

# Radio Jamaica Limited 2002

## GROUP PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 DECEMBER 2002 (UNAUDITED)

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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 the nine months ended 31st of December 2002. The strong performance in the first two quarters was followed by a striking improvement in the performance of the third quarter.

The \$247 million revenue earned by the Group in this quarter reflected a \$47.7 million or 24% increase over the same quarter last year. The group year to date revenue of \$686.6 million reflected increases of \$125 million or 23% over the \$543 million recorded in the same period in the prior year.

Expenditure as a percentage of revenue continued to reflect a downward trend with the exception of cost of sales which reflected the additional costs of associated coverage of the elections of 2002.

The year to date profit before tax and exceptional item of \$155.5 million reflected an improvement of \$85.7 million or 123% over the \$69.8 million recorded for the corresponding nine-month period. This improved profitability which resulted from increased revenue and the continued cost containment plan has led to an improved EPS before the exceptional items

of 43.74 cents compared to 22.40 for the corresponding nine-month period.

In December 2002, based on the performance achieved during the nine months the company issued to its shareholders fully paid bonus shares on the basis of one share for every four stock unit held by such shareholders. This was achieved by the capitalization of \$25,873,274.50 from current year's profit and the same being applied in making payment in full at par for 51,746,549 ordinary shares. The calculation of earnings per share reflects the recent bonus issue.

In December 2002, based on the performance achieved during the nine months the company issued to its shareholders full The group continues to turn the challenges of 2002 into opportunities with a view to maintaining our profitability.

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3 months to 12/31/02 \$	3 months to 12/31/01 \$		Notes	9 months to 12/31/02 \$	9 months to 12/31/01 \$	12 months to 12/31/01 \$
=====	=====			=====	=====	=====
247,466,242	199,697,670	TURNOVER	2	688,636,645	543,363,637	673,610,600
<u>(68,626,666)</u>	<u>(54,273,188)</u>	COST OF SALES		<u>(228,574,088)</u>	<u>(175,492,151)</u>	<u>(224,247,809)</u>
178,839,576	145,424,482	GROSS PROFIT		460,062,557	367,871,486	449,362,791
4,530,981	2,690,343	OTHER OPERATING INCOME		11,827,316	6,608,503	8,674,610
(44,886,941)	(37,021,223)	DISTRIBUTION COSTS		(127,777,985)	(99,765,328)	(125,190,455)
(50,687,162)	(58,156,216)	ADMINISTRATIVE EXPENSES		(139,224,823)	(143,335,812)	(185,739,519)
<u>(22,846,785)</u>	<u>(23,176,626)</u>	OTHER OPERATING EXPENSES		<u>(67,507,141)</u>	<u>(66,120,937)</u>	<u>(84,624,309)</u>
64,949,669	29,760,760	OPERATING PROFIT		137,379,924	65,257,912	62,483,118
8,600,095	3,073,408	FINANCE INCOME	3	18,129,968	4,530,979	3,203,997
<u>0</u>	<u>90,000</u>	EXCEPTIONAL ITEM	4	<u>0</u>	<u>93,183,257</u>	<u>93,183,257</u>
73,549,764	32,924,168	PROFIT BEFORE TAX		155,509,892	162,972,148	158,870,372
<u>(11,264,604)</u>	<u>1,580,787</u>	TAXATION		<u>(38,568,101)</u>	<u>(9,888,084)</u>	<u>(9,888,084)</u>
62,285,160	34,504,955	NET PROFIT		116,941,791	153,084,064	148,982,288
=====	=====			=====	=====	=====
<b>Cents</b>	<b>Cents</b>			<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
23.30	12.91	<b>EARNINGS PER STOCK UNIT</b>	5	43.74	57.26	55.72
23.30	12.87	<b>EPS EXCLUDING EXCEPTIONAL ITEM</b>	6	43.74	22.40	20.87

## 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 258,732,746 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 258,732,746 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 9 months results for the period April 02 to December 02 with 12 months results January 01 to December 01. However for comparative purposes the 9 months results for the period April 01 to December 01 has been provided.

## CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2002 (UNAUDITED)

Audited

<b>NET ASSETS EMPLOYED</b>	<b>December 2002</b>	<b>March 2002</b>	<b>December 2001</b>
	=====	=====	=====
FIXED ASSETS (Net)	215,925,627	134,743,281	126,789,756
INVESTMENTS	840,840	840,840	840,840
<b>CURRENT ASSETS</b>			
STOCK	43,982,225	39,542,684	36,293,412
RECEIVABLES - TRADE	161,804,518	123,316,250	136,967,470
RECEIVABLES - OTHER	9,374,515	4,072,243	11,764,946
PREPAYMENTS	23,153,824	36,684,242	12,982,408
TAXATION RECOVERABLE	6,028,231	8,234,799	0
CASH, BANK DEPOSITS	<u>153,793,160</u>	<u>126,083,667</u>	<u>124,691,797</u>
	398,136,473	337,933,885	322,700,033
<b>CURRENT LIABILITIES</b>			
PAYABLES	56,866,918	56,991,614	43,228,358
TAXATION PAYABLE	29,610,408	760,943	947,419
CURRENT PORTION OF FINANCE LEASE OBLIGATIONS	4,829,887	3,846,023	3,722,222
CURRENT PORTION OF LONG TERM LOANS	2,090,308	4,002,373	7,164,702
DIVIDENDS PAYABLE	<u>15,970,241</u>	<u>15,970,241</u>	<u>443,276</u>
	109,367,762	81,571,194	55,505,977
NET CURRENT ASSETS	<u>288,768,712</u>	<u>256,362,691</u>	<u>267,194,056</u>
	505,535,179	391,946,812	394,824,652
	=====	=====	=====
<b>FINANCED BY</b>			
SHARE CAPITAL	129,385,883	103,512,609	103,512,609
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>316,384,551</u>	<u>225,316,034</u>	<u>226,927,474</u>
	477,264,912	360,323,121	361,934,561
FINANCE LEASE OBLIGATIONS	2,121,205	4,280,497	5,108,696
LONG TERM LOAN	<u>26,149,062</u>	<u>27,343,194</u>	<u>27,781,395</u>
	<u>505,535,179</u>	<u>391,946,812</u>	<u>394,824,652</u>
	=====	=====	=====

J.A. LESTER SPAULDING  
CHAIRMAN/MANAGING DIRECTOR

HECTOR DIETRICH  
DIRECTOR

## Statement of Consolidated Cash Flows

31 December 2002

	2002	2001
<b>CASH RESOURCES WERE (USED IN)/PROVIDED BY:</b>		
<b>Operating Activities</b>		
Net Profit	116,941,791	148,982,288
Items not affecting cash resources:		
Depreciation	25,022,473	32,767,038
Gain on sale of fixed assets	<u>(460,000)</u>	<u>(93,101,000)</u>
	<u>141,504,264</u>	<u>88,648,326</u>

Changes in non-cash working capital components:		
Inventories	(4,439,541)	(16,199,138)
Receivables	(30,260,122)	1,886,302
Taxation	31,056,032	(6,161,750)
Payables	(124,696)	(6,001,840)
	<u>(3,768,327)</u>	<u>(26,476,426)</u>
Cash provided by operations	<u>137,735,937</u>	<u>62,171,900</u>
<b>Investing Activities</b>		
Proceeds from sale of fixed assets	460,000	93,378,000
Purchase of fixed assets	<u>(106,204,819)</u>	<u>(39,308,172)</u>
Cash (used in)/provided by investing activities	<u>(105,744,819)</u>	<u>54,069,828</u>
<b>Financing Activities</b>		
Loan repaid	(3,106,197)	(12,500,571)
Dividends	-	(9,314,379)
Finance Lease Obligations (Net)	<u>(1,175,428)</u>	<u>4,228,790</u>
Cash used in financing activities	<u>(4,281,625)</u>	<u>(17,586,160)</u>
Increase in net cash and cash equivalents	27,709,493	98,655,568
Net cash and cash equivalents at beginning of year	<u>126,083,667</u>	<u>26,036,229</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>153,793,160</u>	<u>124,691,797</u>
	=====	=====

## Consolidated Statement of Changes in Equity

Period ended 31 December 2002

	Share Capital \$'000	Unissued Shares \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Total \$'000
<b>Balance at 1 January 2001</b>	51,766,059	28,000,000	3,494,478	129,691,736	212,952,273
Net profit				148,982,288	148,982,288
Share Capital - Bonus Issue	51,746,550			(51,746,550)	0
<b>Balance as at 31 December 2001</b>	103,512,609	28,000,000	3,494,478	226,927,474	361,934,561
<b>Balance at 1 April 2002</b>	103,512,609	28,000,000	3,494,478	225,316,034	360,323,121
Net profit				116,941,791	116,941,791
Share Capital - Bonus Issue	25,873,274			(25,873,274)	0
Balance as at 31 December 2002	129,385,883	28,000,000	3,494,478	316,384,551	477,264,912