

**JAMAICA PUBLIC SERVICE COMPANY LIMITED**

**STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2012**

{Unaudited results in US\$ thousand}

	Mar-12	Mar-11	{Audited} Dec-11
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	46,590	27,296	9,764
Accounts receivable	264,368	255,832*	273,047
Tax recoverable	333	1,227	320
Inventories	62,593	54,917	60,132
	<u>373,884</u>	<u>339,272</u>	<u>343,263</u>
<b>CURRENT LIABILITIES</b>			
Payables and provisions	147,048	124,767	148,872
Corporation tax payable	(1,195)	3,834	4,149
Short-term loans	20,000	24,704	-
Current portion of long-term loans	49,621	22,331	49,493
Due to related companies	742	227	912
	<u>216,216</u>	<u>175,863</u>	<u>203,426</u>
<b>WORKING CAPITAL</b>	157,668	163,409	139,837
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	655,370	652,924*	661,104
Employee benefits asset	27,457	22,884	27,180
Other asset	4,846	1,096*	4,738
	<u>845,341</u>	<u>840,313</u>	<u>832,859</u>
Financed by:			
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	261,918	261,918	261,918
Capital reserve	20,043	41,357	20,043
Retained earnings	85,286	110,205*	89,158
	<u>367,247</u>	<u>413,480</u>	<u>371,119</u>
<b>NON-CURRENT LIABILITIES</b>			
Customer deposits	32,331	30,392	31,058
Long-term loans	370,739	324,548	356,295
Deferred taxation	65,337	63,023	65,337
Employee benefit obligations	9,687	8,870	9,050
	<u>845,341</u>	<u>840,313</u>	<u>832,859</u>

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

**ON BEHALF OF THE BOARD**

Hisatsugu Hirai  
Director

Sang Kie Cho  
Director

**JAMAICA PUBLIC SERVICE COMPANY LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE  
PERIOD ENDED MARCH 31, 2012**

{Unaudited results in US\$ thousand}

	Three months ending,		Year Ended
	Mar-12 <u>US\$'000</u>	Mar-11 <u>US\$'000</u>	{Audited} Dec-11 <u>US\$'000</u>
Operating revenue	290,225	266,745	1,153,396
Cost of Sales:			
Fuel	(206,229)	(166,741)	(765,947)
Purchased power (excluding fuel)	(19,885)	(21,651)	( 80,180)
	<u>(226,114)</u>	<u>(188,392)</u>	<u>(846,127)</u>
Gross Profit:	64,111	78,353	307,269
Operating Expenses:			
Selling, general & administrative expenses	(12,982)	(19,078)	( 81,897)
Maintenance expenses	(25,870)	(19,865)	( 87,284)
	<u>(38,852)</u>	<u>(38,943)</u>	<u>(169,181)</u>
Operating profit before depreciation, net finance costs,			
other expenses and taxation	25,259	39,410	138,088
Depreciation and amortisation expenses	(12,509)	(11,884)	( 48,373)
Operating profit before net finance costs, other expenses and taxation	12,750	27,526	89,715
Net finance costs	(11,293)	(10,152)	( 39,213)
Other income /(expenses), net	234	(283)	2,709
Profit Before Taxation	1,691	17,091	53,211
Taxation expense	( 563)	(5,695)	( 18,860)
<b>Net Profit For The Period</b>	<b>1,128</b>	<b>11,396</b>	<b>34,351</b>

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>0.02</u>	<u>0.21</u>	<u>0.18</u>

**JAMAICA PUBLIC SERVICE COMPANY LIMITED**

**STATEMENT OF CASH FLOWS (CONDENSED) FOR THE  
PERIOD ENDED MARCH 31, 2012**

{Unaudited results in US\$ thousand}

	<b>Mar-12</b>	<b>Mar-11</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit for the period	1,128	11,396
Adjustments for non-cash items:		
Depreciation and amortisation	12,509	11,884
Unrealised foreign exchange losses/(gains)	139	690
Interest accrued	(371)	(377)
Taxation expense	9,097	8,847
Interest capitalized during construction	563	5,695
Employee benefits, net	360	40
Others	566	322
	<u>23,991</u>	<u>38,497</u>
Increase/(decrease) in working capital:		
Accounts receivable	8,430	(27,171)
Inventories	(2,461)	(3,324)
Payables and provisions	674	14,188
Corporation tax paid	(5,907)	(13,151)
Customer deposits	1,273	1,559
Due to related companies	68	111
Net cash (used)/provided by operating activities	<u>26,068</u>	<u>10,709</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	376	370
Purchase of property, plant & equipment	(6,404)	( 7,185)
Net cash used by investing activities	<u>(6,028)</u>	<u>( 6,815)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short-term loans repaid, net	20,000	( 1,937)
Long-term loans obtained, net	13,619	29,374
Interest paid	(13,054)	(14,050)
Dividends paid	( 3,779)	(13,200)
Net cash provided/(used) by financing activities	<u>16,786</u>	<u>187</u>
Net increase in cash & cash equivalents	36,826	4,081
Cash and cash equivalents at beginning of year	9,764	23,215
Cash And Cash Equivalents At End Of Period	<u>46,590</u>	<u>27,296</u>

**JAMAICA PUBLIC SERVICE COMPANY LIMITED**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE PERIOD ENDED MARCH 31, 2012**

{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, 2010	261,918	41,357	98,809	402,084
Net profit for the period	-	-	11,396	11,396
Balance as at March 31, 2011	261,918	41,357	110,205	413,480
Balance as at December 31, 2011	261,918	20,043	89,158	371,119
Net profit for the period	-	-	1,128	1,128
Dividends	-	-	(5,000)	(5,000)
Balance as at March 31, 2012	261,918	20,043	85,286	367,247

	<u>Mar-12</u>	<u>Mar-11</u>
Net gains for the period	<u>1,128</u>	<u>11,396</u>
Amount recognised directly in equity	<u>-</u>	<u>-</u>

**JAMAICA PUBLIC SERVICE COMPANY LIMITED**  
**NOTES TO THE ABRIDGED FINANCIAL STATEMENTS**  
**(UNAUDITED) MARCH 31, 2012**

1. Corporate structure and nature of business

The company is incorporated in Jamaica. MaruEnergy JPSCO 1 SRL and EWP (Barbados) 1 SRL each has 40% interest in the company's shares. MaruEnergy JPSCO I SRL, is incorporated in Barbados and is ultimately owned by Marubeni Corporation. EWP (Barbados) 1 SRL is incorporated in Barbados and is ultimately owned by the Korea Electric Power Corporation.

A further 19.9% of the issued ordinary shares 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 the majority shareholders have 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, 2012**

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, 2011. 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, 2011.

4. Cash and cash equivalents

As at March 31, 2012, cash and cash equivalents include amounts restricted for use amounting to approximately \$19.5 million (March 2011: \$14.1 million). This includes approximately \$19.1 million (March 2011: \$13.7 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) MARCH 31, 2012**

5. Net finance costs

	<b>Three months ending,</b>	
	<b>Mar-12</b>	<b>Mar-11</b>
	<b><u>US\$'000</u></b>	<b><u>US\$'000</u></b>
Foreign exchange gain/(losses)	( 1,991)	( 690)
Other finance costs	( 9,921)	(10,097)
Finance income	<u>619</u>	<u>635</u>
	<u>( 11,293)</u>	<u>(10,152)</u>

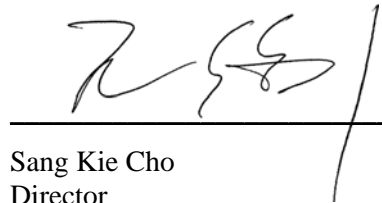
Foreign exchange gains and losses, as shown above, are the result of fluctuations in exchange rates. The relevant period end exchange rates (J\$: US\$) are shown below:

December 31, 2010	<u>85.86</u>	March 31, 2011	<u>85.75</u>
December 31, 2011	<u>86.60</u>	March 31, 2012	<u>87.30</u>

**ON BEHALF OF THE BOARD**



Hisatsugu Hirai  
Director



Sang Kie Cho  
Director