

Radio Jamaica Limited

GROUP PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 JUNE 2002 (UNAUDITED)

Interim Report to our Stockholders

The directors are pleased to present the unaudited results of the Group for the first quarter ended 30th June 2002, which shows an encouraging improvement over the comparable period last year.

With an appreciable contribution to the revenue being achieved by sponsorship arising from World Cup Football 2002, the Group generated revenues of \$237 million, an increase of \$71.7 million or 44% over the same quarter last year. While World Cup contributed about 43% of this increased revenue it was also the main contributor to the \$31.6M or 50% increase in our cost of sales.

All other areas of expenditure for the quarter as a percentage of turnover continued to trend downwards with the exception of distribution costs, which reflect the commissions, associated with the increased sales. Finance income of \$4.5m reversed a cost of \$1.5m incurred last year in the same period.

The previously reported profit of \$93 million arising from the sale of land is reflected in net profits before tax of \$107 million for June 2001 compared to the \$40 million profit for

the present quarter which does not include any exceptional items. However, profit before exceptional item and tax reflected an increase of approximately \$26 million or 182% more than last year.

Shareholders' funds of \$386.6 million reflected a \$74.9 million or 24% increase over the corresponding year. The \$29 million increase in fixed assets is due mainly to the construction of our state of the art Television Studios and News and Sports complex presently taking place. This construction forms part of our long-term goal to more efficiently provide information to our listeners and viewers through the synergies associated with the amalgamation of our two Sports and News centres.

The start up of new radio stations while creating additional competition in an already highly competitive industry, has shown no adverse effect on our earnings as we continue to expand the advertising pie and market intensely for the share which is consistent with our position in the market.

As a Group, we welcome and appreciate the continued support and encouragement of our customers and business partners. With the continued support of our shareholders and other stakeholders, the dedicated service of our teams of Directors, Management and Staff we will continue to enhance our competitive advantage while striving for continued increased profitability.

RADIO JAMAICA LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 JUNE 2002 (UNAUDITED)

3 months to 30/06/2002 \$	3 months to 30/06/2001 \$		Notes	3 months to 30/06/2002 \$	6 months to 30/06/2001 \$
<u>237,039,830</u>	<u>165,311,452</u>	TURNOVER	2	<u>237,039,830</u>	<u>295,586,934</u>

<u>(95,016,274)</u>	<u>(63,417,294)</u>	COST OF SALES		<u>(95,016,274)</u>	<u>(112,172,953)</u>
142,023,556	101,894,158	GROSS PROFIT		142,023,556	183,413,981
4,400,201	2,521,395	OTHER OPERATING INCOME		4,400,197	4,558,985
(43,938,491)	(28,305,665)	DISTRIBUTION COSTS		(43,938,491)	(55,393,540)
(43,362,935)	(41,608,027)	ADMINISTRATIVE EXPENSES		(43,362,935)	(81,364,244)
<u>(23,233,658)</u>	<u>(19,474,213)</u>	OTHER OPERATING EXPENSES		<u>(23,233,658)</u>	<u>(38,962,331)</u>
35,888,673	15,027,648	OPERATING PROFIT		35,888,669	12,252,851
4,597,357	(662,084)	FINANCE (COST) / INCOME	3	4,597,357	(1,989,067)
0	93,100,757	EXCEPTIONAL ITEM	4	0	93,100,757
40,486,030	107,466,320	PROFIT BEFORE TAX		40,486,026	103,364,540
<u>(14,201,662)</u>	<u>(4,671,460)</u>	TAXATION		<u>(14,201,662)</u>	<u>(4,671,460)</u>
<u>26,284,368</u>	<u>102,794,860</u>	NET PROFIT		<u>26,284,364</u>	<u>98,693,080</u>
=====	=====			=====	=====

Cents	Cents			Cents	Cents
12.19	47.68	EARNINGS PER STOCK UNIT	5	12.19	45.77
12.19	4.50	EPS EXCLUDING EXCEPTIONAL ITEM	6	12.19	2.59

NOTES

- 1 The accounting policies followed in the interim financial statements are consistent with the most recent annual financial statements.
- 2 Turnover represents the sale of airtime, programme material and the rental of studios and equipment.
- 3 Finance (cost)/income represents interest income, interest expense and net foreign exchange (losses)/gains.
- 4 Exceptional item represents net profit arising from the sale of land.
- 5 The calculation of earnings per stock unit is based on net profit and 206,986,196 ordinary stock units in issue and the 8,624,424 ordinary shares to be issued.
- 6 This EPS is calculated based on the net profit less exceptional item and 206,986,196 ordinary stock units in issue and the 8,624,424 ordinary shares to be issued.
- 7 Due to the change in year end from December 2001 to March 2002 the year to date interim

results are comparing 3 months results for the period April 02 to June 02 with 6 months results January 01 to June 01.

RADIO JAMAICA LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2002 (UNAUDITED)

	June	Audited	
	2002	March	June
NET ASSETS EMPLOYED	=====	=====	=====
FIXED ASSETS (Net)	154,071,327	134,743,281	124,875,595
INVESTMENTS	840,840	840,840	840,840
CURRENT ASSETS			
STOCK	42,240,135	39,542,684	32,253,562
RECEIVABLES - TRADE	153,925,106	123,316,250	121,695,153
RECEIVABLES - OTHER	4,744,016	4,072,243	101,589,825
PREPAYMENTS	26,178,050	36,684,242	28,325,916
TAXATION RECOVERABLE	0	8,234,799	0
CASH, BANK DEPOSITS	<u>118,988,816</u>	<u>126,083,667</u>	<u>4,377,559</u>
	346,076,123	337,933,885	288,242,015
CURRENT LIABILITIES			
PAYABLES	56,284,967	56,991,614	41,046,015
TAXATION PAYABLE	6,075,059	760,943	686,841
CURRENT PORTION OF FINANCE LEASE OBLIGATIONS	3,904,712	3,846,023	2,476,626
CURRENT PORTION OF LONG TERM LOANS	1,870,474	4,002,373	12,795,945
DIVIDENDS PAYABLE	<u>15,970,241</u>	<u>15,970,241</u>	<u>9,757,655</u>
	84,105,453	81,571,194	66,763,082
NET CURRENT ASSETS	<u>261,970,670</u>	<u>256,362,691</u>	<u>221,478,933</u>
	<u>416,882,837</u>	<u>391,946,812</u>	<u>347,195,368</u>
	=====	=====	=====
FINANCED BY			
SHARE CAPITAL	103,512,609	103,512,609	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	251,600,398	225,316,034	228,384,816
	<u>386,607,485</u>	<u>360,323,121</u>	<u>311,645,353</u>
FINANCE LEASE OBLIGATIONS	3,323,112	4,280,497	7,088,942
LONG TERM LOAN	26,952,240	27,343,194	28,461,073
	<u>416,882,837</u>	<u>391,946,812</u>	<u>347,195,368</u>

Radio Jamaica Limited
Consolidated Statement of Changes in Equity
Quarter ended 30 June 2002

	Share Capital \$'000	Unissued Shares \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 January 2001	51,766,059	28,000,000	3,494,478	129,691,736	212,952,273
Net profit				98,693,080	98,693,080
Balance at 30 June 2001	51,766,059	28,000,000	3,494,478	228,384,816	311,645,353
Balance at 1 April 2002	103,512,609	28,000,000	3,494,478	225,316,034	360,323,121
Net profit				26,284,364	26,284,364
Balance as at 30 June 2002	103,512,609	28,000,000	3,494,478	251,600,398	386,607,485

Radio Jamaica Limited

Statement of Consolidated Cash Flows

30 June 2002

	2002 \$'000	2001 \$'000
CASH RESOURCES WERE (USED IN)/PROVIDED BY:		
Operating Activities		
Net Profit	26,284,364	98,693,080
Items not affecting cash resources:		
Depreciation	7,339,475	18,022,116
Gain on sale of fixed assets	415,000	(93,101,000)
	<u>34,038,839</u>	<u>23,614,196</u>
Changes in non-cash working capital components:		
Inventories	(2,697,451)	(12,159,288)
Receivables	(20,774,437)	(88,009,767)
Taxation	13,548,915	(6,422,328)
Payables	(706,647)	(8,184,183)
	<u>(10,629,620)</u>	<u>(114,775,566)</u>
Cash provided by/(used in) operations	<u>23,409,219</u>	<u>(91,161,370)</u>
Investing Activities		
Proceeds from sale of fixed assets	(415,000)	93,378,000
Purchase of fixed assets	(26,667,521)	(22,649,090)
Cash (used in)/provided by investing activities	<u>(27,082,521)</u>	<u>70,728,910</u>
Financing Activities		
Loan repaid	(2,522,853)	(6,189,650)
Dividends	-	-
Finance Lease Obligations (Net)	(898,696)	4,963,440
Cash used in financing activities	<u>(3,421,549)</u>	<u>(1,226,210)</u>
Decrease in net cash and cash equivalents	(7,094,851)	(21,658,670)
Net cash and cash equivalents at beginning of year	<u>126,083,667</u>	<u>26,036,229</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>118,988,816</u>	<u>4,377,559</u>