



Unaudited Financial Statements
Quarter Ended 30 June 2015

Radio Jamaica Limited

Index

Quarter Ended 30 June 2015

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Radio Jamaica Limited

Interim Report to Stockholders

The directors present the un-audited results of the group for the 1st Quarter ended June 30, 2015.

The Group recorded after tax profits of \$21.96M for the three months to June 2015; an improvement of 44.4% or \$6.8M on the profits earned for the same period in the prior year. The introduction of our new Over the Top Technology (OTT) platform, 1Spot Media and 1Spot Events have already yielded new subscription revenues from across the world. In addition, innovations and product packaging have increased local demand for our multi-media services.

The Groups revenues of \$516M for the three months increased over prior year by 6.3% or \$30.5M due to new income from 1Spot media, increased new media revenues and greater financial support for our local content. Other income of \$25M for the quarter exceeded prior period by \$4.3M as a result of higher interest income and higher gains on foreign exchange.

Direct costs of \$217.9M were higher by 1.9% or \$4.1M for the three months to June 2015 in comparison to the three months to June 2014. This increase was mainly due to web fees associated with 1Spot media and a negotiated salary increase.

Selling expenses for the quarter of \$84.5M increased over prior year period by \$12M or 16.5% due to higher promotional costs and higher agency and sales representative commission, both driven by higher revenues.

Administrative expenses for the first quarter increased by \$16.9M or 15.5% compared to the same period in prior year due to a negotiated salary increase and other staff related expenses and increased depreciation expenses driven by new capital assets acquired as part of the phased introduction of new digital technologies in order to improve product delivery to our audiences and customers.

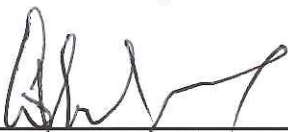
Operating expenses for the 1st quarter reduced by \$9.8M or 11.2% when compared with prior year period as a result of lower costs of electricity and the reduced need for repairs to transmitter sites.

Shareholders' equity as at June 30, 2015 was \$1.33B. The Group's earnings per share for the three months ended June 30, 2015 was \$0.06 which surpassed the \$0.04 earned for the comparative period.

Subsequent events: On August 5, 2015 the directors of Radio Jamaica Limited and The Gleaner Company Limited signed an agreement that will see the combination of the media businesses of both companies. This transaction is being pursued through a court approved scheme of amalgamation. The coming together of RJR and the media business of The Gleaner will create the country's leading Media Company, providing; print, online, radio, free-to-air television, cable television and new media products and services.

An interim dividend of ten cents per share was declared on July 22, 2015 and will be payable on September 7, 2015.

Approved for issue by the Board of Directors on August 13, 2015 and signed on its behalf by:



J. A. Lester Spaulding

Director



Carl D. Domville

Director

Consolidated Balance Sheet (Unaudited)
Quarter Ended 30 June 2015

	Note	June 2015 \$'000	Audited March 2015 \$'000
Non-Current Assets			
Fixed assets		831,575	839,480
Intangible assets	6	40,560	22,404
Retirement benefit assets	7	226,432	226,432
Investment securities		19,810	19,353
Current Assets			
Inventories		35,173	25,485
Receivables	8	425,501	379,046
Taxation recoverable		9,540	8,898
Cash and short term investments		451,816	457,849
		922,030	871,278
Current Liabilities			
Payables		332,740	282,641
Taxation payable		39,984	32,468
		372,724	315,109
Net Current Assets		549,306	556,169
		1,667,683	1,663,838
Stockholders' Equity			
Share capital	9	467,656	467,656
Retained earnings		864,767	842,810
		1,332,423	1,310,466
Non-Current Liabilities			
Finance lease obligations	10	22,804	25,545
Long term loans	11	182,918	194,637
Deferred tax liabilities		61,535	65,187
Retirement benefit obligations	7	68,003	68,003
		1,667,683	1,663,838

Approved for issue by the Board of Directors on 13 August 2015 and signed on its behalf by:

J.A.Lester Spaulding

Director

Carl D. Domville

Director

Radio Jamaica Limited

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Consolidated Statement of Changes in Equity (Unaudited)
Quarter Ended 30 June 2015

	Attributable to Stockholders of the Company			Total
	Number of Shares	Share Capital	Retained Earnings	
	'000	\$'000	\$'000	\$'000
Balance at 31 March 2013	350,154	467,656	719,230	1,186,886
Total comprehensive income			17,169	17,169
Balance at 31 March 2014	350,154	467,656	736,399	1,204,055
Total comprehensive income			123,973	123,973
Ordinary dividends			(17,562)	(17,562)
Balance at 31 March 2015	350,154	467,656	842,810	1,310,466
Total comprehensive income			21,957	21,957
Balance at 30 June 2015	350,154	467,656	864,767	1,332,423
Balance at 31 March 2014	350,154	467,656	736,399	1,204,055
Total comprehensive income			15,205	15,205
Balance at 30 June 2014	350,154	467,656	751,604	1,219,260

Consolidated Cash Flow (Unaudited)
Quarter Ended 30 June 2015

	June 2015 \$'000	June 2014 \$'000
CASH RESOURCES WERE (USED IN)/PROVIDED BY:		
Operating Activities		
Net profit/(loss)	21,957	15,205
Items not affecting cash resources	46,442	31,771
	<u>68,399</u>	<u>46,976</u>
Changes in non-cash working capital components	(7,632)	(65,206)
Cash provided by/(used in) operations	60,767	(18,230)
Investing Activities		
Cash used in investing activities	(39,446)	(4,921)
Financing Activities		
Cash used in financing activities	(27,354)	(19,404)
Decrease in cash and cash equivalents	(6,033)	(42,555)
Net cash and cash equivalents at beginning of year	457,849	155,075
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>451,816</u></u>	<u><u>112,520</u></u>

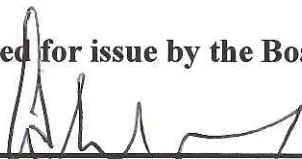
Company Statement of Comprehensive Income (Unaudited)
Quarter Ended 30 June 2015

Current Quarter 3 Months to 30/06/15	Prior Year Quarter 3 Months to 30/06/14		Year-to-Date Quarter 3 Months to 30/06/15	Prior Year Quarter 3 Months to 30/06/14
\$'000	\$'000		\$'000	\$'000
132,226	139,326	Revenue	132,226	139,326
<u>(55,435)</u>	<u>(61,725)</u>	Direct expenses	<u>(55,435)</u>	<u>(61,725)</u>
76,791	77,601	Gross Profit	76,791	77,601
29,211	22,908	Other income	29,211	22,908
(29,740)	(25,898)	Selling expenses	(29,740)	(25,898)
(46,641)	(48,234)	Administration expenses	(46,641)	(48,234)
<u>(29,643)</u>	<u>(32,928)</u>	Other operating expenses	<u>(29,643)</u>	<u>(32,928)</u>
(22)	(6,551)	Operating Profit/(Loss)	(22)	(6,551)
<u>(5,862)</u>	<u>(5,048)</u>	Finance costs	<u>(5,862)</u>	<u>(5,048)</u>
(5,884)	(11,599)	Loss before Taxation	(5,884)	(11,599)
<u>684</u>	<u>957</u>	Taxation	<u>684</u>	<u>957</u>
<u>(5,200)</u>	<u>(10,642)</u>	Net Loss/ Total Comprehensive Income	<u>(5,200)</u>	<u>(10,642)</u>

Company Balance Sheet (Unaudited)
Quarter Ended 30 June 2015

	June 2015 \$'000	Audited March 2015 \$'000
Non-Current Assets		
Fixed assets	264,573	269,201
Intangible assets	8,388	9,158
Retirement benefit asset	185,565	185,565
Investment in subsidiaries	431,924	431,924
Investment securities	19,810	19,353
Current Assets		
Inventories	7,265	5,674
Due from subsidiaries	15,981	782
Receivables	156,905	122,346
Taxation recoverable	6,976	5,785
Cash and short term investments	451,220	457,540
	638,347	592,127
Current Liabilities		
Payables	209,813	133,440
Due to subsidiaries	66,890	88,003
	276,703	221,443
Net Current Assets	361,644	370,684
	1,271,904	1,285,885
Equity		
Share capital	467,656	467,656
Retained earnings	587,268	592,468
	1,054,924	1,060,124
Non-Current Liabilities		
Finance lease obligations	9,274	10,182
Long term loans	154,001	161,193
Deferred tax liabilities	7,357	8,038
Retirement benefit obligations	46,348	46,348
	1,271,904	1,285,885

Approved for issue by the Board of Directors on 13 August 2015 and signed on its behalf by:


 J.A. Lester Spaulding - Director


 Carl D. Domville - Director

Company Statement of Changes in Equity (Unaudited)
Quarter Ended 30 June 2015

	Attributable to Stockholders of the Company			Total
	Number of Shares '000	Share Capital \$'000	Retained Earnings \$'000	\$'000
Balance at 31 March 2013	350,154	467,656	663,756	1,131,412
Total comprehensive income			(50,132)	(50,132)
Balance at 31 March 2014	350,154	467,656	613,624	1,081,280
Total comprehensive income			(3,594)	(3,594)
Ordinary dividends			(17,562)	(17,562)
Balance at 31 March 2015	350,154	467,656	592,468	1,060,124
Total comprehensive income			(5,200)	(5,200)
Balance at 30 June 2015	350,154	467,656	587,268	1,054,924
Balance at 31 March 2014	350,154	467,656	613,624	1,081,280
Total comprehensive income			(10,642)	(10,642)
Balance at 30 June 2014	350,154	467,656	602,982	1,070,638

Company Cash Flow (Unaudited)
Quarter Ended 30 June 2015

	June 2015 \$'000	June 2014 \$'000
Cash Flows from Operating Activities		
Operating Activities	(5,200)	(10,642)
Items not affecting cash resources	12,456	8,265
	<u>7,256</u>	<u>(2,377)</u>
Changes in non-cash working capital components	2,722	(29,139)
	<u>9,978</u>	<u>(31,516)</u>
Cash provided by/(used in) operating activities	9,978	(31,516)
Investing Activities		
Cash provided by investing activities	2,777	578
Financing Activities		
Net cash used in financing activities	<u>(19,075)</u>	<u>(11,668)</u>
Decrease in cash and cash equivalents	(6,320)	(42,606)
Cash and cash equivalents at beginning of year	<u>457,540</u>	<u>154,742</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>451,220</u></u>	<u><u>112,136</u></u>

Segment Report (Unaudited)
Quarter Ended 30 June 2015

	Audio Visual	Radio and Other	Sub-total	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
JUNE 2015					
Revenues	396,531	152,050	548,581	(32,190)	516,391
Operating profit	31,273	2,444	33,717	730	34,447
Assets	1,055,549	1,667,285	2,722,835	(694,538)	2,028,297
Liabilities	366,759	507,912	874,671	(166,687)	707,984
Capital expenditure	23,609	2,589	26,198		26,198
Depreciation	26,247	7,855	34,103		34,103
Finance costs	1,814	5,866	7,680		7,680
JUNE 2014					
Revenues	359,137	159,785	518,923	(33,072)	485,851
Operating Profit	25,927	(3,928)	22,000	730	22,730
Assets	1,091,739	1,581,781	2,673,519	(762,891)	1,910,628
Liabilities	667,307	408,594	1,075,901	(384,533)	691,368
Capital expenditure	5,957	1,086	7,043		7,043
Depreciation & amortisation	19,534	7,282	26,816		26,816
Finance costs	1,972	5,054	7,026		7,026

Notes to the financial statements
Quarter Ended 30 June 2015

NOTES

1. This condensed consolidated interim financial report has been prepared in accordance with IAS 34 Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of the group since the last audited annual consolidated financial statements as at and for the year ended March 2015. The accounting policies followed in the interim financial statements are consistent with the most recent annual report.
2. Revenue comprises the sale of airtime, programme material, web fees and the rental of studios and equipment, net of General Consumption Tax.
3. Other operating income represents interest income, net foreign exchange (losses)/gains, profit on sale of fixed assets, net unrealized losses/gains on revaluation of investment securities classified at fair value through profit and loss, road parties and rental income

4. Taxation expense in the statement of comprehensive income comprises current and deferred tax amounts.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes items that are not deductible in other years, and items that are never taxable or deductible. The Group's liability for current tax is calculated at tax rates that are enacted at the reporting date.

Deferred tax is tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, and their carrying amounts in the financial statements.

5. The calculation of earnings per stock unit is based on net profit and 350,153,891 weighted average ordinary stock units in issue.
6. Intangible assets represent the paid portion of our exclusive rights to broadcast FIFA events for the period 2015 to 2018 and website costs; net of amortisation
7. Employee benefits - The company operates a defined benefit pension scheme covering all permanent employees of Radio Jamaica Limited, Multi-Media Jamaica Limited and Television Jamaica Limited.

The scheme is managed by an outside agency under a management contract, and by Trustees. The scheme is valued annually by independent actuaries.

The Board of the pension fund is required by law and its articles and association to act in the interest of the fund and all relevant stakeholders. The Board of the fund is responsible for the investment policy with regard to the assets of the fund. The funds were managed by First Global Financial Services that was taken over by Proven Limited and who now has the responsibilities for the general management of the portfolio of investments and the administration of the fund.

8. Receivables consists of trade receivables, prepayments and other receivables
9. Share capital includes treasury shares that are held by the RJR Employee Share Scheme. There are no outstanding share options arising from the provisions of this scheme.
10. The group entered into finance lease arrangements with the Staff Pension Scheme of Radio Jamaica Limited for the acquisition of motor vehicles. The group's obligation under these leases have been recorded at amounts equal to the value of future lease payments using interest rates implicit in the leases.
11. The loans are secured and are repayable on a monthly basis.