



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

Radio Jamaica Limited

Index

Quarter Ended 30 September 2013

	Page
Directors' interim report to Shareholders	
Unaudited Financial Statements	
Consolidated statement of comprehensive income	1
Consolidated balance sheet	2
Consolidated statement of changes in equity	3
Consolidated statement of cash flows	4
Company statement of comprehensive income	5
Company balance sheet	6
Company statement of changes in equity	7
Company statement of cash flows	8
Segment Report (Unaudited)	9
Notes to the Financial Statements	10



Interim Report to Stockholders

The directors present the un-audited results of the group for its 2nd Quarter ended September 30, 2013.

The Group recorded a turnaround in its 2nd quarter profitability when compared to its performance for the similar quarter last year, accumulating net profit of \$ 12.9M for the quarter and moving the Year-To-Date or six month performance to \$14.6M. The performance shows net profit for the second quarter increasing by \$10.7M over the previous quarter representing a turnaround of \$37.6M when compared to the similar six months period for the prior year.

The 2nd quarter performance was driven by a \$29M or 5.9% reduction in expenses for the comparative period in 2012 moving from \$491M down to \$462M. In spite of significant declines due to the challenging economic conditions, revenue decline was held to 4.5%. Other Income showed increased earnings of 19% resulting from new transmitter site rental income.

Expenses remain tightly managed as shown by a reduction in direct expenses of \$13.6M or 6%, lower selling expenses of \$2.6M or 3.4%, lower administration expenses of \$17.8M or 17.4% and reduction in operating expenses of \$193K or 0.2%. Finance costs of \$5.4M increased by \$3.8M primarily due to new loans and leases acquired to finance the previously announced long term acquisition of sporting broadcast rights and capital equipment.

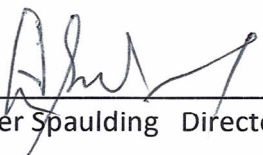
The group's earnings per share for the 2nd quarter improved to \$0.04 compared with \$0.01 for 2nd Quarter 2012.

Shareholders' equity as at September 30, 2013 was \$1.2B. New long term leases were acquired to finance acquisition of broadcast vehicles. Over the past six months to September 30, 2013 long term loans increased by \$29.3M due to a component of a new loan to finance a special project expected to come on stream before the end of this financial year.

Corporate Responsibility

We continue to build the communities we serve. Last year we launched a public appeal for assistance to repair the Annotto Bay hospital in St. Mary which was damaged by Hurricane Sandy in October 2012. This collaboration of the public sector, private sector and citizens resulted in the brand being associated with the re-dedication of the rehabilitated Hospital on October 10, 2013.

Approved for issue by the Board of Directors on November 14, 2013 and signed on its behalf by:



J.A. Lester Spaulding Director



Gary Allen Director

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

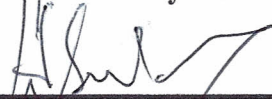
Current Quarter 3 Months to 30/09/13 \$'000	Prior Year Quarter 3 Months to 30/09/12 \$'000	Note	Year-to-Date 6 Months to 30/09/13 \$'000	Prior Year-to-date 6 Months to 30/09/12 \$'000
457,675	479,025	2	898,584	890,110
(211,867)	(225,468)		(439,781)	(410,635)
245,808	253,557		458,803	479,475
17,523	14,731	3	52,176	32,432
(74,414)	(77,044)		(144,402)	(153,480)
(84,365)	(102,180)		(182,886)	(205,886)
(83,642)	(83,835)		(157,047)	(170,838)
20,911	5,230		26,644	(18,297)
(5,452)	(1,667)		(10,886)	(2,914)
15,459	3,564		15,758	(21,211)
(2,477)	(1,250)	4	(1,138)	(1,840)
12,982	2,314		14,619	(23,051)
12,982	2,314		14,619	(23,051)
\$0.04	\$0.01	5	\$0.04	(\$0.06)

Radio Jamaica Limited

Consolidated Balance Sheet (Unaudited) Quarter Ended 30 September 2013

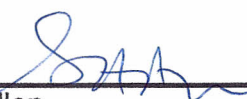
		September	Audited
	Note	2013 \$'000	March 2013 \$'000
Non-Current Assets			
Fixed assets		746,136	666,646
Intangible assets	6	83,553	83,553
Retirement benefit assets		215,592	215,592
Deferred tax asset		880	0
Investment securities		13,895	11,416
Current Assets			
Inventories		58,594	74,303
Receivables	7	445,959	419,539
Taxation recoverable		3,111	2,426
Cash and short term investments		230,342	316,678
		738,006	812,946
Current Liabilities			
Payables		223,140	271,817
Taxation payable		3,663	4,445
		226,803	276,262
Net Current Assets		511,203	536,684
		<u>1,571,258</u>	<u>1,513,891</u>
Stockholders' Equity			
Share capital	8	467,656	467,656
Retained earnings		750,748	736,129
		1,218,404	1,203,785
Non-Current Liabilities			
Finance lease obligations	9	11,833	-
Long term loans	10	226,408	197,097
Deferred tax liabilities		82,047	80,443
Retirement benefit obligations		32,566	32,566
		<u>1,571,258</u>	<u>1,513,891</u>

Approved for issue by the Board of Directors on 14 November 2013 and signed on its behalf by:



J. A. Lester Spaulding

Director



Gary Allen

Radio Jamaica Limited

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

	Attributable to Stockholders of the Company			Total
	Number of Shares	Share Capital	Retained Earnings	
	'000	\$'000	\$'000	\$'000
Balance at 31 March 2011	350,154	467,656	748,126	1,215,782
Total comprehensive income			87,407	87,407
Treasury shares sold	-			
Ordinary dividends			(34,995)	(34,995)
Balance at 31 March 2012	350,154	467,656	800,538	1,268,194
Total comprehensive income			(36,375)	(36,375)
Ordinary dividends			(28,034)	(28,034)
Balance at 31 March 2013	350,154	467,656	736,129	1,203,785
Total comprehensive income			14,619	14,619
Balance at 30 September 2013	350,154	467,656	750,748	1,218,404
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

Consolidated Cash Flow (Unaudited)
Quarter Ended 30 September 2013

	September 2013 \$'000	September 2012 \$'000
CASH RESOURCES WERE (USED IN)/PROVIDED BY:		
Operating Activities		
Net profit/(loss)	14,619	(23,051)
Items not affecting cash resources	53,602	56,704
	<u>68,221</u>	<u>33,653</u>
Changes in non-cash working capital components	(63,399)	(76,250)
Cash (used in)/provided by operations	<u>4,822</u>	<u>(42,597)</u>
Investing Activities		
Cash (used in)/provided by investing activities	(122,041)	(69,014)
Financing Activities		
Cash used in financing activities	<u>30,964</u>	<u>(12,773)</u>
Change in cash and cash equivalents	(86,255)	(124,384)
Net cash and cash equivalents at beginning of year	<u>316,597</u>	<u>265,029</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>230,342</u></u>	<u><u>140,645</u></u>

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

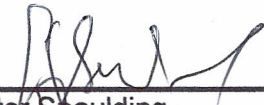
Current Quarter 3 Months to 30/09/13	Prior Year Quarter 3 Months to 30/09/12		Year-to-Date Quarter 6 Months to 30/09/13	Prior Year Quarter 6 Months to 30/09/12
\$'000	\$'000		\$'000	\$'000
149,915	175,120	Revenue	291,114	331,867
<u>(57,398)</u>	<u>(69,713)</u>	Direct expenses	<u>(116,381)</u>	<u>(131,285)</u>
92,517	105,407	Gross Profit	174,734	200,582
24,051	17,784	Other income	55,817	47,630
(30,332)	(33,048)	Selling expenses	(59,437)	(66,267)
(33,951)	(44,812)	Administration expenses	(78,542)	(92,088)
<u>(40,532)</u>	<u>(38,999)</u>	Other operating expenses	<u>(77,903)</u>	<u>(79,113)</u>
11,754	6,331	Operating Profit	14,669	10,743
<u>(4,954)</u>	<u>(630)</u>	Finance costs	<u>(10,012)</u>	<u>(1,511)</u>
6,800	5,702	Profit before Taxation	4,657	9,232
<u>(3,381)</u>	<u>(1,215)</u>	Taxation	<u>(2,932)</u>	<u>(1,327)</u>
3,419	4,487	Net Profit/Total Comprehensive Income	1,725	7,905

Radio Jamaica Limited

Company Balance Sheet (Unaudited) Quarter Ended 30 September 2013

	September 2013 \$'000	Audited March 2013 \$'000
Non-Current Assets		
Fixed assets	265,728	273,528
Retirement benefit asset	190,528	190,528
Investment in subsidiaries	431,924	431,924
Long term receivables	2,950	2,950
Investment securities	13,895	11,416
Current Assets		
Inventories	18,076	18,078
Due from subsidiaries	264,229	162,630
Receivables	170,532	131,624
Taxation recoverable	2,843	1,990
Cash and short term investments	135,369	316,270
	591,049	630,592
Current Liabilities		
Payables	94,454	135,786
Taxation payable	3,181	3,181
	97,635	138,967
Net Current Assets	493,415	491,625
	<u>1,398,439</u>	<u>1,401,971</u>
Equity		
Share capital	467,656	467,656
Retained earnings	681,028	679,303
	1,148,684	1,146,959
Non-Current Liabilities		
Long term loans	188,908	197,097
Deferred tax liabilities	38,347	35,415
Retirement benefit obligations	22,500	22,500
	<u>1,398,439</u>	<u>1,401,971</u>

Approved for issue by the Board of Directors on 14 November 2013 and signed on its behalf by:



 J. A. Lester Spaulding Director



 Gary Allen

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

	Attributable to Stockholders of the Company			Total
	Number of Shares	Share Capital	Retained Earnings	
	\$'000	\$'000	\$'000	\$'000
Balance at 31 March 2011	350,154	467,656	410,757	878,413
Total comprehensive income			369,020	369,020
Treasury shares sold				
Ordinary dividends			(34,995)	(34,995)
Balance at 31 March 2012	350,154	467,656	744,782	1,212,438
Total comprehensive income			(37,445)	(37,445)
Ordinary dividends			(28,034)	(28,034)
Balance at 31 March 2013	350,154	467,656	679,303	1,146,959
Total comprehensive income			1,725	1,725
Balance at 30 September 2013	350,154	467,656	681,028	1,148,684
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

Company Cash Flow (Unaudited)
Quarter Ended 30 September 2013

	September 2013 \$'000	September 2012 \$'000
Cash Flows from Operating Activities		
Operating Activities		
Net profit	1,725	7,905
Items not affecting cash resources	25,383	3,844
	<u>27,108</u>	<u>11,749</u>
Changes in non-cash working capital components	(182,611)	(129,681)
	<u>(155,503)</u>	<u>(117,932)</u>
Cash (used in)/provided by operating activities	(155,503)	(117,932)
Investing Activities		
Cash provided by investing activities	(3,786)	1,035
Financing Activities		
Net cash used in financing activities	(21,531)	(4,456)
(Decrease)/Increase in cash and cash equivalents	(180,820)	(121,353)
Cash and cash equivalents at beginning of year	316,189	260,131
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>135,369</u></u>	<u><u>138,778</u></u>

Segment Report (Unaudited)
Quarter Ended 30 September 2013

	Audio Visual \$'000	Radio and Other \$'000	Sub-total \$'000	Eliminations \$'000	Total \$'000
SEPTEMBER 2013					
Revenues	630,752	321,809	952,562	(53,978)	898,584
Operating profit	15,757	17,735	33,492	(6,848)	26,644
Assets	925,332	1,596,262	2,521,594	(723,533)	1,798,061
Liabilities	497,488	356,696	854,183	(286,359)	567,824
Capital expenditure	116,721	10,679	127,400		127,400
Depreciation	31,538	16,472	48,010		48,010
Finance costs	864	10,022	10,886		10,886
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

Notes to the financial statements
Quarter Ended 30 September 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. On March 28, 2013, the rate of income tax applicable to large unregulated entities with revenues in excess of \$500 million was adjusted to 30% up from 25%; through the announcement of a 5% surtax.
5. The calculation of earnings per stock unit is based on net profit and 357,467,991 ordinary stock units in issue.
6. 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.
7. Receivables consists of trade receivables, prepayments and other receivables
8. Share capital includes treasury share that are held by the RJR Employee Share Scheme. There are no outstanding share options arising from the provisions of this scheme.
9. The group entered into finance lease arrangements with the Staff Pension Scheme of Radio Jamaica Limited for the acquisition of motor vehicles. The group's obligation under these leases have been recorded at amounts equals to the value of future lease payments using interest rates implicit in the leases.
10. The loans are secured and are repayable on a monthly basis.