

**PAN-JAMAICAN INVESTMENT TRUST LIMITED**  
and its subsidiaries

**31 March 2006**

Profit for the three (3) months ending 31 March 2006 from continuing operations amounted to \$262 million (2005: \$204 million), an increase of 28%. Revenues increased by 36% to \$259 million (2005: \$191 million), while expenses increased by 16% to \$97 million (2005: \$84 million). The share of results of associated companies grew from \$112 million in 2005 to \$132 million in 2006 reflecting an 18% increase.

Our 20% investment in Hardware and Lumber Ltd (H&L) was adversely affected by the current cement shortage in Jamaica. Sales fell by 6% to \$1,268 million in 2006 (2005: \$1,354 million) resulting in an 87% reduction in profits to \$3.0 million in 2006 (2005: \$22.9 million). We expect that as the supply of cement improves the profitability of H&L will also improve.

The property division of our subsidiary company First Jamaica Investment limited performed creditably with rental income increasing by 21% and occupancy levels averaging over 95%.

However, net profits for the period amounted to \$193 million (2005: \$224 million) declining moderately by 14%. This was due to the \$98 million profit from discontinued operations that occurred in 2005 and not in 2006.

The unaudited consolidated balance sheet records stockholders' funds at \$6,280 million (2005: \$4,508 million) an increase of 39%. If the market value of Life of Jamaica stock units as at 31 March 2006 were to be used, Stockholders' Funds would increase to \$8,830 million or \$51.00 per stock unit.



Maurice W. Facey  
Chairman



Stephen B. Facey  
President & CEO

**PAN-JAMAICAN INVESTMENT TRUST LIMITED**  
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**Unaudited Consolidated Statement of Operations**  
**Three months ended 31 March 2006**

	<b>3-Months to March 2006 \$'000</b>	<b>Restated 3-Months to March 2005 \$'000</b>
<b>Continuing operations</b>		
<b>Income</b>		
Premium	2,150	3,190
Investments	68,506	33,772
Property	169,626	139,688
Other	<u>18,834</u>	<u>14,740</u>
	259,116	191,390
Operating expenses	<u>(97,241)</u>	<u>(84,350)</u>
<b>Operating profits</b>	161,875	107,040
Interest expense	<u>(6,802)</u>	<u>(2,076)</u>
	155,073	104,964
Share or results of associated companies, (net of taxation)	<u>132,721</u>	<u>112,508</u>
<b>Profit before taxation</b>	287,794	217,472
Taxation	<u>(25,330)</u>	<u>(12,490)</u>
<b>Profit from continuing operations</b>	262,464	204,982
<b>Profit from discontinued operations (Note 1)</b>	<u>-</u>	<u>98,751</u>
<b>Net profit</b>	<u>262,464</u>	<u>303,733</u>
	<u>=====</u>	<u>=====</u>
<b>Attributable to:</b>		
Equity holders of the company	193,202	223,831
Minority interest	<u>69,262</u>	<u>79,902</u>
	262,464	303,733
	<u>=====</u>	<u>=====</u>
<b>Earnings per stock unit attributable to equity holders of the company</b>		
<b>Basic</b>		
Continuing operations	\$1.13	\$0.89
Discontinued operations	-	\$0.42
<b>Fully diluted</b>		
Continuing operations	\$1.13	\$0.89
Discontinued operations	-	\$0.42

# Unaudited Consolidated Balance Sheet

Three months ended 31 March 2006

	<b>Unaudited March 2006 \$'000</b>	<b>Audited December 2005 \$'000</b>	<b>Restated Unaudited March 2005 \$'000</b>
<b>ASSETS</b>			
<b>Cash and Bank Balances</b>	44,820	42,559	326,056
<b>Investments</b>			
Short term deposits	150,739	416,745	46,222
Securities:			
Available-for-sale	1,599,090	1,617,433	2,739,368
Loan and lease receivables	84,371	82,747	133,609
Securities purchased under agreements to resell	391,231	424,828	771,748
Investment properties	2,099,818	2,049,964	1,858,726
Investment in associated companies	4,248,000	4,163,067	2,511,870
	8,573,249	8,754,784	8,061,543
Taxation recoverable	101,944	123,502	125,998
Deferred tax assets	27,993	27,993	35,875
Other assets	262,355	162,502	485,018
Property, plant and equipment	90,809	89,810	108,586
Intangible assets	-	-	174,949
Retirement benefit assets	36,523	36,523	38,136
Segregated funds' assets	-	-	93,623
	<u>9,137,693</u>	<u>9,237,673</u>	<u>9,449,784</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Liabilities</b>			
Bank overdraft	12,955	7,215	3,810
Taxation payable	14,072	77,063	40,418
Deferred tax liability	81,313	81,313	70,728
Retirement benefit liabilities	50,316	50,316	74,301
Due to related party	118,997	135,154	-
Other liabilities	398,802	661,872	729,103
Long term loans	65,146	70,117	288,925
Finance lease liability	8,102	8,474	-
	749,703	1,091,524	1,207,285
Policyholders' funds	-	-	2,164,503
Segregated funds' liabilities	-	-	93,623
<b>Stockholders' Equity</b>			
<b>Capital and Reserves Attributable to the Company's Equity holders</b>			
Stated/Share capital	185,354	185,354	17,353
Share premium	-	-	168,001
Capital redemption reserve	2,176	2,176	2,176
Capital reserve	1,646,435	2,037,242	228,356
Investment and other reserves	615,335	200,559	736,576
Retained earnings	3,854,842	3,695,940	3,374,214
Treasury shares	(18,486)	(18,486)	(18,486)
	6,285,656	6,102,785	4,508,190
<b>Minority interest</b>	<u>2,102,334</u>	<u>2,043,364</u>	<u>1,476,183</u>
<b>Total equity</b>	8,387,990	8,146,149	5,984,373
	<u>9,137,693</u>	<u>9,237,673</u>	<u>9,449,784</u>

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**Unaudited Financial Information by Business Segments**  
**Three months ended 31 March 2006**

	<b>Insurance Services \$'000</b>	<b>Property Management \$'000</b>	<b>Investment Management and Other Services \$'000</b>	<b>Eliminations \$'000</b>	<b>Total \$'000</b>
<b><u>REVENUE</u></b>					
External	2,643	191,295	65,178	-	259,116
Inter-segment	-	1,694	43,065	(44,759)	-
Total revenue	2,643	192,989	108,243	(44,759)	259,116
Operating profit	1,342	90,328	106,806	(36,598)	161,878
Interest expense	-	(805)	(6,000)	-	(6,805)
	1,342	89,523	100,806	(36,598)	155,073
Share of results of associated companies, (net of taxation)					<u>132,721</u>
<b>Profit before taxation</b>					287,794
Taxation					<u>(25,330)</u>
<b>Profit after taxation</b>					262,464
Minority interest					<u>(69,262)</u>
<b>Net profit</b>					<u>193,202</u>
<b>31 March 2005</b>					
<b><u>REVENUE</u></b>					
External	3,540	158,267	29,583	-	191,390
Inter-segment	-	1,031	44,922	(45,953)	-
Total revenue	510,794	159,298	74,505	(45,953)	191,390
Operating profit	769	87,797	55,008	(36,534)	107,040
Interest expense	-	(246)	(1,830)	-	(2,076)
	769	87,551	53,178	(36,534)	104,964
Share of results of associated companies, (net of taxation)					<u>112,508</u>
<b>Profit before taxation</b>					217,472
Taxation					<u>(12,490)</u>
<b>Profit from continuing operations</b>					204,982
<b>Profit from discontinued operations</b>					<u>98,751</u>
					303,733
Minority interest					<u>(79,902)</u>
<b>Net profit</b>					<u>223,831</u>

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**Unaudited Consolidated Statement of Changes in Stockholders' Equity**  
**Three months ended 31 March 2006**

	<b>3-Months to March 2006 \$'000</b>	<b>Restated 3-Months to March 2005 \$'000</b>
Balance at beginning of the period	8,146,149	5,693,819
Unrealised (losses)/gains on available-for-sale assets	(18,905)	52,431
Realised fair value (gains)/losses transferred to Consolidated Statement of Operations	(4,462)	351
Net profit for the period	262,464	303,733
Movement in reserve of associated companies	50,534	(17,714)
Dividends paid	(34,300)	(34,703)
Dividends paid to minority shareholders	<u>(13,490)</u>	<u>(13,544)</u>
Balance at end of the period	<u>8,387,990</u>	<u>5,984,373</u>

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**Unaudited Consolidated Statement of Cash Flows**  
**Three months ended 31 March 2006**

	<b>3-Months to March 2006 \$'000</b>	<b>Restated 3-Months to March 2005 \$'000</b>
Net profit	262,464	303,733
Items not affecting cash	<u>(232,169)</u>	<u>(187,405)</u>
	30,295	116,328
Changes in non-cash working capital components	<u>(12,312)</u>	<u>(18,680)</u>
Net cash provided by operations	17,983	97,648
Net cash from investing activities	12,081	48,589
Net cash used in financing activities	<u>(333,146)</u>	<u>(56,256)</u>
Net (decrease)/increase in cash and cash equivalents	(303,082)	89,981
Cash and cash equivalents at beginning of the period	<u>876,917</u>	<u>1,050,235</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u>573,835</u>	<u>1,140,216</u>
<b>Comprising</b>		
Cash at bank and in hand	44,820	326,056
Short term investments	150,739	46,222
Securities purchased under agreement to resell	391,231	771,748
Overdraft	<u>(12,955)</u>	<u>(3,810)</u>
	<u>573,835</u>	<u>1,140,216</u>

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**Unaudited Consolidated Statement of Discontinued Operations**  
**Three months ended 31 March 2006**

**March**  
**2005**

**Note 1**

**Discontinued Operations**

Income	490,803
Operating expenses	<u>(362,355)</u>
Operating profits	128,448
Taxation	<u>(29,697)</u>
Profit from discontinued operations	<u>98,751</u>