THE GLEANER COMPANY LIMITED
DECEMBER 31, 2006

Balance Sheets

	Notes	GROUP 2006 $'000	GROUP 2005* $'000	COMPANY 2006 $'000	COMPANY 2005* $'000
Assets					
Property, plant and equipment		706,358	618,400	547,568	491,608
Intangible assets		518,748	438,061	-	-
Employees benefit asset	4(c)	751,817	442,098	739,800	432,000
Long-term receivables		1,408	1,063	14	968
Investment in subsidiaries		-	-	17,132	17,132
Investment in associates		150	150	-	-
Investments		220,191	359,666	215,696	337,605
Deferred tax assets		10,656	10,149	-	-
Total non-current assets		2,209,328	1,869,587	1,520,210	1,279,313
Cash and cash equivalents		59,182	66,766	20,184	21,605
Trade and other receivables		702,837	534,377	1,078,508	991,406
Prepayments		23,574	18,660	22,149	18,660
Taxation recoverable		41,736	7,348	35,206	-
Inventories and goods-in-transit		341,859	238,320	178,830	45,484
Securities purchased under agreements for resale		186,461	327,228	58,198	260,428
Total current assets		1,355,649	1,192,699	1,393,075	1,337,583
Total Assets		**3,564,977**	**3,062,286**	**2,913,285**	**2,616,896**
Equity					
Share capital		605,622	605,622	605,622	605,622
Reserves		1,621,974	1,431,358	1,439,860	1,346,685
Total equity attributable to equity holders of the parent		**2,227,596**	**2,036,980**	**2,045,482**	**1,952,307**
MINORITY INTEREST		**23,672**	**6,184**	**-**	**-**
Total equity		**2,251,268**	**2,043,164**	**2,045,482**	**1,952,307**
Liabilities					
Long-term liabilities		37,263	49,169	35,234	49,169
Employees benefit obligation		60,600	50,700	60,600	50,700
Deferred tax liabilities		367,138	254,425	356,245	248,508
Total non-current liabilities		465,001	354,294	452,079	348,377
Bank overdraft		38,742	10,931	28,777	-
Trade and other payables		731,674	557,416	363,610	286,853
Taxation		44,158	61,548	-	5,538
Current portion of long-term liabilities		25,366	23,821	23,337	23,821
Deferred income		8,768	11,112	-	-
Total current liabilities		848,708	664,828	415,724	316,212
Total liabilities		**1,313,709**	**1,019,122**	**867,803**	**664,589**
Total equity and liabilities		**3,564,977**	**3,062,286**	**2,913,285**	**2,616,896**
Shareholders' equity per stock unit	8	186¢	169¢		

*Reclassified to conform with 2006 presentation

The accompanying notes form an integral part of the financial statements.

THE GLEANER COMPANY LIMITED
DECEMBER 31, 2006

Income Statement

	Notes	GROUP 2006 $'000	GROUP 2005* $'000	COMPANY 2006 $'000	COMPANY 2005* $'000
Revenue	6, 4(a)	3,620,522	3,291,238	2,297,154	2,028,905
Cost of sales	4(a)	(2,047,025)	(1,800,126)	(1,263,457)	(1,096,331)
Gross profit		1,573,497	1,491,112	1,033,697	932,574
Other operating income	4(b)	107,160	55,582	152,865	87,844
Employee benefit asset	4(c)	309,719	55,148	307,800	55,200
		1,990,376	1,601,842	1,494,362	1,075,618
Distribution costs		(469,289)	(424,115)	(363,780)	(315,621)
Administration expenses		(742,818)	(580,424)	(329,998)	(317,726)
Other operating expenses		(399,645)	(443,614)	(592,655)	(234,467)
Pension costs		(222)	(2,442)	(98)	(204)
		(1,611,974)	(1,450,595)	(1,286,531)	(868,018)
Profit from operations		**378,402**	**151,247**	**207,831**	**207,600**
Net finance income		46,765	113,409	43,324	72,842
Profit before taxation	1	**425,167**	**264,656**	**251,155**	**280,442**
Taxation		(151,512)	(85,201)	(140,561)	(68,740)
Profit for the year		273,655	179,455	110,594	211,702
Attributable to:					
Parent company stockholders	2	256,167	186,631		
Minority interest		17,488	(7,176)		
		273,655	**179,455**		
Dealt with in the financial statements:					
Parent company		110,594	211,702		
Subsidiary companies	2	145,573	(25,071)		
		256,167	**186,631**		
Earnings per stock unit:					
Based on stock units in issue	7	21.15¢	15.41¢		

*Reclassified to conform with 2006 presentation

The accompanying notes form an integral part of the financial statements.

Company Statement of Changes in Equity
Year ended December 31, 2006

	Share Capital $'000	**Capital reserves** $'000	**Fair value reserves** $'000	**Retained profit** $'000	**Total equity** $'000
Balances at December 31, 2004	605,622	241,592	94,271	876,143	1,817,628
Profit for the year	-	-	-	211,702	211,702*
Dividends paid	-	-	-	(84,786)	(84,786)
Deferred tax on property, plant, and equipment	-	(7,163)	-	-	(7,163)*
Gain on revaluation of buildings	-	21,490	-	-	21,490*
Change in fair value of investments	-	-	(6,564)	-	(6,564)*
Balances at December 31, 2005	605,622	255,919	87,707	1,003,059	1,952,307
Profit for the year	-	-	-	110,594	110,594*
Dividends paid	-	-	-	(84,787)	(84,787)
Deferred tax on property, plant, and equipment	-	(15,300)	-	-	(15,300)*
Gain on revaluation of buildings	-	95,677	-	-	95,677*
Change in fair value of investments	-	-	(13,009)	-	(13,009)*
Balances as at December 31, 2006	605,622	336,296	74,698	1,028,866	2,045,482

*Total gains recognised for the year amounted to $177,962 (2005: $219,465).

The accompanying notes form an integral part of the financial statements.

THE GLEANER COMPANY LIMITED

Group Statement of Changes in Equity
Year ended December 31, 2006

	Share capital	Capital reserves	Fair value reserves	Reserve for Own shares	Retained profits	Parent company stockholders' equity	Minority interest	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balances at December 31, 2004	605,622	387,478	100,412	(84,076)	937,711	1,947,147	33,456	1,980,603
Profit for the year	-	-	-	-	186,631	186,631	(7,176)	179,455*
Dividends paid (gross)	-	-	-	-	(80,645)	(80,645)	-	(80,645)
Deferred tax on property, plant, and equipment	-	(7,163)	-	-	-	(7,163)	-	(7,163)*
Gain on disposal of property, plant, and equipment transferred	-	504	-	-	(504)	-	-	-
Gain on revaluation of land and buildings	-	21,490	-	-	-	21,490	-	21,490*
Change in fair value of investments	-	-	(10,443)	-	-	(10,443)	-	(10,443)*
Currency translation differences on foreign subsidiaries	-	25,252	-	-	-	25,252	(20,096)	5,156*
Own shares acquired by Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	(58,613)	-	(58,613)	-	(58,613)
Own shares sold by Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	13,324	-	13,324	-	13,324
Balances at December 31, 2005	605,622	427,561	89,969	(129,365)	1,043,193	2,036,980	6,184	2,043,164
Profit for the year	-	-	-	-	256,167	256,167	17,488	273,655*
Dividends paid (gross)	-	-	-	-	(78,889)	(78,889)	-	(78,889)
Deferred tax on property, plant, and equipment	-	(20,787)	-	-	-	(20,787)	-	(20,787)*
Gain on revaluation of land and buildings	-	124,457	-	-	-	124,457	-	124,457*
Change in fair value of investments	-	-	(12,092)	-	-	(12,092)	-	(12,092)*
Currency translation differences on foreign Subsidiaries	-	(38,099)	-	-	-	(38,099)	-	(38,099)*
Own shares acquired by Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	(45,637)	-	(45,637)	-	(45,637)
Own shares sold by the Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	5,496	-	5,496	-	5,496
Balances at December 31, 2006	605,622	493,132	77,877	(169,506)	1,220,471	2,227,596	23,672	2,251,268

* Total gains recognised for the year amounted to $327,134,000 (2005: $188,495,000).

The accompanying notes form an integral part of the financial statements.

THE GLEANER COMPANY LIMITED

Group Statement of Cash Flows
Year ended December 31, 2006

	Group 2006 $'000	Group 2005 $'000	Company 2006 $'000	Company 2005 $'000
Cash flows from operating activities				
Profit attributable to stockholders	256,167	186,631	110,594	211,702
Adjustments to reconcile profit to net cash (used)/ provided by operating activities:				
Depreciation and amortisation	107,864	92,345	66,742	64,728
Deferred taxation, net	(91,419)	(3,849)	92,437	(7,032)
Employees benefit asset, net	(299,819)	(45,748)	(297,900)	(45,800)
(Gain)/loss on disposal of property, plant and equipment	7,774	(4,206)	(779)	(3,830)
Net unrealised exchange gains	(27,259)	(47,383)	(9,236)	(7,064)
Gain on disposal of investments	(16,732)	(35,047)	(16,732)	-
Minority interest's share of profit	17,488	(7,176)	-	-
Interest income	(47,846)	(88,119)	(47,804)	(78,363)
Interest expense	28,340	22,093	13,716	12,585
Taxation	60,093	89,050	48,124	75,772
	(5,349)	158,591	(40,838)	222,698
Tax paid	(79,469)	(99,458)	(88,867)	(72,435)
Interest paid	(28,159)	(15,341)	(5,954)	(7,153)
Trade and other receivables	(169,654)	7,410	(87,306)	(132,543)
Prepayments	(4,914)	13,757	(3,849)	1,827
Inventories and goods-in-transit	(103,539)	2,899	(133,346)	44,126
Securities purchased under agreements for resale	140,767	21,051	202,230	8,071
Trade and other payables	174,439	52,091	76,938	(8,662)
Deferred income	(2,344)	946	-	-
Net cash/(used) provided by operating activities	**(78,222)**	**141,946**	**(80,992)**	**55,929**
Cash flows from investing activities				
Interest received	46,652	83,046	48,962	81,650
Additions to property, plant and equipment	(82,133)	(105,825)	(29,123)	(65,683)
Proceeds from disposal of investments and property, plant and equipment	30,258	41,557	29,933	5,888
Investments	142,100	28,123	98,784	28,044
Minority interest	-	(27,272)	-	-
Net cash provided by investing activities	**136,877**	**19,629**	**148,556**	**49,899**
Cash flows from financing activities				
Long-term receivable	(346)	(2,777)	-	-
Long-term liabilities	(10,361)	(84,438)	(14,419)	(14,394)
Dividends paid	(83,343)	(80,645)	(83,343)	(83,663)
Net cash used by financing activities	**(94,050)**	**(167,860)**	**(97,762)**	**(98,057)**
Net (decrease)/increase in cash and cash equivalents	(35,395)	(6,285)	(30,198)	7,771
Cash and cash equivalents at beginning of the year	55,835	62,120	21,605	13,834
Cash and cash equivalents at end of the year	**20,440**	**55,835**	**(8,593)**	**21,605**
Comprised of:				
Cash and bank balances	59,182	66,766	20,184	21,605
Bank overdraft	(38,742)	(10,931)	(28,777)	-
	20,440	**55,835**	**(8,593)**	**21,605**

The accompanying notes form an integral part of the financial statements.

Notes to the Interim Financial Report

We hereby present the Report of the Group for the twelve months ended December 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:

2006

	Media Service $'000	Books and Stationery $'000	Other $'000	Total $'000
Revenue	2,913,508	666,165	40,849	3,620,522
Cost of sales	(1,565,690)	(466,401)	(14,934)	(2,047,025)
Gross profit	1,347,818	199,764	25,915	1,573,497
Other operating income	109,922	3,287	(6,049)	107,160
	1,457,740	203,051	19,867	1,680,657
Employees benefit asset	307,800	1,919	-	309,719
	1,765,540	204,970	19,867	1,990,376
Expenses:				
Distribution costs	(389,044)	(80,245)	-	(469,289)
Administration expenses	(607,822)	(116,503)	(18,493)	(742,818)
Other operating expenses	(399,645)	-	-	(399,645)
	(1,396,511)	(196,748)	(18,493)	1,611,752
Pension costs	(222)	-	-	(222)
Profit from operations	368,807	8,222	1,374	378,402
Net finance income	53,916	(2,970)	(4,182)	46,765
Profit before taxation	422,723	5,252	(2,808)	425,167
Taxation	(143,626)	(5,119)	(2,767)	(151,512)
Segment results	279,097	133	(5,575)	273,655
Minority interest				(17,488)
Net profit attributable to stockholders of the parent company				256,167
Segment assets	3,095,708	378,943	90,326	3,564,977
Segment liabilities	1,192,784	106,107	14,818	1,313,709
Capital expenditure	79,149	2,984	14,818	82,133
Depreciation and amortisation	95,811	7,380	-	107,864
Other non-cash items	378,736	2,379	352	381,467

Notes to the Interim Financial Report (cont'd)

2. Group Financial Accounts for the twelve months ended December 31, 2006; show, a profit before taxation of approximately $425M (2005: $265M).

3. The Group Profit, after taxation and minority interest, for the twelve months of 2006 was approximately $256M compared with a profit of approximately $187M for the same period last year.

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

   (a) Revenue increased by approximately $329M, or 10% for the period, but this was negated by $247M, or 14% increase in cost due to increases in raw material, exchange rates, and reorganisation and restructuring expenditure.

   (b) Other operating income of $107M (2005: $56M) increase due to exchange rate gain.

   (c) Employee benefit asset of $310M (2005: $55M), represents a portion of the surplus in the parent company's 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 $752M).

5. The Group Financial Statements for the twelve months ended December 31, 2006, include the Company's thirteen (2005: thirteen*) subsidiaries – Associated Enterprise Limited, Popular Printers Limited, Sangster's Book Stores Limited, The Book Shop Limited, Gleaner Online Limited, Selectco Publications Limited, Independent Radio Company Limited, The Gleaner Company Limited Employee Investment Trust, Creek Investment Limited (*formerly Beckford's Auto Supplies Limited)* and overseas subsidiaries, The Gleaner Company (U.S.A.) Limited, The Gleaner Company (Canada) Incorporated, and GV Media Group Limited *(formerly the Gleaner Company (UK) Limited,)* Vee Tee Aye and Voice Group Limited.

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 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).

9. Reserve for own shares is included in the financial statements by consolidation of The Gleaner Company Limited Employee Investment Trust (GCLEIT) as it is regarded as a Special Purpose Entity and is required to be consolidated under IFRS 2, as amended. The previous year comparatives have been restated accordingly. The reserve comprises the cost of the company's shares held by the group through the GCLEIT.

U.K Operations

The operations of the Group's United Kingdom subsidiaries continue to be disappointing despite management's effort to restructure and improve their operating efficiency. The Group's profit position for the year has been adversely affected by the performance of these companies.

The U.K. Operations consist of two companies, GV Media Group Limited, an 80% owned subsidiary of the Gleaner Company Limited and its wholly-owned subsidiary and Vee Tee Ay Limited.

The Directors of GV Media Group Limited have placed into liquidation the Voice Group Limited, a non-operating subsidiary. The liquidation of this Company will not in any way affect the newspaper operations of GV Media Group Limited and had no material effect on the financial results of the Group for the year ending December 31, 2006. The financial effect of the liquidation along with all related expenses are reflected in the Group's results in the year.

The Management of the Gleaner Company continues to pursue strategies and policies, including further major corporate re-organisation, aimed at improving the overall profitability of the overseas companies.

Notes to the Interim Financial Report (cont'd)

U.K Operations (cont'd)

The Directors of the Gleaner Company limited have made a partial provision for a loan made to G V Media Group Limited. The provision does not affect the Group's profitability, as this inter-company transaction was eliminated on consolidation.

Dividend and Stock Prices

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.

A 2nd Interim Ordinary Dividend of 3.5 cents per stock unit was paid on September 29, 2006 to stockholders on record at September 18, 2006.

The Company's stock unit price on the Jamaica Stock Exchange at December 31, 2006 was $1.99; the opening price at January 1, 2006 was $2.65.

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. R. Bourne
Company Secretary

February 28, 2007