	-	(564)	20	-

4. Financial risk management (cont'd)

(c) Market risk (cont'd)

(i) Currency risk (cont'd)

Sensitivity analysis

A strengthening/weakening of the Jamaica dollar against the following currencies at 31 December would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2007.

Group 2008

		Increase			Decrease	
Currency	% weakening	effect on equity	effect on profit/loss	% strengthening	effect on equity	effect on profit/loss
USD	9.00	4,925	(18,367)	3.00	1,095	6,122
GBP	9.00	-	(4,763)	3.00	-	1,588
CAD	9.00	-	-	3.00	-	(584)

Group 2007

		Increase			Decrease	
Currency	% weakening	effect on equity	effect on profit/loss	% strengthening	effect on equity	effect on profit/loss
USD	5.50	2,107	(7,167)	5.50	(2,107)	7,167
GBP	8.75	-	1,764	8.75	-	1,764
CAD	10.00	-	4,562	10.00	-	4,562

Company 2008

		Increase			Decrease	
Currency	% weakening	effect on equity	effect on profit/loss	% strengthening	effect on equity	effect on profit/loss
USD	9.00	4,925	(15,180)	3.00	-	5,060
GBP	9.00	-	(11)	3.00	-	4

Company 2007

		Increase			Decrease	
Currency	% weakening	effect on equity	effect on profit/loss	% strengthening	effect on equity	effect on profit/loss
USD	5.50	2,107	(7,167)	5.50	2,107	7,167
GBP	8.75	-	245	8.75	-	245

4. **Financial risk management (cont'd)**

(c) Market risk (cont'd)

(ii) Interest rate risk

The group minimizes interest rate risk by investing mainly in fixed rate government securities and contrasting liabilities at fixed rates, where possible.

Profile

At the reporting date, the interest rate profile of the group's interest-bearing financial instruments was:

	Group		Company	
	2008 **$'000**	**2007** **$'000**	**2008** **$'000**	**2007** **$'000**
Fixed rate instruments				
Financial assets	136,624	115,898	58,802	40,364
Financial liabilities	(8,650)	(55,923)	(8,128)	(24,078)
	127,974	59,975	50,674	16,286
Variable rate instruments				
Financial liabilities	(10,313)	(84,771)	(18,012)	(84,118)

Fair value sensitivity analysis for fixed rate instruments

The group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit.

A change of 300 (2007: 100) basis points in interest rates would have increased or decreased equity by $1,122,014 (2007: $410,000).

Cash flow sensitivity analysis for variable rate instruments

A change of 300 (2007: 100) basis points in interest rates at the reporting date would have increased/(decreased) profit by 847,050 (2007: $669,000). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2007.

Equity price risk

The Board monitors the mix of debt and equity securities in its investment portfolio based on market expectations. This risk is managed by the monitoring of the market value of the securities on the Jamaica Stock Exchange and the companies' quarterly financial performance.

4. Financial risk management (cont'd)

(c) Market risk (cont'd)

(ii) Interest rate risk (cont'd)

Sensitivity analysis – equity price risk

Most of the group's equity investments are listed on the Jamaica Stock Exchange. A 20% (2007: 2%) increase or decline in the JSE All Jamaica Composite at the reporting date would have increased /decreased equity by $3,700,440 (2007: $3,546,000).

There would be no impact on profit or loss at the reporting date (2007: $Nil) as there were no investments designated as fair value through profit or loss.

(d) Fair values

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed upon between knowledge willing parties who are under compulsion to act and is evidenced by a quoted market price, if one exists.

Fair values versus carrying amounts

The fair value of financial instruments is based on their quoted market price at the balance sheet date without any deduction for transaction costs. Where a quoted market price is not available, the fair value of the instrument is estimated using pricing models or discounted cash flows or a generally accepted alternative method.

The fair values of current financial assets and liabilities approximate to their carrying amounts shown in the balance sheet due to their short term.

The fair value of long-term receivables and liabilities is assumed to approximate to their carrying values as no loss on realisation or discount on settlement are anticipated.

The interest rates used to determine fair values at the reporting date were as follows:

	2008	2007
Government of Jamaica instrument	9.83%	7.57%

Basis for determining fair values

Available-for-sale financial assets includes Government of Jamaica instrument and quoted equities. Quoted equities are valued using the quoted market bid prices listed on the Jamaica Stock exchange at the reporting date.

Government of Jamaica instrument is valued using an acceptable broker yield curve.

4. Financial risk management (cont'd)

(e) Capital management

The group's objective is to maintain a strong capital base so as to safeguard the group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Board of Directors monitors the return on capital which the company defines as share capital, capital reserves, fair value reserves and retained profits. The group may adjust or maintain the capital structure by adjusting the amount of dividends paid to shareholders.

There were no changes in the group's approach to capital management during the year.

5. Segment reporting:

A segment is a distinguishable component of the group that is engaged either in providing products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Segment information is presented in respect of the group's business segments. The primary format for business segments, is based on the group's management and internal 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 year.

6. Roles of the actuary and auditors

The actuary has been appointed by the Board of Directors pursuant to the requirements of IAS 19. With respect to the preparation of financial statements, the actuary is required to carry out an actuarial valuation of management's estimate of the company's medical and the group's defined-benefit pension schemes and report thereon to the shareholders. The valuation is made in accordance with accepted actuarial practice. The actuary, in his verification of the management information provided by the company used in the valuation, also makes use of the work of the external auditors. The actuary's report outlines the scope of his work and opinion.

The external auditors have been appointed by the shareholders pursuant to the Act to conduct an independent and objective audit of the financial statements of the group and the company and in accordance with International Standards on Auditing, and report thereon to the shareholders. In carrying out their audit, the auditors also make use of the work of the actuary and his report on the group's and the company's actuarially determined policy liabilities. The auditors' report outlines the scope of their audit and their opinion.

7. Property, plant and equipment

(a) Group

	Freehold land and buildings $'000	Machinery and equipment $'000	Fixtures and fittings $'000	Motor vehicles and computer equipment $'000	Press $'000	Typesetting equipment $'000	Leased assets $'000	Construction in Progress $'000	Total $'000
At cost or valuation									
Balances at December 31, 2006	478,140	273,906	135,189	231,063	142,566	4,890	39,399	-	1,305,153
Additions	47,997	8,514	28,065	59,912	-	-	7,346	13,029	164,863
Disposals	-	(559)	(39,641)	(5,767)	-	-	(5,821)	-	(51,788)
Surplus on revaluation of land and buildings	49,094	-	-	-	-	-	-	-	49,094
Balances at December 31, 2007	575,231	281,861	123,613	285,208	142,566	4,890	40,924	13,029	1,467,322
At cost	27,050	281,861	123,613	285,208	142,566	4,890	40,924	13,029	919,141
At valuation	548,181	-	-	-	-	-	-	-	548,181
	575,231	281,861	123,613	285,208	142,566	4,890	40,924	13,029	1,467,322
Additions	13,193	2,073	12,422	22,091	-	-	6,279	-	56,058
Transfers	13,029	-	-	-	-	-	-	(13,029)	-
Disposals	(586)	(1,224)	-	(130)	(4,835)	-	(10,692)	-	(17,467)
Surplus on revaluation of land and buildings	113,544	-	-	-	-	-	-	-	113,544
Balances at December 31, 2008	714,411	282,710	136,035	307,169	137,731	4,890	36,511	-	1,619,457
At cost	40,243	282,710	136,035	307,169	137,731	4,890	36,511	-	945,289
At valuation	674,168	-	-	-	-	-	-	-	674,168
	714,411	282,710	136,035	307,169	137,731	4,890	36,511	-	1,619,457
Depreciation and impairment losses									
Balances at December 31, 2006	33,924	196,383	89,418	177,755	87,584	4,890	8,841	-	598,795
Charge for the year	22,610	22,319	7,791	33,069	7,128	-	9,309	-	102,226
Impairment	-	579	-	-	-	-	-	-	579
Eliminated on disposals	-	(434)	(38,806)	(4,957)	-	-	(5,821)	-	(50,018)
Eliminated on revaluation	(17,500)	-	-	-	-	-	-	-	(17,500)
Balances at December 31, 2007	39,034	218,847	58,403	205,867	94,712	4,890	12,329	-	634,082
Charge in the year	25,243	21,030	8,817	38,532	7,128	-	9,219	-	109,969
Eliminated on disposals	-	(1,526)	-	(1,850)	-	-	(10,693)	-	(14,069)
Eliminated on revaluation	(24,908)	-	-	-	-	-	-	-	(24,908)
Balances at December 31, 2008	39,369	238,351	67,220	242,549	101,840	4,890	10,855	-	705,074
Carrying amounts									
December 31, 2008	675,042	44,359	68,815	64,620	35,891	-	25,656	-	914,383
December 31, 2007	536,197	63,014	65,210	79,341	47,854	-	28,595	13,029	833,240

7. **Property, plant and equipment (cont'd)**

(b) **Company**

	Freehold land and buildings $'000	Machinery and equipment $'000	Fixtures and fittings $'000	Motor vehicles and computer equipment $'000	Press $'000	Typesetting equipment $'000	Leased assets $'000	Total $'000
At cost or valuation								
Balances at December 31, 2006	393,020	101,665	34,284	174,041	142,566	4,890	38,969	889,435
Additions	9,291	2,097	4,336	47,367	-	-	7,346	70,437
Disposals	-	-	-	(2,715)	-	-	(5,821)	(8,536)
Surplus on revaluation of land and buildings	49,094	-	-	-	-	-	-	49,094
Balances at December 31, 2007	451,405	103,762	38,620	218,693	142,566	4,890	40,494	1,000,430
At cost	25,919	103,762	38,620	218,693	142,566	4,890	40,494	574,944
At valuation	425,486	-	-	-	-	-	-	425,486
	451,405	103,762	38,620	218,693	142,566	4,890	40,494	1,000,430
Additions	10,047	160	2,479	19,164	-	-	6,265	38,115
Disposals	-	(494)	-	(4,835)	-	-	(10,692)	(16,021)
Surplus on revaluation of land and buildings	97,614	-	-	-	-	-	-	97,614
Balances at December 31, 2008	559,066	103,428	41,099	233,022	142,566	4,890	36,067	1,120,138
At cost	35,966	103,428	41,099	233,022	142,566	4,890	36,067	597,038
At valuation	523,100	-	-	-	-	-	-	523,100
	559,066	103,428	41,099	233,022	142,566	4,890	36,067	1,120,138
Depreciation and Impairment losses								
Balances at December 31, 2006	17,747	71,522	16,042	135,522	87,584	4,890	8,560	341,867
Charge for the year	16,565	8,817	3,246	28,579	7,128	-	9,104	73,439
Eliminated on disposals	-	-	-	(2,715)	-	-	(5,821)	(8,536)
Eliminated on revaluation	(17,500)	-	-	-	-	-	-	(17,500)
Balances at December 31, 2007	16,812	80,339	19,288	161,386	94,712	4,890	11,843	389,270
Charge in the year	20,105	6,861	3,407	26,114	7,128	-	8,983	72,598
Eliminated on disposals	-	(625)	-	(1,767)	-	-	(10,693)	(13,085)
Eliminated on revaluation	(16,540)	-	-	-	-	-	-	(16,540)
Balances at December 31, 2008	20,377	86,575	22,695	185,733	101,840	4,890	10,133	432,243
Carrying amounts								
December 31, 2008	538,689	16,853	18,404	47,289	40,726	-	25,934	687,895
December 31, 2007	434,593	23,423	19,332	57,307	47,854	-	28,651	611,160

7. Property, plant and equipment (cont'd)

(c) Freehold land and buildings:

The Company's building at 7 North Street was revalued at $450M (2007: $372M) and Harbour Street at $7.4M (2007: $5.8M); land and building at East Street and Newport West at $93.3M (2007: $58M) and land at John's Lane at $7.8M (2007: $5M) on a fair market value basis in September 2008 by Property Consultants Limited, Real Estate Brokers and Appraisers of Kingston, Jamaica. Sangster's Book Stores Limited's buildings were revalued in November 2008 at $74M. The surplus arising on revaluation, inclusive of depreciation no longer required, has been included in capital reserves (see note 19). The cost of these properties was $19.431M. The properties are valued annually.

(d) Assets at cost:

Except as mentioned in note 7(c) all property, plant and equipment are shown at cost.

(e) Carrying value of revalued assets, if carried at cost:

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Land and buildings	12,791	5,107	12,165	4,449

(f) Impairment loss:

During the year ended December 31, 2007, certain equipment for a subsidiary was damaged. An impairment loss of $579,000 has been recognised in respect of these assets.

8. Intangible assets

Group

	Newspaper Titles $'000	Patents and trademarks $'000	Goodwill $'000	Total $'000
Cost				
Balances at December 31, 2006	484,821	265	33,662	518,748
Effects of movements in foreign exchange	38,379	385	11,150	49,914
Balances at December 31, 2007 and 2008	523,200	650	44,812	568,662
Amortisation and impairment loss				
Balances at December 31, 2007	(200,827)	-	-	(200,827)
Impairment losses	(322,373)	(650)	(44,812)	(367,835)
Balances at December 31, 2008	(523,200)	(650)	(44,812)	(568,662)
Carrying amounts				
December 31, 2008	-	-	-	-
December 31, 2007	322,373	650	44,812	367,835

8. **Intangible Assets (cont'd)**

Group (cont'd)

(i) The carrying amount of newspaper titles for the subsidiaries in the United Kingdom is $Nil (2007: $323,373,000). An impairment test was triggered because the actual financial performance of the subsidiaries was far below budgeted expectations. The recoverable amount was estimated based on its value in use using a discount rate of 9%. Based on the assessment, the carrying amount of assets was higher than its recoverable amount and full impairment loss was recognised.

(ii) For the purpose of impairment testing, goodwill is allocated to the group's North American operating division which represents the lowest level within the group at which the goodwill is monitored for internal management purposes. The recoverable amount was estimated based on value in use using a discount rate of 7%. The carrying amount was determined to be higher than its recoverable amount and an impairment loss, which was fully allocated to goodwill, was recognised.

9. **Employee benefit asset/obligation**

The parent company operates a defined-benefit scheme which is self administered and managed by a Board of Trustees appointed by The Gleaner Company Limited. A defined-benefit scheme is a pension scheme that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

The scheme is subject to triennial actuarial valuations. The most recent valuation was done on the projected unit credit method, by the appointed actuaries, Duggan Consulting Limited of Kingston, Jamaica, as at December 31, 2008. This showed the scheme to be in surplus.

Sangster's Book Stores Limited, a subsidiary, operates a defined-benefit pension scheme for all its employees, and those of The Book Shop Limited, who have satisfied certain minimum service requirements. The benefits are computed by reference to final salaries. The last actuarial valuation at December 31, 2008, showed that the scheme was adequately funded. Two subsidiary companies operate defined contribution pension schemes for its employees who satisfy certain minimum service requirements. The contribution charged to the group's income statement for the year was $1.6M (2007: $0.96M).

The parent company operates a post-retirement benefit scheme which covers health and life insurance. The method of accounting and the frequency of valuations are similar to that used for the defined-benefit scheme.

The amounts recognised in the balance sheets in respect of employee benefits asset and obligations are as follows:

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Employee benefit asset (a)	843,868	819,179	821,700	804,300
Employee benefit obligation (post-retirement benefits) (b)	89,100	71,300	89,100	71,300

9. Employees benefit asset /obligation (cont'd)

(a) Employee benefit asset:

(i) Amount recognised in the balance sheets:

	Group 2008 $'000	Group 2007 $'000	Company 2008 $'000	Company 2007 $'000
Present value of funded obligations [(a)(ii)]	(966,260)	(790,846)	(947,500)	(775,100)
Fair value of plans assets [(a)(iii)]	3,299,104	3,227,856	3,242,600	3,171,600
Surplus	2,332,844	2,437,010	2,295,100	2,396,500
Unrecognised actuarial gains	(575,524)	(947,211)	(572,200)	(934,600)
Amount not recognised due to limitation in economic benefit	(913,452)	(670,620)	(901,200)	(657,600)
	843,868	819,179	821,700	804,300

(ii) Movements in the present value of funded obligations:

	Group 2008 $'000	Group 2007 $'000	Company 2008 $'000	Company 2007 $'000
Balance at beginning of year	790,846	744,573	775,100	730,200
Benefits paid	(50,294)	(27,813)	(46,300)	(26,100)
Service and interest cost	145,547	130,750	143,000	128,200
Contributions	9,159	8,685	7,500	7,200
Actuarial gain/(loss)	71,002	(65,349)	68,200	(64,400)
Balance at end of year	966,260	790,846	947,500	775,100

(iii) Movements in plan assets:

	Group 2008 $'000	Group 2007 $'000	Company 2008 $'000	Company 2007 $'000
Fair value of plan assets at January 1	3,227,856	2,754,608	3,171,600	2,704,300
Contributions paid	30,352	27,000	27,400	24,300
Expected return on plan assets	355,326	276,594	347,800	270,300
Benefits paid	(50,294)	(27,813)	(46,300)	(26,100)
Actuarial (loss)/gain	(264,136)	197,467	(257,900)	198,800
Fair value of plan assets on December 31	3,299,104	3,227,856	3,242,600	3,171,600

9. Employees benefit asset /obligation (Cont'd)

(a) Employee benefit asset (cont'd):

(iii) Movements in plan assets (cont'd):

Plan assets consist of the following:

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	**$'000**	**$'000**	**$'000**
Equities	344,622	712,382	337,161	702,985
Bonds	290,600	91,800	290,600	91,800
Company's own ordinary shares	101,439	250,615	101,439	250,615
Fixed income securities	36,165	53,913	-	18,600
Real estate	327,615	268,504	315,000	257,200
Leases	29,800	25,300	29,800	25,300
Repurchase agreements/short term deposits	1,993,500	1,712,500	1,993,500	1,712,500
Other	175,363	112,842	175,100	112,600
	3,299,104	3,227,856	3,242,600	3,171,600

(iv) Credit recognised in the income statements:

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	**$'000**	**$'000**	**$'000**
Current service costs	20,960	21,381	20,000	20,500
Interest on obligations	104,987	93,816	103,400	90,600
Expected return on plan assets	(355,326)	(276,594)	(347,800)	(270,300)
Net actuarial loss recognised in year	(36,549)	(23,884)	(36,300)	(23,600)
Change in disallowed assets	247,128	120,781	241,900	118,300
	(18,800)	(64,500)	(18,800)	(64,500)
Actual return on plan assets	11%	16.0%	11%	16.0%

(v) Principal actuarial assumption at the balance sheet date (expressed as weighted averages):

	2008	**2007**
	%	**%**
Discount rate	16.0	13.0
Expected return on plan assets	11.0	11.0
Future salary increases	10.0	10.0
Future pension increases	7.0	7.0

9. Employees benefit asset/obligation (Cont'd)

(a) Employee benefit asset (cont'd):

(v) Principal actuarial assumption at the balance sheet date (expressed as weighted averages) (cont'd):

The overall expected long-term rate of return of assets is 14% (2007: 11%), assuming a rate of inflation for the long-term of 10% (2007: 8%) or a real rate of return of 3% (2007: 3%). The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories.

The expected pension contribution for the next year is $4,651,000 for the group and $600,000 for the company.

(vi) Historical information

	Group				
	2008	**2007**	**2006**	**2005**	**2004**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Present value of the defined benefit obligation	(966,260)	(790,846)	(744,573)	(593,728)	(506,430)
Fair value of plan assets	3,299,104	3,227,856	2,754,608	2,381,418	2,049,362
Surplus in plan	2,332,844	2,437,010	2,010,035	1,787,690	1,542,932
Experience adjustments arising on plan liabilities	(111,971)	71,400	(24,116)	18,852	(30,778)
Experience adjustments gain on plan assets	(251,664)	198,800	142,173	141,002	503,507

	Company				
	2008	**2007**	**2006**	**2005**	**2004**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Present value of the defined benefit obligation	(947,500)	(775,100)	(730,200)	(578,000)	(492,700)
Fair value of plan assets	3,242,600	3,171,600	2,704,300	2,336,300	2,012,800
Surplus in plan	2,295,100	2,396,500	1,974,100	1,758,300	1,520,100
Experience adjustments arising on plan liabilities	(114,800)	71,400	(23,000)	18,000	(29,300)
Experience adjustments gain on plan assets	(257,900)	198,800	(41,000)	1,388,700	498,000

9. Employee benefit asset /obligation (Cont'd)

(b) Post-retirement medical benefits:

(i) Obligation recognised in the balance sheets:

	Group and Company	
	2008	**2007**
	$'000	**$'000**
Present value of obligation	83,900	70,800
Unrecognised actuarial gain	13,600	500
Unrecognised past service cost	(8,400)	-
	89,100	71,300

(ii) Movements in the present value of obligation:

	Group and Company	
	2008	**2007**
	$'000	**$'000**
Balance at beginning of year	70,800	61,100
Actuarial gain	(13,000)	(1,000)
Interest cost	11,200	7,800
Current service cost	4,600	4,100
Past service cost	11,800	-
Benefits paid	(1,500)	(1,200)
Balance at end of year	83,900	70,800

(iii) Expense recognised in the income statements:

	Group and Company	
	2008	**2007**
	$'000	**$'000**
Current service costs	4,600	4,100
Interest on obligations	11,200	7,800
Net actuarial loss recognised in year	3,400	-
	19,200	11,900

(iv) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	Group and Company	
	2008	**2007**
	%	%
Discount rate	16.0	13.0
Medical claims growth	15.0	12.0

Assumptions regarding future mortality are based on PA (90) tables for pensioners, with ages rated down by six years.

9. Employees benefit asset /obligation (cont'd)

(b) Post-retirement medical benefits (cont'd):

(v) Assumed health care cost trend have an effect on the amounts recognised in the income statements. A one percentage point change in assumed healthcare cost trend rates would have the following effects: -

	Group and Company	
	One percentage point increase $'000	One percentage point decrease $'000
Effect on the aggregate service and interest cost as at December 31, 2008	3,700	(2,800)
Effect on the defined benefit obligation as at December 31, 2008	18,500	(14,100)

(vi) Historical information

	Group and Company				
	2008 $'000	2007 $'000	2006 $'000	2005 $'000	2004 $'000
Present value of the defined benefit obligation	83,900	70,800	61,100	55,300	50,300
Experience adjustment on plan liabilities	13,000	1,000	8,600	6,200	15,100

(c) Amounts recognised in the income statements:

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Employee benefit asset [see note 9 (a)(iv)]	18,800	64,500	18,800	64,500
Employee benefit obligation [see note 9(b)(iii)]	(19,200)	(11,900)	(19,200)	(11,900)
	(400)	52,600	270	52,600

The amounts in respect of employee benefits obligations are recognised in administration expenses.

10. Long-term receivables

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
(i) General Consumption Tax (GCT)	885	2,686	385	1,178
Other	959	-	-	-
Less current portions [(included in other receivables – note (16)]	(566)	(898)	(115)	(898)
	1,278	1,788	270	280

10. Long-term receivables (cont'd)

(ii) This represents GCT paid on purchase of fixed assets, which is recoverable in twenty-four equal monthly instalments from the date of purchase.

11. Investment in subsidiaries

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	**$'000**	**$'000**	**$'000**
Shares at cost, less impairment losses:				
Popular Printers Limited	-	-	426	426
Sangster's Book Stores Limited	-	-	2,650	2,650
GV Media Group Limited	-	-	1	1
The Gleaner Company (Canada) Inc.	-	-	687	687
Independent Radio Company Limited	-	-	13,368	13,368
	-	-	17,132	17,132

12. Investment in associates

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	**$'000**	**$'000**	**$'000**
Jamaica Joint Venture Investment Co. Ltd. [see notes 2(c)(i) and 3(o)]	150	150	-	-

Selecto Publications Limited owns 33.3% of Jamaica Joint Venture Investment Company Limited.

13. Investments

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	**$'000**	**$'000**	**$'000**
Available-for-sale financial assets				
Quoted equities and Government of Jamaica instrument	115,778	250,074	114,915	239,448
Loans and receivables				
Unquoted investments	18,792	489	11,269	489
	134,570	250,563	126,184	239,937

14. Cash and cash equivalents

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	**$'000**	**$'000**	**$'000**
Bank and cash balances	88,192	68,043	20,403	11,136
Call deposit	361	-	361	-
	88,553	68,043	20,764	11,136

15. Securities purchased under agreements for resale

The group and the company purchase Government and corporate securities and agree to resell them on a specified date and at a specified price ('resale agreements' or 'reverse repos'). The group and the company, on paying cash to the counterparty, sometimes take possession of the underlying securities, although title is not formally transferred, unless that counterparty fails to repurchase the securities on the date specified or to honour other conditions.

Under resale agreements, the securities that the group and the company obtain as collateral may themselves be sold under repurchase agreements.

Assigned collateral, with a fair value of $ 70,864,000 ($2007: $75,534,000) for the group, was held for securities purchased under agreements for resale.

16. Trade and other receivables

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables due from related parties [see note (iii) below]	43,343	-	664,145	766,745
Other trade receivables	560,645	648,646	416,205	431,837
Other receivables (see note 10)	98,299	196,755	64,618	127,755
	702,287	845,401	1,144,968	1,326,337
Less allowance from doubtful debt	(103,678)	(92,878)	(504,865)	(61,464)
	598,609	752,523	640,103	1,264,873
Allowance for doubtful debts is made in respect of the following:				
Trade receivables due from related parties [see note (iii) below]	-	-	443,283	36,426
Other trade receivables	96,556	92,878	54,460	25,038
Other receivables (see note 10)	7,122	-	7,122	-
	103,678	92,878	504,865	61,464

(i) The ageing of other trade receivables at the reporting date was:

	Group			
	Gross	**Impairment**	**Gross**	**Impairment**
	2008	**2008**	**2007**	**2007**
	$'000	**$'000**	**$'000**	**$'000**
Not past due	193,832	2,055	225,068	4,054
Past due 0 – 30 days	174,339	393	192,309	3,502
Past due 31 – 60 days	63,022	5,683	72,836	5,359
Past due 61 – 120 days	55,945	38,434	64,236	45,123
More than one year	73,507	49,991	94,197	34,840
	560,645	96,556	648,646	92,878

16. **Trade and other receivables (cont'd)**

(i) The ageing of other trade receivables at the reporting date was (cont'd):

	Company			
	Gross 2008 $'000	Impairment 2008 $'000	Gross 2007 $'000	Impairment 2007 $'000
Not past due	146,884	-	153,463	-
Past due 0 – 30 days	142,562	-	129,004	-
Past due 31 – 60 days	48,789	4,569	48,782	1,373
Past due 61 – 120 days	25,477	13,381	18,592	81
More than one year	52,493	36,510	81,996	23,584
	416,205	54,460	431,837	25,038

(ii) The movement in the allowance for impairment in respect of trade receivables due from related parties is as follows:

	Company	
	2008 $'000	2007 $'000
Balance at January 1	36,426	270,889
Impairment loss recognised	406,857	-
Amount written off	-	(234,463)
Balance as at December 31	443,283	36,426

(iii) The movement in the allowance for impairment in respect of other trade receivable during the year:

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Balance at January 1	92,878	49,902	25,038	25,912
Impairment loss recognised	21,931	61,956	35,803	7,067
Amounts written-off	(18,253)	(18,980)	(6,381)	(7,941)
Balance as at December 31	96,556	92,878	54,460	25,038

17. **Inventories and goods-in-transit**

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Newsprint	135,298	81,409	135,298	81,409
Books, stationery and general supplies	210,276	222,321	1,481	968
Goods-in-transit	23,665	53,606	10,842	4,084
Consumable stores	100,951	78,077	16,921	21,404
	470,190	435,413	164,542	107,865

Inventories are stated net of a provision of obsolescence of $46,825,899 (2007: $21,699,000) for the Group and $11,246,035 (2007: $4,100,780) for the Company.

18. Share capital and share premium

	Group and Company	
	2008	2007
	$'000	$'000
Share capital issued and fully paid		
1,211,243,827 ordinary shares of no par value	605,622	605,622

At December 31, 2008, the authorised share capital comprised 1,216,000,000 ordinary shares (2007: 1,216,000,000). All issued shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. Share premium is retained in accordance with the provisions of Section 39(7) of the Jamaican Companies Act (note 19).

19. Reserves

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Capital				
Realised:				
Share premium (note 18)	4,353	4,353	4,353	4,353
Other	5,830	5,830	-	-
Gain on sale of loan	24,608	24,608	1,334	1,334
Gain on disposal of property, plant and equipment	13,725	13,725	-	-
	48,516	48,516	5,687	5,687
Unrealised:				
Revaluation of land and buildings [(note 7(c)]	622,088	483,576	558,500	433,665
Deferred taxation on revalued land and buildings	(46,216)	(26,720)	(51,800)	(26,994)
Reserve arising from consolidation of of subsidiaries (net of goodwill) and debt	93,496	65,199	-	-
Exchange difference on opening investment in subsidiaries	122,996	28,297	-	-
	792,364	550,352	506,700	406,671
Total capital reserves	840,880	598,868	512,387	412,358
Reserve for own shares	(197,226)	(150,375)	-	-
Fair value reserve	58,001	107,665	57,153	106,712
Revenue				
Retained profits	705,721	1,235,531	497,839	1,095,628
	1,407,376	1,791,689	1,067,379	1,614,698

19. Reserves (cont'd)

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, as amended. The reserve comprises the cost of the company's shares held by the group through the GCLEIT. At December 31, 2008, the group held 72,892,734 (2007: 62,614,068) of the Company's shares (note 31).

Fair value reserve represents unrealised gains arising on changes in fair value of available-for-sale investments.

Capital distribution of $654,191 (2007: $415,762) can be made from distribution received from a subsidiary company and transfer tax withheld and remitted by the company.

20. Long-term liabilities

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Bank loan [see (a) below]	1,368	17,781	1,368	17,781
Stockholders' loans [see (b) below]	-	653	-	-
Mortgage [see (c) below]	31,748	31,875	-	-
Finance lease obligations [see (d) below]	20,170	24,078	20,170	24,078
Other loan [see (e) below]	-	25,098	-	-
	53,286	99,485	21,538	41,859
Less current portion	(8,650)	(25,305)	(8,128)	(24,329)
	44,636	74,180	13,410	17,530

(a) The loan is repayable over 5 years by monthly instalments of $1,367,759, bears interest at 13% and is secured by a mortgage on certain freehold properties of the company.

(b) The shareholders' loans, made to a subsidiary are unsecured and bear interest at a rate equal to the yield of the most recent issue of twelve-month treasury bills, determined as at the first day of April in each year the interest is payable. These loans were repaid during the year.

(c) The loan bears interest at 13% per annum and is repayable over 20 years by monthly instalments of $421,372. It is secured by a mortgage on the land and building of a subsidiary.

20. Long-term liabilities (cont'd)

(d) Finance lease obligations:

	Group and Company	
	2008	2007
	$'000	$'000
Due from balance sheet date as follows:		
Within one year	6,788	8,034
Within two to five years	18,893	22,863
Total future minimum lease payments	25,681	30,897
Less: future interest charges	(5,511)	(6,819)
Present value of minimum lease payments	20,170	24,078

(e) This interest-free, unsecured loan, with no fixed repayment terms, was repaid during the year.

21. Deferred taxation

Deferred taxation is attributable to the following:

(a) Group:

	Assets		Liabilities		Net	
	2008	2007	2008	2007	2008	2007
	$'000	$'000	$'000	$'000	$'000	$'000
Property, plant and equipment	2,106	136	(150,698)	(122,118)	(148,592)	(121,982)
Trade and other receivables	(33)	-	(16,056)	(8,823)	(16,089)	(8,823)
Trade and other payables	1,594	-	7,735	7,965	9,329	7,965
Employee benefit asset	-	-	(281,289)	(273,059)	(281,289)	(273,059)
Employee benefit obligation	-	-	29,700	23,767	29,700	23,767
Tax losses	2,343	5,847	40,202	-	42,545	5,847
Investments	-	-	32,782	(16,006)	32,782	(16,006)
Net assets/(liabilities)	6,010	5,983	(337,624)	(388,274)	(331,614)	(382,291)

(i) Net deferred tax is recognised in the group balance sheet as follows:

	2008	2007
	$'000	$'000
Deferred tax liability in company	(313,601)	(367,310)
Deferred tax liability in subsidiaries	(24,023)	(20,964)
	(337,624)	(388,274)
Deferred tax asset in certain subsidiaries	6,010	5,983
Net deferred tax liabilities	(331,614)	(382,291)

21. Deferred taxation (cont'd)

(a) Group:

(ii) Movement in net temporary differences during the year are as follows:

	Balance at January 1 $'000	Recognised in income $'000	Recognised in equity $'000	Balance at December 31 $'000
Property, plant and equipment	(121,985)	(7,373)	(19,234)	(148,592)
Employee benefit asset	(273,059)	(8,230)	-	(281,289)
Employee benefit obligation	23,767	5,933	-	29,700
Trade and other receivables	(8,823)	(7,264)	-	(16,087)
Trade and other payables	7,965	1,364	-	9,329
Tax losses	5,847	36,696	-	42,543
Investments	(16,006)	-	48,788	32,782
	(382,294)	21,126	29,554	(331,614)

Deferred taxation is attributable to the following:

(b) Company:

	2008 $'000	2007 $'000
Property, plant and equipment	(132,680)	(107,167)
Trade and other receivables	(16,018)	(6,669)
Trade and other payables	7,735	6,865
Employee benefit asset	(273,900)	(268,100)
Employee benefit obligation	29,700	23,767
Investments	32,782	(16,006)
Tax losses	38,780	-
Net liabilities	(313,601)	(367,310)

Movement in net temporary differences during the year:

	Balance at January 1 $'000	Recognised in income $'000	Recognised in equity $'000	Balance at December 31 $'000
Property, plant and equipment	(107,167)	(11,589)	(13,924)	(132,680)
Employee benefit asset	(268,100)	(5,800)	-	(273,900)
Employee benefit obligation	23,767	5,933	-	29,700
Trade and other receivables	(6,669)	(9,349)	-	(16,018)
Trade and other payables	6,865	870	-	7,735
Investments	(16,006)	-	48,788	32,782
Tax losses	-	38,780	-	38,780
	(367,310)	18,845	34,864	(313,601)

22. Bank overdraft

The bank overdraft, when utilised is secured by a first debenture stamped $15,530,000, with power to upstamp at the Bank's discretion creating a fixed charge over all real estate and leasehold properties of the company and a floating charge over all its other assets, except the Goss Urbanite Series 500 Printing Press. This debenture is supported by collateral mortgage over real estate located at 5, 5A, 5B and 7 North Street, and 114½, and 114¾ East Street, Kingston.

23. Trade and other payables

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Trade payables	343,211	320,891	210,478	113,426
Other payables	355,353	276,890	265,084	227,605
	698,564	597,781	475,562	341,031

24. Deferred income

This represents subscription revenue received in advance.

25. Revenue

Revenue represents sales by the group, before commission payable but excluding returns, as follows:

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Advertising	2,072,317	2,234,600	1,692,245	1,599,960
Books and stationery	820,311	967,570	-	-
Circulation	1,080,567	949,355	1,022,703	881,516
Other	75,161	97,348	23,748	54,814
	4,048,356	4,248,873	2,738,696	2,536,290

26. Profit from operations

Profit from operations is stated after charging:

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Directors' emoluments:				
Fees	7,024	6,302	3,238	3,054
Management remuneration (included in staff costs)	39,206	28,717	25,242	20,247
Staff costs (note 37)	1,123,416	1,052,036	885,541	723,397
Redundancy costs (note 37)	72,112	15,153	72,112	15,153
Auditors' remuneration	15,932	15,109	5,600	5,100
Depreciation	109,969	117,467	72,598	73,439
Gain on disposal of investments	87,704	57,977	94,176	-

27. Net finance income/(cost)

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Interest income on loans	5,457	707	29,921	24,151
Interest income on available-for-sale financial assets	11,164	7,606	11,164	7,607
Interest income on bank deposits	674	3,474	674	948
Interest income on other investments	9,533	9,146	2,288	-
Dividend income on available-for-sale financial assets	4,687	3,679	4,687	3,679
Finance income	31,515	24,612	48,734	36,385
Finance expenses	(11,821)	(25,194)	(26,435)	(15,469)
	19,694	(582)	22,299	20,916

28. Impairment losses

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Newspaper titles	(322,373)	(200,827)	-	-
Patents and trademarks	(650)	-	-	-
Goodwill	(44,812)	-	-	-
Property, plant and equipment	-	(579)	-	-
Subsidiaries' debt	-	-	(443,283)	-
	(367,835)	(201,406)	(443,283)	-

29. Subsidiaries in administration/liquidation

In the prior Vee Tee Ay Limited was placed in administration.

30. Taxation

(a) Taxation is based on the profit for the year as adjusted for tax purposes and is made up as follows:

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
(i) Current tax expense:				
Income tax at 33 1/3%	13,327	75,305	-	46,329
Adjustment in respect of previous year	-	84	-	-
(ii) Deferred tax expense:				
Origination and reversal of timing difference (note 21)	(21,126)	19,546	(18,845)	4,528
Total taxation (credit)/charge recognised in the income statements	(7,799)	94,935	(18,845)	50,857

(b) The tax effect of differences between treatment of items for financial statements and taxation purposes are as follows:

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Profit/(loss) before taxation	(452,487)	193,139	(531,847)	202,406
Income tax at 331/3%	(150,829)	64,380	(177,283)	67,468
Capital losses	18,126	11,252	17,818	(19,117)
Difference between depreciation and tax capital allowance	24,154	(3,364)	21,581	(7,958)
Finance lease payments	(170)	(10,575)	(170)	(10,575)
Expenses not allowed for tax purpose	119,688	17,983	118,553	16,540
Other	(3,024)	15,172	656	4,499
Adjustment in respect of previous year	(146)	87	-	-
Actual tax (credit)/expense	(7,799)	94,935	(18,845)	50,857

31. Earnings per stock unit

The calculation of earnings per stock unit is arrived at by dividing (loss)/profit after taxation attributable to stockholders of the parent company of $450,139,000 (2007: $94,705,000) by 1,211,243,827, being the number of stock units in issue at December 31, 2008 (2007:1,211,243,827), as well as by 1,138,351,093 (2007: 1,148,629,759), being stock units less those held by the GCLEIT (note 19).

32. Dividends paid (gross)

An interim revenue distribution of 3.5 cents per stock unit was paid on April 2, 2008, to shareholders on record at close of business on March 20, 2008.

A second interim revenue distribution of 3.5 cents per stock was paid on October 10, 2008, to shareholders on record at the close of business on September 26, 2008.

	Company	
	2008 **$'000**	**2007** **$'000**
Ordinary dividends:		
First interim paid in respect of 2008: 3.5¢ (2007: 3.5¢) per stock unit – gross	42,393	42,393
Second interim paid in respect of 2008: 3.5¢ (2007: 3.5¢) per stock unit – gross	42,394	42,394
	84,787	84,787

	Group	
	2008 **$'000**	**2007** **$'000**
Gleaner's first interim paid in respect of 2008: 3.5¢ (2007: 3.5¢) per stock unit - gross	42,393	42,393
Gleaner's second interim paid in respect of 2008: 3.5¢ (2007: 3.5¢) per stock unit - gross	42,394	42,393
	84,787	84,786
Dividends paid to GCLEIT	(5,116)	(5,141)
	79,671	79,645
Paid to minority interest in a subsidiary	1,503	-
	81,174	79,645

33. Segment reporting

(a) Business segments:

The main business segments of the Group comprise:

	2008			
	Media Service $'000	Books and stationery $'000	Other $'000	Total $'000
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	146,554	24,659	(26,802)	144,411
	1,600,181	218,530	9,086	1,827,797
Expenses:				
Distribution costs	(538,377)	(99,293)	-	(637,670)
Administration expenses	(720,196)	(118,161)	(20,546)	(858,903)
Other operating expenses	(453,485)	-	-	(453,485)
	(1,712,058)	(217,454)	(20,546)	(1,950,058)
Pension costs	(885)	-	-	(885)
	(1,712,943)	(217,454)	(20,546)	(1,950,943)
Employee benefit asset	18,800	-	-	18,800
(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	(367,835)	-	-	(367,835)
(Loss)/profit before taxation	(443,013)	(1,221)	(8,253)	(452,487)
Taxation credit/(charge)	13,673	(1,087)	(4,787)	7,799
Segment results	(429,340)	(2,308)	(13,040)	(444,688)
Minority interest				(5,451)
Net loss attributable to stockholders of the parent company				(450,139)
Segment assets	2,665,001	550,170	52,153	3,267,324
Segment liabilities	979,309	191,134	52,764	1,223,207
Capital expenditure	7,964	-	-	7,964
Depreciation and amortisation	97,418	8,873	3,678	109,969
Other non-cash items	373,793	(11,186)	8,790	371,397
Impairment losses	367,835	-	-	367,835

33. Segment reporting (cont'd)

(a) Business segments (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	(1,752,068)	(730,192)	(6,492)	(2,488,752)
Gross profit	1,501,740	233,285	25,096	1,760,121
Other operating income	249,642	18,426	53,095	321,163
	1,751,382	251,711	78,191	2,081,284
Expenses:				
Distribution costs	(477,490)	(91,138)	-	(568,628)
Administration expenses	(651,366)	(115,439)	(19,866)	(786,671)
Other operating expenses	(487,532)	-	-	(487,532)
	(1,616,388)	(206,577)	(19,866)	(1,842,831)
Pension costs	(1,957)	-	-	(1,957)
	(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/(costs)	20,268	(124)	(20,726)	(582)
Impairment losses	(201,406)	-	-	(201,406)
Subsidiaries in administration/ liquidation	94,131	-	-	94,131
Profit before taxation	110,530	45,010	37,599	193,139
Taxation	(65,785)	(19,176)	(9,974)	(94,935)
Segment results	44,745	25,834	27,625	98,204
Minority interest				(3,499)
Net profit attributable to stockholders of the parent company				94,705
Segment assets	3,072,119	506,795	96,820	3,675,734
Segment liabilities	1,025,008	192,969	33,675	1,251,652
Capital expenditure	6,612	-	-	6,612
Depreciation and amortisation	90,017	7,253	4,955	102,225
Other non-cash items	84,928	28,996	3,884	117,808
Impairment losses	204,406	-	-	204,406

33. Segment reporting (Continued)

(b) Geographical segments

	Local		Overseas		Total	
	2008	**2007**	**2008**	**2007**	**2008**	**2007**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue from external customers	3,770,440	3,755,175	277,916	493,698	4,048,356	4,248,873
Segment assets	3,167,200	3,124,635	100,124	551,100	3,267,324	3,675,735
Segment liabilities	1,143,688	1,152,847	79,519	98,405	1,223,207	1,251,252
Depreciation	94,878	94,613	15,091	7,613	109,969	102,226
Other non-cash items	182,710	63,756	184,739	(107,278)	367,449	43,522

34. Related parties

(a) Identity of related party

The group has a related party relationship with its subsidiaries, associates and with its directors and executive officers in the ordinary course of business.

(b) Transactions with key management personnel

In addition to salaries, the group also provides non-cash benefits to directors and executive officers, and contributes to a post-employment defined benefit plan on their behalf, in accordance with the terms of the plan. Executive officers also participate in the group's share option programme [see note 3(c) (iv)].

In 1994, the company established an investment trust for the benefit of its employees. During the year, no options were granted by the trustees to members of staff to acquire shares in the company. Shares were issued to staff during the year resulting from previous options, at a cost of approximately $0.619 (2007: $2.3M). The value of the outstanding options was immaterial.

The key management personnel compensations are as follows: -

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	**$'000**	**$'000**	**$'000**
Short-term employee benefits	126,872	131,023	126,872	100,406
Post- employment benefits	1,873	10,117	1,600	9,400
	128,745	141,140	128,472	109,806

34. Related parties (cont'd)

(c) The balance sheet includes balances, arising in the ordinary course of business, with subsidiaries and associated companies as follows:

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	**$'000**	**$'000**	**$'000**
Trade and other receivables:				
Subsidiaries	-	-	664,145	730,319
Trade and other payables:				
Subsidiaries	-	-	(14,903)	(38,463)

(d) The income statements include the following income earned from, and expenses incurred in, transactions with subsidiaries:

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	**$'000**	**$'000**	**$'000**
Revenue:				
Subsidiaries	-	-	32,631	16,105
Other operating income:				
Subsidiaries	-	-	5,586	35,335
Cost of sales:				
Subsidiaries	-	-	30,402	3,905
Administration expenses:				
Subsidiaries	-	-	34,541	-
Other operating expenses:				
Subsidiaries	-	-	52,193	-
Finance income:				
Subsidiaries	-	-	25,118	23,234

35. Lease commitments

Unexpired lease commitments at December 31 expire as follows:

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Within one year	1,136	3,599	1,136	-
Subsequent years	8,324	1,799	-	-
	9,460	5,398	1,136	-

36. Authorised capital expenditure

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Capital expenditure authorised and contracted for	7,964	6,612	7,964	6,612

37. Staff costs

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Salaries and wages	866,080	829,796	659,041	536,678
Statutory payroll	86,048	75,047	64,961	52,354
Other staff costs	171,288	147,193	161,539	134,365
Redundancy costs	72,112	15,153	72,112	15,153
	1,195,528	1,067,189	957,653	738,550

38. Libel cases

The group's and company's lawyers have advised that they are of the opinion that the provision made in the group's and company's accounts as at December 31, 2008, is a reasonable provision for the purpose of covering all reasonable and probable judgements and costs for libel actions against the group and company.

39. Contingent liabilities

(i) There are contingent liabilities of $2M (2007: $2M) in respect of guarantees issued on behalf of the group and the company.

(ii) The company has given an undertaking to its overseas subsidiaries to provide financial support required to meet their future operations and obligations.

(iii) A claim of wrongful dismissal was filed against the company for approximately $2,422,533. The company is vigorously defending this claim. A provision has been made in these financial statements in respect of the claim.

Financial Summary 2004 – 2008

	2008 $'000	2007 $'000	2006 $'000	2005 $'000	2004 $'000
Turnover	4,048,356	4,248,873	3,620,522	3,291,238	2,938,637
Group (loss)/profit before taxation	(452,487)	193,139	425,167	264,656	530,702
Taxation credit/(charge)	7,799	(94,935)	(151,512)	(85,201)	(164,173)
Minority interest	(5,451)	(3,499)	(17,488)	7,176	(8,236)
(Loss)/profit attributable to Gleaner Stockholders	(450,139)	94,705	256,167	186,631	358,293
Ordinary Stockholders' funds:					
Share capital	605,622	605,622	605,622	605,622	605,622
Reserves	1,407,376	1,791,689	1,621,974	1,431,358	1,341,525
	2,012,998	2,397,311	2,227,596	2,036,980	1,947,147
Minority interest	31,119	27,171	23,672	6,184	33,456
Long term liabilities	44,636	74,180	37,263	49,169	116,125
Employee benefit obligation	89,100	71,300	60,600	50,700	41,300
Deferred tax liabilities	337,624	388,274	367,138	254,425	270,724
Total funds employed	2,515,477	2,958,236	2,716,269	2,397,458	2,408,752
Represented by:					
Long-term receivable	1,278	1,788	1,408	1,063	94
Other non-current assets and investments	1,898,981	2,276,950	2,207,920	1,868,524	1,855,405
Working capital	615,218	679,498	506,941	527,871	553,253
	2,515,477	2,958,236	2,716,269	2,397,458	2,408,752
Stock units in issue at year end (000)	1,211,244	1,211,244	1,211,244	1,211,244	1,211,244
Earnings per stock unit [see note (i) below]	(37.16)¢	7.82¢	21.15¢	15.41¢	29.58¢
Stockholders' fund per stock unit [see note (i) below]	166.19¢	197.92¢	183.91¢	168.20¢	167.90¢
Dividends per stock unit [see note (ii) below]	6.99¢	7.0¢	7.0¢	7.0¢	6.0¢
Exchange rates ruling at the balance sheet dates were:					
UK one Pound to J$1	116.84	140.21	128.93	109.62	116.80
US$1 to J$1	80.47	70.18	66.92	64.38	61.44
Can$1 to J$1	65.54	105.52	56.56	54.32	49.98

(i) The calculation of earnings per stock unit and stockholders' funds per stock unit is based on (loss)/profit after taxation attributable to Gleaner stockholders and ordinary stockholders funds, respectively, divided by the stock units in issue at year-end.

(ii) The calculation of dividends per ordinary stock unit is based on the actual dividends for each year divided by the 1,138,351,093 stock units in issue, net of stock units held by GCLEIT at December 31, 2008 (2007: 1,148,629,759).

DECLARATION OF NUMBER OF STOCK UNITS OWN BY DIRECTORS/OFFICERS

Names	Personal Shareholdings	Shareholding in which Director/Officer has a controlling interest
O. F. Clarke	65,317,720	366,739,880
G. C. Lalor	-	-
J. J. Issa	23,374,832	-
C. S. Roberts	4,934,412	-
J. M. Matalon	-	1,210,648
H. W. R. Dear	-	-
C. D. Archer	8,320	-
D.R. Orane	823,381	276,206
M.M. Seymour	30,000	-
L.G. Johnston	1,732	-
C. Barnes	-	-
M. Belasse	71,034	-
C. R. Bourne	1,783,428	-
M. Davis	1,700	-
G. Grandison	75,652	-
B. Gibson	-	-
J. Hudson	1,926,820	-
N. James	561,094	-
E. Knight	1,700	-
L. A. O'Gilvie	1,031,031	-
I. R. Roxburgh	2,122,762	-
K. E. Daley-Cooper	1,001,700	-
Y. Senior	-	-
R. A. Speid	122,245	-

LIST OF 10 LARGEST BLOCKS OF STOCK UNITS

1.	Financial and Advisory Services Limited	343,783,885
2.	Pan Caribbean Financial Services A/c 1388842	104,950,358
3.	The Gleaner Company Limited Employees' Investment Trust	72,412,817
4.	Oliver F. Clarke	65,317,720
5.	Gleaner Company Superannuation Fund	59,670,338
6.	Jamaica National Building Society	46,425,529
7.	National Insurance Fund	28,883,010
8.	Life of Jamaica PIF Pooled Equity Fund	28,198,117
9.	Dagger Limited	26,033,610
10.	John Issa	23,374,832

I/We...

of ....

in the parish of ....

being a member/members of the above-named company, hereby appoint

....

....of..

or failing him ....

of ....

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on the **11th** day of **June, 2009** and at any adjournment thereof.

Signature(s) ....

Signed this .... day of .... 2009.....................................

NOTES:

(1) A Proxy need not be a member of the Company.

(2) If the appointee is a Corporation this form must be under its Common Seal or under the hand of an officer of the Corporation duly authorised on its behalf.

(3) In the case of joint holders the vote of the senior shall be accepted to the exclusion of the votes of the joint holders. Seniority shall be determined by the order in which the names stand in the register of members.

(4) To be valid this form must be completed and deposited with the Secretary, The Gleaner Company Limited, 7 North Street, Kingston at least 48 hours before the time appointed for the meeting or adjourned meeting.

(5) An adhesive stamp of $100.00 must be affixed to the form and cancelled.