

FIRST JAMAICA INVESTMENTS LIMITED
and its subsidiaries

30 June 2006

The Group's pre-tax profits from its own continuing operations rose from \$208 million for the six (6) months to 30 June 2005 to \$284 million for the six (6) months to 30 June 2006 - an increase of over \$76 million or 37%. These results were partly attributable to the continued impressive performance of our property company, whose revenues increased by some 22% to \$350 million (2005: \$287 million), with occupancies averaging over 95%. We are confident that our rental income will continue to grow, whilst we augment such growth by expanding in the area of new property development, a field in which we are actively seeking opportunities.

The other major contributor to the Group's increase in pre-tax profits from its own operations was that of First Jamaica Investments Limited itself, where increased activity in the investment field yielded an increase in pre-tax profits of over 55%. Offsetting these significant increases in income was an increase in the Group's effective rate of taxation, coupled with a significant restatement of 2005 profits on the part of our associated companies (Note 2). These adverse factors had the effect of reflecting an overall decrease in Profit from Continuing Operations down to \$543 million from \$584 million in 2005.

For the quarter to 30 June 2006, the Group's pre-tax profits from its own continuing operations also increased significantly to \$135 million - up by 28% over the corresponding 3-month period of 2005. Again, this quite satisfactory result was more than offset, not only by a sharp increase in our effective rate of taxation but also by the restatement in 2005 profits in our share of the results of associated companies (Note 2). The net effect of this was a 26% decline to \$287 million (2005: \$387 million) in the quarter's Profit from Continuing Operations.

The unaudited consolidated balance sheet records stockholders' funds at \$8,062 million (2005: \$7,338 million) an increase of 10%. If the market value of Life of Jamaica stock units as at 30 June 2006 were to be used, Stockholders' Funds would increase to \$10,544 million or \$34.88 per stock unit.



Maurice W. Facey
Chairman



Stephen B. Facey
Chief Executive Officer

FIRST JAMAICA INVESTMENTS LIMITED

and its subsidiaries

Unaudited Consolidated Statement of Operations

Six months ended 30 June 2006

	3 Months to June 2006 \$'000	Restated 3 Months to June 2005 \$'000	6 Months to June 2006 \$'000	Restated 6 Months to June 2005 \$'000
Continuing operations				
Income				
Investments	49,983	41,387	102,034	65,730
Property	180,219	147,644	349,845	287,332
Other	<u>13,309</u>	<u>16,062</u>	<u>32,143</u>	<u>28,442</u>
	243,511	205,093	484,022	381,504
Operating Expenses	<u>(102,798)</u>	<u>(94,537)</u>	<u>(190,198)</u>	<u>(168,110)</u>
Operating profits	140,713	110,556	293,824	213,394
Interest expense	<u>(5,704)</u>	<u>(5,148)</u>	<u>(9,475)</u>	<u>(5,577)</u>
	135,009	105,408	284,349	207,817
Gain on dilution of stockholding in associated company	15,452	-	15,452	-
Share of results of associated companies	<u>168,279</u>	<u>294,095</u>	<u>300,362</u>	<u>400,857</u>
Profit before taxation	318,740	399,503	600,163	608,674
Taxation	<u>(31,884)</u>	<u>(12,619)</u>	<u>(57,214)</u>	<u>(25,109)</u>
Profit from continuing operations	<u>286,856</u>	<u>386,884</u>	<u>542,949</u>	<u>583,565</u>
Discontinued operations				
Gain on disposal	-	1,591,881	-	1,591,881
Profit from operations (note 1)	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,751</u>
	-	1,591,881	-	1,690,632
Net profit	<u>286,856</u>	<u>1,978,765</u>	<u>542,949</u>	<u>2,274,197</u>
Earnings per stock unit attributable to equity holders of the company				
Basic				
Continuing operations	\$0.95	\$1.28	\$1.80	\$1.93
Discontinued operations	\$0.00	\$5.27	\$0.00	\$5.59
Fully diluted				
Continuing operations	\$0.95	\$1.28	\$1.80	\$1.93
Discontinued operations	\$0.00	\$5.27	\$0.00	\$5.59

FIRST JAMAICA INVESTMENTS LIMITED
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Unaudited Consolidated Balance Sheet
Six months ended 30 June 2006

	June 2006 \$'000	Restated December 2005 \$'000	Restated June 2005 \$'000
ASSETS			
Cash and Bank Balances	6,076	36,065	12,806
Investments			
Short term deposits	101,712	111,554	86,669
Securities:			
Available-for-sale	1,738,235	1,403,878	1,277,556
Loans and lease receivables	51,531	58,420	40,946
Securities purchased under agreements to resell	281,362	424,828	466,481
Investment properties	2,215,462	2,055,533	1,898,387
Investment in associated companies	4,188,887	3,934,272	3,765,677
	8,577,189	7,988,485	7,535,716
Taxation recoverable	135,127	114,697	141,471
Deferred tax assets	226	226	2,972
Other assets	151,964	127,196	527,391
Due from related parties	32,264	30,627	900
Property, plant and equipment	105,510	72,506	102,306
Retirement benefit assets	<u>30,582</u>	<u>30,582</u>	<u>34,216</u>
	9,038,938	8,400,384	8,357,778

STOCKHOLDERS' EQUITY AND LIABILITIES

Stockholders' Equity

**Capital and Reserves Attributable to the
Company's Equity Holders**

Stated capital	355,848	355,848	303,500
Share premium	-	-	52,348
Capital redemption reserve	3,000	3,000	3,000
Investment and other reserves	2,790,698	2,809,307	2,864,879
Retained earning	4,928,367	4,495,750	4,129,649
Treasury stock	(15,574)	(15,574)	(15,574)
	8,062,339	7,648,331	7,337,802

Liabilities

Bank overdraft	8,812	4,825	8,190
Taxation payable	33,890	76,796	67,616
Deferred tax liability	86,141	81,313	70,728
Other liabilities	614,525	350,676	533,859
Due to related party	140,540	135,154	201,332
Long term loans	59,519	70,117	80,889
Retirement benefit liabilities	<u>33,172</u>	<u>33,172</u>	<u>57,362</u>
	9,038,938	8,400,384	8,357,778

FIRST JAMAICA INVESTMENTS LIMITED
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Unaudited Consolidated Statement of Changes in Stockholders' Equity
Six months ended 30 June 2006

	6-Months to June 2006 \$'000	Restated 6-Months to June 2005 \$'000
Balance at the beginning of the period	7,648,331	5,277,636
Unrealised (losses)/gains on available-for-sale assets	(47,600)	104,293
Realised fair value (gains)/losses transferred to Consolidated Statement of Operations	(7,597)	351
Net profit for the period	542,949	2,274,197
Movement in reserves of associated companies	36,588	(177,825)
Dividends paid	<u>(110,332)</u>	<u>(140,850)</u>
Balance at the end of the period	<u>8,062,339</u>	<u>7,337,802</u>

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Unaudited Financial Information by Business Segments
Six months ended 30 June 2006

	Property Management \$'000	Investments Management Services \$'000	Eliminations \$'000	Total \$'000
REVENUE				
External	390,358	93,664	-	484,022
Inter-segment	<u>2,027</u>	<u>161,118</u>	<u>(163,145)</u>	<u>-</u>
Total revenue	392,385	254,782	(163,145)	484,022
<hr/>				
Operating profit	171,780	124,352	(2,308)	293,824
Interest expense	<u>(2,222)</u>	<u>(9,088)</u>	<u>1,835</u>	<u>(9,475)</u>
	169,558	115,264	(473)	284,349
<hr/>				
Gain on dilution of stockholding in associated company				15,452
Share of results of associated companies				<u>300,362</u>
Profit before taxation				600,163
Taxation				<u>(57,214)</u>
Net profit				<u>542,949</u>

30 June 2005 (restated)

	Property Management \$'000	Investment Management Services \$'000	Eliminations \$'000	Total \$'000
REVENUE				
External	327,581	53,923	-	381,504
Inter-segment	<u>1,888</u>	<u>59,058</u>	<u>(60,946)</u>	<u>-</u>
Total revenue	329,469	112,981	(60,946)	381,504
<hr/>				
Operating profit	124,254	90,222	(1,082)	213,394
Interest expense	<u>(1,335)</u>	<u>(5,114)</u>	<u>872</u>	<u>(5,577)</u>
	122,919	85,108	(210)	207,817
<hr/>				
Share of results of associated companies				<u>400,857</u>
Profit before taxation				608,674
Taxation				<u>(25,109)</u>
Profit after taxation				583,565
Gain on disposal of discontinued operations				1,591,881
Profit from discontinued operations				<u>98,751</u>
Net profit				<u>2,274,197</u>

FIRST JAMAICA INVESTMENTS LIMITED
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Unaudited Consolidated Statement of Cash Flows
Six months ended 30 June 2006

	6-Months to June 2006	Restated 6-Months to June 2005
	\$'000	\$'000
Net profit	542,949	2,274,197
Items not affecting cash	<u>(516,243)</u>	<u>(2,054,958)</u>
	26,706	219,239
Changes in non-cash working capital components	<u>(2,733)</u>	<u>(106,567)</u>
Cash flows from operating activities	23,973	112,672
Cash flows used in investing activities	(361,701)	(370,143)
Cash flows used in financing activities	<u>150,444</u>	<u>(145,444)</u>
Net decrease in cash and cash equivalents	(187,284)	(402,915)
Cash and cash equivalents at beginning of period	<u>567,622</u>	<u>960,681</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>380,338</u>	<u>557,766</u>
Comprising:		
Cash and bank balances	6,076	12,806
Short term investments	101,712	86,669
Securities purchased under agreement to resell	281,362	466,481
Bank overdraft	<u>(8,812)</u>	<u>(8,190)</u>
	<u>380,338</u>	<u>557,766</u>

FIRST JAMAICA INVESTMENTS LIMITED
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Unaudited Consolidated Statement of Discontinued Operations
Six months ended 30 June 2006

June
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>

Note 2

Restatements

An associated company has made adjustments to certain intangibles, which were applied retroactively from the date of acquisition. A gain on sale of shares to the associated company's ultimate parent, previously recognized in the fourth quarter of 2005, has now been reflected in the second quarter of 2005, the period in which the shares were actually transferred. The company's gain on discontinued operations has been adjusted for related expenses under-provided in the first half of 2005. The effects of these changes to the prior year financial statements are as follows:

	Previously Stated	Adjustments	Restated
	\$'000	\$'000	\$'000
Share of results of associated companies (net of taxation)	308,388	92,469	400,857
Gain on disposal of discontinued operations	1,687,658	(95,777)	1,591,881