

THE GLEANER COMPANY LIMITED

CONSOLIDATED THREE MONTHS INTERIM FINANCIAL REPORT

TO MARCH 31, 2003 (UNAUDITED)

GROUP PROFIT & LOSS ACCOUNTS

	GROUP (Unaudited) Three Months March 31, 2003 \$'000	GROUP (Unaudited) Three Months March 31, 2002 \$'000	GROUP (Audited) Twelve Months December 31, 2002 \$'000
Revenue	512,473	470,007	2,273,720
Cost of sales	<u>(273,061)</u>	<u>(250,769)</u>	<u>(1,270,530)</u>
Gross Profit	239,412	219,238	1,003,190
Other operating income	<u>55,770</u>	<u>28,862</u>	<u>137,937</u>
	<u>295,182</u>	<u>248,100</u>	<u>1,114,127</u>
Distribution costs	<u>(88,946)</u>	<u>(76,882)</u>	<u>(328,721)</u>
Administrative expenses	<u>(70,489)</u>	<u>(58,542)</u>	<u>(285,051)</u>
Other operating expenses	<u>(94,405)</u>	<u>(70,892)</u>	<u>(241,130)</u>
	<u>(253,390)</u>	<u>(206,316)</u>	<u>(854,902)</u>
Profit from operations	41,792	41,784	286,225
Finance cost	(6,594)	(7,917)	(32,835)
Share of profit/(loss) in associated companies	890	-	(1,091)

Exceptional items	25,925	-	24,815
Profit before taxation	62,013	33,867	277,114
Taxation	<u>(18,950)</u>	<u>(9,110)</u>	<u>(79,476)</u>
Profit after taxation	43,063	24,757	197,638
Minority Interest	<u>195</u>	<u>83</u>	<u>(5,259)</u>
Profit after tax attributable to stockholders of parent company	<u>43,258</u>	<u>24,840</u>	<u>192,379</u>
Earnings per stock unit restated to 2003 stock units in issue	4.2c	2.4c	18.8c

CONSOLIDATED BALANCE SHEET

	GROUP (Unaudited) Three Months March 31, 2003 \$'000	GROUP (Unaudited) Three Months March 31, 2003 \$'000	GROUP (Audited) Twelve Months December 31, 2002 \$'000
Non-Current assets			
Property, plant and equipment	381,797	356,449	374,866
Long-term receivables	6,759	9,568	3,550
Investments	<u>119,247</u>	<u>92,443</u>	<u>94,672</u>
	<u>507,803</u>	<u>458,460</u>	<u>473,088</u>
Current assets			
Cash resources	221,118	386,501	221,483
Trade and other receivables	429,936	397,343	447,371
Prepayments	16,644	14,535	26,044
Inventories and goods in-transit	218,988	196,638	184,010

Securities purchased under agreements for resale	391,319	210,681	413,605
	<u>1,278,055</u>	<u>1,205,698</u>	<u>1,292,513</u>
Current liabilities			
Bank overdraft	136	-	4,680
Trade and other payables	333,203	328,893	281,136
Taxation	1,143	5,057	33,876
Current portion of long-term liabilities	6,812	11,574	7,524
Deferred income	<u>4,309</u>	<u>4,074</u>	<u>4,489</u>
	<u>345,603</u>	<u>349,598</u>	<u>331,705</u>
Working Capital	<u>932,452</u>	<u>856,100</u>	<u>960,808</u>
Net Assets	<u>1,440,255</u>	<u>1,314,560</u>	<u>1,433,896</u>
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EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	512,449	427,041	512,449
Capital reserves	280,482	241,174	280,482
Retained profits	597,754	607,986	590,220
	<u>1,390,685</u>	<u>1,276,201</u>	<u>1,383,151</u>
Non-current liabilities			
Minority interest	21,104	15,517	21,299
Long-term liabilities	19,052	9,482	20,032
Deferred taxation	9,414	13,360	9,414
	<u>49,570</u>	<u>38,359</u>	<u>50,745</u>
	1,440,255	1,314,560	1,433,896
	=====	=====	=====
Stockholders' funds per ordinary stock unit	125.7c	124.5c	135.0c

GROUP STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

	Share Capital	Capital Reserves	Retained Profits	Total
	\$'000	\$'000	\$'000	\$'000
Balances at December 31, 2001	427,041	241,133	583,146	1,251,320
Net profit for the period	-	-	24,840	24,840
Exchange difference on opening investment in subsidiary	-	41	-	41
Balances at March 31, 2002	<u>427,041</u>	<u>241,174</u>	<u>607,986</u>	<u>1,276,201</u>
	=====	=====	=====	=====
Balances at December 31, 2002	512,449	280,482	590,220	1,383,151
Net profit for the period	-	-	43,258	43,258
Dividends	-	-	(35,871)	(35,871)
Exchange difference on opening investment in subsidiary	-	-	147	147
Balances at March 31, 2003	<u>512,449</u>	<u>280,482</u>	<u>597,754</u>	<u>1,390,685</u>
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CONSOLIDATED CASH FLOW STATEMENT

	GROUP (Unaudited) Three Months March 31, 2003 \$'000	GROUP (Unaudited) Three Months March 31, 2002 \$'000	GROUP (Audited) Twelve Months December 31, 2002 \$'000
Group Net Profit after Taxation	43,258	24,840	192,379
Adjustment for non-cash items	<u>18,237</u>	<u>13,845</u>	<u>27,992</u>
	61,495	38,685	220,371
Change in working capital	<u>(38,356)</u>	<u>21,097</u>	<u>(253,330)</u>
Net cash generated by/(used in) operating activities	23,139	59,782	(32,959)
Net cash used in investing activities	(22,329)	(20,056)	(53,817)
Net cash used in financing activities	<u>(1,175)</u>	<u>(12,710)</u>	<u>(51,226)</u>
(Decrease)/Increase in cash and short term funds	(365)	27,016	(138,002)
Cash and short term funds - beginning of period	<u>221,483</u>	<u>359,485</u>	<u>359,485</u>
Cash and short term funds - end of period	<u>221,118</u> =====	<u>386,501</u> =====	<u>221,483</u> =====

NOTES TO THE INTERIM FINANCIAL REPORT

We hereby present the Report of the Group for the three months ended March 31, 2003.

- 1 The Group Financial Accounts for the three months ended March 31, 2003, show, before taxation but after exceptional items, a profit of approximately \$62M, compared to profit of approximately \$34M for the same period for 2002.

- 2 The Group Profit, after taxation, for the three months of 2003 was approximately \$43M compared with a profit of approximately \$25M for the same period for 2002.
- 3 In comparing the profit for the three-month period ended March 31, 2003, with that of the previous year, it should be noted that for 2003, there was a profit on the sale of investments shown as exceptional items amounting to approximately \$26M.
- 4 There were no significant changes to the Group's operations for the period under review.
- 5 The Group Financial Accounts for the three months ended March 31, 2003 include the Company's ten (2002: ten) subsidiaries - Associated Enterprise Limited, Popular Printers Limited, Sangster's Book Stores Limited, The Book Shop Limited, The Gleaner Online Limited, Selectco Publications Limited, Independent Radio Company Limited and overseas subsidiaries, The Gleaner Company (NA) Limited, The Gleaner Company (NA) Incorporated, The Gleaner Company (UK) Limited.
- 6 The revenue represents sales by the Group before commission payable but excluding returns.
- 7 The calculations of earnings for 2003 and 2002 (after taxation) per stock unit are arrived at by dividing profit after taxation by 1,024,898,623 stock units which is the number of stock units in issue at March 31, 2003.
- 8 The calculations of stockholders' funds per ordinary stock unit for 2003 and 2002 are arrived at by dividing capital and reserves by 1,024,999,623 stock units (see 7 above).
- 9 The same accounting policies and methods of computation are followed as those used for the December 31, 2002 audited financial statements.

Dividend

For 2003 your directors approved the payment of an Interim Ordinary Dividend of 3.5 cents per stock unit free of taxation, payable to stockholders on record at February 28, 2003. Payment was made on March 6, 2003

Libel Cases

The Company's lawyers advised that they are of the opinion that the provision made in the Company's account is a reasonable provision for the purpose of covering all reasonable and probable judgements and costs for existing libel actions against the Company.

On behalf of the Board

Hon. O.F. Clarke, O.J.
Chairman and Managing Director

C.S. Roberts
Financial Director