



Unaudited Financial Statements
Quarter Ended 30 September 2016

Radio Jamaica Limited

Interim Report to Stockholders

The directors present the un-audited results of the Group for the 2nd Quarter ended September 30, 2016.

The expanded Group recorded after tax profits of \$66M for the July to September 2016 quarter; a 120% improvement on the \$30 million profits earned for the same period in the prior year. The improvement in the results was mainly due to the successful airing of sporting properties and the consolidation of the newly amalgamated subsidiary, The Gleaner Company (Media) Limited ("GCML").

Other income of \$127 million exceeded income in the comparable prior year period by \$104 million as a result of interest income from the expanded group's investment balances, gains on a debt purchased and higher gains on foreign exchange holdings due to increased USD Assets held during the period.

The Group's revenues of \$1.4 billion reflected an increase of \$800 million or 125% over the comparable period last year. Apart from the addition to the business of revenues from GCML, traditional revenues from the pre-amalgamated RJR registered a 4% increase.

The absence of prior year comparisons for GCML, makes, line by line comparisons impractical however important information can be found in the segment reporting on page 9 and in the notes to the financial statements on page 10 of these accounts.

The group's earnings per share for the six months ended September 30, 2016 amounted to 5 cents which surpassed the 4.3 cents earned for the comparative period last year.

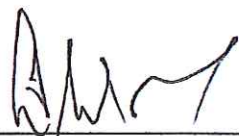
Market capitalization stood at \$4 billion at September 2016; an improvement of \$2.1 billion on the comparative period's market capitalization of \$1.9 billion at September 2015.

On August 5, 2016 the board of Radio Jamaica Limited advised the Jamaica Stock Exchange of its intention to pay an interim dividend of two cents on each of the 2,422,487,654 ordinary stocks on record at August 24, 2016. The dividend payment was made on September 14, 2016.

On September 19, 2016 the company announced its new senior management team; a continuation of its restructuring activities related to the amalgamation and integration of the new media acquisition.

The company held its first Annual General meeting as an amalgamated entity on October 12, 2016.

Approved for issue by the Board of Directors on November 14, 2016 and signed on its behalf by:



J. A. Lester/Spaulding
Chairman



Gary H Allen
Chief Executive Officer

Radio Jamaica Limited

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Quarter Ended 30 September 2016

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Radio Jamaica Limited

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Consolidated Statement of Comprehensive Income (Unaudited)
Quarter Ended 30 September 2016

Current Quarter 3 Months to 30/09/16	Prior Year Quarter 3 Months to 30/09/15	Note	Year-to-Date 6 Months to 30/09/16	Prior Year-to-date 6 Months to 30/09/15
\$'000	\$'000		\$'000	\$'000
1,355,378	601,206	2	2,664,116	1,117,597
<u>(671,770)</u>	<u>(258,783)</u>		<u>(1,298,691)</u>	<u>(476,729)</u>
683,608	342,423		1,365,425	640,868
127,428	23,440	3	193,800	48,446
<u>(208,577)</u>	<u>(90,392)</u>		<u>(409,981)</u>	<u>(174,926)</u>
<u>(340,388)</u>	<u>(137,214)</u>		<u>(653,319)</u>	<u>(262,927)</u>
<u>(173,057)</u>	<u>(87,788)</u>		<u>(329,339)</u>	<u>(166,547)</u>
89,016	50,469		166,586	84,914
<u>(10,946)</u>	<u>(4,383)</u>		<u>(23,884)</u>	<u>(12,063)</u>
78,070	46,086		142,702	72,851
<u>(11,571)</u>	<u>(15,910)</u>	4	<u>(21,813)</u>	<u>(20,719)</u>
66,499	30,176		120,889	52,132
1,565	-		1,565	-
<u>68,064</u>	<u>30,176</u>		<u>122,454</u>	<u>52,132</u>
<u>2.8 cents</u>	<u>2.5 cents</u>	5	<u>5.0 cents</u>	<u>4.3 cents</u>

Consolidated Balance Sheet (Unaudited)
Quarter Ended 30 September 2016

	Note	Unaudited September 2016 \$'000	Audited March 2016 \$'000
Non-Current Assets			
Fixed assets		1,118,083	1,135,178
Intangible assets	6	545,438	536,188
Deferred tax asset		77,762	73,144
Retirement benefit assets	7	177,115	177,115
Long term receivables		763	763
Investment securities		583,829	497,419
		<u>2,502,990</u>	<u>2,419,807</u>
Current Assets			
Inventories		193,825	145,716
Receivables	8	1,046,359	880,093
Taxation recoverable		46,395	52,348
Cash and short term investments		214,146	546,742
		<u>1,500,725</u>	<u>1,624,899</u>
Current Liabilities			
Bank overdraft		6,533	22,201
Payables		1,033,668	1,051,957
Taxation payable		42,672	35,866
		<u>1,082,873</u>	<u>1,110,024</u>
Net Current Assets		<u>417,852</u>	<u>514,875</u>
		<u>2,920,842</u>	<u>2,934,682</u>
Stockholders' Equity			
Share capital	9	2,041,078	2,041,078
Reserves	10	456,496	382,492
		<u>2,497,574</u>	<u>2,423,570</u>
Non-controlling Interests		127	127
Non-Current Liabilities			
Finance lease obligations	11	28,642	93,658
Long term loans	12	89,785	112,098
Deferred tax liabilities		141,880	142,395
Retirement benefit obligations	7	162,834	162,834
		<u>2,920,842</u>	<u>2,934,682</u>

Approved for issue by the Board of Directors on November 14, 2016 and signed on its behalf by:

J.A. Lester Spaulding

Chairman

Gary Allen

Chief Executive
Officer

Radio Jamaica Limited

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Consolidated Statement of Changes in Equity (Unaudited)
Quarter Ended 30 September 2016

	Attributable to Stockholders of the Company					Total	
	Number of Shares	Share Capital	Capital Reserve	Retained Earnings	Equity Owners' Total		Non-controlling Interests Total
	'000	\$'000	\$'000	\$'000	\$'000		\$'000
Balance at 31 March 2014	350,154	467,656	-	736,399	1,204,055	1,204,055	
Total comprehensive income				123,973	123,973	123,973	
Ordinary dividends				(17,562)	(17,562)	(17,562)	
Balance at 31 March 2015	350,154	467,656	-	842,810	1,310,466	1,310,466	
Bonus issue/stock split of shares	836,285	180,492		(180,492)	-	-	
Issue of shares	1,211,244	1,392,930			1,392,930	1,392,930	
Total comprehensive income				(244,703)	(244,703)	(244,703)	
Ordinary dividends				(35,123)	(35,123)	(35,123)	
Arising on business combination - Minority Interest					-	127	
						127	
Balance at 31 March 2016	2,397,683	2,041,078	-	382,492	2,423,570	2,423,697	
Total comprehensive income				120,889	120,889	120,889	
Other comprehensive income/loss for the period-					-	-	
Currency translation differences on foreign subsidiaries			1,565		1,565	1,565	
Ordinary dividends				(48,450)	(48,450)	(48,450)	
Balance at 30 September 2016	2,397,683	2,041,078	1,565	454,931	2,497,574	2,497,701	
Balance at 31 March 2015	350,154	467,656	-	842,810	1,310,466	1,310,466	
Total comprehensive income				52,132		52,132	
Balance at 30 September 2015	350,154	467,656	-	894,942	1,310,466	1,362,598	

Consolidated Cash Flow (Unaudited)

Quarter Ended 30 September 2016

	Unaudited September 2016 \$'000	Unaudited September 2015 \$'000
CASH RESOURCES WERE (USED IN)/PROVIDED BY:		
Operating Activities		
Net profit	120,889	52,132
Items not affecting cash:		
Depreciation and amortisation	115,194	69,682
(Gain)/Loss on disposal of fixed assets	368	(77)
Spares utilised	97	177
Interest income	(20,769)	(7,419)
Interest expense	20,592	12,063
Income tax charge	21,813	20,719
Exchange gains on foreign currency balances	(14,468)	(10,057)
Revaluation of investment securities	915	268
	<u>244,631</u>	<u>137,488</u>
Changes in operating assets and liabilities:		
Inventories	(48,109)	(6,894)
Receivables	(166,266)	(75,327)
Payables	(18,289)	40,952
	<u>11,967</u>	<u>96,219</u>
Income tax paid	(16,092)	(27,007)
Net Cash (used in)/provided by operating activities	(4,125)	69,212
Investing Activities		
Proceeds from disposal of fixed assets	(2,444)	75
Purchase of fixed assets and intangibles	(82,413)	(59,855)
Interest received	20,769	7,419
Net Cash provided used in investing activities	(64,088)	(52,361)
Financing Activities		
Loans repaid	(22,313)	(128,057)
Principal lease repayments	(37,611)	(23,376)
Interest paid	(20,592)	(12,063)
Exchange gains on cash and cash equivalents	14,468	10,057
Dividends paid	(48,450)	(35,123)
Net Cash used in financing activities	(114,498)	(188,562)
Decrease in cash and cash equivalents	(182,711)	(171,711)
Cash and cash equivalents at beginning of year	390,324	457,849
CASH AND CASH EQUIVALENTS AT END OF PERIOD	207,613	286,138

Company Statement of Comprehensive Income (Unaudited)
 Quarter Ended 30 September 2016

Current Quarter 3 Months to 30/09/16	Prior Year Quarter 3 Months to 30/09/15		Year-to-Date 6 Months to 30/09/16	Prior Year-to-Date 6 Months to 30/09/15
\$'000	\$'000		\$'000	\$'000
138,700	132,056	Revenue	272,563	264,282
(62,157)	(57,482)	Direct expenses	(127,336)	(112,917)
76,543	74,574	Gross Profit	145,227	151,365
69,582	119,985	Other income	98,341	149,196
(30,772)	(27,778)	Selling expenses	(65,659)	(57,518)
(53,579)	(49,368)	Administration expenses	(103,189)	(96,008)
(27,577)	(32,831)	Other operating expenses	(52,773)	(62,475)
34,197	84,582	Operating Profit	21,947	84,560
(1,552)	(1,816)	Finance costs	(3,002)	(7,678)
32,645	82,766	Profit before Taxation	18,945	76,882
2,063	(410)	Taxation	4,683	274
34,707	82,356	Net Profit	23,627	77,156

Company Balance Sheet (Unaudited)
Quarter Ended 30 September 2016

	Unaudited September 2016 \$'000	Audited March 2016 \$'000
Non-Current Assets		
Fixed assets	254,724	262,615
Intangible assets	4,533	6,075
Retirement benefit asset	141,300	141,300
Deferred tax asset	35,871	31,188
Investment in subsidiaries	1,824,854	1,824,854
Investment securities	18,994	19,251
	<u>2,280,276</u>	<u>2,285,283</u>
Current Assets		
Inventories	8,761	6,279
Due from subsidiaries	121,564	-
Receivables	136,380	115,536
Taxation recoverable	10,062	9,183
Cash and short term investments	141,441	351,581
	<u>418,208</u>	<u>482,579</u>
Current Liabilities		
Payables	261,363	243,701
Due to subsidiaries	61,827	120,902
	<u>323,190</u>	<u>364,603</u>
Net Current Assets	<u>95,018</u>	<u>117,976</u>
	<u>2,375,294</u>	<u>2,403,259</u>
Equity		
Share capital	2,041,078	2,041,078
Retained earnings	238,370	263,193
	<u>2,279,448</u>	<u>2,304,271</u>
Non-Current Liabilities		
Long term loans	49,283	52,425
Retirement benefit obligations	46,563	46,563
	<u>2,375,294</u>	<u>2,403,259</u>

Approved for issue by the Board of Directors on November 14, 2016 and signed on its behalf by:


 J.A. Lester Spaulding Chairman


 Gary Allen Chief Executive Officer

Company Statement of Changes in Equity (Unaudited)
Quarter Ended 30 September 2016

	Attributable to Stockholders of the Company			Total
	Number of Shares	Share Capital	Retained Earnings	
Balance at 31 March 2014	350,154	467,656	613,624	1,081,280
Total comprehensive income			(3,594)	(3,594)
Ordinary dividends			(17,562)	(17,562)
Balance at 31 March 2015	350,154	467,656	592,468	1,060,124
Bonus issue/stock split of shares	836,285	180,492	(180,492)	-
Issue of shares	1,211,244	1,392,930	-	1,392,930
Total comprehensive income			(113,660)	(113,660)
Ordinary dividends			(35,123)	(35,123)
Balance at 31 March 2016	2,397,683	2,041,078	263,193	2,304,271
Total comprehensive income			23,627	23,627
Ordinary dividends			(48,450)	(48,450)
Balance at 30 September 2016	2,397,683	2,041,078	238,370	2,279,448
Balance at 31 March 2015	350,154	467,656	592,468	1,060,124
Total comprehensive income			77,156	77,156
Balance at 30 September 2015	350,154	467,656	669,624	1,137,280

Company Cash Flow (Unaudited)
Quarter Ended 30 September 2016

	Unaudited September 2016 \$'000	Unaudited September 2015 \$'000
Cash Flows from Operating Activities		
Operating Activities		
Net profit	23,627	77,156
Items not affecting cash:		
Depreciation and amortisation	13,095	14,858
Gain on disposal of fixed assets	(712)	(2)
Spares utilised	41	117
Interest income	(3,357)	(7,419)
Dividend income	(448)	(94,450)
Interest expense	3,002	7,678
Income tax	(4,683)	(274)
Exchange (gains)/loss on foreign currency balances	14,243	9,627
Revaluation of investment securities	257	(489)
	<u>45,065</u>	<u>6,802</u>
Changes in operating assets and liabilities:		
Inventories	(2,483)	(2,917)
Due from subsidiaries	(105,953)	(100,978)
Receivables	(74,651)	(15,971)
Payables	(3,285)	28,429
	<u>(141,307)</u>	<u>(84,635)</u>
Income tax paid/recoverable	(811)	(2,044)
Net cash (used in)/provided by operating activities	<u>(142,118)</u>	<u>(86,679)</u>
Cash Flows from Investing Activities		
Proceeds from disposal of fixed assets	712	2
Purchase of fixed assets	(3,703)	(2,932)
Interest received	3,357	7,419
Dividends received	448	94,450
Net Cash provided by investing activities	<u>814</u>	<u>98,939</u>
Cash Flows from Financing Activities		
Loans repaid	(3,142)	(118,935)
Principal lease repayments	-	(12,967)
Interest paid	(3,002)	(7,678)
Exchange gains/(losses) on cash and cash equivalents	(14,243)	(9,627)
Dividends paid	(48,450)	(35,123)
	<u>(68,837)</u>	<u>(184,330)</u>
Net cash used in financing activities	<u>(68,837)</u>	<u>(184,330)</u>
Decrease in cash and cash equivalents	<u>(210,141)</u>	<u>(172,070)</u>
Cash and cash equivalents at beginning of year	351,581	457,540
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>141,440</u>	<u>285,470</u>

Segment Report (Unaudited)
Quarter Ended 30 September 2016

	Audio Visual \$'000	Audio \$'000	Print & Others \$'000	Sub-total \$'000	Eliminations \$'000	Total \$'000
YTD SEPTEMBER 2016						
Revenues	936,199	345,320	1,468,800	2,750,319	(86,203)	2,664,116
Operating profit	48,938	22,707	105,578	177,223	(10,637)	166,586
Assets	1,245,299	2,952,722	1,526,578	5,724,598	(1,720,883)	4,003,715
Liabilities	499,844	517,928	655,434	1,673,205	(167,192)	1,506,014
Capital expenditure	71,463	3,703	4,397	79,563		79,563
Depreciation & amortisation	60,416	20,384	22,395	103,195	12,096	115,291
Finance costs	4,227	5,979	13,678	23,884		23,884
YTD SEPTEMBER 2015						
Revenues	883,130	264,282	39,691	1,187,103	(69,506)	1,117,597
Operating Profit	87,605	84,560	5,739	177,904	(92,990)	84,914
Assets	1,167,739	1,347,859	135,028	2,650,626	(749,117)	1,901,509
Liabilities	497,998	245,701	40,853	784,552	(210,519)	574,033
Capital expenditure	80,829	2,932	4,491	88,252		88,252
Depreciation & amortisation	54,257	14,975	627	69,859		69,859
Finance costs	4,375	7,678	10	12,063		12,063

Notes to the financial statements
Quarter Ended 30 September 2016

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 2016. 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, print advertising, subscription and the rental of studios and equipment, net of General Consumption Tax. Revenue in respect of airtime and programming is recognised on performance of the underlying service. Subscription revenue is recognised over the life of the subscription.
3. Other 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 gains on debt purchased 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 2,397,683,077 (2015 - 1,211,244,000) weighted average ordinary stock units in issue. The basic earnings per ordinary stock unit in 2015 has been restated after taking into consideration the bonus issue and stock split of three for every one share owned of 861,090,000 shares
6. Intangible assets represent Goodwill, Broadcast Rights, Computer software, Brand and Lease. Goodwill, Brand and Lease arose on the acquisition of The Gleaner Company (Media) Limited. Broadcast rights represents the exclusive rights to broadcast FIFA events for the period 2015 to 2022. Goodwill is tested annually for impairment. Broadcast rights, Computer software, Brand and Lease are amortised over their estimated useful lives.
7. Employee benefits - A defined benefit pension scheme covering all qualifying permanent employees of Radio Jamaica Limited Multi-Media Jamaica Limited and Television Jamaica Limited is operated as the RJR Staff Pension Scheme.

This scheme is managed by an outside agency under a management contract, and by Trustees. The scheme is valued by an independent actuary every three years and an IAS 19 valuation every year.

The Trustees of the pension fund are required by law and its articles and association to act in the interest of the fund and all relevant stakeholders. The Trustees of the fund are responsible for the investment policy with regard to the assets of the fund. The funds are managed by Proven Wealth Transition Limited who has the responsibilities for the general management of the portfolio of investments and the administration of the fund.

The Gleaner Company (Media) Limited operates a defined contribution pension fund for employees in GCML and Independent Radio Co Ltd. who satisfied certain minimum service requirements. This fund is administered by JN Fund Managers Limited

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. Reserves:

	<u>Group</u> September 2016 \$'000	<u>Company</u> September 2016 \$'000
Capital:		
Unrealised reserve:		
Exchange differences on translation of overseas subsidiaries	1,565	-
Retained profits	454,931	238,370
	<u>456,496</u>	<u>238,370</u>

Capital reserves materially represent foreign exchange adjustments arising on the translation of foreign subsidiaries for consolidation purposes.

11. The group entered into finance lease arrangements for the acquisition of motor vehicles and transmission equipment. 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.
12. The loans are secured and unsecured repayable on a monthly basis.