The Irish Times Limited

Directors’ report and consolidated financial statements for the year ended 31 December 2010
THE IRISH TIMES LIMITED

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2010

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</tbody>
</table>

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COMPANY INFORMATION

DIRECTORS
- Tom Arnold
- Ruth Barrington
- Brian Caulfield
- John Fanning
- Liam Kavanagh
- Kevin O'Sullivan
- Eoin O'Driscoll
- Paul O'Neills
- Gregory Sparks
- David Went

SECRETARY
- Peter Callan

REGISTERED OFFICE
- The Irish Times Building,
  24/28 Tara Street,
  Dublin 2.

REGISTERED NUMBER OF INCORPORATION
- 2514

SOLICITORS
- William Fry,
  Fitzwilliam House,
  Wilton Place,
  Dublin 2.
- Hayes,
  Lavery House,
  Earlsfort Terrace,
  Dublin 2.

BANKERS
- Bank of Ireland,
  College Green,
  Dublin 2.

AUDITORS
- Ernst & Young,
  Chartered Accountants,
  Ernst & Young Building,
  Harcourt Centre,
  Harcourt Street,
  Dublin 2.
DIRECTORS’ REPORT
for the year ended 31 December 2010

The directors present herewith their annual report and audited consolidated financial statements for the year ended 31 December 2010.

PRINCIPAL ACTIVITY, BUSINESS REVIEW AND LIKELY FUTURE DEVELOPMENTS
The principal activities of the group are the printing, publishing, marketing and sale of newspapers and the operation of associated websites and other online activities.

Group turnover decreased by 6.7% to €86.0M. Newspaper advertising revenue reduced by 7.8%, primarily as a result of the continued slowdown in economic activity. The rate of decline eased during the year and The Irish Times retained its overall share of print advertising. Circulation revenue fell marginally during the year. The overall reduction in costs before exceptional items of 10.5% was primarily due to decreases in employment and newsprint costs.

The Group operating loss, before exceptional items, was €0.6M compared to an operating loss of €4.6M in 2009. The cash outflow from operating activities was €2.1M compared to a cash outflow of €18.5M in 2010 which reflects the difficult but more stable environment. The exceptional items are analysed in Note 3 to the financial statements.

The deficit on the defined benefit pension schemes as calculated under Financial Reporting Standard No.17 “Retirement Benefits” decreased by €11.25M during the year. This was due primarily to an increase in the value of plan assets due to improved international investment markets.

The Irish Times Limited continues to face significant challenges during 2011 due to difficulties facing the Irish economy and from structural changes in the media sector. The cost base is under constant review as difficult trading conditions continue. The company is well placed to participate in an economic recovery and in the future growth in online revenues. The company continues to have no net debt.

PRINCIPAL RISKS AND UNCERTAINTIES
It is the policy of The Irish Times Limited to identify the key risks facing the group, to assess (with appropriate professional advice) the level of risk and to manage those risks so as to ensure the continuing publication of The Irish Times. The risk management process was established by the Board’s audit committee. Key risks identified include:

- The ongoing deterioration in general economic conditions or in advertising markets leading to reductions in revenue.
- An interruption or failure of production or information systems resulting in the potential loss of a publication.
- Any unusually high changes in costs particularly newsprint and salary costs.
- Competitive changes in the marketplace and the ability to respond to those changes.
- Certain financial risks including risk of bad debts.
- The size of the defined benefit pension schemes relative to the size of the company and significant changes to investment returns, interest rates, inflation rates, mortality rates and regulatory changes that could affect funding requirements.
DIRECTORS' REPORT
for the year ended 31 December 2010 (Continued)

RESULTS FOR THE YEAR AND STATE OF AFFAIRS AT 31 DECEMBER 2010
The consolidated profit and loss account for the year ended 31 December 2010 and the consolidated balance sheet at that date are set out on pages 10 and 12 respectively. The results for the year and the financial position at the year end were an improvement on 2009 but remain disappointing. The economic climate remains difficult though it has now stabilised and rates of decline have eased.

IMPORTANT EVENTS SINCE YEAR END
(i) Geraldine Kennedy retired as Editor on 23rd June 2011 and was replaced by Kevin O'Sullivan.

(ii) During the year the company made an application to The Pensions Board under Section 50 of the Pensions Act, as amended, in relation to specific reductions in pension benefits under the company's defined benefit pension schemes. Subsequent to the year end the Section 50 application was approved and it is anticipated that this will result in a reduction in the pension deficit during 2011.

BOOKS OF ACCOUNT
The directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990, with regard to books of account. To achieve this, the directors have appointed appropriate accounting personnel who report to the Board in order to ensure that those requirements are complied with. Those books are maintained at the company's registered office at The Irish Times Building, 24/28 Tara Street, Dublin 2.

REMUNERATION AND NOMINATIONS COMMITTEE
The responsibilities of the committee, delegated to it by the Board, include entering into contracts and setting remuneration levels for the Managing Director, Editor and other Executive Directors.

The members of the committee during the year were Ruth Barrington, Brian Caulfield, John Fanning, Eoin O'Driscoll and David Went. The objective of the committee is to recruit, motivate and retain management and staff of the highest calibre in a competitive market. It seeks external and independent professional advice, when required, to ensure that payment levels are set with proper regard to market conditions and internal relativities. All payments to Executive Directors are determined by the Remuneration and Nominations Committee independently of the executives concerned.
DIRECTORS' REPORT
for the year ended 31 December 2010 (Continued)

REMUNERATION AND NOMINATIONS COMMITTEE (Continued)
The schedule below provides the detail of each director's service during the year.

<table>
<thead>
<tr>
<th>Director</th>
<th>Position</th>
<th>Months in office</th>
<th>Remuneration</th>
<th>Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tom Arnold</td>
<td>Non-Executive &amp; Governor of</td>
<td>5</td>
<td>N</td>
<td>(Note 1)</td>
</tr>
<tr>
<td></td>
<td>The Irish Times Trust Limited</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ruth Barrington</td>
<td>Non-Executive &amp; Chairman of</td>
<td>12</td>
<td>(Note 2)</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>The Irish Times Trust Limited</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brian Caulfield</td>
<td>Non-Executive</td>
<td>7</td>
<td>N</td>
<td>Y</td>
</tr>
<tr>
<td>Maeve Donovan</td>
<td>Managing Director</td>
<td>1</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>John Fanning</td>
<td>Non-Executive</td>
<td>12</td>
<td>N</td>
<td>Y</td>
</tr>
<tr>
<td>Liam Kavanagh</td>
<td>Managing Director</td>
<td>12</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Geraldine Kennedy</td>
<td>Editor</td>
<td>12</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>David McConnell</td>
<td>Non-Executive &amp; Chairman of</td>
<td>4</td>
<td>(Note 2)</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>The Irish Times Trust Limited</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eoin O'Driscoll</td>
<td>Non-Executive &amp; Governor of</td>
<td>12</td>
<td>N</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>The Irish Times Trust Limited</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paul O'Neill</td>
<td>Deputy Editor</td>
<td>12</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Gregory Sparks</td>
<td>Non-Executive</td>
<td>12</td>
<td>N</td>
<td>Y</td>
</tr>
<tr>
<td>David Went</td>
<td>Non-Executive Chairman</td>
<td>12</td>
<td>(Note 2)</td>
<td>Y</td>
</tr>
</tbody>
</table>

Note 1  Tom Arnold waived his directors fees.
Note 2  The chairman of The Irish Times Limited and The Irish Times Trust Limited each receive an annual salary for their respective positions. Ruth Barrington replaced David McConnell as Chairman of The Irish Times Trust Limited on 4 May 2010.
Note 3  Maeve Donovan resigned as Managing Director of The Irish Times Limited on 3 February 2010 and was replaced by Liam Kavanagh on 10 March 2010.

The average number of directors who held office during the year was 9.5 (2009: 10).
The average number who received executive remuneration was 3.1 (2009: 4).

Directors' Fees: The basis for the payment of directors' fees in 2010 was as follows:

Chairman of The Irish Times Limited, Chairman of The Irish Times Trust Limited and executive directors – €9,347 per annum (2009: €9,347).

Non-executive directors – €10,960 per annum (2009: €10,960) plus €9,120 per annum (2009: €9,120) for service on Board sub-committees.

The average fee per director in 2010 was €15,205 (2009: €14,493).

Remuneration: The schedule below provides an analysis of directors' remuneration (exclusive of fees) which is disclosed in Note 7 to the consolidated financial statements. Remuneration is before all taxes and is inclusive of salary, and in the case of executive directors, performance related pay, benefit-in-kind and pension costs.
DIRECTORS' REPORT
for the year ended 31 December 2010 (Continued)

REMUNERATION AND NOMINATIONS COMMITTEE (Continued)

<table>
<thead>
<tr>
<th>Note</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€'000</td>
<td>€'000</td>
</tr>
<tr>
<td>Salary</td>
<td>941</td>
<td>1,299</td>
</tr>
<tr>
<td>(i)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance related pay</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits-in-kind</td>
<td>(ii)</td>
<td>84</td>
</tr>
<tr>
<td>Ex Gratia payment</td>
<td>(iii)</td>
<td>250</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td>1,275</td>
</tr>
<tr>
<td>Pension current service cost</td>
<td>588</td>
<td>676</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1,863</td>
</tr>
</tbody>
</table>

(i) Performance related pay is set and approved by the Remuneration and Nominations Committee on the basis of the achievement of individual specific targets and objectives. No such payments were made in 2010.

(ii) The benefit-in-kind arrangements for executive directors relate primarily to company cars. There are no loans to directors.

(iii) The Ex-Gratia payment in 2010 relates to an agreed commutation of pension rights accrued by the former Editor under her employment contract.

The annual salaries at 31 December 2010 for the continuing executive director positions and the non-executive chairmen were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€'000</td>
<td>€'000</td>
</tr>
<tr>
<td><strong>Continuing Executive Directors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managing Director</td>
<td>300</td>
<td>319</td>
</tr>
<tr>
<td>Editor</td>
<td>319</td>
<td>319</td>
</tr>
<tr>
<td>Deputy Managing Director</td>
<td>-</td>
<td>259</td>
</tr>
<tr>
<td>Deputy Editor</td>
<td>173</td>
<td>173</td>
</tr>
<tr>
<td><strong>Non-Executive Chairmen</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Irish Times Limited</td>
<td>87</td>
<td>87</td>
</tr>
<tr>
<td>The Irish Times Trust Limited</td>
<td>41</td>
<td>41</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>920</td>
<td>1,198</td>
</tr>
</tbody>
</table>
DIRECTORS' REPORT
for the year ended 31 December 2010 (Continued)

AUDIT COMMITTEE
The responsibilities of the committee, delegated to it by the Board, include underpinning the
integrity of the financial reporting, ensuring the effectiveness of the internal control
environment and ensuring adherence to good corporate governance.

The members of the committee during the year were Tom Arnold, Ruth Barrington, Greg
Sparks and David Went.

STATEMENT OF DIRECTORS’ RESPONSIBILITIES IN RESPECT OF
THE FINANCIAL STATEMENTS
The directors are responsible for preparing the financial statements in accordance with
applicable Irish law and Accounting Standards issued by the Accounting Standards Board
and promulgated by The Institute of Chartered Accountants in Ireland (Generally Accepted
Accounting Practice in Ireland).

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate
to presume that the group will continue in business.

The directors are responsible for keeping proper books of account that disclose with
reasonable accuracy at any time the financial position of the company and enable them to
ensure that the financial statements comply with the Companies Acts 1963 to 2009. They are
also responsible for safeguarding the assets of the company and of the group and hence for
taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS
Ernst & Young, Chartered Accountants, will continue in office in accordance with Section
160(2) of the Companies Act, 1963.

On behalf of the directors

[Signatures]

Date: 28 July 2011
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE IRISH TIMES LIMITED

We have audited the consolidated and parent company financial statements of The Irish Times Limited for the year ended 31 December 2010 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows, and the related notes 1 to 31. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
The directors are responsible for the preparation of the financial statements in accordance with applicable Irish law and Accounting Standards issued by the Accounting Standards Board and promulgated by The Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts, 1963 to 2009. We also report to you our opinion as to: whether proper books of account have been kept by the company; whether, at the balance sheet date, there exists a financial situation which may require the convening of an extraordinary general meeting of the company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the company balance sheet is in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and other transactions is not disclosed and, where practicable, include such information in our report.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

Continued /...
INDEPENDENT AUDITORS’ REPORT TO THE MEMBERS OF
THE IRISH TIMES LIMITED (Continued)

Basis of audit opinion (continued)
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion
In our opinion the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of affairs of the group and of the company at 31 December 2010 and of the group’s profit for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The company balance sheet is in agreement with the books of account.

In our opinion the information given in the Directors’ Report is consistent with the financial statements.

The company balance sheet does not disclose a financial situation which under section 40(1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the company.

Ernst & Young
Chartered Accountants and Registered Auditors

Dublin

29 July 2011
CONSORTIUM PROFIT AND LOSS ACCOUNT  
for the year ended 31 December 2010

<table>
<thead>
<tr>
<th>Note</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td>Turnover: Group and share of joint ventures' turnover</td>
<td>89,189,903</td>
<td>94,206,016</td>
</tr>
<tr>
<td>Less: Share of joint ventures' turnover</td>
<td>(3,203,859)</td>
<td>(2,084,359)</td>
</tr>
<tr>
<td>Group turnover – continuing operations</td>
<td>85,986,044</td>
<td>92,121,657</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(58,697,565)</td>
<td>(63,016,393)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>27,288,479</td>
<td>29,105,264</td>
</tr>
<tr>
<td>Distribution costs</td>
<td>(10,849,040)</td>
<td>(12,487,002)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(17,072,780)</td>
<td>(21,238,042)</td>
</tr>
<tr>
<td>Total operating expenses excluding exceptional item</td>
<td>(27,921,820)</td>
<td>(33,725,044)</td>
</tr>
<tr>
<td>Group operating loss before exceptional item</td>
<td>(633,341)</td>
<td>(4,619,780)</td>
</tr>
<tr>
<td>Administrative expenses - exceptional item</td>
<td>4,713,558</td>
<td>(19,279,729)</td>
</tr>
<tr>
<td>Group operating profit (loss) after exceptional item</td>
<td>4,080,217</td>
<td>(23,899,509)</td>
</tr>
<tr>
<td>Share of operating loss of joint ventures</td>
<td>(210,870)</td>
<td>(1,158,381)</td>
</tr>
<tr>
<td>Share of operating (loss) profit of associates</td>
<td>(34,264)</td>
<td>114,076</td>
</tr>
<tr>
<td>Amortisation of goodwill on investment in joint venture</td>
<td>-</td>
<td>(19,234)</td>
</tr>
<tr>
<td>Amortisation of goodwill on investment in associates</td>
<td>(123,526)</td>
<td>(140,315)</td>
</tr>
<tr>
<td>Total operating profit (loss) after group share of joint venture and associates</td>
<td>3,711,557</td>
<td>(25,103,363)</td>
</tr>
<tr>
<td>Profit on disposal of financial fixed assets</td>
<td>47,139</td>
<td>-</td>
</tr>
<tr>
<td>Interest receivable and similar income</td>
<td>441,197</td>
<td>842,282</td>
</tr>
<tr>
<td>Interest payable and similar charges</td>
<td>(36,710)</td>
<td>(96,456)</td>
</tr>
<tr>
<td>Other finance expense</td>
<td>(2,057,000)</td>
<td>(3,989,000)</td>
</tr>
<tr>
<td>Profit (loss) on ordinary activities before taxation</td>
<td>2,106,183</td>
<td>(28,346,537)</td>
</tr>
<tr>
<td>Tax on profit (loss) on ordinary activities</td>
<td>(1,040,009)</td>
<td>463,069</td>
</tr>
<tr>
<td>Profit (loss) for the financial year</td>
<td>1,066,174</td>
<td>(27,883,468)</td>
</tr>
</tbody>
</table>

Historical cost profit before and after taxation for the financial year does not differ materially from reported losses.

Director

- 10 -
### CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2010

<table>
<thead>
<tr>
<th>Note</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit (loss) for the financial year attributable to the shareholders</td>
<td>1,066,174</td>
<td>(27,883,468)</td>
</tr>
<tr>
<td>Actuarial gain on defined benefit pension schemes 19</td>
<td>4,123,000</td>
<td>27,652,000</td>
</tr>
<tr>
<td>Deferred tax on defined benefit pension schemes</td>
<td>(1,573,000)</td>
<td>(3,842,000)</td>
</tr>
<tr>
<td>Current tax on defined benefit pension schemes 9</td>
<td>1,088,000</td>
<td>385,000</td>
</tr>
<tr>
<td><strong>Total recognised gains and losses for the year</strong></td>
<td><strong>4,704,174</strong></td>
<td><strong>(3,688,468)</strong></td>
</tr>
</tbody>
</table>
# Consolidated Balance Sheet

at 31 December 2010

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>48,026,252</td>
<td>54,508,755</td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joint venture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Share of gross assets</td>
<td>1,948,390</td>
<td>1,085,977</td>
</tr>
<tr>
<td>- Share of gross liabilities</td>
<td>(1,788,434)</td>
<td>(1,082,782)</td>
</tr>
<tr>
<td>Associates</td>
<td>1,194,844</td>
<td>1,352,634</td>
</tr>
<tr>
<td>Other investments</td>
<td>9,376,032</td>
<td>9,349,038</td>
</tr>
<tr>
<td></td>
<td>58,757,084</td>
<td>65,213,622</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stocks</td>
<td>1,083,012</td>
<td>382,574</td>
</tr>
<tr>
<td>Debtors</td>
<td>6,989,632</td>
<td>8,358,550</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>11,504,745</td>
<td>13,473,420</td>
</tr>
<tr>
<td></td>
<td>19,577,389</td>
<td>22,214,544</td>
</tr>
<tr>
<td><strong>Creditors (amounts falling due within one year)</strong></td>
<td>(14,310,650)</td>
<td>(16,029,505)</td>
</tr>
<tr>
<td><strong>Net Current Assets</strong></td>
<td>5,266,739</td>
<td>6,185,039</td>
</tr>
<tr>
<td><strong>Total Assets Less Current Liabilities</strong></td>
<td>64,023,823</td>
<td>71,398,661</td>
</tr>
<tr>
<td><strong>Creditors (amounts falling due after more than one year)</strong></td>
<td>(638,136)</td>
<td>(664,805)</td>
</tr>
<tr>
<td><strong>Provisions for Liabilities and Charges</strong></td>
<td>(807,745)</td>
<td>(1,610,088)</td>
</tr>
<tr>
<td><strong>Pension Obligations</strong></td>
<td>(28,163,000)</td>
<td>(39,413,000)</td>
</tr>
<tr>
<td></td>
<td>34,414,942</td>
<td>29,710,768</td>
</tr>
<tr>
<td><strong>Capital and Reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>625,138</td>
<td>625,138</td>
</tr>
<tr>
<td>Capital conversion reserve fund</td>
<td>9,871</td>
<td>9,871</td>
</tr>
<tr>
<td>Profit and loss account</td>
<td>33,779,933</td>
<td>29,075,759</td>
</tr>
<tr>
<td></td>
<td>34,414,942</td>
<td>29,710,768</td>
</tr>
</tbody>
</table>

Director

Director
## COMPANY BALANCE SHEET
at 31 December 2010

<table>
<thead>
<tr>
<th>Note</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td><strong>FIXED ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>11</td>
<td>47,647,246</td>
</tr>
<tr>
<td>Financial assets</td>
<td>12</td>
<td>9,376,236</td>
</tr>
<tr>
<td></td>
<td></td>
<td>57,023,482</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stocks</td>
<td>13</td>
<td>1,083,012</td>
</tr>
<tr>
<td>Debtors</td>
<td>14</td>
<td>17,572,951</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td>11,441,839</td>
</tr>
<tr>
<td></td>
<td></td>
<td>30,097,802</td>
</tr>
<tr>
<td>CREDITORS (amounts falling due within one year)</td>
<td>15</td>
<td>(22,319,485)</td>
</tr>
<tr>
<td><strong>NET CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>7,778,317</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS LESS CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>64,801,799</td>
</tr>
<tr>
<td><strong>PROVISIONS FOR LIABILITIES AND CHARGES</strong></td>
<td>18</td>
<td>(807,745)</td>
</tr>
<tr>
<td><strong>PENSION OBLIGATIONS</strong></td>
<td>19</td>
<td>(27,915,000)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>36,079,054</td>
</tr>
<tr>
<td><strong>CAPITAL AND RESERVES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>20</td>
<td>625,138</td>
</tr>
<tr>
<td>Capital conversion reserve fund</td>
<td>21</td>
<td>9,871</td>
</tr>
<tr>
<td>Profit and loss account</td>
<td>21</td>
<td>35,444,045</td>
</tr>
<tr>
<td>Shareholders’ funds</td>
<td>21</td>
<td>36,079,054</td>
</tr>
</tbody>
</table>

Director

Director
## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2010

<table>
<thead>
<tr>
<th>Note</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td><strong>Net cash outflow from operating activities</strong></td>
<td>22</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(2,113,789)</td>
<td>(18,480,818)</td>
</tr>
<tr>
<td><strong>Returns on investments and servicing of finance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from financial fixed assets received</td>
<td>14,234</td>
<td>(6,005)</td>
</tr>
<tr>
<td>Interest received</td>
<td>342,964</td>
<td>1,125,985</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(33,993)</td>
<td>(96,054)</td>
</tr>
<tr>
<td>Interest element of finance lease payments</td>
<td>(2,717)</td>
<td>(402)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>320,488</td>
<td>1,023,524</td>
</tr>
<tr>
<td><strong>Taxation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporation taxation refund</td>
<td>26,318</td>
<td>214,496</td>
</tr>
<tr>
<td>Corporation taxation paid</td>
<td>0</td>
<td>(17,948)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>26,318</td>
<td>196,548</td>
</tr>
<tr>
<td><strong>Capital expenditure and financial investment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of tangible fixed assets</td>
<td>(135,957)</td>
<td>(928,114)</td>
</tr>
<tr>
<td>Proceeds on disposal of tangible fixed assets</td>
<td>47,135</td>
<td>19,582</td>
</tr>
<tr>
<td>Other investments</td>
<td>(105,900)</td>
<td>(187,851)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(194,722)</td>
<td>(1,096,383)</td>
</tr>
<tr>
<td><strong>Acquisitions and disposals</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in joint venture</td>
<td>(37,381)</td>
<td>(2,107,626)</td>
</tr>
<tr>
<td>Investment in subsidiaries</td>
<td>0</td>
<td>(1,025,195)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(37,381)</td>
<td>(3,132,821)</td>
</tr>
<tr>
<td><strong>Net cash outflow before financing</strong></td>
<td>(1,999,086)</td>
<td>(21,489,950)</td>
</tr>
<tr>
<td><strong>Financing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank loans repaid</td>
<td>0</td>
<td>(3,822,000)</td>
</tr>
<tr>
<td>Capital element of finance lease repaid</td>
<td>(18,970)</td>
<td>(16,253)</td>
</tr>
<tr>
<td>New finance leases</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(18,970)</td>
<td>(3,838,253)</td>
</tr>
<tr>
<td><strong>Net cash outflow from financing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Decrease in cash</strong></td>
<td>23</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(2,018,056)</td>
<td>(25,328,203)</td>
</tr>
</tbody>
</table>
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2010

1. ACCOUNTING POLICIES

(a) Basis of preparation
The consolidated financial statements are prepared in accordance with applicable Irish law and Accounting Standards issued by the Accounting Standards Board and promulgated by The Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

(b) Basis of consolidation
The consolidated financial statements include the financial statements of The Irish Times Limited and all its subsidiaries, joint venture and associate undertakings made up to the balance sheet date.

The group's share of results of its joint ventures, which are entities in which the group holds an interest on a long term basis and which are jointly controlled by the group and one or more other ventures under a contractual arrangement, are gross equity-accounted from the date on which the joint venture agreements are finalised.

The group's share of results of its associates, which are entities in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are equity-accounted from the date on which the investments are finalised.

(c) Currency
Transactions denominated in foreign currencies are translated to euro at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to euro at the rates of exchange ruling at the balance sheet date. The resulting profits or losses are dealt with in the profit and loss account.

(d) Turnover
Turnover represents the invoiced value of goods and services, exclusive of value added tax, to third parties, after deduction of rebates and allowances.

(e) Advertising and promotional expenditure
Advertising and promotional expenditure is written off in full in the year in which the costs are incurred.

(f) Taxation
The charge for taxation is based on the profit or loss for the year and takes into account taxation advanced and/or deferred because of timing differences.

Deferred tax is calculated on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.
1. ACCOUNTING POLICIES (Continued)

(f) Taxation (continued)
Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes.

Deferred tax liabilities are recognised in full in respect of net unfavourable timing differences. Deferred tax assets in respect of net favourable timing differences, including taxation losses available for carry forward, are recognised only when it is considered more probable than not that there will be suitable taxable profits from which the future reversal of timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax is not discounted.

(g) Goodwill
Goodwill arising on acquisitions, being the excess of the consideration over the fair value of the net assets at the date of acquisition, is capitalised and related amortisation based on its estimated useful economic life up to a presumed maximum of 10 years is charged against operating profit on a straight line basis.

The carrying values of intangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

(h) Tangible fixed assets and depreciation
Tangible fixed assets are stated at historical cost less accumulated depreciation.

Depreciation is provided at annual rates calculated to write off the cost or valuation, less estimated residual value, of the assets as follows:

- Freehold and long leasehold land: nil
- Freehold and long leasehold premises: 2% to 10% straight line
- Plant and machinery: 8½% to 33½% straight line
- Motor vehicles: 20% straight line
- Office equipment: 20% to 33½% straight line

Depreciation is provided on additions with effect from the first day of the month of commissioning and on disposals up to the end of the month prior to retirement.

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2010 (Continued)

1. ACCOUNTING POLICIES (Continued)

(i) Leased assets
Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under leases are included as liabilities in the balance sheet. The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

(ii) Financial fixed assets
The investments by the company in subsidiary, joint venture and associate undertakings are shown at cost less provisions for any impairment in value.

Other investments are valued at cost less provisions for any impairment in value.

(k) Stocks
Stocks are valued at the lower of cost and net realisable value, on the first-in, first-out basis, cost being invoice price including duty and freight. Due provision is made to reduce any obsolete stock to its net realisable value. Net realisable value is the estimated selling price of stock on hand less all further costs to completion and all costs expected to be incurred in marketing, distribution and selling.

(l) Pension
The group operates a number of defined benefit and defined contribution pension schemes some of which are multi-employer pension schemes.

Defined benefit scheme assets are valued at fair value and liabilities are measured using the projected unit method. Net scheme assets and liabilities, reduced by deferred tax amounts, are shown on the balance sheet as a pension surplus or deficit as appropriate.

The profit and loss account charge consists of two elements: - the current and past service cost recorded in operating costs and the net of expected return on pension assets and the interest costs of the pension liabilities, recorded in other finance income.

Actuarial gains or losses are recognised through the consolidated statement of total recognised gains and losses.

Defined contribution scheme costs are charged to the profit and loss account in the accounting period in which they are incurred.
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2010 (Continued)

1. ACCOUNTING POLICIES (Continued)

(i) Pension (continued)
Provision is made for the actuarial valuation of ex-gratia pensions at the time the commitment is recognised. Subsequent adjustments to the computation of the outstanding commitment are dealt with annually in the profit and loss account.

2. SEGMENTAL INFORMATION

Turnover, loss before tax and net operating assets by class of business and geographical market are not provided as the directors are of the opinion that the provision of such information would be seriously prejudicial to the interests of the group.

3. ADMINISTRATIVE EXPENSES - EXCEPTIONAL ITEM

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs of re-organisation</td>
<td>372,691</td>
<td>7,991,750</td>
</tr>
<tr>
<td>Impairment of goodwill - Subsidiaries</td>
<td>-</td>
<td>8,518,519</td>
</tr>
<tr>
<td>Impairment of Joint Ventures</td>
<td>-</td>
<td>892,225</td>
</tr>
<tr>
<td>Other movements related to Joint Ventures</td>
<td>(330,249)</td>
<td>-</td>
</tr>
<tr>
<td>Impairment of Minority Interest - Subsidiaries</td>
<td>-</td>
<td>337,437</td>
</tr>
<tr>
<td>Impairment - other investments</td>
<td>193,000</td>
<td>1,539,798</td>
</tr>
<tr>
<td>Loss on disposal of investment</td>
<td>161,000</td>
<td>-</td>
</tr>
<tr>
<td>Pension - past service credit</td>
<td>(5,110,000)</td>
<td>-</td>
</tr>
</tbody>
</table>

(4,713,558) 19,279,729

The costs of re-organisation comprise of redundancy costs and ex-gratia payments for commutation of pension rights. The tax effect of this for the year ended 31 December 2010 was a credit of €46,587 (2009: €998,969). Other movements related to Joint Ventures include a partial return on Joint Ventures previously impaired.

The past service credit is due to an agreement reached with staff during the year to curtail future pension increases to 2% per annum.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest receivable</td>
<td>360,007</td>
<td>780,002</td>
</tr>
<tr>
<td>Income from financial fixed assets other than shares in group undertakings</td>
<td>81,190</td>
<td>62,280</td>
</tr>
</tbody>
</table>

441,197 842,282
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2010 (Continued)

5. INTEREST PAYABLE AND SIMILAR CHARGES

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance lease interest</td>
<td>2,791</td>
<td>402</td>
</tr>
<tr>
<td>Interest on bank loans and overdrafts repayable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>wholly within five years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- by instalment</td>
<td>-</td>
<td>45,849</td>
</tr>
<tr>
<td>- not by instalments</td>
<td>33,919</td>
<td>50,205</td>
</tr>
<tr>
<td>Total</td>
<td>36,710</td>
<td>96,456</td>
</tr>
</tbody>
</table>

6. OTHER FINANCE EXPENSE

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected return on pension scheme assets</td>
<td>9,888,000</td>
<td>7,946,000</td>
</tr>
<tr>
<td>Interest on pension scheme liabilities</td>
<td>(11,945,000)</td>
<td>(11,935,000)</td>
</tr>
<tr>
<td>Net expense</td>
<td>(2,057,000)</td>
<td>(3,989,000)</td>
</tr>
</tbody>
</table>

7. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities before taxation is stated after charging (crediting):

Directors' emoluments:
Details of directors' remuneration are included in the Directors' Report.

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees</td>
<td>143,840</td>
<td>144,926</td>
</tr>
<tr>
<td>Remuneration:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive directors</td>
<td>897,342</td>
<td>1,255,000</td>
</tr>
<tr>
<td>Ex-Gratia payment</td>
<td>250,000</td>
<td>1,100,000</td>
</tr>
<tr>
<td>Pension costs</td>
<td>588,000</td>
<td>676,000</td>
</tr>
<tr>
<td>Chairmens' salaries</td>
<td>128,027</td>
<td>135,939</td>
</tr>
<tr>
<td>Total</td>
<td>1,863,369</td>
<td>3,166,939</td>
</tr>
</tbody>
</table>

Pension paid to former director                   | 11,776| 11,776|
Auditors' remuneration - Audit of group companies | 108,000| 111,000|
- Other assurance services                        | 51,000| 53,400|
- Tax advisory services                           | 60,549| 121,956|
- Other non-audit services                        |       |       |
Amortisation of goodwill - subsidiaries           |       | 1,481,481|
- associates                                      | 123,526| 140,315|
Depreciation of tangible fixed assets             | 6,618,460| 7,499,155|
Profit on disposal of fixed assets                |       | 7,660|
Operating lease rentals - plant and machinery     | 295,748| 429,505|
- other                                           | 1,811,520| 1,612,960|
Operating lease rental income - other              | (43,000) | (76,746) |
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2010 (Continued)

8. STAFF NUMBERS AND COSTS

The average number of employees, including executive directors, who worked in the group during the year was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printing, publishing and distribution</td>
<td>509</td>
<td>513</td>
</tr>
</tbody>
</table>

The aggregate payroll costs comprise:

<table>
<thead>
<tr>
<th></th>
<th>€</th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>31,766,369</td>
<td>34,935,223</td>
</tr>
<tr>
<td>Social welfare costs</td>
<td>3,227,415</td>
<td>3,618,035</td>
</tr>
<tr>
<td>Pension and other related costs</td>
<td>(2,291,530)</td>
<td>2,098,017</td>
</tr>
<tr>
<td></td>
<td>32,701,254</td>
<td>40,649,275</td>
</tr>
</tbody>
</table>

Pension and other related costs include the current service cost, past service costs and settlements & curtailments in respect of the defined benefit pension scheme, ex-gratia pension costs and professional fees incurred in managing the group pension schemes. There is a credit in 2010 due to a reduction in past service costs. This is a non cash item and is due to an agreement reached during the year with employees to curtail future pension increases to 2% per annum.

9. TAX ON PROFIT (LOSS) ON ORDINARY ACTIVITIES

(a) Analysis of profit and loss account charge:

Current tax:
Tax credit on profit (loss) for the year (48,410) (653,581)
Underprovision in respect of prior years | 419 | 304,722 |
| | (47,991) | (348,859) |
Transfer from statement of total recognised gains and losses 1,068,000 385,000
| | 1,040,009 | 36,141 |
Deferred tax:
Origination and reversal of timing differences -- (499,210)
Tax charge (credit) on profit (loss) on ordinary activities 1,040,009 (463,069)
9. TAX ON PROFIT (LOSS) ON ORDINARY ACTIVITIES (Continued)

(b) Factors affecting the current tax charge for the year:
The current tax charge for the year differs from the amount computed by applying the
standard rate of corporation tax in the Republic of Ireland to the profit (loss) on
ordinary activities before taxation. The sources and tax effects of the differences are
explained below:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit (loss) on ordinary activities</td>
<td>2,106,183</td>
<td>(28,346,537)</td>
</tr>
</tbody>
</table>

Profit (loss) on ordinary activities multiplied by the standard tax rate 12.5%
263,273 (3,543,317)

Effect of:
- Expenses not deductible and non-taxable income
  - 42,278
- Impairments disallowed
  - 44,250
- Other timing differences including differences between capital allowances and depreciation and movement in provisions
  - 170,877
- Higher tax on capital gains
  - 3,535
- Losses arising in the year carried back to an earlier period
  - (653,581)
- Losses arising in the year not relievable against current tax
  - 518,814
- Higher tax rates on investment income
  - 44,973
- Research and development tax credit
  - (48,410)
- Underprovision in respect of previous years
  - 419

Current tax charge for the year
1,040,009 36,141

(c) Factors that may affect future taxation increases
Under present legislation, the company is subject to Irish corporation tax at a rate of
10% on profits arising from the manufacture of goods in Ireland. This relief expired in
2010.
10.  PROFIT FOR THE FINANCIAL YEAR

The company has availed of exemptions set out in section 148(8) of the Companies Act, 1963 and in section 7(1A) of the Companies (Amendment) Act, 1986 from laying the company's individual profit and loss account before the annual general meeting and from filing it with the Registrar of Companies. The profit for the financial year accounted for by the company dealt with in the consolidated profit and loss account was €1,531,579 (2009: Loss of €27,549,925).

The fees paid to the auditors in respect of the audit of the company individual accounts in 2010 was €98,000 (2009: €101,000). In addition the auditors received fees of €19,000 and €19,328 in respect of other assurance services, and €32,124 and €79,996 in respect of tax advisory services in 2010 and 2009 respectively. The auditors did not receive any fees for non-audit services in either year. Note 7 provides additional information regarding auditors' remuneration at the consolidated level.
## 11. TANGIBLE FIXED ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Freehold and long leasehold land and premises</th>
<th>Plant &amp; machinery</th>
<th>Motor vehicles</th>
<th>Office equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>€</td>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td><strong>GROUP</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2009</td>
<td>47,177,523</td>
<td>57,262,822</td>
<td>109,101</td>
<td>6,920,490</td>
<td>111,469,936</td>
</tr>
<tr>
<td>Additions during year</td>
<td>-</td>
<td>86,807</td>
<td>13,380</td>
<td>35,770</td>
<td>135,957</td>
</tr>
<tr>
<td>Disposals during year</td>
<td>-</td>
<td>(8,285)</td>
<td>-</td>
<td>-</td>
<td>(8,285)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2010</td>
<td>47,177,523</td>
<td>57,341,344</td>
<td>122,481</td>
<td>6,956,260</td>
<td>111,597,608</td>
</tr>
</tbody>
</table>

### Depreciation

<table>
<thead>
<tr>
<th></th>
<th>€</th>
<th>€</th>
<th>€</th>
<th>€</th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31 December 2009</td>
<td>12,435,556</td>
<td>38,277,621</td>
<td>90,797</td>
<td>6,157,207</td>
<td>56,961,181</td>
</tr>
<tr>
<td>Charged during year</td>
<td>1,912,512</td>
<td>4,396,642</td>
<td>8,074</td>
<td>302,232</td>
<td>6,618,460</td>
</tr>
<tr>
<td>Disposals during year</td>
<td>-</td>
<td>(8,285)</td>
<td>-</td>
<td>-</td>
<td>(8,285)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2010</td>
<td>14,348,068</td>
<td>42,664,978</td>
<td>98,871</td>
<td>6,459,439</td>
<td>63,571,356</td>
</tr>
</tbody>
</table>

### Net book value at

<table>
<thead>
<tr>
<th></th>
<th>€</th>
<th>€</th>
<th>€</th>
<th>€</th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31 December 2010</td>
<td>32,829,455</td>
<td>14,676,366</td>
<td>23,610</td>
<td>496,821</td>
<td>48,026,252</td>
</tr>
<tr>
<td>At 31 December 2009</td>
<td>34,741,967</td>
<td>18,985,201</td>
<td>18,304</td>
<td>763,283</td>
<td>54,508,755</td>
</tr>
</tbody>
</table>
11. TANGIBLE FIXED ASSETS (Continued) Freehold and long leasehold land and premises

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>Cost</th>
<th>Plant &amp; machinery</th>
<th>Motor vehicles</th>
<th>Office equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>€</td>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td>At 31 December 2009</td>
<td>47,175,695</td>
<td>56,206,432</td>
<td>86,190</td>
<td>1,446,987</td>
<td>104,915,304</td>
</tr>
<tr>
<td>Additions during year</td>
<td>-</td>
<td>46,742</td>
<td>13,380</td>
<td>28,514</td>
<td>88,636</td>
</tr>
<tr>
<td>At 31 December 2010</td>
<td>47,175,695</td>
<td>56,253,174</td>
<td>99,570</td>
<td>1,475,501</td>
<td>105,003,940</td>
</tr>
</tbody>
</table>

Depreciation

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>Cost</th>
<th>Plant &amp; machinery</th>
<th>Motor vehicles</th>
<th>Office equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>€</td>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td>At 31 December 2009</td>
<td>12,433,725</td>
<td>37,508,204</td>
<td>86,190</td>
<td>932,421</td>
<td>50,960,540</td>
</tr>
<tr>
<td>Charged during year</td>
<td>1,912,512</td>
<td>4,263,883</td>
<td>2,230</td>
<td>217,529</td>
<td>6,396,154</td>
</tr>
<tr>
<td>At 31 December 2010</td>
<td>14,346,237</td>
<td>41,772,087</td>
<td>88,420</td>
<td>1,149,950</td>
<td>57,356,694</td>
</tr>
</tbody>
</table>

Net book value at

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>Cost</th>
<th>Plant &amp; machinery</th>
<th>Motor vehicles</th>
<th>Office equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>€</td>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td>At 31 December 2010</td>
<td>32,829,458</td>
<td>14,481,087</td>
<td>11,150</td>
<td>325,551</td>
<td>47,647,246</td>
</tr>
<tr>
<td>At 31 December 2009</td>
<td>34,741,970</td>
<td>18,698,228</td>
<td>-</td>
<td>514,566</td>
<td>53,954,764</td>
</tr>
</tbody>
</table>
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2010 (Continued)

11. TANGIBLE FIXED ASSETS (Continued)

Capitalised leased assets – group
Included in the cost of plant and machinery is an amount of capitalised leased assets of €1,863,953 (2009: €1,870,943). The depreciation charge in respect of capitalised leased assets for the year ended 31 December 2010 amounted to €150,668 (2009: €163,113) and accumulated depreciation was €1,241,298 (2009: €1,097,620).

Included in the cost of office equipment is an amount of capitalised leased assets of €9,864 (2009: €9,864). The depreciation charge in respect of capitalised leased assets for the year ended 31 December 2010 amounted to €2,602 (2009: €2,602) and accumulated depreciation was €9,266 (2009: €6,664).


Capitalised leased assets – company
Included in the cost of plant and machinery is an amount of capitalised leased assets of €1,777,539 (2009: €1,777,539). The depreciation charge in respect of capitalised leased assets for the year ended 31 December 2010 amounted to €142,203 (2009: €142,203) and accumulated depreciation was €1,167,743 (2009: €1,025,540).

12. FINANCIAL FIXED ASSETS

<table>
<thead>
<tr>
<th>Investment in subsidiary undertakings (a)</th>
<th>Group 2010</th>
<th>2009</th>
<th></th>
<th>Company 2010</th>
<th>2009</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in joint venture undertakings (b)</td>
<td>159,956</td>
<td>3,195</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in associates (c)</td>
<td>1,194,844</td>
<td>1,352,634</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other investments (d)</td>
<td>9,376,032</td>
<td>9,349,038</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10,730,832</td>
<td>10,704,867</td>
<td></td>
<td>9,376,236</td>
<td>9,349,242</td>
<td></td>
</tr>
</tbody>
</table>

- 25 -
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2010 (Continued)

12. FINANCIAL FIXED ASSETS (Continued)

(a) Investment in subsidiary undertakings - company

<table>
<thead>
<tr>
<th>Shares at cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>€</td>
<td>€</td>
</tr>
</tbody>
</table>

At beginning of year

<table>
<thead>
<tr>
<th>Shares at cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>204</td>
<td>204</td>
</tr>
</tbody>
</table>

At end of year

<table>
<thead>
<tr>
<th>Shares at cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>204</td>
<td>204</td>
</tr>
</tbody>
</table>

In the opinion of the directors, the value of the shares, none of which are listed, is not less than cost.

Subsidiary undertakings at 31 December 2010:

<table>
<thead>
<tr>
<th>Name</th>
<th>Registered office</th>
<th>Proportion held by:</th>
<th>Nature of business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Itronics Limited</td>
<td>The Irish Times Building 24/28 Tara Street Dublin 2</td>
<td>100%</td>
<td>Electronic information and electronic publishing, training and related services</td>
</tr>
<tr>
<td>Irish Racing Services Limited</td>
<td>The Irish Times Building 24/28 Tara Street Dublin 2</td>
<td>–</td>
<td>Non-trading</td>
</tr>
<tr>
<td>Sharmal Limited</td>
<td>The Irish Times Building 24/28 Tara Street Dublin 2</td>
<td>100%</td>
<td>Holding Company</td>
</tr>
<tr>
<td>MyHome Limited</td>
<td>Prospect House 2-3 Prospect Road Glasnevin Dublin 9</td>
<td>–</td>
<td>Property website</td>
</tr>
<tr>
<td>D'Olier Investments Limited</td>
<td>The Irish Times Building 24/28 Tara Street Dublin 2</td>
<td>100%</td>
<td>Holding company</td>
</tr>
<tr>
<td>Gloss Publications Limited</td>
<td>The Courtyard 40 Main Street Blackrock Co. Dublin</td>
<td>–</td>
<td>Magazine publisher</td>
</tr>
<tr>
<td>DigitalworX Limited</td>
<td>The Irish Times Building 24/28 Tara Street Dublin 2</td>
<td>100%</td>
<td>Website publisher</td>
</tr>
</tbody>
</table>
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2010 (Continued)

12. FINANCIAL FIXED ASSETS (Continued)

Subsidiary undertakings at 31 December 2010 (continued):

<table>
<thead>
<tr>
<th>Name</th>
<th>Registered office</th>
<th>Proportion held by subsidiary</th>
<th>Nature of business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gazette Group Newspapers Limited</td>
<td>Block 3A Millbank Business park Lucan Co Dublin</td>
<td>63.80%</td>
<td>Newspaper publishing</td>
</tr>
</tbody>
</table>

Unless otherwise stated, all shareholdings represent interests in ordinary share capital.

(b) Investment in Joint Venture undertakings

<table>
<thead>
<tr>
<th></th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>GROUP</td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td>3,195</td>
</tr>
<tr>
<td>Loans advanced during year</td>
<td>157,500</td>
</tr>
<tr>
<td>Share of losses during year</td>
<td>(210,870)</td>
</tr>
<tr>
<td>Goodwill amortisation</td>
<td>-</td>
</tr>
<tr>
<td>Other movements related to Joint Ventures (note 3)</td>
<td>210,131</td>
</tr>
</tbody>
</table>

At 31 December 2010

<table>
<thead>
<tr>
<th></th>
<th>159,956</th>
</tr>
</thead>
</table>

Investment in the joint ventures comprises of (i) The Irish Times Limited’s share of the assets and liabilities of Fortunegreen Limited together with the associated goodwill, less amortisation to date, and provision for impairment, and (ii) D’Olier Investments Limited’s share of the assets and liabilities of Sortridge Limited and Digital Media Brokers Limited.
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2010 (Continued)

12. FINANCIAL FIXED ASSETS (Continued)

Joint Ventures at 31 December 2010:

<table>
<thead>
<tr>
<th>Name</th>
<th>Registered office</th>
<th>Proportion held by:</th>
<th>Nature of business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fortunegreen Limited</td>
<td>Embassy House Ballsbridge</td>
<td>33.33%</td>
<td>Newspaper publishing</td>
</tr>
<tr>
<td></td>
<td>Dublin 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sortridge Limited</td>
<td>2 Tivoli Tce East</td>
<td>– 50%</td>
<td>Advertising sales</td>
</tr>
<tr>
<td></td>
<td>Dun Laoghaire Co. Dublin</td>
<td></td>
<td>representation</td>
</tr>
<tr>
<td>Digital Media Brokers Limited</td>
<td>Prospect House 2-3 Prospect Road Glasnevin Dublin 9</td>
<td>– 50%</td>
<td>Digital sales representation</td>
</tr>
</tbody>
</table>

Unless otherwise stated, all shareholdings represent interests in ordinary share capital.

(c) Investment in associates

<table>
<thead>
<tr>
<th>GROUP</th>
<th>2010</th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>1,352,634</td>
<td></td>
</tr>
<tr>
<td>At 31 December 2009</td>
<td>(34,264)</td>
<td>(123,526)</td>
</tr>
<tr>
<td>Share of losses during year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill amortisation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2010</td>
<td>1,194,844</td>
<td></td>
</tr>
</tbody>
</table>

Investment in associates comprises of The Irish Times Limited's share of the assets and liabilities of Entertainment Media Networks Limited together with the associated goodwill, less amortisation to date, that arose on the investments.

<table>
<thead>
<tr>
<th>Registered Name</th>
<th>Proportion held by</th>
<th>Nature of business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entertainment Media Networks Limited</td>
<td>26 Great Strand Street Dublin 1</td>
<td>31.70% Online entertainment publishing</td>
</tr>
</tbody>
</table>

Unless otherwise stated, all shareholdings represent interests in ordinary share capital.
12. FINANCIAL FIXED ASSETS (Continued)

(d) Other investments

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Listed investments</td>
<td>1,887,661</td>
<td>1,863,883</td>
<td>1,887,661</td>
<td>1,863,883</td>
</tr>
<tr>
<td>Unlisted investments</td>
<td>7,488,371</td>
<td>7,485,155</td>
<td>7,488,371</td>
<td>7,485,155</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9,376,032</strong></td>
<td><strong>9,349,038</strong></td>
<td><strong>9,376,032</strong></td>
<td><strong>9,349,038</strong></td>
</tr>
</tbody>
</table>

Listed investments consist of shares of quoted companies on recognised stock exchanges. The market value of the holdings at 31 December 2010 was €2,055,834 (2009: €2,429,958).

The following is a schedule of the movement in value of the investments:

<table>
<thead>
<tr>
<th>Movements</th>
<th>Group</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance 31 December 2009</td>
<td>9,349,038</td>
<td>9,349,038</td>
</tr>
<tr>
<td>Additions</td>
<td>165,141</td>
<td>47,141</td>
</tr>
<tr>
<td>Income</td>
<td>54,853</td>
<td>54,853</td>
</tr>
<tr>
<td>Impairment (note 3)</td>
<td>(193,000)</td>
<td>(75,000)</td>
</tr>
<tr>
<td><strong>At 31 December 2010</strong></td>
<td>9,376,032</td>
<td>9,376,032</td>
</tr>
</tbody>
</table>

13. STOCKS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Newsprint and materials</td>
<td>1,083,012</td>
<td>382,574</td>
<td>1,083,012</td>
<td>382,574</td>
</tr>
</tbody>
</table>

The replacement cost of the above categories of stock does not differ materially from their stated balance sheet values.
THE IRISH TIMES LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2010 (Continued)

14. DEBTORS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>4,894,452</td>
<td>5,576,176</td>
<td>3,973,253</td>
<td>4,297,750</td>
</tr>
<tr>
<td>Amounts due from</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>joint venture</td>
<td>406,449</td>
<td>482,956</td>
<td>290,466</td>
<td>369,112</td>
</tr>
<tr>
<td>Amounts due from</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>group companies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other debtors</td>
<td>55,802</td>
<td>72,768</td>
<td>24,055</td>
<td>35,189</td>
</tr>
<tr>
<td>Corporation tax</td>
<td>507,060</td>
<td>485,860</td>
<td>458,120</td>
<td>458,120</td>
</tr>
<tr>
<td>recoverable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepayments and</td>
<td>1,125,869</td>
<td>1,740,790</td>
<td>1,037,570</td>
<td>1,472,629</td>
</tr>
<tr>
<td>accrued income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6,989,632</td>
<td>8,358,550</td>
<td>17,572,951</td>
<td>18,562,128</td>
</tr>
</tbody>
</table>

15. CREDITORS (amounts falling due within one year)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>4,081,594</td>
<td>4,834,794</td>
<td>3,640,503</td>
<td>4,170,973</td>
</tr>
<tr>
<td>Tax and social</td>
<td>2,605,007</td>
<td>2,548,390</td>
<td>2,336,333</td>
<td>2,305,319</td>
</tr>
<tr>
<td>welfare (a)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accruals and</td>
<td>6,557,512</td>
<td>7,396,413</td>
<td>5,884,511</td>
<td>6,730,504</td>
</tr>
<tr>
<td>deferred income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts due to joint</td>
<td>24,928</td>
<td>44,463</td>
<td>11,530</td>
<td>38,063</td>
</tr>
<tr>
<td>venture</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts due to</td>
<td>236,608</td>
<td>440,192</td>
<td>236,608</td>
<td>440,192</td>
</tr>
<tr>
<td>associates</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts owed to group</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>companies</td>
<td></td>
<td></td>
<td>10,210,000</td>
<td>10,260,000</td>
</tr>
<tr>
<td>Finance lease</td>
<td>10,054</td>
<td>19,687</td>
<td></td>
<td></td>
</tr>
<tr>
<td>obligations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(note 25(a))</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank loan</td>
<td>500,000</td>
<td>500,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank overdraft</td>
<td>294,947</td>
<td>245,566</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>14,310,650</td>
<td>16,029,505</td>
<td>22,319,485</td>
<td>23,945,051</td>
</tr>
</tbody>
</table>
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2010 (Continued)

15. CREDITORS (amounts falling due within one year) (Continued)

(a) Tax and social welfare comprises:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value added tax</td>
<td>1,456,644</td>
<td>1,151,077</td>
<td>1,291,398</td>
<td>1,004,219</td>
</tr>
<tr>
<td>Employment taxes</td>
<td>1,148,363</td>
<td>1,396,839</td>
<td>1,044,935</td>
<td>1,301,100</td>
</tr>
<tr>
<td>Corporation tax</td>
<td>-</td>
<td>474</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,605,007</td>
<td>2,548,390</td>
<td>2,336,333</td>
<td>2,305,319</td>
</tr>
</tbody>
</table>

16. CREDITORS (amounts falling after more than one year)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GROUP</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other creditors</td>
<td>627,797</td>
<td>645,129</td>
</tr>
<tr>
<td>Finance lease obligations (note 25(a))</td>
<td>10,339</td>
<td>19,676</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>638,136</td>
<td>664,805</td>
</tr>
</tbody>
</table>

17. BANK FACILITIES

Certain of the group’s bank facilities are secured by fixed and floating charges over certain assets and are subject to compliance with a number of general and financial covenants.

18. PROVISIONS FOR LIABILITIES AND CHARGES

<table>
<thead>
<tr>
<th></th>
<th>Restructuring (i)</th>
<th>Ex-Gratia pensions (ii)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GROUP and COMPANY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2009</td>
<td>1,100,000</td>
<td>510,088</td>
<td>1,610,088</td>
</tr>
<tr>
<td>Provided during year</td>
<td>372,691</td>
<td>112,216</td>
<td>484,907</td>
</tr>
<tr>
<td>Utilised during year</td>
<td>(1,222,691)</td>
<td>(64,559)</td>
<td>(1,287,250)</td>
</tr>
<tr>
<td><strong>At 31 December 2010</strong></td>
<td>250,000</td>
<td>557,745</td>
<td>807,745</td>
</tr>
</tbody>
</table>
18. PROVISIONS FOR LIABILITIES AND CHARGES (Continued)

(i) Restructuring
The provision relates primarily to redundancy costs.

(ii) Ex-Gratia Pensions:
This provision relates to future payments to certain former employees of The Irish Times Limited. The provision includes an amount of €162,788 (2009: €162,253), which relates to a former director of the company.

(iii) Deferred taxation
An unrecognised deferred tax asset of €1.5M (2009: €1M) in respect of losses forward has not been recognised at 31 December 2010 as uncertainty exists regarding the utilisation of these losses.

19. PENSION OBLIGATIONS

The company operates two defined benefit pension schemes. One of the pension schemes is specific to the company, while the other scheme is a multi-employer pension scheme, which is operated in conjunction with a subsidiary undertaking. The schemes are funded by the payment of contributions to separately administered trust funds.

For funding purposes the contributions are based on the advice of an independent professionally qualified actuary obtained at three yearly intervals. The latest full actuarial valuations of the plans were at 1 January 2010 and used the attained age method.

The actuarial reports are not available for public inspection but all relevant information is supplied to members of the plans.

The assumptions used for the purpose of FRS 17 are based on the valuation by the schemes' actuary at 1 January 2010 updated at the balance sheet date. The valuation of liabilities has been performed using the projected unit method.

The financial assumptions used to calculate schemes liabilities at 31 December are:

GROUP

The main assumptions used by the actuary were:

<table>
<thead>
<tr>
<th></th>
<th>31/12/2010</th>
<th>31/12/2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate of increase in pensionable salaries</td>
<td>2.00% p.a. for 10 years</td>
<td>3.00%</td>
</tr>
<tr>
<td></td>
<td>3.00% p.a. thereafter</td>
<td></td>
</tr>
<tr>
<td>Rate of increase in pension payments</td>
<td>1.75% - 2.00%</td>
<td>1.75% - 2.00%</td>
</tr>
<tr>
<td>Discount rate on scheme liabilities</td>
<td>5.50%</td>
<td>5.90%</td>
</tr>
<tr>
<td>Expected return on scheme assets</td>
<td>5.76%</td>
<td>6.13%</td>
</tr>
</tbody>
</table>
19. PENSION OBLIGATIONS (Continued)

Post-retirement mortality:
The number of members in the scheme and the number of deaths have been too small to analyse and produce any meaningful scheme-specific estimates of future levels of mortality. Accordingly standard tables have been used as follows:

<table>
<thead>
<tr>
<th>Current pensioners at 65</th>
<th>108% PNMLOO with CSO improvements from 2006 Age reduction -1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future pensioners at 65</td>
<td>108% PNMLOO with CSO improvements from 2006 Age reduction -1</td>
</tr>
</tbody>
</table>

The expected long term rates of return on the scheme assets were as follows:

<table>
<thead>
<tr>
<th></th>
<th>31/12/2010</th>
<th>31/12/2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>7.00%</td>
<td>8.00%</td>
</tr>
<tr>
<td>Bonds</td>
<td>3.40%</td>
<td>4.00%</td>
</tr>
<tr>
<td>Property</td>
<td>6.00%</td>
<td>6.00%</td>
</tr>
<tr>
<td>Other</td>
<td>1.00%</td>
<td>1.00%</td>
</tr>
</tbody>
</table>

The net pension liability is analysed as follows:

<table>
<thead>
<tr>
<th>At 31 December</th>
<th>At 31 December</th>
</tr>
</thead>
<tbody>
<tr>
<td>€'000</td>
<td>% of scheme assets</td>
</tr>
<tr>
<td>Scheme assets at fair value:</td>
<td></td>
</tr>
<tr>
<td>Equities</td>
<td>119,539</td>
</tr>
<tr>
<td>Bonds</td>
<td>44,361</td>
</tr>
<tr>
<td>Property</td>
<td>10,274</td>
</tr>
<tr>
<td>Other</td>
<td>4,935</td>
</tr>
<tr>
<td>Fair value of scheme assets</td>
<td>179,109</td>
</tr>
<tr>
<td>Present value of scheme liabilities</td>
<td>(211,295)</td>
</tr>
<tr>
<td>Defined benefit pension scheme deficit</td>
<td>(32,186)</td>
</tr>
<tr>
<td>Related deferred tax asset</td>
<td>4,023</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>(28,163)</td>
</tr>
</tbody>
</table>

The pension plan has not invested in any of the company's own financial instruments nor in properties or other assets used by the company.
19. PENSION OBLIGATIONS (Continued)

The amounts recognised in the Profit and Loss Account and in the Statement of Total Recognised Gains and Losses for the year are analysed as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2010 €'000</th>
<th>2009 €'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current service cost</td>
<td>(2,228)</td>
<td>(3,664)</td>
</tr>
<tr>
<td>Past service cost</td>
<td>5,110</td>
<td>0</td>
</tr>
<tr>
<td>Settlements and curtailments</td>
<td>0</td>
<td>3,161</td>
</tr>
<tr>
<td>Recognised in arriving at operating loss</td>
<td>2,882</td>
<td>(503)</td>
</tr>
<tr>
<td>Expected return on pension scheme assets</td>
<td>9,888</td>
<td>7,946</td>
</tr>
<tr>
<td>Interest on pension scheme liabilities</td>
<td>(11,945)</td>
<td>(11,935)</td>
</tr>
<tr>
<td>Other finance expense</td>
<td>(2,057)</td>
<td>(3,989)</td>
</tr>
<tr>
<td>Total recognised in the profit and loss account</td>
<td>825</td>
<td>(4,492)</td>
</tr>
</tbody>
</table>

**Taken to the Statement of Total Recognised Gains and Losses:**

<table>
<thead>
<tr>
<th>Description</th>
<th>2010 €'000</th>
<th>2009 €'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual return less expected return on scheme assets</td>
<td>9,989</td>
<td>16,924</td>
</tr>
<tr>
<td>Experience losses on schemes' liabilities</td>
<td>(5,866)</td>
<td>6,738</td>
</tr>
<tr>
<td>Changes in assumptions underlying the present value of schemes' liabilities</td>
<td>0</td>
<td>3,990</td>
</tr>
<tr>
<td>Actuarial gain recognised in Statement of Total Recognised Gains and Losses</td>
<td>4,123</td>
<td>27,652</td>
</tr>
</tbody>
</table>

Cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses: 885 (3,238)
19. PENSION OBLIGATIONS (Continued)

Changes in the present value of the defined benefit obligations are analysed as follows:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>€'000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At beginning of year</td>
<td>201,982</td>
<td>206,940</td>
</tr>
<tr>
<td>Current service cost</td>
<td>2,228</td>
<td>3,654</td>
</tr>
<tr>
<td>Interest cost</td>
<td>11,945</td>
<td>11,935</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(7,703)</td>
<td>(6,120)</td>
</tr>
<tr>
<td>Actuarial gain / (loss)</td>
<td>5,866</td>
<td>(10,728)</td>
</tr>
<tr>
<td>Past service cost amendment</td>
<td>(5,110)</td>
<td>-</td>
</tr>
<tr>
<td>Members contributions</td>
<td>2,380</td>
<td>2,212</td>
</tr>
<tr>
<td>Premiums paid</td>
<td>(293)</td>
<td>(364)</td>
</tr>
<tr>
<td>Settlements and curtailments</td>
<td>-</td>
<td>(5,547)</td>
</tr>
<tr>
<td><strong>At end of year</strong></td>
<td>211,295</td>
<td>201,982</td>
</tr>
</tbody>
</table>

Changes in the fair value of plan assets are analysed as follows:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>€'000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At beginning of year</td>
<td>156,973</td>
<td>131,197</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>9,888</td>
<td>7,946</td>
</tr>
<tr>
<td>Employer contribution</td>
<td>7,875</td>
<td>7,564</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(7,703)</td>
<td>(6,120)</td>
</tr>
<tr>
<td>Actuarial gain</td>
<td>9,889</td>
<td>16,924</td>
</tr>
<tr>
<td>Members contributions</td>
<td>2,380</td>
<td>2,212</td>
</tr>
<tr>
<td>Premiums paid</td>
<td>(293)</td>
<td>(364)</td>
</tr>
<tr>
<td>Settlements</td>
<td>-</td>
<td>(2,386)</td>
</tr>
<tr>
<td><strong>At end of year</strong></td>
<td>179,109</td>
<td>156,973</td>
</tr>
</tbody>
</table>

The company expects to pay contributions of €7,965,000 to the pension scheme in 2011.
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2010 (Continued)

19. PENSION OBLIGATIONS (Continued)

Changes in the fair value of plan assets are analysed as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value of scheme assets</td>
<td>179,109</td>
<td>156,973</td>
<td>131,197</td>
<td>196,407</td>
<td>198,938</td>
</tr>
<tr>
<td>Present value of defined benefit obligations</td>
<td>(211,295)</td>
<td>(201,982)</td>
<td>(206,940)</td>
<td>(206,829)</td>
<td>(224,298)</td>
</tr>
<tr>
<td>Experience adjustments arising on plan liabilities</td>
<td>(32,186)</td>
<td>(45,009)</td>
<td>(75,743)</td>
<td>(10,422)</td>
<td>(25,360)</td>
</tr>
<tr>
<td>Experience adjustments arising on plan assets</td>
<td>(5,866)</td>
<td>6,738</td>
<td>(28)</td>
<td>(4,060)</td>
<td>(4,608)</td>
</tr>
</tbody>
</table>

COMPANY

The expected long term rates of return on the scheme assets were as follows:

<table>
<thead>
<tr>
<th></th>
<th>31/12/2010</th>
<th>31/12/2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>7.00%</td>
<td>8.00%</td>
</tr>
<tr>
<td>Bonds</td>
<td>3.40%</td>
<td>4.00%</td>
</tr>
<tr>
<td>Property</td>
<td>6.00%</td>
<td>6.00%</td>
</tr>
<tr>
<td>Other</td>
<td>1.00%</td>
<td>1.00%</td>
</tr>
</tbody>
</table>
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2010 (Continued)

19. PENSION OBLIGATIONS (Continued)

The net pension liability is analysed as follows:

<table>
<thead>
<tr>
<th></th>
<th>At 31 December 2010</th>
<th>% of scheme assets</th>
<th>At 31 December 2009</th>
<th>% of scheme assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheme assets at fair value:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equities</td>
<td>118,650</td>
<td>56.6%</td>
<td>87,517</td>
<td>56.2%</td>
</tr>
<tr>
<td>Bonds</td>
<td>43,984</td>
<td>24.8%</td>
<td>51,682</td>
<td>33.2%</td>
</tr>
<tr>
<td>Property</td>
<td>10,192</td>
<td>5.7%</td>
<td>10,355</td>
<td>6.6%</td>
</tr>
<tr>
<td>Other</td>
<td>4,886</td>
<td>2.7%</td>
<td>6,233</td>
<td>4.0%</td>
</tr>
<tr>
<td><strong>Fair value of scheme assets</strong></td>
<td>177,712</td>
<td></td>
<td>155,787</td>
<td></td>
</tr>
<tr>
<td>Present value of scheme liabilities</td>
<td>(209,615)</td>
<td></td>
<td>(200,484)</td>
<td></td>
</tr>
<tr>
<td>Defined benefit pension scheme deficit</td>
<td>(31,903)</td>
<td></td>
<td>(44,697)</td>
<td></td>
</tr>
<tr>
<td>Related deferred tax asset</td>
<td>3,988</td>
<td></td>
<td>5,588</td>
<td></td>
</tr>
<tr>
<td><strong>Net pension liability</strong></td>
<td>(27,915)</td>
<td></td>
<td>(39,109)</td>
<td></td>
</tr>
</tbody>
</table>

The pension plan has not invested in any of the company’s own financial instruments nor in properties or other assets used by the company.

Changes in the present value of the defined benefit obligations are analysed as follows:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€000</td>
<td>€000</td>
</tr>
<tr>
<td>At beginning of year</td>
<td>200,484</td>
<td>203,363</td>
</tr>
<tr>
<td>Current service cost</td>
<td>2,199</td>
<td>3,445</td>
</tr>
<tr>
<td>Interest cost</td>
<td>11,855</td>
<td>11,719</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(7,643)</td>
<td>(6,076)</td>
</tr>
<tr>
<td>Actuarial loss / (gain)</td>
<td>5,711</td>
<td>(10,637)</td>
</tr>
<tr>
<td>Past service cost amendment</td>
<td>(5,058)</td>
<td>–</td>
</tr>
<tr>
<td>Members contributions</td>
<td>2,358</td>
<td>2,192</td>
</tr>
<tr>
<td>Premiums paid</td>
<td>(291)</td>
<td>(361)</td>
</tr>
<tr>
<td>Curtailments</td>
<td>–</td>
<td>(3,161)</td>
</tr>
<tr>
<td><strong>At end of year</strong></td>
<td>209,615</td>
<td>200,484</td>
</tr>
</tbody>
</table>
19. PENSION OBLIGATIONS (Continued)

Changes in the fair value of plan assets are analysed as follows:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>€'000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At beginning of year</td>
<td>155,787</td>
<td>129,777</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>9,814</td>
<td>7,862</td>
</tr>
<tr>
<td>Employer contribution</td>
<td>7,811</td>
<td>7,505</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(7,643)</td>
<td>(6,076)</td>
</tr>
<tr>
<td>Actuarial gain</td>
<td>9,876</td>
<td>14,888</td>
</tr>
<tr>
<td>Members contributions</td>
<td>2,358</td>
<td>2,192</td>
</tr>
<tr>
<td>Premiums paid</td>
<td>(291)</td>
<td>(361)</td>
</tr>
<tr>
<td></td>
<td>177,712</td>
<td>155,787</td>
</tr>
</tbody>
</table>

Changes in the fair value of plan assets are analysed as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>€'000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value of scheme assets</td>
<td>177,712</td>
<td>155,787</td>
<td>129,777</td>
<td>193,013</td>
<td>195,538</td>
</tr>
<tr>
<td>Present value of defined benefit obligations</td>
<td>(209,615)</td>
<td>(200,484)</td>
<td>(203,363)</td>
<td>(203,166)</td>
<td>(220,253)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(31,903)</td>
<td>(44,697)</td>
<td>(73,586)</td>
<td>(10,153)</td>
<td>(24,715)</td>
<td></td>
</tr>
<tr>
<td>Experience adjustments arising on plan liabilities</td>
<td>5,711</td>
<td>(6,700)</td>
<td>259</td>
<td>(4,037)</td>
<td>(4,600)</td>
</tr>
<tr>
<td>Experience adjustments arising on plan assets</td>
<td>(9,876)</td>
<td>(14,888)</td>
<td>(73,800)</td>
<td>(17,530)</td>
<td>10,437</td>
</tr>
</tbody>
</table>
20. SHARE CAPITAL

GROUP AND COMPANY
Authorised, allotted, called up and fully paid:
500,000 ordinary shares of €1.25 each 625,000 625,000
110 preference shares
of €1.25 each 138 138

625,138 625,138

In accordance with the memorandum of association of the company, no portion of the income and property of the company can be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise, to members of the company except that the holders of all the preference shares retain their entitlement to repayment at par of the amount of capital paid up thereon (€1.25 per share) in a winding up or dissolution of the company.

The ordinary shares are non-voting shares.

21. RECONCILIATION OF SHAREHOLDERS' FUNDS

GROUP

<table>
<thead>
<tr>
<th></th>
<th>Share capital</th>
<th>Capital conversion reserve fund</th>
<th>Profit and loss account</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>At beginning of year</td>
<td>625,138</td>
<td>9,871</td>
<td>29,075,759</td>
<td>29,710,768</td>
</tr>
<tr>
<td>Profit for financial year</td>
<td>–</td>
<td>–</td>
<td>1,066,174</td>
<td>1,066,174</td>
</tr>
<tr>
<td>Net actuarial gain on</td>
<td>–</td>
<td>–</td>
<td>2,550,000</td>
<td>2,550,000</td>
</tr>
<tr>
<td>defined benefit pension</td>
<td>–</td>
<td>–</td>
<td>1,088,000</td>
<td>1,088,000</td>
</tr>
<tr>
<td>scheme</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Current tax on defined</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>benefit pension scheme</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>At end of Year</td>
<td>625,138</td>
<td>9,871</td>
<td>33,779,933</td>
<td>34,414,942</td>
</tr>
</tbody>
</table>
# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2010 (Continued)

## 21. RECONCILIATION OF SHAREHOLDERS' FUNDS (Continued)

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>Share capital</th>
<th>Capital conversion reserve fund</th>
<th>Profit and loss account</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td>At beginning of year</td>
<td>625,138</td>
<td>9,871</td>
<td>30,259,466</td>
<td>30,894,475</td>
</tr>
<tr>
<td>Profit for financial year</td>
<td>–</td>
<td>–</td>
<td>1,531,579</td>
<td>1,531,579</td>
</tr>
<tr>
<td>Net actuarial gain on defined benefit pension scheme</td>
<td>–</td>
<td>–</td>
<td>2,565,000</td>
<td>2,565,000</td>
</tr>
<tr>
<td>Current tax on defined benefit pension scheme</td>
<td>–</td>
<td>–</td>
<td>1,088,000</td>
<td>1,088,000</td>
</tr>
<tr>
<td>At end of year</td>
<td>625,138</td>
<td>9,871</td>
<td>35,444,045</td>
<td>36,079,054</td>
</tr>
</tbody>
</table>

## 22. RECONCILIATION OF OPERATING LOSS TO OPERATING CASH FLOW

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit (loss)</td>
<td>4,080,217</td>
<td>(23,899,509)</td>
</tr>
<tr>
<td>Amortisation of intangible assets</td>
<td>–</td>
<td>1,481,481</td>
</tr>
<tr>
<td>(Profit) loss on Disposal of fixed assets</td>
<td>(47,139)</td>
<td>7,660</td>
</tr>
<tr>
<td>Goodwill Impairment</td>
<td>–</td>
<td>8,518,519</td>
</tr>
<tr>
<td>Investment impairment</td>
<td>23,751</td>
<td>2,432,023</td>
</tr>
<tr>
<td>Write off Minority Interest</td>
<td>–</td>
<td>337,437</td>
</tr>
<tr>
<td>Depreciation of tangible fixed assets</td>
<td>6,618,460</td>
<td>7,499,155</td>
</tr>
<tr>
<td>(Increase) decrease in stocks</td>
<td>(700,439)</td>
<td>558,069</td>
</tr>
<tr>
<td>Decrease in debtors</td>
<td>1,538,835</td>
<td>3,365,131</td>
</tr>
<tr>
<td>Decrease in creditors</td>
<td>(2,075,001)</td>
<td>(4,528,793)</td>
</tr>
<tr>
<td>Decrease in operating provisions and non cash pension balances</td>
<td>(11,552,473)</td>
<td>(14,251,991)</td>
</tr>
<tr>
<td>Net cash outflow from operating activities</td>
<td>(2,113,789)</td>
<td>(18,480,818)</td>
</tr>
</tbody>
</table>
23. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease in cash</td>
<td>(1,968,675)</td>
<td>(25,329,431)</td>
</tr>
<tr>
<td>(Increase) decrease in overdraft</td>
<td>(49,381)</td>
<td>1,228</td>
</tr>
<tr>
<td></td>
<td>(2,018,056)</td>
<td>(25,328,203)</td>
</tr>
<tr>
<td>Decrease in debt</td>
<td>–</td>
<td>3,822,000</td>
</tr>
<tr>
<td>Capital element of finance lease repaid</td>
<td>18,970</td>
<td>16,253</td>
</tr>
<tr>
<td>Movement in net funds in the year</td>
<td>(1,999,086)</td>
<td>(21,489,950)</td>
</tr>
<tr>
<td>Net funds at beginning of year</td>
<td>12,688,491</td>
<td>34,178,441</td>
</tr>
<tr>
<td>Net funds at end of year</td>
<td>10,689,405</td>
<td>12,688,491</td>
</tr>
</tbody>
</table>

24. ANALYSIS OF CHANGES IN NET FUNDS

<table>
<thead>
<tr>
<th>Description</th>
<th>At 31 December 2009</th>
<th>Cash flow 2009</th>
<th>At 31 December 2010</th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>13,473,420</td>
<td>(1,968,675)</td>
<td>11,504,745</td>
<td></td>
</tr>
<tr>
<td>Bank overdraft</td>
<td>(245,566)</td>
<td>(49,381)</td>
<td>(294,947)</td>
<td></td>
</tr>
<tr>
<td>Bank Loan</td>
<td>(500,000)</td>
<td>–</td>
<td>(500,000)</td>
<td></td>
</tr>
<tr>
<td>Finance leases</td>
<td>(39,363)</td>
<td>18,970</td>
<td>(20,393)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>12,688,491</td>
<td>(1,999,086)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10,689,405</td>
<td></td>
</tr>
</tbody>
</table>
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2010 (Continued)

25. COMMITMENTS

(a) Finance leases – group and company

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2009</td>
</tr>
<tr>
<td>Finance lease obligations, net of interest, are due as follows:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within one year</td>
<td>10,054 €</td>
<td>19,687 €</td>
</tr>
<tr>
<td>After one but within 5 years</td>
<td>10,339 €</td>
<td>19,676 €</td>
</tr>
<tr>
<td></td>
<td><strong>20,393 €</strong></td>
<td><strong>39,363 €</strong></td>
</tr>
</tbody>
</table>

(b) Operating leases

The group has operating lease commitments payable in the next twelve months of €2,291,828, which expire as follows:

<table>
<thead>
<tr>
<th></th>
<th>Land and buildings</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
</tbody>
</table>
| GROUP
| Within one year  | 7,865 €            | 79,582 € | 87,447 € |
| Between one and five years | 274,404 €          | 162,477 € | 436,881 € |
| After five years. | 1,767,500 €        | –      | 1,767,500 € |
|                  | **2,049,769 €**    | **242,059 €** | **2,291,828 €** |

<table>
<thead>
<tr>
<th></th>
<th>Land and buildings</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
</tbody>
</table>
| COMPANY
| Within one year  | –                  | 66,960 € | 66,960 € |
| Between one and five years | 135,000 €          | 134,403 € | 269,403 € |
| After five years | 1,700,000 €        | –      | 1,700,000 € |
|                  | **1,835,000 €**    | **201,363 €** | **2,036,363 €** |

26. CONTINGENT LIABILITIES

There were no material contingent liabilities affecting the group or the company at 31 December 2010.
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2010 (Continued)

27. GUARANTEES

Pursuant to the provisions of Section 17, Companies (Amendment) Act, 1986, the Company guarantees the liabilities of the following subsidiaries for the financial year ended 31 December 2010 and, as a result, those subsidiaries will be exempted from the filing provisions of Section 7, Companies (Amendment) Act, 1986:

Itronics Limited
Sharmal Limited
MyHome Limited
D'Olier investments Limited
Irish Racing Services Limited
DigitalworX Limited

28. GROUP RELATIONSHIPS AND CONTROLLING PARTIES

The company is a wholly owned subsidiary of The Irish Times Holdings, a company incorporated in the Republic of Ireland that does not prepare consolidated financial statements. The parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up, and of which the company is a member, is The Irish Times Trust Limited, a company incorporated in the Republic of Ireland. The ultimate controlling party is The Irish Times Trust Limited. The consolidated financial statements of The Irish Times Trust Limited are filed in the Companies Registration Office, Parnell House, Parnell Square, Dublin 1.

29. RELATED PARTY TRANSACTIONS

The company has availed of the exemption provided in FRS 8 "Related Party Transactions" for subsidiary undertakings 100% or more of whose voting rights are controlled within the group, from the requirements to give details of transactions with entities that are part of the group or investees of the group qualifying as related parties.

During the year the group entered into transactions in the ordinary course of business with other related parties. Transactions entered into, and trading balances outstanding at 31 December, are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Sales To related Party</th>
<th>Purchases From related Party</th>
<th>Amounts owed to related party</th>
<th>Amounts owed by related party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fortunegreen Limited</td>
<td>555,180</td>
<td>4,006</td>
<td>11,530</td>
<td>45,236</td>
</tr>
<tr>
<td>Entertainment Media Networks Limited</td>
<td>156,252</td>
<td>7,150</td>
<td>236,608</td>
<td>-</td>
</tr>
<tr>
<td>Sortridge Limited</td>
<td>1,164,934</td>
<td>80,431</td>
<td>13,398</td>
<td>358,772</td>
</tr>
<tr>
<td>Digital Media Brokers Limited</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,441</td>
</tr>
</tbody>
</table>

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30. **SUBSEQUENT EVENTS**

(i) Geraldine Kennedy retired as Editor on 23rd June 2011 and was replaced by Kevin O'Sullivan.

(ii) During the year the company made an application to The Pensions Board under Section 50 of the Pensions Act, as amended, in relation to specific reductions in pension benefits under the company's defined benefit pension schemes. Subsequent to the year end the Section 50 application was approved and it is anticipated that this will result in a reduction in the pension deficit during 2011.

31. **APPROVAL OF FINANCIAL STATEMENTS**

The Board of Directors approved and authorised for issue the consolidated financial statements in respect of the financial year ended 31 December 2010 on 28 July 2011.