

TO: THE STOCKHOLDERS OF

## THE GLEANER COMPANY LIMITED

(Unaudited)

### CONSOLIDATED GROUP INCOME STATEMENT FOR NINE MONTHS ENDED SEPTEMBER 30, 2015

		GROUP (Unaudited) Nine Months September 2015 \$'000	GROUP (Unaudited) Nine Months September 2014 \$'000	GROUP (Unaudited) Three Months September 2015 \$'000	GROUP (Unaudited) Three Months September 2014 \$'000	GROUP (Audited) Twelve Months ended Dec 31, 2014 \$'000
Notes			Restated		Restated	
<b>Revenue</b>	5 (a)	2,388,713	2,521,909	777,354	855,087	3,320,245
Cost of sales		( 1,268,271)	( 1,352,440)	( 414,810)	( 495,900)	(1,746,565)
Gross profit		1,120,442	1,169,469	362,544	359,187	1,573,680
Other operating income	5 (b)	<u>61,203</u>	<u>62,875</u>	<u>10,743</u>	<u>14,494</u>	<u>93,435</u>
		<u>1,181,645</u>	<u>1,232,344</u>	<u>373,287</u>	<u>373,681</u>	<u>1,667,115</u>
Distribution costs		( 387,496)	( 396,427)	( 148,577)	(147,749)	( 459,655)
Administrative expenses		( 397,769)	( 438,053)	( 95,482)	(114,987)	( 644,932)
Other operating expenses		( 247,510)	( 281,337)	( 69,874)	( 76,309)	( 415,547)
Pension costs		( 19,283)	( 18,603)	( 6,997)	( 5,801)	( 22,524)
		( 1,052,058)	( 1,134,420)	(320,930)	(344,846)	(1,542,658)
<b>Employee benefit obligation</b>		( 6,700)	( 7,624)	( 3,350)	( 3,812)	( 6,700)
<b>Profit/(loss) from operations</b>		<u>122,887</u>	<u>90,300</u>	<u>49,007</u>	<u>25,023</u>	<u>117,757</u>
Finance income	5 (c)	3,770	3,681	1,802	3,377	6,296
Finance cost		( 19,557)	( 23,029)	( 8,208)	( 6,481)	( 35,517)
Net finance (loss)		( 15,787)	( 19,348)	( 6,406)	( 3,104)	( 29,221)
Share of profit from interest in associate, net of tax	10	<u>50,643</u>				<u>136,189</u>
<b>Profit before taxation</b>	3	<b>157,743</b>	<b>70,952</b>	<b>42,601</b>	<b>21,919</b>	<b>224,725</b>
Taxation charge		( 27,373)	( 12,374)	( 15,154)	( 5,769)	( 43,578)
<b>Profit for the year</b>	4	<u>130,370</u>	<u>58,578</u>	<u>27,447</u>	<u>16,150</u>	<u>181,147</u>
Dealt with in the financial statements of:						
Parent company		85,417	60,916	39,096	5,583	37,789
Subsidiaries		( 5,690)	( 2,338)	(11,649)	10,567	7,169
Associate		<u>50,643</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,189</u>
		<u>130,370</u>	<u>58,578</u>	<u>27,447</u>	<u>16,150</u>	<u>181,147</u>
Earnings per stock unit:						
Based on stock units in issue	7	<u>10.76¢</u>	<u>4.84¢</u>	<u>2.27¢</u>	<u>1.33¢</u>	<u>14.96¢</u>

**Restated (See note 2B)**

**THE GLEANER COMPANY LIMITED**

(Unaudited)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

Nine months ended September 30, 2015

	<b>GROUP (Unaudited) Nine Months September 2015 \$'000</b>	<b>GROUP (Unaudited) Nine Months September 2014 \$'000</b>	<b>GROUP (Unaudited) Three Months September 2015 \$'000</b>	<b>GROUP (Unaudited) Three Months September 2014 \$'000</b>	<b>GROUP (Audited) Twelve Months ended Dec 31, 2014 \$'000</b>
<b>Profit for the period</b>	<u>130,370</u>	<u>58,578</u>	<u>27,447</u>	<u>16,150</u>	<u>181,147</u>
<b>Other comprehensive income:</b>					
<b>Items that will never be reclassified to profit or loss:</b>					
Re-measurement of employee benefit obligation	(8,700)	(7,624)	-	(11,436)	(17,400)
Related tax on re-measurement	<u>2,175</u>	<u>2,541</u>	-	<u>3,747</u>	<u>4,350</u>
	<u>(6,525)</u>	<u>(5,083)</u>	-	<u>(7,689)</u>	<u>(13,050)</u>
<b>Items that may be reclassified to profit or loss:</b>					
Change in fair value of available-for-sale investments	9,807	(2,657)	(3,841)	866	(5,832)
Currency translation differences on foreign subsidiaries	<u>9,598</u>	<u>1,990</u>	<u>5,904</u>	<u>4,960</u>	<u>23,147</u>
	<u>19,405</u>	<u>(667)</u>	<u>2,063</u>	<u>5,826</u>	<u>17,315</u>
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<u>12,880</u>	<u>(5,750)</u>	<u>2,063</u>	<u>(1,863)</u>	<u>4,265</u>
<b>Total comprehensive income for the period</b>	<u><b>143,250</b></u>	<u><b>52,828</b></u>	<u><b>29,510</b></u>	<u><b>14,287</b></u>	<u><b>185,412</b></u>
Dealt with in the financial statements of:					
The company	88,699	45,497	35,235	(3,745)	18,907
Subsidiaries	3,908	7,331	(5,725)	18,032	30,316
Associate	<u>50,643</u>	-	-	-	<u>136,189</u>
	<u><b>143,250</b></u>	<u><b>52,828</b></u>	<u><b>29,510</b></u>	<u><b>14,287</b></u>	<u><b>185,412</b></u>

**THE GLEANER COMPANY LIMITED**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT SEPTEMBER 30, 2015**

	Notes	GROUP (Unaudited) Nine Months September 30, 2015 \$'000	GROUP (Unaudited) Nine Months September 30, 2014 \$'000	GROUP (Audited) Twelve Months Dec 31, 2014 \$'000
<b>Assets</b>				
Property, plant and equipment		1,136,714	1,197,508	1,192,600
Intangible assets		14,643	14,913	17,749
Long-term receivables		9,521	3,900	10,327
Interest in associate	10	240,067	150	136,339
Investments		772,261	571,351	674,151
Pension receivable	5(d)	27,840	29,000	27,840
Deferred tax assets		<u>5,181</u>	<u>6,476</u>	<u>4,499</u>
<b>Total non-current assets</b>		<b><u>2,206,227</u></b>	<b><u>1,823,298</u></b>	<b><u>2,063,505</u></b>
Cash and cash equivalents		37,682	42,073	54,585
Securities purchased under resale agreement		-	119,998	1,742
Trade and other receivables		552,535	480,616	472,042
Prepayments		57,235	68,497	34,317
Taxation recoverable		18,906	19,033	9,287
Inventories and goods in-transit		108,527	158,964	190,752
Pension receivable	5(d)	<u>792,264</u>	<u>995,347</u>	<u>914,386</u>
<b>Total current assets</b>		<b><u>1,567,149</u></b>	<b><u>1,884,528</u></b>	<b><u>1,677,111</u></b>
<b>Total assets</b>		<b><u>3,773,376</u></b>	<b><u>3,707,826</u></b>	<b><u>3,740,616</u></b>
<b>Equity:</b>				
Share capital		605,622	605,622	605,622
Reserves		<u>2,178,422</u>	<u>1,984,766</u>	<u>2,067,403</u>
Total equity attributable to equity holders of parent		<b><u>2,784,044</u></b>	<b><u>2,590,388</u></b>	<b><u>2,673,025</u></b>
<b>Liabilities:</b>				
Long-term liabilities		59,160	72,800	65,926
Employee benefit obligation		96,875	80,424	87,000
Deferred tax liabilities		<u>279,177</u>	<u>336,156</u>	<u>333,036</u>
<b>Total non-current liabilities</b>		<b><u>435,212</u></b>	<b><u>489,380</u></b>	<b><u>485,962</u></b>
Bank overdraft		55,775	20,237	1,046
Trade and other payables		376,945	547,882	466,638
Taxation		45,250	-	16,799
Current portion of long-term liabilities		19,121	17,150	32,774
Deferred income		<u>57,029</u>	<u>42,789</u>	<u>64,372</u>
<b>Total current liabilities</b>		<b><u>554,120</u></b>	<b><u>628,058</u></b>	<b><u>581,629</u></b>
<b>Total liabilities</b>		<b><u>989,332</u></b>	<b><u>1,117,438</u></b>	<b><u>1,067,591</u></b>
<b>Total equity and liabilities</b>		<b><u>3,773,376</u></b>	<b><u>3,707,826</u></b>	<b><u>3,740,616</u></b>

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

# THE GLEANER COMPANY LIMITED

(Unaudited)

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Nine months ended September 30 2015

	Share Capital \$'000	Capital reserves \$'000	Fair value reserves \$'000	Reserve for own shares \$'000	Retained profits \$'000	Total equity \$'000
Balances as at December 31, 2013	605,622	1,013,906	63,005	(144,035)	1,055,203	2,593,701
<b>Total comprehensive income for the year:</b>						
Profit for the year	-	-	-	-	58,578	58,578
Other comprehensive income/(expense):						
Change in fair value of available-for-sale investments	-	-	(2,657)	-	-	(2,657)
Currency translation differences on foreign subsidiaries	-	1,990	-	-	-	1,990
Re-measurement of employee benefit obligation	-	( 5,083)	-	-	-	( 5,083)
Other comprehensive income for the year, net of taxation	-	( 3,093)	(2,657)	-	58,578	52,828
<b>Total comprehensive income for the year</b>	-	( 3,093)	(2,657)	-	58,578	52,828
<b>Transactions with owners, recorded directly in equity:</b>						
Dividends	-	-	-	-	( 48,445)	( 48,445)
Own shares sold by Gleaner Company Limited						
Employee Investment Trust (GCLEIT)	-	-	-	( 7,696)	-	( 7,696)
<b>Total contributions by and distributions to owners</b>	-	-	-	( 7,696)	( 48,445)	( 56,141)
Balances at September 30, 2014	<u>605,622</u>	<u>1,010,813</u>	<u>60,348</u>	<u>(151,731)</u>	<u>1,065,336</u>	<u>2,590,388</u>
Balance as at December 31, 2014	605,622	1,032,426	57,173	(156,338)	1,134,142	2,673,025
<b>Total comprehensive income for the year:</b>						
Profit for the year	-	-	-	-	130,370	130,370
Other comprehensive income/(expense) for the year:						
Change in fair value of available-for-sale investments	-	-	9,807	-	-	9,807
Remeasurement of employees benefit obligation, net of tax	-	-	-	-	(6,525)	( 6,525)
Currency translation differences on foreign subsidiaries	-	9,598	-	-	-	9,598
Other comprehensive expense for the year, net of taxation	-	9,598	9,807	-	123,845	143,250
<b>Total comprehensive income for the year, net of taxation</b>	-	9,598	9,807	-	123,845	143,250
<b>Transactions with owners, recorded directly in equity:</b>						
Dividends	-	-	-	-	( 48,450)	( 48,450)
Own shares sold by Gleaner Company Limited						
Employee Investment Trust (GCLEIT)	-	-	-	16,219	-	16,219
Total contributions by and distributions to owners	-	-	-	16,219	( 48,450)	( 32,231)
Balances as at September 30, 2015	<u>605,622</u>	<u>1,042,024</u>	<u>66,980</u>	<u>(140,119)</u>	<u>1,209,537</u>	<u>2,784,044</u>

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

# THE GLEANER COMPANY LIMITED

## STATEMENT OF CASH FLOWS Nine Months ended September 30, 2015 (Unaudited)

	GROUP (Unaudited) Nine Months September 30, 2015 \$'000	GROUP (Unaudited) Nine Months September 30, 2014 \$'000	GROUP (Audited) Twelve Months Dec 31, 2014 \$'000
<b>Cash Flow from operating activities</b>			
Profit for the period	130,370	58,578	181,147
Adjustment for non-cash items	<u>( 37,351)</u>	<u>105,423</u>	<u>( 99,716)</u>
	93,019	164,001	81,431
<b>Change in working capital</b>	<u>59,120</u>	<u>42,095</u>	<u>(43,292)</u>
Net cash provided by operating activities	33,899	206,096	38,139
Net cash ( used)/ provided by investing activities	( 36,663)	( 222,111)	54,376
Net cash used by financing activities	<u>( 68,868)</u>	<u>( 48,445)</u>	<u>(125,272)</u>
Net decrease in cash and cash equivalents	(71,632)	( 64,460)	( 32,757)
Cash and cash equivalents at beginning of period	<u>53,539</u>	<u>86,296</u>	<u>86,296</u>
Cash and cash equivalents at end of period	<u>( 18,093)</u>	<u>21,836</u>	<u>53,539</u>
<b>Comprised of:</b>			
Cash and bank	37,682	42,073	54,585
Bank overdraft	<u>( 55,775)</u>	<u>( 20,237)</u>	<u>( 1,046)</u>
	<u>( 18,093)</u>	<u>21,836</u>	<u>53,539</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 nine month period ended September 30, 2015.

### 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, 2014.

### 2. Segment Reporting

- a) The Group has two reportable segments which are media service and investment. Media service includes the print and electronic media businesses as well as radio broadcasting. Investment comprises investment income, net of directly attributable cost for investing activities. 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. Other includes management services, publication of books and those that do not meet any of the quantitative thresholds for determining reportable segments in 2015 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 believe that such information is most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

- b) During the prior year, a review of the operating segments was conducted. It was concluded that investment activity had met the requirements for recognition as a business segment in accordance with IFRS 8. The company now has two identifiable business segments: media services and investment.

The change was accounted for retrospectively, in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. Investment income which was recognised in finance income using the effective interest method is now recognised as revenue.

This retrospective restatement resulted in the adjustment of the amounts recognised in revenue and finance income in the prior year. The comparative figures for the period ended September 30, 2014 have therefore been restated. The operating segments reported for the prior year were also restated to include investment. The restatement did not result in any change to the statement of financial position or the prior profit for the period previously reported.

## 2. Segment Reporting (cont'd)

### Business segments:

	<u>Media service</u>		<u>Investment</u>		<u>Other</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
External revenues	<u>2,291,656</u>	<u>2,411,629</u>	<u>90,064</u>	<u>123,656</u>	<u>6,993</u>	<u>24,129</u>	<u>2,388,713</u>	<u>2,559,414</u>
Segment profit/(loss) before taxation	<u>24,040</u>	<u>( 43,203)</u>	<u>83,759</u>	<u>115,000</u>	<u>49,944</u>	<u>( 845)</u>	<u>157,743</u>	<u>70,952</u>
Finance income	<u>3,770</u>	<u>3,681</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,770</u>	<u>3,681</u>
Finance costs	<u>( 19,543)</u>	<u>( 23,006)</u>	<u>-</u>	<u>-</u>	<u>( 14)</u>	<u>( 23)</u>	<u>( 19,557)</u>	<u>( 23,029)</u>
Share of profit from interest in associate, net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,643</u>	<u>-</u>	<u>50,643</u>	<u>-</u>
Depreciation and amortisation	<u>73,072</u>	<u>81,679</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,072</u>	<u>81,679</u>
Reportable segment assets	<u>2,090,397</u>	<u>2,059,375</u>	<u>1,564,525</u>	<u>1,566,698</u>	<u>118,454</u>	<u>81,753</u>	<u>3,773,376</u>	<u>3,707,826</u>
Reportable segment liabilities	<u>910,681</u>	<u>1,058,610</u>	<u>-</u>	<u>-</u>	<u>78,651</u>	<u>58,828</u>	<u>989,332</u>	<u>1,117,438</u>
Capital expenditure	<u>10,642</u>	<u>21,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,642</u>	<u>21,884</u>

3. Group results for the nine months ended September 30, 2015 show a profit before taxation charge of approximately \$157M (2014: \$71M).
4. The Group profit after taxation for the nine months of 2015 was approximately \$130M compared with a profit of approximately \$59M for the same period last year.
5. In comparing the financial statements for the nine-month period ended September 30, 2015 with those of previous year, the following should be noted: -
  - a. Revenue of \$2.4B (2014:\$2.6B) represents sales by the Group before commission payable and investment income but excluding returns.
  - b. Other operating income of \$61M (2014: \$63M) is as a result of gains on foreign exchange on investments.
  - c. Finance income includes interest on loan amounts as at September 30, 2015.
  - d. Pension receivable of \$820M (2014: \$1B) represents amounts due to the company arising from the discontinuation of the defined benefit pension fund. Of the total outstanding amount, \$28M (2014: \$29M) is expected to be received in more than one year from the reporting date.

	<u>Group and Company</u>	
	<u>September 2015</u>	<u>September 2014</u>
	<u>\$M</u>	<u>\$M</u>
Pension receivable brought forward to January 1	942	1,016
Net received during the period (net)	(181)	(41)
Income earned during the period	<u>59</u>	<u>69</u>
	<u>820</u>	<u>1,044</u>

Assets held by the pension fund to honour the receivables include Government of Jamaica securities, equities and real estate.

6. The Group Financial Statements for the nine months ended September 30, 2015 include the Company's twelve (2014: nine) subsidiaries –Associated Enterprise Limited, Popular Printers Limited, The Gleaner Online Limited, Selectco Publications Limited, Independent Radio Company Limited, diGJamaica.com Limited, The Gleaner Company (Media) Limited (formed June 2015) and overseas subsidiaries, The Gleaner Company (U.S.A.) Limited, The Gleaner Company (Canada) Incorporated, Gleaner Media (Canada) Incorporated (formed September 25, 2015), The Gleaner UK Limited and GV Media Group Limited.
7. The calculation of earnings per stock unit is arrived at by dividing 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. **Dividend and Stock Prices**

An interim dividend of 4 cents per stock unit was declared at a board meeting held on February 19, 2015 to shareholders on record at March 5, 2015. Payments were made on March 25, 2015.

A second interim dividend of 4 cents per stock unit was declared at a board meeting held on September 17, 2015 to shareholders on record at the close of business October 1, 2015. Payments were made on October 28, 2015.

The company's stock unit price on the Jamaica Stock Exchange at September 30, 2015 was \$1.82; the opening price at January 2, 2015 was \$0.90.

9. **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.

10. **Interest in associate**

On January 30, 2015, the group increased its shareholding in Jamaica Joint Venture Investment Company Limited (JJVI) from 33⅓ to 50%. The consolidated group income statement recognises the increased share of profit as derived from JJVI's audited financial statements for 2014. The group accounted for this investment using the equity method.

The associate is domiciled in Jamaica and its principal places of business are located at 34 and 40 Duke Street, Kingston. The principal activity of the associate is the leasing of real estate.

	<u>2015</u> \$'000	<u>2014</u> \$'000
Shares at Cost	53,235	150
Group's share of reserves – recognised in 2014 Financials	136,189	
Group's share of reserves – recognised in 2015 Financials	<u>50,643</u>	<u>-</u>
	<u>240,067</u>	<u>150</u>

11. **Scheme of arrangement for amalgamation**

On August 5, 2015 it was announced that the boards of The Gleaner Company Limited (Gleaner) and Radio Jamaica Limited (Radio Jamaica) had approved the signing of an agreement which would see the media operations of both companies being merged. The media operations of Gleaner will be transferred to The Gleaner Company (Media) Limited (GCML), a new subsidiary. Once this transaction is approved, GCML will then be acquired by Radio Jamaica through the issue of 50% of its shares directly to Gleaner shareholders. Each Gleaner shareholder will receive one share of Radio Jamaica for each Gleaner share they currently hold and which they will continue to hold.

The deal, which is expected to be completed by the end of 2015, is subject to the approval of shareholders of both entities, the court and other relevant authorities. Post merger, it is expected that the publicly traded Gleaner would undergo a change of name and continue with its non media investments on behalf of shareholders.



On behalf of the Board

A handwritten signature in black ink, appearing to read "O.F. Clarke". The signature is fluid and cursive, with the first name "O.F." and the last name "Clarke" clearly distinguishable.

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

A handwritten signature in black ink, appearing to read "C.N. Barnes". The signature is highly stylized and cursive, with a large, sweeping initial "C" and "N" that extend across the line.

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

November 11, 2015