TO: THE STOCKHOLDERS OF
THE GLEANER COMPANY LIMITED

THE GLEANER COMPANY LIMITED

CONSOLIDATED SIX MONTHS INTERIM FINANCIAL REPORT
AT JUNE 30, 2006
(UNAUDITED)

Group Profit & Loss Accounts

	Notes	GROUP (Unaudited) Three Months Apr - Jun, 2006 $000's	GROUP* (Unaudited) Three Months Apr – Jun, 2005 $000's	GROUP (Unaudited) Six Months Jan – Jun, 2006 $000's	GROUP* (Unaudited) Six Months Jan - Jun, 2005 $000's	GROUP (Audited) Twelve Months Dec 31, 2005 $000's
Revenue	4(a), 6	794,730	731,417	1,534,613	1,418,534	3,291,238
Cost of sales		(424,096)	(392,422)	(836,364)	(733,165)	(1,800,126)
Gross Profit		370,634	338,995	698,249	685,369	1,491,112
Other operating income	4(b)	58,074	61,809	90,597	105,967	191,084
Employee benefit asset	4(c)	12,184	(10,518)	24,000	17,500	47,266
		440,892	390,286	812,846	808,836	1,729,462
Distribution costs	4(c)	(126,117)	(118,148)	(256,260)	(223,206)	(424,115)
Administrative expenses		(153,749)	(131,603)	(298,670)	(266,065)	(572,542)
Other operating expenses		(114,150)	(95,311)	(213,262)	(209,971)	(443,614)
Pension cost		(639)	(577)	(1,269)	(1,156)	(2,442)
		(394,655)	(345,639)	(769,461)	(700,398)	(1,442,713)
Profit from operations		**46,237**	**44,647**	**43,385**	**108,438**	**286,749**
Finance cost		(8,834)	(8,003)	(14,280)	(8,929)	(22,093)
Profit before taxation		37,403	**36,644**	29,105	**99,509**	**264,656**
Taxation	2	(8,569)	(7,364)	(8,569)	(27,862)	(85,201)
Profit for the period/year		28,834	29,280	20,536	71,647	179,455
Attributable to:						
Stockholders of parent company	3	39,664	31,136	26,720	75,023	186,631
Minority interest		(10,830)	(1,856)	(6,184)	(3,376)	(7, 176)
		28,834	29,280	20,536	71,647	179,455
Earnings per stock units based on stock units issued	7	2.7¢	2.6¢	2.4¢	6.2¢	15.4¢

**Restated to conform to 2006*

Consolidated Balance Sheets

	Notes	GROUP (Unaudited) Six Months Jun 30, 2006 $000's	GROUP* (Unaudited) Six Months Jun 30, 2005 $000's	GROUP (Audited) Twelve Months Dec 31, 2005 $000's
Assets				
Property, plant and equipment		650,270	623,648	618,400
Intangible assets		433,483	416,174	438,061
Employee benefit asset		466,098	402,932	442,098
Long-term receivables		3,380	2,846	1,063
Investment in associates		150	150	150
Investments		235,426	169,560	359,666
Deferred tax assets		10,644	30,726	10,149
Total non-current assets		1,799,451	1,646,036	1,869,587
Cash and cash equivalents		22,901	72,228	66,766
Trade and other receivables		460,800	448,709	534,377
Prepayments		65,463	63,998	18,660
Taxation recoverable		42,050	3,072	7,348
Inventories and goods in-transit		336,991	284,322	238,320
Securities purchased under agreements for resale		266,687	575,285	327,228
Total current assets		1,194,892	1,447,614	1,192,699
Total Assets		**2,994,343**	**3,093,650**	**3,062,286**
Stockholders' equity				
Share capital		605,622	605,622	605,622
Reserves		1,400,897	1,368,892	1,431,358
Total equity attributable to equity holders of the parent company		**2,006,519**	**1,974,514**	**2,036,980**
Minority interest	3	-	30,080	6,184
Total equity		**2,006,519**	**2,004,594**	**2,043,164**
Liabilities				
Long-term liabilities		52,202	151,609	49,169
Employees benefit obligation		50,700	41,300	50,700
Deferred tax liabilities		254,391	286,402	254,425
Total non-current liabilities		357,293	479,311	354,294
Bank overdraft		27,798	4,168	10,931
Trade and other payables		527,171	530,373	557,416
Taxation		44,495	38,661	61,548
Current portion of long-term liabilities		20,258	24,190	23,821
Deferred income		10,809	12,353	11,112
Total current liabilities		630,531	609,745	664,828
Total liabilities		**987,824**	**1,089,056**	**1,019,122**
Total equity and liabilities		**2,994,343**	**3,093,650**	**3,062,286**
Stockholders' equity per ordinary stock unit	8	166¢	166¢	168¢

**Restated to conform to 2006 presentation*

GROUP STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

Period ended June 30, 2006

	Share capital $000's	Capital reserves $000's	Fair value reserves $000's	Reserve for own shares $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	387,478	100,412	(84,076)	937,711	1,947,147	33,456	1,980,603
Net profit for the period	-	-	-	-	75,023	75,023	(3,376)	71,647
Change in fair value of investments	-	-	(12,546)	-	-	(12,546)	-	(12,546)
Dividends paid (gross)	-	-	-	-	(42,394)	(42,394)	-	(42,394)
Own shares sold by the Gleaner Company Limited Employee Investment Trust	-	-	-	9,730	-	9,730	-	9,730
Currency translation difference on foreign subsidiaries	-	(2,446)	-	-	-	(2.446)	-	(2,446)
Balances at June 30, 2005	605,622	385,032	87,866	(74,346)	970,340	1,974,514	30,080	2,004,594
Balances at December 31, 2005	605,622	427,561	89,969	(129,365)	1,043,193	2,036,980	6,184	2,043,164
Net profit for the period	-	-	-	-	26,720	26,720	(6,184)	20,536
Change in fair value of investments	-	-	(27,179)	-	-	(27,179)	-	(27,179)
Dividends paid (gross)	-	-	-	-	(42,394)	(42,394)	-	(42,394)
Own shares sold by the Gleaner Company Limited Employee Investment Trust	-	-	-	15,689	-	15,689	-	15,689
Currency translation difference on foreign subsidiaries	-	(3,297)	-	-	-	(3,297)	-	(3,297)
Balances at June, 2006	605,622	424,264	62,790	(113,676)	1,027,519	2,006,519	-	2,006,519

CONSOLIDATED CASH FLOW STATEMENT
AT JUNE 30, 2006
(UNAUDITED)

	GROUP (Unaudited) Six Months Jun 30, 2006 $000's	GROUP (Unaudited) Six Months Jun 30, 2005 $000's	GROUP (Audited) Twelve Months Dec 31, 2005 $000's
Cash Flow from operating activities			
Net profit attributable to stockholders	26,720	75,023	186,631
Adjustment for non-cash items	(48,727)	37,612	(28,040)
	(22,007)	112,635	158,591
Change in working capital	(80,355)	(76,175)	66,401
Net cash (used)/generated by operating activities	(102,362)	36,460	224,992
Net cash provided/used in investing activities	83,308	(39,182)	(63,417)
Net cash used in financing activities	(24,811)	7,121	(162,744)
(Decrease)/increase in cash and cash equivalents	(43,865)	4,399	(1,169)
Cash and cash equivalents at beginning of period/year	66,766	67,829	67,935
Cash and cash equivalents at end of period/year	22,901	72,228	66,766

Notes to the Interim Financial Report

We hereby present the Report of the Group for the six months ended June 30, 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	2005	2006	2005	2006	2005	2006	2005
	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's
Turnover	1,371,741	1,268,808	143,514	136,042	19,358	13,684	1,534,613	1,418,534
Profit from operations	92,997	149,628	(46,678)	(42,662)	(2,934)	1,472	43,385	108,438
Finance cost	-	-	-	-	-	-	(14,280)	(8,929)
Profit before taxation	-	-	-	-	-	-	29,105	99,509
Taxation	-	-	-	-	-	-	(8,569)	(27,862)
Profit after taxation	-	-	-	-	-	-	20,536	71,647
Minority interest	-	-	-	-	-	-	6,184	3,376
Profit attributable to Stockholders of parent Company	-	-	-	-	-	-	26,720	75,023
Segment net assets	2,576,619	2,777,082	296,749	312,603	120,975	103,965	2,994,343	3,193,650
Segment liabilities	827,461	940,924	108,680	131,415	51,683	16,717	987,824	1,089,056
Capital expenditure	31,989	45,600	1,441	630	-	10,879	33,430	57,109
Depreciation and amortisation	23,269	25,809	4,850	4,790	1,361	1,361	29,480	31,960

Notes to the Interim Financial Report (cont'd)

2. Group Financial Accounts for the six months ended June 30, 2006; show, a profit before taxation of approximately $29M (2005: $100M).

3. The Group Profit, after taxation and minority interest, for the six months of 2006 was approximately $28M compared with a profit of approximately $75M for the same period last year.

4. In comparing the financial statements for the six-month period ended June 30, 2006, with those of previous year, the following should be noted: -

   (a) Revenue increased by approximately $116M or 8% for the period, but this was negated by a 14% increase in cost of sales, due to increases in production materials and a 15% increase in distribution cost.

   (b) Other operating income of $91M (2005: $106M) decreased due to reduction in interest rates and investments income.

   (c) Employee benefit asset of $24M (2005: $17.5M), 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 $466M).

5. The Group Financial Statements for the six months ended June 30, 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 Group 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 7 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 June 30, 2006 was $1.98; 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)

Second Quarter Assessment

The second quarter of the year shows significant improvement over the first quarter which recorded a loss. The results of measures taken by the Directors and Management aimed at improving operational efficiency are being reflected in your Company's improved performance.

We will continue to keep your Company's operations, local and overseas, under constant review throughout the year.

On behalf of the Board

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

C. R. Bourne
Company Secretary