SUMMARY OF AUDITED RESULTS OF THE GROUP FOR YEAR ENDED 31 DECEMBER 2013

STOCKHOLDERS' REPORT

Group results of $3.2 Billion in revenue, largely flat to last year, and $91 million of pre-tax profit, up 5%, reflect the impact of consumer uncertainty from the National Debt Exchange early in the year and the long anticipation, and ultimate signing, of the IMF agreement. In spite of the challenging economy, The Gleaner Company Ltd. continued to forge ahead with the strength of its balance sheet-reflecting net book value of $2.6 Billion at year-end; up 9% to 2012- and its plans to improve upon its current market leadership position for revenue maximization. The group closed out 2013 with assets of $3.6 Billion; up 4%, with near cash assets comprising 30%, and debt of only $94 million (~2% of assets). After tax profit of $86M, 36% down to prior year, resulted almost entirely from a $47 million tax credit recorded in 2012.

Operationally, management took the necessary steps to improve production and distribution efficiency in order to maximize performance of the core print business. The group registered creditable cost improvements in distribution (2.4%) and other operating expenses (16%), which helped to contain its overall cost at $3.4B (an increase of just under 2 % including cost of sales). Administrative expenses of $685 million, 12% over prior year, reflected mainly one-off expenses associated with business relocation and realignment of employee benefits.

Management also continued to research, and adopt best practices from, the global transition of the media industry to inform the company's operational strategy. The year saw management implement a portfolio of strategic projects which saw investment in a mixture of projects, including energy conservation and newsprint efficiency, for short and long term financial returns for your company.

In furtherance of The Gleaner's digital strategy, your company introduced new mobile applications for Android and iOS operating systems, the take-up of which has been very encouraging and is expected to continue in 2014. The company's social media thrust also resulted in significant growth over 2012. Both of these developments confirm The Gleaner's success in providing the right content, and being present on the digital platforms which are growing in popularity, both of which, industry analysts say, are rich opportunities for revenue conversion.

By the end of 2013, your company's flagship website www.jamaica-gleaner.com had amassed near 1 million unique visitors per month, with 70% of users accessing the site from outside of the country. This as yet untapped market represents a unique opportunity for digital revenue expansion which, with an increase in subscription models introduced globally, informed your company's recent implementation of its own online subscription model. Management believes the success of this venture will greatly assist investment in improving the content your company provides to its readers.

The close to a busy year saw the relocation and integration of our two radio stations, Power 106 and Music 99, into our North Street headquarters. Revenue, content and cost efficiencies from this move, resulting from closer collaboration between print, online and now radio, have already started to accrue.

The Gleaner brand was strong and more visible in 2013 thanks to a deliberate increase in marketing and branding efforts. For the team's service delivery in 2013 The Gleaner was awarded AAAJ Media and Print Media of the Year for the 16th time. For journalistic excellence, Gleaner editorial staff won fourteen PAJ awards; bettering last year's result by two awards. This reflects an abundance of pride in what we do and the caliber of employees we have, not only in editorial and advertising, but across the organization, who work tirelessly to make all of our clients and stakeholders happy. We are fortunate to have a committed team working with us, and for this I wish to record sincere appreciation of all staff.

On behalf of the board and all management and staff, I extend sincere thanks to all shareholders and clients. Your support, especially through the tough times, keeps your company focused on providing the reliable and credible information Jamaicans demand for making life changing decisions. We take this charge very seriously.

On behalf of the Board

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

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

February 28, 2014

THE GLEANER COMPANY LIMITED
DECEMBER 31, 2013

Statements of Financial Position

	NOTES	GROUP			COMPANY		
		2013 $'000	2012 * $'000	2011 * $'000	2013 $'000	2012 * $'000	2011* $'000
Assets:							
Property, plant and equipment		1,248,067	906,301	907,668	1,105,164	808,472	811,993
Intangible assets		1,628	4,521	5,190	1,628	4,521	5,190
Long-term receivables		6,317	4,735	18,788	79,826	34,677	44,147
Interests in subsidiaries		-	-	-	44,410	44,410	44,410
Interests in associates		150	150	150	-	-	-
Investments		640,418	507,375	230,881	635,390	502,497	226,114
Pension receivable	3	29,000	143,365	178,480	29,000	143,365	178,480
Deferred tax assets		3,200	4,319	5,351	-	-	-
Total non-current assets		**1,928,780**	**1,570,766**	**1,346,508**	**1,895,418**	**1,537,942**	**1,310,334**
Cash and cash equivalents		91,623	121,964	107,189	70,035	100,920	13,075
Securities purchased under resale agreements		9,780	125,173	35,409	9,780	125,173	-
Trade and other receivables		490,638	584,219	569,055	455,443	537,501	539,474
Prepayments		37,973	31,062	34,513	37,327	30,544	33,931
Taxation recoverable		9,746	9,423	98,305	-	-	89,864
Inventories and goods-in-transit		99,222	152,313	123,497	75,376	127,804	103,092
Current portion of pension receivable	3	986,574	918,653	1,250,399	986,574	918,653	1,250,399
Current portion long-term receivable		-	-	-	805	-	-
Total current assets		1,725,556	1,942,807	2,218,367	1,635,340	1,840,595	2,029,835
Total assets		**3,654,336**	**3,513,573**	**3,564,875**	**3,530,758**	**3,378,537**	**3,340,169**
Equity:							
Share capital		605,622	605,622	605,622	605,622	605,622	605,622
Reserves		1,988,079	1,765,148	1,680,147	1,973,321	1,776,311	1,617,087
Total equity attributable to equity holders of parent		**2,593,701**	**2,370,770**	**2,285,769**	**2,578,943**	**2,381,933**	**2,222,709**
Liabilities:							
Long-term liabilities		93,534	99,001	26,529	93,534	99,001	26,529
Employee benefits obligation		66,300	118,300	118,300	66,300	118,300	118,300
Deferred tax liabilities		338,906	317,275	516,323	338,902	317,265	516,297
Total non-current liabilities		498,740	534,576	661,152	498,736	534,566	661,126
Bank overdraft		5,327	10,308	2,524	2,850	-	2,524
Trade and other payables		449,161	506,684	550,934	357,265	380,269	403,104
Taxation payable		4,867	20,025	966	3,565	20,025	-
Current portion of long-term liabilities		36,365	9,813	7,184	36,365	9,813	7,184
Deferred income		66,175	61,397	56,346	53,034	51,931	43,522
Total current liabilities		561,895	608,227	617,954	453,079	462,038	456,334
Total liabilities		**1,060,635**	**1,142,803**	**1,279,106**	**951,815**	**996,604**	**1,117,460**
Total equity and liabilities		**3,654,336**	**3,513,573**	**3,564,875**	**3,530,758**	**3,378,537**	**3,340,169**

The financial statements were approved for issue by the Board of Directors on February 28, 2014 and signed on its behalf by:

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

Managing Director
Christopher Barnes

*Restated

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

THE GLEANER COMPANY LIMITED
DECEMBER 31, 2013

Income Statements

	NOTES	GROUP		COMPANY	
		2013 $'000	2012 * $'000	2013 $'000	2012 * $'000
Revenue	5	3,188,709	3,194,665	2,681,656	2,753,543
Cost of sales		(1,867,022)	(1,811,743)	(1,509,890)	(1,496,297)
Gross profit		1,321,687	1,382,922	1,171,766	1,257,246
Other operating income		127,276	155,689	163,161	162,110
		1,448,963	1,538,611	1,334,927	1,419,356
Distribution costs		(477,171)	(489,037)	(457,150)	(472,075)
Administration expenses		(684,862)	(612,030)	(564,904)	(501,470)
Other operating expenses		(329,644)	(391,006)	(377,810)	(389,745)
Pension costs		(23,588)	(22,402)	(22,700)	(21,514)
		(1,515,265)	(1,514,475)	(1,422,564)	(1,384,804)
Employee benefits obligation		31,000	(9,500)	31,000	(9,500)
(Loss)/profit from operations		**(35,302)**	**14,636**	**(56,637)**	**25,052**
Finance income		152,011	93,180	151,694	143,875
Finance cost		(25,251)	(20,931)	(24,649)	(18,370)
Net finance income		126,760	72,249	127,045	125,505
Profit from operations before taxation		**91,458**	**86,885**	**70,408**	**150,557**
Taxation (charge)/credit		(5,616)	46,647	(6,574)	47,643
Profit for the year		**85,842**	**133,532**	**63,834**	**198,200**
Dealt with in the financial statements of:					
Parent company		63,834	198,200		
Subsidiaries		22,008	(64,668)		
		85,842	133,532		
Earnings per stock unit:					
Based on stock units in issue	7	7.09¢	11.02¢		
Excluding stock units in GCLEIT	7	7.25¢	11.49¢		

*Restated

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

THE GLEANER COMPANY LIMITED
DECEMBER 31, 2013

Statements of Profit or Loss and Other Comprehensive Income

	NOTE	GROUP		COMPANY	
		2013	2012 *	2013	2012 *
		$'000	$'000	$'000	$'000
Profit for the year		85,842	133,532	63,834	198,200
Other comprehensive income:					
Items that will never be reclassified to profit or loss:					
Surplus on revaluation of land and building		230,776	-	230,776	-
Re-measurement of employee benefit obligation		(1,300)	7,000	(1,300)	7,000
Related tax on revaluation and remeasurement		(34,271)	38,008	(34,271)	38,008
		195,205	45,008	195,205	45,008
Items that may be reclassified to profit or loss:					
Change in fair value of available–for–sale investments		22,758	12,303	22,758	12,187
Currency translation differences an foreign subsidiaries		(13,715)	(12,720)	-	-
		9,043	(417)	22,758	12,187
Other comprehensive income for the year, net of taxation		204,248	44,591	217,963	57,195
Total comprehensive income for the year		290,090	178,123	281,797	255,395
Dealt with in the financial statements of:					
The company		281,797	255,395		
Subsidiaries		8,293	(77,272)		
		290,090	178,123		

*(Restated)

THE GLEANER COMPANY LIMITED
DECEMBER 31, 2013

Group Statement of Changes in Equity

	Share capital $'000	Capital reserves $'000	Fair value reserves $'000	Reserve for own shares $'000	Retained profits $'000	Total equity $'000
Balances at December 31, 2011						
As previously reported	605,622	804,403	27,944	(160,108)	999,708	2,277,569
Impact of change in accounting policy	-	-	-	-	8,200	8,200
As restated	605,622	804,403	27,944	(160,108)	1,007,908	2,285,769
Total comprehensive income for the year:						
Profit for the year:						
As previously reported	-	-	-	-	133,032	133,032
Impact of change in accounting policy	-	-	-	-	500	500
As restated	-	-	-	-	131,532	131,532
Other comprehensive income /(expense) for the year:						
As previously reported						
Deferred tax on revaluation of land and building	-	39,758	-	-	-	39,758
Change in fair value of investments	-	-	12,303	-	-	12,303
Currency translation differences on foreign subsidiaries	-	(12,720)	-	-	-	(12,720)
Impact of change in accounting policy	-	-	-	-	5,250	5,250
Other comprehensive income for the year, net of taxation, as restated	-	27,038	12,303	-	5,250	44,591
Total comprehensive income for the year, as restated	-	27,038	12,303	-	138,782	178,123
Transactions with owners, recorded directly in equity:						
Dividends	-	-	-	-	(93,177)	(93,117)
Share-based payment transactions	-	-	-	-	729	729
Own shares sold by Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	(674)	-	(674)
Total contributions by and distributions to owners	-	-	-	(674)	(92,448)	(93,122)
Balances as at December 31, 2012, as restated	605,622	831,441	40,247	(160,782)	1,054,242	2,370,770
Balances as at December 31, 2012:						
As previously reported	605,622	831,441	40,247	(160,782)	1,040,292	2,356,820
Impact of change in accounting policy 2011	-	-	-	-	8,200	8,200
Impact of change in accounting policy 2012	-	-	-	-	5,750	5,750
As restated	605,622	831,441	40,247	(160,782)	1,054,242	2,370,770
Total comprehensive income for the year:						
Profit for the year	-	-	-	-	85,842	85,842
Other comprehensive income/(expense):						
Change in fair value of available-for-sale investments	-	-	22,758	-	-	22,758
Surplus on revaluation of land and building	-	230,776	-	-	-	230,776
Deferred tax on revaluation of land and building	-	(34,596)	-	-	-	(34,596)
Currency translation differences on foreign subsidiaries	-	(13,715)	-	-	-	(13,715)
Re-measurement of employee benefit obligation	-	-	-	-	(975)	(975)
Other comprehensive income for the year, net of taxation	-	182,465	22,758	-	(975)	204,248
Total comprehensive income for the year	-	**182,465**	**22,758**	-	**84,867**	**290,090**
Transactions with owners, recorded directly in equity:						
Dividends	-	-	-	-	(83,906)	(83,906)
Own shares sold by Gleaner Company Limited Employee Investment Trust (GCLEIT)	-	-	-	16,747	-	16,747
Total contributions by and distributions to owners	-	-	-	16,747	(83,906)	(67,159)
Balances at December 31, 2013	605,622	1,013,906	63,005	(144,035)	1,055,203	2,593,701

THE GLEANER COMPANY LIMITED
DECEMBER 31, 2013

Company Statement of Changes in Equity

	Share capital $'000	Capital reserves $'000	Fair value reserves $'000	Retained profits $'000	Total equity $'000
Balance at December 31, 2011					
As previously reported	605,622	559,924	26,691	1,022,272	2,214,509
Impact of change in accounting policy	-	-	-	8,200	8,200
As restated	-	-	-	1,030,472	2,222,709
Total comprehensive income for the year					
Profit for the year:					
As previously reported	-	-	-	197,700	197,700
Impact of change in accounting policy	-	-	-	500	500
As restated	-	-	-	198,200	198,200
Other comprehensive income:					
As previously reported:					
Change in fair value of investments	-	-	12,187	-	12,187
Change in deferred tax on revaluation surplus	-	39,758	-	-	39,758
Impact of change in accounting policy	-	-	-	5,250	5,250
Other comprehensive income for the year, net of taxation, as restated	-	39,758	12,187	5,250	57,195
Total comprehensive income for the year, as restated	-	39,758	12,187	203,450	255,395
Transactions with owners, recorded directly in equity					
Dividends (note 29)	-	-	-	(96,900)	(96,900)
Share-based payment transactions	-	-	-	729	729
Total contributions by and distributions to owners of the company	-	-	-	(96,171)	(96,171)
Balances as at December 31, 2012, as restated	605,622	599,682	38,878	1,137,751	2,381,933
Balances at December 31, 2012:					
As previously reported	605,622	599,682	38,878	1,123,801	2,367,983
Impact of change in accounting policy 2011	-	-	-	8,200	8,200
Impact of change in accounting policy 2012	-	-	-	5,750	5,750
As restated (note 40)	605,622	599,682	38,878	1,137,751	2,381,933
Total comprehensive income for the year					
Profit for the year	-	-	-	63,834	63,834
Other comprehensive income					
Change in fair value of investments	-	-	22,758	-	22,758
Re-measurement of employee benefit obligation, net of tax	-	-	-	(975)	(975)
Surplus on revaluation of land and building	-	196,180	-	-	196,180
Other comprehensive income, net of taxation	-	196,180	22,758	(975)	217,963
Total comprehensive income for the year	**-**	**196,180**	**22,758**	**62,859**	**281,797**
Transactions with owners, recorded directly in equity					
Dividends (note 29)	-	-	-	(84,787)	(84,787)
Balances at December 31, 2013	605,622	795,862	61,636	1,115,823	2,578,943

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

THE GLEANER COMPANY LIMITED
DECEMBER 31, 2013

Statements of Cash Flows

	Group		Company	
	2013	2012 *	2013	2012 *
	$'000	$'000	$'000	$'000
Cash flows from operating activities				
Profit for the year	85,842	133,532	63,834	198,200
Adjustments to reconcile profit to net cash provided by operating activities:				
Depreciation	94,694	82,222	82,467	68,542
Amortisation	2,893	2,893	2,893	2,893
Income tax	17,137	113,361	19,208	113,381
Deferred taxation, net	(11,521)	(160,008)	(12,634)	(161,024)
Employees benefits obligation	(31,000)	7,000	(31,000)	7,000
Loss/(gain) on disposal of property, plant and equipment	(473)	(2,954)	42	(2,986)
Equity settled share-based payment transaction	-	729	-	729
Interest income	(145,206)	(87,659)	(144,889)	(87,066)
Interest expense	25,251	20,931	24,649	18,370
Translation adjustment	(15,086)	(1,489)	-	-
Impairment loss on investments	13,423	-	13,423	-
Impairment loss on property, plant and equipment	369	-	-	-
	36,323	108,558	17,993	158,039
Tax paid	(32,618)	(5,420)	(35,668)	(3,493)
Interest paid	(25,251)	(20,931)	(24,649)	(18,370)
Trade and other receivables	102,627	(22,548)	87,883	(8,458)
Prepayments	(6,911)	3,452	(6,781)	3,386
Inventories and goods-in-transit	53,091	(28,816)	52,428	(24,711)
Securities purchased under agreements for resale	112,172	(89,764)	115,393	(125,173)
Trade and other payables	(57,519)	(44,250)	3,548	(22,834)
Deferred income	4,778	5,051	1,103	8,409
Employee benefits obligation payments	(22,300)	-	(22,300)	-
Pension receivable	54,328	223,166	54,328	223,166
Net cash provided by operating activities	218,720	128,498	243,278	189,961
Cash flows from investing activities				
Interest received	131,494	227,086	131,177	226,414
Additions to property, plant and equipment	(217,051)	(79,480)	(160,744)	(65,102)
Proceeds from sale of property, plant and equipment	12,841	3,068	12,319	3,068
Investments, net	(106,961)	(262,256)	(123,558)	(261,589)
Long-term receivable	(1,582)	10,375	(45,953)	21,640
Acquisition of intangible asset	-	(2,224)	-	(2,224)
Net cash used by investing activities	(181,259)	(103,431)	(186,759)	(77,793)
Cash flows from financing activities				
Long-term liabilities	21,085	75,101	(5,467)	75,101
Dividends paid	(83,906)	(93,177)	(84,787)	(96,900)
Net cash used by financing activities	(62,821)	(18,076)	(90,254)	(21,799)
Net (decrease)/increase in cash and cash equivalents	(25,360)	6,991	(33,735)	90,369
Cash and cash equivalents at beginning of the year	111,656	104,665	100,920	10,551
Cash and cash equivalents at end of the year	86,296	111,656	67,185	100,920
Comprised of:				
Cash and bank balances	91,623	121,964	70,035	100,920
Bank overdraft	(5,327)	(10,308)	(2,850)	-
	86,296	111,656	67,185	100,920

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

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.

2. **Significant accounting policies**

The significant accounting policies have been applied consistently to all periods presented in the consolidated financial statements and have been applied consistently by group entities.

Certain new, revised and amended standards and interpretations came into effect during the financial year. The group has adopted those which are relevant to its operations.

3. Pension receivable

The amount represents surplus due to the company arising from the discontinuation of the defined-benefit pension scheme. Of the total outstanding, $29,000 thousand is expected to be received in more than one year from the reporting date.

	Group and Company	
	2013 $'000	2012 $'000
Balance at beginning of year	1,062,018	1,428,879
Net received during the year	(157,097)	(424,994)
Income earned during the year	110,653	58,133
Balance at end of year	1,015,574	1,062,018
Due within 1 year	986,574	918,653
Due after 1 year	29,000	143,365
	1,015,574	1,062,018

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

4. Segment reporting

The group has one reportable segment which is media service. This includes the print and electronic media businesses. 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 2013 or 2012.

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

a) Business segments:

	Continuing operations					
	Media service		Other		Total	
	2013	2012	2013	2012	2013	2012
	$'000	$'000	$'000	$'000	$'000	$'000
External revenues	3,152,395	3,158,958	36,314	35,707	3,188,709	3,194,665
Segment profit/(loss) before taxation	112,204	108,867	(20,746)	(21,982)	91,458	86,885
Finance income	151,694	92,749	317	431	152,011	93,180
Finance costs	(25,224)	(20,918)	(28)	(13)	(25,251)	(20,931)
Depreciation and amortisation	97,585	85,113	2	2	97,587	85,115
Reportable segment assets	3,564,943	3,426,557	89,394	87,016	3,654,337	3,513,573
Reportable segment liabilities	997,170	1,095,615	63,465	47,188	1,060,635	1,142,803
Capital expenditure	217,051	81,704	-	-	217,051	81,704

5. Revenue

Revenue represents sales, before commission payable but excluding returns. Revenue decreased by approximately $5.9M or 0.1% for the period.

6. Dividends & Stock Prices

An interim revenue distribution of 3.5 cents (2012: 5.0 cents) per stock unit was paid on March 22, 2013, to shareholders on record at close of business on March 4, 2013.

A second interim revenue distribution of 3.5 cents (2012: 3.0 cents) per stock unit was paid on March 22, 2013 to shareholders on record at close of business on March 4, 2013.

No final dividend is recommended.

7. Earnings per stock unit

The calculation of earnings per stock unit is arrived at by dividing profit after taxation attributable to stockholders of the parent company of $85,842 thousand (2012: $133,532 thousand) by 1,211,243,827 being the number of stock units in issue at December 31, 2013 (2012 1,211,243,827) as well as by 1,183,333,911 (2012: 1,162,562,493), being stock units less those held by the GCLEIT.

8. Libel cases

Provisions made in the financial statements as at December 31, 2013, are considered adequate to cover all reasonable and probable judgements and costs for libel actions against the group and company.

9. **Taxation**

As at December 31, 2013, the group has taxation losses, subject to agreement by the Commissioner General of Tax Administration Jamaica of approximately $71,793,000 (2012: $23,257,000) available for relief against future taxable profits. As of January 1, 2014, tax losses may be carried forward indefinitely; however, the amount that can be utilised in any one year is restricted to 50% of the current year's taxable profits. A deferred tax asset of $13,794,000 (2012: $4,688,000) in respect of taxation losses of certain companies has not been recognised by the group, as management considers its realisation within the foreseeable future to be uncertain.