

CONSOLIDATED GROUP INCOME STATEMENT FOR SIX MONTHS ENDED JUNE 30, 2013

	Notes	GROUP (Unaudited) Six Months June 2013 \$000's	GROUP (Unaudited) Six Months June 2012 \$000's	GROUP (Unaudited) Three Months June 2013 \$000's	GROUP (Unaudited) Three Months June 2012 \$000's	GROUP (Audited) Twelve Months ended Dec 31, 2012 \$000's
Revenue	5(a), 7	1,571,715	1,615,525	796,985	841,078	3,194,665
Cost of sales		(832,997)	(807,140)	(418,364)	(431,261)	(1,811,743)
Gross profit		738,718	808,385	378,621	409,817	1,382,922
Other operating income	5(b)	<u>8,893</u>	<u>17,870</u>	<u>13,153</u>	<u>9,249</u>	<u>155,689</u>
		<u>747,611</u>	<u>826,255</u>	<u>391,774</u>	<u>419,066</u>	<u>1,538,611</u>
Distribution costs		(247,884)	(273,534)	(128,219)	(136,926)	(489,037)
Administrative expenses		(322,867)	(330,910)	(132,163)	(152,072)	(612,730)
Other operating expenses		(185,291)	(186,617)	(112,955)	(117,629)	(391,006)
Pension costs		(12,949)	(11,115)	(6,021)	(5,433)	(21,702)
		<u>(768,991)</u>	<u>(802,176)</u>	<u>(379,358)</u>	<u>(412,060)</u>	<u>(1,514,475)</u>
Employee benefit obligation	5(c)	<u>6,193</u>	<u>(-)</u>	<u>8,393</u>	<u>(-)</u>	<u>(8,800)</u>
(Loss)/profit from operations		<u>(15,186)</u>	<u>24,079</u>	<u>20,810</u>	<u>7,006</u>	<u>15,336</u>
Finance income	5(d)	40,061	38,310	19,233	15,230	93,180
Finance cost		(11,957)	(9,629)	(7,094)	(4,540)	(20,931)
Net finance income		<u>28,104</u>	<u>28,681</u>	<u>12,139</u>	<u>10,690</u>	<u>72,249</u>
Profit before taxation charge	3	12,917	52,760	32,948	17,696	87,585
Taxation charge		(2,662)	(10,552)	(6,668)	(606)	45,447
Profit for the period/year		<u>10,255</u>	<u>42,208</u>	<u>26,280</u>	<u>17,090</u>	<u>133,032</u>
Dealt with in the financial statements of:						
Parent company		22,357	63,676	29,979	28,331	197,700
Subsidiary companies		(12,101)	(21,468)	(3,698)	(11,241)	(64,668)
		<u>10,255</u>	<u>42,208</u>	<u>26,280</u>	<u>17,090</u>	<u>133,032</u>
Earnings per stock unit:						
Based on stock units in issue	7	<u>0.84¢</u>	<u>3.49 ¢</u>	<u>2.17¢</u>	<u>1.46¢</u>	<u>10.98¢</u>

THE GLEANER COMPANY LIMITED

(Unaudited)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended June 30, 2013

	Six Months June 2013 \$000's	Six Months June 2012 \$000's	Three Months June 2013 \$000's	Three Months June 2012 \$000's
Profit for the period	<u>10,255</u>	<u>42,208</u>	<u>26,280</u>	<u>17,090</u>
Other comprehensive income/(expense):				
Change in fair value of available-for-sale investments	3,766	(7,331)	(484)	(7,322)
Currency translation differences on foreign subsidiaries	(3,034)	(1,242)	1,143	12,027
Taxation on other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income/(expense) for the period, net of taxation	<u>732</u>	<u>(8,573)</u>	<u>659</u>	<u>4,705</u>
Total comprehensive income for the period	<u>10,988</u>	<u>33,635</u>	<u>26,939</u>	<u>21,795</u>
Dealt with in the financial statement of:				
Parent company	18,379	36,163	19,095	22,935
Subsidiary companies	<u>(4,736)</u>	<u>(2,528)</u>	<u>7,844</u>	<u>(1,140)</u>
Total comprehensive income for the period	<u>10,988</u>	<u>33,635</u>	<u>26,939</u>	<u>21,795</u>

THE GLEANER COMPANY LIMITED
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT JUNE 30, 2013

	Notes	GROUP (Unaudited) Six Months June 30, 2013 \$000's	GROUP (Unaudited) Six Months June 30, 2012 \$000's	GROUP (Audited) Twelve Months Dec 31, 2012 \$000's
Assets				
Property, plant and equipment		970,204	898,797	906,301
Intangible assets		3,075	4,935	4,521
Long-term receivables		3,900	14,550	4,735
Interest in associates		150	150	150
Investments		534,207	560,203	507,375
Pension receivable	5(e)	64,365	178,480	143,365
Deferred tax assets		<u>3,906</u>	<u>5,303</u>	<u>4,319</u>
Total non-current assets		<u>1,579,808</u>	<u>1,662,418</u>	<u>1,570,766</u>
Cash and cash equivalents		28,848	47,504	121,964
Securities purchased under agreement for resale		73,784	39,093	125,173
Trade and other receivables		482,572	536,902	584,219
Prepayments		82,079	73,320	31,062
Taxation recoverable		16,119	98,423	9,423
Inventories and goods in-transit		226,441	148,386	152,313
Pension receivable	5(e)	<u>897,044</u>	<u>897,405</u>	<u>918,653</u>
Total current assets		<u>1,806,887</u>	<u>1,841,033</u>	<u>1,942,807</u>
Total assets		<u>3,386,697</u>	<u>3,503,451</u>	<u>3,513,573</u>
Equity				
Share capital		605,622	605,622	605,622
Reserves		<u>1,724,111</u>	<u>1,666,608</u>	<u>1,751,198</u>
Total equity		<u>2,329,733</u>	<u>2,272,230</u>	<u>2,356,820</u>
Liabilities				
Long-term liabilities		91,000	13,568	99,001
Employee benefit obligation		130,737	130,600	136,900
Deferred tax liabilities		<u>308,329</u>	<u>512,207</u>	<u>312,625</u>
Total non-current liabilities		<u>530,066</u>	<u>656,375</u>	<u>548,526</u>
Bank overdraft		1,356	22,677	10,308
Trade and other payables		468,080	531,383	506,684
Taxation		-	-	20,025
Current portion of long-term liabilities		38,656	2,432	9,813
Deferred income		<u>18,806</u>	<u>18,354</u>	<u>61,397</u>
Total current liabilities		<u>526,898</u>	<u>574,846</u>	<u>608,227</u>
Total liabilities		<u>1,056,964</u>	<u>1,231,221</u>	<u>1,156,753</u>
Total equity and liabilities		<u>3,386,697</u>	<u>3,503,451</u>	<u>3,513,573</u>
Book Value per share (¢)		<u>192.34</u>	<u>187.59</u>	<u>194.58</u>

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

THE GLEANER COMPANY LIMITED

CONFIDENTIAL

(Unaudited)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended June 30, 2013

	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, 2012	605,622	804,403	27,944	(160,108)	999,708	2,277,569
Total comprehensive income/(expense) for the year	-	(1,272)	(7,331)	-	42,208	33,635
Dividends	-	-	-	-	(60,562)	(60,562)
Own shares sold by Gleaner Company Limited Employee Investment Trust (GCLEIT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,225</u>	<u>-</u>	<u>26,225</u>
Balances at June 30, 2012	<u>605,622</u>	<u>803,161</u>	<u>20,613</u>	<u>(133,883)</u>	<u>981,354</u>	<u>2,276,867</u>
Balances at January 1, 2013	605,622	831,441	40,247	(160,782)	1,040,492	2,356,820
Total comprehensive income/(expense) for the year	-	(3,034)	3,766	-	10,255	10,988
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>46,712</u>	<u>-</u>	<u>46,712</u>
Balances at June 30, 2013	<u>605,622</u>	<u>828,417</u>	<u>44,013</u>	<u>(114,070)</u>	<u>965,760</u>	<u>2,329,733</u>

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

THE GLEANER COMPANY LIMITED
STATEMENT OF CASH FLOWS
Six Months ended June 30, 2013
(Unaudited)

	GROUP (Unaudited) Six Months June 30, 2013 \$000's	GROUP (Unaudited) Six Months June 30, 2012 \$000's	GROUP (Audited) Twelve Months Dec 31, 2012 \$000's
Cash Flow from operating activities			
Profit for the period/year	10,255	42,208	133,032
Adjustment for non-cash items	<u>64,889</u>	<u>72,278</u>	<u>(29,996)</u>
	75,144	114,486	103,036
Change in working capital	<u>(16,734)</u>	<u>(106,880)</u>	<u>19,941</u>
Net cash provided by operating activities	58,410	7,606	122,977
Net cash used by investing activities	<u>(80,392)</u>	<u>(20,882)</u>	<u>(97,910)</u>
Net cash used by financing activities	<u>(62,182)</u>	<u>(66,562)</u>	<u>(18,076)</u>
Net decrease in cash and cash equivalents	<u>(84,164)</u>	<u>(79,838)</u>	6,991
Cash and cash equivalents at beginning of period	<u>111,656</u>	<u>104,665</u>	<u>104,665</u>
Cash and cash equivalents at end of period	<u>27,492</u>	<u>24,827</u>	<u>111,656</u>
Comprised of:			
Cash and cash equivalents	28,848	47,504	121,964
Bank overdraft	<u>(1,356)</u>	<u>(22,677)</u>	<u>(10,308)</u>
	<u>27,492</u>	<u>24,827</u>	<u>111,656</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 six months ended June 30, 2013.

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, 2012.

2. Segment Reporting

The group has one reportable segment, which is Media Service. This 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 2012 or 2013.

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 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>Other</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
External revenues	<u>1,566,872</u>	<u>1,591,422</u>	<u>4,843</u>	<u>24,103</u>	<u>1,571,715</u>	<u>1,615,525</u>
Segment (loss)/profit before taxation /finance income	<u>14,034</u>	<u>57,683</u>	<u>(1,117)</u>	<u>(4,923)</u>	<u>12,917</u>	<u>52,760</u>
Finance income	<u>40,061</u>	<u>38,310</u>	<u>_____</u>	<u>_____</u>	<u>40,061</u>	<u>38,310</u>
Finance costs	<u>(11,947)</u>	<u>(9,626)</u>	<u>(____ 10)</u>	<u>(____ 3)</u>	<u>(11,957)</u>	<u>(9,629)</u>
Depreciation and amortisation	<u>47,595</u>	<u>46,471</u>	<u>_____</u>	<u>_____</u>	<u>47,595</u>	<u>46,471</u>
Reportable segment assets	<u>3,182,728</u>	<u>3,352,818</u>	<u>203,969</u>	<u>150,633</u>	<u>3,386,697</u>	<u>3,503,451</u>
Reportable segment liabilities	<u>907,507</u>	<u>1,152,128</u>	<u>149,457</u>	<u>74,456</u>	<u>1,056,964</u>	<u>1,226,584</u>
Capital expenditure	<u>80,273</u>	<u>30,406</u>	<u>-</u>	<u>-</u>	<u>80,273</u>	<u>30,406</u>

- Group Financial Accounts for the six months ended June 30, 2013 show a profit before taxation charge of approximately \$13M (2012: profit of \$53M).
- The Group profit after taxation for the six months of 2013 was approximately \$10M compared with a profit of approximately \$42M for the same period last year.
- In comparing the financial statements for the six-month period ended June 30, 2013, with those of previous year, the following should be noted: -
 - Revenue which represents sales by the Group before commission payable but excluding returns, decreased by approximately \$44M for the period.
 - Other operating income of \$9M (2012: \$18M income) resulted from an exchange rate gain and a loss on sale of shares.
 - Employee benefit obligation of \$6M is an adjustment to the post retirement benefit scheme which the company operates.
 - Finance income includes interest provision of \$20M on the pension receivable amounts as at June 30, 2013.

- (e) Pension receivable represents amounts due to the company arising from the discontinuation of the defined-benefit pension fund. Of the total outstanding amount, \$64M (2012: \$143M) is expected to be received in more than one year from the reporting date.

	<u>Group and Company</u>	
	<u>June 2013</u>	<u>June 2012</u>
	<u>\$'000</u>	<u>\$'000</u>
Pension receivable brought forward to January	1,062	1,429
Net received during the year	(121)	(376)
Income earned during the period	<u>20</u>	<u>22</u>
	<u>961</u>	<u>1,075</u>

6. The Group Financial Statements for the six months ended June 30, 2013, include the Company's nine (2012: ten) 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 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. Taxation
- (a) On March 28, 2013, the rate of income tax applicable to unregulated entities with revenue in excess of \$500 million was adjusted to 30% through the announcement of a 5% surtax.
- (b) In February 2013 a National Debt Exchange (NDX) was proposed by the Government of Jamaica. The NDX involved the exchange of domestic debt instruments ("Old Notes") issued by the Government of Jamaica for new debt instruments ("New Notes") having lower interest rates and longer maturities. The effective date of exchange was February 22, 2013. Interest accrued on the Old Notes up to, but excluding that date, was paid to holders net of applicable withholding taxes. The debt exchange had no immediate impact on the group's financial operations but is expected to reduce interest income in the future.

9. Dividend and Stock Prices

Two interim revenue distributions of 3.5 cents per stock unit were declared at board meetings held January 10, 2013 and February 14, 2013 respectively to shareholders on record at March 4, 2013. Both payments were made on March 22, 2013.

The company's stock unit price on the Jamaica Stock Exchange at June 30, 2013 was \$1.16; the opening price at January 1, 2013 was \$1.40.

10. 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., JP. LL.D. (Hon)
Chairman



C.N. Barnes B.Sc, M.B.A., JP.
Managing Director

August 14, 2013