



# PAN-JAMAICAN INVESTMENT TRUST LIMITED AND ITS SUBSIDIARIES

## Unaudited Financial Statements 30 September 2006

### Chairman's Statement

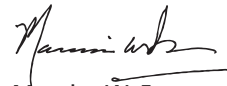
The Director's are pleased to report that for the quarter to 30 September 2006, the Group's profits from continuing operations increased by 14% to \$269 million (2005: \$236 million), which was bolstered by a 50% increase in our share of result in associated companies to \$156 million compared to \$105 million for the comparable period of 2005 (Note 2). The Group's earnings per share increased by 23% to \$1.16 (2005: \$1.02).

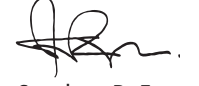
The Group's pre-tax profits from continuing operations rose from \$365 million for the nine (9) months to 30 September 2005 to \$427 million for the nine (9) months to 30 September 2006 - an increase of over \$63 million or 17%. The major contributors to these results were the continued strong performances from our property company whose income grew by some \$83 million to \$530 million (2005: \$447 million) with occupancies continuing to average 95%, and from investment revenues which increased by some 37% to \$185 million (2005: \$136 million).

Offsetting these results was an increase in the Group's effective rate of taxation, coupled with 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 profits from Continuing Operations down to \$819 million from \$869 million for the nine (9) month period ending 30 September 2006.

Our associated company, Hardware & Lumber Ltd. reported net profit of \$14.20 million for the three (3) months ending 30 September 2006 (2005: \$10.10 million), while sales increased by 12% to \$1,437 million (2005: \$1,285 million). The supply of cement began to regularize during the month of September 2006 and expectations are that the company will have a good fourth quarter.

The un-audited consolidated balance sheet records stockholders' funds at \$6,673 million (2005: \$5,971 million), an increase of 12%. If the market value of the 25% of Life of Jamaica held as at 30 September 2006 were to be used, Stockholders' Funds would increase to \$8,256 million or \$48.20 per stock unit.

  
Maurice W. Facey  
Chairman

  
Stephen B. Facey  
President & CEO

### Unaudited Consolidated Statement of Operations

Nine months ended 30 September 2006

	3-Months to September 2006 \$'000	Restated 3-Months to September 2005 \$'000	9-Months to September 2006 \$'000	Restated 9-Months to September 2005 \$'000
<b>Continuing operations</b>				
<b>Income</b>				
Premium	7,999	2,469	12,412	9,779
Investments	55,413	43,149	185,327	135,624
Property	180,542	159,260	530,387	446,592
Other	16,502	75,484	49,468	97,383
	260,456	280,362	777,594	689,378
Operating expenses	(115,194)	(110,542)	(325,191)	(299,930)
Operating profits	145,262	169,820	452,403	389,448
Interest expense	(11,181)	(14,554)	(24,513)	(24,138)
	134,081	155,266	427,890	365,310
Gain on dilution of stockholding in associated company	-	-	15,452	38,496
Share of results of associated companies	156,918	105,098	455,333	514,079
Profit before taxation	290,999	260,364	898,675	917,885
Taxation	(22,108)	(24,230)	(79,322)	(49,339)
Profit from continuing operations	268,891	236,134	819,353	868,546
<b>Discontinued operations</b>				
Gain on disposal	-	-	-	1,626,571
Profit from operations (note 1)	-	-	-	98,751
	-	-	-	1,725,322
<b>Net profit</b>	<b>268,891</b>	<b>236,134</b>	<b>819,353</b>	<b>2,593,868</b>
<b>Attributed to:</b>				
Equity holders of the company	198,737	174,559	602,354	1,917,218
Minority interest	70,154	61,575	216,999	676,650
	268,891	236,134	819,353	2,593,868
<b>Earnings per stock unit attributable to</b> Equity holders of the company				
<b>Basic</b>				
Continuing operations	\$1.16	\$1.02	\$3.52	\$3.79
Discontinued operations	\$0.00	\$0.00	\$0.00	\$7.40
<b>Fully diluted</b>				
Continuing operations	\$1.16	\$1.02	\$3.52	\$3.79
Discontinued operations	\$0.00	\$0.00	\$0.00	\$7.40

### Unaudited Financial Information by Business Segments

Nine months ended 30 September 2006

	Insurance Services \$'000	Property Management \$'000	Investment Management and Other Services \$'000	Eliminations \$'000	Total \$'000
<b>REVENUE</b>					
External	14,742	587,407	175,445	-	777,594
Inter-segment	716	245	149,063	(150,024)	-
<b>Total revenue</b>	<b>15,458</b>	<b>587,652</b>	<b>324,508</b>	<b>(150,024)</b>	<b>777,594</b>
<b>Operating profit</b>	<b>7,677</b>	<b>249,559</b>	<b>325,140</b>	<b>(129,973)</b>	<b>452,403</b>
Interest expense	-	(3,083)	(24,877)	3,447	(24,513)
	7,677	246,476	300,263	(126,526)	427,890
Gain on dilution of stockholding in associated company					15,452
Share of results of associated companies					455,333
<b>Profit before taxation</b>					<b>898,675</b>
Taxation					(79,322)
<b>Profit after taxation</b>					<b>819,353</b>
Minority interest					(216,999)
<b>Net profit</b>					<b>602,354</b>
<b>30 September 2005 (restated)</b>					
<b>REVENUE</b>					
External	10,922	498,978	179,478	-	689,378
Inter-segment	-	509	166,729	(167,238)	-
<b>Total revenue</b>	<b>10,922</b>	<b>499,487</b>	<b>346,207</b>	<b>(167,238)</b>	<b>689,378</b>
<b>Operating profit</b>	<b>5,317</b>	<b>184,691</b>	<b>344,095</b>	<b>(144,655)</b>	<b>389,448</b>
Interest expense	-	(2,227)	(25,874)	3,963	(24,138)
	5,317	182,464	318,221	(140,692)	365,310
Gain on dilution of stockholding in associated company					38,496
Share of results of associated companies					514,079
<b>Profit before taxation</b>					<b>917,885</b>
Taxation					(49,339)
<b>Profit after taxation</b>					<b>868,546</b>
Gain on disposal of discontinued operations					1,626,571
Profit from discontinued operations					98,751
					2,593,868
					(676,650)
<b>Minority interest</b>					<b>1,917,218</b>

### Unaudited Consolidated Balance Sheet

Nine months ended 30 September 2006

	September 2006 \$'000	Restated December 2005 \$'000	Restated September 2005 \$'000
<b>ASSETS</b>			
Cash and Bank Balances	21,129	42,559	27,513
<b>Investments</b>			
Short term deposits	173,775	416,745	115,791
Securities:			
Available-for-sale	1,967,141	1,617,433	1,691,202
Loan and lease receivables	42,217	82,747	73,013
Securities purchased under agreements to resell	274,824	424,828	406,433
Investment properties	2,156,143	2,013,361	1,926,361
Investment in associated companies	4,676,145	4,169,224	4,085,471
	9,290,245	8,724,338	8,298,271
Taxation recoverable	109,716	123,502	159,355
Deferred tax assets	27,993	27,993	35,876
Other assets	316,343	199,105	314,704
Property, plant and equipment	133,099	89,810	121,881
Retirement benefit assets	36,523	36,523	38,136
	9,935,048	9,243,830	8,995,736
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Liabilities</b>			
Bank overdraft	13,232	7,215	3,494
Taxation payable	15,831	77,063	34,886
Deferred tax liability	86,141	81,313	70,728
Retirement benefit liabilities	50,316	50,316	74,301
Due to related parties	126,409	135,154	272,431
Other liabilities	666,321	661,872	505,981
Long term loans	53,560	70,117	85,732
Finance lease liability	7,447	8,474	-
	1,019,257	1,091,524	1,047,553
<b>Stockholders' Equity</b>			
Capital and Reserves Attributable to the Company's Equity holders			
Stated capital	185,354	185,354	185,354
Capital redemption reserve	2,176	2,176	2,176
Investment and other reserves	2,321,486	2,237,801	2,199,798
Retained earnings	4,182,105	3,700,432	3,602,116
Treasury stock	(18,486)	(18,486)	(18,486)
	6,672,635	6,107,277	5,970,958
Minority interest	2,243,156	2,045,029	1,977,225
<b>Total equity</b>	<b>8,915,791</b>	<b>8,152,306</b>	<b>7,948,183</b>
	9,935,048	9,243,830	8,995,736

### Unaudited Consolidated Statement of Changes in Stockholders' Equity

Nine months ended 30 September 2006

	9-Months to September 2006 \$'000	Restated 9-Months to September 2005 \$'000
Balance at beginning of the period	8,152,306	5,693,819
Unrealised (losses)/gains on available-for-sale assets	(12,569)	35,260
Realised fair value gains transferred to Consolidated Statement of Operations	(10,427)	(12,820)
Net profit for the period	819,353	2,593,868
Movement in reserve of associated companies	133,497	(177,840)
Dividends paid	(120,681)	(132,708)
Dividends paid to minority shareholders	(45,688)	(51,396)
Balance at end of the period	8,915,791	7,948,183

### Unaudited Consolidated Statement of Cash Flows

Nine months ended 30 September 2006

	9-Months to September 2006 \$'000	Restated 9-Months to September 2005 \$'000
Net profit	819,353	2,593,868
Items not affecting cash	(719,487)	(2,221,022)
	99,866	372,846
Changes in non-cash working capital components	(34,257)	55,655
Net cash provided by operations	65,609	428,501
Net cash used in investing activities	(311,080)	(773,789)
Net cash used in financing activities	(174,950)	(162,676)
Net (decrease)/increase in cash and cash equivalents	(420,421)	(507,964)
Cash and cash equivalents at beginning of the period	876,917	1,054,207
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>456,496</b>	<b>546,243</b>
Comprising:		
Cash at bank and in hand	21,129	27,513
Short term investments	173,775	115,791
Securities purchased under agreements to resell	274,824	406,433
Overdraft	(13,232)	(3,494)
	456,496	546,243

### Notes

	September 2005 \$'000
<b>Note 1</b>	
Discontinued Operations	
Income	490,803
Operating expenses	(362,355)
Operating profits	128,448
Taxation	(29,697)
Profit from discontinued operations	98,751
<b>Note 2</b>	
<b>Restatements</b>	
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:	
Share of results of associated companies (net of taxation)	434,115
Gain on disposal of discontinued operations	1,687,658
	79,964
	(61,087)
	1,626,571

