

PL 17708

NH-4

Capital Research Company
Statement of Income
U.S. Dollars

	FYE 6/30/03	FYE 6/30/02
OPERATING REVENUES:		
Intercompany Revenues	<u>425,988,243</u>	<u>448,514,732</u>
Total Operating Revenues	<u>425,988,243</u>	<u>448,514,732</u>
OPERATING EXPENSES:		
Employee Compensation	171,138,690	184,857,518
Employee Benefits	10,238,017	9,776,942
Facilities and Communications	10,440,425	9,109,974
Computer Costs	4,297,212	5,067,961
Professional and Outside Services	1,860,451	1,466,927
Sales and Dealer Expenses	2,611	2,353
Travel and Business Meetings	4,873,851	4,710,367
Other Operating Expenses	453,555	446,885
Intercompany Expenses	<u>29,661,985</u>	<u>29,475,750</u>
Total Operating Expenses	<u>232,966,797</u>	<u>244,914,677</u>
Income From Operations	<u>193,021,446</u>	<u>203,600,055</u>
OTHER INCOME & EXPENSE		
Interest Income - Net	12,078,696	12,226,334
Gain/(Loss) on Investments and Currency	(255,228)	4,999
Money Market Fund Dividends	<u>1,160,886</u>	<u>1,368,408</u>
Total Other Income & Expense	<u>12,984,354</u>	<u>13,599,741</u>
Income Before Taxes	206,005,800	217,199,796
Income Taxes	(81,965,028)	(86,349,144)
NET INCOME	<u><u>124,040,772</u></u>	<u><u>130,850,652</u></u>



Capital Research Company
Balance Sheet
As of June 30, 2003
U.S. Dollars

	<u>As of 6/30/03</u>	<u>As of 6/30/02</u>
ASSETS		
Current Assets:		
Cash and Investment Securities Available for Sale	323,848,229	293,342,152
Intercompany Receivables	47,216,257	38,624,079
Receivables - Other	4,649,702	4,410,284
Prepaid Expenses	132,162	138,973
Total Current Assets	<u>375,846,350</u>	<u>336,515,488</u>
Property at Cost:		
Furniture and Fixtures	4,446,016	3,052,220
Land and Buildings	44,680,771	4,336,184
Leasehold Improvements	27,658,529	24,352,664
Personal Computers	1,346,332	1,421,504
Hardware and Software	1,219,247	1,202,811
Work in Process	-	-
Sub-Total Property at Cost	<u>79,350,895</u>	<u>34,365,383</u>
Accumulated Depreciation and Amortization	<u>(16,617,382)</u>	<u>(11,876,050)</u>
Total Property - Net	<u>62,733,513</u>	<u>22,489,333</u>
Other Assets:		
Deposits and Sundry Assets	2,352,301	2,102,716
Deferred Income Tax Benefit	5,298,863	4,054,883
Total Other Assets	<u>7,651,164</u>	<u>6,157,599</u>
TOTAL ASSETS	<u><u>446,231,027</u></u>	<u><u>365,162,420</u></u>
LIABILITIES AND EQUITY		
Current Liabilities:		
Intercompany Payables	21,405,600	14,430,816
Accounts Payable - Other	200,147	106,340
Accrued Compensation and Employee Benefits	6,623,392	7,135,844
Accrued Income Taxes	4,407,285	3,730,382
Short Term Note Payable	28,772,058	-
Other Accrued Expense and Deferrals	1,537,566	972,112
Total Current Liabilities	<u>62,946,048</u>	<u>26,375,494</u>
Accrued Postretirement Benefit	1,920,659	1,589,980
Total Liabilities	<u>64,866,707</u>	<u>27,965,474</u>
Equity:		
Capital Stock from Affiliate	1,000	1,000
Paid-in Surplus from Affiliate	1,500	1,500
Retained Earnings	374,839,926	330,799,154
Net Unrealized Appreciation on Investment	6,521,894	6,395,292
Total Equity	<u>381,364,320</u>	<u>337,196,946</u>
TOTAL LIABILITIES AND EQUITY	<u><u>446,231,027</u></u>	<u><u>365,162,420</u></u>