TO: THE STOCKHOLDERS OF
THE GLEANER COMPANY LIMITED

THE GLEANER COMPANY LIMITED

CONSOLIDATED THREE MONTHS INTERIM FINANCIAL REPORT
AT MARCH 31, 2006
(UNAUDITED)

Group Profit & Loss Accounts

	Notes	GROUP (Unaudited) Three Months Jan - Mar 31, 2006 $000's	GROUP* (Unaudited) Three Months Jan - Mar 31, 2005 $000's	GROUP (Audited) Twelve Months Dec 31, 2005 $000's
Revenue	5	739,883	687,117	3,291,238
Cost of sales	3(a)	(412,268)	(340,743)	(1,800,126)
Gross Profit		327,615	346,374	1,491,112
Other operating income		32,523	49,143	191,084
Employee benefit asset	4(c)	11,816	28,018	47,266
		371,954	423,535	1,729,462
Distribution costs		(130,143)	(105,058)	(424,115)
Administrative expenses		(144,921)	(140,573)	(572,542)
Other operating expenses		(99,112)	(113,534)	(443,614)
Pension cost		(630)	(579)	(2,442)
		(374,806)	(359,744)	(1,442,713)
(Loss)/profit from operations		**(2,852)**	**63,791**	**286,749**
Finance cost		(5,446)	(926)	(22,093)
(Loss)/profit before taxation		**(8,298)**	**62,865**	**264,656**
Taxation		-	(20,498)	(85,201)
(Loss)/profit for the period/year		**(8,298)**	**42,367**	**179,455**
Attributable to:				
Parent company stockholders		**(12,944)**	43,887	186,631
Minority interest		4,646	(1,520)	(7,176)
		(8,298)	42,367	179,455
(Loss)/earnings per stock units Based on stock units issued	6	(1.1¢)	3.6¢	15.4¢

*Restated to conform to 2006 presentation

Consolidated Balance Sheets

	GROUP (Unaudited) Three Months Mar 31, 2006 $000's	GROUP* (Unaudited) Three Months Mar 31, 2005 $000's	GROUP (Audited) Twelve Months Dec 31, 2005 $000's
Assets			
Property, plant and equipment	619,264	593,107	618,400
Intangible assets	425,567	433,640	438,061
Employee benefit asset	454,098	413,450	442,098
Long-term receivables	2,821	2,752	1,063
Investment in associates	150	150	150
Investments	356,836	214,998	359,666
Deferred tax assets	10,651	29,121	10,149
Total non-current assets	1,869,387	1,687,218	1,869,587
Cash and cash equivalents	43,127	75,837	66,766
Trade and other receivables	435,589	433,949	534,377
Prepayments	20,152	28,507	18,660
Taxation recoverable	27,048	623	7,348
Inventories and goods in-transit	261,044	215,025	238,320
Securities purchased under agreements for resale	314,525	512,299	327,228
Total current assets	1,101,485	1,266,240	1,192,699
Total Assets	**2,970,872**	**2,953,458**	**3,062,286**
Stockholders' equity			
Share capital	605,622	605,622	605,622
Reserves	1,371,053	1,335,721	1,431,358
Total equity attributable to equity holders of the parent company	**1,976,675**	**1,941,343**	**2,036,980**
Minority interest	**1,538**	**31,936**	**6,184**
Total equity	**1,978,213**	**1,973,279**	**2,043,164**
Liabilities			
Long-term liabilities	34,195	106,448	49,169
Employees benefit obligation	50,700	41,300	50,700
Deferred tax liabilities	254,425	292,156	254,425
Total non-current liabilities	339,320	439,904	354,294
Bank overdraft	38,634	7,600	10,931
Trade and other payables	515,043	500,621	557,416
Taxation	69,947	204	61,548
Current portion of long-term liabilities	22,100	23,462	23,821
Deferred income	7,615	8,388	11,112
Total current liabilities	653,339	540,275	664,828
Total liabilities	**992,659**	**980,179**	**1,019,122**
Total equity and liabilities	**2,970,872**	**2,953,458**	**3,062,286**
Stockholders' equity per ordinary stock unit	$1.63¢	$1.60¢	$1.68¢

*Restated to conform to 2006 presentation

GROUP STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

Period ended March 31, 2006

	Share Capital $000's	Capital Reserves $000's	Fair value reserves $000's	Retained profits $000's	Parent company equity $000's	Minority Interest $000's	Total equity $000's
Restated balances at December 31, 2004	605,622	295,932	100,412	945,181	1,947,147	33,456	1,980,603
Net profit for the period	-	-	-	43,887	43,887	(1,520)	42,367
Change in fair value of investments	-	-	(5,666)	-	(5,666)	-	(5,666)
Dividends paid (gross)	-	-	-	(42,394)	(42,394)	-	(42,394)
Currency translation difference on foreign subsidiaries	-	(1,631)	-	-	(1,631)	-	(1,631)
Balances at March 31, 2005	605,622	294,301	94,746	946,674	1,941,343	31,936	1,973,279
Balances at December 31, 2005	605,622	298,196	89,969	1,043,193	2,036,980	6,184	2,043,164
Net loss for the period	-	-	-	(8,298)	(8,298)	(4,646)	(12,944)
Change in fair value of investments	-	-	(10,464)	-	(10,464)	-	(10,464)
Dividends paid (gross)	-	-	-	(42,394)	(42,394)	-	(42,394)
Currency translation differences on foreign subsidiaries	-	851	-	-	851	-	851
Balances at March 31, 2006	605,622	299,047	79,505	992,501	1,976,675	1,538	1,978,213

CONSOLIDATED CASH FLOW STATEMENT
AT MARCH 31, 2006
(UNAUDITED)

	GROUP (Unaudited) Three Months Mar 31, 2006 $000's	GROUP (Unaudited) Three Months Mar 31, 2005 $000's	GROUP (Audited) Twelve Months Dec 31, 2005 $000's
Cash Flow from operating activities			
Net profit attributable to stockholders	(12,944)	43,887	186,631
Adjustment for non-cash items	(35,793)	(18,805)	(28,040)
	(48,737)	**25,082**	158,591
Change in working capital	**67,001**	**18,099**	66,401
Net cash generated by operating activities	18,264	43,181	224,992
Net cash used in investing activities	(13,998)	(35,338)	(63,417)
Net cash used in financing activities	(27,905)	165	(162,744)
Increase/(decrease) in cash and cash equivalents	(23,639)	8,008	(1,169)
Cash and cash equivalents – beginning of period	66,766	67,829	67,935
Cash and cash equivalents – end of period	43,127	75,837	66,766

Notes to the Interim Financial Report

We hereby present the Report of the Group for the three months ended March 31, 2006.

1. Segment Reporting

Segment information is presented in respect of the Group's business segments. The primary format for business segments is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

*** The main business segments of the group comprise:**

	Media		Books and Stationery		Other		Total	
	2006 $000's	2005 $000's	2006 $000's	2005 $000's	2006 $000's	2005 $000's	2006 $000's	2005 $000's
Turnover	647,432	605,987	84,562	72,124	7,889	9,006	739,883	687,117
Profit from operations	10,345	87,548	(20,890)	(24,895)	3,047	2,658	(2,852)	63,791
Finance cost	-	-	-	-	-	-	(5,446)	(926)
(Loss)/Profit before taxation	-	-	-	-	-	-	(8,298)	62,865
Taxation	-	-	-	-	-	-	-	(20,498)
(Loss) Profit after taxation	-	-	-	-	-	-	(8,298)	42,367
Minority interest	-	-	-	-	-	-	(4,646)	1,520
(Loss)/Profit attributable to Stockholders of parent Company	-	-	-	-	-	-	(12,944)	43,887
Segment net assets	2,546,813	2,549,247	303,084	299,218	120,975	104,993	2,970,872	2,953,458
Segment liabilities	877,408	884,667	93,237	81,779	21,656	13,733	992,301	980,179
Capital expenditure	10,728	14,065	762	1,282	-	-	11,490	15,347
Depreciation and amortisation	13,107	14,888	1,013	958	72	176	14,192	16,022

*Restated to conform to 2006 presentation

Notes to the Interim Financial Report (cont'd)

2. Group Financial Accounts for the three months ended March 31, 2006; show, before taxation a loss of approximately $8M (2005: profit of $63M).

3. The Group Loss, after taxation and minority interest, for the three months of 2006 was approximately $8M compared with a profit of approximately $42M for the same period last year.

4. In comparing the financial statements for the three-month period ended March 31, 2006, with those of previous year, the following should be noted: -

   (a) Revenue increased by approximately $53M or 8% for the period, but this was negated by a 6% increase in cost of sales, due to increases in production materials and a 24% increase in distribution cost.

   (b) Other operating income of $33M (2005: $49M) decreased due to reduction in interest rates and investments income.

   (c) Employee benefit asset of $12M (2004: $28M), represents a portion of the surplus in the pension scheme which, in accordance with IAS 19, has been credited to the profit and loss account. The surplus is, however, not realised profit as it represents future economic benefits to be derived from the reduction in the company's contribution to the pension scheme (See also Balance Sheet item of approximately $454M).

5. The Group Financial Statements for the three months ended March 31, 2006, include the Company's twelve (2005: twelve) 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, Creek Investment Limited (*formerly Beckford's Auto Supplies Limited)* and overseas subsidiaries, The Gleaner Company U.S.A. Limited, The Gleaner Company (Canada) Incorporated, GV Media Limited *(formerly the Gleaner Company (UK) Limited),* and The Voice Group.

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

7. The calculations of earnings per stock unit are arrived at by dividing profit after taxation attributable to parent company stockholders by 1,211,243,827 stock units which is the number of stock units in issue at the end of the period/year.

8. The calculations of stockholders' equity per ordinary stock unit for 2006 and 2005 are arrived at by dividing capital and reserves by 1,211,243,827 stock units (see 6 above).

<u>Dividend and Stock Prices</u>

For 2006, your directors approved the payment of an Interim Ordinary Dividend of 3.5 cents per stock unit payable to stockholders on record at February 24, 2006. Payment was made on March 10, 2006.

The Company's stock unit price on the Jamaica Stock Exchange at March 31, 2006 was $2.15, the opening price at January 1, 2006 was $2.61.

<u>Libel Cases</u>

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.

Notes to the Interim Financial Report (Cont'd)

Looking Forward

The first quarter of the year had been a very challenging one for the Company. The Company's operating result for the quarter reflects the continued decline in consumer spending power, evidenced in the fourth quarter of 2005 and continued increase in the costs of electricity, fuel, newsprint and other imported raw materials. Added to these, the overseas subsidiary companies, although showing some improvement in their operations, continued to incur losses.

The directors and management of the Company have already taken measures aimed at improving the Company's operational efficiency and have committed to keep under constant review throughout 2006 the overall operations of both the local and overseas companies.

We are confident that the measures taken so far will return the Group to a profitable position for the year.

On behalf of the Board

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

C. R. Bourne
Company Secretary