

PEGASUS HOTELS OF JAMAICA LIMITED 1998

REPORT OF THE DIRECTORS

Your Directors submit to you, the members, their Thirtieth Annual Report, together with the Audited Accounts of the Company for the year ended 31 March 1998.

Financial Statements

The operating profit for the year under review is \$33.317M and after accounting for depreciation, interest income, taxation and exceptional items of \$11.036M the net loss is \$13.73M. Details of the results are set out in the Audited Accounts and in the Notes to the Financial Statements.

Capital Reserve

The balance on the Capital Reserve as of 31 March 1998 is \$858.294M and on the Revenue Reserve \$10.466M.

Dividend

No dividend can be recommended due to the net losses.

Directors

The names of the Directors are shown heretofore. In accordance with the Articles of Association of the Company the elected Directors, Mr. Christopher D. Bovell and Mr. John Joseph Issa retire at the 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 04TH DAY OF MAY, 1998.
