

Radio Jamaica Limited 2001

GROUP PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 SEPTEMBER 2001 (UNAUDITED)

3 months to 30/09/2001 \$	3 months to 30/09/2000 \$		Notes	9 months to 30/09/2001 \$	9 months to 30/09/2000 \$
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178,388,534	167,797,723	TURNOVER	1	473,912,930	437,316,819
<u>(57,801,668)</u>	<u>(59,041,353)</u>	COST OF SALES		<u>(169,974,620)</u>	<u>(149,745,328)</u>
120,586,866	108,756,370	GROSS PROFIT		303,938,310	287,571,491
1,362,743	2,305,414	OTHER OPERATING INCOME		5,984,267	4,999,193
<u>(32,775,686)</u>	<u>(31,612,383)</u>	DISTRIBUTION COSTS		<u>(88,169,225)</u>	<u>(81,312,455)</u>
(46,219,053)	(37,448,896)	ADMINISTRATIVE EXPENSES		<u>(127,583,301)</u>	<u>(114,865,883)</u>
<u>(22,485,355)</u>	<u>(22,933,168)</u>	OTHER OPERATING EXPENSES		<u>(61,447,687)</u>	<u>(60,012,385)</u>
20,469,515	19,067,337	OPERATING PROFIT		32,722,364	36,379,961
2,119,656	(2,625,845)	FINANCE INCOME/ (COST)	2	130,590	(2,433,287)
<u>(7,500)</u>	<u>(489,305)</u>	EXCEPTIONAL ITEM	3	<u>93,093,257</u>	<u>(489,305)</u>
22,581,671	15,952,187	PROFIT BEFORE TAX		125,946,211	33,457,369
<u>(6,797,411)</u>	<u>(3,178,321)</u>	TAXATION		<u>(11,468,871)</u>	<u>(9,013,382)</u>
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15,784,260	12,773,866	NET PROFIT	114,477,340	24,443,987
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Cents	Cents		Cents	Cents
14.08	11.39	EARNINGS PER STOCK UNIT	102.10	21.80

NOTES

- 1 Turnover represents the sale of airtime, programme material and the rental of studios and equipment.
- 2 Finance (cost)/income represents interest income, Interest expense and net foreign exchange (losses)/gains.
- 3 Current year exceptional item represents net profit arising from the sale of land. Prior year exceptional item represents redundancy payments made to employees.
- 4 The calculation of earnings per stock unit is based on not profit and 103,493,098 ordinary stock units in issue and the 8,624,424 ordinary shares to be issued.

CONSOLIDATED BALANCE SHEET

AS AT 31 SEPTEMBER 2001 (UNAUDITED)

	September 2001 =====	(Audited) December 2000 =====	September 2000 =====
NET ASSETS EMPLOYED			
FIXED ASSETS (Net)	124,854,540	120,525,621	119,179,418
INVESTMENTS	840,840	840,840	840,840
CURRENT ASSETS			
STOCK	34,739,784	20,094,274	19,608,430
RECEIVABLES - TRADE	135,282,149	136,200,004	129,528,521
RECEIVABLES - OTHER	22,170,919	6,560,264	11,540,443
PREPAYMENTS	22,078,658	20,840,859	21,141,213
CASH, BANK DEPOSITS	<u>80,977,368</u>	<u>26,036,229</u>	<u>5,913,984</u>
	295,248,878	209,731,630	187,732,591
CURRENT LIABILITIES			
PAYABLES	43,117,325	49,230,198	45,215,719
TAXATION PAYABLE	3,379,705	7,109,169	3,067,114
CURRENT PORTION OF FINANCE LEASE OBLIGATION	3,474,229	2,243,765	1,824,307
CURRENT PORTION OF LONG TERM LOANS	9,798,311	13,007,521	11,026,663
DIVIDENDS PAYABLE	<u>443,276</u>	<u>9,757,655</u>	<u>441,688</u>
	60,212,846	81,348,308	61,575,491
NET CURRENT ASSETS	<u>235,036,032</u>	<u>128,383,322</u>	<u>126,157,100</u>
	<u>360,731,412</u>	<u>249,749,783</u>	<u>246,177,358</u>
FINANCED BY			
SHARE CAPITAL	51,766,059	51,766,059	51,766,059
UNISSUED SHARES	28,000,000	28,000,000	28,000,000
CAPITAL RESERVE	3,494,478	3,494,478	3,494,478
RETAINED EARNINGS	<u>244,169,076</u>	<u>129,691,736</u>	<u>123,149,386</u>
	327,429,613	212,952,273	206,409,923
FINANCE LEASE OBLIGATIONS	5,118,576	2,358,363	684,827

LONG TERM LOAN

<u>28,183,223</u>	<u>34,439,147</u>	<u>39,082,608</u>
360,731,412	249,749,783	246,177,358
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Interim Report to our Stockholders

The directors are pleased to present the unaudited results of the Group for the third quarter and nine months ended 30th September 2001. A slow performance in the first quarter, strengthened in the second quarter and further improved to a strong performance in the third quarter.

The Group achieved revenues of \$178.4 million, an increase of \$10.6 million or 6% over the same quarter last year. All areas of expenditure in the quarter as a percentage of turnover continued to trend downwards with the exception of administrative expenses which reflected unusual expenditure in rolling stock replacements; computerisation. enhancements; bad debt provision and professional fees. Finance income reversed a cost compared to last year. Profit before tax netted an increase of approximately \$6.6 million or 37% more than last year, resulting in an improved EPS of 14.8 cents compared to 11.39 cents.

Year-to-date turnover reflected increases of \$36.6 or 8% over the same period last year. Profit before exceptional item of \$93 million was approximately the same as last year. The previously reported profit arising from the sale of land is reflected in net profits of \$114 million compared to \$24 million last year which did not have any exceptional items. As a result, earnings per share rose to 102.10 cents compared to 21.80 cents.

Your company advised the Stock Exchange and subsequently published a proposal to change our financial year from 31st December to 31st March each year. The gains will specifically reflect themselves, relieving the diversion of personnel in the company during the fourth quarter which traditionally produces our largest revenues and profits each year. Demands on external auditors will shift to a period when more of their

resources are available and will facilitate the holding of annual general meetings closer to the financial year end, facilitating the earlier payment of final dividends to shareholders if any.

Shareholders' funds of \$327 million reflected a \$121 million or 59% increase over the corresponding year. The return of 35% on shareholders' funds compares favourably with the 19% and 12% returns achieved for December 2000 and September 2000 respectively.

As a Group, we continue to enhance our competitive advantage; ensuring profitability with the support of our shareholders and the dedicated service of our teams of directors, management and staff especially in an economic climate which has changed over the past few months.
