



# FIRST JAMAICA INVESTMENTS LIMITED AND ITS SUBSIDIARIES

## Unaudited Financial Statements Six months ended 30 June 2007

### Chairman's Statement

The Directors are pleased to report that net profit attributable to equity holders for the quarter ended 30 June 2007 amounted to \$329 million compared to \$287 million for the same period in 2006, an increase of 14.7%, while earnings per stock unit were \$1.09 compared to \$0.95 for the same period in 2006. Operating profit for the quarter increased by 39.6% to \$211 million in 2007 from \$151 million in 2006.


For the six (6) months ended 30 June 2007, net profit attributable to equity holders amounted to \$603 million (2006: \$543 million), an increase of 11.0%, while earnings per stock unit were \$1.99 compared to \$1.80 for the same period in 2006.


During the quarter the Board of Directors declared a special dividend of \$2.90 per share and a second interim dividend of 20 cents per share, which were paid on 22 June 2007.

Our investment management segment has performed well for the first half of 2007, with contribution to group operating profit growing by \$42 million to \$157 million (2006: \$115 million), an increase of 36.7%. This reflects a realized gain of \$53 million on sale of securities during the second quarter. Our property segment continues to perform creditably, enjoying

overall average occupancy levels of 93% for the six (6) month period, resulting in a contribution to group operating profit of \$195 million compared to \$188 million for the same period last year. Our share of results in associated company, represented by our 24.5% investment in Life of Jamaica Limited (LOJ), improved by 3% to \$298 million (2006: \$289 million). LOJ's net profit attributable to stockholders for the six (6) months amounted to \$1,213 million, an increase of 3% over the same period last year.

Total assets at 30 June 2007 amounted to \$9,180 million, down \$759 million from the 31 December 2006 level, attributable principally to the payment of the special dividend. Stockholders' equity decreased by 5.9% to \$8,324 million (31 December 2006: \$8,846 million), which equates to a book value per share of \$27.54 as at 30 June 2007 (31 December 2006: \$29.26).

  
Maurice W. Facey  
Chairman

  
Stephen B. Facey  
Chief Executive Officer

### Unaudited Consolidated Statement of Operations

Six months ended 30 June 2007

	3 Months to June 2007 \$'000	3 Months to June 2006 \$'000	6 Months to June 2007 \$'000	6 Months to June 2006 \$'000
<b>Income</b>				
Investments	100,353	48,335	139,058	98,735
Property	209,776	203,432	414,294	394,851
Other	10,784	10,050	26,985	27,240
	320,913	261,817	580,337	520,826
Operating expenses	(110,376)	(110,961)	(215,267)	(206,071)
<b>Operating profit</b>	210,537	150,856	365,070	314,755
Interest expense	(5,389)	(6,895)	(12,864)	(11,855)
Gain on dilution of shareholding in associated company	-	15,452	10,886	15,452
Share of results in associated company	152,594	162,889	297,760	289,465
<b>Profit before taxation</b>	357,742	322,302	660,852	607,817
Taxation	(25,381)	(31,854)	(51,711)	(57,604)
<b>Net Profit</b>	332,361	290,448	609,141	550,213
<b>Attributable to:</b>				
Equity holders of the company	329,021	286,856	602,718	542,949
Minority interest	3,340	3,592	6,423	7,264
	332,361	290,448	609,141	550,213
<b>Earnings per stock unit attributable to equity holders of the company during the year</b>				
Basic and fully diluted	\$1.09	\$0.95	\$1.99	\$1.80

### Unaudited Financial Information by Business Segments

Six months ended 30 June 2007

	Property Management \$'000	Investment Management Services \$'000	Eliminations \$'000	Total \$'000
<b>REVENUE</b>				
External	449,453	130,884	-	580,337
Inter-segment	2,530	61,712	(64,242)	-
<b>Total revenue</b>	451,983	192,596	(64,242)	580,337
Segment results	195,263	156,943	-	352,206
Gain on dilution of shareholding in associated company				10,886
Share of results in associated company				297,760
<b>Profit before taxation</b>				660,852
Taxation				(51,711)
<b>Net profit</b>				609,141
Segment assets	3,211,569	1,788,009	(415,385)	4,584,193
Associates				4,596,123
<b>Total assets</b>				9,180,316
Segment liabilities	753,737	416,094	(415,385)	754,446
<b>30 June 2006</b>				
	Property Management \$'000	Investment Management Services \$'000	Eliminations \$'000	Total \$'000
<b>REVENUE</b>				
External	430,513	90,313	-	520,826
Inter-segment	2,027	59,074	(61,101)	-
<b>Total revenue</b>	432,540	149,387	(61,101)	520,826
Segment results	188,105	114,795	-	302,900
Gain on dilution of shareholding in associated company				15,452
Share of results in associated company				289,465
<b>Profit before taxation</b>				607,817
Taxation				(57,604)
<b>Net Profit</b>				550,213
Segment assets	2,839,136	2,798,719	(482,164)	5,155,691
Associates				4,011,828
<b>Total assets</b>				9,167,519
Segment liabilities	678,412	815,887	(482,164)	1,012,135

### Unaudited Consolidated Balance Sheet

30 June 2007

	June 2007 \$'000	December 2006 \$'000	June 2006 \$'000
<b>ASSETS</b>			
Cash and Bank Balances	28,526	102,419	11,259
<b>Investments</b>			
Short term deposits	-	261	111,163
Securities:			
Financial assets at fair value through profit and loss	80,986	72,103	-
Available-for-sale	900,611	1,784,605	1,738,235
Loans and receivables	39,871	46,896	50,563
Securities purchased under agreements to resell	381,145	411,618	281,362
Investment properties	2,646,007	2,533,020	2,401,662
Investment in associated companies	4,596,123	4,451,245	4,011,828
	8,644,743	9,299,748	8,594,813
Taxation recoverable	67,693	133,720	135,762
Deferred tax assets	237	226	226
Other assets	251,158	276,677	257,103
Due from related parties	3,798	3,149	32,264
Property, plant and equipment	137,934	76,781	105,510
Retirement benefit assets	46,227	46,227	30,582
	9,180,316	9,938,947	9,167,519
<b>STOCKHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Stockholders' Equity</b>			
<b>Capital and Reserves Attributable to the Company's Equity Holders</b>			
Share capital	355,848	355,848	355,848
Capital redemption reserve	3,000	3,000	3,000
Investment and other reserves	2,998,997	3,115,396	2,790,698
Retained earnings	4,981,450	5,387,141	4,922,210
Treasury shares	(15,574)	(15,574)	(15,574)
	8,323,721	8,845,811	8,056,182
Minority interest	102,149	95,726	99,202
	8,425,870	8,941,537	8,155,384
Bank overdraft	-	3,074	8,812
Taxation payable	24,354	10,815	34,457
Deferred tax liability	140,111	147,008	96,476
Due to related parties	5,225	40,344	145,765
Other liabilities	163,397	191,458	128,783
Loan liabilities	385,492	568,844	564,670
Retirement benefit liabilities	35,867	35,867	33,172
	9,180,316	9,938,947	9,167,519

### Unaudited Consolidated Statement of Cash Flows

Six months ended 30 June 2007

	6-Months to June 2007 \$'000	6-Months to June 2006 \$'000
Net profit	609,141	550,213
Items not affecting cash	(440,231)	(455,286)
	168,910	94,927
Changes in non-cash working capital components	90,528	(129,650)
Cash flows from/(used in) operating activities	259,438	(34,723)
Cash flows from/(used in) investing activities	859,989	(299,146)
Cash flows (used in)/from in financing activities	(1,220,980)	153,772
Net decrease in cash and cash equivalents	(101,553)	(180,097)
Cash and cash equivalents at beginning of period	511,224	575,069
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	409,671	394,972
<b>Comprising:</b>		
Cash and bank balances	28,526	11,259
Short term investments	-	111,163
Securities purchased under agreement to resell	381,145	281,362
Bank overdraft	-	(8,812)
	409,671	394,972

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

Six months ended 30 June 2007

	6-Months to June 2007 \$'000	6-Months to June 2006 \$'000
Balance at the beginning of the period	8,941,537	7,734,112
Unrealised losses on available-for-sale investments	(43,812)	(47,600)
Realised fair value gains transferred to Consolidated Statement of Operations	(57,591)	(7,597)
Net profit for the period	609,141	550,213
Movement in other reserves	(25,882)	36,588
Dividends paid	(997,523)	(110,332)
<b>Balance at the end of the period</b>	8,425,870	8,155,384