

Audited Consolidated Financial Statements

MediaHouse Limited and Subsidiaries

September 30, 2009

MEDIAHOUSE LIMITED AND SUBSIDIARIES

SEPTEMBER 30, 2009

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PRESIDENT'S REPORT
MEDIAHOUSE LIMITED

The Board is pleased to announce that MediaHouse Limited ("MHL" or the "Company") earned a net profit for the year of \$2,149,872, or \$4.35 per common share. Although the results are down from the prior year's net profit of \$2,741,399, the current year net profit is positive considering the depressed economic conditions currently facing Bermuda and countries around the world.

The depressed market both inside and outside of Bermuda posed a substantial challenge for your management team as competition for scarce advertising dollars has never been greater. MHL management has had to think of new and creative ways to maintain and grow revenue while continuing to deliver first class customer service, superior products, and distinctive value.

Of all of our markets, the Bermuda market has been hardest hit by the economic downturn. All of our core economic drivers - international business, tourism, and retail - experienced substantial decline during the year. The knock-on effect for the MHL subsidiaries like Island Press, Bermuda.com, and Bermuda.com the Guide (formerly Preview of Bermuda) has been considerable as businesses reined in their media expenditure.

On the other hand Global Directories Limited ("GDL"), the Company's Caribbean directory division, has maintained its pre-downturn sales while increasing profitability. GDL provides a multi-platform service to clients in print, on-line, and mobile. Seamless delivery of these products and services to our directory customers is core to the subsidiary's success.

The Bermuda Sun Limited held its own in the year under review. Our bi-weekly newspaper, through its dedicated management and personnel, continue to deliver top stories and news that Bermudians want to read. This fundamental strength drives the paper's circulation numbers and delivers value to its advertisers.

As noted in the March 31, 2009 Director's report, the timing of revenue recognition results in proportionally more directory revenue being recognized in the opening six months of the current fiscal year versus the closing six months of the current fiscal year. This is consistent with the cyclical nature of the Company's directory operations.

During the year your Board of Directors declared a dividend of \$0.50 per common share to common shareholders of record at the close of business on 14 April, 2009. The Board would like to thank you, our shareholders, for your confidence and continuing support.

As a public company listed on the Bermuda Stock Exchange, it should be noted that the directors and the officers of MHL hold 354,745 common shares. No rights to subscribe for shares in MHL have been granted to any director or officer and there are no service contracts with any director or officer.

Finally, the Board wishes to extend thanks to all of our Company Members for their continuing support and effort during these challenging times. Our personnel are the life-force of the Company and will see us through these challenging times.

R. French

D. Randolph French

Chairman and CEO

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS
MEDIAHOUSE LIMITED AND SUBSIDIARIES

We have audited the consolidated balance sheet of MediaHouse Limited (the "Company") as at September 30, 2009 and the consolidated statements of operations and comprehensive income, changes in shareholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2009 and the results of its consolidated operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Ernst & Young Ltd.

March 12, 2010

Chartered Accountants

MEDIAHOUSE LIMITED AND SUBSIDIARIES
(Incorporated in Bermuda)

CONSOLIDATED BALANCE SHEET

SEPTEMBER 30, 2009
(expressed in Bermuda dollars)

	2009	2008
ASSETS		
Current assets		
Cash and cash equivalents (Notes 3 and 11)	\$ 5,094,347	\$ 6,292,156
Accounts receivable, net of allowance for doubtful amounts of \$3,531,343 (2008 - \$3,185,555)	8,165,529	10,199,046
Inventories (Note 4)	640,443	693,765
Prepaid expenses and deferred expenses	10,939,949	9,508,854
	24,840,268	26,693,821
Property, plant and equipment (Notes 5 and 8)	2,957,137	3,341,325
Intangible assets (Note 6)	3,203,745	2,238,874
Goodwill (Note 7)	74,800	74,800
	\$ 31,075,950	\$ 32,348,820
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 4,720,930	\$ 4,701,591
Income taxes payable (Note 9)	824,251	799,404
Deferred revenue	8,847,516	9,691,670
Current portion of bank loan (Note 8)	221,727	404,454
Dividends payable	-	27,343
	14,614,424	15,624,462
Future income tax liability (Note 9)	215,572	81,156
Long term portion of bank loan (Note 8)	3,956,226	5,926,109
	18,786,222	21,631,727
Minority interest (Note 13)	1,283,238	955,000
	20,069,460	22,586,727

MEDIAHOUSE LIMITED AND SUBSIDIARIES
(Incorporated in Bermuda)

CONSOLIDATED BALANCE SHEET, Cont'd.

SEPTEMBER 30, 2009
(expressed in Bermuda dollars)

	<u>2009</u>	<u>2008</u>
SHAREHOLDERS' EQUITY		
Common shares (Note 10)	\$ 1,185,362	\$ 1,185,362
Contributed surplus	546,849	546,849
Accumulated other comprehensive (loss) income	(577,439)	81,092
Retained earnings	<u>9,851,718</u>	<u>7,948,790</u>
	<u>11,006,490</u>	<u>9,762,093</u>
	<u>\$ 31,075,950</u>	<u>\$ 32,348,820</u>

See accompanying notes

On behalf of the Board:



Director



Director

MEDIAHOUSE LIMITED AND SUBSIDIARIES
 CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
 FOR THE YEAR ENDED SEPTEMBER 30, 2009
 (expressed in Bermuda dollars)

	<u>2009</u>	<u>2008</u>
Sales (Note 16)		
Printing	\$ 33,128,109	\$ 35,668,684
Publishing	4,047,117	4,179,576
Other	<u>2,526,952</u>	<u>840,860</u>
	39,702,178	40,689,120
Cost of sales	<u>14,153,853</u>	<u>16,355,290</u>
Gross profit - 64.35% (2008 - 59.80%)	25,548,325	24,333,830
General and administrative expenses (Note 14)	20,681,965	18,496,800
Foreign currency exchange gain	(546,309)	(13,116)
Amortization (Notes 5 and 6)	<u>988,926</u>	<u>918,999</u>
Profit from operations	4,423,743	4,931,147
Interest expense	(274,982)	(430,948)
Gain on disposal of property, plant and equipment	4,014	-
Rental and other income	<u>449,092</u>	<u>438,146</u>
Net profit before taxation	4,601,867	4,938,345
Income tax expense (Note 9)	<u>(2,123,757)</u>	<u>(1,874,896)</u>
Net profit after taxation	2,478,110	3,063,449
Minority interest (Note 13)	<u>(328,238)</u>	<u>(322,050)</u>
Net profit for the year	2,149,872	2,741,399
Other comprehensive loss		
Foreign currency exchange loss	<u>(658,531)</u>	<u>(43,037)</u>
Comprehensive income	\$ <u>1,491,341</u>	\$ <u>2,698,362</u>
Net profit per common share	\$ <u>4.35</u>	\$ <u>5.48</u>

See accompanying notes

MEDIAHOUSE LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2009
(expressed in Bermuda dollars)

	Preference Shares	Common Shares	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
Balance at September 30, 2007	\$ 544,410	\$ 1,185,362	\$ 546,849	\$ 124,129	\$ 5,240,066	\$ 7,640,816
Net income	-	-	-	-	2,741,399	2,741,399
Repurchase of preference shares	(544,410)	-	-	-	-	(544,410)
Other comprehensive loss	-	-	-	(43,037)	-	(43,037)
Preference dividends declared	-	-	-	-	(32,675)	(32,675)
Balance at September 30, 2008	\$ -	\$ 1,185,362	\$ 546,849	\$ 81,092	\$ 7,948,790	\$ 9,762,093
Net income	-	-	-	-	2,149,872	2,149,872
Other comprehensive loss	-	-	-	(658,531)	-	(658,531)
Common share dividends declared	-	-	-	-	(246,944)	(246,944)
Balance at September 30, 2009	\$ -	\$ 1,185,362	\$ 546,849	\$ (577,439)	\$ 9,851,718	\$ 11,006,490

See accompanying notes

MEDIAHOUSE LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2009
(expresses in Bermuda dollars)

	<u>2009</u>	<u>2008</u>
Operating activities:		
Net profit for the year	\$ 2,149,872	\$ 2,741,399
Foreign currency exchange loss	<u>(658,531)</u>	<u>(43,037)</u>
	1,491,341	2,698,362
Add items not involving cash movement:		
Amortization of property, plant, and equipment	823,099	762,888
Amortization of intangible assets	173,736	160,542
Minority interest	328,238	322,050
Gain on disposal of property, plant, and equipment	(4,014)	-
Unrealized foreign exchange loss on property, plant, and equipment	81,252	-
Add (deduct) net changes in assets and liabilities:		
Accounts receivable	2,033,517	(1,746,510)
Due from employees and agents	-	217,643
Inventories	53,322	(39,292)
Prepaid expenses and deferred expenses	(1,431,095)	(171,257)
Accounts payable and accrued liabilities	19,339	499,328
Income tax payable	24,847	(730,163)
Deferred revenue	(844,154)	(495,559)
Future income tax liability	<u>134,416</u>	<u>21,470</u>
Net cash flows from operating activities	2,883,844	1,499,502
Financing activities:		
Common share dividends paid	(246,944)	-
Preference share dividends paid	(27,343)	(48,870)
Repurchase of preference shares	-	(544,410)
Increase in bank financing	1,200,000	-
Repayment of bank loan	<u>(3,352,610)</u>	<u>(376,880)</u>
Net cash flows applied to financing activities	<u>(2,426,897)</u>	<u>(970,160)</u>
Investing activities:		
Proceeds from disposal of property, plant and equipment	23,457	-
Purchase of property, plant and equipment	(539,606)	(517,995)
Purchase of intangible assets	<u>(1,138,607)</u>	<u>(133,163)</u>
Net cash flows applied to investing activities	<u>(1,654,756)</u>	<u>(651,158)</u>
Net cash flows applied to investing activities		
Net decrease in cash and cash equivalents	(1,197,809)	(121,816)
Cash and cash equivalents, beginning of year	<u>6,292,156</u>	<u>6,413,972</u>
Cash and cash equivalents, end of year	\$ <u>5,094,347</u>	\$ <u>6,292,156</u>
Other cash flow information:		
Taxes paid	\$ <u>1,934,693</u>	\$ <u>2,418,184</u>
Interest paid	\$ <u>372,662</u>	\$ <u>427,305</u>

See accompanying notes

MEDIAHOUSE LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2009
(expressed in Bermuda dollars)

1. Operations

MediaHouse Limited (the "Company") is a Bermuda company formed as a result of an amalgamation and restructuring effective October 1, 1994, and is traded on the Bermuda Stock Exchange. The Company is in the business of high quality commercial printing and is the publisher of a newspaper "The Bermuda Sun", a tourist guide "Bermuda.com Guide Limited", telephone directories and other publications. In addition, the Company maintains various internet portals which focus on e-business and it operates an electrician business.

2. Significant accounting policies

The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP") which have general application in Bermuda. Significant accounting policies are as follows:

(a) Basis of consolidation

The consolidated financial statements include the accounts of MediaHouse Limited and its subsidiaries, Island Press Limited, Bermuda Sun Limited, Bermuda.com Guide Limited, Global Directories Limited, MediaHouse ASP Ltd., Industrial Electrics and Controls Limited, Crow House Limited, and Bermuda.com Limited. All significant inter-company transactions have been eliminated.

As explained in Note 13, the effective interest of the Company in the voting common shares of Global Directories Limited and MediaHouse ASP Ltd. are 85% and 60% respectively. Minority interest represents the interest of external parties in respect of net profit and shareholders' equity of Global Directories Limited and MediaHouse ASP Ltd.

MEDIAHOUSE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, Cont'd.

SEPTEMBER 30, 2009
(expressed in Bermuda dollars)

2. Significant accounting policies, cont'd.

(a) The subsidiaries of Global Directories Limited include the following entities:

<u>Subsidiary</u>	<u>% of Ownership in 2009</u>	<u>% of Ownership in 2008</u>
Global Directories (USA) Inc.	100%	100%
Global Directories (Caribbean) Ltd.	100%	100%
Global Directories (Bermuda) Ltd.	100%	100%
Global Directories (Costa Rica) S.A.	100%	100%
Caribbean Publishing Company Limited	100%	100%
Caribbean Publishing Company (Cayman) Limited	100%	100%
Caribbean Publishing Company Limited (St. Lucia)	100%	100%
Litwin N.V. (St. Maarten)	100%	100%
Caribbean Publishing Company N.V. (Aruba)	100%	100%
Caribbean Publishing Company (St. Kitts) Limited	100%	100%
Caribbean Publishing Company (B.V.I.) Limited	100%	100%
Caribbean Publishing Inc. (Florida)	100%	100%
Caicos Publishing Company Limited (Turks & Caicos)	100%	100%
Caribbean Publishing Company (Anguilla) Limited	100%	100%
Caribbean Publishing Company (St. Vincent) Limited	100%	100%
Caribbean Publishing Company (Montserrat) Limited	100%	100%
Caribbean Publishing Company (Grenada) Limited	100%	100%
Global Directories (St. Lucia) Limited ("GD(SL)L")	100%	100%
Global Directories (Barbados) Limited (through GD(SL)L)	100%	100%
Global Directories (Jamaica) Limited (through GD(SL)L)	100%	100%
Global Directories (Trinidad & Tobago) Limited (through GD(SL)L)	100%	100%

Subsidiaries are consolidated from the date the Company obtains control until such time as control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Adjustments are made to conform any dissimilar material accounting policies that may exist.

MEDIAHOUSE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, Cont'd.

SEPTEMBER 30, 2009
(expressed in Bermuda dollars)

2. Significant accounting policies, cont'd.

(b) Cash and cash equivalents

Cash and cash equivalents consist of cash balances with banks and highly liquid money market instruments with maturity of less than three months at the date of purchase. The Company maintains accounts in a number of banks throughout the Caribbean, United States of America and South America. All cash and cash equivalents are classified as held for trading. These instruments are accounted for at fair value.

(c) Inventories

Raw materials are valued on a first-in, first-out basis at the lower of cost or net realizable value. Work in process and finished products consist of direct material and attributable direct labour costs and are valued at the lower of cost and net realizable value.

(d) Goodwill

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that they may be impaired. The Company has selected September 30 as the date it performs its annual impairment test.

(e) Intangible assets

Internet portals and domains are indefinite life intangibles and are therefore not subject to amortization. Customer contracts arising on the purchase of assets are being amortized on a straight line basis over three years, commencing in the year subsequent to acquisition. Customer lists purchased are amortized over five years. Website redesign costs are amortized on a straight-line basis over three years.

Bermuda.com purchased an online directory from mBermuda for \$50,000. The online directory is not being amortized as it is not yet in use.

Management, on an annual basis, tests the intangible assets that have indefinite lives for impairment. The Company has determined that there is no impairment in the intangible assets at the end of the current fiscal year.

MEDIAHOUSE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, Cont'd.

SEPTEMBER 30, 2009
(expressed in Bermuda dollars)

2. Significant accounting policies, cont'd.

(f) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated amortization. Amortization is recorded on a straight line basis over the estimated useful lives of the property, plant and equipment. The following annual rates are being used for amortization:

Buildings	- 2.5%
Building improvements	- 10 - 20%
Machinery and equipment	- 10 - 33.3%
Computers and typesetting equipment	- 20 - 33.3%
Furniture and fixtures	- 10%
Vehicles and warehouse equipment	- 20%

(g) Revenue recognition

Revenue is recognized when contracts are completed or when the product and service is delivered.

For directory publishing, sales are recorded at the date the majority of directories are delivered to the local telephone provider (the "Telco") in each country. Costs of directory publication, commissions, and overhead on unpublished directory advertising orders are expensed when the related revenue is recognized. Deferred publication costs include all direct printing, selling costs, and distribution costs associated with the publication of directories not yet delivered to the Telco. Deferred publication charges are released in full when the directory is delivered, matching with revenue recognition. Directory cycles are usually one year long. Timing of release of deferred costs after September 30 will vary depending on when each directory is delivered. For deferred costs at September 30, 2009 and 2008, the timing of delivery was between one month and six months subsequent to year end.

(h) Deferred revenue

Collections of sales revenue from advertisers for future publications and services are recorded as deferred revenue until the contracts are completed, the product and services are delivered, or publication is recognized.

(i) Net profit per common share

Net profit per common share has been computed on the basis of net profit after minority interest and preference dividends, divided by the weighted average number of common shares outstanding during the year.

MEDIAHOUSE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, Cont'd.

SEPTEMBER 30, 2009
(expressed in Bermuda dollars)

2. Significant accounting policies, cont'd.

(j) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the date of the financial statements. Non-monetary assets and liabilities denominated in foreign currencies are translated at historical rates of exchange. Transactions in foreign currencies are translated at the rates of exchange prevailing at the time of the transaction. Exchange gains and losses are included in the net profit for the consolidated statement of income and retained earnings. For self-sustaining operations, exchange gains or losses on assets and liabilities are included in other comprehensive income in the consolidated statement of operations and comprehensive income.

(k) Financial instruments

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, income taxes payable, bank loan, dividends payable and minority interest. Fair value disclosures with respect to certain financial instruments are included separately where and if appropriate. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments. The carrying values of other financial instruments approximate their fair value due to the short-term nature of the balances.

(l) Financial instruments - disclosure and presentation

Financial instruments are classified into one of the following categories:

- i. Held for trading: Financial instruments that are purchased and incurred with the intention of generating profits in the near term are classified as held for trading. These instruments are accounted for at fair value with the change in the fair value recognized in net profit during the period. The Company designated its cash and cash equivalents as held for trading, which are measured at fair value.
- ii. Available for sale: Financial instruments classified as available for sale are carried at fair value with the change in fair value recorded in other comprehensive income. When a decline in fair value is determined to be other than temporary, the cumulative loss incurred in accumulated other comprehensive income is removed and recognized in net profit. Gains and losses realized on the disposal of available for sale instruments are recognized in other income. The Company did not have any available for sale instruments during the year ended September 30, 2009.

MEDIAHOUSE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, Cont'd.

SEPTEMBER 30, 2009
(expressed in Bermuda dollars)

2. Significant accounting policies, cont'd.

(l) Financial instruments - disclosure and presentation

Financial instruments are classified into one of the following categories, cont'd.:

- iii. Held to maturity: Securities that have a fixed maturity date and which the Company has a positive intention and the ability to hold to maturity are classified as held to maturity and accounted for at amortized cost using the effective interest rate method. The Company did not have any held to maturity instruments during the year ended September 30, 2009.
- iv. Receivables and Payables: Subsequent to initial recognition at fair value, receivables and payables are accounted for at amortized cost with changes recognized in the current period net income.

The fair value of a financial instrument on the initial recognition is the transfer price, which is the fair value of the consideration given or received for held for trading and available for sale financial instruments.

Subsequent to the initial recognition, fair value is determined by using valuation techniques which refer to observable market data using the specific identification method.

Transaction costs are expensed as incurred for financial instruments classified as held for trading. For other financial instruments, transaction costs are included with the related financial instrument on initial recognition.

(m) Comprehensive income

Comprehensive income represents the change in equity from transactions and other events from non-owner sources.

Other comprehensive income consists of foreign currency translation adjustments arising from translating financial statements of self-sustaining foreign operations.

(n) Use of estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. The most significant assumptions made by management in preparation of the Company's consolidated financial statements are:

MEDIAHOUSE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, Cont'd.

SEPTEMBER 30, 2009
(expressed in Bermuda dollars)

2. Significant accounting policies, cont'd.

(n) Use of estimates, cont'd.

- i. Accruals: Amounts accrued for certain expenses are based on estimates and are included in accounts payable and accrued liabilities.
- ii. Property, plant and equipment: Management exercises judgment in determining whether costs incurred can accrue significant future economic benefits to the Company to enable the value to be treated as a capital expense. Further judgment is applied in the annual review of the useful lives of all categories of property, plant and equipment and the resulting depreciation determined thereon.
- iii. Deferred publication costs: Amounts deferred are determined by applying a percentage ratio based on the percentage of the directory revenues which were completed after the period end.
- iv. Allowance for doubtful accounts: The Company provides an allowance on accounts receivable by specific evaluation of individual invoices or based on historical experience using estimated rates as follows:

<u>Number of Days Outstanding</u>	<u>Percentage Provided For</u>
0-180	7.5%
181-360	15.0%
361-720	50.0%
Over 720	100%

(o) Taxation

The liability method of tax allocation is used in accounting for income taxes. A future income tax charge is provided on all temporary differences between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes.

Future income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is likely that future profits will be available against which these deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilized. The carrying amount of future income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future tax profits will be available to allow all or part of the future income tax asset to be utilized.

MEDIAHOUSE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, Cont'd.

SEPTEMBER 30, 2009
(expressed in Bermuda dollars)

2. Significant accounting policies, cont'd.

(p) Recent pronouncements

CICA Accounting Standards Board (AcSB) Section 1582, Business Combinations, has been issued and replaces Section 1581, Business Combinations. The new section harmonizes the Canadian standards with International Financial Reporting Standards (IFRS). Section 1582 establishes the principles and requirements of the acquisition method for business combinations and related disclosures. This new section is effective January 1, 2011. It is not expected to have a material impact on the Company's financial statements.

AcSB Section 1601, Consolidated Financial Statements and Section 1602, Non-controlling Interest, have been issued. Together these sections replace Section 1600, Consolidated Financial Statements and harmonize the Canadian standards with IFRS. Section 1601 establishes standards for the preparation of consolidated financial statements and Section 1602 provides guidance on accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to business combinations. These new sections are effective January 1, 2011. The Company is currently evaluating the impact of the adoption of these sections on its consolidated financial statements.

In May 2009, the CICA amended Section 3862, Financial Instruments - Disclosures, to improve disclosure requirements about fair value measurement for financial instruments and liquidity risk disclosures. The amendments to Section 3862 apply for annual financial statements relating to fiscal years ending after September 30, 2009. It is not expected to have a material impact on the Company's financial statements.

(q) Changes in accounting policies

Effective October 1, 2008, the Company adopted CICA Handbook Section 3064, "Goodwill and Intangible Assets" replacing Section 3062, "Goodwill and Other Intangible Assets", and 3450, "Research and Development". The new section establishes standards for the recognition, measurement, presentation, and disclosure of goodwill and intangible assets. The adoption did not have a significant impact on the Company.

3. Cash and cash equivalents

	<u>2009</u>	<u>2008</u>
Cash on hand	\$ 6,700	\$ 10,888
Bank accounts in United States dollars	823,658	594,306
Bank accounts in local currencies	<u>4,263,989</u>	<u>5,686,962</u>
	<u>\$ 5,094,347</u>	<u>\$ 6,292,156</u>

MEDIAHOUSE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, Cont'd.

SEPTEMBER 30, 2009
(expressed in Bermuda dollars)

3. Cash and cash equivalents, cont'd.

Currencies in various Caribbean countries are subject to foreign exchange. All cash and cash equivalents at September 30, 2009 and 2008 are unrestricted.

4. Inventories

	<u>2009</u>	<u>2008</u>
Raw materials	\$ 589,410	\$ 642,466
Work in process	<u>51,033</u>	<u>51,299</u>
	\$ <u>640,443</u>	\$ <u>693,765</u>

During the year, inventory of \$1,147,710 (2008 - \$1,329,504) was expensed and included in cost of sales.

5. Property, plant and equipment

	<u>2009</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Land	\$ 400,950	\$ -	\$ 400,950
Buildings and building improvements	3,545,282	2,253,812	1,291,470
Machinery and equipment	4,727,999	4,585,093	142,906
Computers and typesetting equipment	4,443,641	3,626,016	817,625
Furniture and fixtures	978,563	683,369	295,194
Vehicles and warehouse equipment	<u>154,937</u>	<u>145,945</u>	<u>8,992</u>
	\$ <u>14,251,372</u>	\$ <u>11,294,235</u>	\$ <u>2,957,137</u>

MEDIAHOUSE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, Cont'd.

SEPTEMBER 30, 2009
(expressed in Bermuda dollars)

5. Property, plant and equipment, cont'd.

	2008		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Land	\$ 400,950	\$ -	\$ 400,950
Buildings and building improvements	3,472,390	2,028,663	1,443,727
Machinery and equipment	4,713,761	4,502,752	211,009
Computers and typesetting equipment	4,131,763	3,220,247	911,516
Furniture and fixtures	979,242	637,992	341,250
Vehicles and warehouse equipment	<u>208,949</u>	<u>176,076</u>	<u>32,873</u>
	<u>\$ 13,907,055</u>	<u>\$ 10,565,730</u>	<u>\$ 3,341,325</u>

At September 30, 2009, \$7,909 (2008 - \$4,431) of the Company's amortization charge is allocated to deferred publication costs. Amortization for the year ended September 30, 2009 amounted to \$823,099 (2008 - \$762,888).

Machinery and equipment includes \$1,765,628 of fully amortized assets. Computers and typesetting equipment includes \$958,250 of fully amortized assets.

Property, plant and equipment assets are reviewed annually for impairment by management. The Company has determined that there is no impairment of property, plant and equipment at the end of the current fiscal year.

6. Intangible assets

	2009		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Internet portals	\$ 2,984,281	\$ -	\$ 2,984,281
Redesign costs	684,161	464,697	219,464
Customer contracts	65,254	65,254	-
Customer lists	<u>38,000</u>	<u>38,000</u>	<u>-</u>
	<u>\$ 3,771,696</u>	<u>\$ 567,951</u>	<u>\$ 3,203,745</u>

MEDIAHOUSE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, Cont'd.

SEPTEMBER 30, 2009
(expressed in Bermuda dollars)

6. Intangible assets, cont'd.

	<u>2008</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Internet portals	\$ 1,950,130	\$ -	\$ 1,950,130
Redesign costs	579,705	298,561	281,144
Customer contracts	65,254	65,254	-
Customer lists	<u>38,000</u>	<u>30,400</u>	<u>7,600</u>
	<u>\$ 2,633,089</u>	<u>\$ 394,215</u>	<u>\$ 2,238,874</u>

Amortization for the year ended September 30, 2009 amounted to \$173,736 (2008 - \$160,542).

7. Goodwill

In 1998, the Company purchased, at a cost of \$100,000, the assets and liabilities of Preview Bermuda Limited, a company involved in the printing of tour guides. The acquisition was accounted for using the purchase method.

The Company has determined that there is no impairment in the unamortized portion of goodwill at the end of the current fiscal year. Its ultimate recoverability is assessed by management on an annual basis and is presently deemed realizable.

8. Bank loan

	<u>2009</u>	<u>2008</u>
Current portion	\$ 221,727	\$ 404,454
Long term portion	<u>3,956,226</u>	<u>5,926,109</u>
	<u>\$ 4,177,953</u>	<u>\$ 6,330,563</u>

Scheduled long term debt repayments are as follows:

2010	\$ 221,727
2011	235,381
2012	249,899
2013	265,312
Thereafter	<u>3,205,634</u>
	<u>\$ 4,177,953</u>

MEDIAHOUSE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, Cont'd.

SEPTEMBER 30, 2009
(expressed in Bermuda dollars)

8. Bank loan, cont'd.

In December 2004, the Company obtained a \$6,500,000 mortgage facility. The mortgage is secured by the Company's properties at 19 Elliott Street and 41 Victoria Street, Hamilton, Bermuda. In May 2005, the mortgage facility was increased by an additional \$600,000, and is secured by the Company's properties at 19 Elliott Street and 41 Victoria Street, Hamilton, Bermuda. Interest is calculated at 6.5%, and the loan is repayable in blended monthly principal and interest installments over 15 years. In June 2007, the mortgage facility was increased by a second further charge of \$500,000, and is secured by the Company's properties at 19 Elliott Street and 41 Victoria Street, Hamilton, Bermuda. Interest is calculated at 7.0% and is repayable in blended monthly principal and interest installments over the remaining period of the initial mortgage facility. During July 2009, a one-time payment of \$3,000,000 was applied to settle the further charge and the second further charge, with the balance applied against the first mortgage facility. This payment was made without penalty fees. The interest rate charged on the balance remaining on the first mortgage facility was reduced to an annual rate of 6% effective July 1, 2009.

On July 1, 2009, the Company secured a loan facility agreement which allows the Company to draw up to \$3,000,000. The loan facility is secured by the Company's properties at 19 Elliott Street and 41 Victoria Street, Hamilton, Bermuda. Interest is calculated at 6% and interest only payments are payable monthly. Principal repayments are at the discretion of the Company; however, the principal repayments must be made in full by October 31, 2019. At September 30, 2009 the Company had drawn \$1,200,000 from the loan facility.

9. Taxation

There is currently no taxation imposed on income or capital gains by the Government of Bermuda. The taxes payable by the Company are taxes applicable to certain income earned in other jurisdictions.

The Company and its subsidiaries are subject to tax on income earned in Aruba, St. Kitts, St. Maarten, Montserrat, the United States of America, Barbados, Antigua, Barbuda, Dominica, Grenada, St. Vincent, Jamaica and St. Lucia. Income tax expense for the year ended September 30, 2009 is \$2,123,757 (2008 - \$1,874,896).

The taxation expense on net income consists of the following:

	<u>2009</u>	<u>2008</u>
<u>Statement of Operations</u>		
Current income taxes	\$ 1,984,436	\$ 1,851,562
Prior year over accrual of income tax	(9,716)	-
Future income taxes	<u>149,037</u>	<u>23,334</u>
	<u>\$ 2,123,757</u>	<u>\$ 1,874,896</u>

MEDIAHOUSE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, Cont'd.

SEPTEMBER 30, 2009
(expressed in Bermuda dollars)

9. Taxation, cont'd.

The Company's provision for income taxes reflects an effective income tax rate which differs from the combined Bermudian statutory rate as follows:

	<u>2009</u>	<u>2008</u>
Income taxes at a combined Bermudian statutory rate of 0.0% (2008 - 0.0%)	\$ -	\$ -
Overseas tax rates (variable by jurisdiction)		
Overseas corporate income tax	2,158,615	1,872,620
Prior year over accrual of income tax	(9,716)	-
Overseas tax on other	(613)	1,635
Overseas tax on non-allowable income	(25,388)	-
Overseas tax on non-allowable expense	<u>859</u>	<u>641</u>
Provision for income taxes	\$ <u>2,123,757</u>	\$ <u>1,874,896</u>

	<u>2009</u>	<u>2008</u>
<u>Future income tax liability</u>		
Balance, beginning of year	\$ (81,156)	\$ (59,686)
Effects of foreign exchange	14,621	-
Future income tax charge for the year	<u>(149,037)</u>	<u>(21,470)</u>
Balance, end of year	\$ <u>(215,572)</u>	\$ <u>(81,156)</u>

MEDIAHOUSE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, Cont'd.

SEPTEMBER 30, 2009
(expressed in Bermuda dollars)

9. Taxation, cont'd.

The significant components of future income tax liability are as follows:

	<u>2009</u>	<u>2008</u>
Property, plant and equipment	\$ (51,382)	\$ (59,391)
Unrealized foreign exchange gains	(178,597)	(33,006)
Accruals	<u>14,407</u>	<u>11,241</u>
	\$ <u>(215,572)</u>	\$ <u>(81,156)</u>

10. Common shares

	<u>2009</u>	<u>2008</u>
Issued and outstanding Common shares		
Authorized - 1,000,000 (2008 - 1,000,000) shares of par value of \$2.40 each		
Issued and fully paid - 493,901 (2008 - 493,901) shares	\$ <u>1,185,362</u>	\$ <u>1,185,362</u>

The holders of common shares are entitled to receive such dividends as the Board of Directors determines to declare, as and when any such dividends are declared or paid. Total amount of dividends declared in fiscal 2009 was \$246,944 (2008 - \$Nil).

11. Financial instruments

Fair values

Fair value is the amount for which a financial asset could be exchanged, or a financial liability settled, between knowledgeable, willing parties in an arm's length transaction. The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, income taxes payable, bank loan and dividends payable are reasonable estimates of their fair values due to the short-term maturity of these instruments.

MEDIAHOUSE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, Cont'd.

SEPTEMBER 30, 2009
(expressed in Bermuda dollars)

11. Financial instruments, cont'd.

Risk management

The Company's activities may expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk, and liquidity risk as follows:

- i. Credit risk: Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company has two customers whose share of total Company revenues are approximately 43% (2008 - 45%). Cash and cash equivalents are placed with reputable financial institutions. The primary concentration of the Company's credit risk is with its receivables, which is mitigated by ongoing reviews of these balances. The Company believes that its allowance for doubtful accounts is sufficient to reflect the related credit risk.
- ii. Interest rate risk: Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. At the balance sheet date, the Company had no significant interest rate risk exposure as the interest on the long term bank loan is fixed at 6.0% and 6.5% as noted in Note 8.
- iii. Liquidity risk: Liquidity risk is the risk that sufficient funds will not be available to meet financial requirements as they become due. The Company manages liquidity risk by continually monitoring actual and projected cash flows. At the balance sheet date, the Company had no significant liquidity risk exposure.
- iv. Price risk: Price risk arises from changes in market risks, other than interest rate risk and credit risk, causing fluctuations in the fair value or future cash flows of the financial instruments. At the balance sheet date, the Company had no significant price risk exposure.
- v. Currency risk: Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's largest exposure to potential currency risk is found in its assets denominated in Jamaican dollars. At the balance sheet date, the Company had no significant currency risk exposure.

MEDIAHOUSE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, Cont'd.

SEPTEMBER 30, 2009
(expressed in Bermuda dollars)

12. Capital management

The Company's capital management objectives are to safeguard the Company's ability to continue as a going concern and to provide returns to its shareholders.

The Company includes share capital and retained earnings in the definition of capital, which amounted to \$11,037,080 in 2009 (2008 - \$9,134,152).

In order to maintain or adjust the capital structure the Company may declare dividends to shareholders, purchase shares for cancellation, issue new shares, or sell assets. There were no changes in the Company's approach to capital management during the year. Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements.

13. Minority interest

Effective January 21, 2005, the Company sold 15% of the issued share capital in Global Directories Limited for the sum of \$290,838.

At this date, Global Directories Limited and its wholly-owned subsidiaries had a combined negative net asset value of \$997,653 of which \$149,648 was the carrying value of the 15% attributed to the sale. The difference between the amount paid and the carrying value of \$440,486 was attributed to contributed surplus during the year ended September 30, 2005.

For the year ended September 30, 2009, Global Directories Limited and its wholly-owned subsidiaries made a combined profit of \$4,783,526 (2008 - \$3,950,635), resulting in the minority's share of the profit for the year of \$717,529 (2008 - \$592,595). The minority interest at year end is \$2,004,066 (2008 - \$1,286,537).

Effective October 1, 2006, the Company transferred 40% of the issued share capital in MediaHouse ASP Limited to a related party for Nil proceeds. There was no amount attributed to contributed surplus as a result of this transfer.

For the year ended September 30, 2009, MediaHouse ASP Limited made a loss of \$973,226 (2008 - 676,363), resulting in the minority's share of the loss for the year of \$389,291 (2008 - 270,545). The minority interest at year end is \$(720,828) (2008 - \$(331,537)).

14. Pension plan

The Company maintains a defined contribution pension plan (the "Plan") for the benefit of its eligible employees. For current service contributions, the Company contributes a percentage of eligible employees' salaries on a monthly basis. The Plan is administered by Bermuda Life Insurance Company Limited and complies with the provisions of the National Pension Scheme (Occupational Pensions) Act 1998. In the Caribbean, the Company participates in a contributory, multi-employer defined contribution pension plan, which covers employees in most jurisdictions. The Miami office has a voluntary 401k plan.

MEDIAHOUSE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, Cont'd.

SEPTEMBER 30, 2009
(expressed in Bermuda dollars)

14. Pension plan, cont'd.

The total pension expense for 2009 amounted to \$450,596 (2008 - \$434,381).

15. Commitments

The Company is committed under operating leases to the payment of the aggregate sum of \$898,968 (2008 - \$1,205,946) comprising the following minimum amounts payable annually:

2010	\$ 631,995
2011	\$ 96,639
2012	\$ 56,778
2013	\$ 56,778
2014	\$ 56,778

MediaHouse ASP is committed under a software development agreement to pay royalties to a third party software developer (the "developer") on sales of one of its products (the "Product").

The royalty payment on sales of the Product are as follows:

- i. For sales between October 1, 2007 and September 30, 2008 - 5% of the value of the client's first year contract or US\$ 50.00 whichever is greater, 4% of the value of the same client's second year contract if renewed, 3% of the value of the same client's third year contract if renewed, 2% of the same client's fourth year contract if renewed and 1% of the value for the same client's fifth year contract if renewed. No royalty will be paid for any contract renewed for a 6th year or beyond, or for clients originally signed to a contract between October 1, 2007 and September 30, 2008.
- ii. For sales between October 1, 2008 and September 30, 2009 - 5% of the value of the client's first year contract or US\$ 50.00 whichever is greater, 4% of the value of the same client's second year contract if renewed, 3% of the value of the same client's third year contract if renewed, 2% of the same client's fourth year contract if renewed. No royalty will be paid for any contract renewed for a 5th year or beyond, or for clients originally signed to a contract between October 1, 2008 and September 30, 2009.
- iii. For sales between October 1, 2009 and September 30, 2010 - 5% of the value of the client's first year contract or US\$ 50.00 whichever is greater, 4% of the value of the same client's second year contract if renewed, 3% of the value of the same client's third year contract if renewed. No royalty will be paid for any contract renewed for a 4th year or beyond, or for clients originally signed to a contract between October 1, 2009 and September 30, 2010.

MEDIAHOUSE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, Cont'd.

SEPTEMBER 30, 2009
(expressed in Bermuda dollars)

15. Commitments, cont'd.

- iv. For sales between October 1, 2010 and September 30, 2011 - 5% of the value of the client's first year contract or US\$ 50.00 whichever is greater, 4% of the value of the same client's second year contract if renewed. No royalty will be paid for any contract renewed for a 3rd year or beyond, or for clients originally signed to a contract between October 1, 2010 and September 30, 2011.
- v. For sales between October 1, 2011 and September 30, 2012 - 5% of the value of the client's first year contract or US\$ 50.00 whichever is greater. No royalty will be paid for any contract renewed for a 2nd year or beyond, or for clients originally signed to a contract between October 1, 2011 and September 30, 2012.
- vi. For sales after October 1, 2012 - 3% of the value of the client's first year contract or US\$ 50.00 whichever is greater. No royalty will be paid for any contract renewed for subsequent years or for clients originally signed to a contract after October 1, 2012.

MEDIAHOUSE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, Cont'd.

SEPTEMBER 30, 2009
(expressed in Bermuda dollars)

16. Segmented information

The Company has identified its reportable segments based on the responsibility of operations. Printing includes commercial and retail printing and directory publishing. Publishing includes newspaper and magazine publishing. Other includes property rentals and other investment activities, electrical repair and maintenance activities, and web-based advertising sales. Transactions between intercompany segments are recorded at third party rates, except those transactions related to rents. Intercompany rental revenue and corresponding expenses are recorded at the exchange amount.

	2009				
	<u>Printing</u>	<u>Publishing</u>	<u>Other</u>	<u>Inter-Segment Elimination</u>	<u>Total</u>
Third party sales revenue	\$ 33,128,109	\$ 4,047,117	\$ 2,526,952	\$ -	\$ 39,702,178
Third party rental income	-	-	800,692	(351,600)	449,092
Inter company revenue	<u>1,152,537</u>	<u>4,373</u>	<u>130,787</u>	<u>(1,287,697)</u>	<u>-</u>
	<u>34,280,646</u>	<u>4,051,490</u>	<u>3,458,431</u>	<u>(1,639,297)</u>	<u>40,151,270</u>
Expenses	26,556,104	4,891,875	4,480,827	(1,639,297)	34,289,509
Amortization	<u>459,980</u>	<u>253,876</u>	<u>275,070</u>	<u>-</u>	<u>988,926</u>
	<u>27,016,084</u>	<u>5,145,751</u>	<u>4,755,897</u>	<u>(1,639,297)</u>	<u>35,278,435</u>
Interest expense	(126,003)	106,667	(384,371)	128,725	(274,982)
Interest income	132,800	(90,772)	86,697	(128,725)	-
Gain on sale of fixed assets	<u>4,014</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,014</u>
Net profit (loss) before tax	7,275,373	(1,078,366)	(1,595,140)	-	4,601,867
Taxation	<u>(2,123,757)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,123,757)</u>
Net profit (loss) after tax	5,151,616	(1,078,366)	(1,595,140)	-	2,478,110
Minority interest	<u>-</u>	<u>-</u>	<u>(328,238)</u>	<u>-</u>	<u>(328,238)</u>
Net profit (loss) for the year	5,151,616	(1,078,366)	(1,923,378)	-	2,149,872
Foreign currency translation	<u>-</u>	<u>-</u>	<u>(658,531)</u>	<u>-</u>	<u>(658,531)</u>
Comprehensive income (loss)	\$ <u>5,151,616</u>	\$ <u>(1,078,366)</u>	\$ <u>(2,581,909)</u>	\$ <u>-</u>	\$ <u>1,491,341</u>

MEDIAHOUSE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, Cont'd.

SEPTEMBER 30, 2009
(expressed in Bermuda dollars)

16. Segmented information, cont'd.

	2009				
	<u>Printing</u>	<u>Publishing</u>	<u>Other</u>	<u>Inter-Segment Elimination</u>	<u>Total</u>
Assets	\$ 33,877,006	\$ 1,223,990	\$ 19,745,456	\$ -	\$ 54,846,452
Elimination of inter-company accounts receivable	-	-	-	(20,435,442)	(20,435,442)
Elimination of Investment in subsidiaries	-	-	-	(3,335,060)	(3,335,060)
Total	\$ <u>33,877,006</u>	\$ <u>1,223,990</u>	\$ <u>19,745,456</u>	\$ <u>(23,770,502)</u>	\$ <u>31,075,950</u>
Goodwill			\$ <u>74,800</u>		\$ <u>74,800</u>
	2008				
	<u>Printing</u>	<u>Publishing</u>	<u>Other</u>	<u>Inter-Segment Elimination</u>	<u>Total</u>
Third party sales revenue	\$ 35,668,684	\$ 4,179,576	\$ 840,860	\$ -	\$ 40,689,120
Third party rental income	-	-	789,746	(351,600)	438,146
Inter company revenue	<u>1,122,869</u>	<u>1,188</u>	<u>1,848,613</u>	<u>(2,972,670)</u>	<u>-</u>
	<u>36,791,553</u>	<u>4,180,764</u>	<u>3,479,219</u>	<u>(3,324,270)</u>	<u>41,127,266</u>
Expenses	29,820,887	4,490,284	3,852,073	(3,324,270)	34,838,974
Amortization	<u>455,063</u>	<u>198,329</u>	<u>265,607</u>	<u>-</u>	<u>918,999</u>
	<u>30,275,950</u>	<u>4,688,613</u>	<u>4,117,680</u>	<u>(3,324,270)</u>	<u>35,757,973</u>
Interest expense	(163,822)	39,610	(668,174)	361,438	(430,948)
Interest income	<u>107,000</u>	<u>-</u>	<u>254,438</u>	<u>(361,438)</u>	<u>-</u>
Net profit (loss) before tax	6,458,781	(468,239)	(1,052,197)	-	4,938,345
Taxation	<u>(1,874,896)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,874,896)</u>
Net profit (loss) after tax	4,583,885	(468,239)	(1,052,197)	-	3,063,449
Minority interest	<u>-</u>	<u>-</u>	<u>(322,050)</u>	<u>-</u>	<u>(322,050)</u>

MEDIAHOUSE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, Cont'd.

SEPTEMBER 30, 2009
(expressed in Bermuda dollars)

16. Segmented information, cont'd.

	2008				
	<u>Printing</u>	<u>Publishing</u>	<u>Other</u>	<u>Inter-Segment Elimination</u>	<u>Total</u>
Net profit (loss) for the year	4,583,885	(468,239)	(1,374,247)	-	2,741,399
Foreign currency translation			(43,037)	-	(43,037)
Comprehensive income (loss)	\$ <u>4,583,885</u>	\$ <u>(468,239)</u>	\$ <u>(1,417,284)</u>	\$ <u>-</u>	\$ <u>2,698,362</u>
Assets	\$ 30,283,171	\$ 1,273,714	\$ 14,102,657	\$ -	\$ 45,659,542
Elimination of inter- company accounts receivable	-	-	-	(9,975,662)	(9,975,662)
Elimination of Investment in subsidiaries	-	-	-	(3,335,060)	(3,335,060)
Total	\$ <u>30,283,171</u>	\$ <u>1,273,714</u>	\$ <u>14,102,657</u>	\$ <u>(13,310,722)</u>	\$ <u>32,348,820</u>
Goodwill			\$ <u>74,800</u>		\$ <u>74,800</u>

It is impracticable to disclose segmented information based on geographical information as it would disclose private information to the Company's competitors.

17. Subsequent events

Subsequent to year end Preview of Bermuda Limited changed its name to Bermuda.com Guide Limited.

Subsequent to year end the Company entered into a 7.5 year operating lease for office space located in Grand Cayman.

The Board of Directors declared a dividend of \$0.50 per common share to its common shareholders of record at the close of business on February 19, 2010. The common share dividend of \$246,944 was paid March 8, 2010.

MEDIAHOUSE LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, Cont'd.

SEPTEMBER 30, 2009
(expressed in Bermuda dollars)

18. Legal contingency

The Company and its subsidiaries are subject to lawsuits in the normal course of business. The status of any such legal actions is actively monitored by management. If management believed, based on available information, that an adverse outcome upon resolution of a given legal action was probable and the amount of the adverse outcome was reasonable to estimate, a loss would be recognized and a related liability recorded. No such liabilities were recorded at September 30, 2009 and 2008.