

TO: THE STOCKHOLDERS OF

THE GLEANER COMPANY LIMITED
CONSOLIDATED NINE MONTHS INTERIM FINANCIAL REPORT AT SEPTEMBER 30, 2010

<u>Group Income Statements</u>	Notes	Unaudited Nine Months Sept. 30, 2010 \$000's	Unaudited Nine Months Sept. 30, 2009* \$000's	Unaudited Three Months Sept. 30, 2010 \$000's	Unaudited Three Months Sept. 30, 2009* \$000's	Audited Twelve Months Dec. 31, 2009 \$000's
Revenue	5(a), 7	2,408,575	2,442,604	800,233	813,175	3,274,179
Cost of sales		(1,145,741)	(1,193,255)	(391,982)	(406,157)	(1,620,797)
Gross profit		1,262,834	1,249,349	408,251	407,018	1,653,382
Other operating income	5(b)	<u>37,382</u>	<u>69,388</u>	<u>22,596</u>	<u>37,275</u>	<u>176,513</u>
		<u>1,300,216</u>	<u>1,318,737</u>	<u>430,847</u>	<u>444,293</u>	<u>1,829,895</u>
Distribution costs		(433,364)	(438,256)	(145,883)	(139,282)	(538,757)
Administrative expenses		(409,317)	(431,270)	(97,609)	(118,777)	(717,628)
Other operating expenses		(306,821)	(385,169)	(124,982)	(189,764)	(538,646)
Pension costs	5(d)	(3,557)	(480)	(3,421)	(160)	(93)
		<u>(1,153,059)</u>	<u>(1,255,175)</u>	<u>(371,895)</u>	<u>(447,982)</u>	<u>(1,795,124)</u>
Employee benefit asset	5(c)	-	(300)	-	(100)	(39,000)
Profit/(loss) from continuing operations		<u>147,157</u>	<u>63,262</u>	<u>58,952</u>	<u>(3,790)</u>	<u>(4,229)</u>
Finance income		19,041	4,510	6,179	4,486	19,665
Finance cost		(10,430)	(13,918)	(5,155)	(5,633)	(13,614)
Net finance income/(cost)		8,611	(9,408)	1,024	(1,147)	6,051
Impairment losses		-	(17,688)	-	(17,688)	-
Profit/(loss) from continuing operations before pension income	10	155,768	36,166	59,976	(22,625)	1,822
Pension income	5(c)	<u>495,100</u>	-	<u>514,600</u>	-	-
Profit/(loss) from continuing operations		650,868	36,166	574,576	(22,625)	1,822
Taxation (charge)/credit		(165,016)	(9,545)	(154,287)	(6,673)	158,552
Profit/(loss) from continuing operations after taxation		485,852	26,621	420,289	(29,298)	160,374
Profit from discontinued operations	2(b)	-	<u>26,125</u>	-	<u>69,740</u>	<u>47,806</u>
Profit for the period/year	4	<u>485,852</u>	<u>52,746</u>	<u>420,289</u>	<u>40,442</u>	<u>208,180</u>
Attributable to:						
Parent company stockholders		487,910	52,612	421,696	41,155	224,007
Minority interest		(2,058)	134	(1,407)	(713)	(15,827)
		<u>485,852</u>	<u>52,746</u>	<u>420,289</u>	<u>40,442</u>	<u>208,180</u>
Dealt with in the financial statements of:						
Parent company		421,597	68,736	374,166	61,888	482,349
Subsidiary companies		<u>66,313</u>	(16,124)	<u>47,530</u>	(20,733)	(258,342)
		<u>487,910</u>	<u>52,612</u>	<u>421,696</u>	<u>41,155</u>	<u>224,007</u>
Earnings per stock unit:						
Based on stock units in issue	8	<u>40.28¢</u>	<u>4.34¢</u>	<u>34.78¢</u>	<u>3.39¢</u>	<u>18.49¢</u>
Earnings/(losses) per stock unit from continuing operations						
Based on stock units in issue		<u>40.11¢</u>	<u>2.19¢</u>	<u>34.70¢</u>	(2.41¢)	<u>14.55¢</u>
Earnings per stock unit from discontinued operations	8	<u>-</u>	<u>2.16¢</u>	<u>-</u>	<u>5.76¢</u>	<u>3.94¢</u>

The accompanying notes form an integral part of the financial statements

* Restated to exclude discontinued operations [See note 2(b)]

THE GLEANER COMPANY LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

Nine Months ended September 30, 2010

	Nine Months Sept. 30, 2010 \$000's	Nine Months Sept. 30, 2009 \$000's	Three Months Sept. 30, 2010 \$000's	Three Months Sept. 30, 2009 \$000's
Profit for the period	485,852	52,746	420,289	40,442
Other comprehensive income/(expense):				
Currency translation differences on foreign subsidiaries	(36,293)	52,704	(14,646)	125,475
Fair value gain/(loss) on available-for-sale investments	6,703	(1,275)	(13,891)	(1,340)
Income tax on other comprehensive income	(2,234)	<u>425</u>	<u>4,630</u>	<u>447</u>
Other comprehensive (expense)/income for the period, net of taxes	<u>(31,824)</u>	<u>51,854</u>	<u>(23,907)</u>	<u>124,582</u>
Total comprehensive income for the period	<u>454,028</u>	<u>104,600</u>	<u>396,382</u>	<u>165,024</u>
Dealt with in the financial statement of:				
Parent company	456,086	104,466	399,812	165,737
Minority interest	(2,058)	<u>134</u>	(3,430)	(713)
Total comprehensive income for the period	<u>454,028</u>	<u>104,600</u>	<u>396,382</u>	<u>165,024</u>

THE GLEANER COMPANY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT SEPTEMBER 30, 2010

	Notes	Unaudited Nine Months Sept. 30, 2010 \$000's	Unaudited Nine Months Sept. 30, 2009 \$000's	Audited Twelve Months December 31, 2009 \$000's
Assets				
Property, plant and equipment		858,490	1,029,259	870,550
Intangible assets		8,100	-	8,616
Employee benefit asset	5(c)	-	843,568	782,900
Long-term receivables		70,091	150	70,947
Interests in associates		150	150	150
Investments		348,407	81,138	137,064
Deferred tax assets		8,766	7,185	13,696
Total non-current assets		<u>1,294,002</u>	<u>1,961,300</u>	<u>1,883,923</u>
Cash and cash equivalents		65,089	74,089	70,923
Securities purchased under resale agreements		245,302	140,839	135,046
Trade and other receivables	5(c)	1,790,670	517,432	819,450
Prepayments		60,450	63,051	34,339
Taxation recoverable		90,903	88,985	89,923
Inventories and goods in-transit		95,846	494,303	132,028
Total current assets		<u>2,348,261</u>	<u>1,378,699</u>	<u>1,281,709</u>
Total assets		<u>3,642,263</u>	<u>3,339,999</u>	<u>3,165,632</u>
Equity				
Share capital		605,622	605,622	605,622
Reserves		1,793,171	1,455,602	1,417,546
Total equity attributable to equity holders of the parent company		2,398,793	2,061,224	2,023,168
Minority interest		<u>13,234</u>	<u>31,253</u>	<u>15,292</u>
Total equity		<u>2,412,027</u>	<u>2,092,477</u>	<u>2,038,460</u>
Liabilities				
Long-term liabilities		30,783	24,912	40,105
Employee benefit obligation		96,200	89,150	96,200
Deferred tax liabilities		478,193	313,750	312,353
Total non-current liabilities		<u>605,176</u>	<u>427,812</u>	<u>448,658</u>
Bank overdraft		31,901	23,961	15,744
Trade and other payables		566,943	762,300	606,998
Taxation		382	532	4,681
Current portion of long-term liabilities			6,748	7,213
Deferred income		25,834	26,169	43,878
Total current liabilities		<u>625,060</u>	<u>819,710</u>	<u>678,514</u>
Total liabilities		<u>1,230,236</u>	<u>1,247,522</u>	<u>1,127,172</u>
Total equity and liabilities		<u>3,642,263</u>	<u>3,339,999</u>	<u>3,165,632</u>
Stockholders' equity per ordinary stock unit	9	184.42¢	170.17¢	167.03¢

The accompanying notes form an integral part of the financial statements.

THE GLEANER COMPANY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited)

Nine Months ended September 30, 2010

	Share capital \$000's	Capital reserves \$000's	Fair value reserves \$000's	Reserve for own shares \$000's	Retained profits \$000's	Total \$000's	Minority interest \$000's	Total equity \$000's
Balances at January 1, 2009	605,622	840,880	58,001	(197,226)	705,721	2,012,998	31,119	2,044,117
Total comprehensive (expense)/income for the period	-	52,704	(850)	-	52,612	104,466	134	104,600
Dividend paid (gross)	-	-	-	-	(42,394)	(42,394)	-	(42,394)
Own shares sold in The Gleaner Company Limited Employee Investment Trust (GCLEIT)	_____ -	_____ -	_____ -	(13,846)	_____ -	(13,846)	_____ -	(13,846)
Balances at September 30, 2009	<u>605,622</u>	<u>893,584</u>	<u>57,151</u>	<u>(211,072)</u>	<u>715,939</u>	<u>2,061,224</u>	<u>31,253</u>	<u>2,092,477</u>
Balances at January 1, 2010	605,622	736,116	5,892	(191,422)	866,960	2,023,168	15,292	2,038,460
Total comprehensive (expense)/income for the period	-	(36,293)	4,469	-	487,910	456,086	(2,058)	454,028
Dividends paid (gross)	-	-	-	-	(60,562)	(60,562)	-	(60,562)
Own shares acquired in The Gleaner Company Limited Employee Investment Trust (GCLEIT)	_____ -	_____ -	_____ -	(19,899)	_____ -	(19,899)	_____ -	(19,899)
Balances at September 30, 2010	<u>605,622</u>	<u>699,823</u>	<u>10,361</u>	<u>(211,321)</u>	<u>1,294,308</u>	<u>2,398,793</u>	<u>13,234</u>	<u>2,412,027</u>

The accompanying notes form an integral part of the financial statements.

THE GLEANER COMPANY LIMITED
STATEMENT OF CASH FLOWS

	Unaudited Nine Months Sept. 30, 2010 \$000's	Unaudited Nine Months Sept. 30, 2009 \$000's	Audited Twelve Months December 31, 2009 \$000's
Cash flow from operating activities			
Profit for the period/year	487,910	52,612	208,180
Adjustment for non-cash items	<u>(443,498)</u>	<u>60,701</u>	<u>(156,679)</u>
	44,412	113,313	51,501
Change in working capital	<u>(109,027)</u>	<u>(61,388)</u>	<u>(284,490)</u>
Net cash provided/(used) by operating activities	(64,615)	51,935	(232,989)
Net cash (used)/provided by investing activities	107,834	(3,847)	264,243
Net cash provided/(used) in financing activities	<u>(65,210)</u>	<u>(58,178)</u>	<u>(54,606)</u>
Net decrease in cash and cash equivalents	(21,991)	(10,100)	(23,352)
Cash and cash equivalents at beginning of period/year	<u>55,179</u>	<u>60,228</u>	<u>78,531</u>
Cash and cash equivalents at end of period/year	<u>33,188</u>	<u>50,128</u>	<u>55,179</u>
Comprised of:			
Cash and cash equivalents	65,089	74,089	70,923
Bank overdraft	<u>(31,901)</u>	<u>(23,961)</u>	<u>(15,744)</u>
	<u>33,188</u>	<u>50,128</u>	<u>55,179</u>

The accompanying notes form an integral part of the financial statements.

Notes to the Interim Financial Report

We hereby present the unaudited financial report of the Group for the Nine Months ended September 30, 2010.

1. Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and comply with the provisions of the Jamaican Companies Act.

The accounting policies followed in these interim financial statements are consistent with those in the audited financial statement for the year ended December 31, 2009.

2. Segment reporting

The Group now has two reportable segments, as books and stationery was discontinued in 2009. These are: -

- (a) Media services which include the print and electronic media businesses
- (b) Other which includes management services, publication of books and those that do not meet any of the quantitative thresholds for determining reportable segments in 2009 and 2010

Management monitors the operating results of business segments separately for the purpose of making decisions about resources to be allocated and the assessing of performances. Finance cost, finance income and income taxes are managed on an individual basis.

	Continuing operations						Discontinued operations	
	Media service		Other		Total		Books and stationery	
	Sept. 2010 \$'000	Sept. 2009 \$'000	Sept. 2010 \$'000	Sept. 2009 \$'000	Sept. 2010 \$'000	Sept. 2009 \$'000	Sept. 2010 \$'000	Sept. 2009 \$'000
External revenues	<u>2,366,189</u>	<u>2,435,663</u>	<u>42,386</u>	<u>6,941</u>	<u>2,408,575</u>	<u>2,442,604</u>	<u>-</u>	<u>754,601</u>
Segment profit/(loss) before taxation	<u>655,001</u>	<u>38,133</u>	<u>(4,133)</u>	<u>(6,891)</u>	<u>650,868</u>	<u>31,242</u>	<u>-</u>	<u>44,109</u>
Finance income	<u>19,041</u>	<u>4,510</u>	<u>-</u>	<u>-</u>	<u>19,041</u>	<u>4,510</u>	<u>-</u>	<u>-</u>
Finance costs	<u>(10,363)</u>	<u>(13,888)</u>	<u>(67)</u>	<u>(30)</u>	<u>(10,430)</u>	<u>(13,918)</u>	<u>-</u>	<u>(4,924)</u>
Depreciation and amortisation	<u>51,602</u>	<u>36,117</u>	<u>-</u>	<u>-</u>	<u>51,602</u>	<u>36,117</u>	<u>-</u>	<u>5,302</u>
Reportable segment assets	<u>3,456,315</u>	<u>2,485,626</u>	<u>185,948</u>	<u>147,891</u>	<u>3,642,263</u>	<u>2,633,517</u>	<u>-</u>	<u>706,482</u>
Reportable segment liabilities	<u>1,144,101</u>	<u>847,903</u>	<u>86,135</u>	<u>24,924</u>	<u>1,230,236</u>	<u>872,827</u>	<u>-</u>	<u>374,695</u>
Capital expenditure	<u>40,358</u>	<u>26,710</u>	<u>-</u>	<u>-</u>	<u>40,358</u>	<u>26,710</u>	<u>-</u>	<u>1,526</u>

Notes to the Interim Financial Report (Cont'd)

3. Group Financial Accounts for the nine months ended September, 2010 show a profit from continuing operations before taxation of approximately \$651M (2009: \$36M). This includes pension income of \$495M.
4. The Group profit for the nine months of 2010 was approximately \$486M compared with a profit of approximately \$27M for the same period last year.
5. In comparing the financial statements for the nine-month period ended September 30, 2010, with those of restated comparative period, the following should be noted: -

- (a) Revenue decreased by approximately \$34M or 1% for the period.
- (b) Other operating income of \$37M (2009: \$69M) includes interest income and loss on exchange.
- (c) The company's Defined Benefits Pension Fund was discontinued on July 15, 2010. The surplus in the Fund will be used to enhance member benefits and the balance after the enhancement will be divided equally between the company and members of the fund. The effect of this is that members will benefit from 54% of the surplus and the company 46%. The company's portion of the surplus is \$1.3B; this is shown on the balance sheet in trade and other receivables.

The company's income statement reflects a pension income of \$495M (surplus \$1.3B less amounts previously shown as employee benefit assets of \$783M). The Company has requested and is awaiting approval from the Financial Services Commission for the proposed scheme of surplus distribution.

The company's Deferred Contribution Pension Fund commenced on May 1, 2010.

6. The Group Financial Statements for the nine months ended September 30, 2010, include the Company's ten (2009: eleven) subsidiaries – Associated Enterprise Limited, Popular Printers 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, and GV Media Group Limited.
7. Revenue represents sales by the Group before commission payable but excluding returns.
8. The calculations of (losses)/earnings per stock unit are arrived at by dividing profit after taxation attributable to the parent company's 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 2010 and 2009 are arrived at by dividing capital and reserves by 1,211,243,827 stock units.
10. Reconciliation of Trading profit: -

	Sept. 2010	Sept. 2009
	\$M	\$M
Profit before tax	651	36
Pension Income	(495)	-
Impairment	—	<u>17</u>
Trading profit	<u>156</u>	<u>53</u>

After adjusting for changes in employee benefit asset, trading profit was \$156M to September 2010 versus \$53M for 2009.

11. There were no impairment losses for the period (2009: \$17.7M).

Notes to the Interim Financial Report (Cont'd)

12. Dividend and stock prices

For 2010, your directors approved the payment of a 1st Interim Ordinary Dividend of 5 cents per stock unit payable to stockholders on record at January 29, 2010. Payment was made on February 8, 2010.

Your directors approved the payment of a 2nd Interim Ordinary Dividend of 2 cents per stock unit payable to stockholders on record at September 17, 2010. Payment was made on October 11, 2010.

The Company's stock unit price on the Jamaica Stock Exchange at September 30, 2010 was \$1.40; the opening price at January 1, 2010 was \$1.16.

13. 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., JP, LL.D. (Hon)
Chairman and Managing Director



C. N. Barnes
Deputy Managing Director

November 11, 2010