The Gleaner Company Ltd

CONSOLIDATED NINE MONTHS INTERIM FINANCIAL REPORT

SEPTEMBER 30, 2004(UNAUDITED)

Group Profit & Loss Account

	Notes	GROUP (Unaudited) Three months July to Sept 30,2004 $'000s	GROUP (Unaudited) Three months July to Sept 30,2003 $'000s	GROUP (Unaudited) Nine months to Sept 30,2004 $'000s	GROUP (Unaudited) Nine months to Sept 30,2003 $'000s	GROUP (Audited) Twelve months to December 31, 2003 $'000s
Revenue	2(b)	839,774	814,068	2,066,638	1,940,878	2,546,707
Cost of sales		(513,979)	(492,364)	(1,177,632)	(1,130,919)	(1,423,432)
Gross profit		325,795	321,704	889,006	809,959	1,123,275
Other operating income		51,666	39,919	108,811	106,003	219,009
		377,461	361,623	997,817	915,962	1,342,284
Distribution costs		(99,941)	(98,381)	(302,912)	(280,018)	(355,863)
Administration expenses		(92,347)	(88,028)	(254,902)	(249,110)	(391,482)
Other operating expenses		(54,572)	(60,698)	(249,672)	(197,723)	(276,306)
Pension cost		(773)	(655)	(2,325)	(1,966)	(3,637)

		(247,633)	(247,762)	(809,811)	(728,817)	(1,027,288)
Profit from operations		**129,828**	**113,861**	**188,006**	**187,145**	**314,996**
Finance costs		(8,713)	(11,780)	(23,219)	(28,014)	(40,846)
Exceptional items	2(c)	(2,024)	6,925	72,622	45,050	40,140
Profit before taxation		**119,091**	**109,006**	**237,409**	**204,181**	**314,290**
Taxation		(29,477)	(34,020)	(54,219)	(60,268)	(80,736)
Profit after taxation		**89,614**	**74,986**	**183,190**	**143,913**	**233,554**
Minority interest		(2,168)	(227)	(3,226)	(1,676)	(2,535)
Profit attributable to stockholders of parent company		**87,446**	**74,759**	**179,964**	**142,237**	**231,019**
Earnings per stock units on profit after taxation attributable to stockholders of parent company	5	**7cents**	**6 cents**	**6cents**	**12cents**	**19cents**

Consolidated Balance Sheet

	Unaudited as at Sept 30,2004 $'000s	Unaudited as at Sept 30,2003 $'000s	Audited as at Dec. 31,2003 $'000s
Non-current assets			
Property, plant and equipment	621,683	551,394	524,197
Intangible assets	398,098	-	10,728

Employee benefits	212,432	95,616	159,000
Long-term receivables	3,840	1,800	3,964
Investment in associates	150	150	150
Other Investments	173,150	175,219	141,559
Deferred tax assets	10,774	941	1,255
	1,420,127	**825,120**	**840,853**
Current assets			
Cash	77,852	93,784	36,501
Trade and other receivables	538,716	411,626	518,822
Prepayments	47,309	56,963	25,092
Taxation recoverable	2,160	-	9,048
Inventories and goods-in-transit	215,854	276,005	241,932
Securities purchased under agreements for resale	523,487	413,605	559,103
	1,405,378	**1,251,983**	**1,390,498**
Current liabilities			
Bank overdraft	2,404	15,477	4,376
Trade and other payables	423,232	261,951	311,336
Taxation	12,439	3,071	-
Current portion of long-term liabilities	17,507	16,396	9,297
Deferred income	9,927	10,799	4,972
	465,509	**307,694**	**329,981**
Working capital	**939,869**	**944,289**	**1,060,517**
Net assets	**2,359,996**	**1,769,409**	**1,901,370**
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Financed by:			
Stockholders' equity			
Share capital	605,622	605,622	605,622
Capital and other reserves	347,685	340,653	338,560
Fair value reserve	85,555	39555	46,393
Retained earnings	785,573	589,389	665,015
	1,824,435	**1,575,219**	**1,655,590**
Minority interest	**31,113**	**19,633**	**19,015**
Non-current liabilities			
Long-term liabilities	282,137	11,712	14,871

Employees benefit obligations		33,850	28,850	30,100
Deferred tax liability		188,461	133,995	181,794
		504,448	**174,557**	**226,765**
		2,359,996	**1,769,409**	**1,901,370**
Stockholders' funds per stock unit	**6**	**150c**	**130c**	**137c**

Group Statement of Changes in Shareholders' Equity

as at September 30, 2004

	Share Capital $'000s	**Capital Reserves $'000s**	**Fair Value Reserve $'000s**	**Retained Profits $'000s**	**Total $'000s**
Balances at December 31, 2002:					
	512,449	212,207	61,535	627,249	1,413,440
Net profit for the period to date as previously reported				142,237	142,237
Issue of bonus Shares	93,173			(93,173)	
Change in fair value of investments			(21,980)		(21,980)
Revaluation of Buildings		150,317			150,317
Deferred Tax on Revaluation of Buildings		(39,482)			(39,482)
Appropriation in respect of bonus shares issued in subsidiaries		17,743		(17,743)	
Dividends Paid				(69,181)	(69,181)
Currency translation difference on foreign subsidiaries		(132)			(132)
Balances at September 30, 2003	**605,622**	**340,653**	**39,555**	**589,389**	**1,575,219**

Balances at December 31, 2003	605,622	338,560	46,393	665,015	1,655,590
Net profit for the period to date				179,964	179,964
Change in fair value of investments			39,162		39,162
Revaluation of Buildings		20,000			20,000
Deferred Tax on Revaluation of Buildings		(6,667)			(6,667)
Dividends Paid				(72,675)	(72,675)
Currency translation difference on foreign subsidiaries		(4,208)			(4,208)
Reserve arising on the consolidation of subsidiaries				13,269	13,269
Balances at September 30, 2004	**605,622**	**347,685**	**85,555**	**785,573**	**1,824,435**

Consolidated Cash Flow Statement

to September 30, 2004

(UNAUDITED)

	GROUP (Unaudited) Nine Months Sept 30,2004 $'000s	GROUP (Unaudited) Nine Months Sept 30,2003 $'000s	GROUP Audited Twelve Months Dec.30,2003 $'000s
Cash Flow from operating activities			
Profit attributable to Stockholders	179,964	142,237	231,019
Adjustment for non-cash items	(65,849)	(76,391)	(24,860)
	114,115	65,846	206,159
Change in working capital	122,871	16,398	(284,874)

Net Cash generated/(used) by operating activities	236,986	49,448	(78,715)
Net cash used in investing activities	**(398,671)**	**95,157**	**(32,927)**
Net cash provided/(used) in financing activities	203,036	(81,990)	(73,340)
Net increase/(decrease) in cash resources	**41,351**	**(127,699)**	**(184,982)**
Cash and short term funds - beginning of period	36,501	221,483	221,483
Cash and short-term funds - end of period	**77,852**	**93,784**	**36,501**
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The main business segments of the group comprise:

	Media		**Books and Stationery**		**Other**		**Total**	
	2004	**2003**	**2004**	**2003**	**2004**	**2003**	**2004**	**2003**
	$'000s	**$'000s**	**$'000s**	**$'000s**	**$'000s**	**$'000s**	**$'000s**	**$'000s**
Revenue	1,643,331	1,479,951	406,564	446,281	16,743	14,646	2,066,638	1,940,878
Segment Results	45,425	51,907	30,197	25,629	3,573	3,606	79,195	81,142
Investment and Other Income		-		-		-	108,811	106,003
Finance Cost		-		-		-	(23,219)	(28,014)
Exceptional Items		-		-		-	72,622	45,050
Profit before Taxation		-		-		-	237,409	204,181
Taxation		-		-		-	(54,219)	(60,268)
		-		-		-	183,190	143,913
Minority Interest		-		-		-	(3,226)	(1,676)
Profit attributable to Stockholders of parent								

Company		-		-		-	179,964	142,237
Segment Asset	1,531,004	1,298,868	217,229	235,447	62,933	76,202	1,824,435	1,575,219

Notes to the Interim Financial Report

We hereby present the Report of the Group for the nine months ended September 30, 2004.

1. The Group Financial statements for the nine months ended September 30, 2004, show, before taxation a profit of approximately $237M, compared to profit of approximately $204M for the same period for 2003, an increase of approximately 16%.

2. In comparing the profits for the nine-month period ended September 30, 2004, with those of the previous year, the following should be considered:

   a. The revenue for the nine months of 2004 has increased by 6% over 2003, mainly as a result of increased advertising and circulation. The increase would have been greater but for hurricane Ivan which adversely affected our operations for approximately two weeks in September. An insurance claim has been made for loss of profit (and other losses) arising from Ivan, but settlement of our insurance claims has not yet been finalised. As soon as this happens, the amounts will be recognised.

   b. The Company's buildings were revalued in September 2004, on a fair market value basis. The building at 7 North Street was revalued at $284M (2003: $264M). The surplus arising on revaluation, inclusive of depreciation no longer required, has been included in Capital Reserves.

   c. Exceptional items to September 2004 amount to $73M while for 2003 the comparable amount was $45M. These exceptional items include gains from the sale of investments and the purchase of a new subsidiary (see (d) below) less redundancy expenses.

d. On August 16, 2004 our, wholly-owned subsidiary, Associated Enterprise Limited, purchased full ownership of Beckford's Auto Supplies Limited. The results of this company for August and September are included in the Group's Profit & Loss Account. The Consolidated Balance Sheet as at September 2004 includes this company's assets and liabilities and the capital gain on purchase is reflected in the Group's Profit & Loss Account.

e. Sangster's Book Store's sales have, as was earlier forecast, improved in the second half of the year and this Company is now in a profitable position.

f. The three overseas companies (in the USA, Canada and UK) continued to incur losses as a result of their free (no cover price) publication "Extra" which targets the "younger" Caribbean readers. The UK edition was discontinued on August 31, 2004.

Included in the UK financial results was the Voice Group acquired in May 2004. The Voice results for this quarter include various re-organisation charges which have been expensed. The item of Intangible Assets on the Group's Balance Sheet relates to the acquisition of the Voice, No indication of impairment has been identified at this time.

There were no other significant changes to the Group's operations for the period under review.

3. The Group Financial Statements for the nine months ended September 30, 2004, include the Company's twelve (2003: 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, Beckford's Auto Supplies Limited; and overseas subsidiaries, The Gleaner Company (NA) Limited, The Gleaner Company (NA) Incorporated, The Gleaner Company (UK) Limited and its subsidiary The Voice Group.

4. The revenue represents sales by the Group before commission payable but excluding returns.

5. The calculation of earnings per stock unit for 2004 and 2003 is arrived at by dividing profit after taxation by 1,211,243,827 stock units, the number of stock units in issue.

6. The calculation of stockholders' funds per ordinary stock unit for 2004 and 2003 is arrived at by dividing capital and reserves by 1,211,243,000 stock units.

7. The significant accounting policies and methods of computation followed are the same as those

used for the December 31, 2003, audited financial statements.

Dividends

An interim Ordinary Dividend of 3.0 cents per stock unit was paid on March 12, 2004, to shareholders on record at the close of business on February 27, 2004.

A second interim Ordinary Dividend of 3 cents per stock unit was paid on September 14, 2004 to stockholders on record as at August 31, 2004.

Libel Cases

The Company's lawyers advised that they are of the opinion that the provision made in the Company's accounts 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
Deputy Managing Director