

TO: THE STOCKHOLDERS OF

## THE GLEANER COMPANY LIMITED

(Unaudited)

### CONSOLIDATED GROUP INCOME STATEMENT FOR THREE MONTHS ENDED MARCH 31, 2015

		GROUP (Unaudited) Three Month Jan – Mar. 2015 \$000's	GROUP (Unaudited) Three Months Jan – Mar. 2014 \$000's	GROUP (Audited) Twelve Months ended Dec 31, 2014 \$000's
			<b>Restated</b>	
<b>Revenue</b>	5 (a)	757,468	808,708	3,320,245
Cost of sales		<u>(415,270)</u>	<u>(429,833)</u>	<u>(1,746,565)</u>
Gross profit		342,198	378,875	1,573,680
Other operating income	5 (b)	<u>20,774</u>	<u>13,376</u>	<u>93,435</u>
		<u>362,972</u>	<u>392,251</u>	<u>1,667,115</u>
Distribution costs		(116,869)	(121,130)	( 459,655)
Administrative expenses		(181,616)	(186,026)	( 644,932)
Other operating expenses		( 81,382)	( 74,914)	( 415,547)
Pension costs		<u>( 6,050)</u>	<u>( 6,835)</u>	<u>( 22,524)</u>
		<u>(385,917)</u>	<u>(388,905)</u>	<u>(1,542,658)</u>
<b>Employee benefit obligation</b>		<u>( 1,675)</u>	-	<u>( 6,700)</u>
<b>(Loss)/profit from operations</b>		<u>(24,620)</u>	<u>3,346</u>	<u>117,757</u>
Finance income	5 (c)	1,808	676	6,296
Finance cost		<u>( 5,624)</u>	<u>( 8,311)</u>	<u>( 35,517)</u>
Net finance loss		<u>( 3,816)</u>	<u>( 7,635)</u>	<u>( 29,221)</u>
Share of profit from interest in associate, net of tax	10	<u>126,989</u>		<u>136,189</u>
<b>Profit before taxation</b>	3	<b>98,553</b>	<b>( 4,288)</b>	<b>224,725</b>
Taxation (charge)/credit		<u>( 3,361)</u>	<u>858</u>	<u>( 43,578)</u>
<b>Profit for the year</b>		<u><b>95,192</b></u>	<u><b>( 3,430)</b></u>	<u><b>181,147</b></u>
Dealt with in the financial statements of:				
Parent company		( 17,742)	2,837	37,789
Subsidiaries		( 14,055)	( 6,267)	7,169
Associate		<u>126,989</u>	-	<u>136,189</u>
		<u>95,192</u>	<u>( 3,430)</u>	<u>181,147</u>
Earnings per stock unit:				
Based on stock units in issue	7	<u>7.86¢</u>	<u>( 0.28)¢</u>	<u>14.96¢</u>

The accompanying notes form an integral part of the financial statements

**THE GLEANER COMPANY LIMITED**  
**(Unaudited)**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**Three months ended March 31, 2015**

	<b>Three months March 31 2015 \$'000's</b>	<b>Three months March 31 2014 \$'000's</b>
Profit/(loss) for the period	<u>95,192</u>	( <u>3,430</u> )
<b>Other comprehensive income:</b>		
<b>Items that will never be reclassified to profit or loss:</b>		
Surplus on revaluation of land and building	-	-
Re-measurement of employee benefit obligation	-	-
Related tax on revaluation and re-measurement	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>Items that may be reclassified to profit or loss:</b>		
Change in fair value of available-for-sale investments	3,754	1,748
Currency translation differences on foreign subsidiaries	<u>5,741</u>	( <u>1,368</u> )
Other comprehensive income for the period, net of tax	<u>9,495</u>	<u>380</u>
<b>Total comprehensive income for the period</b>	<b><u>104,687</u></b>	<b><u>( 3,050 )</u></b>
Dealt with in the financial statements of:		
The company	(8,223)	2,015
Subsidiaries	(14,079)	(5,065)
Associate	<u>126,989</u>	-
	<b><u>104,987</u></b>	<b><u>(3,050)</u></b>

**THE GLEANER COMPANY LIMITED**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT MARCH 31, 2015**

	Notes	GROUP (Unaudited) Three Months March 31, 2015 \$000's	GROUP (Unaudited) Three Months March 31, 2014 \$000's	GROUP (Audited) Twelve Months Dec 31, 2014 \$000's
<b>Assets</b>				
Property, plant and equipment		1,176,180	1,261,303	1,192,600
Intangible assets		16,972	905	17,749
Long-term receivables		9,065	3,900	10,327
Interest in associates	10	263,328	150	136,339
Investments		688,941	577,334	674,151
Pension receivable	5 (d)	27,840	29,000	27,840
Deferred tax assets		<u>5,906</u>	<u>6,475</u>	<u>4,499</u>
<b>Total non-current assets</b>		<u>2,188,232</u>	<u>1,879,067</u>	<u>2,063,505</u>
Cash and cash equivalents		99,836	38,293	54,585
Securities purchased under resale agreement		1,742	113,970	1,742
Trade and other receivables		496,488	418,870	472,042
Prepayments		24,763	26,256	34,317
Taxation recoverable		10,101	19,419	9,287
Inventories and goods in-transit		120,893	150,610	190,752
Pension receivable	5 (d)	<u>753,510</u>	<u>1,000,409</u>	<u>914,386</u>
<b>Total current assets</b>		<u>1,507,333</u>	<u>1,767,827</u>	<u>1,677,111</u>
<b>Total assets</b>		<u><b>3,695,565</b></u>	<u><b>3,646,894</b></u>	<u><b>3,740,616</b></u>
<b>Equity:</b>				
Share capital		605,622	605,622	605,622
Reserves		<u>2,136,216</u>	<u>1,937,450</u>	<u>2,067,403</u>
Total equity attributable to equity holders of parent		<u><b>2,741,838</b></u>	<u><b>2,543,072</b></u>	<u><b>2,673,025</b></u>
<b>Liabilities:</b>				
Long-term liabilities		65,776	72,800	65,926
Employee benefit obligation		88,675	66,300	87,000
Deferred tax liabilities		<u>327,303</u>	<u>338,908</u>	<u>333,036</u>
<b>Total non-current liabilities</b>		<u>481,754</u>	<u>478,007</u>	<u>485,962</u>
Bank overdraft		10,264	35,881	1,046
Trade and other payables		373,302	530,048	466,638
Taxation		-	-	16,799
Current portion of long-term liabilities		24,050	16,920	32,774
Deferred income		<u>64,357</u>	<u>42,966</u>	<u>64,372</u>
<b>Total current liabilities</b>		<u>471,973</u>	<u>625,815</u>	<u>581,629</u>
<b>Total liabilities</b>		<u><b>953,727</b></u>	<u><b>1,103,822</b></u>	<u><b>1,067,591</b></u>
<b>Total equity and liabilities</b>		<u><b>3,695,565</b></u>	<u><b>3,646,894</b></u>	<u><b>3,740,616</b></u>

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

# THE GLEANER COMPANY LIMITED

(Unaudited)

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three months ended March 31, 2015

	Share Capital \$'000	Capital reserves \$'000	Fair value reserves \$'000	Reserve for own shares \$'000	Retained profits \$'000	Total equity \$'000
Balances as at December 31, 2013	605,622	1,013,906	63,005	(144,035)	1,055,203	2,593,701
<b>Total comprehensive income for the year:</b>						
Profit for the year	-	-	-	-	( 3,430)	(3,430)
Other comprehensive income/(expense):						
Change in fair value of available-for-sale investments	-	-	1,748	-	-	1,748
Surplus on revaluation of land and building	-	-	-	-	-	-
Deferred tax on revaluation of land and building	-	-	-	-	-	-
Currency translation differences on foreign subsidiaries	-	( 1,368)	-	-	-	( 1,368)
Re-measurement of employee benefit obligation	-	-	-	-	-	-
Other comprehensive income for the year, net of taxation	-	( 1,368)	1,748	-	(3,430)	( 3,050)
<b>Total comprehensive income for the year</b>	-	( 1,368)	1,748	-	( 3,430)	( 3,050)
<b>Transactions with owners, recorded directly in equity:</b>						
Dividends	-	-	-	-	( 48,445)	( 48,445)
Own shares sold by Gleaner Company Limited						
Employee Investment Trust (GCLEIT)	-	-	-	866	-	866
<b>Total contributions by and distributions to owners</b>	-	-	-	866	( 48,445)	( 50,629)
Balances at March 31, 2014	<u>605,622</u>	<u>1,012,538</u>	<u>64,753</u>	<u>(143,169)</u>	<u>1,003,328</u>	<u>2,543,072</u>
Balance as at December 31, 2014	605,622	1,032,426	57,173	(156,338)	1,134,142	2,673,025
<b>Total comprehensive income for the year:</b>						
Profit for the year	-	-	-	-	95,192	95,192
Other comprehensive income/(expense) for the year:						
Change in fair value of available-for-sale investments	-	-	3,754	-	-	3,754
Remeasurement of employees benefit obligation, net of tax	-	-	-	-	-	-
Currency translation differences on foreign subsidiaries	-	5,741	-	-	-	5,741
Other comprehensive expense for the year, net of taxation	-	5,741	3,754	-	95,192	104,687
<b>Total comprehensive income for the year, net of taxation</b>	-	5,741	3,754	-	95,192	104,687
<b>Transactions with owners, recorded directly in equity:</b>						
Dividends	-	-	-	-	( 48,449)	( 48,449)
Own shares sold by Gleaner Company Limited						
Employee Investment Trust (GCLEIT)	-	-	-	12,576	-	12,576
Total contributions by and distributions to owners	-	-	-	12,576	( 48,449)	( 35,873)
Balances as at March 31, 2015	<u>605,622</u>	<u>1,038,167</u>	<u>60,927</u>	<u>(143,763)</u>	<u>1,180,885</u>	<u>2,741,838</u>

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

# THE GLEANER COMPANY LIMITED

## STATEMENT OF CASH FLOWS Three Months ended March 31, 2015 (Unaudited)

	<b>GROUP (Unaudited) Three Months Mar. 31, 2015 \$000's</b>	<b>GROUP (Unaudited) Three Months Mar. 31, 2014 \$000's</b>	<b>GROUP (Audited) Twelve Months Dec 31, 2014 \$000's</b>
<b>Cash Flow from operating activities</b>			
Profit/(loss) for the period/year	95,192	(3,430)	181,147
Adjustment for non-cash items	<u>( 90,092)</u>	<u>33,228</u>	<u>( 99,716)</u>
	( 5,100)	29,798	81,431
<b>Change in working capital</b>	<u>83,880</u>	<u>80,902</u>	<u>(43,292)</u>
Net cash provided by operating activities	78,780	110,700	38,139
Net cash provided/( used) by investing activities	14,576	( 146,139)	54,376
Net cash used by financing activities	<u>( 57,323)</u>	<u>( 48,445)</u>	<u>(125,272)</u>
Net increase/(decrease) in cash and cash equivalents	36,033	( 83,884)	( 32,757)
Cash and cash equivalents at beginning of period	<u>53,539</u>	<u>86,296</u>	<u>86,296</u>
Cash and cash equivalents at end of period	<u><u>89,572</u></u>	<u><u>2,412</u></u>	<u><u>53,539</u></u>
<b>Comprised of:</b>			
Cash and bank	99,836	38,293	54,585
Bank overdraft	<u>( 10,264)</u>	<u>( 35,881)</u>	<u>( 1,046)</u>
	<u><u>89,572</u></u>	<u><u>2,412</u></u>	<u><u>53,539</u></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 three months ended March 31, 2015.

### 1. Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations, as issued by the International Accounting Standards Board (IASB), 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 statements for the year ended December 31, 2014.

### 2. Segment Reporting

The group has two reportable segments which are media service and investment. Media service includes the print and electronic media businesses as well as radio broadcasting. Investment comprises investment income, net of directly attributable cost for investing activities. The identification of business segments is based on the group's management and internal 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. Other includes management services, publication of books and those that do not meet any of the quantitative thresholds for determining reportable segments in 2015 or 2014.

Performance is measured on segment profit before taxation as included in the internal management reports that are reviewed by the Board of Directors. Segment profit before taxation is used to measure performance as management believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

#### Business segments:

	<u>Media service</u>		<u>Investment</u>		<u>Other</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
External revenues	<u>723,996</u>	<u>776,563</u>	<u>31,141</u>	<u>23,000</u>	<u>2,331</u>	<u>9,145</u>	<u>757,468</u>	<u>808,708</u>
Segment profit/(loss) before taxation	<u>( 49,441)</u>	<u>( 24,898)</u>	<u>21,674</u>	<u>22,145</u>	<u>126,320</u>	<u>( 1,535)</u>	<u>98,553</u>	<u>( 4,288)</u>
Finance income	<u>1,490</u>	<u>676</u>	<u>-</u>	<u>-</u>	<u>318</u>	<u>-</u>	<u>1,808</u>	<u>676</u>
Finance costs	<u>( 5,616)</u>	<u>( 8,299)</u>	<u>-</u>	<u>-</u>	<u>( 8)</u>	<u>( 12)</u>	<u>( 5,624)</u>	<u>( 8,311)</u>
Share of profit from interest in associate, net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,989</u>	<u>-</u>	<u>126,989</u>	<u>-</u>
Depreciation and amortisation	<u>22,998</u>	<u>27,765</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,998</u>	<u>27,765</u>
Reportable segment assets	<u>2,173,979</u>	<u>1,943,152</u>	<u>1,473,650</u>	<u>1,618,279</u>	<u>47,936</u>	<u>85,627</u>	<u>3,695,565</u>	<u>3,646,894</u>
Reportable segment liabilities	<u>923,188</u>	<u>1,042,059</u>	<u>-</u>	<u>-</u>	<u>30,539</u>	<u>61,763</u>	<u>953,727</u>	<u>1,103,822</u>
Capital expenditure	<u>6,430</u>	<u>14,640</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,430</u>	<u>14,640</u>

- Group Financial Accounts for the three months ended March 31, 2015 shows a profit before taxation charge of approximately \$98.5 M (2014: Loss of \$4.3M).
- The Group profit after taxation for the three months of 2015 was approximately \$95M compared with a loss of approximately \$3M for the same period last year.

5. In comparing the financial statements for the three-month period ended March 31, 2015, with those of previous year, the following should be noted: -
- (a) Revenue of \$757M (2014:\$809M) represents sales by the Group before commission payable but excluding returns.
  - (b) Other operating income of \$21M (2014: \$13M) is as a result of gains on foreign exchange on investments.
  - (c) Finance income includes interest on loan amounts as at March 31, 2015.
  - (d) Pension receivable of \$781M (2014: \$1B) represents amounts due to the company arising from the discontinuation of the defined-benefit pension fund. Of the total outstanding amount, \$28M (2014: \$29M) is expected to be received in more than one year from the reporting date.

	<u>Group and Company</u>	
	<u>March 2015</u>	<u>March 2014</u>
	\$'000	\$'000
Pension receivable brought forward to January 1	942	1,015
Net received during the year	(181)	-
Income earned during the period	<u>20</u>	<u>14</u>
	<u>781</u>	<u>1,029</u>

6. The Group Financial Statements for the three months ended March 31, 2015 include the Company's ten (2014: nine) subsidiaries – Associated Enterprise Limited, Popular Printers Limited, The Gleaner Online Limited, Selectco Publications Limited, Independent Radio Company Limited, diGJamaica.com Limited and overseas subsidiaries, The Gleaner Company (U.S.A.) Limited, The Gleaner Company (Canada) Incorporated, The Gleaner UK Limited and GV Media Group Limited.
7. The calculation of earnings/loss per stock unit is arrived at by dividing (loss)/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.

8. **Dividend and Stock Prices**

An Interim revenue distribution of 4 cents per stock unit was declared at a board meeting held on February 19, 2015 to shareholders on record at March 5, 2015. Payments were made on March 25, 2015.

The company's stock unit price on the Jamaica Stock Exchange at March 31, 2015 was \$0.90; the opening price at January 2, 2015 was \$0.90.

9. **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 probable judgements and costs for existing libel actions.

10. **Interest in associate**

On January 30, 2015, the group increased its shareholding in Jamaica Joint Venture Investment Company Limited (JJVI) from 33⅓ to 50%. The Consolidated Group Income Statement recognises the increased share of profit as derived from JJVI's latest audited financial information available, which is for the year ended December 31, 2013. The company accounted for this investment using the equity method effective December 2014.

On behalf of the Board



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



C.N. Barnes B.Sc, M.B.A., J.P.  
**Managing Director**

May 14, 2015