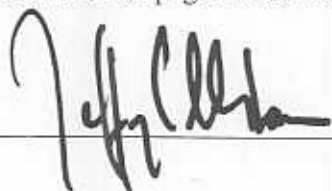


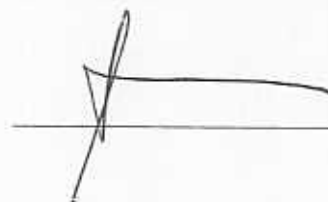
**PULSE INVESTMENTS LIMITED**

Balance Sheet  
September 30, 2007

	<u>Notes</u>	<u>30/9/07</u>	<u>Audited</u> <u>30/6/07</u>	<u>30/9/06</u>	<u>Audited</u> <u>30/6/06</u>
<b>Current assets</b>					
Bank Balances		5,183,112	1,642,923	10,206	9,148
Trade and other receivables		38,933,372	50,423,729	25,476,394	39,842,482
Advertising entitlements		618,583,806	476,555,876	322,057,680	245,925,797
Unexpired sponsorships in kind		53,641,761	49,698,190	20,398,132	17,918,132
Due from related parties				<u>23,576,005</u>	<u>23,465,071</u>
		<u>716,342,051</u>	<u>578,320,718</u>	<u>391,518,417</u>	<u>327,160,630</u>
<b>Current liabilities</b>					
Bank overdraft		3,744,223	4,500,608	4,586,384	10,214,538
Accounts payable and accrued charges		11,098,101	13,424,222	13,008,559	15,803,300
Due to related parties		17,857,028	12,505,280	39,545,894	36,538,421
Current portion of long-term liabilities		<u>9,111,063</u>	<u>10,795,551</u>	<u>14,273,867</u>	<u>13,185,196</u>
		<u>41,810,415</u>	<u>41,225,662</u>	<u>71,414,704</u>	<u>75,741,455</u>
<b>Net current assets</b>		<u>674,531,636</u>	<u>537,095,057</u>	<u>320,103,713</u>	<u>251,419,175</u>
<b>Non-current assets</b>					
Intangible assets		91,410,000	92,720,000	96,650,000	97,960,000
Property, plant & equipment		<u>334,787,343</u>	<u>335,833,330</u>	<u>338,434,236</u>	<u>338,597,162</u>
		<u>426,197,343</u>	<u>428,553,330</u>	<u>435,084,236</u>	<u>436,557,162</u>
		<u>1,100,728,979</u>	<u>965,648,386</u>	<u>755,187,949</u>	<u>687,976,337</u>
<b>Financed by:</b>					
<b>Stockholders' equity</b>					
Share capital		25,367,036	25,367,036	25,367,036	25,367,036
Share premium		373,188,302	373,188,302	373,188,302	373,188,302
Capital reserve		2,636,853	2,636,853	2,636,853	2,636,853
Retained earnings		<u>665,825,646</u>	<u>530,745,054</u>	<u>331,813,189</u>	<u>264,601,577</u>
		<u>1,067,017,837</u>	<u>931,937,245</u>	<u>733,005,380</u>	<u>665,793,768</u>
<b>Non-current liabilities</b>					
Long-term loans		13,211,154	13,211,154	1,682,581	1,682,581
Preference shares					
Shares		891,304	891,304	891,304	891,304
Share premium		<u>19,608,684</u>	<u>19,608,684</u>	<u>19,608,684</u>	<u>19,608,684</u>
		<u>1,100,728,979</u>	<u>965,648,387</u>	<u>755,187,949</u>	<u>687,085,033</u>

The financial statements on pages 2 to 8 were approved by the Board of Directors on October \_\_\_\_\_ and signed on its behalf by:

 Director

 Director

**PULSE INVESTMENTS LIMITED**

Income Statement  
Quarter ended September 30, 2007

		3 months to	12 months to	3 months to	12 months to
	<u>Notes</u>	<u>30/9/07</u>	<u>30/6/07</u>	<u>30/9/06</u>	<u>30/6/06</u>
Operating revenue		202,856,498	788,791,615	108,156,607	449,011,478
Operating expenses		<u>(67,505,187)</u>	<u>(521,513,976)</u>	<u>(40,087,512)</u>	<u>(325,189,000)</u>
Operating profit		135,351,311	267,277,639	68,069,095	123,822,478
Other income		—	<u>6,958,513</u>	<u>39,000</u>	<u>1,522,170</u>
Profit before net finance costs		134,351,311	274,236,152	68,108,095	125,344,648
Net finance costs		<u>(270,719)</u>	<u>(8,092,676)</u>	<u>(896,483)</u>	<u>(7,797,032)</u>
Net profit attributable to members		135,080,592	266,143,476	67,211,612	117,547,616
Basic earnings per stock unit	8	<u>0.53</u>	<u>1.05</u>	<u>0.26</u>	<u>0.88</u>
Fully diluted earnings per stock unit	8	<u>0.51</u>	<u>1.01</u>	<u>0.25</u>	<u>0.85</u>

The attached notes form an integral part of these financial statements.

**PULSE INVESTMENTS LIMITED**

Statement of Changes in Stockholders' Equity  
 Quarter ended September 30, 2007

	Share Capital	Share premium	Advance in respect of rights issue	Capital reserve	Retained earnings	Total
Balance at June 30, 2006	25,367,036	373,188,302	-	2,636,853	264,601,577	665,793,768
Net profit attributable to members	-	-	-	-	266,143,477	266,143,477
Balance as at June 30, 2007	25,367,036	373,188,302	-	2,636,853	530,745,054	931,937,245
Net profit attributable to members	-	-	-	-	135,080,592	135,080,592
Balance as at September 30, 2007	25,367,036	373,188,302	-	2,636,853	665,825,646	1,067,017,837

**PULSE INVESTMENTS LIMITED**

Statement of Cash Flows  
 Quarter ended September 30, 2007

	3 months to 30/9/07	12 months to 30/6/07	3 months to 30/9/06	12 months to 30/6/06
Cash flows from operating activities				
Net profit attributable to members	135,080,592	266,143,476	67,211,612	117,547,616
Adjustments to reconcile net profit attributable to members to net cash provided/(used) by operating activities:				
Depreciation	1,073,537	4,758,884	1,078,355	4,313,420
Amortization of patents and trademarks	1,310,000	5,240,000	1,310,000	5,240,000
Gain on disposal of property, plant & equipment				(896,657)
Interest expense	184,451	4,521,261	674,689	4,233,417
Operating profit before changes in working capital	137,648,580	280,663,621	70,274,656	130,437,796
(Increase)/decrease in current assets:				
Trade and other receivables	11,490,357	(10,581,247)	14,366,088	(7,684,705)
Due from related company		23,465,071	(110,934)	(2,007,777)
Unexpired sponsorships in kind	(3,943,571)	(31,780,058)	(2,480,000)	(13,441,769)
Advertising entitlements	(142,027,930)	(230,630,079)	(76,131,883)	(118,785,797)
Increase/(decrease) in current liabilities:				
Accounts payable and accrued charges	(4,010,609)	(2,492,772)	(2,794,741)	5,111,071
Due to related party	5,351,748	(24,033,141)	3,007,473	12,029,893
Cash provided/(used) by operating activities	4,508,575	4,611,395	(6,130,659)	5,658,712
Interest paid	(184,451)	(4,407,567)	(674,689)	(3,610,823)
	4,324,124	203,828	5,455,970	2,047,889
<b>Cash flows from investing activities:</b>				
Acquisition of property, plant & equipment	(27,550)	(1,995,052)	(915,427)	(10,501,549)
Proceeds from disposal of property, plant & equipment	-	-	-	1,692,500
Net cash used in investing activities	(27,550)	(1,995,052)	(915,427)	(8,809,049)
<b>Cash Flows from financing activities</b>				
Bank overdraft	(756,385)	(5,713,930)	(5,628,154)	5,194,113
Long-term loans received		15,100,000	1,500,000	3,000,000
Long-term loans repaid		(5,961,071)	(411,331)	(2,197,429)
Net cash provided by financing activities	(756,385)	3,424,999	(4,539,485)	5,996,684
Net (decrease)/ increase in cash and cash equivalents	3,540,189	1,633,775	1,058	(764,476)
Cash and cash equivalents at beginning of period	1,642,923	9,148	9,148	773,624
Cash and cash equivalents at end of period	5,183,112	1,642,923	10,206	9,148

The attached notes form an integral part of these financial statements.

## PULSE INVESTMENTS LIMITED

### Notes to the Financial Statements

#### Quarter ended September 30, 2007

#### 1. The company

The company was incorporated in Jamaica under the Companies Act on August 6, 1993 and is domiciled in Jamaica. It commenced trading on November 1, 1993.

The principal activities of the company are model agency representation, multi-media production, marketing, show promotion and sub-letting of leasehold properties. The registered office of the company is located at 38a Trafalgar Road, Kingston 10, Jamaica.

On June 30, 2005 Pulse Investments Limited (PIL) entered into an agreement with Pulse Entertainment Group Limited (PEGL), a related company, to acquire certain assets and liabilities in PEGL in exchange for shares in PIL.

#### 2. Statement of compliance, basis of preparation and significant accounting policies

##### (a) Statement of compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board (IASB), and comply with the provisions of the Companies Act.

These financial statements have been prepared using the same accounting policies and methods of computation as compared with the audited financial statements for the year ended June 30, 2007.

#### 3. Revenue recognition:

Revenue is recognized in the income statement on the accrual basis, except for sponsorship in kind which is recorded as income, at estimated market value, when activities to be performed by the company in return for the sponsorships or advertising entitlement have been substantially completed.

No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due.

#### 4. Government grants:

An unconditional government grant relating to event promotion is recognized in the income statement as operating income when the grant is received. Grants that compensate the company for expenses incurred are recognized as revenue in the income statement on a systematic basis in the same period in which the expenses are incurred.

#### 5. Advertising entitlements and unexpired sponsorship in kind

Unexpired sponsorship represents in kind services which have not been utilized and are recorded at estimated market value. The unexpired portion is carried forward and written off in the following year.

	<u>30/9/07</u>	<u>30/6/07</u>	<u>30/9/06</u>	<u>30/6/06</u>
Opening balance	526,254,066	263,843,929	263,843,929	131,616,363
Sponsorships received	191,885,501	890,992,437	103,641,513	518,170,104
Amount recognized in income	<u>(45,415,000)</u>	<u>(666,910,870)</u>	<u>(25,029,876)</u>	<u>(385,942,538)</u>
	672,225,567	526,254,066	342,455,812	263,843,929

**PULSE INVESTMENTS LIMITED**

Notes to the Financial Statements

Quarter ended September 30, 2007

**6. Bank overdraft**

The bank overdraft is secured by a bill of sale over a motor vehicle owned by a director and an unlimited personal guarantee from that director.

**7. Operating revenue**

Operating revenue comprises income from television entitlements, market sponsorships, model agency representation, government grants, income from subletting of leasehold properties and ticket sales.

**8. Earnings per stock unit**

Basic and fully diluted earnings per share are calculated based on the net profit for the period attributable to members of \$135,080,592 (2006: 67,211,211) and the number of shares of 253,670,362 and 262,583,405 ordinary and ordinary cumulative convertible redeemable preference shares in issue, respectively.