

The Gleaner Company Limited. 1998

CONSOLIDATED NINE MONTHS INTERIM FINANCIAL REPORT TO SEPTEMBER 30, 1998 (UNAUDITED)

	GROUP Nine Months 30th September, 1998 \$000's	GROUP Nine Months 30th September, 1997 \$000's
Profit & Loss Account		
Turnover	1,149,898	1,096,708
Other Revenue	<u>72,332</u>	<u>34,422</u>
Total Revenue	1,222,230	1,131,130
Expenditure	<u>(1,164,691)</u>	<u>(1,077,558)</u>
Trading Profit before Company Tax	57,539	53,572
Reserve for Company Taxation	<u>(17,372)</u>	<u>(15,268)</u>
Profit after Taxation	40,167	38,304
Balance Sheet		
Ordinary Stockholders' Fund		
Share Capital	131,024	98,268
Reserves	<u>581,748</u>	<u>514,404</u>
	712,772	612,672
Deferred taxation	14,768	16,901
Long-term liabilities	<u>11,552</u>	<u>14,013</u>
Total Funds employed	<u>739,092</u>	<u>643,586</u>
Represented by:		
Fixed assets and investments	390,089	394,232

Long-term liabilities	2,002	1,904
Working Capital (see Note below)	<u>347,001</u>	<u>247,450</u>
	<u>739,092</u>	<u>643,586</u>
Earnings per stock unit on profit after taxation attributable to stockholders of parent company	15c	19c
Restated for 1997 Bonus issue	15c	15c
Note		
Current Assets:		
Inventories & goods in transit	119,718	147,772
Accounts receivable & Prepaid expenses	232,804	240,665
cash at bank & short- term deposits	<u>385,951</u>	<u>222,281</u>
	<u>738,473</u>	<u>610,718</u>
Current Liabilities:		
Bank overdraft	125	31
Accounts Payable and accrued charges	372,763	346,684
Deferred Income	17,009	15,199
Unclaimed dividends	<u>1,575</u>	<u>1,354</u>
Deferred Income	<u>391,472</u>	<u>363,268</u>
Working Capital	<u>347,001</u>	<u>247,450</u>

We hereby present the third-quarterly Report of the Group as at September 30, 1998

1. The Group Financial Accounts for the nine months ended September 30, 1998, include the Company's nine wholly-owned subsidiaries - Popular Printers Limited, Sangster's

Book Stores Limited, The Book Shop Limited, The Gleaner On-Line Limited, Selectco Publications Limited, Associated Enterprise Limited, The Gleaner Company (NA) Limited. The Gleaner Company (NA) Incorporated and the Gleaner Company (UK) Limited.

Sangster's Book Stores Limited acquired. The Book Shop Limited in February 1997. In this same month, The Gleaner On-Line Limited commenced operations.

2. The Group Financial Accounts for nine months ended September 30, 1998, show before tax, a trading profit of \$57.5M compared with a trading profit of \$53.6M for the same period of 1997.
3. The Group Profit, after tax, for the first nine months of 1998 was \$40.2M compared with a profit of \$38.3M for 1997.

Dividends

An interim capital distribution of 5 cents per stock unit (less transfer tax of 7 1/2%) was paid on March 31, 1998, to stockholders on the record at the close of business on March 6, 1998.

A second interim capital distribution of 2.5 cents (less transfer tax of 7 1/2%) was paid on August 24, 1998, to stockholders on record at the close of business on August 7, 1998.

The Board at its November 1998 meeting approved the payment of a third Interim Capital Distribution of 1 cent per share to shareholders on record at the close of business on November 27, 1998. Payments to be made on December 11, 1998.

Libel Cases

The Company's lawyers have advised that they are of the opinion that the provision made in the Company's nine months accounts to September 30, 1998, is a reasonable provision for the purpose of covering all reasonable and probable judgments and costs for existing libel actions against the Company.

Bonus Issue

At thw November Board Meeting, the Board agreed to hold an Extraordinary General Meeting of the shareholders on December 10, 1998, at which time the following will be recommended:

- (a) That the Authorized Share Capital be increased from \$140,000,000 to \$180,000,000.
- (b) That a BOnmus Issue of shares in the proportion of 1 for 3 be made

O.F. Clarke
Chairman & Mamaging Director

C.S. Roberts
Financial Director
