

**Radio Jamaica Limited**

**Interim Report to stockholders.**

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

The Group earned after tax profits of \$62.7 million for the period which compares favourably with the \$15 million profit recorded for the first quarter 2008/2009. This \$47 million improvement is attributable to the \$106 million or 28% increase in revenues over prior year, diluted by the \$55m increase in operational expenses and taxation. The additional revenues were earned from rate increases and heightened activity in the Telecommunications sector.

The gross profit margin of 70% reflects an improvement of 9% when compared to prior year. In addition to the revenues increasing by \$106 million, direct programming costs were reduced by 2% or \$2.5m in the absence this year of costs associated with broadcast rights for the World Cup Football Qualifiers.

Distribution expenses reflected an \$11.2M or 16% increase due to increased commissions this quarter, paid in accordance with improved revenue generation and collections.

The \$14 million or 19% increase recorded in Administrative expenses is due mainly to higher insurance premiums, additional depreciation associated with the capital costs for transmission upgrades, motor vehicles, and a new Outside Broadcast/Production unit acquired for the Television subsidiary. During the period, internal audit fees were incurred but had not been applicable in prior year.

In prior year the positive performance of our overseas investment on the Trinidad and Tobago stock market resulted in a \$4 million gain. Whereas, for the quarter under review, there was no movement on the share price, contributing to a \$5.5m or 41% decrease in Other Operating Income.

The operating profit of \$108.5 million for the three months represents a 22% operating profit margin for the quarter. This indicates a \$77 million improvement over the \$31.4million operating profit recorded for the comparative period in 2008/2009.

Taxation reflected a \$33.5 million negative variance as the group's net profit before tax increased by \$81.4m compared to a profit of \$20.9 million for prior year.

After adjusting for minority interest, the profit attributable to shareholders represents an improvement over last year by \$50m and converts to an Earnings per Share (EPS) of 17.84 cents up from 5.26 cents.

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

Current Quarter 3 months to 30/06/2009 \$	Prior Year Quarter 3 months to 30/06/2008 \$		Notes	Year To Date 3 months to 30/06/2009 \$	Year To Date History 3 months to 30/06/2008 \$
490,226,455	383,893,777	TURNOVER	2	490,226,455	383,893,777
(146,550,394)	(149,086,066)	COST OF SALES		(146,550,394)	(149,086,066)
343,676,061	234,807,711	GROSS PROFIT		343,676,061	234,807,711
8,002,314	13,595,151	OTHER OPERATING INCOME	3	8,002,314	13,595,151
(81,337,572)	(70,136,446)	DISTRIBUTION COSTS		(81,337,572)	(70,136,446)
(90,898,915)	(76,281,890)	ADMINISTRATIVE EXPENSES		(90,898,915)	(76,281,890)
(70,940,190)	(70,524,486)	OTHER OPERATING EXPENSES		(70,940,190)	(70,524,486)
108,501,698	31,460,040	OPERATING (LOSS)/PROFIT		108,501,698	31,460,040
(6,183,480)	(10,527,101)	FINANCE COSTS		(6,183,480)	(10,527,101)
102,318,218	20,932,939	(LOSS)/PROFIT BEFORE TAX		102,318,218	20,932,939
(39,531,179)	(6,029,508)	TAXATION		(39,531,179)	(6,029,508)
<u>62,787,039</u>	<u>14,903,431</u>	NET (LOSS)/PROFIT		<u>62,787,039</u>	<u>14,903,431</u>
		ATTRIBUTABLE TO:			
62,787,039	18,505,242	Stockholders of the company		62,787,039	18,505,242
0	(3,601,811)	Minority Interest		0	(3,601,811)
<u><b>62,787,039</b></u>	<u><b>14,903,431</b></u>			<u><b>62,787,039</b></u>	<u><b>14,903,431</b></u>
<b>Cents</b>	<b>Cents</b>			<b>Cents</b>	<b>Cents</b>
17.84	5.26	<b>EARNINGS PER STOCK UNIT</b>	4	17.84	5.26

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

<b>NET ASSETS EMPLOYED</b>	<b>Notes</b>	<b>June 2009</b>	<b>March 2009</b>	<b>June 2008</b>
<b>NON-CURRENT ASSETS</b>				
FIXED ASSETS (Net)		754,200,027	770,793,669	720,362,626
INTANGIBLE ASSETS	5	45,870,530	46,588,028	127,155,029
INVESTMENTS		11,714,043	11,885,972	13,852,686
DEFERRED TAX ASSET		1,967,591	3,174,742	42,981,590
PENSION PLAN SURPLUS		123,020,000	123,020,000	115,192,000
<b>CURRENT ASSETS</b>				
STOCK		56,716,854	56,836,236	67,457,671
RECEIVABLES - TRADE		341,409,588	247,887,882	236,619,617
RECEIVABLES - OTHER		23,892,446	25,260,385	27,866,549
TAXATION RECOVERABLE		2,061,277	4,845,574	4,842,278
PREPAYMENTS		22,009,068	18,582,107	88,897,969
CASH, BANK DEPOSITS		46,127,504	13,970,435	29,613,151
		<u>492,216,736</u>	<u>367,382,617</u>	<u>455,297,234</u>
<b>CURRENT LIABILITIES</b>				
PAYABLES		147,942,798	156,554,512	143,252,532
TAXATION PAYABLE		32,985,360	10,766,907	30,500,914
CURRENT PORTION OF FINANCE LEASE OBLIGATIONS		6,074,750	7,984,736	5,637,211
CURRENT PORTION OF LONG TERM LOANS		51,165,745	26,538,876	25,041,944
BANK OVERDRAFT		1,824,585	-	31,673
		<u>239,993,239</u>	<u>201,845,031</u>	<u>204,464,274</u>
<b>NET CURRENT ASSETS</b>		252,223,497	165,537,586	250,832,961
		<u>1,188,995,689</u>	<u>1,120,999,997</u>	<u>1,270,376,892</u>
<b>FINANCED BY</b>				
SHARE CAPITAL	6	440,155,939	440,155,939	440,175,449
UNISSUED SHARE CAPITAL	7	27,500,000	27,500,000	55,000,000
RETAINED EARNINGS		515,646,923	452,859,859	600,804,279
		<u>983,302,862</u>	<u>920,515,798</u>	<u>1,095,979,728</u>
<b>MINORITY INTEREST</b>		0	0	6,935,692
		<u>983,302,862</u>	<u>920,515,798</u>	<u>1,102,915,419</u>
<b>NON-CURRENT LIABILITIES</b>				
FINANCE LEASE OBLIGATIONS		14,565,820	14,622,111	8,980,974
LONG TERM LOAN		78,130,476	84,728,631	53,228,488
DEFERRED TAX LIABILITIES		96,250,531	84,387,457	90,619,010
EMPLOYEE BENEFIT OBLIGATIONS		16,746,000	16,746,000	14,633,000
		<u>1,188,995,689</u>	<u>1,120,999,997</u>	<u>1,270,376,892</u>

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J. A. LESTER SPAUDLING  
DIRECTOR

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CARL DOMVILLE  
DIRECTOR

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

	Attributable to Stockholders of the Company			Minority	Total
	Share Capital	Unissued Shares	Retained Earnings	Interest	
Notes	\$	\$	\$	\$	\$
<b>Balance at 1 April 2008</b>	440,175,449	55,000,000	582,299,037	10,537,502	1,088,011,988
Net profit/(loss)			18,505,242	(3,601,811)	14,903,431
<b>Balance as at 30 June 2008</b>	<u>440,175,449</u>	<u>55,000,000</u>	<u>600,804,279</u>	<u>6,935,692</u>	<u>1,102,915,419</u>
<b>Balance at 1 April 2009</b>	440,155,939	27,500,000	452,859,859	0	920,515,798
Net profit/(loss)			62,787,039	0	62,787,039
<b>Balance as at 30 June 2009</b>	<u>440,155,939</u>	<u>27,500,000</u>	<u>515,646,898</u>	<u>0</u>	<u>983,302,837</u>

**Radio Jamaica Limited**  
**Statement of Consolidated Cash Flows**  
**30 June 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>CASH RESOURCES WERE (USED IN)/PROVIDED BY:</b>		
<b>Operating Activities</b>		
Net (Loss)/Profit	62,787,039	14,903,431
Items not affecting cash resources:	<u>40,767,766</u>	<u>12,865,229</u>
	103,554,805	27,768,660
Changes in non-cash working capital components:	<u>(79,070,309)</u>	<u>(16,720,126)</u>
Cash provided by operations	24,484,495	11,048,534
<b>Investing Activities</b>		
Cash used in investing activities	(10,214,473)	17,292,235
<b>Financing Activities</b>		
Cash provided by / (used in) financing activities	<u>16,062,437</u>	<u>(6,819,545)</u>
Decrease in net cash and cash equivalents	30,332,459	21,521,224
Net cash and cash equivalents at beginning of year	<u>13,970,435</u>	<u>8,060,252</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><u>44,302,893</u></u>	<u><u>29,581,476</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.