

TO: THE STOCKHOLDERS OF

THE GLEANER COMPANY LIMITED
(Unaudited)

CONSOLIDATED GROUP INCOME STATEMENT FOR NINE MONTHS ENDED SEPTEMBER 30, 2014

	Notes	GROUP (Unaudited) Nine Months September 2014 \$000's	GROUP (Unaudited) Nine Months September 2013 \$000's	GROUP (Unaudited) Three Months September 2014 \$000's	GROUP (Unaudited) Three Months September 2013 \$000's	GROUP (Audited) Twelve Months Dec 31, 2013 \$000's
Revenue	5(a)	2,435,758	2,385,216	813,639	813,501	3,188,709
Cost of sales		(1,352,440)	(1,326,061)	(495,900)	(493,064)	(1,867,022)
Gross profit		1,083,318	1,059,155	317,739	320,437	1,321,687
Other operating income	5(b)	<u>25,370</u>	<u>18,337</u>	<u>2,347</u>	<u>9,444</u>	<u>127,276</u>
		<u>1,108,688</u>	<u>1,077,492</u>	<u>320,086</u>	<u>329,882</u>	<u>1,448,963</u>
Distribution costs		(396,427)	(395,231)	(147,749)	(147,347)	(477,171)
Administrative expenses		(438,053)	(440,103)	(114,987)	(117,236)	(684,862)
Other operating expenses		(281,337)	(287,898)	(76,309)	(102,607)	(329,644)
Pension costs		(18,603)	(19,150)	(5,801)	(6,201)	(23,588)
		<u>(1,134,420)</u>	<u>(1,142,382)</u>	<u>(344,846)</u>	<u>(373,391)</u>	<u>(1,515,265)</u>
Employee benefit obligation		(7,624)	17,789	(3,812)	11,596	31,000
(Loss)/profit from operations		<u>(33,356)</u>	<u>(47,101)</u>	<u>(28,572)</u>	<u>(31,913)</u>	<u>(35,302)</u>
Finance income		127,337	82,730	56,972	42,669	152,011
Finance cost		(23,029)	(18,128)	(6,481)	(6,171)	(25,251)
Net finance income		<u>104,308</u>	<u>64,602</u>	<u>50,491</u>	<u>36,498</u>	<u>126,760</u>
Profit before taxation charge	3	70,952	17,501	21,919	4,585	91,458
Taxation charge		(12,374)	(2,889)	(5,769)	(227)	(5,616)
Profit for the period/year	4	<u>58,578</u>	<u>14,612</u>	<u>16,150</u>	<u>4,358</u>	<u>85,842</u>
Dealt with in the financial statements of:						
Parent company		60,916	45,684	5,583	23,327	63,834
Subsidiary companies		(2,338)	(31,072)	10,567	(18,969)	22,008
		<u>58,578</u>	<u>14,612</u>	<u>16,150</u>	<u>4,358</u>	<u>85,842</u>
Earnings per stock unit:						
Based on stock units in issue	7	<u>4.84¢</u>	<u>1.20¢</u>	<u>1.33¢</u>	<u>.36¢</u>	<u>7.09¢</u>

The accompanying notes form an integral part of the financial statements

THE GLEANER COMPANY LIMITED
(Unaudited)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Nine months ended September 30, 2014

	Nine months September 2014 \$'000's	Nine months September 2013 \$'000's	Three months September 2014 \$'000's	Three months September 2013 \$'000's
Profit for the period	<u>58,578</u>	<u>14,612</u>	<u>16,150</u>	<u>4,358</u>
Other comprehensive income:				
Items that will never be reclassified to profit or loss:				
Surplus on revaluation of land and building	-	-	-	-
Re-measurement of employee benefit obligation	(7,624)	17,789	(3,812)	11,596
Related tax on revaluation and re-measurement	<u>2,541</u>	<u>(5,929)</u>	<u>1,270</u>	<u>(3,865)</u>
	<u>(5,083)</u>	<u>11,860</u>	<u>(2,542)</u>	<u>7,731</u>
Items that may be reclassified to profit or loss:				
Change in fair value of available-for-sale investments	(2,657)	(663)	(5,271)	2,371
Currency translation differences on foreign subsidiaries	<u>1,990</u>	<u>4,174</u>	<u>(1,602)</u>	<u>408</u>
	<u>(667)</u>	<u>3,511</u>	<u>(6,873)</u>	<u>2,779</u>
Other comprehensive income for the period, net of taxation	<u>(5,750)</u>	<u>15,371</u>	<u>(9,415)</u>	<u>10,510</u>
Total comprehensive income for the period	<u>52,828</u>	<u>29,983</u>	<u>6,735</u>	<u>14,868</u>
Dealt with in the financial statements of:				
Parent company	45,497	36,546	(6,314)	56,109
Subsidiary companies	<u>7,331</u>	<u>(6,563)</u>	<u>(13,049)</u>	<u>(41,241)</u>
	<u>52,828</u>	<u>29,983</u>	<u>6,735</u>	<u>14,868</u>

THE GLEANER COMPANY LIMITED
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT SEPTEMBER 30, 2014

	Notes	GROUP (Unaudited) Nine Months September 30, 2014 \$000's	GROUP (Unaudited) Nine Months September 30, 2013* \$000's	GROUP (Audited) Twelve Months Dec 31, 2013 \$000's
Assets				
Property, plant and equipment		1,197,508	978,336	1,248,067
Intangible assets		14,913	2,351	1,628
Long-term receivables		3,900	3,900	6,317
Interest in associates		150	150	150
Investments		571,351	502,272	640,418
Pension receivable		29,000	64,366	29,000
Deferred tax assets		<u>6,476</u>	<u>3,906</u>	<u>3,200</u>
Total non-current assets		<u>1,823,298</u>	<u>1,555,281</u>	<u>1,928,780</u>
Cash and cash equivalents		42,073	45,621	91,623
Securities purchased under agreement for resale		119,998	111,725	9,780
Trade and other receivables		480,616	555,449	490,638
Prepayments		68,497	66,749	37,973
Taxation recoverable		19,033	16,119	9,746
Inventories and goods in-transit		158,964	185,461	99,222
Pension receivable		<u>995,347</u>	<u>893,878</u>	<u>986,574</u>
Total current assets		<u>1,884,528</u>	<u>1,875,002</u>	<u>1,725,556</u>
Total assets		<u>3,707,826</u>	<u>3,430,283</u>	<u>3,654,336</u>
Equity				
Share capital		605,622	605,622	605,622
Reserves		<u>1,984,766</u>	<u>1,753,960</u>	<u>1,988,079</u>
Total equity		<u>2,590,388</u>	<u>2,359,582</u>	<u>2,593,701</u>
Liabilities				
Long-term liabilities		72,800	91,000	93,534
Employee benefit obligation		80,424	101,322	66,300
Deferred tax liabilities		<u>336,156</u>	<u>301,942</u>	<u>338,906</u>
Total non-current liabilities		<u>489,380</u>	<u>494,264</u>	<u>498,740</u>
Bank overdraft		20,237	-	5,327
Trade and other payables		547,882	502,403	449,161
Taxation		-	-	4,867
Current portion of long-term liabilities		17,150	6,825	36,365
Deferred income		<u>42,789</u>	<u>67,209</u>	<u>66,175</u>
Total current liabilities		<u>628,058</u>	<u>576,437</u>	<u>561,895</u>
Total liabilities		<u>1,117,438</u>	<u>1,070,701</u>	<u>1,060,635</u>
Total equity and liabilities		<u>3,707,826</u>	<u>3,430,283</u>	<u>3,654,336</u>
Book Value per share		<u>2.14¢</u>	<u>1.95¢</u>	<u>2.14¢</u>

* restated.

THE GLEANER COMPANY LIMITED

(Unaudited)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Nine months ended September 30, 2014

	Share capital	Capital reserves	Fair Value reserves	Reserve for own shares	Retained profits	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balances at January 1, 2013	605,622	831,441	40,247	(160,782)	1,054,242	2,370,770
Total comprehensive income/(expense) for the year	-	16,034	(663)	-	14,612	29,983
Dividends paid (gross)	-	-	-	-	(84,787)	(84,787)
Own shares sold by Gleaner Company Limited Employee Investment Trust (GCLEIT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,616</u>	<u>-</u>	<u>43,616</u>
Balances at September 30, 2013	<u>605,622</u>	<u>847,475</u>	<u>39,584</u>	<u>(117,166)</u>	<u>984,067</u>	<u>2,359,582</u>
Balances at January 1, 2014	605,622	1,013,906	63,005	(144,035)	1,055,203	2,593,701
Total comprehensive income/(expense) for the year	-	(3,093)	(2,657)	-	58,578	52,828
Dividends paid (gross)	-	-	-	-	(48,445)	(48,445)
Own shares sold by Gleaner Company Limited Employee Investment Trust (GCLEIT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,696)</u>	<u>-</u>	<u>(7,696)</u>
Balances at September 30, 2014	<u>605,622</u>	<u>1,010,813</u>	<u>60,348</u>	<u>(151,731)</u>	<u>1,065,336</u>	<u>2,590,388</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, 2014
(Unaudited)

	GROUP (Unaudited) Nine Months September 30, 2014 \$000's	GROUP (Unaudited) Nine Months September 30, 2013 \$000's	GROUP (Audited) Twelve Months Dec 31, 2013 \$000's
Cash Flow from operating activities			
Profit for the period/year	58,578	14,612	85,842
Adjustment for non-cash items	<u>105,423</u>	<u>59,433</u>	<u>(49,519)</u>
	164,001	74,045	36,323
Change in working capital	<u>42,095</u>	<u>(22,112)</u>	<u>182,397</u>
Net cash provided by operating activities	206,096	51,933	218,720
Net cash used by investing activities	(222,111)	(53,124)	(181,259)
Net cash used by financing activities	<u>(48,445)</u>	<u>(64,844)</u>	<u>(62,821)</u>
Net decrease in cash and cash equivalents	(64,460)	(66,035)	(25,360)
Cash and cash equivalents at beginning of period	<u>86,296</u>	<u>111,656</u>	<u>111,656</u>
Cash and cash equivalents at end of period	<u>21,836</u>	<u>45,621</u>	<u>86,296</u>
Comprised of:			
Cash and cash equivalents	42,073	45,621	91,623
Bank overdraft	<u>(20,237)</u>	<u>(-)</u>	<u>(5,327)</u>
	<u>21,836</u>	<u>45,621</u>	<u>86,296</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, 2014.

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, 2013.

2. Segment Reporting

The Media Service includes the print and electronic media businesses. "Other" includes management services, publication of books and those activities that do not meet any of the quantitative thresholds for determining reportable segments in 2013 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 believes that such information is 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>Other</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
External revenues	<u>2,411,629</u>	<u>2,377,924</u>	<u>24,129</u>	<u>7,292</u>	<u>2,435,758</u>	<u>2,385,216</u>
Segment profit/(loss) before taxation & finance income	<u>71,797</u>	<u>18,619</u>	<u>(845)</u>	<u>(1,118)</u>	<u>70,952</u>	<u>17,501</u>
Finance income	<u>127,337</u>	<u>82,730</u>	<u>-</u>	<u>-</u>	<u>127,337</u>	<u>82,730</u>
Finance costs	<u>(23,006)</u>	<u>(18,098)</u>	<u>(23)</u>	<u>(30)</u>	<u>(23,029)</u>	<u>(18,128)</u>
Depreciation and amortisation	<u>81,679</u>	<u>68,486</u>	<u>-</u>	<u>-</u>	<u>81,679</u>	<u>68,486</u>
Reportable segment assets	<u>3,626,091</u>	<u>3,226,314</u>	<u>81,735</u>	<u>203,969</u>	<u>3,707,826</u>	<u>3,430,283</u>
Reportable segment liabilities	<u>1,058,610</u>	<u>1,016,550</u>	<u>58,828</u>	<u>54,151</u>	<u>1,117,438</u>	<u>1,070,701</u>
Capital expenditure	<u>21,884</u>	<u>74,504</u>	<u>-</u>	<u>-</u>	<u>21,884</u>	<u>74,504</u>

- Group Financial Accounts for the nine months ended September 30, 2014 show a profit before taxation charge of approximately \$71M (2013: \$17.5M).
- Group Financial Accounts for the nine months ended September 30, 2014 show a profit after taxation of approximately \$59M (2013: \$15M).
- In comparing the financial statements for the nine-month period ended September 30, 2014, with those of previous year, the following should be noted: -
 - Revenue which represents sales by the Group before commission payable but excluding returns, increased by approximately \$50M for the period or 2%.
 - Other operating income of \$25M (2013: \$18M) results largely from gains on foreign exchange arising from the translation of foreign-currency denominated investments.

6. The Group Financial Statements for the nine months ended September 30, 2014 include the Company's nine (2013: 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 and GV Media Group Limited.
7. The calculations of earnings per stock unit and book value per stock unit are arrived at by dividing profit after taxation and ordinary stockholders funds 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 13, 2014 to shareholders on record at February 27, 2014. Payments were made on March 13, 2014.

A second Interim revenue distribution of 4 cents per stock unit was declared at a board meeting held on September 11, 2014 to shareholders on record at September 25, 2014. Payments were made on October 15, 2014

The company's stock unit price on the Jamaica Stock Exchange at September 30, 2014 was \$1.05; the opening price at January 2, 2014 was \$1.10.

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.

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

November 5, 2014