

TO: THE STOCKHOLDERS OF

**THE GLEANER COMPANY LIMITED**  
(Unaudited)

**CONSOLIDATED GROUP INCOME STATEMENT FOR SIX MONTHS ENDED JUNE 30, 2014**

	Notes	GROUP (Unaudited) Six Months June 2014 \$000's	GROUP (Unaudited) Six Months June 2013 \$000's	GROUP (Unaudited) Three Months June 2014 \$000's	GROUP (Unaudited) Three Months June 2013 \$000's	GROUP (Audited) Twelve Months Dec 31, 2013 \$000's
<b>Revenue</b>	5(a)	1,622,119	1,571,715	836,411	796,985	3,188,709
Cost of sales		( 856,540)	( 832,997)	( 426,707)	( 418,364)	(1,867,022)
Gross profit		765,579	738,718	409,704	378,621	1,321,687
Other operating income	5(b)	<u>23,023</u>	<u>8,893</u>	<u>9,647</u>	<u>13,153</u>	<u>127,276</u>
		<u>788,602</u>	<u>747,611</u>	<u>419,351</u>	<u>391,774</u>	<u>1,448,963</u>
Distribution costs		( 248,678)	( 247,884)	(127,548)	(128,219)	( 477,171)
Administrative expenses		( 323,066)	( 322,866)	(137,040)	(132,163)	( 684,862)
Other operating expenses		( 205,028)	( 185,291)	(130,114)	(112,955)	( 329,644)
Pension costs		( 12,802)	( 12,949)	( 5,967)	( 6,021)	( 23,588)
		( 789,574)	( 768,990)	(400,669)	(379,358)	(1,515,265)
Employee benefit obligation		( 3,812)	6,193	( 3,812)	8,393	31,000
<b>(Loss)/profit from operations</b>		<b>( 4,784)</b>	<b>( 15,186)</b>	<b>14,870</b>	<b>20,809</b>	<b>( 35,302)</b>
Finance income	5(c)	70,365	40,061	46,689	19,233	152,011
Finance cost		( 16,548)	( 11,957)	( 8,237)	( 7,094)	( 25,251)
Net finance income		<u>53,817</u>	<u>28,104</u>	<u>38,452</u>	<u>12,139</u>	<u>126,760</u>
<b>Profit before taxation charge</b>	3	<b>49,033</b>	<b>12,918</b>	<b>53,322</b>	<b>32,948</b>	<b>91,458</b>
Taxation charge	8	( 6,605)	( 2,662)	( 7,463)	( 6,668)	( 5,616)
<b>Profit for the period/year</b>	4	<b><u>42,428</u></b>	<b><u>10,256</u></b>	<b><u>45,859</u></b>	<b><u>26,280</u></b>	<b><u>85,842</u></b>
Dealt with in the financial statements of:						
Parent company		55,333	22,357	52,497	29,978	63,834
Subsidiary companies		( 12,905)	( 12,101)	( 6,638)	( 3,698)	22,008
		<u>42,428</u>	<u>10,256</u>	<u>45,859</u>	<u>26,280</u>	<u>85,842</u>
Earnings per stock unit:						
Based on stock units in issue	7	<u>3.50¢</u>	<u>0.84¢</u>	<u>3.79¢</u>	<u>2.17¢</u>	<u>7.09¢</u>

The accompanying notes form an integral part of the financial statements

**THE GLEANER COMPANY LIMITED**  
(Unaudited)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**Six months ended June 30, 2014**

	<b>Six Months June 2014 \$000's</b>	<b>Six Months June 2013 \$000's</b>	<b>Three Months June 2014 \$000's</b>	<b>Three Months June 2013 \$000's</b>
Profit for the period	<u>42,428</u>	<u>10,256</u>	<u>45,859</u>	<u>26,280</u>
<b>Other comprehensive income:</b>				
<b>Items that will never be reclassified to profit or loss</b>				
Surplus on revaluation of land and building	-	-	-	-
Re-Measurement of employee benefit obligation	(3,812)	(6,193)	3,812	(8,393)
Related tax on revaluation and re-measurement	<u>6,312</u>	<u>8,090</u>	<u>1,206</u>	<u>6,664</u>
	<u>2,500</u>	<u>1,897</u>	<u>2,606</u>	<u>(1,729)</u>
Change in fair value of available-for-sale investments	( 3,523)	3,766	(5,271)	484
Currency translation differences on foreign subsidiaries	<u>( 2,864)</u>	<u>(4,931)</u>	<u>(1,602)</u>	<u>1,904</u>
	<u>( 6,387)</u>	<u>(1,165)</u>	<u>(6,873)</u>	<u>2,388</u>
<b>Other comprehensive income for the period, net of taxation</b>	<u>(3,887)</u>	<u>732</u>	<u>(4,267)</u>	<u>659</u>
<b>Total comprehensive income for the period</b>	<u>38,541</u>	<u>10,988</u>	<u>41,592</u>	<u>26,939</u>
Dealt with in the financial statement of:				
The company	51,811	18,379	47,227	19,095
Subsidiary companies	<u>( 13,270)</u>	<u>( 7,391)</u>	<u>(5,635)</u>	<u>7,844</u>
<b>Total comprehensive income for the period</b>	<u><b>38,541</b></u>	<u><b>10,988</b></u>	<u><b>41,592</b></u>	<u><b>26,939</b></u>

**THE GLEANER COMPANY LIMITED**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT JUNE 30, 2014**

	Notes	GROUP (Unaudited) Six Months June 30, 2014 \$000's	GROUP (Unaudited) Six Months June 30, 2013 \$000's	GROUP (Audited) Twelve Months Dec 31, 2013 \$000's
<b>Assets</b>				
Property, plant and equipment		1,222,289	970,204	1,248,067
Intangible assets		21,256	3,075	1,628
Long-term receivables		3,900	3,900	6,317
Interest in associates		150	150	150
Investments		579,819	534,207	640,418
Pension receivable	5(d)	29,000	64,365	29,000
Deferred tax assets		6,475	3,906	3,200
<b>Total non-current assets</b>		<b><u>1,862,889</u></b>	<b><u>1,579,807</u></b>	<b><u>1,928,780</u></b>
Cash and cash equivalents		80,082	28,848	91,623
Securities purchased under agreement for resale		115,464	73,784	9,780
Trade and other receivables		445,089	496,522	490,638
Prepayments		54,753	82,079	37,973
Taxation recoverable		17,362	16,119	9,746
Inventories and goods in-transit		160,587	226,441	99,222
Pension receivable	5(d)	1,014,984	897,044	986,574
<b>Total current assets</b>		<b><u>1,888,321</u></b>	<b><u>1,820,837</u></b>	<b><u>1,725,556</u></b>
<b>Total assets</b>		<b><u>3,751,210</u></b>	<b><u>3,400,644</u></b>	<b><u>3,654,336</u></b>
<b>Equity</b>				
Share capital		605,622	605,622	605,622
Reserves		1,973,091	1,738,061	1,988,079
<b>Total equity</b>		<b><u>2,578,713</u></b>	<b><u>2,343,683</u></b>	<b><u>2,593,701</u></b>
<b>Liabilities</b>				
Long-term liabilities		72,800	91,000	93,534
Employee benefit obligation		69,482	130,737	66,300
Deferred tax liabilities		352,764	308,329	338,906
<b>Total non-current liabilities</b>		<b><u>495,046</u></b>	<b><u>530,066</u></b>	<b><u>498,740</u></b>
Bank overdraft		32,481	1,356	5,327
Trade and other payables		549,193	468,077	449,161
Taxation		-	-	4,867
Current portion of long-term liabilities		35,222	38,656	36,365
Deferred income		60,555	18,806	66,175
<b>Total current liabilities</b>		<b><u>677,451</u></b>	<b><u>526,895</u></b>	<b><u>561,895</u></b>
<b>Total liabilities</b>		<b><u>1,172,497</u></b>	<b><u>1,056,961</u></b>	<b><u>1,060,635</u></b>
<b>Total equity and liabilities</b>		<b><u>3,751,210</u></b>	<b><u>3,400,644</u></b>	<b><u>3,654,336</u></b>

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

**THE GLEANER COMPANY LIMITED**

(Unaudited)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Six months ended June 30, 2014

	Share capital	Capital reserves	Fair Value reserves	Reserve for own shares	Retained profits	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balances at January 1, 2013	605,622	831,441	40,247	(160,782)	1,054,242	2,370,770
Total comprehensive income/(expense) for the year	-	(3,034)	3,766	-	10,256	10,988
Dividends paid (gross)	-	-	-	-	( 84,787)	( 84,787)
Own shares sold by Gleaner Company Limited Employee Investment Trust (GCLEIT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,712</u>	<u>-</u>	<u>46,712</u>
Balances at June 30, 2013	<u>605,622</u>	<u>828,407</u>	<u>44,013</u>	<u>(114,070)</u>	<u>979,711</u>	<u>2,343,683</u>
Balances at January 1, 2014	605,622	1,013,906	63,005	(144,035)	1,055,203	2,593,701
Total comprehensive income/(expense) for the year	-	( 364)	(3,523)	-	42,428	38,541
Dividends paid (gross)	-	-	-	-	( 48,445)	( 48,445)
Own shares sold by Gleaner Company Limited Employee Investment Trust (GCLEIT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 5,084)</u>	<u>-</u>	<u>( 5,084)</u>
Balances at June 30, 2014	<u>605,622</u>	<u>1,013,542</u>	<u>59,482</u>	<u>(149,119)</u>	<u>1,049,186</u>	<u>2,578,713</u>

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

**THE GLEANER COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS**  
**Six Months ended June 30, 2014**  
**(Unaudited)**

	<b>GROUP (Unaudited) Six Months June 30, 2014 \$000's</b>	<b>GROUP (Unaudited) Six Months June 30, 2013 \$000's</b>	<b>GROUP (Audited) Twelve Months Dec 31, 2013 \$000's</b>
<b>Cash Flow from operating activities</b>			
Profit for the period/year	42,428	10,256	85,842
Adjustment for non-cash items	<u>51,553</u>	<u>64,888</u>	<u>( 49,519)</u>
	93,981	75,144	36,323
<b>Change in working capital</b>	<u>22,526</u>	<u>( 16,734)</u>	<u>182,397</u>
Net cash provided by operating activities	116,507	58,410	218,720
Net cash used by investing activities	( 106,757)	( 80,392)	( 181,259)
Net cash used by financing activities	<u>( 48,445)</u>	<u>( 62,182)</u>	<u>( 62,821)</u>
Net decrease in cash and cash equivalents	( 38,695)	( 84,164)	( 25,360)
<b>Cash and cash equivalents at beginning of period</b>	<u>86,296</u>	<u>111,656</u>	<u>111,656</u>
<b>Cash and cash equivalents at end of period</b>	<u><b>47,601</b></u>	<u><b>27,492</b></u>	<u><b>86,296</b></u>
<b>Comprised of:</b>			
Cash and cash equivalents	80,082	28,848	91,623
Bank overdraft	<u>( 32,481)</u>	<u>( 1,356)</u>	<u>( 5,327)</u>
	<u><b>47,601</b></u>	<u><b>27,492</b></u>	<u><b>86,296</b></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 six months ended June 30, 2014.

### 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 statements for the year ended December 31, 2013.

### 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 2013 or 2014.

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

#### Business segments:

	<u>Media Service</u>		<u>Other</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
External revenues	<u>1,612,974</u>	<u>1,566,872</u>	<u>9,145</u>	<u>4,843</u>	<u>1,622,119</u>	<u>1,571,715</u>
Segment profit/(loss) before taxation & finance income	<u>50,568</u>	<u>14,035</u>	<u>( 1,535)</u>	<u>( 1,117)</u>	<u>49,033</u>	<u>12,918</u>
Finance income	<u>70,365</u>	<u>40,061</u>	<u>—</u>	<u>—</u>	<u>70,365</u>	<u>40,061</u>
Finance costs	<u>( 16,533)</u>	<u>( 11,947)</u>	<u>( 15)</u>	<u>( 10)</u>	<u>( 16,548)</u>	<u>( 11,957)</u>
Depreciation and amortisation	<u>49,792</u>	<u>47,595</u>	<u>—</u>	<u>—</u>	<u>49,792</u>	<u>47,595</u>
Reportable segment assets	<u>3,672,931</u>	<u>3,182,728</u>	<u>78,279</u>	<u>203,969</u>	<u>3,751,210</u>	<u>3,386,697</u>
Reportable segment liabilities	<u>1,109,715</u>	<u>907,507</u>	<u>62,781</u>	<u>149,457</u>	<u>1,172,496</u>	<u>1,056,964</u>
Capital expenditure	<u>14,640</u>	<u>80,273</u>	<u>-</u>	<u>-</u>	<u>14,640</u>	<u>80,273</u>

3. Group Financial Accounts for the six months ended June 30, 2014 show a profit before taxation charge of approximately \$49M (2013: \$13M).
4. The Group profit after taxation for the six months of 2014 was approximately \$42M compared with a profit of approximately \$10M for the same period last year.
5. In comparing the financial statements for the six-month period ended June 30, 2014, 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 \$50M for the period or 4%.
  - (b) Other operating income of \$23M (2013: \$9M) results largely from gains on foreign exchange arising from the translation of foreign-currency denominated investments.

- (c) Finance income includes an interest provision of \$50M on the pension receivable amounts as at June 30, 2014.
- (d) Pension receivable of \$1 billion represents amounts due to the company arising from the discontinuation of the defined-benefit pension fund. Of the total outstanding amount, \$29M (2013: \$68M) is expected to be received in more than one year from the reporting date.

	<b>Group and Company</b>	
	<b><u>June 2014</u></b>	<b><u>June 2013</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Pension receivable brought forward to January	1,015	1,062
Net received during the year	(41)	(121)
Income earned during the period	<u>69</u>	<u>20</u>
	<b><u>1,043</u></b>	<b><u>961</u></b>

6. The Group Financial Statements for the six months ended June 30, 2014 include the Company's nine (2013: nine) subsidiaries – Associated Enterprise Limited, Popular Printers Limited, The Gleaner Online Limited, Selectco Publications Limited, Independent Radio Company Limited, diGJamaica.com Limited and overseas subsidiaries, The Gleaner Company (U.S.A.) Limited, The Gleaner Company (Canada) Incorporated and GV Media Group Limited.
7. The calculations of earnings per stock unit and book value per stock unit are arrived at by dividing profit after taxation and ordinary stockholders funds 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.

Book Value per share is \$2.13 (2013: \$1.93).

#### 8. **Taxation**

As a part of the Jamaican Government's Tax Reform, a number of revenue measures have been introduced with the main thrust of broadening the tax base and reducing the revenue loss. One such tax is:-

- **The Minimum Business Tax (MBT)**, came into operation on 1st April 2014 and is effective for year of assessment 2014. The normal year of assessment for the MBT starts on 1st January each year. The MBT is \$60,000.00 and is payable in two equal instalments. The payments are due on or before 15th June and 15th September in the relevant year of assessment.
- The MBT paid in any year of assessment can be off-set against any gross income tax liability in arriving at net tax payable for that year of assessment.

All payments for our company and its subsidiaries were made.

#### 9. **Dividend and Stock Prices**

An Interim revenue distribution of 4 cents per stock unit was declared at a board meeting held on February 13, 2014 to shareholders on record at February 27, 2014. Payments were made on March 13, 2014.

The company's stock unit price on the Jamaica Stock Exchange at June 30, 2014 was \$1.10; the opening price at January 2, 2014 was \$1.10.

#### 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., J.P., LL.D. (Hon)  
**Chairman**



C.N. Barnes B.Sc, M.B.A., J.P.  
**Managing Director**

August 7, 2014