

Radio Jamaica Limited .
Interim Report to stockholders.

The directors present the un-audited results of the group for the third quarter and nine months ended December 31, 2008.

The \$52 million after tax profits earned for the third quarter reflected a positive turnaround when compared to the second quarter which reflected losses after taxes of \$45 million, however it compared negatively to the \$62 million after tax profits earned for the comparative period. The net profit margin of 11% noted for the third quarter reflected a 4% decrease when compared to the 15% earned for the comparative period. Revenues increased by \$47 million or 11% due mainly to World Cup Football Qualifiers, National Premier League and Rising Stars. Cost of sales increased by \$35 million or 26% and was attributable to high production costs and broadcast rights for the abovementioned events.

The positive impact on revenues from the Olympic coverage and the exclusivity in World Cup Qualifiers were less than anticipated due to the economic fallout being experienced in Jamaica from the worldwide financial crisis, hence, YTD revenue recorded an increase of only 6% or \$74 million over prior year. This caused the year to date gross profit margin to decrease by 3%, as the group's cost of sales increased by \$95 million to meet the costs associated with these special events, while normal advertising not associated with special events fell precipitously.

Distribution expenses for the third quarter increased by \$4 million or 6% over prior year, due to organizational changes in marketing while Administrative expenses grew by \$22 million or 30% due partly to a revision of the senior management structure, as well as increased pension costs. Operating Expenses for the third quarter reflected an increase of \$14 million or 24% associated with launching JNN on satellite as well as maintenance of the group's transmitter network and motor vehicle fleet.

Operating profit of \$74 million for quarter ended December decreased by \$25 million or 26% when compared to the \$99 million earned the previous year.

Profits before tax for the third quarter decreased by \$22 million compared to the \$90 million earned for the same period last year. As a consequence, of the decline in profits, the charge for taxation decreased by \$12 million.

After adjusting for minority interest, the YTD loss of \$30.7 million attributable to shareholders reflected a negative variance of \$42 million.

The electronic media industry experienced, a sharp decline in spot revenues not associated with special and sporting events. Advertisers generally seem to have responded to uncertainty, resulting from reduced consumer spending and the devaluation of the Jamaican dollar, by reducing their spend on Public Relations, advertising and charity.

The group has launched various campaigns as a demonstration of our own belief in the strategy of brand support, while scaling down discretionary spending and has made some structural changes which should not have a significant impact on the product.

Consideration is being given to deeper cuts if the economic fallout continues into the next quarter.

RADIO JAMAICA LIMITED
GROUP PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2008 (UNAUDITED)

3 months to 31/12/2008	3 months to 31/12/2007		Notes	9 months to 31/12/2008	9 months to 31/12/2007
\$	\$			\$	\$
470,227,334	422,847,868	TURNOVER	2	1,255,665,862	1,180,923,700
<u>(171,274,693)</u>	<u>(135,845,751)</u>	COST OF SALES		<u>(527,490,770)</u>	<u>(432,192,575)</u>
298,952,641	287,002,117	GROSS PROFIT		728,175,092	748,731,125
15,700,021	12,781,401	OTHER OPERATING INCOME	3	34,706,367	22,829,531
(71,787,825)	(67,627,892)	DISTRIBUTION COSTS		(217,364,324)	(213,646,480)
(95,972,665)	(74,069,989)	ADMINISTRATIVE EXPENSES		(262,501,804)	(241,767,414)
<u>(72,776,932)</u>	<u>(58,497,552)</u>	OTHER OPERATING EXPENSES		<u>(229,784,892)</u>	<u>(188,837,029)</u>
74,115,240	99,588,085	OPERATING (LOSS)/PROFIT		53,230,439	127,309,733
<u>(6,273,061)</u>	<u>(9,192,737)</u>	FINANCE COSTS		<u>(31,703,590)</u>	<u>(25,953,493)</u>
67,842,179	90,395,348	(LOSS)/PROFIT BEFORE TAX		21,526,849	101,356,240
<u>(15,748,572)</u>	<u>(27,940,129)</u>	TAXATION		<u>(988,085)</u>	<u>(34,266,062)</u>
<u>52,093,607</u>	<u>62,455,219</u>	NET (LOSS)/PROFIT		<u>20,538,764</u>	<u>67,090,178</u>
		ATTRIBUTABLE TO:			
54,462,888	66,378,689	Stockholders of the company		30,767,614	72,838,520
<u>(2,369,281)</u>	<u>(3,923,470)</u>	Minority Interest		<u>(10,228,850)</u>	<u>(5,748,342)</u>
<u>52,093,607</u>	<u>62,455,219</u>			<u>20,538,764</u>	<u>67,090,178</u>
Cents	Cents			Cents	Cents
15.47	18.86	EARNINGS PER STOCK UNIT	4	8.74	20.69

RADIO JAMAICA LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008 (UNAUDITED)

	Notes	December 2008	March 2008	December 2007
NET ASSETS EMPLOYED				
NON-CURRENT ASSETS				
FIXED ASSETS (Net)		785,470,181	731,399,268	729,883,550
INTANGIBLE ASSETS	5	111,970,034	127,872,527	128,590,025
INVESTMENTS		10,260,993	37,611,394	37,921,580
DEFERRED TAX ASSET		54,841,206	36,432,991	31,015,766
PENSION PLAN SURPLUS		115,192,000	115,192,000	102,857,000
CURRENT ASSETS				
STOCK		66,363,710	63,732,814	86,786,358
RECEIVABLES - TRADE		307,992,650	250,507,366	286,551,842
RECEIVABLES - OTHER		26,370,127	25,745,521	53,694,268
TAXATION RECOVERABLE		4,978,630	4,782,731	2,222,687
PREPAYMENTS		35,465,411	46,232,408	53,304,239
CASH, BANK DEPOSITS		21,693,905	9,470,387	20,535,889
		<u>462,864,433</u>	<u>400,471,227</u>	<u>503,095,283</u>
CURRENT LIABILITIES				
PAYABLES		165,788,425	128,761,640	150,939,069
TAXATION PAYABLE		25,874,471	27,028,689	55,778,524
CURRENT PORTION OF FINANCE LEASE OBLIGATIONS		8,453,328	6,672,720	7,751,506
CURRENT PORTION OF LONG TERM LOANS		31,912,014	25,041,944	25,041,944
BANK OVERDRAFT		8,549,286	1,410,134.63	9,226,235
		<u>240,577,524</u>	<u>188,915,128</u>	<u>248,737,279</u>
NET CURRENT ASSETS		222,286,909	211,556,099	254,358,004
		<u>1,300,021,323</u>	<u>1,260,064,279</u>	<u>1,284,625,925</u>
FINANCED BY				
SHARE CAPITAL	6	440,155,939	440,175,449	440,175,449
UNISSUED SHARE CAPITAL	7	41,250,000	55,000,000	55,000,000
RETAINED EARNINGS		613,066,651	582,299,037	603,853,805
		<u>1,094,472,590</u>	<u>1,077,474,486</u>	<u>1,099,029,254</u>
MINORITY INTEREST		308,653	10,537,502	13,672,290
		<u>1,094,781,242</u>	<u>1,088,011,988</u>	<u>1,112,701,544</u>
NON-CURRENT LIABILITIES				
FINANCE LEASE OBLIGATIONS		16,009,580	7,739,325	10,138,146
LONG TERM LOAN		88,380,995	60,254,173	66,514,659
DEFERRED TAX LIABILITIES		86,216,506	89,425,792	83,511,575
EMPLOYEE BENEFIT OBLIGATIONS		14,633,000	14,633,000	11,760,000
		<u>1,300,021,323</u>	<u>1,260,064,279</u>	<u>1,284,625,925</u>

J. A. LESTER SPAUDLING
DIRECTOR

CARL DOMVILLE
DIRECTOR

Radio Jamaica Limited

Consolidated Statement of Changes in Equity

Period ended 31 December 2008

		Attributable to Stockholders of the Company			Minority	Total
		Share Capital	Unissued Shares	Retained Earnings	Interest	
Notes		\$	\$	\$	\$	\$
Balance at 1 April 2007 restated		440,175,449	55,000,000	566,212,984	19,420,632	1,080,809,065
Net profit/(loss)				72,838,520	(5,748,342)	67,090,178
Dividends				(35,197,699)		(35,197,699)
Balance as at 31 December 2007		<u>440,175,449</u>	<u>55,000,000</u>	<u>603,853,805</u>	<u>13,672,290</u>	<u>1,112,701,544</u>
Balance at 1 April 2008		440,175,449	55,000,000	582,299,037	10,537,502	1,088,011,988
Preference Shares repurchased	6	(19,510)				(19,510)
Contingent Unissued shares reversed	7		(13,750,000)			(13,750,000)
Net profit/(loss)				30,767,614	(10,228,850)	20,538,764
Balance as at 30 September 2008		<u>440,155,939</u>	<u>41,250,000</u>	<u>613,066,651</u>	<u>308,653</u>	<u>1,094,781,242</u>

Radio Jamaica Limited
Statement of Consolidated Cash Flows
31 December 2008

	2008	2007
	\$	\$
CASH RESOURCES WERE (USED IN)/PROVIDED BY:		
Operating Activities		
Net (Loss)/Profit	20,538,764	67,090,178
Items not affecting cash resources:	<u>38,298,553</u>	<u>54,795,452</u>
	58,837,317	121,885,630
Changes in non-cash working capital components:	<u>(14,297,120)</u>	<u>(53,027,992)</u>
Cash provided by operations	44,540,196	68,857,638
Investing Activities		
Cash used in investing activities	(84,503,584)	(65,586,766)
Financing Activities		
Cash provided by / (used in) financing activities	<u>45,047,754</u>	<u>(54,610,325)</u>
Decrease in net cash and cash equivalents	5,084,366	(51,339,452)
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>13,144,618</u></u>	<u><u>11,309,654</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. The Goodwill figure was reduced due to the reduction in Unissued shares (see note 7).
6. In keeping with the resolution passed at the Annual General Meeting held on September 24th, 2008 the cumulative preference shares were repurchased by the company.
7. 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. Due to the 12 month profit target not been met 2,750,000 shares will not be issued and was therefore reversed against goodwill.

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