

**THE GLEANER COMPANY LIMITED**  
**DECEMBER 31, 2009**

**Balance Sheets**  
**(Audited)**

	<u>NOTES</u>	<u>GROUP</u>		<u>COMPANY</u>	
		<u>2009</u> <u>\$'000</u>	<u>2008</u> <u>\$'000</u>	<u>2009</u> <u>\$'000</u>	<u>2008</u> <u>\$'000</u>
<b>Assets</b>					
Property, plant and equipment		870,550	914,383	755,762	687,895
Intangible assets		8,616	-	8,616	-
Employee benefit asset	5(c)	782,900	843,868	782,900	821,700
Long-term receivables		70,947	1,278	70,058	270
Interests in subsidiaries		-	-	14,482	17,132
Interests in associates		150	150	-	-
Investments		137,064	116,267*	124,393	115,404*
Deferred tax assets		<u>13,696</u>	<u>6,010</u>	<u>-</u>	<u>-</u>
Total non-current assets		<u>1,883,923</u>	<u>1,881,956</u>	<u>1,756,211</u>	<u>1,642,401</u>
Cash and cash equivalents		70,923	106,856*	14,192	31,544*
Securities purchased under resale agreements		135,046	74,447	81,823	4,246
Trade and other receivables		819,450	598,609	837,211	640,103
Prepayments		34,339	35,742	33,396	28,890
Taxation recoverable		89,923	99,524	81,106	79,088
Inventories and goods-in-transit		<u>132,028</u>	<u>470,190</u>	<u>126,506</u>	<u>164,542</u>
Total current assets		<u>1,281,709</u>	<u>1,385,368</u>	<u>1,174,234</u>	<u>948,413</u>
<b>Total assets</b>		<b><u>3,165,632</u></b>	<b><u>3,267,324</u></b>	<b><u>2,930,445</u></b>	<b><u>2,590,814</u></b>
<b>Equity</b>					
Share capital		605,622	605,622	605,622	605,622
Reserves		<u>1,417,546</u>	<u>1,407,376</u>	<u>1,419,666</u>	<u>1,067,379</u>
Total equity attributable to equity holders of the parent		2,023,168	2,012,998	2,025,288	1,673,001
Minority interest		<u>15,292</u>	<u>31,119</u>	<u>-</u>	<u>-</u>
Total equity		<u>2,038,460</u>	<u>2,044,117</u>	<u>2,025,288</u>	<u>1,673,001</u>
<b>Liabilities</b>					
Long-term liabilities		40,105	44,636	9,295	13,410
Employee benefit obligation		96,200	89,100	96,200	89,100
Deferred tax liabilities		<u>312,353</u>	<u>337,624</u>	<u>312,005</u>	<u>313,601</u>
Total non-current liabilities		<u>448,658</u>	<u>471,360</u>	<u>417,500</u>	<u>416,111</u>
Bank overdraft		15,744	28,325	15,744	18,012
Trade and other payables		606,998	666,016*	434,583	443,014*
Taxation		4,681	2,572	-	-
Current portion of long-term liabilities		7,213	8,650	6,555	8,128
Deferred income		<u>43,878</u>	<u>46,284*</u>	<u>30,775</u>	<u>32,548*</u>
Total current liabilities		<u>678,514</u>	<u>751,847</u>	<u>487,657</u>	<u>501,702</u>
<b>Total liabilities</b>		<b><u>1,127,172</u></b>	<b><u>1,223,207</u></b>	<b><u>905,157</u></b>	<b><u>917,813</u></b>
<b>Total equity and liabilities</b>		<b><u>3,165,632</u></b>	<b><u>3,267,324</u></b>	<b><u>2,930,445</u></b>	<b><u>2,590,814</u></b>
Stockholders' fund per stock unit	10	167.0¢	166.0¢	167.2¢	138.0¢

\*Reclassified to conform to 2009 presentation  
The accompanying notes form an integral part of the financial statements.

**THE GLEANER COMPANY LIMITED**  
**YEAR ENDED DECEMBER 31, 2009**

**Income Statements**  
**(Audited)**

	<u>NOTES</u>	<u>GROUP</u>		<u>COMPANY</u>	
		<u>2009</u> \$'000	<u>2008*</u> \$'000 (Restated)	<u>2009</u> \$'000	<u>2008</u> \$'000
<b>Continuing Operations</b>					
<b>Revenue</b>	8	3,274,179	3,246,297	2,703,373	2,738,696
Cost of sales		(1,620,797)	(1,756,782)	(1,392,444)	(1,434,173)
Gross profit		1,653,382	1,489,515	1,310,929	1,304,523
Other operating income	5(b)	<u>176,513</u>	<u>119,752</u>	<u>231,289</u>	<u>126,956</u>
		<u>1,829,895</u>	<u>1,609,267</u>	<u>1,542,218</u>	<u>1,431,479</u>
Distribution costs		( 538,757)	( 538,377)	( 510,159)	( 515,619)
Administrative expenses		( 717,628)	( 740,742)	( 539,722)	( 558,308)
Other operating expenses		( 538,646)	( 453,485)	( 508,656)	( 487,118)
Pension costs		( 93)	( 885)	( 93)	( 97)
		<u>(1,795,124)</u>	<u>(1,733,489)</u>	<u>(1,558,630)</u>	<u>(1,561,142)</u>
Gain on disposal of subsidiary		-	-	351,317	-
Employee benefit asset	5(c)	( 39,000)	18,800	( 39,000)	18,800
<b>(Loss)/profit from continuing operations</b>		<b><u>( 4,229)</u></b>	<b><u>( 105,422)</u></b>	<b><u>295,905</u></b>	<b><u>( 110,863)</u></b>
Finance income		19,665	29,022	42,704	48,734
Finance cost		( 13,614)	( 7,031)	( 10,113)	( 26,435)
Net finance income		<u>6,051</u>	<u>21,991</u>	<u>32,591</u>	<u>22,299</u>
Impairment losses		-	( 367,835)	-	( 443,283)
<b>Profit from continuing operations before taxation</b>		<b>1,822</b>	<b>( 451,266)</b>	<b>328,496</b>	<b>( 531,847)</b>
Taxation		<u>158,552</u>	<u>8,886</u>	<u>153,853</u>	<u>18,845</u>
<b>Profit/(loss) from continuing operations after taxation</b>		<b>160,374</b>	<b>( 442,380)</b>	<b>482,349</b>	<b>( 513,002)</b>
<b>Discontinued operations</b>					
Profit/(loss) from discontinued operation (net of taxation)		<u>47,806</u>	( 2,308)	-	-
Profit/(loss) for the year		<u>208,180</u>	( 444,688)	<u>482,349</u>	( 513,002)
Attributable to:					
Parent company stockholders		224,007	( 450,139)		
Minority interest		( 15,827)	5,451		
		<u>208,180</u>	( 444,688)		
Dealt with in the financial statements of:					
Parent company		482,349	( 513,002)		
Subsidiary companies		( 258,342)	62,863		
		<u>224,007</u>	( 450,139)		
Earnings/(loss) per stock unit:					
Based on stock units in issue	9	<u>18.49¢</u>	( 37.16)¢		
Excluding stock units in GCLEIT		<u>19.61¢</u>	( 39.54)¢		
Earnings/(loss) per stock unit from continuing operations:					
Based on stock units in issue	9	<u>14.55¢</u>	( 36.97)¢		
Excluding stock units in GCLEIT		<u>15.43¢</u>	( 39.34)¢		

\*Restated (see note 6)

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

**THE GLEANER COMPANY LIMITED**  
**YEAR ENDED DECEMBER 31, 2009**

**Group Statement of Comprehensive Income**  
**(Audited)**

	<u>2009</u> \$'000	<u>2008</u> \$'000
<b>Profit/(loss) for the year</b>	<u>208,180</u>	( <u>444,688</u> )
<b>Other comprehensive income/(expense):</b>		
Change in fair value of available-for-sale investments	4,081	( 20,536 )
Fair value on shares disposed of during the year	-	( 88,686 )
Transfer of change in fair value of investment to profit/loss	-	10,770
Revaluation of land and buildings	100,873	138,250
Currency translation differences on foreign subsidiaries	( 99,653 )	122,996
Taxation on comprehensive income	(162,174)	<u>29,554</u>
<b>Other comprehensive (expense)/income for the year, net of taxation</b>	<u>(156,873)</u>	<u>192,348</u>
<b>Total comprehensive income/(expense) for the year</b>	<u>51,307</u>	<u>(252,340)</u>
 Dealt with in the financial statements of:		
Parent company	418,905	(462,532)
Subsidiary companies	<u>(367,598)</u>	<u>210,192</u>
	<u>51,307</u>	<u>(252,340)</u>

**THE GLEANER COMPANY LIMITED**  
**YEAR ENDED DECEMBER 31, 2009**

**Company Statement of Comprehensive Income**  
**(Audited)**

	<u>2009</u> \$'000	<u>2008</u> \$'000
<b>Profit/(loss) for the year</b>	<u>482,349</u>	<u>(513,002)</u>
<b>Other comprehensive income/(expense):</b>		
Change in fair value of available-for-sale investments	4,023	( 20,431)
Fair value on shares disposed of during the year	-	( 88,686)
Transfer of change in fair value of investment	-	10,770
Revaluation of land and buildings	84,790	113,953
Taxation on comprehensive income	<u>(152,257)</u>	<u>34,864</u>
<b>Other comprehensive (expense)/income for the year, net of taxation</b>	<u>( 63,444)</u>	<u>50,470</u>
<b>Total comprehensive income/(expense) for the year</b>	<u>418,905</u>	<u>(462,532)</u>

**THE GLEANER COMPANY LIMITED**  
**YEAR ENDED DECEMBER 31, 2009**

**Group Statement of Changes in Equity**  
**(Audited)**

	<b>Share capital \$'000</b>	<b>Capital reserves \$'000</b>	<b>Fair Value reserves \$'000</b>	<b>Reserve for own shares \$'000</b>	<b>Retained profits \$'000</b>	<b>Total \$'000</b>	<b>Minority interest \$'000</b>	<b>Total equity \$'000</b>
Balances at January 1, 2008	<u>605,622</u>	<u>598,868</u>	<u>107,665</u>	<u>(150,375)</u>	<u>1,235,531</u>	<u>2,397,311</u>	<u>27,171</u>	<u>2,424,482</u>
<b>Total comprehensive income/(expense) for the year</b>								
Loss for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 450,139)</u>	<u>( 450,139)</u>	<u>5,451</u>	<u>( 444,688)</u>
<b>Other comprehensive income:</b>								
Change in fair value of investments	<u>-</u>	<u>-</u>	<u>39,022</u>	<u>-</u>	<u>-</u>	<u>39,022</u>	<u>-</u>	<u>39,022</u>
Fair value on shares disposed of during the year	<u>-</u>	<u>-</u>	<u>( 88,686)</u>	<u>-</u>	<u>-</u>	<u>( 88,686)</u>	<u>-</u>	<u>( 88,686)</u>
Revaluation of land and buildings	<u>-</u>	<u>119,016</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,016</u>	<u>-</u>	<u>119,016</u>
Currency translation differences on foreign subsidiaries	<u>-</u>	<u>122,996</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,996</u>	<u>-</u>	<u>122,996</u>
<b>Other comprehensive income/(expense) for the year, net of taxation</b>	<u>-</u>	<u>242,012</u>	<u>( 49,664)</u>	<u>-</u>	<u>-</u>	<u>192,348</u>	<u>-</u>	<u>192,348</u>
<b>Total comprehensive income/(expense) for the year</b>	<u>-</u>	<u>242,012</u>	<u>( 49,664)</u>	<u>-</u>	<u>( 450,139)</u>	<u>( 257,791)</u>	<u>5,451</u>	<u>( 252,340)</u>
<b>Transactions with owners, recorded directly in equity</b>								
Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 79,671)</u>	<u>( 79,671)</u>	<u>( 1,503)</u>	<u>( 81,174)</u>
Own shares acquired by Gleaner Company Limited Employee Investment Trust (GCLEIT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 97,095)</u>	<u>-</u>	<u>( 97,095)</u>	<u>-</u>	<u>( 97,095)</u>
Own shares sold by Gleaner Company Limited Employee Investment Trust (GCLEIT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,244</u>	<u>-</u>	<u>50,244</u>	<u>-</u>	<u>50,244</u>
Total contributions by and distributions to owners	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 46,851)</u>	<u>( 79,671)</u>	<u>( 126,522)</u>	<u>( 1,503)</u>	<u>( 128,025)</u>
Balances at December 31, 2008	<u>605,622</u>	<u>840,880</u>	<u>58,001</u>	<u>(197,226)</u>	<u>705,721</u>	<u>2,012,998</u>	<u>31,119</u>	<u>2,044,117</u>
<b>Total comprehensive income/(expense) for the year</b>								
Profit/(loss) for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,007</u>	<u>224,007</u>	<u>(15,827)</u>	<u>208,180</u>
<b>Other comprehensive income/(expense) for the year:</b>								
Change in fair value of investments	<u>-</u>	<u>-</u>	<u>( 52,109)</u>	<u>-</u>	<u>-</u>	<u>( 52,109)</u>	<u>-</u>	<u>( 52,109)</u>
Revaluation of land and buildings	<u>-</u>	<u>( 5,111)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 5,111)</u>	<u>-</u>	<u>( 5,111)</u>
Currency translation differences on foreign subsidiaries	<u>-</u>	<u>( 99,653)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 99,653)</u>	<u>-</u>	<u>( 99,653)</u>
<b>Other comprehensive expense for the year, net of taxation</b>	<u>-</u>	<u>(104,764)</u>	<u>( 52,109)</u>	<u>-</u>	<u>-</u>	<u>( 156,873)</u>	<u>-</u>	<u>( 156,873)</u>
<b>Total comprehensive income/(expense) for the year</b>	<u>-</u>	<u>(104,764)</u>	<u>( 52,109)</u>	<u>-</u>	<u>224,007</u>	<u>67,134</u>	<u>(15,827)</u>	<u>51,307</u>
<b>Transactions with owners, recorded directly in equity</b>								
Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 62,768)</u>	<u>( 62,768)</u>	<u>-</u>	<u>( 62,768)</u>
Own shares sold by Gleaner Company Limited Employee Investment Trust (GCLEIT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,804</u>	<u>-</u>	<u>5,804</u>	<u>-</u>	<u>5,804</u>
Total distributions to owners	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,804</u>	<u>( 62,768)</u>	<u>( 56,964)</u>	<u>-</u>	<u>( 56,964)</u>
Balances at December 31, 2009	<u>605,622</u>	<u>736,116</u>	<u>5,892</u>	<u>(191,422)</u>	<u>866,960</u>	<u>2,023,168</u>	<u>15,292</u>	<u>2,038,460</u>

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

**THE GLEANER COMPANY LIMITED**  
**YEAR ENDED DECEMBER 31, 2009**

**Company Statement of Changes in Equity**  
**(Audited)**

	<b>Share capital \$'000</b>	<b>Capital reserves \$'000</b>	<b>Fair value reserves \$'000</b>	<b>Retained profits \$'000</b>	<b>Total equity \$'000</b>
Balances at January 1, 2008	605,622	412,358	106,712	1,095,628	2,220,320
<b>Total comprehensive income/expense for the year</b>					
Loss for the year	-	-	-	( 513,002)	( 513,002)
<b>Other comprehensive income/(expense):</b>					
Change in fair value of investments	-	-	28,357	-	28,357
Fair value on shares disposed of during the year	-	-	( 88,686)	-	( 88,686)
Transfer of change in fair value of investment to profit/loss	-	-	10,770	-	10,770
Revaluation of land and buildings	-	<u>100,029</u>	-	-	<u>100,029</u>
<b>Other comprehensive income/(expense) for the year, net of taxation</b>	<u>-</u>	<u>100,029</u>	<u>( 49,559)</u>	<u>-</u>	<u>50,470</u>
<b>Total comprehensive income/(expense) for the year</b>	<u>-</u>	<u>100,029</u>	<u>( 49,559)</u>	<u>( 513,002)</u>	<u>( 462,532)</u>
<b>Transactions with owners, recorded directly in equity</b>					
Dividends (note 13)	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 84,787)</u>	<u>( 84,787)</u>
Balances at December 31, 2008	<u>605,622</u>	<u>512,387</u>	<u>57,153</u>	<u>497,839</u>	<u>1,673,001</u>
Profit for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>482,349</u>	<u>482,349</u>
<b>Other comprehensive income/(expense):</b>					
Change in fair value of investments	-	-	( 52,167)	-	( 52,167)
Revaluation of land and buildings	<u>-</u>	<u>( 11,277)</u>	<u>-</u>	<u>-</u>	<u>( 11,277)</u>
<b>Other comprehensive expense for the year, net of taxation</b>	<u>-</u>	<u>( 11,277)</u>	<u>( 52,167)</u>	<u>-</u>	<u>( 63,444)</u>
<b>Total comprehensive income/(expense) for the year</b>	<u>-</u>	<u>( 11,277)</u>	<u>( 52,167)</u>	<u>482,349</u>	<u>418,905</u>
<b>Transactions with owners, recorded directly in equity</b>					
Dividends (note 13)	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 66,618)</u>	<u>( 66,618)</u>
Balances at December 31, 2009	<u>605,622</u>	<u>501,110</u>	<u>4,986</u>	<u>913,570</u>	<u>2,025,288</u>

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

**THE GLEANER COMPANY LIMITED**  
**YEAR ENDED DECEMBER 31, 2009**

**Statement of Cash Flows**  
**(Audited)**

	<b><u>Group</u></b>		<b><u>Company</u></b>	
	<b><u>2009</u></b> \$'000	<b><u>2008</u></b> \$'000	<b><u>2009</u></b> \$'000	<b><u>2008</u></b> \$'000
<b>Cash flows from operating activities</b>				
Profit/(loss) attributable to stockholders	224,007	(450,139)*	482,349	(513,002)
Adjustments for non-cash items	<u>(361,340)</u>	<u>482,869*</u>	<u>(422,802)</u>	<u>389,061</u>
	(137,333)	32,730	59,547	(123,941)
<b>Change in working capital</b>	<u>( 59,871)</u>	<u>127,524</u>	<u>(249,210)</u>	<u>173,185</u>
Net cash (used)/provided by operating activities	(197,204)	160,254	(189,663)	49,244
Net cash provided by investing activities	311,807	43,434	330,685	124,587
Net cash used by financing activities	<u>(137,955)</u>	<u>(126,863)</u>	<u>(156,106)</u>	<u>(105,098)</u>
Net (decrease)/increase in cash and cash equivalents	<u>( 23,352)</u>	<u>76,825</u>	<u>( 15,084)</u>	<u>68,733</u>
Cash and cash equivalents at beginning of the year	<u>78,531</u>	<u>1,706</u>	<u>13,532</u>	<u>( 55,201)</u>
Cash and cash equivalents at end of the year	<u>55,179</u>	<u>78,531</u>	<u>( 1,552)</u>	<u>13,532</u>
Comprised of:				
Cash and cash equivalents	70,923	106,856*	14,192	31,544*
Bank overdraft	<u>( 15,744)</u>	<u>( 28,325)</u>	<u>( 15,744)</u>	<u>( 18,012)</u>
	<u>55,179</u>	<u>78,531*</u>	<u>( 1,552)</u>	<u>13,532*</u>

\*Reclassified to conform to 2009 presentation

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, 2009.

### 1. Segment Reporting

The group had three reportable segments, one of which was discontinued during the year. Segment information is presented in respect of the group's strategic business segment. The identification of 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.

Comparative figures have been reclassified to conform with those of the current year.

These are:

- (a) Media service – includes the print and electronic media businesses
- (b) Books and stationery – comprises books and stationery supplies.
- (c) Other– includes management services and publication of books. These do not meet any of the quantitative thresholds for determining reportable segments in 2009 or 2008.

Information regarding results of each reportable segment is included below. Performance is measured on segment profit before taxation as included in the internal management reports that are reviewed by the Board of Directors. Segment profit before taxation is used to measure performance as management believe that such information is the most relevant in evaluation the results of certain segments relative to other entities that operate within these industries.

The main business segments of the Group comprise:

	Continuing operations						Discontinuing operations	
	Media service		Other		Total		Books and stationery	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
External revenues	<u>3,250,306</u>	<u>3,207,223</u>	<u>23,873</u>	<u>39,074</u>	<u>3,274,179</u>	<u>3,246,297</u>	<u>-</u>	<u>802,059</u>
Segment profit/(loss) before taxation	<u>13,227</u>	<u>( 443,013)</u>	<u>(11,405)</u>	<u>( 8,253)</u>	<u>1,822</u>	<u>( 451,266)</u>	<u>-</u>	<u>( 1,221)</u>
Finance income	<u>15,332</u>	<u>25,810</u>	<u>4,333</u>	<u>3,212</u>	<u>19,665</u>	<u>29,022</u>	<u>-</u>	<u>2,493</u>
Finance costs	<u>( 13,608)</u>	<u>( 7,025)</u>	<u>( 6)</u>	<u>( 6)</u>	<u>( 13,614)</u>	<u>( 7,031)</u>	<u>-</u>	<u>( 4,790)</u>
Depreciation and amortisation	<u>99,365</u>	<u>97,418</u>	<u>12</u>	<u>3,678</u>	<u>99,377</u>	<u>101,096</u>	<u>-</u>	<u>8,873</u>
Reportable segment assets	<u>3,053,466</u>	<u>2,665,001</u>	<u>112,166</u>	<u>52,153</u>	<u>3,165,632</u>	<u>2,717,154</u>	<u>-</u>	<u>550,170</u>
Reportable segment liabilities	<u>1,030,563</u>	<u>979,309</u>	<u>96,609</u>	<u>52,764</u>	<u>1,127,172</u>	<u>1,032,073</u>	<u>-</u>	<u>191,134</u>
Capital expenditure	<u>50,985</u>	<u>7,964</u>	<u>-</u>	<u>-</u>	<u>50,985</u>	<u>7,964</u>	<u>-</u>	<u>-</u>
Other material non-cash item - impairment losses	<u>-</u>	<u>367,835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>367,835</u>	<u>-</u>	<u>-</u>

**Notes to the Interim Financial Report (cont'd)**

2. The Group trading profit (adjusted for impairment, profit on subsidiaries in administration/liquidation and employee benefit asset) was \$208.7M in 2009 (2008: \$14.4M).

Reconciliation of profit/(loss) from continuing operations before taxation to trading profit: -

	<u>2009</u> \$M	<u>2008</u> \$M
Trading profit	208.7	14.4
Employee benefit	( 47.9)	( 0.4)
Impairment losses	-	(368.0)
The Gleaner Company Limited Employee Investment Trust	( 59.0)	( 26.0)
Restructuring costs	(100.0)	( 72.0)
Profit/(loss) from continuing operations before tax	<u>1.8</u>	<u>(452.0)</u>

3. Group financial accounts for the twelve months ended December 31, 2009 show, a profit/(loss) from continuing operations before taxation of approximately \$1.8M (2008: loss - \$452M).
4. Group profit/(loss) from continuing operations after taxation, for the twelve months of 2009 was approximately \$160M compared with a loss of approximately \$442M for the same period last year.

Group profit/(loss) including discontinued operations after taxation, for the twelve months of 2009 was approximately \$208M compared with a loss of approximately \$445M for the same period in 2008.

5. In comparing the financial statements for the twelve-months ended December 31, 2009, with those of the previous year, the following should be noted: -
- Revenue increased by approximately \$28M or 1% for the period. This arose mainly because of a rise in advertising income.
  - Other operating income of \$176M (2008: \$120M) increased due mainly to foreign exchange gain, rental and investment income, and Track and Pool sales.
  - Net employee benefit income represents a portion of the surplus in the parent company's pension scheme, which, in accordance with IAS 19, has been credited to the income statement. 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 Balance Sheet asset of \$783M (2008: \$844M)].

Amounts recognised in the income statements:

	<u>Group and Company</u>	
	<u>2009</u> \$'000	<u>2008</u> \$'000
Employee benefit asset	(39,000)	18,800
Employee benefit obligation	( 8,900)	(19,200)
	<u>(47,900)</u>	<u>( 400)</u>

The amounts in respect of employee benefits obligations are recognised in administrative expenses.

6. On December 22, 2009 the Group entered into an agreement to sell shares in Sangster's Book Stores Limited which comprises the group's books and stationery segment. The segment was not a discontinued operation or classified as held for sale as at December 31, 2008 and the comparative income statement has been re-presented to show the discontinued operation separately from continuing operations. The transfer of full ownership of the shares was completed on January 4, 2010.

**Notes to the Interim Financial Report (cont'd)**

7. The Group financial statements for the twelve months ended December 31, 2009, include the Company's eleven (2008: twelve) subsidiaries – Associated Enterprise Limited, Popular Printers 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 and overseas subsidiaries, The Gleaner Company (U.S.A.) Limited, The Gleaner Company (Canada) Incorporated, and GV Media Group Limited.
8. The revenue represents sales by the Group before commission payable but excluding returns.
9. The calculations of loss/earnings per stock unit are arrived at by dividing loss/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.
10. The calculations of stockholders' fund per stock unit for 2009 and 2008 are arrived at by dividing capital and reserves by 1,211,243,827 stock units (see 9 above).
11. 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. The reserve comprises the cost of the company's shares held by the group through the GCLEIT.
12. Overseas operations

The operations continued to show operational improvement during 2009.

13. Dividends paid (gross)

An interim revenue distribution of 3.5 cents per stock unit was paid on April 23, 2009, to shareholders on record at close of business on April 9, 2009.

A second interim revenue distribution of 2.0 cents per stock was paid on December 23, 2009, to shareholders on record at the close of business on December 16, 2009.

No final dividend is recommended.

	<u>Group</u>	
	<u>2009</u>	<u>2008</u>
	<u>\$'000</u>	<u>\$'000</u>
Gleaner's first interim paid in respect of 2009: 3.5¢ (2008: 3.5¢) per stock unit - gross	42,393	42,393
Gleaner's second interim paid in respect of 2009: 2.0¢ (2008: 3.5¢) per stock unit - gross	<u>24,225</u>	<u>42,394</u>
	66,618	84,787
Dividends paid to GCLEIT	<u>( 3,850)</u>	<u>( 5,116)</u>
	62,768	79,671
Paid to minority interest in a subsidiary	<u>-</u>	<u>1,503</u>
	<u>62,768</u>	<u>81,174</u>

The Directors declared 1<sup>st</sup> interim Dividend of 5 cents per stock unit which was paid on February 8, 2010 to stockholders on record at January 29, 2010.

The Company's stock unit price on the Jamaica Stock Exchange closed the year at \$1.16 compared to the opening price at January 1, 2009 of \$1.70.

**Notes to the Interim Financial Report (cont'd)**14. Libel cases

The Group's lawyers advised that they are of the opinion that the provision made in the Group'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.

15. Looking forward

The Management of The Gleaner Company continues to pursue strategies and policies aimed at improving the overall profitability of the Group.



Hon. O. F. Clarke, O.J.

**Chairman and Managing Director**



Christopher Barnes

**Deputy Managing Director**

March 12, 2010