

JAMAICA PUBLIC SERVICE COMPANY LIMITED

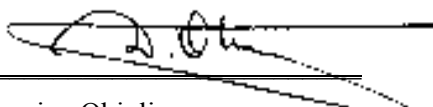
STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2011

{Unaudited results in US\$ thousand}


	Sept-11	Sept-10	{Audited} Dec-10
CURRENT ASSETS			
Cash and cash equivalents	42,085	22,420	23,215
Accounts receivable	277,774	226,820*	229,905
Tax recoverable	504	1,167*	1,191
Inventories	58,807	55,772	51,593
	<u>379,170</u>	<u>306,179</u>	<u>305,904</u>
CURRENT LIABILITIES			
Payables and provisions	122,653	113,148	128,696
Taxation payable	4,474	10,077	11,290
Short-term loans	10,000	13,641	26,641
Current portion of long-term loans	22,918	23,400	24,317
Due to related companies	282	80	41
	<u>160,327</u>	<u>160,346</u>	<u>190,985</u>
WORKING CAPITAL	218,843	145,833	114,919
NON-CURRENT ASSETS			
Property, plant & equipment	660,842	641,068	650,933
Employee benefits asset	23,963	24,417	22,307
	<u>903,648</u>	<u>811,318</u>	<u>788,159</u>
Financed by:			
SHAREHOLDERS' EQUITY			
Share capital	261,918	261,918	261,918
Capital reserve	41,357	41,357	41,357
Retained earnings	107,290	107,247	92,496
	<u>410,565</u>	<u>410,522</u>	<u>395,771</u>
NON-CURRENT LIABILITIES			
Customer deposits	32,431	28,964	28,833
Long-term loans	387,666	301,735	292,279
Deferred taxation	63,596	61,630	63,023
Employee benefits obligations	9,390	8,467	8,253
	<u>903,648</u>	<u>811,318</u>	<u>788,159</u>

*Restated to conform to current year's presentation.

ON BEHALF OF THE BOARD



 Damian Obiglio
 President & CEO (Authorised Representative)



 Beverly Lopez
 Director

JAMAICA PUBLIC SERVICE COMPANY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME FOR THE
PERIOD ENDED SEPTEMBER 30, 2011**

{Unaudited results in US\$ thousand}

	Quarter ended,		Nine months ended,	
	Sept-11 <u>US\$'000</u>	Sept-10 <u>US\$'000</u>	Sept-11 <u>US\$'000</u>	Sept-10 <u>US\$'000</u>
Operating revenue	300,268	241,511	868,805	701,223
Cost of sales:				
Fuel	(205,644)	(145,794)	(573,492)	(435,545)
Purchased power (excluding fuel)	(20,598)	(18,326)	(62,590)	(53,329)
	<u>(226,242)</u>	<u>(164,120)</u>	<u>(636,082)</u>	<u>(488,874)</u>
Gross profit	74,026	77,391	232,723	212,349
Operating expenses:				
Selling, general & administrative expenses	(21,051)	(20,111)	(62,571)	(52,374)
Maintenance expenses	(23,121)	(20,927)	(66,277)	(61,222)
	<u>(44,172)</u>	<u>(41,038)</u>	<u>(128,848)</u>	<u>(113,596)</u>
Operating profit before depreciation, net finance costs, other expenses and taxation	29,854	36,353	103,875	98,753
Depreciation and amortisation expenses	<u>(12,179)</u>	<u>(11,517)</u>	<u>(35,896)</u>	<u>(33,981)</u>
Operating profit before net finance costs, other expenses and taxation	17,675	24,836	67,979	64,772
Net financing costs	(9,880)	(9,054)	(28,788)	(19,536)
Other income/(expenses), net	1,507	154	2,204	(5,143)
Profit before taxation	9,302	15,936	41,395	40,093
Taxation expense	<u>(3,446)</u>	<u>(5,307)</u>	<u>(14,100)</u>	<u>(14,333)</u>
Net profit for the period	<u>5,856</u>	<u>10,629</u>	<u>27,295</u>	<u>25,760</u>

Earnings per share/stock unit:				
Number of share/stock units [in thousands]	<u>21,828,192</u>	<u>21,828,195</u>	<u>21,828,195</u>	<u>21,828,195</u>
Net profit per share/stock unit (annualised)	<u>0.11</u>	<u>0.19</u>	<u>0.17</u>	<u>0.16</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED

**STATEMENT OF CASH FLOWS (CONDENSED) FOR THE
PERIOD ENDED SEPTEMBER 30, 2011**

{Unaudited results in US\$ thousand}

	Sept-11	Sept-10
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	27,295	25,760
Adjustments for non-cash items:		
Depreciation and amortisation	35,896	33,981
Unrealised foreign exchange losses	154	609
Interest accrued	26,376	28,251
Interest capitalized during construction	(1,194)	(1,032)
Taxation expense	14,100	14,333
Employee benefits, net	(519)	(2,353)
Others	1,664	(792)
	103,772	98,757
Increase/(decrease) in working capital:		
Accounts receivable	(47,244)	(4,378)
Inventories	(7,214)	(5,406)
Payables and provisions	8,560	781
Taxation payable	(20,344)	(15,715)
Customer deposits	3,598	1,045
Due to related companies	241	(74)
Taxes withheld	-	(240)
Net cash provided by operating activities	41,369	74,770
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	1,160	989
Purchase of property, plant & equipment	(44,611)	(38,520)
Net cash used by investing activities	(43,451)	(37,531)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term loans repaid, net	(16,641)	(34,217)
Long-term loans obtained, net	91,073	50,033
Interest paid	(30,033)	(32,698)
Dividends paid	(23,447)	(13,999)
Net cash provided/(used) by financing activities	20,952	(30,881)
Net increase in cash & cash equivalents	18,870	6,358
Cash and cash equivalents at beginning of year	23,215	16,062
Cash and cash equivalents at end of year	42,085	22,420

JAMAICA PUBLIC SERVICE COMPANY LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD ENDED SEPTEMBER 30, 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	-	-	25,760	25,760
Ordinary dividends	-	-	(15,000)	(15,000)
Preference dividends paid	-	-	(3)	(3)
Balance as at September 30, 2010	<u>261,918</u>	<u>41,357</u>	<u>107,247</u>	<u>410,522</u>
Balance as at December 31, 2010	261,918	41,357	92,496	395,771
Net profit for the period	-	-	27,295	27,295
Ordinary dividends	-	-	(12,500)	(12,500)
Preference dividends paid	-	-	(1)	(1)
Balance as at September 30, 2011	<u>261,918</u>	<u>41,357</u>	<u>107,290</u>	<u>410,565</u>

	<u>Sept-11</u>	<u>Sept-10</u>
Net gains for the period	<u>27,295</u>	<u>25,760</u>
Amount recognised directly in equity	<u>-</u>	<u>-</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED
NOTES TO THE ABRIDGED FINANCIAL STATEMENTS
(UNAUDITED) SEPTEMBER 30, 2011

1. Corporate structure and nature of business

The Company is incorporated in Jamaica. On July 26, 2011, MaruEnergy JPSCO 1 SRL which had an 80% controlling interest in the Company, sold one half its shareholding to Korea East-West Power Co., Ltd., resulting in MaruEnergy JPSCO 1 SRL and EWP (Barbados) 1 SRL (a subsidiary of Korea East-West Power Co., Ltd) each owning 40% of the company's shares. MaruEnergy JPSCO (Barbados) SRL, is incorporated in Barbados and is ultimately owned by Marubeni Corporation, and EWP (Barbados) 1 SRL is incorporated in Barbados and is ultimately owned by Korea East-West Power Co., Ltd. which is incorporated in Korea and is ultimately owned by the Korea Electric Power Corporation.

A further 19.9% of the issued ordinary shares/stock units are 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) SEPTEMBER 30, 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 September 30, 2011, cash and cash equivalents include amounts restricted for use amounting to approximately \$18.9 million (September 2010: \$13.4 million). This includes approximately \$16.6 million (September 2010: \$12.4 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) SEPTEMBER 30, 2011

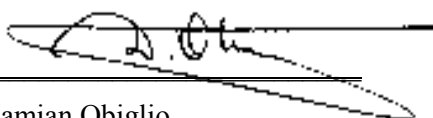
5. Net finance costs

	Quarter ended,		Nine months ended,	
	Sept-11	Sept-10	Sept-11	Sept-10
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Foreign exchange (gain)/losses	(1,146)	1,574	(1,942)	8,961
Other finance costs	(9,593)	(11,288)	(29,137)	(30,426)
Finance income	859	660	2,291	1,929
	<u>(9,880)</u>	<u>(9,054)</u>	<u>(28,788)</u>	<u>(19,536)</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>	September 30, 2010	<u>86.25</u>
June 30, 2010	<u>86.02</u>	June 30, 2011	<u>85.91</u>
December 31, 2010	<u>85.86</u>	September 30, 2011	<u>86.30</u>

ON BEHALF OF THE BOARD



 Damian Obiglio
 President & CEO (Authorised Representative)



 Beverly Lopez
 Director