

RJR
COMMUNICATIONS
GROUP
Reaching you in every way!

Unaudited Financial Statements
Quarter Ended 31 December 2015

Interim Report to Stockholders

The directors present the un-audited results of the group for the 3rd Quarter ended December 31, 2015.

The group earned net profits of \$132.5M for the nine-months ended December 31, 2015; an increase of \$5.7M or 4.5% over the corresponding period last year.

Net profit for the third quarter attributable to Stockholders was \$80.3M; down \$22M against the corresponding period last year, due to the one-off \$39m foreign exchange gain earned in the previous year. Net of the above mentioned foreign exchange gain, the 3rd quarter results reflected an improvement in the operational performance of the Group's core business. The 3rd quarter results represent earnings per Ordinary Stock unit of \$0.23 (2014: \$0.29). The results for the quarter were driven by profits on local programming and sporting properties; however, as mentioned above the foreign exchange gains were lower than the prior year period.

Revenues for the 3rd quarter were \$615M; an increase of \$24.2M or 4% over the comparable quarter last year. Other income of \$24.5M was lower by \$28.3M as prior year period included \$39m of one-off foreign currency translation gain from funds returned from the previously cancelled FIFA contract, which has since been successfully renegotiated at a lower cost.

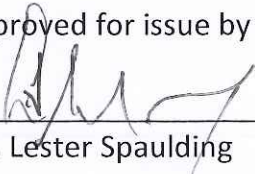
Direct expenses of \$209.8M for the quarter were reduced by \$3.4M or 1.6%, due to lower broadcast rights negotiated for sporting properties across the group. Selling expenses of \$94.5M were \$0.5M or 0.6% above prior year due to higher commissions driven by higher sales.

Administrative expenses of \$148.9M increased by \$27.8M or 23% as a result of professional fees incurred. Additionally, higher depreciation costs were incurred due to asset acquisitions. Despite higher security costs and incidents of vandalism at transmitter sites, operating expenses of \$75M were \$10.7M or 12.5% lower as a result of lower fuel cost and fewer repairs to transmitters. Finance costs of \$3.3M were lower by \$2.7M due to the significant pay-down of long term loans.

Shareholders' equity as at December 31, 2015 was \$1.4B compared to \$1.3B at March 31, 2015.

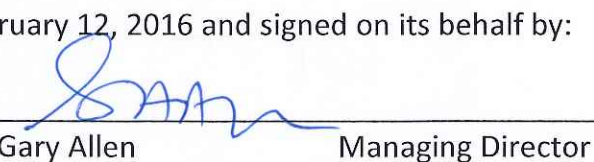
Receivables of \$439M increased by \$60M or 15.8% since March 31, 2015 mainly because of higher credit sales over the Christmas period. Cash and short term investments of \$348M were lower by \$110M following the pay-down of the long term loans. Intangible assets increased by \$31M as a result of further costs related to the creation of 1Spot Media which was launched on January 6, 2016. 1Spot Media is now available online at www.1spotmedia.com and is accessible for free in Jamaica on computers and all smart devices for the enjoyment of our television and radio content on-the-go, real time and delayed.

Approved for issue by the Board of Directors on February 12, 2016 and signed on its behalf by:



J.A. Lester Spaulding

Chairman



Gary Allen

Managing Director

Radio Jamaica Limited

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Quarter Ended 31 December 2015

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Consolidated Statement of Comprehensive Income (Unaudited)
Quarter Ended 31 December 2015

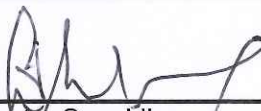
Current Quarter 3 Months to 31/12/15 \$'000	Prior Year Quarter 3 Months to 31/12/14 \$'000	Note	Year-to-Date 9 Months to 31/12/15 \$'000	Prior Year-to-date 9 Months to 31/12/14 \$'000
614,884	590,687	2	1,732,481	1,553,312
<u>(209,831)</u>	<u>(213,189)</u>		<u>(686,561)</u>	<u>(649,284)</u>
405,053	377,498		1,045,920	904,028
24,450	52,738	3	72,896	101,199
<u>(94,511)</u>	<u>(93,925)</u>		<u>(269,437)</u>	<u>(245,715)</u>
<u>(148,899)</u>	<u>(121,077)</u>		<u>(411,826)</u>	<u>(337,472)</u>
<u>(74,958)</u>	<u>(85,692)</u>		<u>(241,505)</u>	<u>(261,031)</u>
111,135	129,542		196,048	161,009
<u>(3,332)</u>	<u>(6,067)</u>		<u>(15,395)</u>	<u>(19,746)</u>
107,803	123,475		180,653	141,263
<u>(27,458)</u>	<u>(21,084)</u>	4	<u>(48,177)</u>	<u>(14,449)</u>
80,345	102,391		132,476	126,814
<u>80,345</u>	<u>102,391</u>		<u>132,476</u>	<u>126,814</u>
\$0.23	\$0.29	5	\$0.38	\$0.36

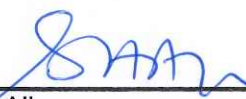
Radio Jamaica Limited

**Consolidated Balance Sheet (Unaudited)
Quarter Ended 31 December 2015**

	Note	December 2015 \$'000	Audited March 2015 \$'000
Non-Current Assets			
Fixed assets		841,298	839,480
Intangible assets	6	53,560	22,404
Retirement benefit assets	7	226,432	226,432
Investment securities		19,777	19,353
Current Assets			
Inventories		41,095	25,485
Receivables	8	439,002	379,046
Taxation recoverable		11,620	8,898
Cash and short term investments		347,961	457,849
		839,678	871,278
Current Liabilities			
Payables		247,777	282,641
Taxation payable		81,574	32,468
		329,351	315,109
Net Current Assets		510,327	556,169
		1,651,394	1,663,838
Stockholders' Equity			
Share capital	9	467,656	467,656
Retained earnings		940,164	842,810
		1,407,820	1,310,466
Non-Current Liabilities			
Finance lease obligations	10	38,963	25,545
Long term loans	11	73,600	194,637
Deferred tax liabilities		63,008	65,187
Retirement benefit obligations	7	68,003	68,003
		1,651,394	1,663,838

Approved for issue by the Board of Directors on 12 February 2016 and signed on its behalf by:


 J.A. Lester Spaulding Chairman


 Gary Allen Managing Director

Consolidated Statement of Changes in Equity (Unaudited)
Quarter Ended 31 December 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			132,476	132,476
Ordinary dividends			(35,122)	(35,122)
Balance at 31 December 2015	350,154	467,656	940,164	1,407,820
Balance at 31 March 2015	350,154	467,656	736,399	1,204,055
Total comprehensive income			126,814	126,814
Ordinary dividends			(17,874)	(17,874)
Balance at 31 December 2014	350,154	467,656	845,339	1,312,995

Consolidated Cash Flow (Unaudited)
Quarter Ended 31 December 2015

	December 2015 \$'000	December 2014 \$'000
CASH RESOURCES WERE (USED IN)/PROVIDED BY:		
Operating Activities		
Net profit	132,476	126,814
Items not affecting cash resources	169,828	157,476
	<u>302,304</u>	<u>284,290</u>
Changes in non-cash working capital components	(104,576)	(332,903)
Cash provided by/ (used in) operations	197,728	(48,613)
Investing Activities		
Cash (used in)/provided by investing activities	(127,930)	122,915
Financing Activities		
Cash used in financing activities	(179,686)	(99,380)
Decrease in cash and cash equivalents	(109,888)	(25,078)
Net cash and cash equivalents at beginning of year	457,849	155,075
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>347,961</u></u>	<u><u>129,997</u></u>

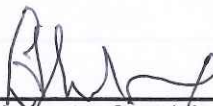
Company Statement of Comprehensive Income (Unaudited)
Quarter Ended 31 December 2015

Current Quarter 3 Months to 31/12/15	Prior Year Quarter 3 Months to 31/12/14		Year-to-Date Quarter 9 Months to 31/12/15	Prior Year Quarter 9 Months to 31/12/14
\$'000	\$'000		\$'000	\$'000
157,008	157,802	Revenue	421,291	425,232
<u>(62,466)</u>	<u>(58,618)</u>	Direct expenses	<u>(175,384)</u>	<u>(182,363)</u>
94,542	99,184	Gross Profit	245,907	242,869
25,627	56,617	Other income	174,823	106,072
(27,887)	(32,760)	Selling expenses	(85,406)	(89,057)
(70,915)	(48,178)	Administration expenses	(166,924)	(142,455)
<u>(28,469)</u>	<u>(33,304)</u>	Other operating expenses	<u>(90,943)</u>	<u>(98,222)</u>
(7,102)	41,559	Operating Profit/(Loss)	77,456	19,207
<u>(1,362)</u>	<u>(4,582)</u>	Finance costs	<u>(9,039)</u>	<u>(14,534)</u>
(8,464)	36,977	Loss before Taxation	68,417	4,673
249	(1,452)	Taxation	524	480
(8,215)	35,525	Net Loss/ Total Comprehensive Income	68,941	5,153

Company Balance Sheet (Unaudited)
Quarter Ended 31 December 2015

	December 2015 \$'000	Audited March 2015 \$'000
Non-Current Assets		
Fixed assets	257,567	269,201
Intangible assets	6,846	9,158
Retirement benefit asset	185,565	185,565
Investment in subsidiaries	431,924	431,924
Investment securities	19,777	19,353
Current Assets		
Inventories	8,064	5,674
Due from subsidiaries	54,294	782
Receivables	133,730	122,346
Taxation recoverable	8,583	5,785
Cash and short term investments	347,742	457,540
	552,413	592,127
Current Liabilities		
Payables	93,483	133,440
Due to subsidiaries	158,861	88,003
	252,344	221,443
Net Current Assets		
	300,069	370,684
	1,201,748	1,285,885
Equity		
Share capital	467,656	467,656
Retained earnings	626,287	592,468
	1,093,943	1,060,124
Non-Current Liabilities		
Finance lease obligations	-	10,182
Long term loans	53,944	161,193
Deferred tax liabilities	7,513	8,038
Retirement benefit obligations	46,348	46,348
	1,201,748	1,285,885

Approved for issue by the Board of Directors on 12 February 2016 and signed on its behalf by:


 J.A. Lester Spaulding

Chairman


 Gary Allen

Managing Director

Company Statement of Changes in Equity (Unaudited)
Quarter Ended 31 December 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			68,941	68,941
Ordinary dividends			(35,122)	(35,122)
Balance at 31 December 2015	350,154	467,656	626,287	1,093,943
Balance at 31 March 2014	350,154	467,656	613,624	1,081,280
Total comprehensive income			5,153	5,153
Ordinary dividends			(17,874)	(17,874)
Balance at 31 December 2014	350,154	467,656	600,903	1,068,559

Company Cash Flow (Unaudited)
Quarter Ended 31 December 2015

	December 2015 \$'000	December 2014 \$'000
Cash Flows from Operating Activities		
Operating Activities	68,941	5,153
Items not affecting cash resources	(66,279)	71,782
	<u>2,662</u>	<u>76,935</u>
Changes in non-cash working capital components	(23,577)	7,517
Cash used in operating activities	(20,915)	84,452
Investing Activities		
Cash used in investing activities	100,405	(20,170)
Financing Activities		
Net cash used in financing activities	(189,288)	(89,349)
Decrease in cash and cash equivalents	(109,798)	(25,067)
Cash and cash equivalents at beginning of year	457,540	154,742
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>347,742</u></u>	<u><u>129,675</u></u>

Segment Report (Unaudited)
Quarter Ended 31 December 2015

	Audio Visual \$'000	Radio and Other \$'000	Sub-total \$'000	Eliminations \$'000	Total \$'000
DECEMBER 2015					
Revenues	1,357,755	479,758	1,837,513	(105,032)	1,732,481
Operating profit	202,899	85,408	288,308	(92,260)	196,048
Assets	1,120,523	1,560,152	2,680,675	(699,929)	1,980,745
Liabilities	385,852	369,564	755,416	(182,492)	572,925
Capital expenditure	93,189	10,050	103,240		103,240
Depreciation	86,131	22,757	108,887		108,887
Finance costs	6,345	9,049	15,395		15,395
DECEMBER 2014					
Revenues	1,170,468	479,612	1,650,080	(96,768)	1,553,312
Operating Profit	131,635	27,184	158,819	2,190	161,009
Assets	1,198,643	1,638,649	2,837,292	(901,428)	1,935,864
Liabilities	497,602	464,441	962,043	(339,174)	622,869
Capital expenditure	34,168	23,450	57,618		57,618
Depreciation & amortisation	69,817	24,897	94,714		94,714
Finance costs	5,202	14,544	19,746		19,746

Notes to the financial statements
Quarter Ended 31 December 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 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 350,144,891 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 Trustees of the pension fund are required by law and its articles and association to act in the interest of the fund and all relevant stakeholders. The Trustees of the fund are responsible for the investment policy with regard to the assets of the fund. The funds are managed by Proven Wealth Transition Limited who 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 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 second quarter period.