

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


**30 June 2006**

The Group's pre-tax profits from its own continuing operation rose from \$210 million for the six (6) months to 30 June 2005 to \$294 million for the six (6) months to 30 June 2006 – an increase of over \$84 million or 40%. These results were partly attributable to the continued impressive performance of our property company, whose income increased by some \$63 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 Investments, where increased activity yielded an increase pre-tax profits of over 40%. Offsetting these significant increases 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. These factors had the effect of reflecting an overall decrease in Profit from Continuing Operations down to \$550 million from \$632 million.

For the quarter to 30 June 2006, the Group's pre-tax profits from its own continuing operations also increased significantly to \$139 million – up by 32% over the corresponding three (3) month period of 2005. Unfortunately, this quite satisfactory result was more than offset, not only by a sharp increase in our effective rate of taxation but also by a reduction in our share of the results of our associated companies due to a material restatement of 2005 profits (Note 2). The net effect of this was a decline to \$288 million (2005: \$427 million) in the quarter's Profit from Continuing Operations.

Our associated company, Hardware and Lumber Ltd (H&L), continues to be affected by the current cement shortage in Jamaica. For the six months ended 30 June 2006 H&L reported a loss of \$9.3 million compared to a gain of \$34.4 million in 2005. With the improvement in the supply of cement, we expect that H&L will return to profitability in the second half of the year.

The unaudited consolidated balance sheet records stockholders' funds at \$6,445 million (2005: \$5,906 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 by 29% to \$8,258 million or \$48.20 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**  
**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
<b>Continuing operations</b>				
<b>Income</b>				
Premium	2,263	4,120	4,413	7,310
Investments	61,408	58,703	129,914	92,475
Property	180,219	147,644	349,845	287,332
Other	<u>14,132</u>	<u>7,159</u>	<u>32,966</u>	<u>21,899</u>
	258,022	217,626	517,138	409,016
Operating expenses	<u>(112,756)</u>	<u>(105,038)</u>	<u>(209,997)</u>	<u>(189,388)</u>
<b>Operating profits</b>	145,266	112,588	307,141	219,628
Interest expense	<u>(6,530)</u>	<u>(7,508)</u>	<u>(13,332)</u>	<u>(9,584)</u>
	138,736	105,080	293,809	210,044
Gain on dilution of stockholding in associated company	15,452	38,496	15,452	38,496
Share of results of associated companies	<u>165,694</u>	<u>296,473</u>	<u>298,415</u>	<u>408,981</u>
<b>Profit before taxation</b>	319,882	440,049	607,676	657,521
Taxation	<u>(31,884)</u>	<u>(12,619)</u>	<u>(57,214)</u>	<u>(25,109)</u>
<b>Profit from continuing operations</b>	<u>287,998</u>	<u>427,430</u>	<u>550,462</u>	<u>632,412</u>
<b>Discontinued operations</b>				
Gain on disposal	-	1,626,571	-	1,626,571
Profit from operations (note 1)	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,751</u>
	-	1,626,571	-	1,725,322
<b>Net profit</b>	<u>287,998</u>	<u>2,054,001</u>	<u>550,462</u>	<u>2,357,734</u>
<b>Attributed to:</b>				
Equity holders of the company	210,415	1,518,828	403,617	1,742,659
Minority interest	<u>77,583</u>	<u>535,173</u>	<u>146,845</u>	<u>615,075</u>
	287,998	2,054,001	550,462	2,357,734
<b>Earnings per stock unit attributable to Equity holders of the company</b>				
<b>Basic</b>				
Continuing operations	\$1.23	\$2.05	\$2.36	\$2.94
Discontinued operations	\$0.00	\$7.40	\$0.00	\$7.40
<b>Fully diluted</b>				
Continuing operations	\$1.23	\$2.05	\$2.36	\$2.94
Discontinued operations	\$0.00	\$7.40	\$0.00	\$7.40

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**Unaudited Consolidated Balance Sheet**  
**Six months ended 30 June 2006**

	<b>June 2006 \$'000</b>	<b>Restated December 2005 \$'000</b>	<b>Restated June 2005 \$'000</b>
<b>ASSETS</b>			
<b>Cash and Bank Balances</b>	16,190	42,559	17,017
<b>Investments</b>			
Short term deposits	141,020	416,745	181,424
Securities:			
Available-for-sale	2,000,075	1,617,433	1,478,628
Loan and lease receivables	67,248	82,747	53,891
Securities purchased under agreements to resell	281,362	424,828	466,481
Investment properties	2,209,893	2,049,964	1,892,818
Investment in associated companies	4,421,892	4,169,224	3,997,981
	9,121,490	8,760,941	8,071,223
Taxation recoverable	143,899	123,502	149,528
Deferred tax assets	27,993	27,993	35,876
Other assets	276,601	162,502	600,231
Property, plant and equipment	121,957	89,810	119,691
Retirement benefit assets	36,523	36,523	38,136
	9,744,653	9,243,830	9,031,702
	<u>9,744,653</u>	<u>9,243,830</u>	<u>9,031,702</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Liabilities</b>			
<b>Bank overdraft</b>	17,383	7,215	12,603
<b>Taxation payable</b>	34,157	77,063	67,883
<b>Deferred tax liability</b>	86,141	81,313	70,728
<b>Retirement benefit liabilities</b>	50,316	50,316	74,301
<b>Due to related parties</b>	140,540	135,154	201,332
<b>Other liabilities</b>	738,691	661,872	648,886
<b>Long term loans</b>	59,519	70,117	92,428
<b>Finance lease liability</b>	7,714	8,474	-
	1,134,461	1,091,524	1,168,161
	<u>1,134,461</u>	<u>1,091,524</u>	<u>1,168,161</u>
<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
Investment and other reserves	2,249,873	2,237,801	2,275,203
Retained earnings	4,026,412	3,700,432	3,461,875
Treasury stock	(18,486)	(18,486)	(18,486)
	6,445,329	6,107,277	5,906,122
<b>Minority interest</b>	2,164,863	2,045,029	1,957,419
<b>Total equity</b>	8,610,192	8,152,306	7,863,541
	<u>8,610,192</u>	<u>8,152,306</u>	<u>7,863,541</u>
	9,744,653	9,243,830	9,031,702
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**PAN-JAMAICAN INVESTMENT TRUST LIMITED**  
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**Unaudited Consolidated Statement of Changes in Stockholders' Equity**  
**Six months ended 30 June 2006**

	<b>6-Months to June 2006 \$'000</b>	<b>Restated 6-Months to June 2005 \$'000</b>
Balance at beginning of the period	8,152,306	5,693,819
Unrealised (losses)/gains on available-for-sale assets	(14,415)	108,403
Realised fair value (gains)/losses transferred to Consolidated Statement of Operations	(7,597)	351
Net profit for the period	550,462	2,357,734
Movement in reserve of associated companies	36,588	(160,282)
Dividends paid	(77,637)	(98,389)
Dividends paid to minority shareholders	<u>(29,515)</u>	<u>(38,095)</u>
Balance at end of the period	<u>8,610,192</u>	<u>7,863,541</u>

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**Unaudited Financial Information by Business Segments****Six months ended 30 June 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>REVENUE</b>					
External	5,298	390,230	121,610	-	517,138
Inter-segment	716	128	96,578	(97,422)	-
Total revenue	6,014	390,358	218,188	(97,422)	517,138
Operating profit	2,740	171,780	216,764	(84,143)	307,141
Interest expense	-	(2,222)	(13,392)	2,282	(13,332)
	2,740	169,558	203,372	(81,861)	293,809
Gain on dilution of stockholding in associated company					15,452
Share of results of associated companies					298,415
<b>Profit before taxation</b>					607,676
Taxation					(57,214)
<b>Profit after taxation</b>					550,462
Minority interest					(146,845)
<b>Net profit</b>					403,617
<b>30 June 2005 (restated)</b>					
<b>REVENUE</b>					
External	8,015	325,693	75,308	-	409,016
Inter-segment	-	1,888	154,458	(156,346)	-
Total revenue	8,015	327,581	229,766	(156,346)	409,016
Operating profit	3,886	124,254	232,779	(141,291)	219,628
Interest expense	-	(1,335)	(10,800)	2,551	(9,584)
	3,886	122,919	221,979	(138,740)	210,044
Gain on dilution of stockholding in associated company					38,496
Share of results of associated companies					408,981
<b>Profit before taxation</b>					657,521
Taxation					(25,109)
<b>Profit after taxation</b>					632,412
Gain on disposal of discontinued operations					1,626,571
Profit from discontinued operations					98,751
					2,357,734
Minority interest					(615,075)
<b>Net profit</b>					1,742,659

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**Unaudited Consolidated Statement of Cash Flows**  
**Six months ended 30 June 2006**

	<b>6-Months to June 2006 \$'000</b>	<b>Restated 6-Months to June 2005 \$'000</b>
Net profit	550,462	2,357,734
Items not affecting cash	<u>(487,326)</u>	<u>(2,152,024)</u>
	63,136	205,710
Changes in non-cash working capital components	<u>(53,335)</u>	<u>(107,741)</u>
Net cash provided by operations	9,801	97,969
Net cash used in investing activities	(363,273)	(380,424)
Net cash used in financing activities	<u>(102,256)</u>	<u>(119,433)</u>
Net (decrease)/increase in cash and cash equivalents	(455,728)	(401,888)
Cash and cash equivalents at beginning of the period	<u>876,917</u>	<u>1,054,207</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	421,189	652,319
	<u>=====</u>	<u>=====</u>
<b>Comprising</b>		
Cash at bank and in hand	16,190	17,017
Short term investments	141,020	181,424
Securities purchased under agreement to resell	281,362	466,481
Overdraft	<u>(17,383)</u>	<u>(12,603)</u>
	421,189	652,319
	<u>=====</u>	<u>=====</u>

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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)	316,512	92,469	408,981
Gain on disposal of discontinued operations	1,687,658	(61,087)	1,626,571