

# Radio Jamaica Limited 1999

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## DIRECTORS' STATEMENT

### Introduction

The economic environment of 1999 exhibited varying themes throughout the year social unrest, economic stagnation, rising unemployment and unfavourable exchange rate movement. These themes put in context the operating environment in which the Group had to compete. While the economy has recorded some measure of achievement in the containment of inflation and increased investment, these were not sufficient to ignite economic growth and the resulting impact of this was visible yearlong within the business sector.

Against this background, 1999 was a watershed year for the Group coming out of the harsh cold realities of 1998 when we recorded a \$27 million dollar loss. It was also the year in which we began the process of operational, structural and strategic rationalization. New corporate vision, objectives and strategies, were charted and much of these were implemented during 1999.

Central to our corporate plans were the objectives of improving revenues while containing expenses across the board, increasing awareness of the Group and the brands therein and intensifying shareholders confidence in the organization.

The year under review therefore, saw the operational consolidation of the Group concept after the introduction of RJR Communications Group in the last quarter of 1998. As part of our stated investment priorities, the Television Operations received much needed attention. It now enjoys a strong public image following its successful name change, new positioning and strategic direction. TVJ, the "National Station" according to last published statistics, currently occupies the number one position within the Jamaican market. The Radio Operations performed admirably in the face of a fickle and competitive marketplace. Both RJR 94 FM and FAME FM received expanded transmission coverage in the north east and south of the island.

A number of management re-assignments were achieved with the appointment of Norma Brown-Bell in the position of Sports Marketing/ Public Relations Manager. RJR 94 FM appointed a new Executive Producer, Mr. Henry Stennett and Mr. Derrick Wilks now occupies the position of Senior Producer.

The quest to effect synergies between Television and Radio Operations saw the appointments of Group Managers across both services for Marketing and Sports and greater co-operation between the brands, while completion of the merger of Marketing, Accounting and Engineering was finalized in the second quarter of 1999.

On the promotional side we invested in advertising designed to re-position the Group among the various markets. Innovation, youthfulness and responsiveness to change were our corporate motto yearlong and this was a constant feature in our external communications. We however remained fiercely protective of our heritage of being a 'good corporate citizen' and this was realised in our support of a significant number of community and charitable outreach programmes during the year.

Technology remained at the forefront of our operation and we made some small but significant steps within this area. Our strategy with respect to the Internet bore fruit in **radiojamaica.com**. This service has developed into one of Jamaica's best web sites and is now a clearly defined product with a hit rate of over 2 million visitors per month. All our services are now housed on the website. In terms of disseminating business information, intranet capability and networking features have been introduced to facilitate modernizing the way we now communicate between ourselves and with the industry.

One of the pivotal challenges for 1999 was how to successfully transform the company from being an operator of radio stations to a fully-fledged electronic media group. We believe that much of the corporate activities of 1999 have appreciably aided this strategic imperative.

Business progression relies on management's ability to identify, embrace and direct paradigm shifts that might occur in the market place. The electronic media segment has experienced many such shifts and the RJR Communications Group is becoming better equipped to handle the attendant challenges. We are therefore heartened to close the year with a Group Profit before tax of over \$35 million.

The future presents great opportunities for our Group. We are well positioned to continue to deliver the best in news and entertainment - both audio and visual to our markets - both

present and future.

We welcome the changes in technology that will transform radio, television, the news and entertainment industries. The Government's announcement regarding wireless cable and its assurances to us, at the time of the acquisition of our television operations, are key factors for the future. We see the RJR Communications Group as one that will play an important role in bringing the best of Jamaica to our country and to the world, as we continue to take sound steps towards delivering a financially strong and growing business that serves all our stakeholders. The year 2000 will provide great opportunity and challenge. We are pleased with the progress made in the difficult economic climate of 1999, and we look forward to further growth in the early decades of the 21st century.

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