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## GraceKennedy Limited

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July 14, 2009

The Jamaica Stock Exchange  
Regulatory & Market Oversight Division  
40 Harbour Street  
Kingston

**Attention: Mr. Wentworth Graham**

We write in respect of the recent report appearing in the Daily Observer on July 10, 2009 under the heading ***"Grace Faces \$1.7B copyright claim. Court rules Audrey Marks's submission legitimate."***

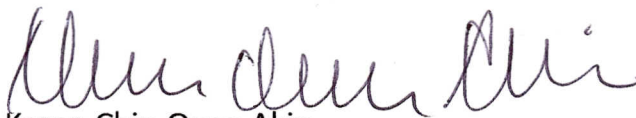
As you are aware a response was issued by GraceKennedy Remittance Services Limited ("GKRS") to the Jamaica Observer which was published on Sunday, July 12, 2009. The full text of this response was provided to you under cover of our previous letter of July 10, 2009.

In keeping with the Jamaica Stock Exchange Rules on disclosure we would advise as follows:

1. Suit was filed by Paymaster (Jamaica) Limited ("Paymaster") against GKRS and software developer, Paul Lowe, on August 25, 2000 claiming damages arising out of certain causes of action primarily (1) alleged use by GKRS of certain software which Paymaster claims it held under exclusive license from the software developer and (2) GKRS' alleged use of confidential information which Paymaster claims was shared with GKRS concerning a possible partnership in the bill payments business.
2. An Interim Injunction was granted to Paymaster on August 25, 2000, restraining GKRS from using the software pending the trial of the action. The application for injunction was heard ex-parte, that is, without GKRS being present. The injunction remains in place and GKRS has not used the disputed software since.

3. GKRS has denied all claims made by Paymaster.
4. The matter was dormant from 2001 until a Case Management Conference was held in May 2006 when orders were made concerning the timetable for the case through to the trial date originally set for July 7-18, 2008. The trial has since been rescheduled to October 12-23, 2009.
5. Various applications have been made before the Court, preliminary to the trial of the action. By way of Supplemental Witness Statement dated 14 April 2008 Paymaster for the first time set out alleged losses suffered by Paymaster of J\$652,658,519.00 and US\$12,000,000.00. GKRS applied to the Court to strike out this Supplemental Witness Statement on the basis that the Witness Statement raises new claims not pleaded by Paymaster in its statement of case. The Court of Appeal recently ruled that the Supplemental Witness Statement should not be struck out and accordingly can be considered by the trial judge at the trial in October of 2009.
6. Based on the opinion received from the Company's Counsel and in accordance with Accounting Standards, no provision has been made in the Company's accounts in respect of this action.
7. GKRS continues to vigorously defend this action which it considers to be completely unfounded.

Yours faithfully,



Karen Chin Quee Akin  
Chief Corporate Secretary/Snr. Legal Counsel

Copy: Mrs. Marlene Street-Forrest, General Manager, Jamaica Stock Exchange