

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

**Unaudited Financial Statements**  
**Quarter Ended 31 December 2014**



## Interim Report to Stockholders

The directors present the un-audited results of the group for the 3<sup>rd</sup> Quarter ended December 31, 2014.

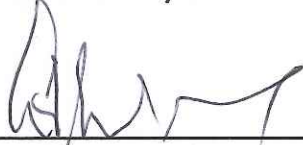
Net profit for the quarter attributable to Stockholders of the company was \$102.4M; up \$59.2M over the corresponding period last year. The results for the quarter were driven by profits on new programming strategies, sporting properties as well as foreign exchange translation gains. Year to date net profit after tax recorded \$126.8M compared to \$57.9M in prior year-period that resulted in earnings per Ordinary Stock unit of \$0.36 (2013: \$0.17); an improvement of over 100%.

Revenues for the 3<sup>rd</sup> quarter were \$591M; an increase of \$82.7M or 16% over the comparable quarter last year. Other income of \$52.7M increased by \$31.8M mainly as a result of foreign currency translation gains.

Direct expenses for the quarter increased by \$24.5M or 13%, due to the higher cost of broadcast rights for sporting properties across the group and foreign programming on television. Selling expenses were \$6.6M or 7.6% above prior year due to commission driven by higher sales. Administrative expenses of \$121.1M increased by 21.1% as a result of higher depreciation costs associated with assets acquisition aimed at improving transmission and operating systems, salary increases and higher insurance costs. Operating Expenses of \$85.7M were \$6.3M or 6.9% lower as a result of lower fuel cost and lower cost of transmitter repairs.

Shareholders' equity as at December 31, 2014 was \$1.3B compared to \$1.2B at March 31, 2014. Receivables increased by \$299M or 81% arising from the reclassification of an intangible asset.

Approved for issue by the Board of Directors on February 13, 2015 and signed on its behalf by:

  
\_\_\_\_\_  
J.A. Lester Spaulding                      Director

  
\_\_\_\_\_  
Carl D. Domville                              Director

# Radio Jamaica Limited

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Quarter Ended 31 December 2014

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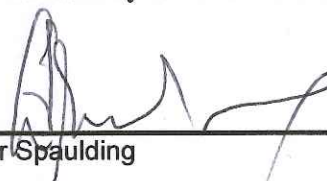



**Radio Jamaica Limited**

**Consolidated Balance Sheet (Unaudited)  
Quarter Ended 31 December 2014**

	Note	December 2014 \$'000	Audited March 2014 \$'000
<b>Non-Current Assets</b>			
Fixed assets		880,999	912,914
Intangible assets	6	-	178,112
Retirement benefit assets	7	189,802	189,802
Investment securities		21,578	16,356
<b>Current Assets</b>			
Inventories		36,117	40,658
Receivables	8	668,659	369,923
Taxation recoverable		8,712	5,140
Cash and short term investments		129,997	155,075
		843,485	570,796
<b>Current Liabilities</b>			
Payables		239,276	275,290
Taxation payable		38,741	19,603
		278,017	294,893
<b>Net Current Assets</b>		565,468	275,903
		1,657,847	1,573,087
<b>Stockholders' Equity</b>			
Share capital	9	467,656	467,656
Retained earnings		845,339	736,399
		1,312,995	1,204,055
<b>Non-Current Liabilities</b>			
Finance lease obligations	10	30,804	25,193
Long term loans	11	204,870	231,161
Deferred tax liabilities		56,097	59,597
Retirement benefit obligations	7	53,081	53,081
		1,657,847	1,573,087

Approved for issue by the Board of Directors on 13 February 2015 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 31 December 2014**

	<b>Attributable to Stockholders of the Company</b>			<b>Total</b>
	<b>Number of Shares</b>	<b>Share Capital</b>	<b>Retained Earnings</b>	
	<b>'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 31 March 2012</b>	350,154	467,656	795,322	1,262,978
Total comprehensive income			(48,058)	(48,058)
Ordinary dividends			(28,034)	(28,034)
<b>Balance at 31 March 2013</b>	350,154	467,656	719,230	1,186,886
Total comprehensive income			17,169	17,169
<b>Balance at 31 March 2014</b>	350,154	467,656	736,399	1,204,055
Total comprehensive income			126,814	126,814
Ordinary dividends			(17,874)	(17,874)
<b>Balance at 31 December 2014</b>	<b>350,154</b>	<b>467,656</b>	<b>845,339</b>	<b>1,312,995</b>
<b>Balance at 31 March 2013</b>	350,154	467,656	719,230	1,186,886
Total comprehensive income			57,851	57,851
<b>Balance at 31 December 2013</b>	<b>350,154</b>	<b>467,656</b>	<b>777,081</b>	<b>1,244,737</b>

## Consolidated Cash Flow (Unaudited)

Quarter Ended 31 December 2014

	December 2014 \$'000	December 2013 \$'000
<b>CASH RESOURCES WERE (USED IN)/PROVIDED BY:</b>		
<b>Operating Activities</b>		
Net profit/(loss)	126,814	57,851
Items not affecting cash resources	157,476	92,790
	<u>284,290</u>	<u>150,641</u>
Changes in non-cash working capital components	(332,903)	(105,089)
Cash provided by operations	(48,613)	45,552
<b>Investing Activities</b>		
Cash used in investing activities	122,915	(255,600)
<b>Financing Activities</b>		
Cash (used in)/provided by financing activities	(99,380)	58,039
Decrease in cash and cash equivalents	(25,078)	(152,009)
Net cash and cash equivalents at beginning of year	<u>155,075</u>	<u>316,678</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><u>129,997</u></u>	<u><u>164,669</u></u>

**Company Statement of Comprehensive Income (Unaudited)**  
**Quarter Ended 31 December 2014**

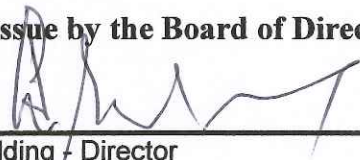
<b>Current Quarter 3 Months to 31/12/14</b>	<b>Prior Year Quarter 3 Months to 31/12/13</b>		<b>Year-to-Date Quarter 9 Months to 31/12/14</b>	<b>Prior Year Quar 9 Months to 31/12/13</b>
<b>\$'000</b>	<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>
157,802	151,119	<b>Revenue</b>	425,232	442,233
<u>(58,618)</u>	<u>(54,854)</u>	Direct expenses	<u>(182,363)</u>	<u>(171,234)</u>
<b>99,184</b>	<b>96,265</b>	<b>Gross Profit</b>	<b>242,869</b>	<b>270,998</b>
56,617	22,580	Other income	106,072	78,397
(32,760)	(31,688)	Selling expenses	(89,058)	(91,124)
(48,178)	(46,266)	Administration expenses	(142,455)	(124,807)
<u>(33,304)</u>	<u>(40,345)</u>	Other operating expenses	<u>(98,222)</u>	<u>(118,248)</u>
<b>41,559</b>	<b>547</b>	<b>Operating Profit/(Loss)</b>	<b>19,207</b>	<b>15,216</b>
<u>(4,582)</u>	<u>(4,607)</u>	Finance costs	<u>(14,534)</u>	<u>(14,619)</u>
<b>36,977</b>	<b>(4,060)</b>	<b>Loss before Taxation</b>	<b>4,673</b>	<b>597</b>
<u>(1,452)</u>	<u>990</u>	Taxation	<u>480</u>	<u>(1,942)</u>
<b><u>35,525</u></b>	<b><u>(3,070)</u></b>	<b>Net Loss/ Total Comprehensive Income</b>	<b><u>5,153</u></b>	<b><u>(1,345)</u></b>



**Company Balance Sheet (Unaudited)**  
**Quarter Ended 31 December 2014**

	<b>December 2014 \$'000</b>	<b>Audited March 2014 \$'000</b>
<b>Non-Current Assets</b>		
Fixed assets	283,363	283,943
Retirement benefit asset	157,757	157,757
Investment in subsidiaries	431,924	431,924
Investment securities	21,578	16,356
<b>Current Assets</b>		
Inventories	7,666	10,558
Due from subsidiaries	3,346	275,591
Receivables	377,175	123,138
Taxation recoverable	8,204	4,632
Cash and short term investments	129,675	154,742
	526,066	568,661
<b>Current Liabilities</b>		
Payables	125,247	134,945
<b>Net Current Assets</b>		
	400,819	433,716
	1,295,441	1,323,696
<b>Equity</b>		
Share capital	467,656	467,656
Retained earnings	600,903	613,624
	1,068,559	1,081,280
<b>Non-Current Liabilities</b>		
Finance lease obligations	11,111	12,860
Long term loans	165,890	179,195
Deferred tax liabilities	12,844	13,324
Retirement benefit obligations	37,037	37,037
	1,295,441	1,323,696

Approved for issue by the Board of Directors on 13 February 2015 and signed on its behalf by:

  
 J.A. Lester Spaulding - Director

  
 Carl D. Domville - Director

**Company Statement of Changes in Equity (Unaudited)**  
**Quarter Ended 31 December 2014**

	Attributable to Stockholders of the Company			Total
	Number of Shares '000	Share Capital \$'000	Retained Earnings \$'000	\$'000
<b>Balance at 31 March 2012</b>	<b>350,154</b>	<b>467,656</b>	<b>743,866</b>	<b>1,211,522</b>
Total comprehensive income			(52,076)	(52,076)
Ordinary dividends			(28,034)	(28,034)
<b>Balance at 31 March 2013</b>	<b>350,154</b>	<b>467,656</b>	<b>663,756</b>	<b>1,131,412</b>
Total comprehensive income			(50,132)	(50,132)
<b>Balance at 31 March 2014</b>	<b>350,154</b>	<b>467,656</b>	<b>613,624</b>	<b>1,081,280</b>
Total comprehensive income			5,153	5,153
Ordinary dividends			(17,874)	(17,874)
<b>Balance at 31 December 2014</b>	<b>350,154</b>	<b>467,656</b>	<b>600,903</b>	<b>1,068,559</b>
<b>Balance at 31 March 2013</b>	<b>350,154</b>	<b>467,656</b>	<b>663,756</b>	<b>1,131,412</b>
Total comprehensive income			(1,345)	(1,345)
<b>Balance at 31 December 2013</b>	<b>350,154</b>	<b>467,656</b>	<b>662,411</b>	<b>1,130,067</b>

**Company Cash Flow (Unaudited)**  
**Quarter Ended 31 December 2014**

	<b>December 2014 \$'000</b>	<b>December 2013 \$'000</b>
<b>Cash Flows from Operating Activities</b>		
<b>Operating Activities</b>	5,153	(1,345)
Items not affecting cash resources	71,782	35,424
	<u>76,935</u>	<u>34,079</u>
Changes in non-cash working capital components	7,517	(238,888)
Cash used in operating activities	84,452	(204,809)
<b>Investing Activities</b>		
Cash used in investing activities	(20,170)	(9,528)
<b>Financing Activities</b>		
Net cash used in financing activities	<u>(89,349)</u>	<u>(32,088)</u>
Decrease in cash and cash equivalents	(25,067)	(246,425)
Cash and cash equivalents at beginning of year	<u>154,742</u>	<u>316,270</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u><u>129,675</u></u>	<u><u>69,845</u></u>

**Segment Report (Unaudited)**  
**Quarter Ended 31 December 2014**

	<b>Audio Visual</b>	<b>Radio and Other</b>	<b>Sub-total</b>	<b>Eliminations</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>DECEMBER 2014</b>					
Revenues	1,170,468	479,612	1,650,080	(96,768)	1,553,312
Operating profit	131,635	27,184	158,819	2,190	161,009
Assets	1,198,643	1,638,649	2,837,292	(901,428)	1,935,864
Liabilities	497,602	464,440	962,042	(339,174)	622,869
Capital expenditure	34,168	23,450	57,618		57,618
Depreciation	69,817	24,897	94,714		94,714
Finance costs	5,202	14,545	19,746		19,746
<b>DECEMBER 2013</b>					
Revenues	1,006,586	487,204	1,493,790	(87,268)	1,406,522
Operating Profit	76,653	18,773	95,426	(7,840)	87,586
Assets	1,098,795	1,588,740	2,687,535	(779,096)	1,908,439
Liabilities	612,870	351,818	964,688	(317,885)	646,803
Capital expenditure	235,711	24,151	259,862		259,862
Depreciation & amortisation	48,154	24,249	72,403		72,403
Finance costs	1,306	14,630	15,936		15,936



**Notes to the financial statements**  
**Quarter Ended 31 December 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. Within the third quarter ended December 2014, the RJR Group no longer have the exclusive rights to broadcast FIFA events for the period 2015 to 2022. Therefore, the contractual payments of \$178,112,000 in intangible assets are refundable in full and recorded as a receivable in this third quarter ended December 31, 2014.
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.