

Pan-Jamaican Investment Trust Limited

PRESS RELEASE

December 31, 2007

The Directors are pleased to report that net profit for the year ended 31 December 2007 amounted to \$1,384 million, compared to \$1,135 million in 2006, an increase of 21.9%, while basic earnings per stock unit attributable to equity holders were \$5.82 compared to \$4.80 for 2006.

Property and investment income increased by 16.2% to \$1,242 million (2006: \$1,069 million), with growth being generated from increases of 4.8% in investment income and 20.0% in property income. With positive trends from our other revenue sources, and the containment of an increase in operating expenses to less than annual inflation, we were able to translate our revenue growth into an operating profit improvement for the year of 27.4%, to \$792 million.

Our property segment enjoyed average occupancy levels of 94%, and contribution to group operating profit increased by 41.3% to \$453 million, driven by a 10.0% increase in rental income and a property revaluation gain of \$320 million versus \$218 million in 2006. Our investment management segment contributed \$280 million to group operating profit in 2007, compared to \$238 million in 2006, a 17.8% improvement despite a special dividend of \$3.75 per stock unit, totalling \$651 million, paid in mid-2007.

First Jamaica's share of results of associated companies, represented by its 24.5% investment in Life of Jamaica Limited (LOJ), improved by 13.3% to \$725 million (2006: \$640 million). LOJ's net profit attributable to stockholders was \$2,957 million, an increase of 15.0% over the prior year, and represents an annualized return of 19.8% on average equity. We also enjoyed better results from our 20.8% investment in Hardware & Lumber in 2007, which posted a \$130.1 million net profit compared to the disappointing 2006 level of \$37.7 million.

Total assets at 31 December 2007 amounted to \$10,593 million, up marginally from the prior year level. Stockholders' equity increased 1.5% to \$7,097 million (2006: \$6,991 million), which equates to a book value per stock unit of \$41.43 as at December 31, 2007 (2006: \$40.81). All these items reflect the effects of the \$796 million in dividends paid to stockholders over the course of the year.

Pan-Jamaican Investment Trust Limited

Consolidated Condensed Statement of Operations

Year ended 31 December 2007

(expressed in Jamaican dollars unless otherwise indicated)

	2007 \$'000	2006 \$'000
Income		
Investments	281,204	268,408
Property	961,288	800,948
Premium Income	20,713	15,047
Other	111,321	57,703
	1,374,526	1,142,106
Operating expenses	(582,504)	(520,528)
Operating Profit	792,022	621,578
Interest expense	(30,581)	(35,416)
Gain on dilution of shareholding in associated company	10,886	15,452
Share of results of associated companies	739,304	647,817
Profit before Taxation	1,511,631	1,249,431
Taxation	(127,838)	(114,057)
NET PROFIT	1,383,793	1,135,374
Attributable to:		
Equity holders of the company	996,446	822,050
Minority interest	387,347	313,324
	1,383,793	1,135,374
Earnings per stock unit attributable to equity holders of the company during year		
Basic	5.82	4.80
Fully diluted	5.71	4.72

Pan-Jamaican Investment Trust Limited

Consolidated Condensed Balance Sheet

31 December 2007

(expressed in Jamaican dollars unless otherwise indicated)

	2007 \$'000	2006 \$'000
ASSETS		
Cash and Bank Balances	102,850	116,654
Investments		
Deposits	161,610	45,004
Securities:		
Financial assets at fair value through profit and loss	130,293	72,103
Available-for sale	1,404,882	2,022,035
Loans and receivables	13,924	38,843
Securities purchased under agreements to resell	383,325	411,618
Investment properties	2,914,400	2,527,451
Investment in associated companies	4,953,389	4,694,054
	9,961,823	9,811,108
Taxation recoverable	98,745	142,632
Deferred tax assets	8,796	1,160
Other assets	270,327	315,098
Property, plant and equipment	108,292	91,771
Retirement benefit assets	41,782	50,504
	<u>10,592,615</u>	<u>10,528,927</u>

Pan-Jamaican Investment Trust Limited

Consolidated Condensed Balance Sheet (Continued)

31 December 2007

(expressed in Jamaican dollars unless otherwise indicated)

	2007 \$'000	2006 \$'000
STOCKHOLDERS' EQUITY AND LIABILITIES		
Stockholders' Equity		
Capital and Reserves Attributable to the Company's Equity Holders		
Share capital	185,354	185,354
Equity compensation reserve	21,384	2,455
Property revaluation reserve	1,527,859	-
Investment and other reserves	2,521,443	2,626,572
Retained earnings	2,859,718	4,195,120
Treasury shares	(18,486)	(18,486)
	7,097,272	6,991,015
Minority Interest	2,514,163	2,463,379
	<u>9,611,435</u>	<u>9,454,394</u>
Liabilities		
Bank overdrafts	17,738	6,010
Taxation payable	119,678	11,082
Deferred tax liabilities	128,978	147,824
Retirement benefit liabilities	57,048	53,539
Due to related parties	10,318	40,344
Other liabilities	248,839	237,583
Loan liabilities	393,570	571,263
Finance lease liability	5,011	6,888
	<u>10,592,615</u>	<u>10,528,927</u>

Approved for issue by the Board of Directors

Director

Director

Pan-Jamaican Investment Trust Limited

Consolidated Condensed Statement of Changes in Stockholders' Equity

Year ended 31 December 2007

(expressed in Jamaican dollars unless otherwise indicated)

	Share Capital \$'000	Property Revaluation Reserve	Equity Compensation Reserve \$'000	Investment and Other Reserves \$'000	Retained Earnings \$'000	Treasury Shares \$'000	Minority Interest \$'000	Total \$'000
Balance at 1 January 2007	185,354	-	2,455	2,626,572	4,195,120	(18,486)	2,463,379	9,454,394
Fair value gains on available-for-sale securities	-	-	-	82,097	-	-	28,457	110,554
Realised fair value gains transferred to Consolidated Statement of Operations	-	-	-	(42,179)	-	-	(15,636)	(57,816)
Net gains recognised directly in equity	-	-	-	39,918	-	-	12,821	52,739
Net profit for the year	-	-	-	-	996,446	-	387,347	1,383,793
Total recognised income for 2007	-	-	-	39,918	996,446	-	400,168	1,436,532
Dividends paid	-	-	-	-	(796,047)	-	-	(796,047)
Dividends paid to minority shareholders	-	-	-	-	-	-	(292,668)	(292,668)
Share option expense	-	-	18,929	-	-	-	-	18,929
Movement in other reserve	-	-	-	(152,989)	-	-	(56,716)	(209,705)
Transfer from retained earnings	-	1,527,859	-	7,942	(1,535,801)	-	-	-
		1,527,859	18,929	(145,047)	(2,331,848)	-	(349,384)	(1,279,491)
Balance at 31 December 2007	185,354	1,527,859	21,384	2,521,443	2,859,718	(18,486)	2,514,163	9,611,435

Pan-Jamaican Investment Trust Limited

Consolidated Condensed Statement of Changes in Stockholders' Equity (Continued)

Year ended 31 December 2007

(expressed in Jamaican dollars unless otherwise indicated)

	Attributable to Company's Equity Holders							
	Share Capital	Property Revaluation Reserve	Equity Compensation Reserve	Investment and Other Reserves	Retained Earnings	Treasury Shares	Minority Interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2006	185,354	-	-	2,239,977	3,695,940	(18,486)	2,135,302	8,238,087
Fair value gains on available-for-sale securities	-	-	-	46,915	-	-	9,743	56,658
Realised fair value gains transferred to Consolidated Statement of Operations	-	-	-	(18,787)	-	-	(5,916)	(24,703)
Net gains recognised directly in equity	-	-	-	28,128	-	-	3,827	31,955
Net profit for the year	-	-	-	-	822,050	-	313,324	1,135,374
Total recognised income for 2006	-	-	-	28,128	822,050	-	317,151	1,167,329
Dividends paid	-	-	-	-	(163,260)	-	-	(163,260)
Dividends paid to minority shareholders	-	-	-	-	-	-	(62,795)	(62,795)
Share option expense	-	-	2,455	-	-	-	-	2,455
Movement in other reserve	-	-	-	198,857	-	-	73,721	272,578
Transfer from retained earnings	-	-	-	159,610	(159,610)	-	-	-
	-	-	2,455	358,467	(322,870)	-	10,926	48,978
Balance at 31 December 2006	185,354	-	2,455	2,626,572	4,195,120	(18,486)	2,463,379	9,454,394

Pan-Jamaican Investment Trust Limited

Consolidated Condensed Statement of Cash Flows

Year ended 31 December 2007

(expressed in Jamaican dollars unless otherwise indicated)

	2007 \$'000	2006 \$'000
Cash Flows from Operating Activities	<u>482,922</u>	<u>96,021</u>
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(33,069)	(25,654)
Acquisition of investment properties	(55,414)	(7,127)
Proceeds from disposal of property, plant and equipment	1,092	35
Dividends from associates	281,162	248,197
Acquisition of investment securities, net	<u>623,079</u>	<u>(358,227)</u>
Net cash provided by/(used in) investing activities	<u>816,850</u>	<u>(142,776)</u>
Cash Flows from Financing Activities		
Due from/(to) related parties	(30,038)	(42,615)
Loans received	135,000	279,476
Loans repaid	(327,036)	(283,866)
Dividends paid to minority interest	(292,668)	(62,795)
Dividends paid to company stockholders	<u>(796,047)</u>	<u>(163,260)</u>
Net cash used in financing activities	<u>(1,310,789)</u>	<u>(273,060)</u>
Net decrease in cash and cash equivalents	(11,017)	(319,815)
Effect of exchange rate changes on cash and cash equivalents	12,031	1,559
Cash and cash equivalents at beginning of year	<u>567,266</u>	<u>885,522</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>568,280</u></u>	<u><u>567,266</u></u>

Pan-Jamaican Investment Trust Limited

Notes to the Condensed Financial Statements

31 December 2007

(expressed in Jamaican dollars unless otherwise indicated)

Segmental Financial Information

The group is organised into two main business segments:

- (a) Investment management services – This incorporates investment management and securities trading;
- (b) Property management services – This incorporates the rental and management of commercial real estate.

	2007				
	Investment Management Services	Property Management Services	Other	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
External operating revenue	297,431	1,039,208	38,843		1,375,482
Operating revenue from other segments	-	5,195	-	(5,195)	
Operating revenue	297,431	1,044,403	38,843	(5,195)	1,375,482
Segment result	280,147	453,419	27,875	-	761,441
Gain on dilution of shareholding in associated company					10,886
Share of results of associated companies					739,304
Profit before taxation					1,511,631
Taxation					(127,838)
Net profit					1,383,793
Segment assets	2,128,529	3,501,893	226,702	(217,898)	5,639,226
Associates					4,953,389
Total assets					10,592,615
Segment liabilities	559,930	389,606	249,542	(217,898)	981,180
Other segment items:					
Capital expenditure	-	33,069	-	-	33,069
Depreciation	2,469	2,719	-	83	5,271

Pan-Jamaican Investment Trust Limited

Notes to the Condensed Financial Statements

31 December 2007

(expressed in Jamaican dollars unless otherwise indicated)

Segmental Financial Information (Continued)

	2006				
	Investment Management Services	Property Management Services	Other	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
External operating revenue	248,044	862,965	32,467	-	1,143,476
Operating revenue from other segments	-	-	716	(716)	-
Operating revenue	248,044	862,965	33,183	(716)	1,143,476
Segment result	237,772	320,903	27,487	-	586,162
Gain on dilution of shareholding in associated company					15,452
Share of results of associated companies					647,817
Profit before taxation					1,249,431
Taxation					(114,057)
Net profit					1,135,374
Segment assets	2,888,429	2,988,782	195,500	(237,838)	5,834,873
Associates					4,694,054
Total assets					10,528,927
Segment liabilities	837,807	224,599	249,965	(237,838)	1,074,533
Other segment items:					
Capital expenditure	1,896	23,758	-	-	25,654
Depreciation	2,448	2,252	250	84	5,034

