

Radio Jamaica Limited

Group Financial Result

For the half year ended September 30, 2003.

Interim Report To Our Stockholders

The Directors are pleased to present the un-audited results of the Group for the half year ended 2003 September 30.

Year to date revenues of \$479 Million reflected an increase of \$38 million or 9% over revenue for the comparative period last year. Most of this increase was recorded in the second quarter as indicated by the increase of \$36.8 million or 18% over the corresponding quarter of 2002.

Gross profit margin for the six-month period improved by 5% over prior year and was due largely to a reduction in the cost of sales. Operating profit margin however, grew by 1% when compared to the same period last year. This reflected distribution cost recording an increase of 9% associated directly with the increase in revenue. The other increases noted for administrative expenses and other operating expenses resulted from non-recurring costs associated with the new Television Production and News Centre, as well as, the continued enhancement of IT and internet facilities within the Group.

The second quarter produced profit before tax of \$33.4 million, a decline of 19% compared to

the same period last year. This reduction is largely attributable to interest cost being incurred during the build out period associated with loan financing for equipping the new production complex. The interest cost also accounts for the reduction in net finance income.

Total assets grew by 70% to \$887 million due mainly to the increase in fixed assets following the construction of the new television and production facility.

The Group is confident that it will continue to show growth in its operations to the benefit of all its stakeholders.

GROUP PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 SEPTEMBER 2003 (UNAUDITED)

3 months to 9/30/2003 \$	3 months to 9/30/2002 \$		Notes	6 months to 9/30/2003 \$	6 months to 9/30/2002 \$
=====	=====			=====	=====
240,984,332	204,130,573	TURNOVER	2	479,666,321	441,170,403
(75,223,882)	(64,931,144)	COST OF SALES		(149,796,363)	(159,947,421)
<u>165,760,450</u>	<u>139,199,429</u>	GROSS PROFIT		<u>329,869,958</u>	<u>281,222,982</u>
2,166,818	2,896,135	OTHER OPERATING INCOME		6,658,687	7,296,335
(47,142,894)	(38,932,558)	DISTRIBUTION COSTS		(90,400,615)	(82,891,047)
(55,401,785)	(45,174,717)	ADMINISTRATIVE EXPENSES		(107,334,424)	(88,537,658)
<u>(30,973,797)</u>	<u>(21,425,381)</u>	OTHER OPERATING EXPENSES		<u>(55,453,393)</u>	<u>(44,660,356)</u>
34,408,792	36,562,908	OPERATING PROFIT		83,340,213	72,430,256
(1,029,053)	4,932,514	FINANCE INCOME	3	6,040,428	9,529,873

33,379,739	41,495,422	PROFIT BEFORE TAX	89,380,641	81,960,129
<u>(9,127,170)</u>	<u>(13,101,835)</u>	TAXATION	<u>(27,548,272)</u>	<u>(27,303,497)</u>
24,252,569	28,393,587	NET PROFIT	61,832,369	54,656,632
=====	=====		=====	=====
Cents	Cents	EARNINGS PER STOCK UNIT	Cents	Cents
9.07	10.62	4	23.13	20.44

NOTES

- 1.The accounting policies followed in the interim financial statements are consistent with the most recent audited 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.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.

CONSOLIDATED BALANCE SHEET

AS AT 30 SEPTEMBER 2003 (UNAUDITED)

NET ASSETS EMPLOYED	September 2003	Audited March 2003	September 2002
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FIXED ASSETS (Net)	460,080,834	269,594,112	184,549,050
INVESTMENTS	810,840	810,840	840,840
CURRENT ASSETS			
STOCK	43,376,857	41,795,772	42,589,820
RECEIVABLES - TRADE	129,980,458	134,440,943	118,953,990
RECEIVABLES - OTHER	8,937,702	7,283,796	6,405,967
PREPAYMENTS	24,383,870	23,368,988	26,335,824
TAXATION RECOVERABLE	-	-	4,675,162
CASH, BANK DEPOSITS	<u>249,769,795</u>	<u>120,118,833</u>	<u>156,817,367</u>
	456,448,682	327,008,332	355,778,130
CURRENT LIABILITIES			
PAYABLES	79,071,623	69,009,168	50,912,723
TAXATION PAYABLE	29,248,774	20,942,743	18,345,804
CURRENT PORTION OF FINANCE LEASE OBLIGATIONS	2,662,504	4,533,912	4,512,374
CURRENT PORTION OF LONG TERM LOANS	-	-	1,958,713
DIVIDENDS PAYABLE	<u>449,276</u>	<u>449,276</u>	<u>15,970,241</u>
	111,432,178	94,935,099	91,699,855
NET CURRENT ASSETS	<u>345,016,504</u>	<u>232,073,233</u>	<u>264,078,275</u>
	805,908,178	502,478,185	449,468,165
	=====	=====	=====
FINANCED BY			
SHARE CAPITAL	129,385,883	129,385,883	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>380,100,250</u>	<u>318,267,881</u>	<u>279,972,666</u>
	540,980,611	479,148,242	414,979,753
FINANCE LEASE OBLIGATIONS	699,501	1,329,943	7,966,876
LONG TERM LOAN	<u>264,228,066</u>	<u>22,000,000</u>	<u>26,521,536</u>
	805,908,178	502,478,185	449,468,165
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J.A. LESTER SPAULDING
CHAIRMAN/MANAGING DIRECTOR

HECTOR DIETRICH
DIRECTOR

Consolidated Statement of Changes in Equity

Quarter ended 30 September 2003

	Share Capital	Unissued Shares	Capital Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2002	103,512,609	28,000,000	3,494,478	225,316,034	360,323,121
Net profit				54,656,632	54,656,632
Balance as at 30 September 2002	103,512,609	28,000,000	3,494,478	279,972,666	414,979,753
Balance at 1 April 2003	129,385,883	28,000,000	3,494,478	318,267,881	479,148,242
Net profit				61,832,369	61,832,369
Balance as at 30 September 2003	129,385,883	28,000,000	3,494,478	380,100,250	540,980,611

Statement of Consolidated Cash Flows

30 September 2003

	2003 \$'000	2002 \$'000
CASH RESOURCES WERE (USED IN)/PROVIDED BY:		
Operating Activities		
Net Profit	61,832,369	54,656,632
Items not affecting cash resources:		
Depreciation	15,321,237	14,900,499
Loss/(Gain) on sale of fixed assets	651,582	(415,000)
	<u>77,805,188</u>	<u>69,142,131</u>
Changes in non-cash working capital components :		
Inventories	(1,581,085)	(3,047,136)
Receivables	1,791,698	12,376,954
Taxation	8,306,031	21,144,498
Payables	10,062,455	(6,078,891)
	<u>18,579,099</u>	<u>24,395,425</u>
Cash provided by operations	<u>96,384,287</u>	<u>93,537,556</u>
Investing Activities		
Proceeds from sale of fixed assets	796,500	415,000
Purchase of fixed assets	(207,256,042)	(64,706,268)
Cash used in investing activities	<u>(206,459,542)</u>	<u>(64,291,268)</u>
Financing Activities		
Loan (Net)	242,228,066	(2,865,318)
Dividends	-	-
Finance Lease Obligations (Net)	<u>(2,501,849)</u>	<u>4,352,730</u>

Cash provided by financing activities	<u>239,726,217</u>	<u>1,487,412</u>
Increase in net cash and cash equivalents	129,650,962	30,733,700
Net cash and cash equivalents at beginning of year	<u>120,118,833</u>	<u>126,083,667</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>249,769,795</u>	<u>156,817,367</u>
