

PULSE INVESTMENTS LIMITED

Balance Sheet
September 30, 2008

	Notes	<u>30/9/08</u>	<u>Audited</u> <u>30/6/08</u>	<u>30/9/07</u>	<u>Audited</u> <u>30/6/07</u>
Current assets					
Bank Balances and cash		32,647,825	62,416,413	5,183,112	1,642,923
Trade and other receivables		29,580,521	35,825,932	38,933,372	50,423,729
Advertising entitlements		1,108,791,806	924,867,290	618,583,806	476,555,876
Unexpired sponsorships in kind		<u>10,560,686</u>	<u>28,146,144</u>	<u>53,641,761</u>	<u>49,698,190</u>
		<u>1,181,580,838</u>	<u>1,051,255,779</u>	<u>716,342,051</u>	<u>578,320,718</u>
Current liabilities					
Bank overdraft		1,169,424	-	3,744,223	4,500,608
Accounts payable and accrued charges		10,931,931	16,741,979	11,098,101	13,424,222
Due to related parties		46,970,146	29,628,040	17,857,028	12,505,280
Current portion of long-term liabilities		<u>14,598,140</u>	<u>17,103,191</u>	<u>9,111,063</u>	<u>10,795,551</u>
		<u>73,669,641</u>	<u>63,473,210</u>	<u>41,810,415</u>	<u>41,225,662</u>
Net current assets		<u>1,107,911,197</u>	<u>987,782,569</u>	<u>674,531,636</u>	<u>537,095,057</u>
Non-current assets					
Investment Property		99,013,062	59,313,872		
Intangible assets		92,720,000	92,720,000	92,720,000	92,720,000
Property, plant & equipment		<u>352,022,924</u>	<u>353,047,501</u>	<u>334,787,343</u>	<u>335,833,330</u>
		<u>543,755,986</u>	<u>505,081,373</u>	<u>426,197,343</u>	<u>428,553,330</u>
		<u>1,651,667,183</u>	<u>1,492,863,942</u>	<u>1,100,728,979</u>	<u>965,648,387</u>
Financed by:					
Stockholders' equity					
Share capital		152,367,035	152,367,035	25,367,036	25,367,036
Share premium		366,375,604	366,375,604	373,188,302	373,188,302
Capital reserve		2,636,853	2,636,853	2,636,853	2,636,853
Capital redemption reserve		20,499,988	20,499,988		
Retained earnings		<u>1,098,939,598</u>	<u>940,136,357</u>	<u>665,825,646</u>	<u>530,745,054</u>
		<u>1,640,819,078</u>	<u>1,482,015,837</u>	<u>1,067,017,837</u>	<u>931,937,245</u>
Non-current liabilities					
Long-term loans		10,848,105	10,848,105	13,211,154	13,211,154
Preference shares					
Shares		-	-	891,304	891,304
Share premium		-	-	<u>19,608,684</u>	<u>19,608,684</u>
		<u>1,651,667,183</u>	<u>1,492,863,942</u>	<u>1,100,728,979</u>	<u>965,648,387</u>

The financial statements on pages 2 to 8 were approved by the Board of Directors on November 11, 2008 and signed on its behalf by:

Director

Director

PULSE INVESTMENTS LIMITED

Income Statement

Quarter ended September 30, 2008

	<u>Notes</u>	<u>30/9/08</u>	<u>30/6/08</u>	<u>30/9/07</u>	<u>30/6/07</u>
Operating revenue		278,490,711	1,356,745,012	202,856,498	788,791,615
Operating expenses		<u>(120,290,862)</u>	<u>(921,395,893)</u>	<u>(67,505,187)</u>	<u>(521,513,976)</u>
Operating profit		158,199,849	435,349,119	135,351,311	267,277,639
Other income		<u>603,392</u>	<u>3,251,983</u>	_____	<u>6,958,513</u>
Profit before net finance costs		158,803,241	438,601,102	135,351,311	274,236,152
Net finance costs		<u>(0)</u>	<u>(8,709,810)</u>	<u>(270,719)</u>	<u>(8,092,676)</u>
Net profit attributable to members		158,803,241	429,891,292	135,080,592	266,143,476
Basic earnings per stock unit	8	<u>0.58</u>	<u>1.58</u>	<u>0.53</u>	<u>1.05</u>
Fully diluted earnings per stock unit	8	<u>0.58</u>	<u>1.58</u>	<u>0.51</u>	<u>1.01</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, 2008

	Share Capital	Share premium	Capital reserve	Capital redemption 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	-	-	-	20,499,988	429,891,292	429,891,292
Transfer to capital redemption reserve	-	-	-	-	(20,499,988)	(6,812,698)
Cost of rights share issue	-	(6,812,698)	-	-	-	(6,812,698)
Rights share issue Balance at June 30, 2008	<u>126,999,999</u>	<u>366,375,604</u>	<u>2,636,853</u>	<u>20,499,988</u>	<u>940,136,357</u>	<u>1,482,015,837</u>
Net profit attributable to members Balance at September 2008	<u>152,367,035</u>	<u>366,375,604</u>	<u>2,636,853</u>	<u>20,499,988</u>	<u>1,098,939,598</u>	<u>1,58,803,241</u> <u>1,640,819,078</u>

PULSE INVESTMENTS LIMITED**Statement of Cash Flows**
Quarter ended September 30, 2008

	<u>30/9/08</u>	<u>30/6/08</u>	<u>30/9/07</u>	<u>30/6/07</u>
Cash flows from operating activities				
Net profit attributable to members	158,803,241	429,891,292	135,080,592	266,143,476
Adjustments to reconcile net profit attributable to members to net cash provided/(used) by operating activities:				
Depreciation	1,811,510	4,903,475	1,073,537	4,758,884
Amortization of patents and trademarks	-	-	1,310,000	5,240,000
Gain on foreign exchange		147,746		
Interest expense	<u>150,885</u>	<u>5,418,253</u>	<u>184,451</u>	<u>4,521,261</u>
Operating profit before changes in working capital	160,765,636	440,360,766	137,648,580	280,663,621
(Increase)/decrease in current assets:				
Trade and other receivables	6,245,411	14,597,797	11,490,357	(10,581,247)
Due from related company		-		23,465,071
Unexpired sponsorships in kind	17,585,458	21,552,046	(3,943,571)	(31,780,058)
Advertising entitlements	(183,924,516)	(448,311,414)	(142,027,930)	(230,630,079)
Increase/(decrease) in current liabilities:				
Accounts payable and accrued charges	(5,810,048)	3,317,757	(4,010,609)	(2,492,772)
Due to related party	<u>17,342,106</u>	<u>17,122,760</u>	<u>5,351,748</u>	<u>(24,033,141)</u>
Cash provided / (used) by operating activities	12,204,047	48,639,712	4,508,575	4,611,395
Interest paid	<u>(150,885)</u>	<u>(5,136,261)</u>	<u>(184,451)</u>	<u>(4,407,567)</u>
	12,053,162	43,503,451	4,324,124	203,828
Cash flows from investing activities:				
Acquisition of property, plant & equipment	(486,123)	(22,017,408)	(27,550)	(1,995,052)
Acquisition of investment properties	<u>(40,000,000)</u>	<u>(59,414,110)</u>	<u>-</u>	<u>-</u>
Net cash used in investing activities	<u>(40,486,123)</u>	<u>(81,431,518)</u>	<u>(27,550)</u>	<u>(1,995,052)</u>
Cash Flows from financing activities				
Bank overdraft	1,169,424	(4,500,608)	(756,385)	(5,713,930)
Loans received	1,655,600	17,135,189		15,100,000
Loans repaid	(4,160,651)	(13,620,337)		(5,961,071)
Preference shares redeemed		(20,499,988)		
Rights share issue		126,999,999		
Cost of rights share issue		<u>(6,812,698)</u>		
Net cash provided by financing activities	<u>(1,335,627)</u>	<u>98,701,557</u>	<u>(756,385)</u>	<u>3,424,999</u>
Net (decrease)/ increase in cash and cash equivalents	(29,768,588)	60,773,490	3,540,189	1,633,775
Cash and cash equivalents at beginning of period	<u>62,416,413</u>	<u>1,642,923</u>	<u>1,642,923</u>	<u>9,148</u>
Cash and cash equivalents at end of period	<u>32,647,825</u>	<u>62,416,413</u>	<u>5,183,112</u>	<u>1,642,923</u>

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

PULSE INVESTMENTS LIMITED

Notes to the Financial Statements

Quarter ended September 30, 2008

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 advertising entitlements and 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>30/9/08</u>	<u>30/6/08</u>	<u>30/9/07</u>	<u>30/6/07</u>
Opening balance	953,013,434	526,254,066	526,254,066	263,843,929
Sponsorships received	266,711,922	1,622,729,463	191,885,501	890,992,437
Amount recognized in income	<u>(100,372,864)</u>	<u>(1,195,970,095)</u>	<u>(45,415,000)</u>	<u>(666,910,870)</u>
	1,119,352,492	953,013,434	672,225,567	526,254,066

PULSE INVESTMENTS LIMITED

Notes to the Financial Statements

Quarter ended September 30, 2008

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 \$158,803,241 (2007: 135,080,592) and the weighted average number of shares of 271,789,683 (2007: 253,670,362) and 271,789,683 (2007: 262,583,405) ordinary and ordinary cumulative convertible redeemable preference shares in issue, respectively.