

TO: THE STOCKHOLDERS OF **The Greener Company Limited**

**CONSOLIDATED NINE MONTHS INTERIM FINANCIAL REPORT AT SEPTEMBER 30, 2008**

| <b>Group Income Statements</b>                              | <b>Notes</b> | <b>GROUP<br/>(Unaudited)<br/>Three Months<br/>Jul - Sept, 2008<br/>\$000's</b> | <b>GROUP*<br/>(Unaudited)<br/>Three Months<br/>Jul - Sept, 2007<br/>\$000's</b> | <b>GROUP<br/>(Unaudited)<br/>Nine Months<br/>Jan - Sept, 2008<br/>\$000's</b> | <b>GROUP<br/>(Unaudited)<br/>Nine Months<br/>Jan - Sept, 2007<br/>\$000's</b> | <b>GROUP<br/>(Audited)<br/>Twelve Months<br/>Dec 31, 2007<br/>\$000's</b> |
|---|--------------|--|---|---|---|---|
| <b>Revenue</b>  | 4(a), (b)& 7 | 1,217,755  | 1,403,479   | 3,182,249   | 3,149,708   | 4,248,873   |
| Cost of sales   |              | ( 717,486)   | ( 863,871)  | (1,734,248)   | (1,812,750)   | (2,488,752)   |
| Gross Profit  |              | 500,269  | 539,608   | 1,448,001   | 1,336,958   | 1,760,121   |
| Other operating income/(expenses)                           | 4(c)         | <u>35,032</u>  | <u>( 1,363)</u>   | <u>202,415</u>  | <u>44,488</u>   | <u>321,163</u>  |
|   |              | <u>535,301</u>   | <u>538,245</u>  | <u>1,650,416</u>  | <u>1,381,446</u>  | <u>2,081,284</u>  |
| Distribution costs  |              | ( 180,454)   | ( 166,130)  | ( 533,708)  | ( 459,418)  | ( 568,628)  |
| Administrative expenses                                     |              | ( 156,797)   | ( 135,288)  | ( 511,346)  | ( 482,227)  | ( 786,671)  |
| Other operating expenses                                    |              | ( 171,313)   | ( 150,801)  | ( 437,506)  | ( 369,962)  | ( 487,532)  |
| Pension costs   |              | ( 89)  | ( 93)   | ( 257)  | ( 257)  | ( 1,957)  |
|   |              | <u>( 508,653)</u>  | <u>( 452,312)</u>   | <u>(1,482,817)</u>  | <u>(1,311,864)</u>  | <u>(1,844,788)</u>  |
| <b>Profit from operations before employee benefit asset</b> |              | <b>26,648</b>  | <b>85,933</b>   | <b>167,599</b>  | <b>69,582</b>   | <b>236,496</b>  |
| Employee benefit asset                                      | 4(d)         | <u>16,250</u>  | <u>37,591</u>   | <u>48,750</u>   | <u>112,773</u>  | <u>64,500</u>   |
| <b>Profit from operations after employee benefit asset</b>  |              | <b>42,898</b>  | <b>123,524</b>  | <b>216,349</b>  | <b>182,355</b>  | <b>300,996</b>  |
| Finance income  |              | 7,311  | 7,119   | 21,116  | 13,866  | 24,612  |
| Finance cost  |              | ( 8,610)   | ( 9,327)  | ( 21,634)   | ( 20,508)   | ( 25,194)   |
| Net finance cost  |              | <u>( 1,299)</u>  | <u>( 2,208)</u>   | <u>( 518)</u>   | <u>( 6,642)</u>   | <u>( 582)</u>   |
| Impairment provision  | 5            | <u>-</u>   | <u>-</u>  | <u>( 60,000)</u>  | <u>-</u>  | <u>( 201,406)</u>   |
| Subsidiaries in Administration/Liquidation                  |              | <u>-</u>   | <u>-</u>  | <u>-</u>  | <u>-</u>  | <u>94,131</u>   |
| <b>Profit before taxation</b>                               | 2            | <b>41,599</b>  | <b>121,316</b>  | <b>155,831</b>  | <b>175,713</b>  | <b>193,139</b>  |
| Taxation  |              | <u>( 14,111)</u>   | <u>( 60,023)</u>  | <u>( 48,619)</u>  | <u>( 58,573)</u>  | <u>( 94,935)</u>  |
| <b>Profit for the period/year</b>                           | 3            | <b><u>27,488</u></b>   | <b><u>61,293</u></b>  | <b><u>107,212</u></b>   | <b><u>117,140</u></b>   | <b><u>98,204</u></b>  |
| Attributable to:  |              |  |   |   |   |   |
| Parent company stockholders                                 |              | 25,901   | 55,503  | 103,673   | 109,527   | 94,705  |
| Minority interest   |              | <u>1,587</u>   | <u>5,790</u>  | <u>3,539</u>  | <u>7,613</u>  | <u>3,499</u>  |
|   |              | <u>27,488</u>  | <u>61,293</u>   | <u>107,212</u>  | <u>117,140</u>  | <u>98,204</u>   |
| Dealt with in the financial statements of:                  |              |  |   |   |   |   |
| Parent company  |              | ( 26,684)  | 45,277  | 155,104   | 118,686   | 151,549   |
| Subsidiary companies  |              | <u>52,585</u>  | <u>10,226</u>   | <u>( 51,431)</u>  | <u>( 9,159)</u>   | <u>( 56,844)</u>  |
|   |              | <u>25,901</u>  | <u>55,503</u>   | <u>103,673</u>  | <u>109,527</u>  | <u>94,705</u>   |
| Earnings per stock unit:<br>Based on stock units in issue   | 8            | 2.1¢   | 4.6¢  | 8.5¢  | 9.0¢  | 7.8¢  |

## Consolidated Balance Sheets

|  | Notes | GROUP<br>(Unaudited)<br>Nine Months<br>Sept 30, 2008<br>\$000's | GROUP<br>(Unaudited)<br>Nine Months<br>Sept 30, 2007<br>\$000's | GROUP<br>(Audited)<br>Twelve Months<br>Dec 31, 2007<br>\$000's |
|--|-------|---|---|--|
| <b>Assets</b>  |       |   |   |  |
| Property, plant and equipment  |       | 843,072   | 819,761   | 833,240  |
| Intangible assets  |       | 199,909   | 279,520   | 367,835  |
| Employee benefit asset   | 4(d)  | 867,929   | 864,590   | 819,179  |
| Long-term receivables  |       | -   | 688   | 1,788  |
| Investment in associates   |       | 150   | 150   | 150  |
| Investments  |       | 142,606   | 240,934   | 250,563  |
| Deferred tax assets  |       | <u>6,728</u>  | <u>7,332</u>  | <u>5,983</u>   |
| <b>Total non-current assets</b>  |       | <b><u>2,060,394</u></b>   | <b><u>2,212,975</u></b>   | <b><u>2,278,738</u></b>  |
| Cash and cash equivalents  |       | 111,507   | 113,484   | 68,043   |
| Trade and other receivables  |       | 749,129   | 694,748   | 752,523  |
| Prepayments  |       | 55,368  | 57,806  | 34,250   |
| Taxation recoverable   |       | 43,140  | 40,945  | 31,233   |
| Inventories and goods in-transit   |       | 514,244   | 511,464   | 435,413  |
| Securities purchased under agreements for resale                         |       | <u>170,965</u>  | <u>139,671</u>  | <u>75,534</u>  |
| <b>Total current assets</b>  |       | <b><u>1,644,353</u></b>   | <b><u>1,558,118</u></b>   | <b><u>1,396,996</u></b>  |
| <b>Total assets</b>  |       | <b><u>3,704,747</u></b>   | <b><u>3,771,093</u></b>   | <b><u>3,675,734</u></b>  |
| <b>Stockholders' equity</b>  |       |   |   |  |
| Share capital  |       | 605,622   | 605,622   | 605,622  |
| Reserves   |       | <u>1,770,285</u>  | <u>1,669,704</u>  | <u>1,791,689</u>   |
| <b>Total equity attributable to equity holders of the parent company</b> |       | <b>2,375,907</b>  | <b>2,275,326</b>  | <b>2,397,311</b>   |
| <b>Minority interest</b>   |       | <b><u>30,710</u></b>  | <b><u>31,285</u></b>  | <b><u>27,171</u></b>   |
| <b>Total equity</b>  |       | <b><u>2,406,617</u></b>   | <b><u>2,306,611</u></b>   | <b><u>2,424,482</u></b>  |
| <b>Liabilities</b>   |       |   |   |  |
| Long-term liabilities  |       | 51,277  | 40,245  | 74,180   |
| Employee benefit obligation  |       | 71,300  | 70,600  | 71,300   |
| Deferred tax liabilities   |       | <u>367,361</u>  | <u>356,293</u>  | <u>388,274</u>   |
| <b>Total non-current liabilities</b>                                     |       | <b><u>489,938</u></b>   | <b><u>467,138</u></b>   | <b><u>533,754</u></b>  |
| Bank overdraft   |       | 92,789  | 50,479  | 66,337   |
| Trade and other payables   |       | 665,932   | 914,180   | 597,781  |
| Taxation   |       | 388   | 229   | 10,768   |
| Current portion of long-term liabilities                                 |       | 20,110  | 18,054  | 25,305   |
| Deferred income  |       | <u>28,973</u>   | <u>14,402</u>   | <u>17,307</u>  |
| <b>Total current liabilities</b>   |       | <b><u>808,192</u></b>   | <b><u>997,344</u></b>   | <b><u>717,498</u></b>  |
| <b>Total liabilities</b>   |       | <b><u>1,298,130</u></b>   | <b><u>1,464,482</u></b>   | <b><u>1,251,252</u></b>  |
| <b>Total equity and liabilities</b>                                      |       | <b><u>3,704,747</u></b>   | <b><u>3,771,093</u></b>   | <b><u>3,675,734</u></b>  |
| Stockholders' equity per ordinary stock unit                             | 9     | 196.66¢   | 188.00¢   | 197.92¢  |

**GROUP STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**

**Period ended September 30, 2008**

|   | <b>Share<br/>Capital<br/>\$000's</b> | <b>Capital<br/>reserves<br/>\$000's</b> | <b>Fair value<br/>reserves<br/>\$000's</b> | <b>Reserve for<br/>own shares<br/>\$000's</b> | <b>Retained<br/>profits<br/>\$000's</b> | <b>Parent<br/>company<br/>equity<br/>\$000's</b> | <b>Minority<br/>interest<br/>\$000's</b> | <b>Total<br/>equity<br/>\$000's</b> |
|---|--------------------------------------|---|--|---|---|--|--|-------------------------------------|
| Balances at December 31, 2006   | 605,622                              | 493,132                                 | 77,877                                     | (169,506)                                     | 1,220,471                               | 2,227,596  | 23,672                                   | 2,251,268                           |
| Net profit for the period   | -                                    | -                                       | -  | -   | 109,527                                 | 109,527  | 7,613                                    | 117,140                             |
| Change in fair value of investments   | -                                    | -                                       | ( 8,391)                                   | -   | -                                       | ( 8,391)   | -  | ( 8,391)                            |
| Dividends paid (gross)  | -                                    | -                                       | -  | -   | ( 84,787)                               | ( 84,787)  | -  | ( 84,787)                           |
| Own shares acquired by the Gleaner Company<br>Limited Employee Investment Trust | -                                    | -                                       | -  | 24,354  | -                                       | 24,354   | -  | 24,354                              |
| Currency translation difference on foreign subsidiaries                         | -                                    | <u>7,027</u>                            | -  | -   | -                                       | <u>7,027</u>                                     | -  | <u>7,027</u>                        |
| Balances at September 30, 2007  | <u>605,622</u>                       | <u>500,159</u>                          | <u>69,486</u>                              | <u>(145,152)</u>                              | <u>1,245,211</u>                        | <u>2,275,326</u>                                 | <u>31,285</u>                            | <u>2,306,611</u>                    |
| Balances at December 31, 2007   | 605,622                              | 598,868                                 | 107,665                                    | (150,375)                                     | 1,235,531                               | 2,397,311  | 27,171                                   | 2,424,482                           |
| Net profit for the period   | -                                    | -                                       | -  | -   | 103,673                                 | 103,673  | 3,539                                    | 107,212                             |
| Change in fair value of investments   | -                                    | -                                       | ( 81,016)                                  | -   | -                                       | ( 81,016)  | -  | ( 81,016)                           |
| Dividends paid (gross)  | -                                    | -                                       | -  | -   | ( 42,394)                               | ( 42,394)  | -  | ( 42,394)                           |
| Own shares acquired by the Gleaner Company<br>Limited Employee Investment Trust | -                                    | -                                       | -  | ( 46,892)                                     | -                                       | ( 46,892)  | -  | ( 46,892)                           |
| Currency translation difference on foreign subsidiaries                         | -                                    | <u>45,225</u>                           | -  | -   | -                                       | <u>45,225</u>                                    | -  | <u>45,225</u>                       |
| Balances at September 30, 2008  | <u>605,622</u>                       | <u>644,093</u>                          | <u>26,649</u>                              | <u>(197,267)</u>                              | <u>1,296,810</u>                        | <u>2,375,907</u>                                 | <u>30,710</u>                            | <u>2,406,617</u>                    |

**CONSOLIDATED CASH FLOW STATEMENT**  
**AT SEPTEMBER 30, 2008**  
**(UNAUDITED)**

|   | GROUP<br>(Unaudited)<br>Nine Months<br>Sept. 30, 2008<br>\$000's | GROUP<br>(Unaudited)<br>Nine Months<br>Sept. 30, 2007<br>\$000's | GROUP<br>(Audited)<br>Twelve Months<br>Dec 31, 2007<br>\$000's |
|---|--|--|--|
| <b>Cash Flow from operating activities</b>            |  |  |  |
| Net profit attributable to stockholders               | 103,673  | 109,527  | 94,705   |
| Adjustment for non-cash items                         | <u>65,706</u>  | <u>( 39,723)</u>   | <u>117,818</u>   |
|   | 169,379  | 69,804   | 212,523  |
| <b>Change in working capital</b>                      | <u>(109,475)</u>   | <u>116,631</u>   | <u>(108,388)</u>   |
| Net cash generated by operating activities            | 59,904   | 186,435  | 104,135  |
| Net cash provided/(used) in investing activities      | 29,504   | ( 55,381)  | ( 99,661)  |
| Net cash used in financing activities                 | <u>( 72,396)</u>   | <u>( 88,489)</u>   | <u>( 23,208)</u>   |
| Increase /(decrease) in cash and cash equivalents     | 17,012   | 42,565   | ( 18,734)  |
| Cash and cash equivalents at beginning of period/year | <u>1,706</u>   | <u>20,440</u>  | <u>20,440</u>  |
| Cash and cash equivalents at end of period/year       | <u><u>18,718</u></u>   | <u><u>63,005</u></u>   | <u><u>1,706</u></u>  |
| <b>Comprised of:</b>                                  |  |  |  |
| Cash and cash equivalents                             | 111,507  | 113,484  | 68,043   |
| Bank overdraft  | <u>( 92,789)</u>   | <u>( 50,479)</u>   | <u>( 66,337)</u>   |
|   | <u><u>18,718</u></u>   | <u><u>63,005</u></u>   | <u><u>1,706</u></u>  |

## Notes to the Interim Financial Report

We hereby present the Report of the Group for the nine months ended September 30, 2008.

### 1. Segment Reporting

Segment information is presented in respect of the Group's business. The primary format for the business segments is based on the Group's reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

**\*The main business segments of the group comprise:**

|   | <u>Media</u>           |                        | <u>Books and Stationery</u> |                        | <u>Other</u>           |                        | <u>Total</u>           |                        |
|---|------------------------|------------------------|-----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|   | <u>2008</u><br>\$000's | <u>2007</u><br>\$000's | <u>2008</u><br>\$000's      | <u>2007</u><br>\$000's | <u>2008</u><br>\$000's | <u>2007</u><br>\$000's | <u>2008</u><br>\$000's | <u>2007</u><br>\$000's |
| Turnover  | <u>2,518,945</u>       | <u>2,363,577</u>       | <u>655,072</u>              | <u>764,890</u>         | <u>8,052</u>           | <u>21,241</u>          | <u>3,182,069</u>       | <u>3,149,708</u>       |
| Profit/(loss) from operations                         | 189,294                | 124,145                | 27,888                      | 61,157                 | ( 833)                 | ( 2,947)               | 216,349                | 182,355                |
| Net finance cost                                      | -                      | -                      | -                           | -                      | -                      | -                      | ( 518)                 | ( 6,642)               |
| Impairment provision                                  | -                      | -                      | -                           | -                      | -                      | -                      | ( 60,000)              | -                      |
| Profit before taxation                                | -                      | -                      | -                           | -                      | -                      | -                      | 155,831                | 175,713                |
| Taxation  | -                      | -                      | -                           | -                      | -                      | -                      | ( 48,619)              | ( 58,573)              |
| Profit after taxation                                 | -                      | -                      | -                           | -                      | -                      | -                      | 107,212                | 117,140                |
| Minority interest                                     | -                      | -                      | -                           | -                      | -                      | -                      | ( 3,539)               | ( 7,613)               |
| Profit attributable to Stockholders of parent company | -                      | -                      | -                           | -                      | -                      | -                      | <u>103,673</u>         | <u>109,527</u>         |
| Segment assets  | <u>3,012,949</u>       | <u>2,898,415</u>       | <u>612,729</u>              | <u>772,171</u>         | <u>79,069</u>          | <u>100,507</u>         | <u>3,704,747</u>       | <u>3,771,093</u>       |
| Segment liabilities                                   | <u>550,438</u>         | <u>554,363*</u>        | <u>289,042</u>              | <u>458,240</u>         | <u>19,989</u>          | <u>24,986</u>          | <u>859,469</u>         | <u>1,037,589*</u>      |
| Capital expenditure                                   | <u>25,592</u>          | <u>44,363</u>          | <u>6,238</u>                | <u>4,141</u>           | -                      | -                      | <u>31,830</u>          | <u>48,504</u>          |
| Depreciation and amortisation                         | <u>60,516</u>          | <u>44,481</u>          | <u>6,377</u>                | <u>6,433</u>           | <u>3,675</u>           | <u>3,720</u>           | <u>70,568</u>          | <u>54,634</u>          |

*\*Restated to conform to 2008 presentation*

## Notes to the Interim Financial Report (cont'd)

2. Group Financial Accounts for the nine months ended September 30, 2008; show, a profit before taxation of approximately \$162M (2007: \$176M).
3. The Group Profit, after taxation and minority interest, for the nine months of 2008 was approximately \$113M compared with a profit of approximately \$117M for the same period last year.
4. In comparing the financial statements for the nine-month period ended September 30, 2008, with those of previous year, the following should be noted: -
  - (a) Revenue increased by approximately \$32M or 1% for the period. Cost of sales remained approximately the same as last year because of improved productivity.
  - (b) Revenue for the quarter ended 2008 September 30 was below owing to:
    - i. A reduction in income from the contract received by Sangster's Book Stores Limited under the Ministry of Education's Secondary School Textbook Project - \$9M (2007 - \$173M).
    - ii. Lower Jamaican revenue from the UK subsidiary, the result of the revaluation of the Jamaican Dollar against the Pound.

In analysing the revenue for the period, it is to be noted that the revenue without those generated by the Secondary School Textbook Project income would have been increased by 7%.

  - (c) Other operating income of \$202M (2007: \$44M) includes profit on sale of Lascelles DeMercado shares to Angostura.
  - (d) Employee benefit asset of \$49M (2007: \$112.8M) represents a portion of the surplus in the pension scheme which, in accordance with IAS 19, has been credited to the group income statements. The surplus is, however, not realised profit as it represents future economic benefits to be derived from the reduction in the company's contribution to the pension scheme (See also Balance Sheet item of approximately \$868M (2007: \$865M).
5. Provision was made for impairment losses in respect of our U.K. investment.
6. The Group Financial Statements for the six months ended September 30, 2008, include the Company's twelve (2007: thirteen) subsidiaries – Associated Enterprise Limited, Popular Printers Limited, Sangster's Book Stores Limited, The Book Shop Limited, The Gleaner Online Limited, Selectco Publications Limited, Independent Radio Company Limited, Creek Investment Limited and overseas subsidiaries, The Gleaner Company (U.S.A.) Limited, The Gleaner Company (Canada) Incorporated, GV Media Group Limited (*formerly the Gleaner Company (UK) Limited*), and The Voice Group.
7. Revenue represents sales by the Group before commission payable but excluding returns.
8. The calculations of earnings per stock unit are arrived at by dividing profit after taxation attributable to parent company stockholders by 1,211,243,827 stock units that is the number of stock units in issue at the end of the period/year.
9. The calculations of stockholders' equity per ordinary stock unit for 2008 and 2007 are arrived at by dividing capital and reserves by 1,211,243,827 stock units.

## Notes to the Interim Financial Report (Cont'd)

### Dividend and Stock Prices

For 2008, your directors approved the payment of a 1st Interim Ordinary Dividend of 3.5 cents per stock unit payable to stockholders on record at March 20, 2008. Payment was made on April 5, 2008.

A 2<sup>nd</sup> Interim Ordinary Dividend of 3.5 cents per stock unit was paid on October 10, 2008 to stockholders on record at September 30, 2008.

The Company's stock unit price on the Jamaica Stock Exchange at September 30, 2008 was \$2.05; the opening price at January 1, 2008 was \$4.30.

### Libel Cases

The Company's lawyers advised that they are of the opinion that the provision made in the Company's accounts is a reasonable provision for the purpose of covering all reasonable and probable judgements and costs for existing libel actions against the Company.

On behalf of the Board



Hon. O. F. Clarke, O.J.

**Chairman and Managing Director**



C. R. Bourne

**Company Secretary**

November 21, 2008