

**JAMAICA PUBLIC SERVICE COMPANY LIMITED**

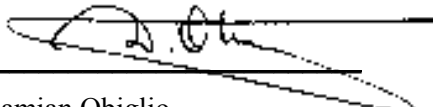
**STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2011**


{Unaudited results in US\$ thousand}

	Mar-11	Mar-10	{Audited} Dec-10
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	27,296	25,549	23,215
Accounts receivable	256,928	197,885*	229,905
Tax recoverable	1,227	2,617*	1,191
Inventories	54,917	50,049	51,593
	<u>340,368</u>	<u>276,100</u>	<u>305,904</u>
<b>CURRENT LIABILITIES</b>			
Payables and provisions	124,767	96,273	128,696
Corporation tax payable	3,834	3,125	11,290
Short-term loans	24,704	48,246	26,641
Current portion of long-term loans	22,331	23,047	24,317
Due to related companies	227	515	41
	<u>175,863</u>	<u>171,206</u>	<u>190,985</u>
<b>WORKING CAPITAL</b>	164,505	104,894	114,919
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	646,611	630,341	650,933
Employee benefits asset	22,884	22,386	22,307
	<u>834,000</u>	<u>757,621</u>	<u>788,159</u>
Financed by:			
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	261,918	261,918	261,918
Capital reserve	41,357	41,357	41,357
Retained earnings	103,892	105,882	92,496
	<u>407,167</u>	<u>409,157</u>	<u>395,771</u>
<b>NON-CURRENT LIABILITIES</b>			
Customer deposits	30,392	26,833	28,833
Long-term loans	324,548	249,584	292,279
Deferred taxation	63,023	63,376	63,023
Employee benefit obligations	8,870	8,671	8,253
	<u>834,000</u>	<u>757,621</u>	<u>788,159</u>

\* Restated to conform to current year's presentation.

**ON BEHALF OF THE BOARD**

  
 \_\_\_\_\_  
 Damian Obiglio  
 President & CEO (Authorised Representative)

  
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 Beverly Lopez  
 Director

**JAMAICA PUBLIC SERVICE COMPANY LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE  
PERIOD ENDED MARCH 31, 2011**

{Unaudited results in US\$ thousand}

	Quarter ending,		Year Ended
	Mar-11	Mar-10	{Audited}
	<u>US\$'000</u>	<u>US\$'000</u>	<u>Dec-10</u>
			<u>US\$'000</u>
Operating revenue	266,745	223,192	942,567
Cost of Sales:			
Fuel	(166,741)	(139,909)	(578,379)
Purchased power (excluding fuel)	( 21,651)	( 17,267)	( 71,843)
	<u>(188,392)</u>	<u>(157,176)</u>	<u>(650,222)</u>
Gross Profit:	78,353	66,016	292,345
Operating Expenses:			
Selling, general & administrative expenses	( 19,078)	( 14,759)	( 67,110)
Maintenance expenses	( 19,865)	( 18,184)	( 85,937)
	<u>( 38,943)</u>	<u>( 32,943)</u>	<u>(153,047)</u>
Operating profit before depreciation, net finance costs, other expenses and taxation	39,410	33,073	139,298
Depreciation and amortisation expenses	<u>( 11,884)</u>	<u>( 11,218)</u>	<u>( 46,015)</u>
Operating profit before net finance costs, other expenses and taxation	27,526	21,855	93,283
Net finance costs	( 10,152)	( 7,851)	( 31,388)
Other (expenses)/income, net	( 283)	84	( 3,522)
Profit Before Taxation	17,091	14,088	58,373
Taxation expense	<u>( 5,695)</u>	<u>( 4,696)</u>	<u>( 18,364)</u>
Net Profit For The Period	<u>11,396</u>	<u>9,392</u>	<u>40,009</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>
Net profit per share/stock unit (annualised)	<u>0.21</u>	<u>0.17</u>	<u>0.18</u>

**JAMAICA PUBLIC SERVICE COMPANY LIMITED**

**STATEMENT OF CASH FLOWS (CONDENSED) FOR THE  
PERIOD ENDED MARCH 31, 2011**

{Unaudited results in US\$ thousand}

	<b>Mar-11</b>	<b>Mar-10</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit for the period	11,396	9,392
Adjustments for non-cash items:		
Depreciation and amortisation	11,884	11,218
Unrealised foreign exchange losses/(gains)	690	( 840)
Interest accrued	8,847	8,920
Taxation expense	5,695	4,696
Interest capitalized during construction	( 377)	( 366)
Employee benefits, net	40	( 118)
Others	(258)	( 9)
	<u>37,917</u>	<u>32,893</u>
Increase/(decrease) in working capital:		
Accounts receivable	(27,171)	23,140
Inventories	( 3,324)	242
Payables and provisions	14,188	(12,142)
Corporation tax paid	(13,151)	(11,282)
Customer deposits	1,559	( 1,086)
Due to related companies	111	436
<b>Net cash (used)/provided by operating activities</b>	<u>10,129</u>	<u>32,201</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	370	362
Purchase of property, plant & equipment	( 7,185)	( 5,696)
<b>Net cash used by investing activities</b>	<u>( 6,815)</u>	<u>( 5,334)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short-term loans repaid, net	( 1,937)	388
Long-term loans obtained, net	29,954	( 1,712)
Interest paid	(14,050)	(14,060)
Dividends paid	(13,200)	( 1,996)
<b>Net cash provided/(used) by financing activities</b>	<u>767</u>	<u>( 17,380)</u>
Net increase in cash & cash equivalents	4,081	9,487
Cash and cash equivalents at beginning of year	23,215	16,062
<b>Cash And Cash Equivalents At End Of Period</b>	<u>27,296</u>	<u>25,549</u>

**JAMAICA PUBLIC SERVICE COMPANY LIMITED**

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE PERIOD ENDED MARCH 31, 2011**

{Unaudited results in US\$ thousand}

	<u>Share Capital</u>	<u>Capital Reserve</u>	<u>Retained Earnings</u>	<u>TOTAL</u>
Balance as at December 31, 2009	261,918	41,357	96,490	399,765
Net profit for the period	-	-	9,392	9,392
Balance as at March 31, 2010	261,918	41,357	105,882	409,157
Balance as at December 31, 2010	261,918	41,357	92,496	395,771
Net profit for the period	-	-	11,396	11,396
Balance as at March 31, 2011	261,918	41,357	103,892	407,167

	<u>Mar-11</u>	<u>Mar-10</u>
Net gains for the period	<u>11,396</u>	<u>9,392</u>
Amount recognised directly in equity	<u>-</u>	<u>-</u>

**JAMAICA PUBLIC SERVICE COMPANY LIMITED**  
**NOTES TO THE ABRIDGED FINANCIAL STATEMENTS**  
**(UNAUDITED) MARCH 31, 2011**

1. Corporate structure and nature of business

The company is incorporated in Jamaica and is an 80% subsidiary of MaruEnergy JPSCO (Barbados) SRL, formerly Mirant JPSCO (Barbados) SRL, which is incorporated in Barbados. MaruEnergy JPSCO (Barbados) SRL is wholly owned by Marubeni TAQA Caribbean Limited (MTC), formally MaruEnergy Caribbean Limited, which is incorporated in the Bahamas. On March 18, 2009, MTC became jointly owned by Marubeni Corporation, which is incorporated in Japan, and Abu Dhabi National Energy Company PJSC (TAQA), which is incorporated in the United Arab Emirates, upon the sale by Marubeni Corporation of one-half of its shareholding in MTC to TAQA. On January 13, 2011 TAQA re-sold its 50% ownership in MTC to Marubeni Corporation, resulting in Marubeni Corporation reverting to its 80% ownership of the company.

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, and TAQA on March 18, 2009, the majority shareholder (MTC) 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.

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.

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) MARCH 31, 2011**

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 applied in preparing the financial statements for the year ended December 31, 2010. 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 United States dollars, which is the currency in which the company conducts the majority of its business, (its functional currency); and are prepared under the historical cost basis, modified for the inclusion of land carried at valuation. The revaluation policy was modified in 2008 with the discontinuation of the practice of carrying specialised assets at valuation. In accordance with IAS 8 these policy changes were implemented retrospectively.

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, 2010.

4. Cash and cash equivalents

As at March 31, 2011, cash and cash equivalents include amounts restricted for use amounting to approximately \$14.1 million (March 2010: \$9.9 million). This includes approximately \$13.7 million as at March 2011 (March 2010: \$9.6 million) in relation to a self-insurance sinking fund administered under the direction of the OUR (see note 2).

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**NOTES TO THE ABRIDGED FINANCIAL STATEMENTS**  
**(UNAUDITED) MARCH 31, 2011**

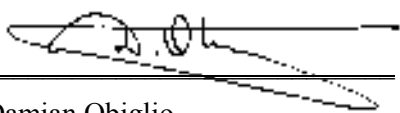
5. Net finance costs

	<b>Quarter ending,</b>	
	<b>Mar-11</b>	<b>Mar-10</b>
	<b><u>US\$'000</u></b>	<b><u>US\$'000</u></b>
Foreign exchange (gain)/losses	( 690)	840
Other finance costs	(10,097)	(9,361)
Finance income	<u>635</u>	<u>670</u>
	<u>(10,152)</u>	<u>(7,851)</u>

Foreign exchange gains and 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, 2009	<u>89.60</u>	March 31, 2010	<u>89.51</u>
December 31, 2010	<u>85.86</u>	March 31, 2011	<u>85.75</u>

**ON BEHALF OF THE BOARD**


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 Damian Obiglio  
 President & CEO (Authorised Representative)


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 Beverly Lopez  
 Director