

PAN-JAMAICAN INVESTMENT TRUST LIMITED
and its subsidiaries

30 September 2005

Your Directors are pleased to report that for the nine months ended 30 September 2005, Profit Attributable to Stockholders amounted to \$1,895 million compared to \$889 million for the corresponding period of the previous year, an increase of \$1,006 million or 113%. There was a similar increase of 113% in fully diluted earnings per stock unit, which rose to \$10.92 compared to \$5.12 for 30 September 2004. These results include gain arising from the transfer of our Insurance and Banking operations from First Jamaica Investments Limited to Life of Jamaica (LOJ) of \$1.23 million net of minority interest.

The profit for the period excluding this gain, as well as a gain arising on dilution of stockholding in associated company, at \$625 million, was marginally lower than the \$629 million reported for the corresponding period of 2004. These flat earnings were largely attributable to the disappointing performance of Hardware & Lumber Limited (H&L) whose contribution to our earnings for the year to date decreased by 60%. The board of H&L has mandated changes that will address the twin problems of high inventory levels and high expenses ratios, which currently are adversely affecting the Company's performance.

Conversely, First Jamaica Investments Limited's main operating subsidiary, Jamaica Property Company Limited, continued to produce satisfactory results – operating at occupancy levels in excess of 95%, its income improved by 18%. Moreover, we are encouraged by the performance of our Group's new associate company, LOJ, which at year to date has increased its earnings per stock unit by 35%. We therefore remain confident that LOJ will make an increasingly significant contribution to the future earnings of our Group.

As at 30 September 2005, the Unaudited Consolidated Balance Sheet records the Stockholders' Funds at \$6 billion. This is an increase of 43% over the \$4.20 billion at 31 December 2004. As Note 3 indicates, this figure of \$6 billion is arrived at using an IFRS 3 fair value price of \$3.80 per stock unit for our stockholding in LOJ. However, if instead, the market value of LOJ stock units as at 30 September 2005 were to be used, the Stockholders' Funds would increase to \$9.1 billion of \$52.06 per stock unit. Clearly, this is a strong indication of the underlying strength of our Group Balance Sheet, which coupled with the quality of our earnings, augurs well for the future.

Maurice W. Facey
Chairman

Stephen B. Facey
President & CEO

PAN-JAMAICAN INVESTMENT TRUST LIMITED
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Unaudited Consolidated Statement of Operations
30 September 2005

| | 3-Months to September 2005 \$'000 | 3-Months to September 2004 \$'000 | 9-Months to September 2005 \$'000 | 9-Months to September 2004 \$'000 |
|---|--|--|--|--|
| Income | | | | |
| Premium income | 2,469 | 462,584 | 9,779 | 1,266,590 |
| Investment income | 42,862 | 170,771 | 135,624 | 387,382 |
| Property | 159,260 | 144,264 | 446,592 | 388,308 |
| Other | <u>75,484</u> | <u>45,687</u> | <u>97,383</u> | <u>67,566</u> |
| | 280,075 | 823,306 | 689,378 | 2,109,846 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Operating Expenses | | | | |
| Policyholders' benefit and other reserves | - | 326,747 | - | 976,452 |
| Commissions | - | 30,978 | - | 72,400 |
| Management and other expenses | 110,298 | 138,364 | 298,724 | 385,590 |
| Interest expense | <u>14,267</u> | <u>4,504</u> | <u>24,138</u> | <u>7,472</u> |
| | 124,565 | 500,593 | 322,862 | 1,441,914 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Operating profit | 155,510 | 322,713 | 366,516 | 667,932 |
| Share of results in associated company before taxation | <u>155,362</u> | <u>149,329</u> | <u>552,196</u> | <u>303,809</u> |
| | 310,872 | 472,042 | 918,712 | 971,741 |
| Taxation | <u>(61,989)</u> | <u>(89,763)</u> | <u>(167,420)</u> | <u>(193,964)</u> |
| Profit from continuing operations | 248,883 | 382,279 | 751,292 | 777,777 |
| Profit from discontinued operations | <u>-</u> | <u>-</u> | <u>98,751</u> | <u>77,055</u> |
| Profit after taxation | 248,883 | 382,279 | 850,043 | 854,832 |
| Minority interest | <u>(67,312)</u> | <u>(81,019)</u> | <u>(224,511)</u> | <u>(225,825)</u> |
| Profit for the period | 181,571 | 301,260 | 625,532 | 629,007 |
| Gain on transfer of insurance and banking operations to associated company (net of minority interest) Note 4 | - | - | 1,231,217 | - |
| Gain on dilution of stockholding in subsidiary (net of minority interest) Note 4 | - | - | - | 259,508 |
| Gain on dilution of stockholding in associated company | <u>-</u> | <u>-</u> | <u>38,496</u> | <u>-</u> |
| Net profit attributable to stockholders | 181,571 | 301,260 | 1,895,245 | 888,515 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Earnings per stock unit | \$1.05 | \$1.74 | \$10.92 | \$5.12 |
| Fully diluted earnings per stock unit | \$0.68 | \$1.74 | \$10.92 | \$5.12 |

PAN-JAMAICAN INVESTMENT TRUST LIMITED
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Unaudited Consolidated Balance Sheet
30 September 2005

| | September 2005 \$'000 | **Audited December 2004 \$'000 | September 2004 \$'000 |
|--|--------------------------------------|---|--------------------------------------|
| ASSETS | | | |
| Cash and Bank Balances | 143,304 | 518,042 | 261,256 |
| Investments | | | |
| Securities | | | |
| Available-for-sale | 1,665,259 | 2,738,635 | 2,610,001 |
| Securities purchased under agreement to resell | 403,738 | 542,014 | 540,057 |
| Short term deposits | - | 4,542 | - |
| Loan and lease receivables | 30,212 | 132,402 | 167,798 |
| Investment properties | 1,926,361 | 1,825,455 | 1,727,068 |
| Investment in associated companies | 4,066,644 | 2,286,059 | 2,187,255 |
| | 8,092,214 | 7,529,107 | 7,232,179 |
| Taxation recoverable | 159,355 | 114,585 | 134,510 |
| Deferred tax assets | 35,876 | 35,450 | 35,955 |
| Other assets | 368,500 | 450,108 | 611,396 |
| Property, plant and equipment | 121,881 | 95,827 | 145,290 |
| Intangible assets | - | 178,014 | 188,160 |
| Retirement benefit assets | 38,136 | 38,136 | 115,606 |
| Segregated funds' assets | - | 88,300 | 80,677 |
| | 8,959,266 | 9,047,569 | 8,805,029 |
| LIABILITIES AND STOCKHOLDERS' FUNDS | | | |
| Stockholders' Funds | | | |
| Stated/Share capital | 185,354 | 17,353 | 17,341 |
| Share premium | - | 168,001 | 165,989 |
| Capital reserve | 2,211,706 | 221,522 | 336,749 |
| Investment and other reserves | 96,787 | 610,238 | 558,244 |
| Retained earning | 3,508,513 | 3,182,081 | 2,946,102 |
| | 6,002,360 | 4,199,195 | 4,024,425 |
| Minority interest | 1,994,439 | 1,365,955 | 1,259,929 |
| Total equity | 7,996,799 | 5,565,150 | 5,284,354 |
| Policyholders' funds | | | |
| Reserves for future policyholders' benefits | - | 927,685 | 892,276 |
| Approved deposit administration funds | - | 771,097 | 736,084 |
| Policyholders' funds on deposit | - | 400,776 | 420,235 |
| Policy dividends on deposit | - | 19,617 | 19,688 |
| | - | 2,119,175 | 2,068,283 |
| Bank overdraft | 3,494 | 14,363 | 37,594 |
| Taxation payable | 34,886 | 110,281 | 75,644 |
| Deferred tax liability | 70,728 | 70,637 | 80,205 |
| Other liabilities | 693,326 | 694,883 | 797,173 |
| Due to related party | - | 8,036 | - |
| Long term loans | 85,732 | 302,443 | 315,006 |
| Retirement benefit obligations | 74,301 | 74,301 | 66,093 |
| Segregated funds' liabilities | - | 88,300 | 80,677 |
| | 8,959,266 | 9,047,569 | 8,805,029 |

PAN-JAMAICAN INVESTMENT TRUST LIMITED
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Unaudited Consolidated Statement of Changes in Stockholders' Funds
Nine months ended September 2005

| | Share Capital | Share Premium | Capital Reserve | Investment and Insurance Reserves | Retained Earning | Total |
|---|--------------------------|--------------------------|----------------------------|--|-----------------------------|--------------|
| Balance at 1 January 2005 | 17,353 | 168,001 | 334,501 | 497,259 | 3,182,081 | 4,199,195 |
| Net profit attributable to stockholders | - | - | - | - | 1,895,245 | 1,895,245 |
| Transfer to Stated Capital | 168,001 | (168,001) | - | - | - | - |
| Unrealised gain on investments | - | - | - | 41,744 | - | 41,744 |
| Transfer between earnings | - | - | 389,252 | (389,252) | - | - |
| Transfer from retained earning | - | - | 1,487,953 | - | (1,487,953) | - |
| Transfer from special insurance reserve | - | - | - | (50,937) | 50,937 | - |
| Transfer from investment reserve | - | - | - | (2,027) | 2,027 | - |
| Dividends paid | - | - | - | - | (133,824) | (133,824) |
| | 185,354 | - | 2,211,705 | 96,788 | 3,508,513 | 6,002,360 |

30 September 2004

| | | | | | | |
|---|--------|---------|---------|----------|-----------|-----------|
| Balance at 1 January 2004 | 17,216 | 165,388 | 336,749 | 367,469 | 2,103,036 | 2,989,858 |
| Unrealised gains on available-for-sale assets | - | - | - | 231,317 | - | 231,317 |
| Realised fair value gains transferred to Consolidated Statement of Operations | - | - | - | (21,840) | - | (21,840) |
| | | | | 576,946 | | 576,946 |
| Net profit attributable to stockholders | - | - | - | - | 888,515 | 888,515 |
| Issue of stock units | 125 | 601 | - | - | - | 726 |
| Transfer from special insurance reserve | - | - | - | (13,389) | 13,389 | - |
| Transfer to retained earnings | - | - | - | (5,313) | 5,313 | - |
| Dividends paid | - | - | - | - | (64,151) | (64,151) |
| | 17,341 | 165,989 | 336,749 | 558,244 | 2,946,102 | 4,024,425 |

PAN-JAMAICAN INVESTMENT TRUST LIMITED
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Unaudited Financial Information by Business Segments
30 September 2005

| | Insurance and Pension Management Services \$'000 | Banking and other Financial Services \$'000 | Investment Property and other \$'000 | Eliminations \$'000 | Total \$'000 |
|---|---|--|---|--------------------------------|-------------------------|
| <u>REVENUE</u> | | | | | |
| External | 501,725 | - | 678,456 | - | 1,180,181 |
| Inter-segment | - | - | 166,122 | (166,122) | - |
| Total revenue | 501,725 | - | 844,578 | (166,122) | 1,180,181 |
| Operating results | 133,765 | - | 500,691 | (139,492) | 494,964 |
| Share of results of associated companies before taxation | | | | | <u>552,196</u> |
| Profit before taxation | | | | | 1,047,160 |
| Taxation | | | | | <u>(197,117)</u> |
| Profit after taxation | | | | | 850,043 |
| Gain on transfer of insurance and banking operations | | | | | 1,687,658 |
| Gain on dilution of shareholding in associated company | | | | | 38,496 |
| Minority interest | | | | | <u>(680,952)</u> |
| Net profit attributable to stockholders | | | | | <u>1,895,245</u> |

30 September 2004

| | | | | | |
|---|-----------|---------|---------|----------|------------------|
| <u>REVENUE</u> | | | | | |
| External | 1,515,295 | 674,893 | 486,048 | - | 2,676,236 |
| Inter-segment | 3,801 | - | 68,010 | (71,811) | - |
| Total revenue | 1,519,096 | 674,893 | 554,058 | (71,811) | 2,676,236 |
| Operating results | 418,111 | 183,946 | 196,070 | (53,140) | 744,987 |
| Share of results of associated companies before taxation | | | | | <u>303,809</u> |
| Profit before taxation | | | | | 1,048,796 |
| Taxation | | | | | <u>(193,964)</u> |
| Profit after taxation | | | | | 854,832 |
| Gain on dilution of stockholding in subsidiary | | | | | 351,913 |
| Minority interest | | | | | <u>(318,230)</u> |
| Net profit attributable to stockholders | | | | | <u>888,515</u> |

PAN-JAMAICAN INVESTMENT TRUST LIMITED
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Unaudited Consolidated Statement of Cash Flows
30 September 2005

| | September 2005 \$'000 | September 2004 \$'000 |
|--|--------------------------------------|--------------------------------------|
| Net profit | 1,895,245 | 888,515 |
| Items not affecting cash | <u>(1,522,399)</u> | <u>(546,061)</u> |
| | 372,846 | 342,454 |
| Changes in non-cash working capital components | <u>305,936</u> | <u>(215,832)</u> |
| Net cash provided by operations | 678,782 | 126,622 |
| Net cash (used in)/from investing activities | (1,022,793) | 4,681 |
| Net cash used in financing activities | <u>(162,676)</u> | <u>(139,672)</u> |
| Net (decrease)/increase in cash and cash equivalents | (506,687) | (8,369) |
| Cash and cash equivalents at beginning of period | <u>1,050,235</u> | <u>712,084</u> |
| Cash and cash equivalents at end of period | 543,548 | 703,715 |
| | ===== | ===== |
| Comprising: | | |
| Cash at bank and in hand | 143,304 | 261,248 |
| Bank loans and overdrafts | (3,494) | (37,594) |
| Short term investments | <u>403,738</u> | <u>480,061</u> |
| | 543,548 | 703,715 |
| | ===== | ===== |

PAN-JAMAICAN INVESTMENT TRUST LIMITED
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1. Unaudited Consolidated Statement of Operations – Discontinued Operations
30 September 2005

| | 9-Months to September 2005 \$'000 | 9-Months to September 2004 \$'000 |
|--|--|--|
| Discontinued operations | | |
| Income | 490,803 | 566,390 |
| Operating expenses | <u>(362,355)</u> | <u>(489,335)</u> |
| Operating profits | 128,448 | 77,055 |
| Taxation | <u>(29,697)</u> | <u>-</u> |
| | <u>98,751</u> | <u>77,055</u> |
| | <u> </u> | <u> </u> |
| 2. The “gain on transfer of Insurance and Banking operations to associated company” represents the Directors best estimate of the quantum of this gain as at the date of the transfer. This figure, which is as yet unaudited, may be subject to adjustment when final settlement is reached with LOJ. | | |
| 3. LOJ issued First Jamaica Investments Limited 919,227,731 new ordinary shares at an IFRS 3 fair value price of \$3.80 per share and, these accounts reflect our resulting 25% holding in LOJ at this price. | | |
| 4. | September 2005 \$'000 | September 2004 \$'000 |
| Gain on transfer of Insurance and Banking operations – (gross) | 1,687,658 | - |
| Gain on dilution of stockholding in subsidiary – (gross) | - | 351,913 |
| Less minority interest | <u>(456,441)</u> | <u>(92,405)</u> |
| | <u>1,231,217</u> | <u>259,508</u> |
| | <u> </u> | <u> </u> |