

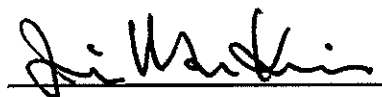
JAMAICA PUBLIC SERVICE COMPANY LIMITED

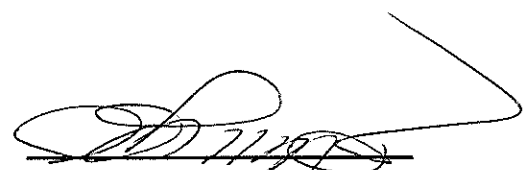
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2014

{Unaudited results in US\$ thousand}

	Dec-14	{Audited} Dec-13
CURRENT ASSETS		
Cash and cash equivalents	7,736	3,854
Restricted cash	27,147	21,642
Accounts receivable	168,803	186,877
Tax recoverable	395	1,568
Inventories	33,114	40,871
	237,195	254,812
CURRENT LIABILITIES		
Bank overdraft	-	1,938
Payables and provisions	153,096	189,456
Taxation payable	3,402	-
Current portion of long-term loans	54,917	37,492
Due to related companies, net	1,243	627
	212,658	229,513
WORKING CAPITAL	24,537	25,299
NON-CURRENT ASSETS		
Property, plant & equipment	704,037	708,448
Employee benefits asset	20,445	20,389
Other asset	3,998	4,606
Long-term receivables	847	1,447
	753,864	760,189
Financed by:		
SHAREHOLDERS' EQUITY		
Share capital	261,786	261,786
Capital reserve	4,145	19,901
Retained earnings	72,550	47,066
	338,481	328,753
NON-CURRENT LIABILITIES		
Customer deposits	25,732	26,827
Long-term loans	316,160	326,442
Shareholder's loan	2,000	2,000
Preference shares	27,688	27,688
Deferred taxation	35,685	39,917
Employee benefits obligations	7,244	6,908
Deferred revenue	874	1,654
	753,864	760,189

ON BEHALF OF THE BOARD


 Jin Won Kim Chairman


 Tatsuya Ozono Director

JAMAICA PUBLIC SERVICE COMPANY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME FOR THE
PERIOD ENDED DECEMBER 31, 2014**

{Unaudited results in US\$ thousand}

	Quarter ended,		Twelve months ended,	
	Dec-14 US\$'000	Dec-13 US\$'000	Dec-14 US\$'000	Dec-13 US\$'000
Operating revenue	224,000	280,529	1,022,874	1,099,383
Cost of sales	(154,023)	(206,658)	(750,166)	(833,015)
Gross profit	69,977	73,871	272,708	266,368
Operating expenses	(49,738)	(47,306)	(191,807)	(192,433)
Operating profit	20,239	26,565	80,901	73,935
Finance costs	(12,343)	(14,347)	(55,198)	(61,777)
Other income	(624)	2,368	1,918	2,716
Other expenses	(199)	(256)	(1,773)	(2,632)
Profit before taxation	7,073	14,330	25,848	12,242
Taxation expense	5,894	(3,748)	(364)	(3,054)
Net profit for the period	12,967	10,582	25,484	9,188
Other Comprehensive Income:				
Revaluation deficit	(15,756)	-	(15,756)	-
Remeasurement loss on defined benefit plan	-	(3,317)	-	(3,317)
Tax on remeasurement loss	-	1,106	-	1,106
Total Comprehensive Income	(2,789)	8,371	9,728	6,977

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>	<u>21,828,195</u>
Net profit per share/stock unit (annualised)	<u>0.24</u>	<u>0.19</u>	<u>0.12</u>	<u>0.04</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED

**STATEMENT OF CASH FLOWS (CONDENSED) FOR THE
PERIOD ENDED DECEMBER 31, 2014**

{Unaudited results in US\$ thousand}

	Dec-14	Dec-13
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	25,484	9,188
Adjustments for non-cash items:		
Depreciation and amortisation	54,077	49,168
Unrealised foreign exchange loss/(gain)	5,151	(6,374)
Unrealised fair value loss/(gain)	-	(1,232)
(Gain)/loss on disposal of property, plant and equipment	(21)	-
Interest capitalized	(524)	(1,450)
Interest expense	42,501	41,460
Taxation expense	4,596	-
Deferred tax (income)/expense	(4,232)	1,948
Employee benefits, net	(1,891)	(3,701)
Restricted cash	(5,505)	(2,793)
Others	(269)	1,857
	119,367	88,071
Increase/(decrease) in working capital:		
Accounts receivable	14,715	14,311
Inventories	8,424	2,393
Payables and provisions	(35,889)	8,430
Taxes paid	(46)	(4,010)
Due to related companies	616	(378)
Customer deposits and advances	(736)	222
Net cash provided by operating activities	106,451	109,039
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,795	1,750
Sales proceeds from asset disposals	30	-
Purchase of property, plant & equipment	(65,574)	(69,023)
Other asset	608	1,191
Net cash used by investing activities	(63,141)	(66,082)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term loans received/(repaid), net	-	(25,000)
Long-term loans received/(repaid), net	5,875	(29,920)
Interest paid	(43,365)	(40,170)
Preference shares issued	-	27,556
Net cash used by financing activities	(37,490)	(67,534)
Net increase/(decrease) in cash & cash equivalents	5,820	(24,577)
Cash and cash equivalents at beginning of year	1,916	26,493
Cash and cash equivalents at end of year	7,736	1,916

JAMAICA PUBLIC SERVICE COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2014

{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, 2012	261,786	19,901	40,089	321,776
Comprehensive income for the year	-	-	6,977	6,977
Balance as at December 31, 2013	<u>261,786</u>	<u>19,901</u>	<u>47,066</u>	<u>328,753</u>
Balance as at December 31, 2013	261,786	19,901	47,066	328,753
Comprehensive income for the year	-	(15,756)	25,484	9,728
Balance as at December 31, 2014	<u>261,786</u>	<u>4,145</u>	<u>72,550</u>	<u>338,481</u>

	<u>Dec-14</u>	<u>Dec-13</u>
Net gains for the period	<u>9,728</u>	<u>6,977</u>

JAMAICA PUBLIC SERVICE COMPANY LIMITED
NOTES TO THE ABRIDGED FINANCIAL STATEMENTS
(UNAUDITED) DECEMBER 31, 2014

1. Corporate structure and nature of business

Jamaica Public Service Company Limited (“the Company”) is incorporated and domiciled in Jamaica as a limited liability company and is owned by MaruEnergy JPSCO 1 SRL and EWP (Barbados) 1 SRL each holding 40% interest in the Company’s shares, with the Government of Jamaica holding 19.9% and private individuals 0.1%. MaruEnergy JPSCO I SRL, is incorporated in Barbados and is ultimately owned by Marubeni Corporation which is incorporated in Japan. EWP (Barbados) 1 SRL is incorporated in Barbados and is ultimately owned by the Korea Electric Power Corporation which is incorporated in South Korea.

The Government of Jamaica’s ownership in the Company is held collectively through the Accountant General’s Department and the Development Bank of Jamaica Limited. 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 June 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) DECEMBER 31, 2014

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 June 1, 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, 2013. 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 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, 2013.

JAMAICA PUBLIC SERVICE COMPANY LIMITED
NOTES TO THE ABRIDGED FINANCIAL STATEMENTS
(UNAUDITED) DECEMBER 31, 2014

4. JPS' Operating Licence

On July 30, 2012, the Supreme Court ruled that the exclusivity provision in the license granted to JPS in 2001 is not valid. The judge ruled that while the Minister of Mining and Energy has the authority to grant a license to an operator to supply power to the entire island, he does not have the power to grant a license upon terms that bar the possibility of any other person entering the market for the transmission of electricity.

Subsequent to the year end, on January 16, 2015, the 2012 Supreme Court ruling was overturned by the Court of Appeal. This indicates that the Minister of Mining and Energy is able to grant the exclusive all island licence and is not prevented from considering all other licence applications to provide electricity.

5. Cash and cash equivalents

As at December 31, 2014, cash and cash equivalents include amounts restricted for use amounting to approximately \$27.1 million (Dec-13: \$21.6 million). This includes approximately \$26.6 million (Dec-13: \$21.1 million) in relation to a self-insurance sinking fund administered under the direction of the OUR (see note 2).

6. Net Finance costs

	Quarter ended,		Twelve months ended,	
	Dec-14	Dec-13	Dec-14	Dec-13
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Foreign exchange losses	(2,181)	(3,908)	(13,304)	(21,114)
Fair value gain on interest rate swap	-	1,232	-	1,232
Other finance costs	(9,953)	(11,527)	(41,344)	(43,885)
Preference dividends	(673)	(664)	(2,672)	(1,075)
Finance income	464	520	2,122	3,065
	<u>(12,343)</u>	<u>(14,347)</u>	<u>(55,198)</u>	<u>(61,777)</u>

Foreign exchange losses, as shown above, are the result of fluctuations in exchange rates primarily on the settlement of J\$ accounts receivables and borrowings that are denominated in currencies other than the US Dollar. The relevant period end exchange rates (J\$: US\$) are shown below:

March 31, 2013	<u>98.89</u>	March 31, 2014	<u>109.57</u>
June 30, 2013	<u>101.38</u>	June 30, 2014	<u>112.20</u>
September 30, 2013	<u>103.60</u>	September 30, 2014	<u>112.67</u>
December 31, 2013	<u>106.38</u>	December 31, 2014	<u>114.66</u>

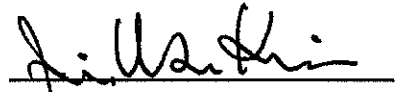
JAMAICA PUBLIC SERVICE COMPANY LIMITED
NOTES TO THE ABRIDGED FINANCIAL STATEMENTS
(UNAUDITED) DECEMBER 31, 2014

7. Compliance with debt covenants

Under the terms of the long term loan agreements with certain international development financial institutions, the Company is required to maintain a certain financial covenant relating to minimum Debt to Earnings before Interest Tax Depreciation and Amortization.

The Company was fully compliant with all its loan covenant obligations as at December 31, 2014.

ON BEHALF OF THE BOARD



Jin Won Kim

Chairman



Tatsuya Ozono

Director