

PEGASUS HOTELS OF JAMAICA LIMITED 1996

REPORT OF THE DIRECTORS

Your Directors submit to you, the members, their Twenty-Eighth Annual Report, together with the Audited Accounts of the Company for the year ended 31 March 1996.

Financial Statements

The operating profit for the year under review is \$84.717M and after accounting for depreciation, interest income and taxation the net profit is \$27.794M. Details of the results are set out in the Audited Accounts on Pages 8 to 10 and in the notes to the Financial Statements.

Capital Reserve

The balance on the Capital Reserve as of 31 March 1996 is \$863.404M and on the Revenue Reserve \$38.529M.

Bonus Issue

The bonus issue of one for every seventeen stock units held which you approved at the ExtraOrdinary General Meeting held on March 18, 1996 was

issued to stockholders on the Register of Members as at 28 March 1996. This was issued out of profits in order to take advantage of Income Tax Incentives for the year ended 31 March 1996. A further issue of \$14,863,066 representing one (1) new share for every six (6) stock units held is being recommended by your Directors.

Directors

The names of the Directors are shown on Page 1. In accordance with the Articles of Association of the Company two elected Directors Mr. Edward C. Ashenheim and Mr. Christopher D. Bovell retire at this Annual General Meeting and being eligible are recommended for re-election.

Auditors

Price Waterhouse have expressed their willingness to continue in office and a resolution will be proposed authorizing the Directors to fix their remuneration.

BY ORDER OF THE BOARD

E. JOYCE CHANG
SECRETARY

DATED THIS 30TH DAY OF APRIL, 1996
