



TORSTAR CORPORATION

2009

ANNUAL INFORMATION FORM

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TORSTAR CORPORATION

Annual Information Form

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TORSTAR CORPORATION

Certain statements in this Annual Information Form and in the Corporation's oral and written public communications may constitute forward-looking statements that reflect management's expectations regarding the Corporation's future growth, results of operations, performance and business prospects and opportunities as of the date of this report. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "anticipate", "believe", "plan", "forecast", "expect", "intend", "would", "could", "if", "may" and similar expressions. All such statements are made pursuant to the "safe harbour" provisions of applicable Canadian securities legislation. These statements reflect current expectations of management regarding future events and operating performance, and speak only as of the date of this Annual Information Form. The Corporation does not intend, and disclaims any obligation to, update any forward-looking statements, whether written or oral, or whether as a result of new information or otherwise, except as may be required by law.

By their very nature, forward-looking statements require management to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that management's assumptions may not be accurate and that actual results, performance or achievements may differ significantly from such predictions, forecasts, conclusions or projections expressed or implied by such forward-looking statements. We caution readers to not place undue reliance on the forward-looking statements in this Annual Information Form as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, outlooks, expectations, goals, estimates or intentions expressed in the forward-looking statements. In addition, forward-looking statements are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes.

These factors include, but are not limited to: general economic conditions in the principal markets in which the Corporation operates, the Corporation's ability to operate in highly competitive industries, the Corporation's ability to compete with other forms of media, the Corporation's ability to attract advertisers, cyclical and seasonal variations in the Corporation's revenues, labour disruptions, newsprint costs, foreign exchange fluctuations, investments, restrictions imposed by existing credit facilities and availability of capital, pension fund obligations, reliance on its printing operations, reliance on technology and information systems, interest rates, availability of insurance, litigation, environmental regulations, dependence on key personnel, control of the Corporation by the voting trust, loss of reputation, intellectual property rights and uncertainties associated with critical accounting estimates.

We caution that the foregoing list is not exhaustive of all possible factors, as other factors could adversely affect our results. For more information, please see the discussion of risks affecting the Corporation and its businesses starting on page 34 in the Corporation's 2008 MD&A, which is incorporated herein by reference, and a copy of which is available at www.sedar.com.

In addition, a number of assumptions, including those assumptions specifically identified throughout this Annual Information Form, were applied in making the forward-looking statements set forth in this Annual Information Form. Some of the key assumptions include, without limitation, assumptions regarding the performance of the North American economy; tax laws in the countries in which we operate; continued availability of printing operations; continued availability of financing on appropriate terms; exchange rates; market competition; and successful development of new products. There is a risk that some or all of these assumptions may prove to be incorrect.

I. CORPORATE STRUCTURE

A. Name, Address and Incorporation

Torstar Corporation and its subsidiaries are collectively referred to as "Torstar" or the "Corporation".

Toronto Star Limited, Torstar's predecessor company, was incorporated on February 6, 1958 under the predecessor legislation of the *Business Corporations Act* (Ontario) ("OBCA") to acquire as a going concern the assets and liabilities of the Toronto Daily Star, first published in 1892. Toronto Star Limited (since re-named Torstar Corporation) was later continued under the OBCA on April 1, 1967, following the amalgamation of Toronto Star Limited and Charth Investment and Publishing Company Limited.

When Torstar purchased the assets of the Toronto Daily Star from the Estate of J.E. Atkinson, it agreed in the purchase agreement to observe and promote in the newspaper the doctrines and beliefs that the late Mr. Joseph E. Atkinson promoted in his lifetime. These principles are known as the "Atkinson Principles" and are described further on page 8. Torstar's commitment to observe and promote the Atkinson Principles is confined to the operation of the Toronto Star and does not extend to the Corporation's other publications or businesses.

Torstar's Class B non-voting shares have been listed on the Toronto Stock Exchange ("TSX") since 1970.

Torstar's registered and principal office is located at One Yonge Street, Toronto, Ontario, M5E 1P9.

B. Subsidiaries

Torstar's material subsidiaries are listed below. As at December 31, 2008, there were no other subsidiaries of Torstar whose total assets represented more than 10% of the consolidated assets of Torstar or whose total revenues for the year then ended represented more than 10% of the consolidated revenue of Torstar. All of the remaining subsidiaries of Torstar, in the aggregate, represent less than 20% of total consolidated assets and total consolidated sales and operating revenues of Torstar.

<u>Name of Subsidiary</u>	<u>Percentage of Voting and Equity Securities Owned</u>	<u>Jurisdiction in Which Organized</u>
Toronto Star Newspapers Limited ("Star Media Group")	100%	Ontario
Harlequin Enterprises Limited ("Harlequin")	100%	Ontario
Metroland Media Group Ltd. ("Metroland" or "Metroland Media Group")	100%	Ontario

II. GENERAL DEVELOPMENT OF THE BUSINESS

Torstar is a broadly based Canadian media company with interests in the newspaper and book publishing industries and their related internet activities. Torstar also has a 20% interest in CTVglobemedia Inc. ("CTVgm").

A. Newspapers & Digital

Torstar has expanded its newspaper holdings in recent years and has a strong presence in Southern Ontario. Torstar publishes four daily newspapers: the Toronto Star, The Hamilton Spectator, the Waterloo Region Record, and the Guelph Mercury; and more than 100 community newspapers. In addition, through joint venture arrangements, Torstar owns an interest in Metro free dailies in several Canadian cities and in Sing Tao Daily and its related publications.

Over the past three years, Torstar has acquired several community newspapers, a printing plant, other publications, consumer shows and online businesses.

In 2006, Metroland purchased Nepean This Week, the Almaguin News and the Perth Courier. Metroland purchased the Parkdale Liberty (since re-named the Parkdale Villager) and the Brighton Independent in 2007.

In 2008, Metroland purchased the assets of Central Ontario Web Ltd., a commercial printing operation in Barrie, Ontario.

Acquisitions of specialty publications and consumer shows by Metroland in the past three years have included: the Ports Cruising Guides, the Niagara Farmers' Monthly magazine, the Good Food Festival and Market consumer show, and Hockey Now magazine in 2006; and the Kawartha Home & Cottage Country Show, This Week in Real Estate, the Great Toronto Getaway and Great Ontario Getaway in 2007. Metroland's directory business, Gold Book, expanded in 2007 to include Gold Book directories in 25 regions in Southern Ontario, including Hamilton, Kitchener, Niagara, Mississauga and Oshawa. In 2008, Metroland purchased What's Up Kids magazine (now named What's Up) and the remaining interest in the Travel and Leisure Show.

Torstar has an approximate 50% interest in a joint venture with Metro International S.A. which operates the following five free daily newspapers: Metro Toronto; Metro Vancouver; Metro Ottawa; Metro Calgary and Metro Edmonton. In 2008, Torstar, Metro International S.A. and Transcontinental Media G.P. entered into a joint venture to launch Metro Halifax. Each company has an approximate one-third interest in the Metro Halifax joint venture. All Metro newspapers are currently distributed through street promoters, boxes and strategic locations on a daily basis (Monday-Friday).

There are several developments in Torstar's online businesses that have occurred in the past three years. In 2006, Torstar increased its interest in Workopolis by acquiring an additional 10% of the partnership from CTVgm. for \$28.75 million. Gesca Ltd. (including its subsidiaries, "Gesca"), purchased CTVgm's remaining 30% partnership interest and, as a result, each of Torstar and Gesca now holds a 50% interest in Workopolis. In January 2008, the Workopolis partnership purchased the specialist online employment board business of Brainhunter Inc., in Canada and the United States. Olive Media (formerly Olive Canada Network) was launched in 2006, and in 2007 became a partnership with Gesca. Torstar now holds a 75% interest in Olive Media. Olive Media offers a variety of media solutions across a range of online products. In 2007, Torstar acquired Insurance Hotline, a website that provides instant online insurance quotes. Insurance Hotline is operated jointly by Star Media Group and Metroland Media Group. Torstar Digital, charged with leading the internet businesses of the Corporation's Newspapers and Digital segment, acquired eyeReturn Marketing Inc. in 2008, a Canadian-owned provider of online ad serving, rich media, online campaign measurement and online promotion capabilities. Also in 2008, Metroland launched flyerland.ca, a website where visitors may browse advertisers' flyers, order coupons and purchase gift cards from retailers; and purchased an interest in Save.ca, a website offering free coupons to consumers.

In 2008 and 2009, Torstar ceased operation of some of its businesses. In 2008, Torstar Digital and Gesca dissolved the LiveDeal Canada online classifieds partnership and wound down the operations of livedeal.ca. In February 2009, Transit Television Network, LLC and Transit Television Network California, LLC (collectively, "Transit TV") each filed a voluntary petition for relief under Chapter 7 of Title 11 of the U.S. Bankruptcy Code. Transit TV operated digital out-of-home advertising networks through LCD screens mounted in buses in five U.S. transit systems.

B. Book Publishing

Harlequin is a leading global publisher of books for women. Harlequin has evolved from a predominantly mass-market paperback series romance publisher to a diversified publisher of books for women offering a variety of genres in print (mass-market paperback, trade paperback and hardcover) and digital formats.

Over the past three years, Harlequin has remained focused on its strategy of being a leading publisher of reading entertainment for women introducing a number of new imprints and series and acquiring and developing authors. During this time, numerous modifications have been made to the series product offering including launching new series, increasing title output in more popular series and reducing it in others, and cancelling lower performing series. In the past three years, Harlequin has introduced several new series, including Love Inspired Suspense, a Christian themed suspense series, Love Inspired Historicals, featuring inspirational stories in historical settings, Harlequin Presents Extra, an extension of the popular Harlequin Presents series, and Silhouette Nocturne, a paranormal romance

line. Additionally, in 2006, Harlequin launched Kimani Romance, the only monthly series product published for the African-American market and in 2007, introduced Kimani TRU, a single title program aimed at African-American young adults. In 2007, Harlequin introduced Harlequin Everlasting Love, which was incorporated into the Superromance series in 2008. Harlequin's publishing program also includes a number of single title imprints, including MIRA, HQN, Spice, Steeple Hill and LUNA offering a broad variety of reading genres for women. Harlequin Next was re-launched from a series to a single title imprint in 2008.

In the fall of 2008, Harlequin launched a non-fiction program. Publishing plans include a broad range of editorial content including self-help, health/diet/fitness, relationships, narrative and inspirational.

Harlequin continues to explore high growth publishing niches and innovative new formats. In 2006, audio distribution was expanded to include Apple Inc.'s iTunes and Amazon.com. Harlequin has also entered the e-book market through distribution agreements with e-retailers in North America, Japan, the U.K. and Australia. Harlequin has the largest offering of romance e-books in the market and, in 2007, became the first publisher in North America to release all new North American titles in e-book format. In 2007 Harlequin also began to publish digital-only distributed stories. Through a branding and content licensing agreement with Vocel, Inc. ("Vocel"), a wireless application publisher, Harlequin has been providing branded entertainment content to readers through mobile phones in the U.S. market since 2006. In 2008, Harlequin's Japanese operation entered into an agreement with Softbank Creative Corp. (a division of Softbank Corp., a large provider of cell phone services in Japan) to distribute digital manga (comic) content, based on Harlequin's novels, on cell phones and internet distribution sites.

Harlequin currently has publishing operations in 14 countries outside of North America, either through wholly-owned operating units or joint ventures. While Harlequin has been exporting books to India for many years, in 2007 Harlequin established a wholly-owned operating company in India to expand its publishing initiatives in that market.

C. Other Activities

In 2006, Torstar acquired a 20% interest in CTVgm. CTVgm has ownership interests in assets which include: CTV, a Canadian private broadcaster with 27 conventional television stations across the country with interests in 32 speciality channels; 34 radio stations; and the national daily newspaper, The Globe and Mail. Other CTVgm investments include: an interest in Maple Leaf Sports and Entertainment Ltd., which owns the Toronto Maple Leafs, Toronto Raptors and the Air Canada Centre; and a 50 percent interest in Dome Productions, a provider of mobile high definition production facilities.

In 2005, Torstar acquired shares of LiveDeal, Inc. (livedeal.com), an online classifieds provider that has been operating in the U.S. since 2003. In 2007, LiveDeal, Inc. merged with YP Corp., a Nevada public company. As part of this merger, Torstar exchanged all of its shares in LiveDeal, Inc. (representing approximately 13% of the total equity in LiveDeal, Inc.) for shares in YP Corp. (representing approximately 7% of the total equity in YP Corp.). In September 2008, Torstar sold all of its shares in YP Corp.

In 2008, Torstar acquired 1,030,631 Class A Subordinate Voting Shares in Multimedia Nova Corporation which currently represents 17.5% of the class and total ownership by Torstar of 15.1% of the equity of the company. Multimedia Nova Corporation's operations include the publication of multicultural newspapers, commercial printing and representation of third party multicultural media properties.

III. DESCRIPTION OF THE BUSINESS

A. GENERAL SUMMARY

1. Newspapers & Digital

The Newspapers and Digital reporting segment includes the newspaper, internet, specialty publication, consumer show, television-related activities and commercial printing operations, as applicable, of: (a) Star Media Group; (b)

Metroland Media Group; and (c) Transit TV. Revenue from newspapers and digital accounted for approximately 69% of Torstar's consolidated operating revenue in 2008 (70% in 2007).

Star Media Group includes the daily Toronto Star newspaper and thestar.com, as well as the Metro daily commuter papers in Toronto, Vancouver, Ottawa, Calgary, Edmonton (pursuant to a joint venture with Metro International S.A.) and Halifax (pursuant to a joint venture with Metro International S.A. and Transcontinental Media G.P.); Sing Tao Daily, a daily Chinese language newspaper published in Toronto, Vancouver and Calgary (pursuant to a joint venture with Sing Tao Holdings Limited); toronto.com; and several other specialty publications, magazines and distribution services. Star Media Group also includes Torstar Digital, which currently includes the Torstar Digital corporate group, eyeReturn Marketing Inc. and Torstar's interest in each of Workopolis and Olive Media.

On January 1, 2007, CityMedia Group Inc. was amalgamated with Metroland Printing, Publishing & Distributing Ltd. and was re-named Metroland Media Group Ltd. The combined operations in Metroland Media Group include 105 weekly community newspapers, three daily newspapers (The Hamilton Spectator, the Waterloo Region Record and the Guelph Mercury), numerous other specialty and monthly publications, magazines, telephone directories, consumer shows and distribution operations, and effective January 1, 2009, Torstar Media Group Television.

Torstar's printing plant interests are comprised of: Metroland's eight printing plants, each of which is engaged in commercial printing in addition to supporting internal printing needs; the Toronto Star's Vaughan Press Centre, which primarily supports the Toronto Star's printing needs but is also engaged in commercial printing; and Sing Tao's printing plants in Toronto and Vancouver, which primarily support Sing Tao's printing requirements.

Star Media Group and Metroland Media Group have arrangements for the supply of newsprint, at market prices, with a number of different suppliers. The sources of supply are considered by management to be adequate to meet the requirements of these newspapers.

2. Book Publishing

The Book Publishing reporting segment consists of the book publishing operations of Harlequin which accounted for approximately 31% of Torstar's consolidated operating revenue in 2008 (30% in 2007).

Harlequin is a global publisher of books for women selling books through the retail channel and directly to the consumer by mail and the internet in print and digital formats. In 2008, Harlequin published books in 28 languages spanning 114 international markets.

Harlequin sells books under several imprints, including Harlequin, Silhouette, MIRA, HQN, Steeple Hill, LUNA, Spice and Kimani Press. Different genres are published under the various imprints.

Harlequin publishes books in both series and single title formats. Series titles are published monthly in mass-market paperback format under an imprint that identifies the type of story to the reader. Each series typically has a preset number of titles that will be published each month. The single title publishing program provides a broader spectrum of editorial content in a variety of formats (mass-market paperback, trade paperback and hardcover) which are generally lengthier books with a longer shelf life. Commencing in 2007, all new North American titles are also released in e-book format.

Harlequin has contracts for printing, binding and the supply of book paper and cover stock with major suppliers. The contracts are at market prices. The sources of supply are considered by management to be adequate to meet Harlequin's requirements.

B. PRINCIPAL ACTIVITIES

1. Newspapers & Digital

(a) Star Media Group

(i) The Toronto Star - General Information

As indicated in Section I.A. above, the Toronto Star operates under and pursuant to a set of doctrines and beliefs established by J.E. Atkinson, known as the “Atkinson Principles”. Mr. Atkinson wanted to ensure that the Toronto Star would be run by those “familiar with the doctrines and beliefs which I have promoted in the past” and that publication of the Toronto Star would be conducted “for the benefit of the public in the continued frank and full dissemination of news and opinions” and in such a manner as to preserve its role as a “great metropolitan newspaper”. The editorial principles Mr. Atkinson espoused were founded on his belief that a progressive newspaper should contribute to the advancement of society through pursuit of social, economic and political reforms. He was particularly concerned about injustice - be it social, economic, political, legal or racial. Fundamental to his philosophy was the belief that the state has the right and duty to act when private initiative fails. The Atkinson Principles can be summarized as follows:

- (1) **A Strong, United and Independent Canada:** Atkinson argued for a strong central government and the development of distinctive social, economic and cultural policies appropriate to an independent country.
- (2) **Social Justice:** Atkinson was relentless in pressing for social and economic programs to help those less advantaged and showed particular concern for the least advantaged among us.
- (3) **Individual and Civil Liberties:** Atkinson always pressed for equal treatment of all citizens under the law, particularly minorities, and was dedicated to the fundamental freedoms of belief, thought, opinion and expression and the freedom of press.
- (4) **Community and Civic Engagement:** Atkinson continually advocated the importance of proper city planning, the development of strong communities with their vibrant local fabrics and the active involvement of citizens in civic affairs.
- (5) **The Rights of Working People:** The Toronto Daily Star was born out of a strike in 1892 and Atkinson was committed to the rights of working people, including freedom of association and the safety and dignity of the workplace.
- (6) **The Necessary Role of Government:** When Atkinson believed the public need was not met by the private sector and market forces alone, he argued strongly for government intervention.

These six principles collectively constitute the intellectual framework on which the Toronto Star editorial policy has been based and continue to provide the Toronto Star with a distinctive voice.

Torstar publishes the Toronto Star through its wholly-owned subsidiary, Star Media Group. The primary market for the Toronto Star is the Greater Toronto Area (“GTA”).

The Toronto Star has the largest circulation of any daily newspaper in Canada. It is published daily in two editions. During 2008, the Toronto Star accounted for approximately 39% of the total daily newspaper advertising linage carried by the four major paid daily newspapers in the Metropolitan Toronto market (40% in 2007 and 39% in 2006).

In 2008, the Toronto Star moved to modular advertising and sectional pricing. Modular advertising is the sale of advertising by standard unit sizes instead of by the line. Sectional pricing means that advertisements are placed in the section of the newspaper selected by the advertiser and that the rate for placement in that section is correlated to the

readership and demographics of the audience that the section delivers. The Toronto Star was the first newspaper in Canada to adopt this approach.

(ii) The Toronto Star Linage, Circulation and Readership

The following tables illustrate the advertising lineage and circulation statistics of the Toronto Star during the period from 2006 to 2008.

	Advertising Linage		
	2008	2007	2006
Advertising lineage (thousands of agate lines) ⁽¹⁾	36,694*	41,510	41,741

⁽¹⁾Reflects measured lineage and does not include inserts.

* The newspaper was reduced by 20 lines a page in 2008, resulting in fewer total lines available for advertisers to purchase.

	Total Average Paid Circulation of the Toronto Star ⁽¹⁾		
	2008	2007	2006
Monday-Friday	418,966	433,758	441,156
Saturday	608,001	621,510	637,713
Sunday	360,359	426,118	445,942

⁽¹⁾2008 circulation data is an average based on the Canadian Circulations Audit Board (“CCAB”) unaudited statement for the 12 months ended December 31, 2008. 2007 and 2006 circulation data is an average based on the Audit Bureau of Circulations (“ABC”) audited statements for the 12 months ended September 30, 2007 and September 30, 2006. CCAB and ABC are independent bodies that issue reports on newspaper circulation in Canada and the U.S.

Through its various editions, inserts and special interest supplements, the Toronto Star provides both a general advertising medium covering the GTA and a means of reaching specific geographic or special interest markets.

Newspaper revenues are derived primarily from advertising and secondarily from circulation. The Toronto Star's ability to attract advertising revenues is in large part determined by its share of the newspaper circulation and readership market. In this regard, the Toronto Star's Monday to Friday circulation is substantially larger than that of each of the other three largest competing paid daily newspapers, as shown below.

Despite increased competition in the GTA over the past several years, the Toronto Star has continued to maintain its number one position in circulation, readership, advertising lineage and market share. However, the Toronto Star's cost of maintaining this position is under increasing pressure.

	Total Average Paid Circulation⁽¹⁾ of Toronto and National Daily Newspapers								
	Monday to Friday			Saturday			Sunday		
	2008	2007	2006	2008	2007	2006	2008	2007	2006
Toronto Star	418,966	433,758	441,156	608,001	621,510	637,713	360,359	426,118	445,942
Toronto Sun	N/A	187,108	187,890	N/A	155,825	151,810	N/A	329,402	325,418
The Globe and Mail	312,713	325,953	325,490	385,703	408,343	412,719	N/A	N/A	N/A
National Post	199,402	202,579	218,699	209,595	215,569	237,712	N/A	N/A	N/A

⁽¹⁾2008 circulation data for the Toronto Star is an average based on the CCAB unaudited statement for the 12 months ended December 31, 2008. 2008 circulation data for the National Post and The Globe and Mail is an average based on the ABC publisher's statements for the 6 months ended March 31, 2008. 2008 circulation data for the Toronto Sun is currently not available. 2007 and 2006 circulation data is an average based on the ABC audited statements for the 12 months ended September 30, 2007 and September 30, 2006. The circulation numbers are national total average paid circulation, however for the Toronto Star, sales outside the Province of Ontario are minimal.

The Toronto Star's share of the readership market in the Toronto Census Metropolitan Area (“CMA”) compared with the share of the Toronto Sun, The Globe and Mail, the National Post, 24 Hours (a free daily newspaper produced by Sun Media Corporation), and Torstar’s jointly owned free daily Toronto newspaper, Metro, is summarized below, on a “read yesterday” basis. The table illustrates that the Toronto Star and Metro together account for approximately 50% of the total gross¹ weekday readership in 2008.

	Average Weekday Readership ⁽¹⁾ (thousands)		
	2008	2007	2006
Toronto Star	929.5	987.3	1,004.0
Metro	471.3	377.7	420.2
Toronto Sun	462.2	487.4	443.5
The Globe and Mail	396.4	397.7	411.0
24 Hours	318.5	363.3	354.5
National Post	205.5	217.1	240.2
Toronto Star’s percentage of total gross readership	33.4%	34.9%	34.9%
Toronto Star and Metro’s combined percentage of total gross readership	50.3%	48.2%	49.6%

⁽¹⁾ On a “read yesterday” basis. Sources: Newspaper Audience Databank (“NADbank”) Studies, Toronto CMA 18+; 2008 numbers from the Fall 2007 (September to November, 2007)/Spring 2008 (January to May, 2008) report. 2007 & 2006 numbers from the NADbank full reports, January to May and September to November of each year, respectively.

The average readership reach (as a percentage of the total market 18 years of age and older) of the six main dailies available in the Toronto CMA for 2008 is as follows⁽¹⁾:

	Average Readership Reach ⁽¹⁾ (as a percentage of the total market)		
	Weekday	Saturday	Sunday
Toronto Star	21%	27%	17%
Metro	11%	N/A	N/A
Toronto Sun	11%	8%	11%
The Globe and Mail	9%	9%	N/A
24 Hours	7%	N/A	N/A
National Post	5%	4%	N/A

⁽¹⁾ On a “read yesterday” basis. Source: NADbank Fall2007/Spring2008 Report. Base: Toronto CMA 18+.

(iii) Star Media Group Internet Activities

The Star Media Group operates a number of websites. The primary site, thestar.com, posts breaking news 24 hours a day, 7 days a week, and provides a range of interactive features and links. Additional content and services are added to thestar.com on a regular basis. The site also allows subscribers to amend their subscriptions and circulation information online, and provides online ad placement tools for print and web classifieds. In 2008, thestar.com received an average of approximately 57 million page views per month and an average of approximately 4.4 million unique visitors per month, an increase as compared to the 2007 average page views of approximately 51 million per month and 2007 average unique visitors of approximately 2.8 million per month.

¹ “Total” readership is the aggregated average weekday readership of the six listed newspapers for the relevant year. “Gross” readership means a person can be counted more than once, if the person reads more than one newspaper.

In 2007, Star Media Group launched Wheels.ca, an automotive website designed to help users through all phases of the car purchase decision making process. The site includes the latest breaking auto news, ten years worth of automotive reviews, a car comparison feature and a tool to locate dealers. In 2008, Wheels.ca received an average of approximately 1.4 million page views per month and approximately 440,000 unique visitors per month.

In 2007, Torstar acquired Insurance Hotline, a website that provides instant online insurance quotes. Insurance Hotline is operated jointly by Star Media Group and Metroland Media Group.

In 2008, Star Media Group launched Parentcentral.ca, Healthzone.ca and Yourhome.ca. Each site combines news, features, blogs, listings and data with national, local and classified ads.

The website toronto.com offers comprehensive GTA business and event listings, movie listings and editorial content around core entertainment categories including restaurants, hotels, attractions, shopping, bars, and movies in the GTA. During 2008, toronto.com focused on growing its traffic, marketing the brand online and offline, improving usability and functionality and growing both its local and national customer base and revenues. The toronto.com website averaged approximately 867,000 unique visitors per month in 2008 (approximately 860,000 in 2007) and had an average of approximately 5.25 million page views per month in 2008 (approximately 5.4 million in 2007). During 2006, toronto.com had a major site re-design that provided both users and advertisers a host of new features. This change was enabled by a new content management system (TOPS) developed by Torstar Digital. TOPS now powers many of the Torstar sites including thestar.com, eyeweekly.com and all Metroland daily and weekly newspaper websites.

(iv) Torstar Digital

Torstar Digital is charged with leading the internet businesses of the Corporation's Newspapers and Digital segment. Torstar Digital provides leading solutions in the areas of online advertising, recruitment, news and information. Torstar Digital's main priority is to develop online solutions across Torstar's businesses to meet the needs of online advertisers, consumers and readers. Torstar Digital includes the Torstar Digital corporate group, eyeReturn Marketing Inc. and Torstar's interest in each of Workopolis and Olive Media.

In 2006, Torstar and Gesca increased their respective interests in the "Workopolis" partnership to 50% by purchasing CTVgm's 40% share of the joint venture. The Corporation paid \$28.75 million for its additional 10% interest. In 2008 the Workopolis partnership purchased the specialist online employment board business of Brainhunter Inc., in Canada and the United States. The monthly average page views for workopolis.com decreased from approximately 67 million in 2007 to approximately 58 million in 2008. A change in reporting metrics and the consolidation of sections of the site account for the year over year decline in page views. The monthly unique visitors for workopolis.com averaged approximately 3.1 million in 2008 (down from approximately 3.3 million in 2007). Almost 6.3 million resumes were posted on the Workopolis website as at December 2008 (up from approximately 5.5 million as at December 2007).

In 2005, LiveDeal, Inc. entered into a joint venture with Torstar Digital to launch LiveDeal Canada (livedeal.ca), a marketplace for buying and selling goods at both national and local levels. In 2006, Gesca acquired a 30% interest in the venture and in 2007, LiveDeal, Inc. transferred its interest to Gesca and Torstar Digital. In 2008, Torstar Digital and Gesca dissolved the LiveDeal Canada online classifieds partnership and wound down the operations of livedeal.ca.

In 2006, Torstar Digital launched Olive Network Canada (now Olive Media), which offers a variety of media solutions across a range of online products including Olive Elite, an advertising network of premium websites and Olive Brand Response which enables advertisers to meet their customer acquisition objectives. Olive Media aggregates top tier online sites, offering media buyers a one-stop solution for reaching a Canadian online audience. In 2007, Torstar formed a partnership with Gesca to operate Olive Media, which added Gesca's French language websites and advertising sales to Olive Media. Torstar Digital holds a 75% interest in the partnership and Gesca holds a 25% interest.

Ourfaves.com was launched in 2007 and combines three trends in online media: user-generated content, social networking and a local search feature to allow users to share and discover favourite places and things across the GTA. The site had over 500,000 page views in December 2008, and has averaged over 200,000 unique visitors monthly since its launch.

In 2008, Torstar Digital acquired eyeReturn Marketing Inc., a Canadian-owned provider of online ad serving, rich media, online campaign measurement and online promotion capabilities. eyeReturn Marketing has experience in the delivery of bilingual websites/microsites, databases, email deployment and promotions for blue chip clients.

(v) Other Newsprint Publications and Magazines

Torstar holds an approximate 50% interest in the Canadian operations of Sing Tao Holdings Limited's media group. Sing Tao Daily publishes the largest Chinese language newspaper in Canada, with editions in Toronto, Vancouver and Calgary. In addition to the newspaper, Sing Tao's Canadian media group is also involved in printing, outdoor advertising, radio and magazine publishing. Sing Tao has two web presses, one in Toronto and one in Vancouver. Sing Tao also publishes weekly magazines, including the Sing Tao Magazine, which is published on Saturdays and focuses on entertainment as well as local features; Star Magazine, which is published on Sundays and features current affairs in Hong Kong; Gourmet Guide, a Wednesday supplement which features latest trends in gourmet cooking, and Real Estate Guide, which is published on Thursdays.

Sing Tao also publishes Canadian City Post, a free weekly newspaper in the Chinese language catering to new immigrants from Mainland China. This publication was launched in Vancouver and in Toronto in August 2007.

In 2007, Sing Tao acquired all of the shares of CCUE Chinese Media Inc. an internet publisher which operates the domain www.ccue.com. Numerous verticals, including restaurants and real estate, were launched in 2007 and 2008 on this site and www.singtao.ca.

In 2008, Sing Tao entered into a brokerage agreement with CHIN Radio to launch A1 Chinese Radio in a partnership with Fairchild Media Group. The partnership, in which Sing Tao owns a 51% interest, produces 41 hours of Chinese programming per week targeting the Chinese audience in the GTA.

Sing Tao published the sixth annual Sing Tao Etel business directories in January 2009. These Chinese language telephone directories are published annually in Toronto and Vancouver. Sing Tao also published its fourth annual Calgary business directory in December 2008.

Torstar has an approximate 50% interest in a joint venture with Metro International S.A. which operates the following five free daily newspapers: Metro Toronto; Metro Vancouver; Metro Ottawa; Metro Calgary and Metro Edmonton. In 2008, Torstar, Metro International S.A. and Transcontinental Media G.P. entered into a joint venture to launch Metro Halifax. Each company has an approximate one-third interest in the Metro Halifax joint venture. All Metro newspapers are currently distributed through street promoters, boxes and strategic locations on a daily basis (Monday-Friday).

Readership for Metro Toronto on a "read yesterday" basis is approximately 471,300 according to the NADbank Fall 2007/Spring 2008 study (up from approximately 378,000 in 2007 (NADbank Fall 2006/Spring 2007)). In 2006 and 2007, Metro Toronto had the third and fourth highest weekday readership amongst daily newspapers in the GTA, respectively, and in 2008 Metro Toronto had the second highest weekday readership amongst daily newspapers in the GTA (second only to the Toronto Star), as the tables on page 10 illustrate.

The Metro daily newspapers for English Canada collectively have a daily circulation of approximately 680,000 copies Monday through Friday: 30,000 in Halifax, 320,000 in Toronto, 150,000 in Vancouver and 60,000 in each of Ottawa, Calgary and Edmonton.

Other specialty publications include Eye Weekly, a weekly arts and entertainment publication, and Real Estate News. In the last quarter of 2007 the GTA edition of Real Estate News moved from a bi-weekly magazine format printed externally to a weekly zoned tabloid printed at the Vaughan Press Centre and distributed each week through home subscriber copies of the Toronto Star within the GTA.

New Dreamhomes magazine targets new home buyers in the GTA and is distributed 23 times a year. Approximately 50,000 copies of New Dreamhomes are distributed free, through approximately 2,000 boxes in the GTA. New Dreamhomes is a partnership with Paper City Mag Inc. (“Paper City”).

Sway magazine celebrates the power and influence of Canada’s black community. Sway is published quarterly and distributes 50,000 copies throughout the GTA in approximately 2,000 boxes, racks and Gateway stores within the Toronto Transit Commission (“TTC”) subway stations.

B Magazine – Beauty and Beyond was launched in 2007, also as a partnership with Paper City. Approximately 50,000 free copies are distributed monthly through approximately 2,000 boxes in the GTA and through select retail establishments. B Magazine targets women aged 25-55 and provides editorial covering beauty, anti-aging and lifestyle.

In 2006, Star Media Group purchased Bright Light Media Group, the publisher of Canadian Immigrant magazine in British Columbia. A Toronto edition was launched in 2007. Approximately 50,000 copies are distributed across Toronto and 30,000 in Vancouver, through boxes, TTC Gateway stores and select locations.

In 2008, Torstar acquired SUHAAG Group Inc., a South Asian event publishing and promotions company in the GTA, with a history of developing and expanding major wedding, fashion and lifestyle events and related products. SUHAAG’s bi-annual bridal show has more than 130 vendors and the latest editions of annual SUHAAG Magazine carried more than 350 pages of features on weddings, fashion, lifestyles and glamour.

In 2008, Star Media Group purchased the remaining interest in Fantasy Sports Services Inc., a sports editorial, statistical information and fantasy games company that specializes in interactive content and games for sports fans.

Weekly Scoop was launched in October 2005 and was the first Canadian English-language newsstand-only celebrity magazine. In June 2006, Weekly Scoop ceased operations.

In 2007, the Toronto Star launched Desi Life, a magazine specifically created for the South Asian community in the GTA. In March 2008, the Toronto Star ceased publication of Desi Life.

(vi) Other Information

In 2007, the Toronto Star announced the closure of Atlantic Call Centres, its outbound call centre in Nova Scotia. The call centre ceased operations in January 2008.

(b) Metroland Media Group

The Metroland newspapers each focus on a specific community or market segment and include 105 weekly community newspapers and three daily newspapers. In addition to its focus on newspapers, Metroland also produces a number of specialty publications, magazines and telephone directories and operates several consumer shows, a teleshopping channel and commercial production house and a number of internet sites.

(i) Weekly Community Newspapers

Metroland is Ontario’s leading publisher of community newspapers, with a total of 105 weekly newspapers publishing 155 editions. Metroland is concentrated in Ontario and is mostly centred around Toronto. Metroland’s newspaper properties occupy the territory stretching from Niagara to Muskoka, from Southwestern Ontario to the Kawartha Lakes, plus the Ottawa Valley region.

As of the date of this Annual Information Form, the combined distribution of the weekly newspapers published by Metroland was more than 4.7 million copies per week from the following newspapers (number of editions per week in parenthesis):

<p>Acton Free Press (2) Ajax News Advertiser (3) Alliston Herald (2) Almaguin News (1) Ancaster News (1) Annex Guardian (1) Arnprior Chronicle Guide (1) Arthur Enterprise News (1) Aurora Era-Banner (3) Barrie Advance (2) Beach Mirror (1) Bloor West Villager (1) Bracebridge Examiner (1) Bradford West Gwillimbury Topic (1) Brampton Guardian (3) Brighton Independent (1) Brock Citizen (1) Burlington Post (3) Caledon/Bolton Enterprise (2) Cambridge Times (3) Carlton/Almonte Canadian Gazette (1) City Centre Mirror (1) Clarington This Week (3) Collingwood Connection (1) Dundas Star News (1) Dunnville Sachem (1) East York Mirror (1) Elmira Independent (1) Erin Advocate (1) Etobicoke Guardian (2) Exeter Times Advocate (2) Fergus-Elora News Express (1) Flamborough Review (1)</p>	<p>Georgetown Independent (2) Georgina Advocate (1) Glanbrook Gazette (1) Grand River Sachem (1) Gravenhurst Banner (1) Grimsby Lincoln News (2) Guelph Tribune (2) Haldimand Sachem (1) Hamilton Mountain News (1) Huntsville Forester (1) Innisfil Journal (1) Kanata Kourier-Standard (1) Kawartha Lakes This Week (2) Kemptville Advance (1) Listowel Banner (2) Markham Economist & Sun (2) Meaford Express (1) Midland/Penetanguishene Mirror (2) Milton Canadian Champion (2) Minto Express (1) Mississauga Booster (1) Mississauga News (3) Mississauga This Week (1) Mount Forest Confederate (1) Muskoka Sun (1) Muskoka Weekender (1) Muskokan (1) Nepean/Barrhaven This Week (1) New Hamburg Independent (1) Newmarket Era-Banner (3) Niagara This Week (2) North York Mirror (2) Northumberland News (2) Oakville Beaver (3) Oakville Today (1) Orangeville Banner (2)</p>	<p>Orillia Today (1) Oshawa This Week (3) Ottawa South This Week (1) Parkdale Villager (1) Parry Sound Beacon Star/Lifestyle (1) Parry Sound North Star (1) Perth Courier (1) Perth Courier Weekender (1) Peterborough This Week (2) Pickering News Advertiser (3) Port Colborne Leader (1) Port Perry Star (1) Renfrew Mercury (1) Renfrew Mercury Weekender (1) Richmond Hill Liberal (2) Riverdale Mirror (1) Scarborough Mirror (2) Smiths Falls This Week (1) South Asian Focus (1) St. Marys Journal-Argus (2) Stayner Sun (1) Stoney Creek News (1) Stouffville Sun Tribune (2) Stratford City Gazette (1) Stittsville News (1) Thornbury Courier-Herald (1) Thornhill Liberal (2) Uxbridge Times Journal (2) Vaughan Citizen (2) Walkerton-Herald Times (1) Wasaga Sun (1) Waterloo Chronicle (1) West Carleton Review (1) Whitby This Week (3) Wingham Advance Times (1) York Guardian (1)</p>
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Metroland has completed several transactions in the previous three years including the acquisitions of: Nepean This Week, the Almaguin News, the Perth Courier, the Parkdale Liberty (which was re-named the Parkdale Villager) and the Brighton Independent. Metroland also launched a number of new publications: The Haldimand Sachem, the Dunnville Sachem, Smiths Falls This Week, the Perth Courier Weekender, the Apartment & Condominium Edition for the Etobicoke Guardian, the Apartment & Condominium Edition for the Scarborough Mirror, The Bradford West Gwillimbury Topic, The Innisfil Journal and South Asian Focus.

(ii) Daily Newspapers

Metroland publishes three daily newspapers: The Hamilton Spectator, the Waterloo Region Record and the Guelph Mercury. The NADbank 2007 Monday to Saturday cumulative adult readership of the papers (as a percentage of their CMA) is 59%, 58% and 52%, respectively.

Metroland's daily newspapers are published Monday to Saturday. The primary circulation areas of the daily newspapers are as follows:

Newspaper	Primary Circulation Area
The Hamilton Spectator	Hamilton, Burlington, Grimsby
Waterloo Region Record	Kitchener, Waterloo, Cambridge
Guelph Mercury	Guelph

The Hamilton Spectator is the 14th largest paid daily newspaper in Canada by circulation, selling an average of approximately 106,000 copies per day. The Waterloo Region Record is the 22nd largest paid daily newspaper in Canada by circulation, selling an average of approximately 63,000 copies per day. The Guelph Mercury has a daily circulation average of approximately 14,000 copies from Monday to Saturday.

The following table illustrates the paid circulation statistics of Metroland's three daily newspapers during 2006, 2007 and 2008:

	Total Average Paid Circulation (12 month average)					
	Monday to Friday			Saturday		
	2008	2007	2006	2008	2007	2006
The Hamilton Spectator ⁽¹⁾	103,328	103,564	103,072	114,898	115,303	115,801
Waterloo Region Record ⁽²⁾	62,689	64,245	64,367	65,672	71,458	72,395
Guelph Mercury ⁽³⁾	13,992	13,847	14,485	13,783	14,585	14,974
Total	180,009	181,656	181,924	194,353	201,346	203,170

⁽¹⁾The data for The Hamilton Spectator as shown above is for the 12 months ended March 31 in each year and has been audited by the ABC. Audited circulation data for the 12 months ended March 31, 2009 is not yet available from the CCAB. Unaudited circulation data is based on internal records for the 12 months ended December 31, 2008 and is as follows: Monday to Friday -104,522; Saturday -114,113. Unaudited circulation data is based on internal records for the 12 months ended December 31, 2007 and is as follows: Monday to Friday -103,472; Saturday -115,554. Unaudited circulation data is based on internal records for the 12 months ended December 31, 2006 and is as follows: Monday to Friday -102,887; Saturday -114,730.

⁽²⁾Audited circulation data for the Waterloo Region Record for the 12 months ended December 31, 2008 is not yet available from the CCAB. The 2008 circulation data for the Waterloo Region Record as shown above is for the 12 months ended December 31, 2008, is unaudited and is based on internal records. The 2007 and 2006 circulation data for the Waterloo Region Record as shown above is for the 12 months ended December 31 for each year and has been audited by the ABC.

⁽³⁾The 2008, 2007 and 2006 circulation data for the Guelph Mercury as shown above is for the 12 months ended December 31 for each year, is unaudited and is based on internal records.

(iii) Other Specialty Publications and Magazines

Metroland publishes a number of specialty publications which focus on a particular market segment. Forever Young is a monthly tabloid published by Metroland for people over 50 years of age. Metroland also publishes City Parent, and regional editions of The Shopping News and The Business Times.

In 2006, Metroland purchased Ports Cruising Guides, the Niagara Farmer's Monthly magazine and Hockey Now Communications Ltd., which publishes the Hockey Now magazine in British Columbia, Alberta and Ontario. In 2007, Metroland purchased Great Toronto Getaway, Great Ontario Getaway and the Kitchener real estate publication This Week in Real Estate.

Metroland also publishes a number of magazines, including West of the City, East of the City, North of the City, Centre of the City, Beyond the City, Grand magazine and Rex magazine; a number of newsprint publications, including New Home News and Cambridge Homes; and a series of Sideroads rural publications. In addition, Metroland publishes Carguide, World of Wheels, Boatguide, Boating Business and other magazines through its Formula Media Group division.

Metroland's directory business, Gold Book, expanded in 2007 to include Gold Book directories in 25 regions in Southern Ontario, including Hamilton, Kitchener, Niagara, Mississauga and Oshawa. In 2008, Metroland purchased What's Up Kids magazine (now named What's Up).

(iv) Consumer Shows

Metroland produces and manages many consumer shows through its individual community newspapers and its Premier Consumer Shows division. The Premier Consumer Shows division produces large scale shows including: The Toronto Star Golf & Travel Show, The National Bridal Shows, the Ultimate Travel Shows, Retirement 101 Symposiums, City Parent Camp Fair, the Toronto Wine and Cheese Show and the Good Food Festival & Market consumer show (acquired in 2006). Community newspaper produced events include The Markham Home Show, The Heart of Country Decorating Shows, which are operated in Oshawa, Richmond Hill and Mississauga as well as the Little Wonders Baby and Toddler Expo, the Barrie Interior Design Show, and the Cryderman Crafts & Fine Arts Show of Kitchener. In 2007, Metroland acquired the Kawartha Home & Cottage Country Show. In 2008 Metroland increased its ownership in the Travel and Leisure Show (now the Ultimate Travel Shows occurring twice annually) from 50% to 100%.

(v) Printing and Distribution

Metroland has eight web press locations with one in each of Mississauga, North York, Guelph, Durham, Renfrew, Barrie and two in Hamilton. During 2008, Metroland added the Barrie printing operation by purchasing the assets of Central Ontario Web Ltd., a commercial printing company. Also in 2008, Metroland closed a web press location in Newmarket and sold its Oakville sheet-fed press. In February 2009, Metroland announced the closure of QE Web printing in Oakville.

The print facilities are used to print Metroland's daily newspapers, most of its community newspapers, and certain specialty publications, advertising flyers and third party publications, including the Toronto edition of Metro.

In addition to the distribution of its own publications, Metroland distributes advertising materials and product samples to target markets within the Metroland communities. In 2008, Metroland distributed more than 3.5 billion advertising pieces.

(vi) Internet Activities

Metroland's website, metroland.com, contains Metroland corporate material and a market research site (MillionsOfReaders.com). Metroland also has ten regional community portal sites which received an average of approximately 8.8 million page views per month in 2008 (approximately 8.5 million in 2007) and an average of approximately 1.1 million unique visitors per month in 2008 (approximately 650,000 unique visitors per month in 2007). Metroland has enhanced its community portal sites with a continued focus on local content and specific community interests, while increasing site interactivity for users.

Metroland developed and launched a new online classified advertising site in late 2007, yourclassifieds.ca, which provides a wide range of classified listings including merchandise, help wanted, real estate sales and rentals and services. In 2008, Metroland launched yourautos.ca, a website offering search functionality for the new and used car buyer and advertiser, as well as content, videos and product reviews. Metroland also launched flyerland.ca in 2008, a website where visitors may browse advertisers' flyers, order coupons and purchase gift cards from retailers. Also in 2008, Metroland purchased an interest in Save.ca, a website offering free coupons to consumers.

Each of Metroland's daily newspapers has a website, located at thespec.com, therecord.com and guelphmercury.com, respectively. Each of these sites offers daily news, together with other content and interactive features. These sites received an aggregate average of approximately 7.7 million page views per month in 2008 (compared to approximately 5.5 million page views per month in 2007) and an aggregate average of approximately 720,000 unique visitors per month in 2008 (compared to approximately 490,000 unique visitors per month in 2007).

Gold Book Directories also operates a website, Goldbook.ca, which provides interactive and media advertising opportunities for advertisers, while providing visitors an opportunity to search and find local businesses.

(vii) Torstar Media Group Television (“TMGTV”)

TMGTV operates SHOP TV Canada, a 24-hour direct response teleshopping channel which reaches approximately 1.7 million cabled households in the GTA and the province of Nova Scotia. SHOP TV Canada primarily features infomercials and commercials varying in length from 15 seconds to 30 minutes, along with promotional and shopping related segments promoting the channel, Metroland, and Star Media Group properties.

TMGTV also operates TMGTV Productions, a commercial production house that provides a full range of video production and post-production facilities, as well as a 360 degree virtual studio.

(c) Transit TV

In February 2009, Transit TV filed a voluntary petition for relief under Chapter 7 of Title 11 of the U.S. Bankruptcy Code. Transit TV operated digital out-of-home advertising networks through LCD screens mounted in buses in 5 U.S. transit systems.

2. Book Publishing

The Book Publishing reporting segment consists of the book publishing operations of Harlequin which accounted for approximately 31% of Torstar's consolidated operating revenue in 2008 (30% in 2007).

Harlequin is the world's largest publisher of series romance fiction and a leading global publisher of books for women. Harlequin has its headquarters in Toronto and has offices in the U.S., Switzerland, Luxembourg, Japan, the U.K., Germany, Australia, France, Italy, Spain, Sweden, the Netherlands, Poland, Greece, Hungary, Brazil and India.

Harlequin books are published in 28 languages and distributed in 114 international markets. Books are sold through the retail channel and directly to the consumer by mail and the internet in print and digital formats. Harlequin's publishing operations are comprised of three divisions: North America Retail, North America Direct-To-Consumer, and Overseas. Harlequin operates North America's largest program for the sale of romance fiction using direct marketing techniques.

The following chart shows the approximate number of reported books sold by Harlequin in each of the last three years ended December 31:

<u>Year</u>	<u>Number of Books Sold⁽¹⁾</u> <u>(000's)</u>
2008	130,000
2007	130,000
2006	131,000

⁽¹⁾Number of books sold includes books sold through Harlequin's joint venture operations as listed on page 20. Number of books sold also includes the sale of digital books.

Books are sold by Harlequin in the retail channel on a returnable basis. Reported book sales and Harlequin's earnings reflect provisions for estimated returns. These provisions are adjusted as necessary in subsequent periods as books are actually returned.

Books sold in 2008 remained stable with 2007 levels. Gains in North America Retail were offset by lower sales in the North America Direct-To-Consumer and Overseas divisions. The North America Direct-To-Consumer environment continues to be challenging as a result of competitive pressures from alternate channels and a lack of available mailing lists. Lower series retail sales in several markets in addition to declining direct-to-consumer businesses contributed to the Overseas decrease.

(a) Editorial Developments

Harlequin operates editorial acquisition offices in Canada, Switzerland, the U.K., and the U.S., and works with more than 1,100 authors. In 2008, more than 1,100 new titles were released in North America and more than 6,000 foreign language editions were published.

A key factor to Harlequin's long-term success is its ability to offer consistent, high quality editorial that accommodates readers' tastes.

Harlequin's core series business consists of 16 series offering 76 titles per month, and currently leads the contemporary romance series market. Harlequin strives to create and develop new, relevant products that readers will find appealing. In 2006, Harlequin introduced Silhouette Nocturne, a paranormal romance line. In 2008, Harlequin Presents Extra was introduced as an extension of the very popular Harlequin Presents series.

Harlequin publishes inspirational romances for the Christian market under its Steeple Hill imprint. This program is comprised of three series, including Love Inspired Historicals, a new series launched in 2008 featuring inspirational stories in historical settings.

In 2006, Harlequin launched Kimani Romance, the only monthly series product published for the African-American market and in 2007, introduced Kimani TRU, a single title program aimed at African-American young adults.

Harlequin publishes single titles under a number of imprints, including MIRA, HQN, Steeple Hill, LUNA, Kimani and Spice. In the fall of 2008, Harlequin launched a non-fiction program. Publishing plans include a broad range of editorial content including self-help, health/diet/fitness, relationships, narrative and inspirational.

Harlequin's single title publishing continued its success in 2008. Last year, across all imprints, a total of 37 titles appeared on the New York Times published bestseller lists for a total of 111 weeks. Including the New York Times expanded lists, 81 of Harlequin's titles appeared for a total of 252 weeks.

Harlequin's brands and authors were promoted to readers in a variety of ways in 2008, including print advertising in newspapers and national women's magazines, distribution of full book and chapter samplers, in-store promotions to potential readers, Harlequin's annual Romance Report and eHarlequin.com, Harlequin's website. In 2009 Harlequin

will celebrate its 60th anniversary in North America. In conjunction with this significant milestone, Harlequin intends to celebrate with a number of promotional and media events throughout the year.

The website eHarlequin.com is designed to be the ultimate romantic escape for women on the internet. The site includes online story serials, discussion forums, interactive tools and an online bookstore. eHarlequin.com received an average of approximately 6.8 million page views per month and an average of approximately 268,000 unique visitors per month in 2008, a decrease as compared to the 2007 average page views of approximately 8.5 million per month and 2007 average unique visitors of approximately 294,000 per month. More targeted marketing programs and improvements to the site design, which generated increased sales, account for the year over year declines.

Harlequin continues to explore high growth publishing niches and innovative new formats. In 2006, audio distribution was expanded to include Apple Inc.'s iTunes and Amazon.com. Harlequin has also entered the e-book market through distribution agreements with e-retailers in North America, Japan, the U.K. and Australia. Harlequin has the largest offering of romance e-books in the market and, in 2007, became the first publisher in North America to release all new North American titles in e-book format. In 2007 Harlequin also began to publish digital-only distributed stories. Through a branding and content licensing agreement with Vocel, a wireless application publisher, Harlequin has been providing branded entertainment content to readers through mobile phones in the U.S. market since 2006. In 2008, Harlequin's Japanese operation entered into an agreement with Softbank Creative Corp. (a division of Softbank Corp., a large provider of cell phone services in Japan) to distribute digital manga (comic) content, based on Harlequin's novels, on cell phones and internet distribution sites.

(b) North America

In North America, Harlequin's largest market, books are published simultaneously in Canada and the U.S. The U.S. market accounted for approximately 50% (51% in 2007) and the Canadian market accounted for approximately 5% (6% in 2007) of Harlequin's worldwide operating revenue in 2008. French language editions of Harlequin's novels are marketed in Quebec and Spanish language editions are marketed in the U.S. The principal book lines in North America are:

Harlequin Romance	Steeple Hill
Harlequin Presents	Steeple Hill Love Inspired
Harlequin Presents Extra	Steeple Hill Love Inspired Suspense
Harlequin Superromance	Steeple Hill Love Inspired Historicals
Harlequin American Romance	Gold Eagle
Harlequin Intrigue	MIRA
Harlequin Blaze	HQN
Harlequin Historicals	LUNA
Silhouette Special Edition	Spice
Silhouette Desire	Kimani Press
Silhouette Romantic Suspense	Next
Silhouette Nocturne	

Distribution for both the Retail and Direct-To-Consumer operations of Harlequin in North America is done from a facility in Buffalo, New York.

(c) Overseas

Harlequin publishes directly in overseas markets, either by way of wholly-owned operating units or joint ventures with local partners. Revenue from these markets accounted for approximately 45% of Harlequin's worldwide operating revenue in 2008 (43% in 2007).

Major wholly-owned operating units:

Harlequin Mills & Boon (U.K.)
Harlequin Australia
Harlequin Holland
Harlequin Japan
Harlequin Nordic
Harlequin Spain & Latin America
Harlequin Poland
Harlequin India

Joint ventures:

Harlequin Germany
Harlequin France
Harlequin Italy
Harlequin Greece
Harlequin Hungary
Harlequin Brazil

Overseas operations translate English language editions, as necessary, into the local language and then market them, with distribution either through third party distributors or joint venture partners. Harlequin's overseas operations export books to approximately 90 countries.

Harlequin has licensees in a number of countries, including Russia, Korea, Taiwan and Turkey. Harlequin continues to investigate other market opportunities.

3. Investments in Associated Businesses

Torstar has a 19.35% interest in Black Press, a privately owned and operated company with its head office in Victoria, British Columbia. Black Press publishes more than 150 newspapers (weeklies, dailies and shoppers) in Canada and the U.S. and has 17 press centres in Western Canada, Washington State, Ohio and Hawaii. Many of Black Press' operations are very similar in nature to Torstar's community newspaper business and this relationship provides Torstar with a presence in newspaper publishing outside of Ontario. Torstar has the ability under certain circumstances to make additional investments in Black Press.

In August 2006, Torstar acquired a 20% interest in CTVgm for \$283 million. In September 2006, CTVgm's ownership structure was revised following a new equity issuance to assist in financing CTVgm's acquisition of CHUM. Torstar maintained its 20% interest in CTVgm by subscribing for additional equity for \$94 million. The CHUM acquisition received regulatory approval in June 2007 subject to the divestiture of CHUM's five CityTV stations. In September 2007, the Canadian Radio-television and Telecommunications Commission approved the sale of the CityTV stations to Rogers Media Inc.

CTVgm has ownership interests in assets which include: CTV, a Canadian private broadcaster with 27 conventional television stations across the country with interests in 32 speciality channels; 34 radio stations; and the national daily newspaper, The Globe and Mail. Other CTVgm investments include: an interest in Maple Leaf Sports and Entertainment Ltd., which owns the Toronto Maple Leafs, Toronto Raptors and the Air Canada Centre; and a 50 percent interest in Dome Productions, a provider of mobile high definition production facilities.

4. Portfolio Investments

In 2005, Torstar acquired an interest in LiveDeal, Inc. (livedeal.com), a localized online classifieds provider that has been operating in the U.S. since 2003. In 2007, LiveDeal, Inc. merged with YP Corp., a Nevada public company. As part of this merger, Torstar exchanged all of its shares in LiveDeal, Inc. (representing approximately 13% of the total equity in LiveDeal, Inc.) for shares in YP Corp. (representing approximately 7% of the total equity in YP Corp.). In September 2008, Torstar sold all of its shares in YP Corp.

In 2005 Torstar made an investment in Vocel, a San Diego based developer of mobile applications. In 2007 Torstar made an additional investment in Vocel and currently holds an approximate 9% interest in the company.

In 2008, Torstar acquired 1,030,631 Class A Subordinate Voting Shares in Multimedia Nova Corporation which currently represents 17.5% of the class, and total ownership by Torstar of 15.1% of the equity in the company.

Multimedia Nova Corporation's operations include the publication of multicultural newspapers, commercial printing and representation of third party multicultural media properties.

C. EMPLOYEES OF TORSTAR

Torstar has approximately 7,175 full-time equivalent ("FTE") employees, including approximately 35 FTE employees at the Torstar corporate head office and excluding employees of jointly owned operations within the Newspapers and Digital segment.

Approximately 6,040 FTE employees are in the Newspapers and Digital segment, excluding employees of jointly owned operations such as Sing Tao, Metro and Workopolis. Star Media Group employs approximately 1,690 FTE employees. Metroland employs approximately 4,350 FTE employees across Southern Ontario.

The Book Publishing segment has approximately 1,100 FTE employees, including employees of its jointly owned operations as listed on page 20.

Over the past three years Torstar has initiated a number of voluntary and involuntary staff reductions resulting in the departure of some Torstar employees.

Additional information on employees of Torstar and information on its collective agreements is set forth in the Corporation's 2008 MD&A (as contained in the Corporation's 2008 Annual Report), which is incorporated herein by reference and a copy of which is available at www.sedar.com.

D. PROPERTIES OF TORSTAR

In 1966 Torstar acquired approximately 60 acres of land in the City of Vaughan on the outskirts of Metropolitan Toronto. Since July 1993, the Toronto Star has been printed and distributed from the Vaughan Press Centre, located on the Vaughan land. In 2008, Torstar severed and sold approximately 12 acres of the Vaughan site (retaining two parcels, including the parcel on which the Vaughan Press Centre resides).

Torstar also owns the land and buildings where some of Metroland's newspapers are printed or published.

Harlequin operates a 400,000 square-foot distribution facility for its North American operations on a 44-acre leased property in Buffalo, New York. Harlequin is entitled to acquire these lands and the facility for nominal consideration on 60 days' notice.

All other activities of Torstar are conducted in leased premises, including the main office operations of Torstar and the Toronto Star at One Yonge Street, Toronto.

E. INTANGIBLE PROPERTIES

Torstar owns and/or uses: (i) a number of trade-marks and/or service marks for its businesses registered with the Trade-Marks Offices in Canada, and/or elsewhere in the world, including the U.S. and other countries; (ii) a number of trade-marks, service marks, trade names and other identifiers for its businesses which are not registered with any Trade-Marks Offices, but are identified with its businesses in Canada, and/or elsewhere in the world, including in the U.S. and other countries; and (iii) a number of registered domain names and/or URL's for its businesses throughout the world. Torstar also owns copyrights in Canada and elsewhere in the world that are pertinent to its businesses.

F. ENVIRONMENTAL MATTERS

Torstar has a corporate environmental policy in place. The policy governs all of Torstar's operating divisions, and is overseen by a cross-divisional environmental committee. Quarterly reports are made to the Salary & Organization Committee of the Board of Directors. Substantially all of the Corporation's facilities are subject to

federal, provincial, state and municipal laws concerning, among other things, emissions to the air, water and sewer discharges, handling and disposal of wastes, recycling, or otherwise relating to the protection of the environment.

G. CYCLES

As indicated in the summary of quarterly results in the Corporation's 2008 MD&A (as contained in the Corporation's 2008 Annual Report and a copy of which is available at www.sedar.com), the newspaper industry is cyclical in nature. On a seasonal basis, the second and fourth quarters are generally the strongest for newspapers, with the third quarter generally the weakest as a result of the holiday schedule. The book publishing industry can be seasonal in nature due to the variability of the annual publishing schedule.

H. COMPETITIVE CONDITIONS

Torstar faces competition in each of its business segments. Certain of Torstar's competitors are larger and have greater financial resources than the Corporation. The extent and nature of such competition is, in large part, determined by the location and demographics of the market and the number of alternatives in those markets. Additional Information on competitive conditions faced by the Corporation is set forth in the Corporation's 2008 MD&A (as contained in the Corporation's 2008 Annual Report), which is incorporated herein by reference and a copy of which is available at www.sedar.com.

I. FOREIGN OPERATIONS

The Corporation's Book Publishing segment, which accounted for 31% of the Corporation's consolidated operating revenue in 2008, depends on its foreign operations. In 2008, 95% of the revenues of this segment were derived from non-Canadian sources. The largest non-Canadian market was the U.S., which represented 50% of total book publishing revenues.

Harlequin publishes directly in overseas markets, either by way of wholly-owned operating units or joint ventures with local partners. Revenue from these markets accounted for approximately 45% of total book publishing revenue in 2008. Principal overseas markets include the U.K., Japan, Nordic, Australia and France.

The remaining 5% of total book publishing revenue is generated in Canada.

Prior to Transit TV's bankruptcy filing in February 2009 under Chapter 7 of Title 11 of the United States Bankruptcy Code, the Corporation also owned and operated Transit TV, a reporting unit in the Corporation's Newspapers and Digital segment. Transit TV represented a very small percentage of the Corporation's revenues in 2008.

IV. RISK FACTORS

The Corporation is subject to a number of risks and uncertainties. A risk is the possibility that an event might happen in the future that could have a negative effect on the financial condition, results of operations or business of the Corporation. The actual effect of any event on the Corporation's business could be materially different from what is anticipated. A discussion of risks affecting the Corporation and its businesses is set forth in the Corporation's 2008 MD&A (as contained in the Corporation's 2008 Annual Report), which is incorporated herein by reference and a copy of which is available at www.sedar.com. This description of risks does not include all possible risks.

V. DIVIDENDS

Decisions on the declaration and payment of dividends are made on a quarterly basis by the Board of Directors, based upon Torstar's overall financial performance and cash flow outlook. Although Torstar has no current intention of changing this dividend policy, there is no assurance as to the amount or timing of such dividends in the future. In 2008, dividends in the amount of \$0.185 per Class A and Class B non-voting share were paid each quarter (unchanged from the \$0.185 per Class A and Class B non-voting share paid in each quarter of 2006 and 2007). In

2009, the Board of Directors reduced the quarterly dividend payment to \$0.0925 per Class A and Class B non-voting share effective with the March 31, 2009 dividend payment. The Board of Directors has the right, when declaring any dividend, to make available the option of a stock dividend to permit Canadian residents to elect to receive dividends in Torstar Class B non-voting shares.

Torstar's credit facilities contain restrictions on the payment of dividends other than on a basis consistent with Torstar's current dividend policy (which does not include extraordinary dividends), and in circumstances where Torstar is in default pursuant to such credit facilities.

VI. DESCRIPTION OF CAPITAL STRUCTURE

The authorized share capital of Torstar consists of an unlimited number of Class A shares, an unlimited number of Class B non-voting shares, and 15,000,000 First Preference shares. As at December 31, 2008, there were 9,892,667 Class A shares, 68,999,095 Class B non-voting shares, unexercised options to purchase 5,177,900 Class B non-voting shares, and no First Preference shares issued and outstanding.

Class A Voting Shares

The holders of Class A shares are entitled to one vote for each Class A share held, at any meeting of shareholders of Torstar. Each Class A share is convertible at any time at the option of the holder into one Class B non-voting share. Each Class A share entitles the holder, subject to the rights of the First Preference shares and Class B non-voting shares, to receive any dividend on such share and, subject to the rights of holders of First Preference shares, to participate equally, on a share for share basis, with all other holders of Class A shares and Class B non-voting shares, in the remaining property and assets of the Corporation on liquidation, dissolution or winding-up of the Corporation.

Class B Non-Voting Shares

The holders of the Class B non-voting shares are generally not entitled to vote at any meeting of the shareholders of the Corporation; provided that, if at any time the Corporation has failed to pay the full quarterly preferential dividend on the Class B non-voting shares in each of eight consecutive quarters, then and until the Corporation has paid full quarterly preferential dividends (7.5 cents per annum) on the Class B non-voting shares for eight consecutive quarters, the holders of the Class B non-voting shares are entitled to vote at all meetings of the shareholders at which directors are to be elected on the basis of one vote for each Class B non-voting share held. To date, the Corporation has paid in full all quarterly preferential dividends on the Class B non-voting shares. In addition, holders of Class B non-voting shares are entitled to vote at all class meetings of holders of Class B non-voting shares. Each Class B non-voting share entitles the holder, subject to the rights of holders of First Preference shares, to the full preferential dividend described above and to receive any further dividend on such share and to participate equally, on a share for share basis, with all other holders of Class B non-voting shares and Class A voting shares, in the remaining property and assets of the Corporation on liquidation, dissolution or winding-up of the Corporation.

In 1988, the Toronto Stock Exchange approved a plan to protect the holders of the Class B non-voting shares in the event of a take-over bid for Class A shares. Generally, the result of the plan is that parties to the Voting Trust Agreement, currently owners of approximately 98% of all outstanding Class A shares, have undertaken to CIBC Mellon Trust Company as Trustee for all holders of Class B non-voting shares that, subject to certain exemptions, they will not dispose of their Class A shares pursuant to a take-over bid, unless the same offer is made to all holders of Class B non-voting shares.

First Preference Shares

As of the date of this Annual Information Form, there were no First Preference shares issued or outstanding. The First Preference shares may be issued in one or more series with such rights, privileges, restrictions and conditions as the Board of Directors designates. With respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any

other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the First Preference shares of each series rank on parity with the First Preference shares of every other series and in priority to the Class A shares and Class B non-voting shares and any other shares ranking junior to the First Preference shares. Holders of First Preference shares of any series shall not be entitled to notice of or to attend or to vote at any meeting of the Corporation or its shareholders except as may be required by law or as specifically provided in the provisions attaching to the First Preference shares of such series.

Constraints on Ownership

Torstar's articles restrict the holding or ownership of its shares by non-Canadians. The Board of Directors currently has the authority to restrict the registration of the transfer of any of the Corporation's shares if such transfer would, in the opinion of the directors, jeopardize either the ability of the Corporation or any subsidiary to obtain, maintain, amend or renew a licence to operate a Broadcasting Undertaking (as defined in the *Broadcasting Act* (Canada)) or its status as a Canadian newspaper or periodical publisher. Under the Corporation's articles, the directors may require a declaration setting forth the transferee's citizenship, the jurisdiction of incorporation or any other evidence as the directors may reasonably require be submitted to ensure that the transfer of shares does not jeopardize the foregoing. It is not currently necessary for the Corporation to enforce such restrictions, because approximately 98% of the Corporation's voting shares are held by Canadians, which is in compliance with the current Canadian ownership levels required by the Regulations under the *Broadcasting Act* (Canada) and the *Income Tax Act* (Canada). In addition, while the number of authorized Class A shares is unlimited, the issuance of further Class A shares may, under certain circumstances, require unanimous board approval.

Ratings

In 2006, the Corporation decided it no longer required the services of multiple rating agencies. Moody's Investor Services announced on October 17, 2006 that it was withdrawing all ratings relating to the Corporation. The Dominion Bond Rating Service Limited ("DBRS") has continued to rate the Corporation.

DBRS rates long-term debt instruments (such as Torstar's medium term notes) by rating categories ranging from a high of AAA to a low of C. In addition, a designation of "high" or "low" may be added after a DBRS rating and indicates an issuer's relative strength within the rating category. The absence of either a "high" or "low" designation indicates the rating is in the "middle" category.

In September 2008, DBRS confirmed a rating of BBB for the Corporation's Senior long-term debt, with a stable outlook. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the applicable rating organization.

Under the DBRS rating system, long-term debt securities rated BBB are of adequate credit quality. Protection of interest and principal is considered acceptable, but the entity is considered to be fairly susceptible to adverse changes in financial and economic conditions, or there may be other adverse conditions present which reduce the strength of the entity and its rated securities compared with higher rated companies.

In 2007, DBRS announced that it was discontinuing its rating on Torstar's commercial paper program as all such debt had been repaid.

The foregoing information is based on information made publicly available by DBRS or on information provided to management of the Corporation by DBRS from time to time.

VII. MARKET FOR SECURITIES

Torstar's Class B non-voting shares are listed and posted for trading on the TSX.

The following table provides information regarding the price range and volume traded for the Class B non-voting shares on a monthly basis for each month of the year ended December 31, 2008.

<u>Month</u>	<u>High(\$)</u>	<u>Low(\$)</u>	<u>Volume Traded</u>
January	\$19.20	\$16.00	2,378,929
February	\$18.03	\$16.30	1,466,036
March	\$17.45	\$15.73	1,817,384
April	\$17.72	\$15.23	898,668
May	\$15.68	\$12.70	4,169,850
June	\$14.16	\$12.13	3,324,266
July	\$12.64	\$9.66	2,478,179
August	\$15.34	\$11.33	1,978,672
September	\$15.34	\$11.22	2,454,598
October	\$12.89	\$10.07	2,652,509
November	\$12.97	\$6.69	1,601,214
December	\$10.02	\$6.74	1,858,194

VIII. DIRECTORS AND OFFICERS

A. DIRECTORS

The following table states the names of all directors, all other positions and offices with the Corporation now held by them, if any, their principal occupations or employments during the past five years, their municipality and country of residence, and the date on which they became directors of the Corporation.

<u>Name and Municipality of Residence</u>	<u>Director Since</u>	<u>Principal and Previous Occupations</u>
THE HONOURABLE FRANK IACOBUCCI Toronto, Ontario, Canada	July 27, 2004	Chairman of the Board, Torstar; Counsel at Torys LLP (a law firm). Interim President of the University of Toronto, from 2004 to 2005; Judge of the Supreme Court of Canada, from 1991 until 2004.
CAMPBELL R. HARVEY Chapel Hill, North Carolina, U.S.A.	May 8, 1992	J. Paul Sticht Professor of International Business at Duke University; Research Associate of the National Bureau of Economic Research in Cambridge, Massachusetts; and Editor of the Journal of Finance. President of the Western Finance Association (a professional finance research organization) from 2007 to 2008.
J. ROBERT S. PRICHARD Toronto, Ontario, Canada	May 1, 2002	President and Chief Executive Officer, Torstar.
MARTIN E. THALL Toronto, Ontario, Canada	May 1, 2002	Corporate Director; President and Chief Executive Officer of the Thall Group of Companies (an investment holding company).
J. SPENCER LANTHIER Toronto, Ontario, Canada	July 30, 2002	Corporate Director.

Name and Municipality of Residence	Director Since	Principal and Previous Occupations
JOHN A. HONDERICH Toronto, Ontario, Canada	May 5, 2004 ⁽¹⁾	Chairman of the Torstar Voting Trust. Special Advisor to the Premier of Ontario on the Fiscal Imbalance from 2006 to 2007; Premier of Ontario's Special Advisor on the Future of the GTA and Creative Cities and served on the Attorney General's panel in Justice and the Media, from 2005 to 2006; Corporate Director and Special Ambassador to the Mayor of Toronto on Urban Issues, from 2004 to 2006; Publisher of the Toronto Star, from 1994 to 2004.
⁽¹⁾ Mr. Honderich was also a director of the Corporation from January 1, 1995 until May 2, 2001.		
DONALD BABICK Vancouver, British Columbia, Canada	December 14, 2004	Corporate Director. Interim Publisher of the Toronto Star from October 2008 to December 2008.
JACK FULLER Chicago, Illinois, U.S.A.	December 14, 2004	Corporate Director. President of Tribune Publishing Company from 1997 until 2004.
ELAINE B. BERGER Toronto, Ontario, Canada	May 3, 2006	Corporate Director.
PETER A. ARMSTRONG Toronto, Ontario, Canada	May 3, 2006	Corporate Director; President and Chair of the Board of Trustees of the Atkinson Charitable Foundation; President and Chair of the Board of Directors of Renascent Centres (a health services provider).
THE HONOURABLE ROY J. ROMANOW Saskatoon, Saskatchewan, Canada	May 2, 2007	Corporate Director; Senior Fellow in Public Policy, Department of Political Studies, University of Saskatchewan. Member of Security Intelligence Review Committee (SIRC) from 2003 to 2008.
DANIEL A. JAUERNIG Toronto, Ontario, Canada	January 16, 2009	President and Chief Executive Officer of Classified Ventures, LLC.
JOAN T. DEA Toronto, Ontario, Canada	March 1, 2009	Corporate Director. Executive Vice-President, Head of Strategic Management and Corporate Marketing for BMO Financial Group (a diversified financial services provider) from 2006 to 2008; Senior Vice-President, Strategic Performance Management for BMO Financial Group from 2003 to 2006.

Name and Municipality of Residence	Director Since	Principal and Previous Occupations
ALNASIR SAMJI Thornhill, Ontario, Canada	March 1, 2009	Managing Principal, Alderidge Consulting Inc. Principal, Towers Perrin from 1988 to 2005.

Each director is elected annually to hold office until the next annual meeting of shareholders. Additional information on the directors of the Corporation can be found in Torstar's 2009 Information Circular, which is available at www.sedar.com.

B. OFFICERS

The following table states the names of all officers, all positions and offices with the Corporation now held by them, their principal occupations or employments during the past five years and their municipality of residence.

Name and Municipality of Residence	Principal and Previous Occupations
THE HONOURABLE FRANK IACOBUCCI Toronto, Ontario, Canada	Chairman of the Board, Torstar; Counsel at Torys LLP (a law firm). Interim President of the University of Toronto, from 2004 to 2005; Judge of the Supreme Court of Canada, from 1991 until 2004.
J. ROBERT S. PRICHARD Toronto, Ontario, Canada	President and Chief Executive Officer, Torstar.
DAVID HOLLAND Toronto, Ontario, Canada	Executive Vice-President and Chief Financial Officer, Torstar. Senior Vice-President and Chief Financial Officer, Harlequin, from 2001 to 2005.
MARIE E. BEYETTE Pickering, Ontario, Canada	Vice-President, General Counsel & Corporate Secretary, Torstar. Director of Legal Services & Corporate Secretary, Torstar, from 2002 to 2005.
GAIL MARTIN Toronto, Ontario, Canada	Vice-President of Finance, Torstar.
LORENZO DEMARCHI Toronto, Ontario, Canada	Vice-President, Corporate Development, Torstar. Managing Director, Corporate Development, Torstar, from 2006 to 2008; Director of Corporate Development, Torstar, from January 2005 to December 2005; Executive Vice-President, Business Development, Harlequin, from April 2004 to December 2004; Executive Vice-President, Creativity Division, Harlequin, from 2001 to 2004.
D. TODD SMITH Stouffville, Ontario, Canada	Treasurer, Torstar.

C. SHAREHOLDINGS OF DIRECTORS AND OFFICERS

On January 31, 2009, the Corporation had outstanding 9,892,667 Class A shares. Each Class A share carries the right to one vote. The directors and executive officers of the Corporation as a group beneficially own, directly or indirectly, or exercise control or direction over 4,375,249 Class A shares as of January 31, 2009, representing 44% of the aggregate number of voting securities of the Corporation outstanding as at January 31, 2009. Information pertaining to the shares owned, directly or indirectly, or over which control or direction are exercised by directors and officers is not within the knowledge of the Corporation and has been furnished by each of the directors and officers of the Corporation. Additional information pertaining to shareholdings of directors of the Corporation can be found in the Corporation's 2009 Information Circular, including in the section entitled "Voting Shares and the Voting Trust". The 2009 Information Circular is available at www.sedar.com.

D. COMMITTEES

The Corporation has the following committees:

Committee	Current Members
Audit Committee	J. Spencer Lanthier, Hon. Frank Iacobucci, Martin Thall and Campbell R. Harvey
Pension Committee	John A. Honderich, J. Spencer Lanthier, J. Robert S. Prichard and Peter A. Armstrong
Toronto Star Advisory Committee	John A. Honderich, Peter A. Armstrong, Donald Babick, Elaine B. Berger, Hon. Roy J. Romanow, Jack Fuller, Campbell R. Harvey, Hon. Frank Iacobucci, and two ex-officio members: the President and Chief Executive Officer of Torstar (J. Robert S. Prichard) and the Publisher of the Toronto Star (John Cruickshank)
Salary & Organization Committee	Hon. Frank Iacobucci, Donald Babick, Martin Thall, Jack Fuller and John A. Honderich
Nominating & Corporate Governance Committee	Hon. Frank Iacobucci, Campbell R. Harvey, John A. Honderich and Elaine Berger

E. AUDIT COMMITTEE

Audit Committee Charter

The Audit Committee's charter ("Terms of Reference") sets out its purpose, authority, function, membership qualifications and responsibilities. A copy of the Terms of Reference is attached as Appendix "A".

Pre-Approval Policies for External Auditors' Other Services

The Audit Committee has determined that the non-audit services provided to the Corporation by its external auditors should be limited. Such services are subject to the prior approval of the Chair of the Audit Committee (if less than \$100,000) or by the full Audit Committee (if \$100,000 or more). The services approved by the Audit Committee in each of 2007 and 2008 are set out in the Corporation's 2009 Information Circular under the section "Appointment of Auditors". The 2009 Information Circular is available at www.sedar.com.

Composition of the Audit Committee

As of the date of this Annual Information Form, the Audit Committee is comprised of four directors: J. Spencer Lanthier (Chair), Hon. Frank Iacobucci, Martin Thall and Campbell R. Harvey. Each member of the Audit Committee has been determined by the Board to be “independent” and “financially literate” as such terms are currently defined under Multilateral Instrument 52-110.

Relevant Education and Expertise

In addition to each member’s general business experience, the education and experience of each audit committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

Mr. Lanthier was the Chairman and Chief Executive of KPMG Canada from 1993 to 1999 and Vice-Chairman from 1989 to 1993. He also served as a member of the KPMG International Executive Committee and Board. Mr. Lanthier was awarded his F.C.A. designation by the Ontario Institute of Chartered Accountants in 1982. He received the Award of Outstanding Merit from the Institute of Chartered Accountants of Ontario in 2001. As an audit partner with KPMG Canada from 1972 to 1999, Mr. Lanthier oversaw the audits of numerous major corporations. Mr. Lanthier also serves as a director on the boards of Gerdau AmeriSteel Corporation, Ellis-Don Inc., Biovail Inc., RONA Inc., TMX Group Inc., and Zarlink Semiconductor Inc. and sits on the Advisory Board of Birchhill Equity Partners.

The Honourable Frank Iacobucci was a Judge of the Supreme Court of Canada from 1991 until July 2004, sitting on a number of commercial and professional liability cases. He was the Interim President of the University of Toronto from September 1, 2004 to June 30, 2005, and from 1967 to 1985 held numerous other positions at the University of Toronto, including Dean of the Faculty of Law; Vice-President, Internal Affairs; Vice-President and Provost; and Professor of Law specializing in corporate law, corporate finance and securities regulation. He served as a commissioner of the Ontario Securities Commission from 1982 to 1985 and received his B. Comm. (UBC) in 1961. The Honourable Frank Iacobucci currently serves on the board of Tim Hortons Inc. and the GM Advisory Board of Canada. He is also the Chair of the Higher Education Quality Council of Ontario.

Mr. Thall has served as the President and Chief Executive Officer of the Thall Group of Companies, an investment holding company, from 2005 to present. He has also acted as a director of Thall Investments Inc. from 1986 to present and currently acts as the Voting Trustee for the Thall Group on the Torstar Voting Trust. He was formerly a systems analyst with the Toronto Star’s Network Services Group. Mr. Thall earned his bachelor degree in Mathematics in 1978 and his Masters of Business Administration in 1980 from York University.

Professor Harvey is the J. Paul Sticht Professor of International Business at Duke University and is the Editor of the Journal of Finance, the leading scientific journal in his field and one of the premier journals in the economic profession. Professor Harvey acted as President of the Western Finance Association from 2007 to 2008, and obtained his doctorate at the University of Chicago in business finance. Mr. Harvey serves on the boards of the American Finance Association and Forexster Inc.

External Auditor Services Fees

Disclosure relating to the fees paid by the Corporation to its external auditors, Ernst & Young LLP, can be found in the Corporation’s 2009 Information Circular under the section “Appointment of Auditors”, which section is incorporated herein by reference. The 2009 Information Circular is available at www.sedar.com.

F. CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

To the knowledge of the Corporation, no director or executive officer of the Corporation is, or within the last 10 years has been, a director, chief executive officer or chief financial officer of any company that: (a) while that person was acting in that capacity, was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days, or (b) was subject to a cease trade order or similar order or an order that denied the company access to any exemption

under securities legislation, for a period of more than 30 consecutive days, that was issued after that person ceased to be a director, chief executive officer or chief financial officer, but which resulted from an event that occurred while that person was acting in that capacity, except for the following:

- (i) Donald Babick, a director of the Corporation, previously served as a director of Hollinger Canadian Newspapers Limited Partnership (the "Partnership"), which was subject to a cease trading order imposed by the Ontario Securities Commission on May 21, 2004, which prohibited certain directors and officers of the Partnership from trading in the securities of the Partnership for a period of 15 days from May 21, 2004. This cease trading order was imposed as a result of the Partnership's failure to meet its continuous disclosure obligations under Ontario securities law.

To the knowledge of the Corporation, no director or executive officer of the Corporation is, or within the last ten years has been, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except for the following:

- (i) Lorenzo DeMarchi was a member of the management board (director) of Transit Television Network, LLC and Transit Television Network California, LLC when each company filed a voluntary petition for relief under Chapter 7 of Title 11 of the United States Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware on February 4, 2009.

To the knowledge of the Corporation, no director or executive officer of the Corporation has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

To the knowledge of the Corporation, no director or executive officer of the Corporation has, within the last 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets.

G. CONFLICTS OF INTEREST

To the knowledge of the Corporation, no director or executive officer of Torstar has an existing or potential material conflict of interest with Torstar.

IX. LEGAL PROCEEDINGS

In 2003, a proposed class of freelance journalists initiated a claim against the Corporation and several other defendants. In 2008, this action was certified as a class action under the *Class Proceedings Act*, 1992. This claim is in respect of works provided by such journalists to various newspapers and other print publications in Canada. The total amount claimed (by all plaintiffs against all defendants) is \$500 million in compensatory damages and \$250 million in exemplary and punitive damages. While there can be no assurance as to the outcome of this litigation, management is of the view, based on the information currently available to it, that any liability that may arise is not expected to have a material effect on the Corporation's financial position or results of operations.

In the ordinary course of business, the Corporation and its subsidiaries are routinely defendants in or parties to a number of pending and threatened legal actions brought on behalf of various classes of claimants. In view of the inherent difficulty of predicting the outcome of such matters, the Corporation cannot state what the eventual outcome of such matters will be; however, based on current knowledge, management does not believe that liabilities, if any, arising from pending litigation will have a material adverse effect on the consolidated financial position, or the results of operations of the Corporation.

X. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Corporation, no director or executive officer or an associate thereof had any material interest, direct or indirect, in any transaction within the three most recently completed fiscal years that has materially affected or will materially affect the Corporation.

XI. TRANSFER AGENT AND REGISTRAR

The Corporation's registrar and transfer agent is CIBC Mellon Trust Company, 320 Bay Street, Toronto, Ontario M5H 4A6.

XII. MATERIAL CONTRACTS

On December 1, 2005, the Corporation entered into a Recapitalization Agreement (the "Agreement") with CTVgm, BCE Inc., The Woodbridge Company Limited, 1565117 Ontario Limited and the Ontario Teachers' Pension Plan Board. Torstar agreed to purchase 800,000,000 Class A common shares of CTVgm (being 20% of the outstanding Class A shares of CTVgm) for \$283 million. The transaction closed in August 2006 and the parties entered into a unanimous shareholders' agreement dated August 31, 2006 to govern their respective rights and obligations. Copies of the Recapitalization Agreement and the unanimous shareholders' agreement are available at www.sedar.com.

The Corporation's credit facilities are provided by a syndicate of Canadian financial institutions and consist of: (i) a \$425 million revolving loan that will mature on January 4, 2012 (or the immediately preceding banking day if January 4, 2012 is not a banking day), and (ii) a \$310 million revolving operating loan. The operating loan matures on January 8, 2010 and can be extended with the consent of all parties for an additional 364-day period (and a second additional period not to extend beyond January 4, 2012) or can be converted into a 364-day term loan at the Corporation's option. Amounts borrowed under the credit facilities are primarily in the form of bankers' acceptances (or an equivalent) and can be drawn in Canadian or U.S. dollars. The credit facilities are subject to customary terms and conditions and events of default. A copy of the original loan agreement and recent amendments is available at www.sedar.com.

XIII. EXPERTS

The Corporation's auditors are Ernst & Young LLP, Ernst & Young Tower, 222 Bay Street, Toronto, Ontario M5K 1J7. The Corporation's consolidated financial statements as at December 31, 2008 and for the year then ended have been filed under National Instrument 51-102 in reliance on the report of Ernst & Young LLP, independent chartered accountants, given on their authority as experts in auditing and accounting. As at February 18, 2009, Ernst & Young LLP has advised that it is independent with respect to the Corporation in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

XIV. ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the Corporation's 2009 Information Circular for the Meeting of shareholders to be held on May 6, 2009, and additional financial information is provided in the Corporation's consolidated financial statements and the 2008 MD&A. Such documentation and additional information relating to the Corporation is contained at www.sedar.com, the internet site maintained by the Canadian Securities Administrators. For the convenience of Torstar's shareholders, the above documents are also available at Torstar's corporate website, located at www.torstar.com.

APPENDIX “A”

AUDIT COMMITTEE TERMS OF REFERENCE

The primary purpose of the Audit Committee is to assist the Board in discharging its responsibilities relating to the oversight of: (a) the integrity of the Corporation’s financial statements; (b) the Corporation’s compliance with legal and regulatory requirements regarding financial reporting and securities matters; (c) the external auditor’s qualifications and independence; and (d) the performance of the external auditors and the Corporation’s internal audit function.

The Committee shall have the ability to access the Corporation’s legal counsel without the approval of management, as it deems necessary to carry out its duties. The Committee shall also have the authority without the consent of management or the Board, at the Corporation’s expense, to the extent it deems necessary or appropriate, to retain and compensate special independent legal, accounting or other consultants to advise the Committee in connection with fulfilling its obligations.

Management of the Corporation is responsible for the preparation, presentation and integrity of the Corporation’s financial statements and for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures designed to ensure compliance with accounting standards and applicable laws and regulations. The external auditors are responsible for planning and carrying out a proper audit of the Corporation’s annual financial statements and reviews of the Corporation’s quarterly financial statements in accordance with professional standards. The function of the Committee is to provide oversight and to review the effectiveness of these activities. It is not the responsibility of the Committee to plan or conduct audits or to determine that the Corporation’s financial statements are complete, accurate and in accordance with GAAP.

Composition of the Committee

The Committee will consist of at least three directors, each of whom shall be independent (as that term is defined from time to time under securities law requirements for audit committee service and as determined by the Board). The members of the Committee shall be appointed and replaced by the Board from time to time. Each member of the Committee must be financially literate (as determined by the Board) or must become financially literate within a reasonable period of time after appointment to the Committee. A majority of the members of the Committee shall constitute a quorum.

For the purposes of determining the composition of the Committee, “financially literate” shall mean the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

Chair of the Committee

The Chair of the Committee shall be appointed by the Board from time to time. The Chair shall be responsible for general leadership of the Committee, including preparing the agenda, presiding over Committee meetings, and reporting to the Board following Committee meetings on matters considered by the Committee. The Chair shall encourage Committee members to ask questions and express views during meetings. If the Chair of the Committee is not able to attend any meeting of the Committee, the Chair shall arrange for another member to preside at the meeting.

in his or her absence, failing which another member will be chosen by the Committee. The Chair shall take reasonable steps to ensure that the responsibilities of the Committee as outlined in these Terms of Reference are understood by all Committee members and executed as effectively as possible.

Specific Responsibilities

Financial Reporting & Public Disclosure

1. Review and discuss with management and the external auditors the annual audited consolidated financial statements and recommend their approval to the Board.
2. Review all interim financial statements, and annual and interim MD&A and earnings press releases, and recommend their approval to the Board.
3. Review the Annual Information Form and all financial reports which require Board approval and recommend their approval to the Board.
4. Review and approve all changes in accounting principles followed by the Corporation.
5. Discuss with the external auditors the quality and acceptability of the Corporation's accounting principles.
6. Be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and periodically assess the adequacy of those procedures. This assessment should include discussions with management to review the processes and systems in place.
7. Discuss financial information and earnings guidance, if any, provided to analysts and rating agencies (to the extent permitted by law), which discussions may occur after issuance.

External & Internal Auditors

8. Evaluate the external auditors and recommend to the Board the reappointment or replacement (as appropriate) of the external auditors to be proposed in the Corporation's next proxy circular for shareholder approval and appointment. In the event of a change of auditors, the Audit Committee will review all issues relating to the change.
9. Review the external audit plan.
10. The external auditors shall report directly to the Committee and shall be accountable to the Board and the Audit Committee as representatives of the shareholders. The Committee shall so instruct the external auditors.
11. Review and evaluate the experience, qualifications and independence of the senior members of the external audit team.
12. Ensure that there is a rotation of the lead audit partner on a regular basis.

13. Review and approve the terms of the external auditors' engagement. Review the appropriateness of the proposed audit fees for recommendation to the Board.
14. Pre-approve all non-audit services provided to the Corporation (including its subsidiaries) by the external auditors which are not prohibited by law. Such pre-approval may include a blanket pre-approval of non-prohibited services for limited dollar amounts or in limited categories of service which the Committee, in its business judgement, does not believe have the potential for conflict or abuse. The pre-approval may be provided by the Chair of the Committee for non-audit services up to \$100,000 (although all such services will be reported to the full Committee at its next scheduled meeting). Non-audit services in excess of \$100,000 will require the approval of the full Committee.
15. Obtain from the external auditors annually a formal written statement setting forth all the relationships between the auditors and the Corporation, and the fees billed for all services rendered by the external auditors to the Corporation for the most recent fiscal year in the aggregate and by each service.
16. Review and approve the disclosure of proportionate audit and non-audit expenditures and the general nature of the non-audit services to be included in the Corporation's annual information form or proxy statement.
17. Meet with the external auditors and the internal auditors from time to time, in any event not less frequently than once a year, both with and in the absence of management, to review the work of such auditors, their findings (including their view on the quality of the Corporation's accounting and disclosure practices), any significant recommendations made by them as to internal controls or other matters, management's responses to such recommendations, any unresolved differences, and the cooperation received by such auditors from management.
18. Review and oversee the resolution of any disagreements between management and the external auditors regarding financial reporting.
19. Review the adequacy of the accounting staff and internal audit function.
20. Establish a process with the external auditors and the internal auditors to be informed on a timely basis of any serious concerns which they may have about internal controls and the financial operations of the Corporation and any serious differences of opinion between management and such auditors on such subjects.
21. Establish a process for reporting by internal and external auditors of any practices or conditions affecting the well-being of the Corporation that in their opinion are not satisfactory and require rectification.
22. Review and approve policies for the Corporation's hiring of partners, employees or former partners or employees of the present and former external auditors.

Internal Controls & Compliance

23. Establish procedures for (a) the receipt and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters; and (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

24. Discuss guidelines and policies governing the process by which senior management and the relevant departments and divisions of the Corporation assess and manage the Corporation's exposure to financial risk and discuss the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures.
25. Review reports on the integrity of the Corporation's internal control and management information systems.
26. Be satisfied that the Corporation is in compliance with applicable legislation and regulations regarding financial reporting and securities matters.
27. Review the adequacy of the Corporation's insurance program.
28. Ensure that the Corporation and its subsidiaries have a reporting system requiring the prompt reporting of any significant non-compliance with applicable policies, practices and procedures to the Chief Executive Officer and to the Chairman of the Audit Committee forthwith.
29. Be satisfied that the Corporation has established an appropriate code of ethics for the Corporation's senior financial officers (including the chief financial officer, principal accounting officer and controller of each subsidiary) and that mechanisms to monitor compliance are in place.

Reporting to Board

30. Make regular reports to the Board.

Annual Review & Assessment

31. Conduct an annual performance evaluation of the Committee (with the assistance of the Nominating & Corporate Governance Committee).
32. Review and reassess the adequacy of these Terms of Reference no less than annually and recommend any proposed changes to the Board for approval.