

The Gleaner Company Ltd. 1999

TO: THE SHAREHOLDERS OF THE GLEANER COMPANY LIMITED

CONSOLIDATED NINE MONTHS INTERIM FINANCIAL REPORT
TO SEPTEMBER 30, 1999
(UNAUDITED)

	GROUP Nine Months September 30, 1999 \$000's	GROUP Nine Months September 30, 1998 \$000's
Profit & Loss Account		
Turnover	1,273,866	1,149,898
Other Revenue	76,082	72,332
Total Revenue	<u>1,349,948</u>	<u>1,222,230</u>
Expenditure	(1,202,521)	(1,164,691)
Trading Profit before Company Tax	147,427	57,539
Reserve for Company Taxation	(42,442)	(17,372)
Profit after Company Taxation	<u>104,985</u>	<u>40,167</u>
Dividends paid (Gross)	(24,458)	(19,654)
	<u>80,527</u>	<u>20,513</u>

Balance Sheet

Ordinary Stockholders' Funds		
Share Capital	174,699	131,024
Reserves	<u>715,407</u>	<u>581,748</u>
	890,106	712,772
Deferred taxation	13,741	14,768
Long-term liabilities	6,539	11,552
Total Funds employed	<u>910,386</u>	<u>739,092</u>

Represented by:		
Fixed assets and investments	419,973	390,089
Long-term receivables	724	2,002
Working Capital (see Note below)	<u>489,689</u>	<u>347,001</u>
	<u>910,386</u>	<u>739,092</u>
Earnings per stock unit on profit after taxation attributable to stockholders of parent company	30c	15c
Restated for 1998 Bonus Issue	30c	11.5c
Note		
Current Assets:		
Inventories & goods in transit	126,848	119,718
Accounts Receivable & Prepaid expenses	276,309	232,804
Cash at bank & short-term deposits	<u>447,844</u>	<u>385,951</u>
	<u>851,001</u>	<u>738,473</u>
Current Liabilities		
Bank overdraft	-	125
Accounts Payable and accrued charges	342,594	372,763
Deferred Income	16,699	17,009
Unclaimed dividends	<u>2,019</u>	<u>1,575</u>
	<u>361,312</u>	<u>391,472</u>
Working Capital	<u>489,689</u>	<u>347,001</u>

We hereby present the third-quarterly Report of the Group as at September 30, 1999

1. The Group Financial Accounts for the nine months ended September 30, 1999, 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, Selecto Publications Limited, Associated Enterprise Limited, The Gleaner Company (NA) Incorporated and The Gleaner Company (UK) Limited.
2. The group Financial Accounts for nine months ended September 30, 1999, show, before tax, a trading profit of \$147M compared with a trading profit of \$58M for the same period of 1998.
3. The Group Profit, after tax, for the first nine months of 1999 was \$105M compared with a profit of

\$40M for 1998.

Dividends

An interim capital distribution of 3.5 cents per stock unit (less transfer tax of 7 1/2%) was paid on March 9, 1999, to stockholders on the record at the close of business on March 1, 1999.

A second interim capital distribution of 3.5 cents (less transfer tax of 7 1/2%) was paid on August 16, 1999, to stockholders on record at the close on business on July 30, 1999.

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, 1999, is a reasonable provision for the purpose of covering all reasonable and probable judgements and costs for existing libel actions against the Company.

Bonus Issue

At the November Board Meeting, the Board agreed to hold an Extraordinary General Meeting of the shareholders on December 9, 1999, at which time the following will be recommended:

- (a) That the Authorized Share Capital be increased from \$180,000,000 to \$265,000,000.
- (b) That a Bonus Issue of shares in the proportion of 1 share for every 2 shares held be made to shareholders on record at December 30, 1999.

O. F. Clarke
Chairman & Managing Director

C.S. Roberts
Financial Director