

Radio Jamaica Limited

**Unaudited Financial Statements
Quarter Ended 30 September 2012**

Radio Jamaica Limited

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Quarter Ended 30 September 2012

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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 2nd Quarter ended September 30, 2012. The Group recorded an after tax profit for the July to September 2012 quarter of \$2.3M yielding an EPS of 1cent but insufficient to overcome the loss recorded for the previous quarter. Continued decline in the advertising market and a general slowdown in the economy affected the advertising industry as a whole. Hence, after tax profits for the Group's second quarter were \$2.3M, compared to \$23.6M recorded for the 2nd quarter last year.

Year-to-date revenues of \$890M were \$28.9M or 3% below the corresponding period last year.

For the detailed second quarter review, it is noted that revenues of \$479M for the quarter were largely impacted by the diversion of media spend to instead support Jamaica 50 events. This was compounded by the weakened economic conditions. This resulted in a 4% or \$17.6M reduction in spot sales, when compared to prior year. Other income of \$14.7M for the quarter was consistent with similar category earnings in prior year.

When compared to the similar quarter last year total expenses for the quarter increased by less than one percent (0.68%) or \$3.3M, mostly demonstrating the Group's success in containing expenses.

Selling expenses for the quarter of \$77M increased over prior year by \$1.6M or 2% due to increased market research charges to assist the Group in fact-based decision-making and increased commissions based on greater than prior year success in collection of commissionable revenues.

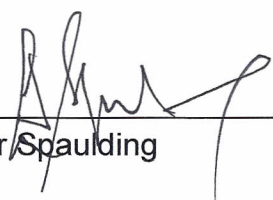
Administrative expenses for the 2nd quarter increased by \$4.3M or 4% over prior year mainly due to salary increases and increased cost of insurance.

The reduction of \$1.2M or 1.4% in operating expenses for the 2nd quarter when compared with prior year was mainly due to renegotiated rates for satellite and service contracts and a reduction in the replacement of spare parts.

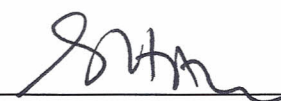
Finance costs of \$1.7M fell by \$1.1M or 41% due to renegotiation of interest rates on existing loans.

Shareholders' equity as at September 30, 2012 was \$1.2B. Cash and short term investment as at September 30, 2012 was \$140M that reduced by 47% since March 31, 2012 primarily due to acquisition of fixed assets and sporting broadcast rights. Long term loans reduced by \$3.8M or 25% over the past six months to September 30, 2012.

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



J.A. Lester Spaulding Director



Gary Allen Director

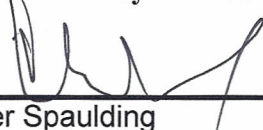
Consolidated Statement of Comprehensive Income (Unaudited)
Quarter Ended 30 September 2012

Current Quarter 3 Months to 30/09/12 \$'000	Prior Year Quarter 3 Months to 30/09/11 \$'000	Note	Year-to-Date 6 Months to 30/09/12 \$'000	Prior Year-to-date 6 Months to 30/09/11 \$'000
479,025	496,692	2	890,110	919,040
(225,468)	(211,541)		(410,635)	(385,319)
253,557	285,151		479,475	533,721
14,731	15,065	3	32,432	42,376
(77,044)	(78,640)		(153,480)	(152,948)
(102,180)	(97,844)		(205,886)	(202,791)
(83,835)	(85,018)		(170,838)	(163,010)
5,230	38,714		(18,297)	57,349
(1,667)	(2,814)		(2,914)	(6,193)
3,563	35,900		(21,212)	51,156
(1,250)	(12,264)		(1,840)	(19,914)
2,314	23,636		(23,051)	31,241
2,314	23,636		(23,051)	31,241
\$0.01	\$0.07	4	(\$0.06)	\$0.09

Consolidated Balance Sheet (Unaudited)
Quarter Ended 30 September 2012

	Note	September 2012 \$'000	Audited March 2012 \$'000	September 2011 \$'000
Non-Current Assets				
Fixed assets		687,474	669,568	670,845
Intangible assets	5	36,543	37,978	39,413
Retirement benefit assets		195,813	195,813	175,554
Deferred tax asset		782	0	692
Investment securities		10,737	8,182	7,787
Current Assets				
Inventories		75,419	73,759	67,071
Receivables		486,196	407,963	442,717
Taxation recoverable		8,166	4,215	9,610
Cash and short term investments		140,645	265,029	234,408
		710,426	750,966	753,806
Current Liabilities				
Payables		194,472	179,161	175,596
Taxation payable		37,665	46,860	64,500
		232,137	226,021	240,096
Net Current Assets		478,288	524,945	513,710
		<u>1,409,637</u>	<u>1,436,486</u>	<u>1,408,001</u>
Stockholders' Equity				
Share capital	6	467,656	467,656	467,656
Retained earnings		777,487	800,538	779,367
		1,245,143	1,268,194	1,247,023
Non-Current Liabilities				
Long term loans		11,534	15,351	23,247
Deferred tax liabilities		125,809	125,789	117,033
Retirement benefit obligations		27,152	27,152	20,698
		<u>1,409,637</u>	<u>1,436,486</u>	<u>1,408,001</u>

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



 J. A. Lester Spaulding Director



 Gary Allen Director

Radio Jamaica Limited

**Consolidated Statement of Changes in Equity (Unaudited)
Quarter Ended 30 September 2012**

	Attributable to Stockholders of the Company			Total
	Number of Shares	Share Capital	Retained Earnings	
	'000	\$'000	\$'000	\$'000
Balance at 31 March 2010	349,413	467,656	656,882	1,124,538
Total comprehensive income			132,828	132,828
Treasury shares sold	741			
Ordinary dividends			(41,584)	(41,584)
Balance at 31 March 2011	350,154	467,656	748,126	1,215,782
Total comprehensive income			87,407	87,407
Ordinary dividends			(34,995)	(34,995)
Balance at 31 March 2012	350,154	467,656	800,538	1,268,194
Total comprehensive income			(23,051)	(23,051)
Balance at 30 September 2012	350,154	467,656	777,487	1,245,143
Balance at 31 March 2011	350,154	467,656	748,126	1,215,782
Total comprehensive income			31,241	31,241
Balance at 30 September 2011	350,154	467,656	779,367	1,247,023

Consolidated Cash Flow (Unaudited)
Quarter Ended 30 September 2012

	September 2012 \$'000	September 2011 \$'000
CASH RESOURCES WERE (USED IN)/PROVIDED BY:		
Operating Activities		
Net profit/(loss)	(23,051)	31,241
Items not affecting cash resources	56,704	95,012
	<u>33,653</u>	<u>126,253</u>
Changes in non-cash working capital components	(76,250)	(151,453)
Cash (used in)/provided by operations	<u>(42,597)</u>	<u>(25,200)</u>
Investing Activities		
Cash (used in)/provided by investing activities	(69,014)	(33,551)
Financing Activities		
Cash used in financing activities	<u>(12,773)</u>	<u>(37,834)</u>
Change in cash and cash equivalents	(124,384)	(96,585)
Net cash and cash equivalents at beginning of year	<u>265,029</u>	<u>330,993</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>140,645</u></u>	<u><u>234,408</u></u>

Company Statement of Comprehensive Income (Unaudited)
Quarter Ended 30 September 2012

Current Quarter 3 Months to 30/09/12	Prior Year Quarter 3 Months to 30/09/11		Year-to-Date Quarter 6 Months to 30/09/12	Prior Year Quarter 6 Months to 30/09/11
\$'000	\$'000		\$'000	\$'000
175,120	155,706	Revenue	331,867	321,953
<u>(69,713)</u>	<u>(55,092)</u>	Direct expenses	<u>(131,285)</u>	<u>(112,904)</u>
105,407	100,614	Gross Profit	200,582	209,049
17,784	18,102	Other income	47,630	43,963
(33,048)	(30,705)	Selling expenses	(66,267)	(63,938)
(44,812)	(39,187)	Administration expenses	(92,088)	(87,937)
<u>(38,999)</u>	<u>(42,630)</u>	Other operating expenses	<u>(79,113)</u>	<u>(80,026)</u>
6,331	6,194	Operating Profit	10,743	21,111
<u>(630)</u>	<u>(908)</u>	Finance costs	<u>(1,511)</u>	<u>(2,055)</u>
5,702	5,286	Profit before Taxation	9,232	19,056
<u>(1,215)</u>	<u>(589)</u>	Taxation	<u>(1,327)</u>	<u>(5,342)</u>
4,487	4,697	Net Profit/Total Comprehensive Income	7,905	13,714

Company Balance Sheet (Unaudited)
Quarter Ended 30 September 2012

	September 2012 \$'000	Audited March 2012 \$'000	September 2011 \$'000
Non-Current Assets			
Fixed assets	282,720	286,146	291,260
Retirement benefit asset	180,723	180,723	163,236
Investment in subsidiaries	121,513	121,513	121,513
Long term receivables	2,950	2,950	2,950
Investment securities	10,737	8,182	7,787
Current Assets			
Inventories	23,134	22,135	19,620
Due from subsidiaries	492,869	370,410	62,296
Receivables	176,609	164,999	167,259
Taxation recoverable	6,108	3,918	7,719
Cash and short term investments	138,778	260,131	232,394
	837,497	821,593	489,288
Current Liabilities			
Payables	104,720	94,164	75,890
Taxation payable	19,053	20,435	19,860
	123,772	114,599	95,750
Net Current Assets	713,725	706,994	393,538
	<u>1,312,367</u>	<u>1,306,508</u>	<u>980,283</u>
Equity			
Share capital	467,656	467,656	467,656
Retained earnings	752,687	744,782	424,471
	1,220,343	1,212,438	892,127
Non-Current Liabilities			
Long term loans	11,534	13,310	15,085
Deferred tax liabilities	61,469	61,739	58,122
Retirement benefit obligations	19,021	19,021	14,948
	<u>1,312,367</u>	<u>1,306,508</u>	<u>980,283</u>

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


 J. A. Lester Spaulding Director


 Gary Allen Director

Company Statement of Changes in Equity (Unaudited)
Quarter Ended 30 September 2012

	Attributable to Stockholders of the Company			Total
	Number of Shares	Share Capital	Retained Earnings	
	\$'000	\$'000	\$'000	\$'000
Balance at 31 March 2010	349,413	467,656	371,435	839,091
Total comprehensive income			80,906	80,906
Treasury shares sold	741			
Ordinary dividends			(41,584)	(41,584)
Balance at 31 March 2011	350,154	467,656	410,757	878,413
Total comprehensive income			369,020	369,020
Ordinary dividends			(34,995)	(34,995)
Balance at 31 March 2012	350,154	467,656	744,782	1,212,438
Total comprehensive income			7,905	7,905
Balance at 30 September 2012	350,154	467,656	752,687	1,220,343
Balance at 31 March 2011	350,154	467,656	410,757	878,413
Total comprehensive income			13,714	13,714
Balance at 30 September 2011	350,154	467,656	424,471	892,127

Company Cash Flow (Unaudited)
Quarter Ended 30 September 2012

	September 2012 \$'000	September 2011 \$'000
Cash Flows from Operating Activities		
Operating Activities		
Net profit	7,905	13,714
Items not affecting cash resources	3,844	3,429
	<u>11,749</u>	<u>17,143</u>
Changes in non-cash working capital components	<u>(129,681)</u>	<u>(119,593)</u>
Cash (used in)/provided by operating activities	(117,932)	(102,450)
Investing Activities		
Cash provided by investing activities	1,035	14,199
Financing Activities		
Net cash used in financing activities	<u>(4,456)</u>	<u>(5,403)</u>
(Decrease)/Increase in cash and cash equivalents	(121,353)	(93,654)
Cash and cash equivalents at beginning of year	<u>260,131</u>	<u>326,048</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>138,778</u></u>	<u><u>232,394</u></u>

Segment Report (Unaudited)
Quarter Ended 30 September 2012

	Audio Visual \$'000	Radio and Other \$'000	Sub-total \$'000	Eliminations \$'000	Total \$'000
SEPTEMBER 2012					
Revenues	580,645	365,389	946,034	(55,924)	890,110
Operating profit	(20,577)	13,714	(6,862)	(11,435)	(18,297)
Assets	781,328	1,527,297	2,308,625	(666,850)	1,641,775
Liabilities	655,570	229,122	884,692	(488,060)	396,632
Capital expenditure	59,610	14,479	74,090		74,090
Depreciation & amortisation	39,764	17,855	57,619		57,619
Finance costs	1,392	1,522	2,914		2,914
SEPTEMBER 2011					
Revenues	581,152	357,954	939,106	(20,066)	919,040
Operating Profit	31,067	26,282	57,349		57,349
Assets	648,700	1,179,011	1,827,711	(179,614)	1,648,098
Liabilities	207,911	372,776	580,688	(179,614)	401,074
Capital expenditure	14,704	9,863	24,567		24,567
Depreciation & amortisation	39,800	18,341	58,141		58,141
Finance costs	4,128	2,066	6,193		6,193

Notes to the financial statements
Quarter Ended 30 September 2012

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.