

**Radio Jamaica Limited
Report to Stockholders**

The directors present the audited results of the RJRGLEANER Communications Group for the financial year ending March 31, 2019.

The Group recorded an after-tax loss of \$22 million for the year compared with an after-tax loss of \$42 million in the prior year. It should be noted that included in this year's loss figures were year-end adjustments for International Accounting Standards, IAS 19 amounting to \$14 million and International Financial Reporting Standards, IFRS 9 amounting to \$47 million, a total of \$61 million. The IFRS 9 adoption is a first time adjustment impacting the Group. Without these adjustments, the Group's net profit after tax would have been \$38 million, which would have been a \$72 million turnaround on prior year.

For the period under review, the Group recorded a \$437 million or 9% increase in revenues, largely due to the staging of the FIFA World Cup tournament contributing \$233 million and Other Broadcasting Revenues, contributing \$143 million to increased revenues. The latter related to major advertising campaigns during the 2018 Christmas season. Direct expenses rose by \$236 million, over prior year mainly due to the cost of the World Cup tournament which accounted for \$258 million.

Selling expenses of \$811 million showed an increase by \$65 million or 9% when compared to prior year due substantially to higher agency commissions, associated with higher revenues for the year.

Administrative expenses of \$1.3 billion increased by \$123 million or 11% when compared to the prior year. This was mainly due to the aforementioned year-end IAS and IFRS adjustments.

The Group's implementation of its High Definition (HD) workflow continued during the year as we await a policy decision from the government on the technical standard and business model to be used by the industry. The market's response to the improved picture quality has been very positive.

Overall, in spite of a slow start to the year coupled with a World Cup campaign which fell short of profit targets, the group rebounded to close the year with an improved performance as the market rewarded the Group's industry leadership position in terms of audience reach and delivery of the most credible and entertaining content for and from Jamaica. That the group ended in a loss position is attributable to the adjustments related to existing and newly adopted accounting standards, which were outside of the company's control.

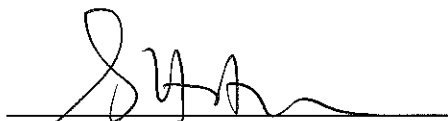
The Group's EBITDA continues to be significant following the adjustment for depreciation and amortization associated with the capital intensive nature of the business. The outlook for the 2019/20 financial year is for a turnaround and return to profitability to be achieved through even greater operating efficiencies, and a stronger focus on new business initiatives.

The Group continued its commitment to nation building, through ongoing support for educational efforts in TVJ's Schools' Challenge Quiz and The Gleaner's Children's Own Spelling Bee competitions celebrating 50 and 60 year anniversaries, respectively, as well as its corporate social responsibility activities in supporting many organizations with special needs and national programmes.

Approved for issue by the Board of Directors on June 6, 2019 and signed on its behalf by:



Dr. Lawrence Nicholson
Deputy Chairman



Gary Allen
Chief Executive Officer