

Radio Jamaica Limited
Interim Report to stockholders.

The directors present the un-audited results of the group for the second quarter ended September 30, 2009.

The Group earned after tax profits of \$108.7 million for the six months ending September 2009 and \$45.9 million for the quarter July to September 2009. This performance compares favourably with the \$31.5 million and the \$45.1 million losses recorded for the similar prior year periods. This \$91 million improvement in profitability for the period July 2009 to September 2009 when compared to that of the previous year was due mainly to a \$96.4 million or 24% increase in revenues over prior period offset by a net increase in operational expenses, finance costs and taxation of \$5.4million. The additional revenues were earned from rate increases, better than anticipated revenues from the World Athletics Championships as well as heightened sponsorships and advertising activity.

The gross profit margin of 70% in the 2nd quarter reflects an improvement of 21% when compared to prior year. In addition to the revenues increasing by \$96.3 million, direct costs were reduced by 27% or \$55.2 million due mainly to reductions in the spending for broadcast rights and savings resulting from the restructuring exercise at the end of the last financial year.

Distribution expenses reflected a \$15.7 million or 21% increase due to increased commissions this quarter, paid commensurate with improved revenue generation and collections.

The \$10.8 million or 12% increase recorded in Administrative expenses is due mainly to additional depreciation associated with the capital costs for a new Outside Broadcast/Production unit acquired for Television Jamaica and higher general insurance premiums for the period.

Other Operating Income increased by \$3.8 million during July to September 2009 as a result of increased interest income earned on financial investments and increased transmitter site rental income.

With respect to the operating profit of \$89.1 million for the three months July to September 2009, this reflects an 18% operating profit margin for the quarter. Operating profits improved by \$141.4 million over the \$52.3 million operating loss recorded for the comparative period in 2008.

Taxation reflected a \$58.5 million negative variance compared to July – September 2008 as the variance of the group's net profit before tax for that period reflected a \$149.5 million increase.


The profit attributable to shareholders for the quarter ending September 2009 represents a significant improvement of (\$91 million) over last year's \$45 million loss and converts to an Earnings per Share (EPS) of 13.04 cents up from a negative 12.04 cents. The Earnings per Share at the end of the six months period was 30.88 cents up from a negative 7.17 cents in the previous year.


RADIO JAMAICA LIMITED
GROUP PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 SEPTEMBER 2009 (UNAUDITED)

Current Quarter 3 months to 30/09/2009 \$	Prior Year Quarter 3 months to 30/09/2008 \$	Notes	Year To Date 6 months to 30/09/2009 \$	Year To Date History 6 months to 30/09/2008 \$
497,916,872	401,544,751	TURNOVER	988,143,327	785,438,528
<u>(151,957,617)</u>	<u>(207,130,014)</u>	COST OF SALES	<u>(298,508,013)</u>	<u>(356,216,071)</u>
345,959,255	194,414,737	GROSS PROFIT	689,635,314	429,222,457
9,275,021	5,411,193	OTHER OPERATING INCOME	17,277,334	19,006,342
(91,150,169)	(75,440,050)	DISTRIBUTION COSTS	(172,487,727)	(145,576,491)
(101,083,681)	(90,247,249)	ADMINISTRATIVE EXPENSES	(191,982,596)	(166,529,139)
<u>(73,908,118)</u>	<u>(86,483,486)</u>	OTHER OPERATING EXPENSES	<u>(144,848,295)</u>	<u>(157,007,977)</u>
89,092,308	(52,344,855)	OPERATING (LOSS)/PROFIT	197,594,030	(20,884,808)
<u>(6,824,431)</u>	<u>(14,903,429)</u>	FINANCE COSTS	<u>(13,007,913)</u>	<u>(25,430,529)</u>
82,267,877	(67,248,284)	(LOSS)/PROFIT BEFORE TAX	184,586,117	(46,315,337)
<u>(36,363,305)</u>	<u>22,151,501</u>	TAXATION	<u>(75,894,484)</u>	<u>14,760,487</u>
<u>45,904,572</u>	<u>(45,096,783)</u>	NET (LOSS)/PROFIT	<u>108,691,633</u>	<u>(31,554,850)</u>
		ATTRIBUTABLE TO:		
45,904,572	(42,393,479)	Stockholders of the company	108,691,633	(25,249,735)
0	(2,703,304)	Minority Interest	0	(6,305,115)
<u>45,904,572</u>	<u>(45,096,783)</u>		<u>108,691,633</u>	<u>(31,554,850)</u>
Cents	Cents		Cents	Cents
13.04	(12.04)	EARNINGS PER STOCK UNIT	30.88	(7.17)

RADIO JAMAICA LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2009 (UNAUDITED)

NET ASSETS EMPLOYED	Notes	September 2009	March 2009	September 2008
NON-CURRENT ASSETS				
FIXED ASSETS (Net)		740,962,805	770,793,669	778,266,785
INTANGIBLE ASSETS	5	45,153,032	46,588,028	112,687,531
INVESTMENTS		11,858,443	11,885,972	9,742,755
DEFERRED TAX ASSET		1,526,316	3,174,742	50,870,060
PENSION PLAN SURPLUS		123,020,000	123,020,000	115,192,000
CURRENT ASSETS				
STOCK		52,829,505	56,836,236	72,107,013
RECEIVABLES - TRADE		335,224,442	247,887,882	270,322,756
RECEIVABLES - OTHER		23,800,331	25,260,385	15,727,038
TAXATION RECOVERABLE			4,845,574	4,899,914
PREPAYMENTS		35,949,240	18,582,107	30,436,676
CASH, BANK DEPOSITS		81,241,042	13,970,435	21,749,436
		<u>529,044,561</u>	<u>367,382,617</u>	<u>415,242,833</u>
CURRENT LIABILITIES				
PAYABLES		134,679,484	156,554,512	161,117,022
TAXATION PAYABLE		54,882,851	10,766,907	14,698,858
CURRENT PORTION OF FINANCE LEASE OBLIGATIONS		4,005,554	7,984,736	7,899,109
CURRENT PORTION OF LONG TERM LOANS		42,176,935	26,538,876	37,285,144
BANK OVERDRAFT		0	-	15,886,144
		<u>235,744,823</u>	<u>201,845,031</u>	<u>236,886,276</u>
NET CURRENT ASSETS		293,299,737	165,537,586	178,356,557
		<u>1,215,820,333</u>	<u>1,120,999,997</u>	<u>1,245,115,688</u>
FINANCED BY				
SHARE CAPITAL	6	440,155,939	440,155,939	440,175,449
UNISSUED SHARE CAPITAL	7	27,500,000	27,500,000	41,250,000
RETAINED EARNINGS		561,551,507	452,859,859	557,049,302
		<u>1,029,207,446</u>	<u>920,515,798</u>	<u>1,038,474,751</u>
MINORITY INTEREST		0	0	4,232,388
		<u>1,029,207,446</u>	<u>920,515,798</u>	<u>1,042,707,139</u>
NON-CURRENT LIABILITIES				
FINANCE LEASE OBLIGATIONS		14,296,874	14,622,111	10,330,523
LONG TERM LOAN		51,995,573	84,728,631	91,859,735
DEFERRED TAX LIABILITIES		103,574,439	84,387,457	85,585,291
EMPLOYEE BENEFIT OBLIGATIONS		16,746,000	16,746,000	14,633,000
		<u>1,215,820,333</u>	<u>1,120,999,997</u>	<u>1,245,115,688</u>


 J. A. LESTER SPAUDLING
 DIRECTOR


 CARL DOMVILLE
 DIRECTOR

Radio Jamaica Limited
Consolidated Statement of Changes in Equity
Period ended 30 September 2009

	Notes	Attributable to Stockholders of the Company			Minority	Total
		Share Capital	Unissued Shares	Retained Earnings	Interest	
		\$	\$	\$	\$	\$
Balance at 1 April 2008		440,175,449	55,000,000	582,299,037	10,537,502	1,088,011,988
Contingent unissued shares reversed	7		(13,750,000.00)			(13,750,000)
Net profit/(loss)				(25,249,735)	(6,305,115)	(31,554,850)
Balance as at 30 September 2008		<u>440,175,449</u>	<u>41,250,000</u>	<u>557,049,302</u>	<u>4,232,388</u>	<u>1,042,707,139</u>
Balance at 1 April 2009		440,155,939	27,500,000	452,859,859	0	920,515,798
Net profit/(loss)				108,691,633	0	108,691,633
Balance as at 30 September 2009		<u>440,155,939</u>	<u>27,500,000</u>	<u>561,551,492</u>	<u>0</u>	<u>1,029,207,431</u>

Radio Jamaica Limited
Statement of Consolidated Cash Flows
30 September 2009

	2009	2008
	\$	\$
CASH RESOURCES WERE (USED IN)/PROVIDED BY:		
Operating Activities		
Net (Loss)/Profit	108,691,633	(31,554,850)
Items not affecting cash resources:	84,188,576	24,244,003
	<u>192,880,209</u>	<u>(7,310,847)</u>
Changes in non-cash working capital components:	<u>(72,150,420)</u>	<u>17,532,994</u>
Cash provided by operations	120,729,789	10,222,147
Investing Activities		
Cash used in investing activities	(32,059,763)	(60,085,459)
Financing Activities		
Cash provided by / (used in) financing activities	<u>(21,399,418)</u>	<u>47,666,349</u>
Decrease in net cash and cash equivalents	67,270,608	(2,196,963)
Net cash and cash equivalents at beginning of year	<u>13,970,435</u>	<u>8,060,252</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>81,241,042</u></u>	<u><u>5,863,289</u></u>

NOTES

1. The accounting policies followed in the interim financial statements are consistent with the most recent annual financial statements. Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year, especially in relation to the requirements of IFRS.
2. Turnover represents the sale of airtime, programme material and the rental of studios and equipment.
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 and rental income
4. The calculation of earnings per stock unit is based on net profit and 351,978,991 ordinary stock units in issue.
5. This figure is inclusive of Goodwill and Brand values. The Goodwill figure was reduced due to the reduction in Unissued shares (see note 7).
6. In keeping with the resolution passed at the Annual General Meeting held on September 24th, 2008 the cumulative preference shares were repurchased by the company.
7. On December 1, 2006, the company through its subsidiary, Media Plus Limited, acquired 65% of Reggae Entertainment Television (RETV) and 80% of Jamaica News Network (JNN). These companies are involved in the sale of airtime via the cable network.

Unissued Shares represent those shares approved by the shareholders to be issued to the previous owners of RETV and JNN upon their attainment of certain landmarks in a 36 months period. In prior year, 5,500,000 shares were written back against goodwill as the subsidiaries were not expected to meet future profit targets. The remaining 5,500,000 shares are due to be issued to the vendors on the agreed date of 1 December 2009.

Media Plus Limited is a wholly owned subsidiary of Radio Jamaica Limited incorporated as an international business company in St. Lucia.