

Radio Jamaica Limited
Report to Stockholders.

The Board of Directors presents the audited results of the group for the year ended March 31, 2015 showing a 90.5% improvement in net profits recorded at \$113.3 million compared with \$59.5 million earned in the previous year. The improvement in net profits resulted from the company's success in increasing revenues from sporting events, special events and online services.

The group's earnings per share of 32 cents represented an improvement on the 17 cents in prior year.


Revenues of \$2 billion exceeded prior year revenues by \$204.9 million or 11% as a result of strategic programming to include the acquisition of local sporting broadcast rights, expansion of online services to include the launch of "One Spot Media" and the continuation of low cost but high quality commercials for non-traditional advertisement for some companies. Other income of \$113.4 million increased by \$2.5M or 2.3% over prior year mainly due to foreign currency translation gains.

Direct expenses of \$864 million for the current year increased by \$52.3 million or 6.4%, due to additional costs associated with broadcast rights for new sporting properties acquired across the group and additional foreign programming on television. Selling expenses of \$332 million were \$25 million or 8.2% above prior year due to additional sales commissions naturally occurring because of higher sales. Administrative expenses of \$469 million increased by 15.6% as a result of higher depreciation costs associated with mainly digital assets acquired and aimed at improving transmission and operating systems, salary increases and higher insurance costs. Operating Expenses of \$333 million were \$2.6M or 0.8% higher due to transmitter repairs. Finance costs of \$25.7 million declined by \$2 million in comparison to prior year due to the expiration of a loan.

Intangible assets value reduced by \$155.8 million mainly due to the third party termination of the original FIFA world cup broadcast rights for 2015 to 2022. The company recovered the full amounts in cash that contributed to our improved cash and short term investments of \$457.8 million compared to \$155 million for the corresponding period in prior year. Subsequent to year-end the Group secured the broadcast rights for FIFA events from 2015-2018.

The managements' continued focus on the five year strategic plan of Going Global for Greater Profitability has resulted in the introduction of our online new media technology service "One Spot Media." With a soft launch in March 2015 the service which is the first of its kind in Jamaica has already garnered over twenty-seven thousand subscribers across the United States of America, the United Kingdom, Canada, the Caribbean, Africa, Australia, Asia, Japan, Malaysia, Chile, Argentina, India, Israel, Uruguay, and Saudi Arabia. One Spot Media is an online platform that is available to anyone, anywhere in the world who has access to the internet via any device, including phones, tablets, laptop and desktop computers as well as set boxes used with various digital media devices. The company expresses its gratitude to its customers, shareholders, management, staff, directors and other stakeholders for the support received during the past year.

Approved for issue by the Board of Directors on 29 May 2015 and signed on its behalf by:



J. A. Lester Spaulding

Director



Gary Allen

Director