

JAMAICA PUBLIC SERVICE COMPANY LIMITED

CONDENSED BALANCE SHEET AS AT SEPTEMBER 30, 2008

{Unaudited results in J\$ thousand}

	Sep-08	Sep-07	{Audited} Dec-07
CURRENT ASSETS			
Cash and cash equivalents	558,585	1,700,776	1,529,373
Accounts receivable	19,098,918	12,675,506	14,408,639
Tax recoverable	190,477	176,477	178,550
Inventories	3,563,670	2,641,928	2,827,839
	<u>23,411,650</u>	<u>17,194,687</u>	<u>18,944,401</u>
CURRENT LIABILITIES			
Payables and provisions	10,457,833	7,017,596	10,518,609
Bank overdraft	385,942	-	32,812
Taxation payable	189,502	634,016	-
Short-term loans	5,740,788	1,760,291	1,412,353
Current portion of long-term loans	481,621	466,618	467,983
Due to related companies	13,983	11,386	334
	<u>17,269,669</u>	<u>9,889,907</u>	<u>12,432,091</u>
WORKING CAPITAL	6,141,981	7,304,780	6,512,310
NON-CURRENT ASSETS			
Property, plant & equipment	50,107,592	43,356,283	44,659,565
Employee benefits asset	2,052,769	1,849,608	1,894,600
	<u>58,302,342</u>	<u>52,510,671</u>	<u>53,066,475</u>
Financed by:			
SHAREHOLDERS' EQUITY			
Share capital	11,744,730	11,744,730	11,744,730
Capital reserve	15,115,101	12,149,058	12,429,982
Retained earnings	4,889,894	4,623,223	4,301,973
	<u>31,749,725</u>	<u>28,517,011</u>	<u>28,476,685</u>
NON-CURRENT LIABILITIES			
Customer deposits	2,430,214	2,323,276	2,363,095
Long-term loans	15,294,814	15,232,865	15,274,206
Deferred taxation	7,336,298	5,145,686	5,649,309
Employee benefits obligations	1,491,291	1,291,833	1,303,180
	<u>58,302,342</u>	<u>52,510,671</u>	<u>53,066,475</u>

ON BEHALF OF THE BOARD



Damian Obiglio
President & CEO



Gary Osborne
Chief Financial Officer

JAMAICA PUBLIC SERVICE COMPANY LIMITED

**STATEMENT OF EARNINGS (CONDENSED) FOR THE
NINE MONTH PERIOD ENDED SEPTEMBER 30, 2008**

{Unaudited results in J\$ thousand}

	Quarter ending,		Nine months ended,	
	Sep-08 JS'000	Sep-07 JS'000	Sep-08 JS'000	Sep-07 JS'000
Operating revenue	21,526,277	14,053,795	56,899,119	38,708,307
Cost of sales:				
Fuel	(15,661,177)	(8,692,868)	(39,210,808)	(22,625,800)
Purchased power (excluding fuel)	(1,222,958)	(1,262,829)	(3,977,297)	(3,798,689)
	<u>(16,884,135)</u>	<u>(9,955,697)</u>	<u>(43,188,105)</u>	<u>(26,424,489)</u>
Gross profit	4,642,142	4,098,098	13,711,014	12,283,818
Operating expenses:				
Selling, general & administrative expenses	(1,194,360)	(1,038,077)	(3,588,119)	(3,178,080)
Maintenance expenses	(1,397,270)	(1,229,474)	(4,264,012)	(3,651,403)
	<u>(2,591,630)</u>	<u>(2,267,551)</u>	<u>(7,852,131)</u>	<u>(6,829,483)</u>
Operating profit before depreciation, net finance costs, other expenses and taxation	2,050,512	1,830,547	5,858,883	5,454,335
Depreciation and amortisation expenses	<u>(905,526)</u>	<u>(830,639)</u>	<u>(2,649,021)</u>	<u>(2,419,785)</u>
Operating profit before net finance costs, other expenses and taxation	1,144,986	999,908	3,209,862	3,034,550
Net financing costs	(697,184)	(981,321)	(2,032,506)	(2,179,117)
Other expenses, net	<u>(37,544)</u>	<u>(434,342)</u>	<u>(518,115)</u>	<u>(949,080)</u>
Profit before taxation	410,258	(415,755)	659,241	(93,647)
Taxation credit/(expense)	<u>(27,450)</u>	<u>216,831</u>	<u>(92,851)</u>	<u>190,473</u>
Net profit/(loss) for the period	<u><u>382,808</u></u>	<u><u>(198,924)</u></u>	<u><u>566,390</u></u>	<u><u>96,826</u></u>
Earnings per share/stock unit:				
Number of share/stock units [in thousands]	<u>21,828,195</u>	<u>21,828,195</u>	<u>21,828,195</u>	<u>21,828,195</u>
Net profit/(loss) per share/stock unit (annualised)	<u>7.01</u>	<u>(3.65)</u>	<u>3.46</u>	<u>0.59</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED

**CASH FLOW STATEMENT (CONDENSED) FOR THE
NINE MONTH PERIOD ENDED SEPTEMBER 30, 2008**

{Unaudited results in J\$ thousand}

	Sep-08	Sep-07
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	566,390	96,826
Adjustments for non-cash items:		
Depreciation and amortisation	2,649,021	2,419,785
Unrealised foreign exchange losses	535,959	784,195
Interest accrued	1,643,963	1,526,094
Interest capitalized during construction	(167,139)	(77,417)
Taxation (credit)/expense	92,851	(190,473)
Employee benefits, net	29,942	(69,953)
Others	(25,284)	(89,451)
	<u>5,325,703</u>	<u>4,399,606</u>
Increase/(decrease) in working capital:		
Accounts receivable	(4,701,327)	(2,104,635)
Inventories	(735,831)	(491,868)
Payables and provisions	292,308	2,066,536
Customer deposits	67,119	138,244
Due to related companies	13,649	(30,881)
Interest paid	(1,951,752)	(1,821,851)
Taxes withheld	(11,927)	(7,213)
Net cash provided/(used) by operating activities	<u>(1,702,058)</u>	<u>2,147,938</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	61,745	111,246
Purchase of property, plant & equipment	(2,578,989)	(1,826,444)
Net cash used by investing activities	<u>(2,517,244)</u>	<u>(1,715,198)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term loans obtained, net	4,201,585	702,153
Long-term loans repaid, net	(445,571)	(425,111)
Dividends paid	(860,630)	(1,711,371)
Increase/(decrease) in bank overdraft	353,130	-
Net cash provided/(used) by financing activities	<u>3,248,514</u>	<u>(1,434,329)</u>
Net increase/(decrease) in cash & cash equivalents	(970,788)	(1,001,589)
Cash and cash equivalents at beginning of year	1,529,373	2,702,365
Cash and cash equivalents at end of year	<u>558,585</u>	<u>1,700,776</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2008**

{Unaudited results in J\$ thousand}

	<u>Share Capital</u>	<u>Capital Reserve</u>	<u>Retained Earnings</u>	<u>TOTAL</u>
Balance as at December 31, 2006	11,744,730	10,559,173	5,447,884	27,751,787
Revaluation surplus	-	3,569,654	-	3,569,654
Deferred tax on revaluation surplus	-	(1,189,885)	-	(1,189,885)
Realised revaluation surplus	-	(789,884)	789,884	-
	<u>11,744,730</u>	<u>12,149,058</u>	<u>6,237,768</u>	<u>30,131,556</u>
Net profit for the period	-	-	96,826	96,826
Ordinary dividends paid	-	-	(1,711,244)	(1,711,244)
Preference dividends paid	-	-	(127)	(127)
Balance as at September 30, 2007	<u>11,744,730</u>	<u>12,149,058</u>	<u>4,623,223</u>	<u>28,517,011</u>
Balance as at December 31, 2007	11,744,730	12,429,982	4,301,973	28,476,685
Revaluation surplus	-	5,350,920	-	5,350,920
Deferred tax on revaluation surplus	-	(1,783,640)	-	(1,783,640)
Realised revaluation surplus	-	(882,161)	882,161	-
	<u>11,744,730</u>	<u>15,115,101</u>	<u>5,184,134</u>	<u>32,043,965</u>
Net profit for the period	-	-	566,390	566,390
Ordinary dividends paid	-	-	(860,503)	(860,503)
Preference dividends paid	-	-	(127)	(127)
Balance as at September 30, 2008	<u>11,744,730</u>	<u>15,115,101</u>	<u>4,889,894</u>	<u>31,749,725</u>

	<u>Sep-08</u>	<u>Sep-07</u>
Net gains for the period	<u>4,133,670</u>	<u>2,476,595</u>
Amount recognised directly in equity	<u>3,567,280</u>	<u>2,379,769</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED
NOTES TO THE ABRIDGED FINANCIAL STATEMENTS
(UNAUDITED) SEPTEMBER 30, 2008

1. Corporate structure and nature of business

The company is incorporated in Jamaica and is an 80% subsidiary of Maru Energy JPSCO (Barbados) SRL, formerly Mirant JPSCO (Barbados) SRL, which is incorporated in Barbados. The registered office of the company is situated at 6 Knutsford Boulevard, Kingston 5, Jamaica, W. I., and its preference shares are listed on the Jamaica Stock Exchange. The ultimate holding company is Marubeni Corporation, which is incorporated in Japan.

On August 9, 2007, Mirant Corporation sold its 80% shareholding in the Jamaica Public Service Company Limited to Marubeni Caribbean Power Holdings, Inc., a wholly owned subsidiary of Marubeni Corporation of Japan. Marubeni Caribbean Power Holdings, Inc. is incorporated in Delaware and is headquartered in Marietta, Georgia, U.S.A.

A further 19.9% of the issued ordinary shares/stock units is held by the Accountant General and the Development Bank of Jamaica on behalf of the Government of Jamaica (GOJ) collectively, and the remaining 0.1% is held by individuals. In accordance with a Shareholder's Agreement dated March 23, 2001 (amended July 16, 2001) between GOJ and Mirant Corporation and adopted by Marubeni Corporation on July 9, 2007, the majority shareholder has the right to appoint six members of the Board of Directors while the GOJ has the right to appoint three. Additionally, certain significant decisions of the Board of Directors require a unanimous vote of the appointed Directors.

The principal activities of the company are generating, transmitting, distributing and supplying electricity in accordance with the terms of the All-Island Electric Licence, 2001 (the Licence), granted on March 30, 2001, by the Minister of Mining and Energy.

2. Regulatory arrangements and tariff structure

The Licence authorises the company to supply electricity for public and private purposes within the Island of Jamaica, subject to regulation by the Office of Utilities Regulation (OUR) established pursuant to the Office of Utility Regulation Act, 1995, and as subsequently amended, with power and authority to require observance and performance by the company of its obligations under the Licence, and to regulate the rates charged by the company.

Under the provisions of the Licence, the company is granted the exclusive right to transmit, distribute and supply electricity throughout the Island of Jamaica for a period of twenty years and to develop new generation capacity within the first three years from the effective date of the Licence. Since the expiration of this initial three year period, the company has the right, together with other persons, to compete for the right to develop new generation capacity. The Licence was extended in August 2007 for an additional period of six years upon the sale of the company by Mirant Corporation to Marubeni Corporation.

Schedule 3 of the Licence defines the rates for electricity and the mechanism for rate adjustments.

Under the Licence, the rates for electricity consist of a Non-Fuel Base Rate, which is adjusted annually using the Performance Based Rate-making Mechanism; and a Fuel Rate, which is adjusted monthly to reflect fluctuations in actual fuel costs, net of adjustments for prescribed efficiency targets. Both rates (fuel and non-fuel) are adjusted monthly to account for movements in the monetary exchange rate between the United States (US) dollar and the Jamaica dollar.

JAMAICA PUBLIC SERVICE COMPANY LIMITED
NOTES TO THE ABRIDGED FINANCIAL STATEMENTS
(UNAUDITED) SEPTEMBER 30, 2008

2. Regulatory arrangements and tariff structure (cont'd)

These rates are determined in accordance with the tariff regime, which provides that the OUR annually reviews the company's efficiency levels (system losses and heat rate) and, where appropriate, adjusts these in the tariff, primarily relating to fuel revenues. Under the rate schedule the company should recover its actual fuel costs, net of the prescribed efficiency adjustments, through its Fuel Rate.

As of May 31, 2004, and thereafter, on each succeeding fifth anniversary, the company must submit a filing to the OUR for further rate adjustments to its Non-Fuel Base Rate. The rate filing, which requires OUR approval, is based on a test year and includes defined "efficient" non-fuel operating costs, depreciation expenses, taxes, and a fair return on investment.

Embedded in the OUR approved tariff is an amount to be set aside monthly in case of a major catastrophe affecting the company's operations (transfer to self-insurance sinking fund).

3. Statement of compliance, basis of preparation and significant accounting policies

The unaudited interim financial statements are 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.

The interim 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 December 31, 2007. The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The interim statements are presented in Jamaica dollars, which is the currency in which the company conducts the majority of its operations (functional currency); and are prepared under the historical cost basis, modified for the inclusion of specialised plant and equipment carried at valuation.

The interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements for the year ended December 31, 2007.

4. Cash and cash equivalents

As at September 30, 2008, cash and cash equivalents include amounts restricted for use amounting to approximately \$501 million (September 2007: \$239 million). This includes approximately \$467 million as at September 30, 2008 (September 2007: \$206 million) in relation to a self-insurance sinking fund administered under the direction of the OUR (see note 2).

JAMAICA PUBLIC SERVICE COMPANY LIMITED
NOTES TO THE ABRIDGED FINANCIAL STATEMENTS
(UNAUDITED) SEPTEMBER 30, 2008

5. Net finance costs

	Quarter ending,		Nine Months ending,	
	Sep-08	Sep-07	Sep-08	Sep-07
	<u>J\$'000</u>	<u>J\$'000</u>	<u>J\$'000</u>	<u>J\$'000</u>
Foreign exchange losses	(184,311)	(478,725)	(535,959)	(784,195)
Other finance costs	(583,126)	(549,147)	(1,714,383)	(1,582,664)
Finance income	70,253	46,551	217,836	187,742
	<u>(697,184)</u>	<u>(981,321)</u>	<u>(2,032,506)</u>	<u>(2,179,117)</u>

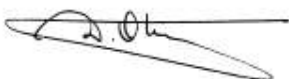
Foreign exchange losses, as shown above, are the result of fluctuations in exchange rates. The relevant period end exchange rates (J\$: US\$) are shown below:

December 31, 2007	70.62	December 31, 2006	67.15
June 30, 2008	71.89	June 30, 2007	68.58
September 30, 2008	<u>72.68</u>	September 30, 2007	<u>70.41</u>

6. Bank overdraft

As at September 30, 2008, a bank overdraft arose on account of unrepresented cheques.

ON BEHALF OF THE BOARD



Damian Obiglio
President & CEO



Gary Osborne
Chief Financial Officer