

Radio Jamaica Limited

**Unaudited Financial Statements
Quarter Ended 31 December 2011**

Radio Jamaica Limited

Index

Quarter Ended 31 December 2011

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Directors' interim report to Shareholders

Unaudited Financial Statements

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Interim Report to Stockholders

The directors present the un-audited results of the group for the 3rd Quarter ended December 31, 2011.

The RJR Communications Group recorded third quarter after tax profits of \$50.6M which was \$27M or 114% better than the profits recorded for the previous quarter which ended September 30, 2011. This improved result bolstered by spot advertising from the general elections was still affected by weaker advertising revenues this financial period compared to the previous year period when the third quarter results were 25% better.

Year-to-date after tax profits have increased to \$81.8M. Sponsorship and special events revenues increased but these increases were eliminated by a significant decline in spot advertising revenues. These developments made the results for the nine months ended December 2011 lower than the \$140M after tax profit for the corresponding period last year.

Revenues for the quarter ended December 2011 of \$495.8M included significant spot advertising for the general elections but these were negated by even higher reduction in traditional Christmas advertising; hence revenues were lower than prior year by \$40.7M or 7.6%. Year-to-date revenues were less than prior year by \$74.38M or 5% mainly due to reduction in spot sales particularly from the merger within the telecommunications sector. The Group's websites have shown significant growth in visits and have provided a new revenue stream for the group, with prospects for additional monetization in the future.

The direct expenses for the quarter of \$161.9M increased by \$2.5M or 1.6%, mainly due to; one-off costs specifically associated with the profitable coverage of general election held December 2011 as well as the impact of a 4% increase in salary-related costs cushioned by lower programming and foreign films costs.

Other income generated \$10.6M for the quarter compared to \$19.5M in prior year resulting in a shortfall of \$8.9M mainly due to reduction in road parties, site rental and interest income.

Selling expenses for the quarter and year-to-date are below prior year by \$14M and \$31.3M respectively reflecting lower commissions payable, mainly due to lower sales and changes in the revenue mix.

Administrative expenses for the 3rd quarter were lower than prior year by \$14.9M or 14% due to savings realized from a re-negotiation of some contracts and licence fees.

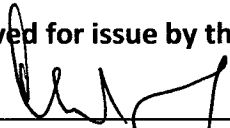
Operating expenses for the 3rd quarter increased by \$1.6M or 1.9% mainly due to increased electricity driven by increase fuel & IPP charge.

Finance costs of \$1.7M fell by \$1.3M or 43.4% due to improved premium financings rates, renegotiation of interest rates on existing loans and pay-out of leases and loans at non-competitive interest rates.


Shareholders' equity at December 2011 was \$1.26B after profits of \$81.8M and dividend payment of \$35.7M. Long term loans and leases reduced by \$35.6M or 65.2% over the past nine months to December 31, 2011.

The Group's Earnings Per Share (EPS) for the third quarter were 14cents and 23cents for the year-to-date.

Approved for issue by the board of Directors on February 15, 2011 and signed on its behalf by:



J.A. Lester Spaulding Director



Carl D. Domville Director

Radio Jamaica Limited

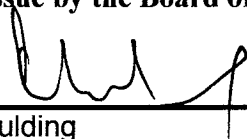
Consolidated Statement of Comprehensive Income (Unaudited) Quarter Ended 31 December 2011


Current Quarter 3 Months to 31/12/11 \$'000	Prior Year Quarter 3 Months to 31/12/10 \$'000	Note	Year-to-Date 9 Months to 31/12/11 \$'000	Prior Year-to-date 9 Months to 31/12/10 \$'000
495,841	536,581	2	1,414,882	1,489,259
(161,927)	(159,432)		(547,246)	(494,562)
333,915	377,149		867,637	994,696
10,561	19,525	3	52,937	69,794
(86,371)	(100,424)		(239,319)	(270,639)
(92,019)	(106,962)		(294,810)	(310,695)
(84,670)	(83,079)		(247,680)	(264,160)
81,414	106,209		138,763	218,997
(1,731)	(3,056)		(7,924)	(12,095)
79,684	103,153		130,839	206,902
(29,127)	(35,456)		(49,042)	(66,843)
50,556	67,697		81,797	140,059
Attributable to:				
50,556	67,697		81,797	140,059
Earnings per Ordinary Stock Unit				
Attributable to Stockholders of				
the Company		4	the Company	
\$0.14	\$0.19		\$0.23	\$0.39

Consolidated Balance Sheet (Unaudited)
Quarter Ended 31 December 2011

		December	Audited	December
	Note	2011	March 2011	2010
		\$'000	\$'000	\$'000
Non-Current Assets				
Fixed assets		669,440	702,985	716,866
Intangible assets	5	38,696	40,848	41,566
Retirement benefit assets		175,554	175,554	167,211
Deferred tax asset		799	550	935
Investment securities		7,451	9,291	10,969
Current Assets				
Inventories		83,317	61,629	72,878
Receivables		399,721	338,886	455,943
Taxation recoverable		12,624	5,415	9,489
Cash and short term investments		307,400	334,313	308,873
		803,063	740,243	847,183
Current Liabilities				
Payables		193,738	191,510	182,948
Taxation payable		85,106	59,142	186,982
Bank overdraft		-	3,320	-
		278,844	253,972	369,930
Net Current Assets		<u>524,218</u>	<u>486,271</u>	<u>477,253</u>
		<u>1,416,158</u>	<u>1,415,499</u>	<u>1,414,801</u>
Stockholders' Equity				
Share capital	6	467,656	467,656	467,656
Retained earnings		794,176	748,126	754,044
		1,261,832	1,215,782	1,221,700
Non-Current Liabilities				
Finance lease obligations		-	1,470	3,961
Long term loans		19,003	53,144	57,092
Deferred tax liabilities		114,625	124,405	114,169
Retirement benefit obligations		20,698	20,698	17,879
		<u>1,416,158</u>	<u>1,415,499</u>	<u>1,414,801</u>

Approved for issue by the Board of Directors on 15 February 2012 and signed on its behalf by:


 J.A. Lester Spaulding Director


 Carl D. Domville Director

Radio Jamaica Limited

**Consolidated Statement of Changes in Equity (Unaudited)
Quarter Ended 31 December 2011**

	Attributable to Stockholders of the Company			Total \$'000
	Share Capital \$'000	Unissued Shares \$'000	Retained Earnings \$'000	
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			132,828	132,828
Ordinary dividends			(41,584)	(41,584)
Balance at 31 March 2011	467,656	-	748,126	1,215,782
Total comprehensive income –				
Net profit			81,797	81,797
Ordinary dividends			(35,748)	(35,748)
Balance at 31 December 2011	467,656	-	794,176	1,261,832
Balance at 31 March 2010	467,656	-	656,882	1,124,538
Total comprehensive income –				
Net profit			140,059	140,059
Ordinary dividends			(42,897)	(42,897)
Balance at 31 December 2010	467,656	-	754,044	1,221,700

Consolidated Cash Flow (Unaudited)
Quarter Ended 31 December 2011

	December 2011 \$'000	December 2010 \$'000
CASH RESOURCES WERE (USED IN)/PROVIDED BY:		
Operating Activities		
Net profit/(loss)	81,797	140,059
Items not affecting cash resources	158,094	128,568
	<u>239,891</u>	<u>268,627</u>
Changes in non-cash working capital components	(120,611)	(76,187)
Cash provided by operations	119,280	192,440
Investing Activities		
Cash used in investing activities	(63,225)	(16,048)
Financing Activities		
Cash used in financing activities	(79,648)	(102,405)
(Decrease)/Increase in cash and cash equivalents	(23,593)	73,987
Net cash and cash equivalents at beginning of year	<u>330,993</u>	<u>234,886</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>307,400</u></u>	<u><u>308,873</u></u>

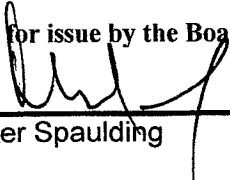
Company Statement of Comprehensive Income (Unaudited)
Quarter Ended 31 December 2011

Current Quarter 3 Months to 31/12/11	Prior Year Quarter 3 Months to 31/12/10		Year-to-Date Quarter 9 Months to 31/12/11	Prior Year Quarter 9 Months to 31/12/10
\$'000	\$'000		\$'000	\$'000
188,237	174,592	Revenue	510,190	552,527
<u>(60,271)</u>	<u>(57,199)</u>	Direct expenses	<u>(173,175)</u>	<u>(163,388)</u>
127,966	117,393	Gross Profit	337,015	389,139
13,477	38,296	Other income	57,440	66,528
(35,371)	(39,777)	Selling expenses	(99,309)	(111,190)
(44,546)	(44,424)	Administration expenses	(132,484)	(133,208)
<u>(41,594)</u>	<u>(37,562)</u>	Other operating expenses	<u>(121,619)</u>	<u>(118,335)</u>
19,931	33,924	Operating Profit/(Loss)	41,043	92,934
<u>(1,003)</u>	<u>(956)</u>	Finance costs	<u>(3,058)</u>	<u>(4,266)</u>
18,928	32,968	Profit/(Loss) before Taxation	37,985	88,668
<u>(6,369)</u>	<u>(12,436)</u>	Taxation	<u>(11,711)</u>	<u>(18,410)</u>
12,559	20,532	Net Profit/Total Comprehensive Income	26,274	70,258

Company Balance Sheet (Unaudited)
Quarter Ended 31 December 2011

	December 2011 \$'000	Audited March 2011 \$'000	December 2010 \$'000
Non-Current Assets			
Fixed assets	292,649	298,339	304,314
Retirement benefit asset	163,236	163,236	157,195
Investment in subsidiaries	121,513	121,513	121,513
Long term receivables	2,950	2,950	2,950
Investment securities	7,451	9,291	10,967
Current Assets			
Inventories	25,003	17,923	22,719
Due from subsidiaries	-3,282	9,819	89,646
Receivables	148,248	120,139	72,525
Taxation recoverable	8,698	4,286	6,114
Cash and short term investments	299,804	328,376	307,966
	478,470	480,543	498,970
Current Liabilities			
Payables	87,605	83,732	83,043
Taxation payable	23,100	17,789	60,604
Bank overdraft	-	2,328	-
	110,705	103,849	143,647
Net Current Assets	367,766	376,694	355,323
	955,565	972,023	952,263
Equity			
Share capital	467,656	467,656	467,656
Retained earnings	401,284	410,757	398,796
	868,940	878,413	866,452
Non-Current Liabilities			
Finance lease obligations	-	-	80
Long term loans	13,902	16,860	17,747
Deferred tax liabilities	57,775	61,802	54,784
Retirement benefit obligations	14,948	14,948	13,200
	955,565	972,023	952,263

Approved for issue by the Board of Directors on 15 February 2012 and signed on its behalf by:


 J.A. Lester Spaulding

Director


 Carl D. Domville

Director

Radio Jamaica Limited

Company Statement of Changes in Equity (Unaudited)
Quarter Ended 31 December 2011

	Attributable to Stockholders of the Company			Total
	Share Capital \$'000	Unissued Shares \$'000	Retained Earnings \$'000	\$'000
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			80,906	80,906
Ordinary dividends			(41,584)	(41,584)
Balance at 31 March 2011	467,656	-	410,757	878,413
Total comprehensive income –				
Net profit			26,274	26,274
Ordinary dividends			(35,748)	(35,748)
Balance at 31 December 2011	467,656	-	401,284	868,940
Balance at 31 March 2010	467,656	-	371,435	839,091
Total comprehensive income –				
Net profit			70,258	70,258
Ordinary dividends			(42,897)	(42,897)
Balance at 31 December 2010	467,656	-	398,796	866,452

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Company Cash Flow (Unaudited)
Quarter Ended 31 December 2011

	December 2011 \$'000	December 2010 \$'000
Cash Flows from Operating Activities		
Operating Activities		
Items not affecting cash resources	31,329	16,056
	<u>57,603</u>	<u>86,314</u>
Changes in non-cash working capital components	(33,780)	181,315
Cash provided by operating activities	<u>23,823</u>	<u>267,629</u>
Investing Activities		
Cash (used in)/ provided by investing activities	(6,406)	10,457
Financing Activities		
Net cash used in financing activities	<u>(43,661)</u>	<u>(53,047)</u>
(Decrease)/Increase in cash and cash equivalents	(26,244)	225,039
Cash and cash equivalents at beginning of year	<u>326,048</u>	<u>82,928</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>299,804</u></u>	<u><u>307,967</u></u>

Segment Report (Unaudited)
Quarter Ended 31 December 2011

	Audio Visual \$'000	Radio and Other \$'000	Sub-total \$'000	Eliminations \$'000	Total \$'000
DECEMBER 2011					
Revenues	924,820	563,283	1,488,103	(73,221)	1,414,882
Operating profit	92,151	46,613	138,763		138,763
Assets	707,267	1,168,067	1,875,333	(180,331)	1,695,002
Liabilities	228,646	384,855	613,501	(180,331)	433,170
Capital expenditure	30,917	19,641	50,558		50,558
Depreciation & amortisation	59,130	27,125	86,255		86,255
Finance costs	4,855	3,069	7,924		7,924
DECEMBER 2010					
Revenues	932,457	572,309	1,504,766	(15,507)	1,489,259
Operating Profit	128,421	90,576	218,997		218,997
Assets	674,228	1,346,283	2,020,511	(235,781)	1,784,730
Liabilities	552,812	245,999	798,811	(235,781)	563,030
Capital expenditure	27,839	23,886	51,725		51,725
Depreciation & amortisation	56,900	24,899	81,798		81,798
Finance costs	7,803	4,292	12,095		12,095

Notes to the financial statements
Quarter Ended 31 December 2011

NOTES

1. The accounting policies followed in the interim financial statements are consistent with the most recent annual financial statements.
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 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, road parties and rental income
4. The calculation of earnings per stock unit is based on net profit and 357,467,991 ordinary stock units in issue.
5. This figure is inclusive of Goodwill and Brand values net of amortisation.
6. Share capital includes treasury share that are held by the RJR Employee Scheme. There are no outstanding share options arising from the provisions of this scheme.