

**Radio Jamaica Limited**

**Unaudited Financial Statements  
Quarter Ended 30 June 2013**

# Radio Jamaica Limited

## Interim Report to Stockholders

The directors present the un-audited results of the group for the 1<sup>st</sup> Quarter ended June 30, 2013.

The RJR Group turned around its financial performance by \$27M for the first quarter of its financial year moving from a net loss of \$25.4M at the end of June last year to a net profit of \$1.6M for the first quarter ended June 30 this year. The jump in net profits is occasioned mainly by the reduction of operating expenses by \$25.2M and the doubling of Other income, increasing by \$17M in the period

Revenues in the Group for the first three months increased by 7.3% or \$30M moving from \$411M to \$441M.

Both the revenue and the profitability improvements were driven by our websites showing continuous growth in visits creating new income streams, an increased portfolio of local television productions which contributed favorably to higher income and improvement in the response to our sales and marketing initiatives.

As the devaluation of the Jamaican dollar continues to drive up the cost of foreign broadcast rights that were previously contracted for and to escalate the cost of foreign programming mainly on television, direct costs for the first quarter were increased by 23% up to \$227.9M.

Outside of direct expenses being impacted by those external factors, other expenses were tightly managed, with selling expenses for the quarter of \$70M being below prior year by 8.4% due to a lower commissions resulting from a realignment in the business portfolio to direct business.

Administrative expenses for the first quarter of the financial year were also reduced by \$5M or 5% compared to prior year. This was largely due to reduction in vacation leave costs arising from an aggressive leave management policy implementation.

The reduction of \$13.6M or 15.6% in operating expenses for the 1<sup>st</sup> quarter when compared with prior year was mainly due to renegotiated rates for satellite and service contracts and a reduction in the cost for replacement of spare parts.

Finance costs of \$5.4M increased by \$4.2M due to a loan secured in February 2013 to assist with the financing of the ten year strategic sports packages acquired.

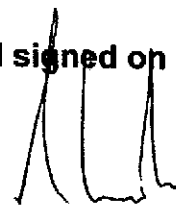
Shareholders' equity as at June 30, 2013 was \$1.2B. Cash and short term investments as at June 30, 2013 was \$252M which is a reduction of 20.3% since March 31, 2013 and primarily due to acquisition of fixed assets and sporting broadcast rights. Payables reduced by \$47.7M or 17.5% since March 31, 2013.

**Approved for issue by the Board of Directors on Aug. 15, 2013 and signed on its behalf by:**



Gary Allen

Director



Milton Samuda

Director

# **Radio Jamaica Limited**

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**Quarter Ended 30 June 2013**

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**Consolidated Statement of Comprehensive Income (Unaudited)**  
**Quarter Ended 30 June 2013**

Current Quarter 3 Months to 30/06/13 \$'000	Prior Year Quarter 3 Months to 30/06/12 \$'000	Note	Year-to-Date 3 Months to 30/06/13 \$'000	Prior Year-to-date 3 Months to 30/06/12 \$'000
440,909	411,084	2	440,909	411,084
(227,914)	(185,167)		(227,914)	(185,167)
<b>212,995</b>	<b>225,918</b>		<b>212,995</b>	<b>225,918</b>
34,653	17,701	3	34,653	17,701
(69,988)	(76,436)		(69,988)	(76,436)
(98,522)	(103,706)		(98,522)	(103,706)
(73,405)	(87,004)		(73,405)	(87,004)
<b>5,733</b>	<b>(23,527)</b>		<b>5,733</b>	<b>(23,527)</b>
(5,434)	(1,248)		(5,434)	(1,248)
<b>298</b>	<b>(24,775)</b>		<b>298</b>	<b>(24,775)</b>
1,338	(590)		1,338	(590)
<b>1,637</b>	<b>(25,365)</b>		<b>1,637</b>	<b>(25,365)</b>
<b>1,637</b>	<b>(25,365)</b>		<b>1,637</b>	<b>(25,365)</b>
<b>\$0.00</b>	<b>(\$0.07)</b>	4	<b>\$0.00</b>	<b>(\$0.07)</b>

# Radio Jamaica Limited

## Consolidated Balance Sheet (Unaudited) Quarter Ended 30 June 2013

	Note	June 2013 \$'000	Audited March 2013 \$'000	June 2012 \$'000
<b>Non-Current Assets</b>				
Fixed assets		653,023	666,646	686,000
Intangible assets	5	83,553	83,553	37,261
Retirement benefit assets		215,592	215,592	195,813
Deferred tax asset		739		717
Investment securities		13,089	11,416	9,114
<b>Current Assets</b>				
Inventories		78,867	74,303	71,601
Receivables	6	439,246	419,539	503,204
Taxation recoverable		2,426	2,426	4,770
Cash and short term investments		252,295	316,678	159,032
		772,834	812,946	738,607
<b>Current Liabilities</b>				
Payables		224,139	271,817	221,303
Taxation payable		4,378	4,445	37,243
		228,517	276,262	258,546
<b>Net Current Assets</b>		<b>544,317</b>	<b>536,684</b>	<b>480,061</b>
		<b>1,510,313</b>	<b>1,513,891</b>	<b>1,408,965</b>
<b>Stockholders' Equity</b>				
Share capital	7	467,656	467,656	467,656
Retained earnings		737,766	736,129	775,173
		1,205,422	1,203,785	1,242,829
<b>Non-Current Liabilities</b>				
Long term loans		193,038	197,097	12,423
Deferred tax liabilities		79,287	80,443	126,561
Retirement benefit obligations		32,566	32,566	27,152
		1,510,313	1,513,891	1,408,965

Approved for issue by the Board of Directors on 15 August 2013 and signed on its behalf by:

  
Gary Allen

Director

  
Milton Samuda

Director

**Radio Jamaica Limited**

**Consolidated Statement of Changes in Equity (Unaudited)  
Quarter Ended 30 June 2013**

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	Attributable to Stockholders of the Company		Total
	Number of Shares '000	Share Capital \$'000	
<b>Balance at 31 March 2011</b>	349,413	467,656	748,126
Total comprehensive income			87,407
Treasury shares sold	741		
Ordinary dividends			(34,995)
<b>Balance at 31 March 2012</b>	350,154	467,656	800,538
Total comprehensive income			(36,375)
Ordinary dividends			(28,034)
<b>Balance at 31 March 2013</b>	350,154	467,656	736,129
Total comprehensive income			1,637
<b>Balance at 30 June 2013</b>	<b>350,154</b>	<b>467,656</b>	<b>737,766</b>
<b>Balance at 31 March 2012</b>	350,154	467,656	800,538
Total comprehensive income			(25,365)
<b>Balance at 30 June 2012</b>	<b>350,154</b>	<b>467,656</b>	<b>775,173</b>

**Radio Jamaica Limited**

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**Consolidated Cash Flow (Unaudited)  
Quarter Ended 30 June 2013**

	<b>June 2013 \$'000</b>	<b>June 2012 \$'000</b>
<b>CASH RESOURCES WERE (USED IN)/PROVIDED BY:</b>		
<b>Operating Activities</b>		
Net profit/(loss)	1,637	(25,365)
Items not affecting cash resources	<u>25,135</u>	<u>27,377</u>
	26,772	2,012
Changes in non-cash working capital components	<u>(70,533)</u>	<u>(60,628)</u>
Cash provided by operations	(43,761)	(58,616)
<b>Investing Activities</b>		
Cash used in investing activities	(7,679)	(41,519)
<b>Financing Activities</b>		
Cash used in financing activities	<u>(12,943)</u>	<u>(5,862)</u>
(Decrease)/Increase in cash and cash equivalents	(64,383)	(105,997)
Net cash and cash equivalents at beginning of year	316,678	265,029
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><u>252,295</u></u>	<u><u>159,032</u></u>

**Company Statement of Comprehensive Income (Unaudited)  
Quarter Ended 30 June 2013**

Current Quarter 3 Months to 30/06/13	Prior Year Quarter 3 Months to 30/06/12		Year-to-Date Quarter 3 Months to 30/06/13	Prior Year Quarter 3 Months to 30/06/12
\$'000	\$'000		\$'000	\$'000
141,200	156,747	<b>Revenue</b>	141,200	156,747
<u>(58,984)</u>	<u>(61,572)</u>	Direct expenses	<u>(58,984)</u>	<u>(61,572)</u>
<b>82,216</b>	<b>95,175</b>	<b>Gross Profit</b>	<b>82,216</b>	<b>95,175</b>
31,766	29,846	Other income	31,766	29,846
(29,105)	(33,219)	Selling expenses	(29,105)	(33,219)
(44,591)	(47,276)	Administration expenses	(44,591)	(47,276)
<u>(37,372)</u>	<u>(40,114)</u>	Other operating expenses	<u>(37,372)</u>	<u>(40,114)</u>
<b>2,915</b>	<b>4,411</b>	<b>Operating Profit/(Loss)</b>	<b>2,915</b>	<b>4,411</b>
<u>(5,058)</u>	<u>(881)</u>	Finance costs	<u>(5,058)</u>	<u>(881)</u>
<b>(2,143)</b>	<b>3,530</b>	<b>Profit/(Loss) before Taxation</b>	<b>(2,143)</b>	<b>3,530</b>
448	(113)	Taxation	448	(113)
<u><b>(1,695)</b></u>	<u><b>3,417</b></u>	<b>Net Profit/Total Comprehensive Income</b>	<u><b>(1,695)</b></u>	<u><b>3,417</b></u>

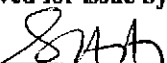


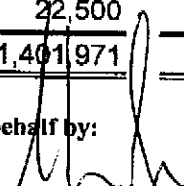
**Radio Jamaica Limited**

**Company Balance Sheet (Unaudited)  
Quarter Ended 30 June 2013**

	June 2013 \$'000	Audited March 2013 \$'000	June 2012 \$'000
<b>Non-Current Assets</b>			
Fixed assets	270,525	273,528	281,709
Retirement benefit asset	190,528	190,528	180,723
Investment in subsidiaries	431,923	431,923	121,513
Long term receivables	2,950	2,950	2,950
Investment securities	13,089	11,416	9,114
<b>Current Assets</b>			
Inventories	21,161	18,078	22,382
Due from subsidiaries	262,337	162,630	481,707
Receivables	185,882	131,624	195,253
Taxation recoverable	1,990	1,990	4,502
Cash and short term investments	157,293	316,270	152,177
	628,663	630,592	856,020
<b>Current Liabilities</b>			
Payables	138,726	135,786	123,934
Taxation payable	3,181	3,181	18,945
	141,909	138,967	142,879
<b>Net Current Assets</b>			
	486,754	491,625	713,141
	1,395,769	1,401,971	1,309,151
<b>Equity</b>			
Share capital	467,656	467,656	467,656
Retained earnings	677,608	679,303	748,199
	1,145,264	1,146,959	1,215,855
<b>Non-Current Liabilities</b>			
Long term loans	193,038	197,097	12,423
Deferred tax liabilities	34,966	35,415	61,852
Retirement benefit obligations	22,500	22,500	19,021
	1,395,769	1,401,971	1,309,151

Approved for issue by the Board of Directors on 15 August 2013 and signed on its behalf by:

  
 \_\_\_\_\_  
 Gary Allen Director

  
 \_\_\_\_\_  
 Milton Samuda Director

**Radio Jamaica Limited**

**Company Statement of Changes in Equity (Unaudited)  
Quarter Ended 30 June 2013**

	<b>Attributable to Stockholders of the Company</b>			<b>Total</b>
	<b>Number of Shares '000</b>	<b>Share Capital \$'000</b>	<b>Retained Earnings \$'000</b>	
<b>Balance at 31 March 2011</b>	<b>349,413</b>	<b>467,656</b>	<b>410,757</b>	<b>878,413</b>
Total comprehensive income			369,020	369,020
Treasury shares sold	741			
Ordinary dividends			(34,995)	(34,995)
<b>Balance at 31 March 2012</b>	<b>350,154</b>	<b>467,656</b>	<b>744,782</b>	<b>1,212,438</b>
Total comprehensive income			(37,445)	(37,445)
Ordinary dividends			(28,034)	(28,034)
<b>Balance at 31 March 2013</b>	<b>350,154</b>	<b>467,656</b>	<b>679,303</b>	<b>1,146,959</b>
Total comprehensive income			(1,695)	(1,695)
<b>Balance at 30 June 2013</b>	<b>350,154</b>	<b>467,656</b>	<b>677,608</b>	<b>1,145,264</b>
<b>Balance at 31 March 2012</b>	<b>350,154</b>	<b>467,656</b>	<b>744,782</b>	<b>1,212,438</b>
Total comprehensive income			3,417	3,417
<b>Balance at 30 June 2012</b>	<b>350,154</b>	<b>467,656</b>	<b>748,199</b>	<b>1,215,855</b>

**Company Cash Flow (Unaudited)**  
**Quarter Ended 30 June 2013**

	June 2013 \$'000	June 2012 \$'000
<b>Cash Flows from Operating Activities</b>		
<b>Operating Activities</b>	(1,695)	3,417
Items not affecting cash resources	10,373	(3,787)
	<u>8,678</u>	<u>(370)</u>
Changes in non-cash working capital components	<u>(154,107)</u>	<u>(114,102)</u>
Cash provided by operating activities	(145,429)	(114,472)
<b>Investing Activities</b>		
Cash (used in)/ provided by investing activities	(2,601)	8,742
<b>Financing Activities</b>		
Net cash used in financing activities	<u>(10,947)</u>	<u>(2,224)</u>
(Decrease)/Increase in cash and cash equivalents	(158,977)	(107,954)
Cash and cash equivalents at beginning of year	<u>316,270</u>	<u>260,131</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u><u>157,293</u></u>	<u><u>152,177</u></u>

**Segment Report (Unaudited)**  
**Quarter Ended 30 June 2013**

	<b>Audio Visual \$'000</b>	<b>Radio and Other \$'000</b>	<b>Sub-total \$'000</b>	<b>Eliminations \$'000</b>	<b>Total \$'000</b>
<b>JUNE 2013</b>					
Revenues	297,524	157,168	454,693	(13,784)	440,909
Operating profit	4,398	5,239	9,637	(3,904)	5,733
Assets	909,376	1,631,459	2,540,836	(802,006)	1,738,830
Liabilities	493,160	396,191	889,351	(355,943)	533,408
Capital expenditure	5,472	5,041	10,513		10,513
Depreciation	15,846	8,290	24,136		24,136
Finance costs	371	5,063	5,434		5,434
<b>JUNE 2012</b>					
Revenues	265,846	173,200	439,047	(27,962)	411,084
Operating Profit	(19,208)	6,398	(12,810)	(10,717)	(23,527)
Assets	775,858	1,546,575	2,322,433	(654,922)	1,667,511
Liabilities	648,141	253,390	901,531	(476,849)	424,682
Capital expenditure	40,937	4,020	44,957		44,957
Depreciation & amortisation	20,226	9,016	29,242		29,242
Finance costs	367	881	1,248		1,248

**Notes to the financial statements**  
**Quarter Ended 30 June 2013**

**NOTES**

1. This condensed consolidated interim financial report has been prepared in accordance with IAS 34 Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of the group since the last audited annual consolidated financial statements as at and for the year ended March 2013. The accounting policies followed in the interim financial statements are consistent with the most recent annual report.
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. The amount of \$83,553,000 represents the exclusive rights to broadcast FIFA events for the period 2015 to 2022. Amortisation will commence once the first event under the rights have been broadcast. The prior period represents Goodwill and Brand values net of amortisation that was fully amortised as at March 31, 2013
6. Receivables consists of trade receivables, prepayments and other receivables
7. 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.