



**COMMUNICATIONS
GROUP**
Reaching you in every way!

**Unaudited Financial Statements
Quarter Ended 30 September 2014**

Radio Jamaica Limited

Index

Quarter Ended 30 September 2014

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Interim Report to Stockholders

The directors present the un-audited results of the group for its 2nd Quarter ended September 30, 2014.

The Group recorded a net profit of \$9.2M in its 2nd quarter compared to \$12.9M in the similar quarter last year. This has pushed the six months profit performance of the company to September 2014 to net profits of \$24.4M, sixty-seven percent higher than for the comparative prior year period when the profits were \$14.6M. The Group's suite of local programming and sporting properties has driven revenues thereby contributing to our profitability for the quarter now ended.

The 2nd quarter recorded higher revenues of \$477M or 4% over the similar period last year. Gross profit margin for the 2nd quarter was 53% and was consistent with the performance of the prior year quarter. Other income increased by 58.4% generating \$27.8M, mainly due to gains on the disposal of redundant assets.

Selling expenses were \$79.2M or 6.5% above prior year. This was as a result of higher sales commission which was directly related to increased revenues and increased presence of the group at events and functions. Administrative expenses of \$107.5M increased by 27.5% as a result of higher depreciation costs increasing associated with the assets acquired at the new digital studio and the installation of a new transmitter, higher insurance costs and a 5% salary increase. Operating Expenses of \$86.8M were \$3.2M or 3.8% higher as a result of electricity cost increasing marginally, despite conservation and investment initiatives implemented to ameliorate the impact of rising electricity cost.

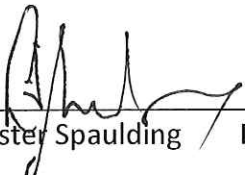
Finance costs of \$6.7M increased by \$1.2M, primarily due to new loans and leases acquired to finance the previously announced long term acquisition of broadcast rights for World Cup 2018-2022 and tangible assets.

Taxation reflects a credit of \$7.1M as a result of capital allowances arising from asset acquisitions not previously claimed.

Shareholders' equity as at September 30, 2014 was \$1.23B compared to \$1.21B at March 31, 2014.

In keeping with the Group's strategy of "Going Global for Greater Profitability" the company's cutting edge technology Over the Top Television platform has entered its soft launch phase as a "One Spot Media" application allowing viewing and listing of all brands within the group for RJR94FM, FAME 95FM, HITZ 92FM, JNN, RETV, TVJ-Sports Network and TVJ being available everywhere internet access is available and on all devices – smartphones, tablets, computers and regular television sets. This opens up subscription revenue, foreign advertising revenue, on demand and pay-per-view services. The full roll out of the system will be done globally in the last quarter of the calendar year.

Approved for issue by the Board of Directors on November 13, 2014 and signed on its behalf by:



J.A. Lester Spaulding Director



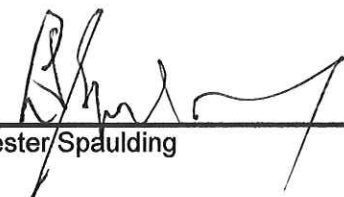
Gary Allen Director

Radio Jamaica Limited

**Consolidated Balance Sheet (Unaudited)
Quarter Ended 30 September 2014**

	Note	September 2014 \$'000	Audited March 2014 \$'000
Non-Current Assets			
Fixed assets		898,060	912,914
Intangible assets	6	178,112	178,112
Retirement benefit assets	7	189,802	189,802
Investment securities		21,581	16,356
Current Assets			
Inventories		41,709	40,658
Receivables	8	385,908	369,923
Taxation recoverable		8,619	5,140
Cash and short term investments		113,012	155,075
		549,248	570,796
Current Liabilities			
Payables		240,237	275,290
Taxation payable		18,203	19,603
		258,440	294,893
Net Current Assets			
		290,808	275,903
		1,578,363	1,573,087
Stockholders' Equity			
Share capital	9	467,656	467,656
Retained earnings		760,822	736,399
		1,228,478	1,204,055
Non-Current Liabilities			
Finance lease obligations	10	26,988	25,193
Long term loans	11	213,779	231,161
Deferred tax liabilities		56,037	59,597
Retirement benefit obligations	7	53,081	53,081
		1,578,363	1,573,087

Approved for issue by the Board of Directors on 13 November 2014 and signed on its behalf by:



 J.A. Lester/Spaulding Director



 Carl D. Domville Director

Radio Jamaica Limited

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**Consolidated Statement of Changes in Equity (Unaudited)
Quarter Ended 30 September 2014**

	Attributable to Stockholders of the Company			Total
	Number of Shares	Share Capital	Retained Earnings	
	'000	\$'000	\$'000	\$'000
Balance at 31 March 2012	350,154	467,656	795,322	1,262,978
Total comprehensive income			(48,058)	(48,058)
Ordinary dividends			(28,034)	(28,034)
Balance at 31 March 2013	350,154	467,656	719,230	1,186,886
Total comprehensive income			17,169	17,169
Balance at 31 March 2014	350,154	467,656	736,399	1,204,055
Total comprehensive income			24,423	24,423
Balance at 30 September 2014	350,154	467,656	760,822	1,228,478
Balance at 31 March 2013	350,154	467,656	719,230	1,186,886
Total comprehensive income			14,619	14,619
Balance at 30 September 2013	350,154	467,656	733,849	1,201,505

Consolidated Cash Flow (Unaudited)
Quarter Ended 30 September 2014

	September 2014 \$'000	September 2013 \$'000
CASH RESOURCES WERE (USED IN)/PROVIDED BY:		
Operating Activities		
Net profit/(loss)	24,423	14,619
Items not affecting cash resources	56,537	53,602
	<u>80,960</u>	<u>68,221</u>
Changes in non-cash working capital components	(53,979)	(63,399)
Cash provided by operations	26,981	4,822
Investing Activities		
Cash used in investing activities	(37,842)	(122,041)
Financing Activities		
Cash (used in)/provided by financing activities	(31,289)	30,964
Decrease in cash and cash equivalents	(42,150)	(86,255)
Net cash and cash equivalents at beginning of year	155,162	316,597
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>113,012</u></u>	<u><u>230,342</u></u>

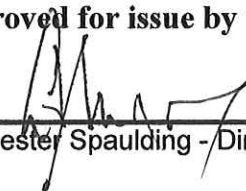
Company Statement of Comprehensive Income (Unaudited)
Quarter Ended 30 September 2014

Current Quarter 3 Months to 30/09/14	Prior Year Quarter 3 Months to 30/09/13		Year-to-Date Quarter 6 Months to 30/09/14	Prior Year Quar 6 Months to 30/09/13
\$'000	\$'000		\$'000	\$'000
128,104	149,915	Revenue	267,430	291,114
<u>(62,019)</u>	<u>(57,398)</u>	Direct expenses	<u>(123,745)</u>	<u>(116,381)</u>
66,085	92,517	Gross Profit	143,685	174,733
26,547	24,051	Other income	49,455	55,817
(30,400)	(30,332)	Selling expenses	(56,298)	(59,436)
(46,043)	(33,951)	Administration expenses	(94,277)	(78,542)
<u>(31,989)</u>	<u>(40,532)</u>	Other operating expenses	<u>(64,917)</u>	<u>(77,903)</u>
(15,800)	11,754	Operating Profit/(Loss)	(22,352)	14,669
<u>(4,904)</u>	<u>(4,954)</u>	Finance costs	<u>(9,952)</u>	<u>(10,012)</u>
(20,704)	6,800	Loss before Taxation	(32,304)	4,657
<u>973</u>	<u>(3,381)</u>	Taxation	<u>1,931</u>	<u>(2,932)</u>
<u>(19,731)</u>	<u>3,419</u>	Net Loss/ Total Comprehensive Income	<u>(30,373)</u>	<u>1,725</u>

Company Balance Sheet (Unaudited)
Quarter Ended 30 September 2014

	September 2014 \$'000	Audited March 2014 \$'000
Non-Current Assets		
Fixed assets	288,771	283,943
Retirement benefit asset	157,757	157,757
Investment in subsidiaries	431,924	431,924
Investment securities	21,581	16,356
Current Assets		
Inventories	10,296	10,558
Due from subsidiaries	211,958	275,591
Receivables	157,297	123,138
Taxation recoverable	8,111	4,632
Cash and short term investments	112,620	154,742
	500,282	568,661
Current Liabilities		
Payables	118,827	134,945
Net Current Assets		
	381,455	433,716
	1,281,488	1,323,696
Equity		
Share capital	467,656	467,656
Retained earnings	583,251	613,624
	1,050,907	1,081,280
Non-Current Liabilities		
Finance lease obligations	11,746	12,860
Long term loans	170,405	179,195
Deferred tax liabilities	11,393	13,324
Retirement benefit obligations	37,037	37,037
	1,281,488	1,323,696

Approved for issue by the Board of Directors on 13 November 2014 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 September 2014

	Attributable to Stockholders of the Company			Total
	Number of Shares '000	Share Capital \$'000	Retained Earnings \$'000	\$'000
Balance at 31 March 2012	350,154	467,656	743,866	1,211,522
Total comprehensive income			(52,076)	(52,076)
Ordinary dividends			(28,034)	(28,034)
Balance at 31 March 2013	350,154	467,656	663,756	1,131,412
Total comprehensive income			(50,132)	(50,132)
Balance at 31 March 2014	350,154	467,656	613,624	1,081,280
Total comprehensive income			(30,373)	(30,373)
Balance at 30 September 2014	350,154	467,656	583,251	1,050,907
Balance at 31 March 2013	350,154	467,656	663,756	1,131,412
Total comprehensive income			1,725	1,725
Balance at 30 September 2013	350,154	467,656	665,481	1,133,137

Company Cash Flow (Unaudited)
Quarter Ended 30 September 2014

	September 2014 \$'000	September 2013 \$'000
Cash Flows from Operating Activities		
Operating Activities	(30,373)	1,725
Items not affecting cash resources	18,334	25,383
	<u>(12,039)</u>	<u>27,108</u>
Changes in non-cash working capital components	10,051	(182,611)
Cash used in operating activities	(1,988)	(155,503)
Investing Activities		
Cash used in investing activities	(18,173)	(3,786)
Financing Activities		
Net cash used in financing activities	<u>(22,048)</u>	<u>(21,531)</u>
Decrease in cash and cash equivalents	(42,209)	(180,820)
Cash and cash equivalents at beginning of year	<u>154,829</u>	<u>316,189</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>112,620</u></u>	<u><u>135,369</u></u>

Segment Report (Unaudited)
Quarter Ended 30 September 2014

	Audio Visual	Radio and Other	Sub-total	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
SEPTEMBER 2014					
Revenues	723,042	304,849	1,027,891	(65,266)	962,625
Operating profit	46,513	(16,505)	30,007	1,460	31,467
Assets	1,134,378	1,610,429	2,744,807	(908,004)	1,836,803
Liabilities	680,457	455,127	1,135,584	(527,259)	608,325
Capital expenditure	18,601	20,680	39,282		39,282
Depreciation	42,793	16,412	59,204		59,204
Finance costs	3,716	9,963	13,679		13,679
SEPTEMBER 2013					
Revenues	630,752	321,809	952,561	(53,978)	898,583
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	854,184	(286,359)	567,825
Capital expenditure	116,721	10,679	127,400		127,400
Depreciation & amortisation	31,538	16,472	48,010		48,010
Finance costs	864	10,022	10,886		10,886

**Notes to the financial statements
Quarter Ended 30 September 2014**

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 2014. 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. Taxation expense in the statement of comprehensive income comprises current and deferred tax amounts.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes items that are not deductible in other years, and items that are never taxable or deductible. The Group's liability for current tax is calculated at tax rates that are enacted at the reporting date.

Deferred tax is tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, and their carrying amounts in the financial statements.

5. The calculation of earnings per stock unit is based on net profit and 350,153,891 weighted average ordinary stock units in issue.
6. The amount of \$178,112,000 represents the paid portion of our 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. Employee benefits - The company operates a defined benefit pension scheme covering all permanent employees of Radio Jamaica Limited, Multi-Media Jamaica Limited and Television Jamaica Limited.

The scheme is managed by an outside agency under a management contract, and by Trustees. The scheme is valued annually by independent actuaries.

The Board of the pension fund is required by law and its articles and association to act in the interest of the fund and all relevant stakeholders. The Board of the fund is responsible for the investment policy with regard to the assets of the fund. The funds were managed by First Global Financial Services that was taken over by Proven Limited and who now has the responsibilities for the general management of the portfolio of investments and the administration of the fund.

8. Receivables consists of trade receivables, prepayments and other receivables
9. Share capital includes treasury shares that are held by the RJR Employee Share Scheme. There are no outstanding share options arising from the provisions of this scheme.
10. 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 equal to the value of future lease payments using interest rates implicit in the leases.
11. The loans are secured and are repayable on a monthly basis.