

TO: THE STOCKHOLDERS OF

THE GLEANER COMPANY LIMITED
(Unaudited)

CONSOLIDATED GROUP INCOME STATEMENT FOR THREE MONTHS ENDED MARCH 31, 2013

	Notes	GROUP (Unaudited) Three Month Jan – Mar. 2013 \$000's	GROUP (Unaudited) Three Months Jan – Mar. 2012 \$000's	GROUP (Audited) Twelve Months ended Dec 31, 2012 \$000's
Revenue	5 (a)	774,730	774,447	3,194,665
Cost of sales		<u>(414,633)</u>	<u>(375,879)</u>	<u>(1,811,743)</u>
Gross profit		360,097	398,568	1,382,922
Other operating (loss)/income	5 (b)	<u>(4,260)</u>	<u>8,621</u>	<u>155,689</u>
		<u>355,837</u>	<u>407,189</u>	<u>1,538,611</u>
Distribution costs		(119,665)	(129,623)*	(489,037)
Administrative expenses		(190,704)	(178,838)	(612,730)
Other operating expenses		(72,336)	(75,973)*	(391,006)
Pension costs		<u>(6,928)</u>	<u>(5,682)</u>	<u>(21,702)</u>
		<u>(389,633)</u>	<u>(390,116)</u>	<u>(1,514,475)</u>
Employee benefit obligation		<u>(2,200)</u>	-	<u>(8,800)</u>
(Loss)/profit from operations		<u>(35,996)</u>	<u>17,073</u>	<u>15,336</u>
Finance income	5 (c)	20,828	23,080	93,180
Finance cost		<u>(4,863)</u>	<u>(5,089)</u>	<u>(20,931)</u>
Net finance income		<u>15,965</u>	<u>17,991</u>	<u>72,249</u>
(Loss)/profit before taxation charge	3	<u>(20,031)</u>	<u>35,064</u>	<u>87,585</u>
Taxation credit/(charge)		<u>4,006</u>	<u>(9,946)</u>	<u>45,447</u>
(Loss)/profit for the period/year		<u>(16,025)</u>	<u>25,118</u>	<u>133,032</u>
Attributable to:				
Parent company stockholders		<u>(16,025)</u>	<u>25,118</u>	<u>133,032</u>
Dealt with in the financial statements of:				
Parent company		(7,622)	34,374	197,700
Subsidiaries		<u>(8,403)</u>	<u>(9,256)</u>	<u>(64,668)</u>
		<u>(16,025)</u>	<u>25,118</u>	<u>133,032</u>
Earnings per stock unit:				
Based on stock units in issue	7	<u>(1.32)¢</u>	<u>2.07¢</u>	<u>10.98¢</u>

The accompanying notes form an integral part of the financial statements

* Figures have been restated

THE GLEANER COMPANY LIMITED
(Unaudited)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Three months ended March 31, 2013

	Three Months March 2013 \$000's	Three Months March 2012 \$000's
(Loss)/profit for the period	(16,025)	25,118
Other comprehensive income:		
Change in fair value of available-for-sale investments	4,250	9
Currency translation differences on foreign subsidiaries	(4,177)	(13,299)
Taxation on other comprehensive income	<u> -</u>	<u>(3)</u>
Other comprehensive income for the period, net of taxation	<u> 73</u>	<u>(13,293)</u>
Total comprehensive income for the period	<u>(15,952)</u>	<u> 11,825</u>
Dealt with in the financial statements of:		
Parent company	(3,372)	13,213
Subsidiary companies	(12,580)	(1,388)
Total comprehensive income for the period	<u>(15,952)</u>	<u> 11,825</u>

THE GLEANER COMPANY LIMITED
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT MARCH 31, 2013

	Notes	GROUP (Unaudited) Three Months March 31, 2013 \$000's	GROUP (Unaudited) Three Months March 31, 2012 \$000's	GROUP (Audited) Twelve Months Dec 31, 2012 \$000's
Assets				
Property, plant and equipment		979,031	899,239	906,301
Intangible assets		3,798	4,587	4,521
Long-term receivables		3,900	14,550	4,735
Interest in associates		150	150	150
Investments		441,818	193,960	507,375
Pension receivable	5 (d)	68,365	178,480	143,365
Deferred tax assets		<u>4,152</u>	<u>5,303</u>	<u>4,319</u>
Total non-current assets		<u>1,501,214</u>	<u>1,296,269</u>	<u>1,570,766</u>
Cash and cash equivalents		51,192	47,611	121,964
Securities purchased under agreement for resale		267,552	23,177	125,173
Trade and other receivables		471,274	511,862	584,219
Prepayments		26,261	28,672	31,062
Taxation recoverable		16,118	98,421	9,423
Inventories and goods in-transit		218,659	128,219	152,313
Pension receivable	5 (d)	<u>928,522</u>	<u>1,272,750</u>	<u>918,653</u>
Total current assets		<u>1,979,578</u>	<u>2,110,712</u>	<u>1,942,807</u>
Total assets		<u>3,480,792</u>	<u>3,406,981</u>	<u>3,513,573</u>
Equity				
Share capital		605,622	605,622	605,622
Reserves		<u>1,701,008</u>	<u>1,633,410</u>	<u>1,751,198</u>
Total equity		<u>2,306,630</u>	<u>2,239,032</u>	<u>2,356,820</u>
Liabilities				
Long-term liabilities		91,000	* 26,347	99,001
Employee benefit obligation		139,100	130,600	136,900
Deferred tax liabilities		<u>319,671</u>	<u>512,207</u>	<u>312,625</u>
Total non-current liabilities		<u>549,771</u>	<u>669,154</u>	<u>548,526</u>
Bank overdraft		21,276	4,237	10,308
Trade and other payables		573,042	473,779	506,684
Taxation		65	-	20,025
Current portion of long-term liabilities		11,496	2,432	9,813
Deferred income		<u>18,512</u>	<u>18,347</u>	<u>61,397</u>
Total current liabilities		<u>624,391</u>	<u>498,795</u>	<u>608,227</u>
Total liabilities		<u>1,174,162</u>	<u>1,167,949</u>	<u>1,156,753</u>
Total equity and liabilities		<u>3,480,792</u>	<u>3,406,981</u>	<u>3,513,573</u>

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

THE GLEANER COMPANY LIMITED

(Unaudited)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three months ended March 31, 2013

	Share capital \$000's	Capital reserves \$000's	Fair value reserves \$000's	Reserve for own shares \$000's	Retained profits \$000's	Total equity \$000's
Balances at January 1, 2012	605,622	804,403	27,944	(160,108)	999,708	2,277,569
Total comprehensive income for the period	-	(13,299)	6	-	25,118	11,825
Dividends paid (gross)	-	-	-	-	(60,562)	(60,562)
Own shares sold in the Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	10,200	-	10,200
Balances at March 31, 2012	<u>605,622</u>	<u>791,104</u>	<u>27,950</u>	<u>(149,908)</u>	<u>964,264</u>	<u>2,239,032</u>
Balances at January 1, 2013	605,622	831,441	40,247	(160,782)	1,040,292	2,356,820
Total comprehensive income for the period	-	(4,177)	4,250	-	(16,025)	(15,952)
Dividends paid (gross)	-	-	-	-	(84,787)	(84,787)
Own shares sold in the Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	50,549	-	50,549
Balances at March 31, 2013	<u>605,622</u>	<u>827,264</u>	<u>44,497</u>	<u>(110,233)</u>	<u>939,480</u>	<u>2,306,630</u>

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

THE GLEANER COMPANY LIMITED
STATEMENT OF CASH FLOWS
Three Months ended March 31, 2013
(Unaudited)

	GROUP (Unaudited) Three Months Mar. 31, 2013 \$000's	GROUP (Unaudited) Three Months Mar. 31, 2012 \$000's	GROUP (Audited) Twelve Months Dec 31, 2012 \$000's
Cash Flow from operating activities			
(Loss)/profit for the period/year	(16,025)	25,118	133,032
Adjustment for non-cash items	<u>35,171</u>	<u>28,642</u>	<u>(29,996)</u>
	19,146	53,760	103,036
Change in working capital	<u>30,890</u>	<u>(122,868)</u>	<u>19,941</u>
Net cash provided/(used) by operating activities	50,036	(69,108)	122,977
Net cash (used)/provided by investing activities	(68,989)	70,752	(97,910)
Net cash used by financing activities	<u>(62,787)</u>	<u>(62,935)</u>	<u>(18,076)</u>
Net (decrease)/ increase in cash and cash equivalents	(81,740)	(61,291)	6,991
Cash and cash equivalents at beginning of period	<u>111,656</u>	<u>104,665</u>	<u>104,665</u>
Cash and cash equivalents at end of period	<u>29,916</u>	<u>43,374</u>	<u>111,656</u>
Comprised of:			
Cash and bank	51,192	47,611	121,964
Bank overdraft	<u>(21,276)</u>	<u>(4,237)</u>	<u>(10,308)</u>
	<u>29,916</u>	<u>43,374</u>	<u>111,656</u>

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

Notes to the Interim Financial Report

We hereby present the unaudited financial report of the Group for the three months ended March 31, 2013.

1. Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations, as issued by the International Accounting Standards Board (IASB), and comply with the provisions of the Jamaican Companies Act.

The accounting policies followed in these interim financial statements are consistent with those in the audited financial statement for the year ended December 31, 2012.

2. Segment Reporting

The group has one reportable segment, which is Media Service. This includes the print and electronic media businesses. Other includes management services, publication of books and those activities that do not meet any of the quantitative thresholds for determining reportable segments in 2012 or 2013.

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 believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Business segments:

	Media Service		Other		Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
External revenues	<u>766,083</u>	<u>765,375</u>	<u>8,647</u>	<u>9,072</u>	<u>774,730</u>	<u>774,447</u>
Segment (loss)/profit before taxation & finance income	<u>(34,326)</u>	<u>23,791</u>	<u>(1,670)</u>	<u>(6,718)</u>	<u>(35,996)</u>	<u>17,073</u>
Finance income	<u>20,828</u>	<u>23,080</u>			<u>20,828</u>	<u>23,080</u>
Finance costs	<u>(4,853)</u>	<u>(5,086)</u>	<u>(10)</u>	<u>(3)</u>	<u>(4,863)</u>	<u>(5,089)</u>
Depreciation and amortisation	<u>26,175</u>	<u>25,369</u>			<u>26,175</u>	<u>25,369</u>
Reportable segment assets	<u>3,394,165</u>	<u>3,256,348</u>	<u>86,627</u>	<u>150,633</u>	<u>3,480,792</u>	<u>3,406,981</u>
Reportable segment liabilities	<u>1,125,694</u>	<u>1,093,493</u>	<u>48,468</u>	<u>74,456</u>	<u>1,174,162</u>	<u>1,167,949</u>
Capital expenditure	<u>80,273</u>	<u>5,569</u>	<u>-</u>	<u>-</u>	<u>80,273</u>	<u>5,569</u>

3. Group Financial Accounts for the three months ended March, 2013 show a loss before taxation charge of approximately (\$20M) (2012: profit of \$35M).
4. The Group loss after taxation for the three months of 2013 was approximately (\$16M) compared with a profit of approximately \$25M for the same period last year.
5. In comparing the financial statements for the three-month period ended March 31, 2013, with those of previous year, the following should be noted: -
 - (a) Revenue which represents sales by the Group before commission payable but excluding returns, increased by approximately \$0.3M for the period.
 - (b) Other operating loss of (\$4M) (2012: \$9M income) is as a result of a loss of (\$9M) made on sale of investment.
 - (c) Finance income includes interest provision of \$10M on the pension receivable amounts as at March 31, 2013.

- (d) Pension receivable represents amounts due to the company arising from the discontinuation of the defined-benefit pension fund. Of the total outstanding amount, \$68M (2012: \$143M) is expected to be received in more than one year from the reporting date.

	<u>Group and Company</u>	
	<u>March 2013</u>	<u>March 2012</u>
	<u>\$'000</u>	<u>\$'000</u>
Pension receivable brought forward to January	1,062	1,429
Net received during the year	(75)	
Income earned during the period	<u>10</u>	<u>22</u>
	<u>997</u>	<u>1,451</u>

6. The Group Financial Statements for the three months ended March 31, 2013, include the Company's nine (2012: ten) subsidiaries – Associated Enterprise Limited, Popular Printers Limited, The Gleaner Online Limited, Selectco Publications Limited, Independent Radio Company Limited, diGJamaica.com Ltd and overseas subsidiaries, The Gleaner Company (U.S.A.) Limited, The Gleaner Company (Canada) Incorporated, and GV Media Group Limited.

7. The calculation of earnings/loss per stock unit is arrived at by dividing (loss)/profit after taxation attributable to the parent company's stockholders by 1,211,243,827 stock units, that is, the number of stock units in issue at the end of the period/year.

8. Subsequent Events

- (a) On March 28, 2013, the rate of income tax applicable to unregulated entities with revenue in excess of \$500 million was adjusted to 30% through the announcement of a 5% surtax.

- (b) In February 2013 a National Debt Exchange (NDX) was proposed by the Government of Jamaica. The NDX involved the exchange of domestic debt instruments ("Old Notes") issued by the Government of Jamaica for new debt instruments ("New Notes") having lower interest rates and longer maturities. The effective date of exchange was February 22, 2013. Interest accrued on the Old Notes up to, but excluding that date, was paid to holders net of applicable withholding taxes. The debt exchange had no immediate impact on the group's financial operations but is expected to reduce interest income in the future.

9. Dividend and Stock Prices

Two interim revenue distributions of 3.5 cents per stock unit were declared at board meetings held January 10, 2013 and February 14, 2013 respectively to shareholders on record at March 4, 2013. Both payments were made on March 22, 2013.

The company's stock unit price on the Jamaica Stock Exchange at March 31, 2013 was \$1.10; the opening price at January 1, 2013 was \$1.40.

10. Libel Cases

The group's lawyers have advised that they are of the opinion that the provision made in the accounts is a reasonable provision for the purpose of covering all probable judgements and costs for existing libel actions.

On behalf of the Board



Hon. O.F. Clarke, O.J., JP. LL.D. (Hon)
Chairman



C.N. Barnes B.Sc, M.B.A., JP.
Managing Director

May 8, 2013

THE GLEANER COMPANY LIMITED
TOP TWENTY (20) SHAREHOLDERS
AS AT 31 MARCH 2013

SHAREHOLDER	SHARES
Financial & Advisory Services Limited	368,239,880
Pan Caribbean Fin. Services A/C # 1388842	103,685,052
Kaytak Investments Limited	68,669,862
Oliver Fredrick Clarke	65,317,720
Jamaica National Building Society	46,425,529
Medsalco Limited	34,191,867
National Insurance Fund	30,883,010
Sagicor PIF Equity Fund	30,470,202
JN Fund Managers Limited - Investment MGRS	30,000,000
Prime Asset MGMT Ltd - JPS EMP. SUP. Fund	24,896,469
Joseph M. Matalon	23,572,020
Jl Limited	23,374,832
Puttnams Ltd	22,069,110
Jason Carl Carby	20,953,200
Mayberry West Indies Limited	19,776,063
Gleaner Co Ltd Employee Investment Trust	18,027,280
JCSD Trustee Services Ltd. - Sigma Optima	15,531,350
PAM LTD - Superclubs Resorts P/Plan	9,917,545
Henriques et al S/F Inv Nom Ltd A/C Las	6,900,078
Round Table Nominees Limited	6,319,796
TOTAL	969,220,865

THE GLEANER COMPANY LIMITED
DECLARATION OF NUMBER OF STOCK UNITS
OWNED BY DIRECTORS/OFFICERS
AS AT MARCH 31,2013

NAMES	PERSONAL SHAREHOLDINGS
Oliver F. Clarke	65,317,720
Gerald C. Lalor	76,958
John J. Issa	-
Christopher S. Roberts	4,934,412
Joseph M. Matalon	23,572,020
H. Winston R. Dear	-
Carol D. Archer	58,320
Douglas R. Orane	823,381
Morin Seymour	20,000
Lisa G. McGregor-Johnston	3,732
Christopher Barnes	2,362,780
Earl Maucker	-
Collin R. Bourne	12,465
Marlene Davis	202,609
Garfield Grandison	75,652
Burchell Gibson	500,000
John Hudson	3,391,820
Newton James	501,700
Robin Williams	-
L. Anthony O'Gilvie	2,881,031
Ian R. Roxburgh	2,622,762
Karin E. Daley-Cooper	1,501,700
Shena Stubbs-Gibson	420,000
Rudolph A. Speid	1,401,700