

Radio Jamaica Limited
Interim Report to stockholders.

The directors present the un-audited results of the group for the first quarter ended June 30, 2008.

The Group earned after tax profits of \$15 million for the period which compares positively to the \$18 million loss made for the first quarter last year. This \$33 million improvement is attributable mainly to the \$38 million or 11% increase in revenues over prior year. The additional revenues were earned from product re- pricing, increased activity and from World Cup Football Qualifiers.

The gross profit margin of 61% reflects an increase of 5% when compared to prior year, due mainly to the fact that while revenues increased by \$38 million, direct programming costs were contained to a 1% or \$1.4 -million upward movement when compared to prior year. This showed the impact of cost control measures, even as there were additional costs associated with broadcast rights for the World Cup Football Qualifiers.

Distribution expenses reflected a \$2M or 21% decrease due to the inclusion in prior year of the costs associated with the customer appreciation event held in June 2007 with nothing similar in the corresponding quarter this year. However some of this reduction in cost was replaced by increased commissions this quarter, paid in accordance with improved collections.

The \$8.6 million or 10% decrease recorded in Administrative expenses is due mainly to the payment in prior year of profit sharing with staff, which was not the case this quarter. A component of prior year cost is also attributed to TVJ's 10th anniversary celebrations which are not applicable this year.

The \$10 million or 17% increase in Operating Expenses reflect the continued increased cost of electric power, fuel for transportation and the standby power plants at the broadcast transmission sites. Operating Expenses also increased due to the costs associated with launching RETV and JNN on satellite to achieve full national coverage and take RETV into over ten other Caribbean countries.

The positive performance of our overseas investment One Caribbean Media – OCM on the Trinidad and Tobago stock market, resulted in a \$4 million gain for the quarter under review compared to a \$4 million loss for prior year. This \$8 million positive variance in OCM, as well as the net of a dividend received and costs associated with selling 67% of our holdings in OCM shares, together with a decrease in interest income, resulted in the greater than 100% increase in Other Operating Income.

The operating profit of \$31.4 million for the three months represents an 8% operating profit margin for the quarter. This compares positively to the operating loss that was recorded for the comparative period in 2007.

The increase in finance costs is mainly due to the loan obtained to finance the acquisition of the cable subsidiaries in December 2006 and to the finance costs associated with the upgrading of the group's motor vehicle fleet.

Taxation reflected a \$13.6 million negative variance as the group earned net profit before tax of \$21 million for the quarter compared to a loss of \$25 million for prior year.

After adjusting for minority interest, the profit attributable to shareholders represents a turn around over last year of \$33m and converts to an Earnings per Share (EPS) of 5.26 cents up from a negative of (4.70) cents.

RADIO JAMAICA LIMITED
GROUP PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 JUNE 2008 (UNAUDITED)

3 months to 30/06/2008	3 months to 30/06/2007		Notes	3 months to 30/06/2008	3 months to 30/06/2007
\$	\$			\$	\$
383,893,777	345,679,323	TURNOVER	2	383,893,777	345,679,323
<u>(149,086,066)</u>	<u>(150,451,144)</u>	COST OF SALES		<u>(149,086,066)</u>	<u>(150,451,144)</u>
234,807,711	195,228,179	GROSS PROFIT		234,807,711	195,228,179
13,595,151	4,821,353	OTHER OPERATING INCOME	3	13,595,151	4,821,353
(70,136,446)	(72,361,032)	DISTRIBUTION COSTS		(70,136,446)	(72,361,032)
(76,281,890)	(84,957,175)	ADMINISTRATIVE EXPENSES		(76,281,890)	(84,957,175)
<u>(70,524,486)</u>	<u>(60,313,030)</u>	OTHER OPERATING EXPENSES		<u>(70,524,486)</u>	<u>(60,313,030)</u>
31,460,040	(17,581,705)	OPERATING PROFIT/(LOSS)		31,460,040	(17,581,705)
<u>(10,527,101)</u>	<u>(8,411,514)</u>	FINANCE COSTS		<u>(10,527,101)</u>	<u>(8,411,514)</u>
20,932,939	(25,993,219)	PROFIT/(LOSS) BEFORE TAX		20,932,939	(25,993,219)
<u>(6,029,508)</u>	<u>7,626,807</u>	TAXATION		<u>(6,029,508)</u>	<u>7,626,807</u>
<u>14,903,431</u>	<u>(18,366,412)</u>	NET PROFIT/(LOSS)		<u>14,903,431</u>	<u>(18,366,412)</u>
		ATTRIBUTABLE TO:			
18,505,242	(16,541,540)	Stockholders of the company		18,505,242	(16,541,540)
<u>(3,601,811)</u>	<u>(1,824,872)</u>	Minority Interest		<u>(3,601,811)</u>	<u>(1,824,872)</u>
<u>14,903,431</u>	<u>(18,366,412)</u>			<u>14,903,431</u>	<u>(18,366,412)</u>
Cents	Cents			Cents	Cents
5.26	(4.70)	EARNINGS PER STOCK UNIT	4	5.26	(4.70)

RADIO JAMAICA LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2008 (UNAUDITED)

	Notes	June 2008	March 2008	June 2007
NET ASSETS EMPLOYED				
NON-CURRENT ASSETS				
FIXED ASSETS (Net)		720,362,626	731,399,268	728,407,181
INTANGIBLE ASSETS	5	127,155,029	127,872,527	130,025,021
INVESTMENTS		13,852,686	37,611,394	40,627,243
DEFERRED TAX ASSET		42,981,590	36,432,991	22,564,071
PENSION PLAN SURPLUS		115,192,000	115,192,000	102,857,000
CURRENT ASSETS				
STOCK		67,457,671	63,732,814	67,456,824
RECEIVABLES - TRADE		236,619,617	250,507,366	185,278,476
RECEIVABLES - OTHER		27,866,549	25,745,521	19,657,810
TAXATION RECOVERABLE		4,842,278	4,782,731	2,345,026
PREPAYMENTS		88,897,969	46,232,408	40,344,925
CASH, BANK DEPOSITS		29,613,151	9,470,387	75,089,199
		<u>455,297,234</u>	<u>400,471,227</u>	<u>390,172,259</u>
CURRENT LIABILITIES				
PAYABLES		143,252,532	128,761,640	120,330,258
TAXATION PAYABLE		30,500,914	27,028,689	25,871,467
CURRENT PORTION OF FINANCE LEASE OBLIGATIONS		5,637,211	6,672,720	8,219,444
CURRENT PORTION OF LONG TERM LOANS		25,041,944	25,041,944	25,041,944
BANK OVERDRAFT		31,673	1,410,134.63	0
		<u>204,464,274</u>	<u>188,915,128</u>	<u>179,463,113</u>
NET CURRENT ASSETS		250,832,961	211,556,099	210,709,145
		<u>1,270,376,892</u>	<u>1,260,064,279</u>	<u>1,235,189,662</u>
FINANCED BY				
SHARE CAPITAL		440,175,449	440,175,449	440,175,449
UNISSUED SHARE CAPITAL	6	55,000,000	55,000,000	55,000,000
RETAINED EARNINGS		600,804,279	582,299,037	549,651,380
		<u>1,095,979,728</u>	<u>1,077,474,486</u>	<u>1,044,826,829</u>
MINORITY INTEREST		6,935,692	10,537,502	17,595,760
		<u>1,102,915,419</u>	<u>1,088,011,988</u>	<u>1,062,422,589</u>
NON-CURRENT LIABILITIES				
FINANCE LEASE OBLIGATIONS		8,980,974	7,739,325	7,551,509
LONG TERM LOAN		53,228,488	60,254,173	78,739,848
DEFERRED TAX LIABILITIES		90,619,010	89,425,792	74,715,716
EMPLOYEE BENEFIT OBLIGATIONS		14,633,000	14,633,000	11,760,000
		<u>1,270,376,892</u>	<u>1,260,064,279</u>	<u>1,235,189,662</u>

J. A. LESTER SPAUDLING
DIRECTOR

CARL DOMVILLE
DIRECTOR

Radio Jamaica Limited
Consolidated Statement of Changes in Equity
Period ended 30 June 2008

	Attributable to Stockholders of the Company			Minority Interest	Total
	Share Capital	Unissued Shares	Retained Earnings		
	\$	\$	\$	\$	\$
Balance at 1 April 2007	440,175,449	55,000,000	568,017,792	17,595,760	1,080,789,001
Net profit			(18,366,412)		(18,366,412)
Balance as at 30 June 2007	440,175,449	55,000,000	549,651,380		1,062,422,589
Balance at 1 April 2008	440,175,449	55,000,000	582,299,037	10,537,502	1,088,011,988
Net profit			18,505,242	(3,601,811)	14,903,431
Balance as at 30 June 2008	440,175,449	55,000,000	600,804,279	6,935,692	1,102,915,419

Radio Jamaica Limited
Statement of Consolidated Cash Flows
30 June 2008

	2008	2007
	\$	\$
CASH RESOURCES WERE (USED IN)/PROVIDED BY:		
Operating Activities		
Net (Loss)/Profit	14,903,431	(18,366,412)
Items not affecting cash resources:	12,865,229	15,446,702
	<u>27,768,660</u>	<u>(2,919,710)</u>
Changes in non-cash working capital components:	(16,720,126)	53,912,409
Cash provided by operations	<u>11,048,534</u>	<u>50,992,700</u>
Investing Activities		
Cash used in investing activities	17,292,235	(29,246,471)
Financing Activities		
Cash used in financing activities	<u>(6,819,545)</u>	<u>(9,306,136)</u>
Increase/(Decrease) in net cash and cash equivalents	21,521,224	12,440,093
Net cash and cash equivalents at beginning of year	<u>8,060,252</u>	<u>62,649,107</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>29,581,476</u></u>	<u><u>75,089,199</u></u>

NOTES

1. The accounting policies followed in the interim financial statements are consistent with the most recent annual financial statements. Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year, especially in relation to the requirements of IFRS.
2. Turnover represents the sale of airtime, programme material and the rental of studios and equipment.
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 and rental income
4. The calculation of earnings per stock unit is based on net profit and 351,978,991 ordinary stock units in issue.
5. This figure is inclusive of Goodwill and Brand values.
6. On December 1, 2006, the company through its subsidiary, Media Plus Limited, acquired 65% of Reggae Entertainment Television (RETV) and 80% of Jamaica News Network (JNN). These companies are involved in the sale of airtime via the cable network.

Unissued Shares represent those shares approved by the shareholders to be issued to the previous owners of RETV and JNN upon their attainment of certain landmarks in a 36 months period.

Media Plus Limited is a wholly owned subsidiary of Radio Jamaica Limited incorporated as an international business company in St. Lucia.