

CONSOLIDATED GROUP INCOME STATEMENT FOR NINE MONTHS ENDED SEPTEMBER 30, 2011

	Notes	GROUP (Unaudited) Nine Month September 2011 \$000's	GROUP (Unaudited) Nine Months September 2010 \$000's	GROUP (Unaudited) Three Months September 2011 \$000's	GROUP (Unaudited) Three Months September 2010 \$000's	GROUP (Audited) Twelve Months ended Dec 31, 2010 \$000's
Revenue	5(a), 7	2,427,796	2,408,575	795,403	800,233	3,187,725
Cost of sales		<u>(1,191,723)</u>	<u>(1,145,741)</u>	<u>(419,204)</u>	<u>(391,982)</u>	<u>(1,704,122)</u>
Gross profit		1,236,073	1,262,834	376,199	408,251	1,483,603
Other operating income	5(b)	<u>25,950</u>	<u>37,382</u>	<u>9,323</u>	<u>22,596</u>	<u>210,029</u>
		<u>1,262,023</u>	<u>1,300,216</u>	<u>385,522</u>	<u>430,847</u>	<u>1,693,632</u>
Distribution costs		(430,955)	(433,364)	(142,264)	(145,883)	(473,595)
Administrative & utilities expenses		(435,057)	(409,317)	(112,750)	(97,609)	(583,054)
Other operating expenses		(293,678)	(306,821)	(112,698)	(124,982)	(511,616)
Pension costs		<u>(12,887)</u>	<u>(3,557)</u>	<u>(4,704)</u>	<u>(3,421)</u>	<u>(4,188)</u>
		<u>(1,172,577)</u>	<u>(1,153,059)</u>	<u>(372,416)</u>	<u>(371,895)</u>	<u>(1,572,453)</u>
Employee benefit asset	5(c)		495,100		514,600	494,400
Employee benefit obligation	5(c)	<u>(8,775)</u>	<u>-</u>	<u>(2,925)</u>	<u>-</u>	<u>(26,200)</u>
		<u>(8,775)</u>	<u>495,100</u>	<u>(2,925)</u>	<u>514,600</u>	<u>468,200</u>
Profit from operations		<u>80,671</u>	<u>642,257</u>	<u>10,181</u>	<u>573,552</u>	<u>589,379</u>
Finance income	5(d)	164,187	19,041	39,433	6,179	39,785
Finance cost		<u>(10,528)</u>	<u>(10,430)</u>	<u>(3,393)</u>	<u>(5,155)</u>	<u>(8,629)</u>
Net finance income		<u>153,659</u>	<u>8,611</u>	<u>36,040</u>	<u>1,024</u>	<u>31,156</u>
Profit before taxation charge	3, 9	234,330	650,868	46,221	574,576	620,535
Taxation charge		<u>(58,582)</u>	<u>(165,016)</u>	<u>(13,017)</u>	<u>(154,287)</u>	<u>(189,836)</u>
Profit for the period/year		<u>175,748</u>	<u>485,852</u>	<u>33,204</u>	<u>420,289</u>	<u>430,699</u>
Attributable to:						
Parent company stockholders		175,748	487,910	33,204	421,696	431,845
Non-controlling interest		<u>-</u>	<u>(2,058)</u>	<u>-</u>	<u>(1,407)</u>	<u>(1,146)</u>
		<u>175,748</u>	<u>485,852</u>	<u>33,204</u>	<u>420,289</u>	<u>430,699</u>
Dealt with in the financial statements of:						
Parent company		156,267	421,597	5,227	374,166	416,374
Subsidiary companies		<u>19,481</u>	<u>66,313</u>	<u>27,977</u>	<u>47,530</u>	<u>15,471</u>
		<u>175,748</u>	<u>487,910</u>	<u>33,204</u>	<u>421,696</u>	<u>431,845</u>
Earnings per stock unit:						
Based on stock units in issue	8	<u>14.50¢</u>	<u>40.28¢</u>	<u>2.74¢</u>	<u>34.78¢</u>	<u>35.65¢</u>

THE GLEANER COMPANY LIMITED

(Unaudited)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Nine months ended September 30, 2011

	Nine Months September 2011 \$000's	Nine Months September 2010 \$000's	Three Months September 2011 \$000's	Three Months September 2010 \$000's
Profit for the period	<u>175,748</u>	<u>485,852</u>	<u>33,204</u>	<u>420,289</u>
Other comprehensive income/(expense):				
Change in fair value of available-for-sale investments	3,563	6,703	(14,842)	(14,646)
Currency translation differences on foreign subsidiaries	7,614	(36,293)	(1)	(13,891)
Taxation on other comprehensive income	<u>(1,188)</u>	<u>(2,234)</u>	<u>-</u>	<u>4,630</u>
Other comprehensive income/(expense) for the period, net of taxation	<u>9,989</u>	<u>(31,824)</u>	<u>(14,843)</u>	<u>(23,907)</u>
Total comprehensive income for the period	<u>185,737</u>	<u>454,028</u>	<u>18,361</u>	<u>396,382</u>
Total comprehensive income attributable to:				
Owners of the parent	185,737	456,086	18,361	399,812
Non-controlling interest	<u>-</u>	<u>(2,058)</u>	<u>-</u>	<u>(3,430)</u>
Total comprehensive income for the period	<u>185,737</u>	<u>454,028</u>	<u>18,361</u>	<u>396,382</u>

THE GLEANER COMPANY LIMITED
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT SEPTEMBER 30, 2011

	Notes	GROUP (Unaudited) Nine Months September 30, 2011 \$000's	GROUP (Unaudited) Nine Months September 30, 2010 \$000's	GROUP (Audited) Twelve Months Dec 31, 2010 \$000's
Assets				
Property, plant and equipment		907,596	858,490	903,407
Intangible assets		5,810	8,100	7,638
Long-term receivables		42,035	70,091	42,910
Interest in associates		150	150	150
Investments		94,663	348,407	228,171
Deferred tax assets		<u>9,333</u>	<u>8,766</u>	<u>9,335</u>
Total non-current assets		<u>1,059,587</u>	<u>1,294,002</u>	<u>1,191,611</u>
Cash and cash equivalents		57,936	65,089	125,936
Securities purchased under agreement for resale		204,917	245,302	252,896
Trade and other receivables		500,467	513,370	556,147
Prepayments		55,647	60,450	32,050
Taxation recoverable		98,498	90,903	98,568
Inventories and goods in-transit		159,875	95,846	88,063
Pension receivable	5(c)	<u>1,421,318</u>	<u>1,277,300</u>	<u>1,277,300</u>
Total current assets		<u>2,498,658</u>	<u>2,348,261</u>	<u>2,430,960</u>
Total assets		<u>3,558,245</u>	<u>3,642,263</u>	<u>3,622,571</u>
Equity				
Share capital		605,622	605,622	605,622
Reserves		<u>1,756,166</u>	<u>1,793,171</u>	<u>1,851,333</u>
Total equity attributable to equity holders of the parent company		<u>2,361,788</u>	<u>2,398,793</u>	<u>2,456,955</u>
Non-controlling interest		<u>-</u>	<u>13,234</u>	<u>-</u>
Total equity		<u>2,361,788</u>	<u>2,412,027</u>	<u>2,456,955</u>
Liabilities				
Long-term liabilities		30,635	30,783	40,534
Employee benefit obligation	5(c)	129,675	96,200	120,900
Deferred tax liabilities		<u>513,920</u>	<u>478,193</u>	<u>506,501</u>
Total non-current liabilities		<u>674,230</u>	<u>605,176</u>	<u>667,935</u>
Bank overdraft		32,206	31,901	9,076
Trade and other payables		459,943	562,799	436,421
Taxation		416	382	197
Current portion of long-term liabilities		4,731	4,144	6,626
Deferred income		<u>24,931</u>	<u>25,834</u>	<u>45,361</u>
Total current liabilities		<u>522,227</u>	<u>625,060</u>	<u>497,681</u>
Total liabilities		<u>1,196,457</u>	<u>1,230,236</u>	<u>1,165,616</u>
Total equity and liabilities		<u>3,558,245</u>	<u>3,642,263</u>	<u>3,622,571</u>

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

THE GLEANER COMPANY LIMITED

CONFIDENTIAL

(Unaudited)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Nine months ended September 30, 2011

	Share capital	Capital reserves	Fair Value reserves	Reserve for own shares	Retained profits	Total	Non-controlling interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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 income/(expense) for the year	-	(36,293)	4,469	-	487,910	456,086	(2,058)	454,028
Dividends	-	-	-	-	(60,562)	(60,562)	-	(60,562)
Own shares sold by 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>
Balances at January 1, 2011	605,622	804,663	21,635	(183,295)	1,208,330	2,456,955	-	2,456,955
Total comprehensive income for the year	-	7,614	2,375	-	175,748	185,737	-	185,737
Dividends paid (gross)	-	-	-	-	(302,811)	(302,811)	-	(302,811)
Own shares sold by Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	21,907	-	21,907	-	21,907
Balances at September 30, 2011	<u>605,622</u>	<u>812,277</u>	<u>24,010</u>	<u>(161,388)</u>	<u>1,081,267</u>	<u>2,361,788</u>	<u>-</u>	<u>2,361,788</u>

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

THE GLEANER COMPANY LIMITED
STATEMENT OF CASH FLOWS
Nine Months ended September 30, 2011
(Unaudited)

	GROUP (Unaudited) Nine Months September 30, 2011 \$000's	GROUP (Unaudited) Nine Months September 30, 2010 \$000's	GROUP (Audited) Twelve Months December 31 2010 \$000's
Cash Flow from operating activities			
Profit for the period/year	175,748	485,852	430,699
Adjustment for non-cash items	<u>70,600</u>	<u>(441,440)</u>	<u>(179,587)</u>
	246,348	44,412	251,112
Change in working capital	<u>(113,124)</u>	<u>(109,027)</u>	<u>(30,848)</u>
Net cash provided by operating activities	133,224	(64,615)	220,264
Net cash provided /(used) by investing activities	84,212	107,834	(92,513)
Net cash used by financing activities	<u>(308,566)</u>	<u>(65,210)</u>	<u>(66,070)</u>
Net decrease in cash and cash equivalents	(91,130)	(21,991)	61,681
Cash and cash equivalents at beginning of period	<u>116,860</u>	<u>55,179</u>	<u>55,179</u>
Cash and cash equivalents at end of period	<u>25,730</u>	<u>33,188</u>	<u>116,860</u>
Comprised of:			
Cash and cash equivalents	57,936	65,089	125,936
Bank overdraft	<u>(32,206)</u>	<u>(31,901)</u>	<u>(9,076)</u>
	<u>25,730</u>	<u>33,188</u>	<u>116,860</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, 2011.

1. Statement of compliance

The 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, 2010.

2. Segment Reporting

The Group now has two reportable segments, as follows: -

- (a) Media Service which includes the print and electronic media businesses
- (b) Other which includes management services, publication of books and those activities that do not meet any of the quantitative thresholds for determining reportable segments in 2010 and 2011.

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.

	<u>Media Service</u>		<u>Other</u>		<u>Total</u>	
	<u>(Unaudited)</u>		<u>(Unaudited)</u>		<u>(Unaudited)</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
External revenues	2,392,225	2,366,189	35,571	42,386	2,427,796	2,408,575
Segment profit/(loss) before taxation	<u>235,867</u>	<u>655,001</u>	<u>(1,538)</u>	<u>(4,133)</u>	<u>234,330</u>	<u>650,868</u>
Finance income	<u>164,187</u>	<u>19,041</u>	<u>-</u>	<u>-</u>	<u>164,187</u>	<u>19,041</u>
Finance costs	<u>(10,509)</u>	<u>(5,244)</u>	<u>(19)</u>	<u>(67)</u>	<u>(10,528)</u>	<u>(10,430)</u>
Depreciation and amortisation	<u>52,305</u>	<u>51,602</u>	<u>-</u>	<u>-</u>	<u>52,305</u>	<u>51,602</u>
Reportable segment assets	<u>3,372,039</u>	<u>2,984,115</u>	<u>186,204</u>	<u>185,948</u>	<u>3,558,243</u>	<u>3,642,263</u>
Reportable segment liabilities	<u>1,106,565</u>	<u>1,048,658</u>	<u>89,892</u>	<u>86,135</u>	<u>1,196,457</u>	<u>1,230,236</u>
Capital expenditure	<u>61,030</u>	<u>40,358</u>	<u>-</u>	<u>-</u>	<u>61,030</u>	<u>40,358</u>

3. Group Financial Accounts for the nine months ended September 2011 show a profit before taxation charge of approximately \$234M (2010: \$651M).
4. The Group Profit for the nine months of 2011 was approximately \$176M compared with a profit of approximately \$486M for the same period last year.
5. In comparing the financial statements for the nine-month period ended September 30, 2011, with those of previous year, the following should be noted: -
 - (a) Revenue increased by approximately \$19M or 1% for the period.
 - (b) Other operating income of \$26M (2010: \$37M) includes print contracts and gain on exchange.
 - (c) The company's defined benefits pension fund was discontinued on July 15, 2010. The surplus in the Fund was used to enhance member benefits and the balance thereafter divided equally between the company and members of the fund. The effect of this is that members have benefited from 54% of the surplus and the company 46%. The company's portion of the surplus at July 15, 2011 was \$1.3B; and is shown on the statement of financial position as pension receivable. The increase in the pension receivable, in these statements is as a result of accrued earnings.

Notes to the Interim Financial Report (Cont'd)

Employee benefit obligation of \$129.7M (2010: \$96.2M) relates to a post-retirement benefit provided by the Parent Company, which covers health and life insurance. The method of accounting and the frequency of valuations are similar to that used for a defined benefit scheme.

- (d) Finance income includes mainly interest of approximately \$134M earned on pension receivable since July 15, 2010.
6. (a) The Group Financial Statements for the nine months ended September 30, 2011, include the Company's ten (2010: ten) subsidiaries – Associated Enterprise Limited, Popular Printers Limited, The Book Shop Limited, The Gleaner Online Limited, Selectco Publications Limited, Independent Radio Company Limited, Creek Investments Limited and overseas subsidiaries, The Gleaner Company (U.S.A.) Limited, The Gleaner Company (Canada) Incorporated, and GV Media Group Limited.
- (b) The Gleaner Company Limited acquired all non-controlling interest in Independent Radio Limited during 2010.
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 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. Reconciliation of September YTD trading profit: -

	<u>2011</u>	<u>2010</u>
	\$M	\$M
Profit from continuing operations before taxation	234.0	651.0
Employee benefit asset/obligation	<u>9.0</u>	<u>(495.0)</u>
Trading profit	<u>243.0</u>	<u>156.0</u>

After adjusting for changes in employee benefit asset/obligation, trading profit was \$243M to September 2011 versus profit of \$156M for 2010.

11. Dividend and Stock Prices

Your Directors declared a 1st Interim Ordinary Dividend of 25 cents per stock unit which was paid on March 1, 2011 to stockholders on record at February 16, 2011.

Your Directors declared a 2nd Interim Ordinary Dividend of 3.5 cents per stock unit, to be paid to shareholders on records as at the close of business on November 25, 2011. This abovementioned dividend payment will be made on December 2, 2011.

The Company's stock unit price on the Jamaica Stock Exchange at September 30, 2011 was \$2.01; the opening price at January 1, 2011 was \$1.65.

12. Libel Cases

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

On behalf of the Board



Hon. O. F. Clarke, O.J, JP, LL.D. (Hon)
Chairman



C. Barnes
Managing Director

November 14, 2011