

**THE JAMAICA STOCK EXCHANGE LIMITED
AND ITS' SUBSIDIARIES**



HIGHLIGHTS FOR THE YEAR ENDED DECEMBER 31, 2011

The Directors are pleased to present the audited results for the Jamaica Stock Exchange and the JSE Group for the financial year ended December 31, 2011. The JSE Group comprises the Jamaica Stock Exchange, its wholly owned subsidiary Jamaica Central Securities Depository and the Jamaica Central Securities Depository's subsidiary, JCSD Trustee Services.

Having completed another challenging year, we look forward to the future with optimism and a firm commitment to forge ahead to enhance the value of the Exchange and its subsidiaries, for the benefit of all stakeholders.

The Financial Highlights of the Group are:

- Net Surplus derived from Operations – Distributable of \$33.9 million (2010: \$8.7 million)
- Net Surplus of Compensation Fund of \$16.4 million (2010: \$28.7 million)
- Increase in Total Assets of \$97.9m during the year
- Earnings Per Share of \$1.21 (2010 \$0.31)

STATEMENT OF COMPREHENSIVE INCOME

Net Profit After Tax

For the year 2011 the Group returned a surplus after taxation of \$50.3 million compared to \$37.4 million in 2010, an increase of 34.5%. The surplus after taxation of \$50.3 million includes surplus after taxation for the compensation fund of \$16.4 million. The surplus after taxation attributable to owners is therefore \$33.9 million and compares to \$8.7 million in 2010, which represents an increase of 288%.

Revenues

The Group showed an increase in all areas of revenue except for investment income, which declined by 25% from \$33.2 million in 2010 to \$24.9 million in 2011, largely as a result of reduced interest rates. Overall Gross Operating Income was \$256.3 million compared to \$199.4 million in 2010, for an increase of 29%. Despite continued low market activity, Cess Revenue increased by 6% during the year. Fee Income for 2011 was \$119.8 million compared to \$74.5 million in 2010; a significant increase of 61%. Other Operating Income increased from \$40.8 million in 2010 to \$43.5 million which represents an increase of 7%. Included in the Group's revenue is \$28.5 million, which was derived from the sale of property, located at 38A Harbour Street and is categorized as "Other Gains".

Expenses

Total Operating Expenses for the year amounted to \$265.4 million compared to \$216.4 million in 2010, which represents an increase of 23%. Including in staff cost are the effects of IAS 19 adjustments to the calculated retirement benefits. In 2010 a credit of \$34.5 million was applied as compared to \$3.4 million in 2011. Actual Staff Cost reflected an increase of 10% over 2010 when the IAS 19 adjustments are excluded from both years.

Subsidiaries

The results of the JCSD and its Subsidiary showed a net profit after tax of \$21.3 million compared to \$6.1 million in 2010, which represents an increase of 249%. The Companies Gross Operating Income increased from \$56.3 million in 2010 to \$97.9 million in 2011 largely due to the \$40.4m or 114% increase in Fee Income, comprised mostly of fees for pledges services.

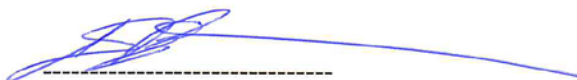
STATEMENT OF FINANCIAL POSITION

The JSE Group's Statement of Financial Position has strengthened when compared to the previous period. Total Assets increased by \$97.9 million moving from \$1,135.7 million in 2010 to \$1,233.6 million in 2011. Current Assets at \$359.7 million exceed Current Liabilities by 6.32 times. The Group continues to enhance its technology, as is reflected in the increase in Intangible asset by \$11.6 million and most of which is attributable to the Exchange's new trading and settlement software platforms. The new systems have provided greater efficiency throughout the market and will facilitate the future implementation of new products and services. Total Equity increased by \$58 million or 6% moving from \$994.4 million to \$1,052.4 million over the financial year.

The Group will continue to work with the Government, the Financial Services Commission, the brokerage community and other key stakeholders to increase the number of investment products offered to the market in order to satisfy the demand of the market, to attract new investors and, by extension, to broaden the Group's revenue base. The Group will also continue to promote the market through conferences, workshops, competitions and outreach activities. The Exchange continues to work with member-dealers and potential listed companies to grow the number of listings on the Main and Junior Markets and it is expected that barring changes in the economic climate or other government policy that could impact on the market, there will be an increase in the number of companies listed on the markets in the near future.



Donovan Perkins
Chairman



Dian Black
Audit & Finance Committee Chairman