

Radio Jamaica Limited

**Unaudited Financial Statements
Quarter Ended 30 June 2010**

Radio Jamaica Limited

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Quarter Ended 30 June 2010

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Directors' interim report to Shareholders

Unaudited Financial Statements

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Radio Jamaica Limited

Interim Report to Stockholders

The directors present the un-audited results of the group for the first quarter ended June 30, 2010.

For the three month period ended June 30, 2010 the Group earned after tax profits of \$29.5 million compared with an after tax profit of \$62.8 million for the corresponding period last year. This performance reflected a 3% decline in revenues of \$14.9 million compared to prior year; the components of which were:

- a decrease of \$22 million, of which \$16 million came from advertising and sponsorship of "new products" launched in the first quarter of 2009 but due to the general economic downturn were not repeated this year; a further \$6 million revenue shortfall was also caused by the out of cycle IAAF International Athletics events which are on a different schedule in 2010, these events were cushioned by increased earnings over prior year from our presentation on World Cup 2010 and the expansion of our internet services.

The gross profit margin of 68% reflects a reduction of 2% when compared to prior year mainly due to an across the board increase in direct payroll expenses awarded on April 1st, but which was positively impacted by a reduction in direct programming costs resulting from the absence this year of traditionally high costs associated with broadcast rights for the World Cup Football Qualifiers.

Selling expenses reflected a \$1.8million or 2% increase reflecting part cost of our 60th Anniversary celebrations which included a function for Stakeholders and Staff recognition. There were also increased commissions this quarter, paid in accordance with the improved revenue collections and the mix of revenues earned.

The \$18.6 million or 22% increase recorded in Administrative expenses is due to salary and other staff related cost increases, higher insurance premiums and higher professional fees incurred in the development of the Group's websites.

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Radio Jamaica Limited
Interim Report to Stockholders

The \$11.9 million or 15% increase in operating expenses over prior year was mainly due to the cost associated with replacement parts used in the maintenance of transmitters, and significant additional security costs contracted this year as a result of the threats against the company, communicated by the security forces and which were associated with the operations in Tivoli specifically and the state of emergency generally. Increased costs associated with increases in the cost of fuel, unusual motor vehicle repairs and rental for stand by generator during a period of ordering and replacement of a burnt out unit.

Finance Cost of \$4.5 million was lower than prior year by \$1.9 million or 27% as a result of loans that existed in prior year being fully repaid.

The profit after tax amounted to \$29.5 million compared to a profit after tax of \$62.8 million the previous year, resulted from the reduction in taxable profits and a reduction of the current quarter's tax charge.

Cash and short term investments increased by \$212 million as a result of improved prior year profitability that generated surplus cash.

Shareholders' Equity of \$1.154 million increased by \$29.5 million from \$1.125 million at March 31, 2010.

Long term loans decreased by \$17 million due primarily to the discharge of financial obligations during the period.

The group's earnings per share for the first quarter were \$0.08 compared with \$0.18 for the first quarter in 2009.

Approved for issue by the Board of Directors on 16 August 2010 and signed on its behalf
by:



J. A. Lester Spaulding

Director



Carl D. Domville

Director

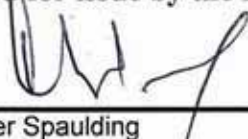
Consolidated Statement of Comprehensive Income (Unaudited)
Quarter Ended 30 June 2010

Current Quarter 3 Months to 30/06/10 \$'000 68%	Prior Year Quarter 3 Months to 30/06/09 \$'000 70%		Note	Year to Date 3 Months to 30/06/10 \$'000	Year to Date History 3 Months to 30/06/09 \$'000
476,845	491,794	Revenue	2	476,845	491,794
(153,959)	(146,576)	Direct expenses		(153,959)	(146,576)
322,886	345,218	Gross Profit		322,886	345,218
8,972	10,078	Other operating income	3	8,972	10,078
(83,154)	(81,350)	Selling expenses		(83,154)	(81,350)
(104,097)	(85,471)	Administration expenses		(104,097)	(85,471)
(91,907)	(79,973)	Other operating expenses		(91,907)	(79,973)
52,700	108,502	Operating Profit/(Loss)		52,700	108,502
(4,541)	(6,184)	Finance costs		(4,541)	(6,184)
48,159	102,318	Profit/(Loss) before Taxation		48,159	102,318
(18,707)	(39,531)	Taxation		(18,707)	(39,531)
29,452	62,787	Net Profit/(Loss)		29,452	62,787
		Attributable to:			
29,452	62,787	Stockholders of the company		29,452	62,787
		Earnings per Ordinary Stock Unit			
\$0.08	\$0.18	Attributable to Stockholders of the Company	4	\$0.08	\$0.18

Consolidated Balance Sheet (Unaudited)
Quarter Ended 30 June 2010

	Note	June 2010 \$'000	March 2010 \$'000	June 2009 \$'000
Non-Current Assets				
Fixed assets		723,480	742,121	754,200
Intangible assets	5	43,001	43,718	45,871
Retirement benefit assets		167,211	167,211	123,020
Deferred tax asset		181	67	1,967
Investment securities		11,372	11,822	11,714
Current Assets				
Inventories		69,390	69,642	56,717
Receivables		416,853	379,918	387,311
Taxation recoverable		7,233	5,842	2,061
Cash and short term investments		258,458	240,640	46,128
		751,934	696,042	492,217
Current Liabilities				
Payables		188,566	190,612	205,184
Taxation payable		142,438	122,922	32,985
Bank overdraft		-	5,754	1,824
		331,004	319,288	239,993
Net Current Assets		420,930	376,754	252,224
		1,366,174	1,341,693	1,188,996
Stockholders' Equity				
Share capital	6	467,656	467,656	440,156
Unissued shares	7	-	-	27,500
Retained earnings		686,334	656,882	515,647
		1,153,990	1,124,538	983,303
Non-Current Liabilities				
Finance lease obligations		6,997	6,997	14,566
Long term loans		68,936	68,936	78,130
Deferred tax liabilities		118,372	123,343	96,251
Retirement benefit obligations		17,879	17,879	16,746
		1,366,174	1,341,693	1,188,996

Approved for issue by the Board of Directors on 16 August 2010 and signed on its behalf by:


 J. A. Lester Spaulding Director


 Carl D. Domville Director

Consolidated Statement of Changes in Equity (Unaudited)
Quarter Ended 30 June 2010

	Attributable to Stockholders of the Company			Minority Interest	Total
	Share Capital \$'000	Unissued Shares \$'000	Retained Earnings \$'000	\$'000	\$'000
Balance at 1 April 2008	440,176	55,000	582,298	10,537	1,088,011
Total comprehensive income –					
Net loss	-	-	(129,438)	(10,537)	(139,975)
Reversal of unissued shares	-	(27,500)	-	-	(27,500)
Redemption of preference shares	(20)	-	-	-	(20)
Balance at 31 March 2009	440,156	27,500	452,860	-	920,516
Total comprehensive income –					
Net profit	-	-	221,621	-	221,621
Issue of unissued shares	27,500	(27,500)	-	-	-
Ordinary dividends	-	-	(17,599)	-	(17,599)
Balance at 31 March 2010	467,656	-	656,882	-	1,124,538
Total comprehensive income –					
Net profit	-	-	29,452	-	29,452
Balance at 30 June 2010	467,656	-	686,334	-	1,153,990
Balance at 31 March 2009	440,156	27,500	452,860	-	920,516
Total comprehensive income –					
Net profit	-	-	62,787	-	62,787
Balance at 30 June 2009	440,156	27,500	515,647	-	983,303

Consolidated Cash Flow (Unaudited)
Quarter Ended 30 June 2010

2010
\$'000

2009
\$'000

CASH RESOURCES WERE (USED IN)/PROVIDED BY:

Operating Activities

Net profit/(loss) 29,452 62,787

Items not affecting cash resources: 47,124 40,768

76,576 103,555

Changes in non-cash working capital components: (32,190) (79,070)

Cash provided by operations: 44,387 24,485

Investing Activities

Cash used in investing activities: (1,096) (10,214)

Financing Activities

Cash (used in)/provided by financing activities: (19,719) 16,062

Change in cash and cash equivalents 23,572 30,333

Net cash and cash equivalents at beginning of year 234,886 13,970

CASH AND CASH EQUIVALENTS AT END OF PERIOD 258,458 44,303


Company Statement of Comprehensive Income (Unaudited)
Quarter Ended 30 June 2010

Current Quarter 3 Months to 30/06/10	Prior Year Quarter 3 Months to 30/06/09		Year to Date 3 Months to 30/06/10	Year to Date History 3 Months to 30/06/09
\$'000	\$'000		\$'000	\$'000
179,012	174,323	Revenue	179,012	174,323
<u>(47,513)</u>	<u>(45,031)</u>	Direct expenses	<u>(47,513)</u>	<u>(45,031)</u>
131,500	129,292	Gross Profit	131,500	129,292
8,834	9,506	Other operating income	8,834	9,506
(35,875)	(33,128)	Selling expenses	(35,875)	(33,128)
(46,525)	(38,686)	Administration expenses	(46,525)	(38,686)
<u>(42,371)</u>	<u>(31,566)</u>	Other operating expenses	<u>(42,371)</u>	<u>(31,566)</u>
15,562	35,418	Operating Profit/(Loss)	15,562	35,418
<u>(1,708)</u>	<u>(2,501)</u>	Finance costs	<u>(1,708)</u>	<u>(2,501)</u>
13,854	32,917	Profit before Taxation	13,854	32,917
<u>(4,081)</u>	<u>(10,188)</u>	Taxation	<u>(4,081)</u>	<u>(10,188)</u>
<u>9,773</u>	<u>22,729</u>	Net Profit	<u>9,773</u>	<u>22,729</u>


Company Balance Sheet (Unaudited)
Quarter Ended 30 June 2010

	June 2010 \$'000	March 2010 \$'000	June 2009 \$'000
Non-Current Assets			
Fixed assets	302,192	303,404	306,696
Retirement benefit asset	157,195	157,195	110,390
Investment in subsidiaries	121,513	121,513	121,513
Long term receivables	2,950	2,950	2,950
Investment securities	11,372	11,822	11,714
Current Assets			
Inventories	19,607	19,285	21,173
Due from subsidiaries	31,656	224,401	231,781
Receivables	166,552	125,339	114,897
Taxation recoverable	4,124	3,325	4,444
Cash and short term investments	248,345	88,682	23,344
	470,285	461,032	395,639
Current Liabilities			
Payables	81,895	82,405	84,792
Taxation payable	44,342	36,943	-
Bank overdraft	-	5,754.00	-
	126,237	125,102	84,792
Net Current Assets	344,047	335,930	310,847
	939,269	932,814	864,110
Equity			
Share capital	467,656	467,656	440,156
Unissued shares		-	27,500
Retained earnings	381,208	371,435	313,241
	848,864	839,091	780,897
Non-Current Liabilities			
Finance lease obligations	80	80	1,915
Long term loans	20,409	20,409	31,459
Deferred tax liabilities	56,716	60,034	37,274
Retirement benefit obligations	13,200	13,200	12,566
	939,269	932,814	864,110

Approved for issue by the Board of Directors on 16 August 2010 and signed on its behalf by:



J. A. Lester Spaulding Director



Carl D. Domville Director

Company Statement of Changes in Equity (Unaudited)
 Quarter Ended 30 June 2010

	Attributable to Stockholders of the Company			Total
	Share Capital	Unissued Shares	Retained Earnings	
	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2008	440,176	55,000	230,006	725,182
Total comprehensive income –				
Net profit	-	-	60,506	60,506
Reversal of unissued shares	-	(27,500)	-	(27,500)
Redemption of preference shares	(20)	-	-	(20)
Balance at 31 March 2009	440,156	27,500	290,512	758,168
Total comprehensive income –				
Net profit	-	-	98,522	98,522
Issue of unissued shares	27,500	(27,500)	-	-
Ordinary dividends	-	-	(17,599)	(17,599)
Balance at 31 March 2010	467,656	-	371,435	839,091
Total comprehensive income –				
Net profit	-	-	9,773	9,773
Balance at 30 June 2010	467,656	-	381,208	848,864
Balance at 31 March 2009	440,156	27,500	290,512	758,168
Total comprehensive income –				
Net profit	-	-	22,729	22,729
Balance at 30 June 2009	440,156	27,500	313,241	780,897

Company Cash Flow (Unaudited)
Quarter Ended 30 June 2010

	2010	2009
	\$'000	\$'000
Cash Flows from Operating Activities		
Operating Activities		
Net profit	9,773	22,729
Items not affecting cash resources:	<u>14,853</u>	<u>19,700</u>
	24,626	42,429
Changes in non-cash working capital components:	<u>146,352</u>	<u>(10,983)</u>
Cash provided by operating activities	170,979	31,446
Investing Activities		
Cash used in investing activities	(3,962)	(933)
Financing Activities		
Net cash used in financing activities	<u>(1,599)</u>	<u>(12,077)</u>
Increase in cash and cash equivalents	165,417	18,436
Cash and cash equivalents at beginning of year	<u>82,928</u>	<u>4,908</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>248,345</u>	<u>23,344</u>

Segment Report (Unaudited)
Quarter Ended 30 June 2010

	Audio Visual \$'000	Radio and Other \$'000	Sub-total \$'000	Eliminations \$'000	Total \$'000
June 2010					
Revenues	291,763	186,478	478,241	(1,396)	476,845
Operating profit	36,880	15,820	52,700		52,700
Assets	775,135	26,544	801,679	(1,794)	799,884
Liabilities	383,330	25,758	409,088	(1,794)	407,293
Capital expenditure	1,841	7,756	9,597		9,597
Depreciation & amortisation	17,734	8,541	26,275		26,275
Finance costs	2,830	1,711	4,541		4,541
June 2009					
Revenues	310,166	181,920	492,086	(291)	491,794
Operating Profit	69,459	39,043	108,502		108,502
Assets	817,877	17,620	835,496	(381)	835,115
Liabilities	533,060	19,435	552,495	(381)	552,114
Capital expenditure	9,123	1,094	10,217		10,217
Depreciation & amortisation	18,592	8,936	27,528		27,528
Impairment charge		-	-		-
Finance costs	3,679	2,504	6,184		6,184

Notes to the financial statements
Quarter Ended 30 June 2010

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. Revenue comprises the sale of airtime, programme material 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 and rental income
4. The calculation of earnings per stock unit is based on net profit and 357,476,991 ordinary stock units in issue.
5. This figure is inclusive of Goodwill and Brand values.
6. Share capital includes treasury share that are held by the RJR Employee Scheme. The scheme is inactive, there having been no transactions for several years. There are no outstanding share options arising from the provisions of this scheme.
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. In prior year, 5,500,000 shares were written back against goodwill as the subsidiaries were not expected to meet future profit targets. The remaining 5,500,000 shares were issued to the vendors on January 15, 2010

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