



Interim Report to Stockholders

The directors present the un-audited results of the group for the 2nd Quarter ended September 30, 2015.

Net profit attributable to Stockholders of the company was \$30.2M; up \$21M over the corresponding period last year. The earnings per ordinary stock (EPS) unit of \$0.09 represented a significant improvement on the EPS of \$0:03 in the previous year. The improved results for the quarter were driven by profits on local programming and sporting properties.

The Group achieved revenues of \$601M for the 2nd quarter; an increase of \$124M or 26% over the comparable quarter last year driven by programming. For the quarter, direct expenses of \$258.8M increased by \$36.6M or 16%, due to the higher costs associated with: broadcast rights for sporting events, the increased airing of new films on television to refresh the station and satisfy the request of our valued viewers. Selling expenses were \$90.4M or 14% above prior year due to increased sales commission as a result of higher revenues. Administrative expenses of \$137.2M increased by \$29.7M or 27% as a result of higher depreciation costs associated with fixed assets acquisition, legal and professional fees. Operating Expenses of \$88M only increased by \$972K or 1% despite higher security costs and vandalism at transmitter sites.

Finance costs of \$4.4M decreased by \$2M, primarily due to the early payoff of leases in Radio and the significant pay down on long term loans.

Shareholders' equity as at September 30, 2015 was \$1.3B. Receivables increased by \$39.7M or 10.5% due to increased credit sales for the period. Cash and short term investments as at September 30, 2015 were \$286M, a reduction of \$171.7M or 37% since March 31, 2015 due primarily to the pay-out of high interest loans and leases.

Approved for issue by the Board of Directors on November 12, 2015 and signed on its behalf by:

J.A. Lester Spaulding Director

Gary Allen Director



**COMMUNICATIONS
GROUP**
Reaching you in every way!

**Unaudited Financial Statements
Quarter Ended 30 September 2015**

Radio Jamaica Limited

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Quarter Ended 30 September 2015

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Directors' interim report to Shareholders

Unaudited Financial Statements

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Consolidated Statement of Comprehensive Income (Unaudited)
Quarter Ended 30 September 2015

Current Quarter 3 Months to 30/09/15 \$'000	Prior Year Quarter 3 Months to 30/09/14 \$'000	Note	Year-to-Date 6 Months to 30/09/15 \$'000	Prior Year-to-date 6 Months to 30/09/14 \$'000
601,206	476,774	2	Revenue	962,625
(258,783)	(222,230)		Direct expenses	(436,095)
342,423	254,544		Gross Profit	526,530
23,440	27,757	3	Other income	48,461
(90,392)	(79,216)		Selling expenses	(151,790)
(137,214)	(107,532)		Administration expenses	(216,395)
(87,788)	(86,815)		Other operating expenses	(175,339)
50,469	8,738		Operating Profit/(Loss)	31,467
(4,383)	(6,653)		Finance costs	(13,679)
46,086	2,085		Profit/(Loss) before Taxation	17,788
(15,910)	7,134	4	Taxation	6,635
30,176	9,219		Net Profit/(Loss)	24,423
30,176	9,219		Attributable to:	
			Stockholders of the company	24,423
			Earnings per Ordinary Stock Unit	
			Attributable to Stockholders of	
		5	the Company	
\$0.09	\$0.03		\$0.15	\$0.07

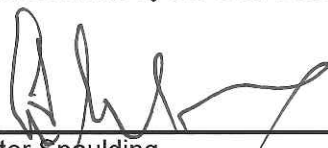
Radio Jamaica Limited

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**Consolidated Balance Sheet (Unaudited)
Quarter Ended 30 September 2015**

	Note	September 2015 \$'000	Audited March 2015 \$'000
Non-Current Assets			
Fixed assets		857,873	839,480
Intangible assets	6	35,746	22,404
Retirement benefit assets	7	226,432	226,432
Investment securities		19,842	19,353
Current Assets			
Inventories		46,112	25,485
Receivables	8	418,734	379,046
Taxation recoverable		10,632	8,898
Cash and short term investments		286,138	457,849
		761,616	871,278
Current Liabilities			
Payables		244,207	236,380
Current Portion of loans & leases		36,435	46,261
Taxation payable		54,045	32,468
		334,687	315,109
Net Current Assets		426,929	556,169
		1,566,822	1,663,838
Stockholders' Equity			
Share capital	9	467,656	467,656
Retained earnings		859,820	842,810
		1,327,476	1,310,466
Non-Current Liabilities			
Finance lease obligations	10	41,581	25,545
Long term loans	11	66,579	194,637
Deferred tax liabilities		63,183	65,187
Retirement benefit obligations	7	68,003	68,003
		1,566,822	1,663,838

Approved for issue by the Board of Directors on 12 November 2015 and signed on its behalf by:



 J.A. Lester Spaulding Director



 Gary Allen Director

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

	Attributable to Stockholders of the Company			Total
	Number of Shares	Share Capital	Retained Earnings	
	'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			52,132	52,132
Ordinary dividends			(35,122)	(35,122)
Balance at 30 September 2015	350,154	467,656	859,820	1,327,476
Balance at 31 March 2014	350,154	467,656	736,399	1,204,055
Total comprehensive income			24,423	24,423
Balance at 30 September 2014	350,154	467,656	760,822	1,228,478

Consolidated Cash Flow (Unaudited)
Quarter Ended 30 September 2015

	September 2015 \$'000	September 2014 \$'000
CASH RESOURCES WERE (USED IN)/PROVIDED BY:		
Operating Activities		
Net profit/(loss)	52,132	24,423
Items not affecting cash resources	104,712	56,537
	<u>156,844</u>	<u>80,960</u>
Changes in non-cash working capital components	(68,275)	(53,979)
Cash provided by operations	88,569	26,981
Investing Activities		
Cash used in investing activities	(94,097)	(37,842)
Financing Activities		
Cash (used in)/provided by financing activities	(166,269)	(31,289)
Decrease in cash and cash equivalents	(171,797)	(42,150)
Net cash and cash equivalents at beginning of year	457,935	155,162
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>286,138</u></u>	<u><u>113,012</u></u>

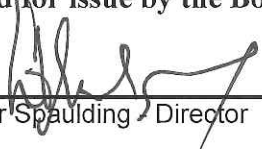
Company Statement of Comprehensive Income (Unaudited)
Quarter Ended 30 September 2015


Current Quarter 3 Months to 30/09/15	Prior Year Quarter 3 Months to 30/09/14		Year-to-Date Quarter 6 Months to 30/09/15	Prior Year Quarter 6 Months to 30/09/14
\$'000	\$'000		\$'000	\$'000
132,056	128,104	Revenue	264,282	267,430
<u>(57,482)</u>	<u>(62,019)</u>	Direct expenses	<u>(112,917)</u>	<u>(123,745)</u>
74,574	66,085	Gross Profit	151,365	143,685
119,985	26,547	Other income	149,196	49,455
(27,778)	(30,400)	Selling expenses	(57,518)	(56,298)
(49,368)	(46,043)	Administration expenses	(96,009)	(94,277)
<u>(32,831)</u>	<u>(31,989)</u>	Other operating expenses	<u>(62,475)</u>	<u>(64,917)</u>
84,582	(15,800)	Operating Profit/(Loss)	84,559	(22,352)
<u>(1,816)</u>	<u>(4,904)</u>	Finance costs	<u>(7,678)</u>	<u>(9,952)</u>
82,766	(20,704)	Profit/(Loss) before Taxation	76,882	(32,304)
<u>(410)</u>	<u>973</u>	Taxation	<u>274</u>	<u>1,931</u>
82,356	(19,731)	Net Loss/ Total Comprehensive Income	77,156	(30,373)

Company Balance Sheet (Unaudited)
Quarter Ended 30 September 2015

	September 2015 \$'000	Audited March 2015 \$'000
Non-Current Assets		
Fixed assets	258,984	269,201
Intangible assets	7,617	9,158
Retirement benefit asset	185,565	185,565
Investment in subsidiaries	431,922	431,924
Investment securities	19,842	19,353
Current Assets		
Inventories	8,591	5,674
Due from subsidiaries	13,757	782
Receivables	128,279	122,346
Taxation recoverable	7,832	5,785
Cash and short term investments	285,470	457,540
	443,929	592,127
Current Liabilities		
Payables	142,907	111,407
Current Portion of loans & leases	6,427	22,033
Due to subsidiaries		88,003
	149,334	221,443
Net Current Assets		
	294,595	370,684
	1,198,525	1,285,885
Equity		
Share capital	467,656	467,656
Retained earnings	634,502	592,468
	1,102,158	1,060,124
Non-Current Liabilities		
Finance lease obligations		10,182
Long term loans	42,258	161,193
Deferred tax liabilities	7,761	8,038
Retirement benefit obligations	46,348	46,348
	1,198,525	1,285,885

Approved for issue by the Board of Directors on 12 November 2015 and signed on its behalf by:


 J.A. Lester Spaulding - Director


 Gary Allen - Director

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

	Attributable to Stockholders of the Company			Total
	Number of Shares	Share Capital	Retained Earnings	
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			77,156	77,156
Ordinary dividends			(35,122)	
Balance at 30 September 2015	350,154	467,656	634,502	1,137,280
Balance at 31 March 2014	350,154	467,656	613,624	1,081,280
Total comprehensive income			(30,373)	(30,373)
Balance at 30 September 2014	350,154	467,656	583,251	1,050,907

Company Cash Flow (Unaudited)
Quarter Ended 30 September 2015

	September 2015 \$'000	September 2014 \$'000
Cash Flows from Operating Activities		
Operating Activities	77,156	(30,373)
Items not affecting cash resources	(70,354)	18,334
	<u>6,802</u>	<u>(12,039)</u>
Changes in non-cash working capital components	(93,282)	10,051
Cash used in operating activities	(86,480)	(1,988)
Investing Activities		
Cash used in investing activities	98,653	(18,173)
Financing Activities		
Net cash used in financing activities	(184,329)	(22,048)
Decrease in cash and cash equivalents	(172,156)	(42,209)
Cash and cash equivalents at beginning of year	457,626	154,829
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>285,470</u></u>	<u><u>112,620</u></u>

Segment Report (Unaudited)
Quarter Ended 30 September 2015

	Audio Visual	Radio and Other	Sub-total	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
SEPTEMBER 2015					
Revenues	883,130	303,973	1,187,103	(69,506)	1,117,597
Operating profit	87,605	90,299	177,904	(92,990)	84,914
Assets	1,167,739	1,482,889	2,650,628	(749,117)	1,901,509
Liabilities	497,998	286,554	784,552	(210,519)	574,033
Capital expenditure	80,829	7,423	88,252		88,252
Depreciation	54,257	15,601	69,859		69,859
Finance costs	4,375	7,688	12,063		12,063
SEPTEMBER 2014					
Revenues	723,042	304,849	1,027,891	(65,266)	962,625
Operating Profit	46,513	(16,505)	30,007	1,460	31,467
Assets	1,134,378	1,610,429	2,744,807	(908,004)	1,836,803
Liabilities	680,457	455,127	1,135,584	(527,259)	608,325
Capital expenditure	18,601	20,680	39,282		39,282
Depreciation & amortisation	42,793	16,412	59,204		59,204
Finance costs	3,716	9,963	13,679		13,679

Notes to the financial statements
Quarter Ended 30 September 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.
12. The company received dividend payments of \$94,450,000 from subsidiaries during the quarter.