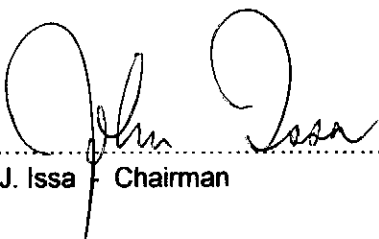
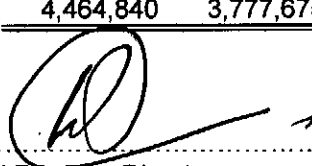


PEGASUS HOTELS OF JAMAICA LIMITED
Balance Sheet on 30 September 2008

	UNAUDITED Sep-08 \$'000	UNAUDITED Sep-07 \$'000	AUDITED Mar-08 \$'000
NET ASSET EMPLOYED			
Fixed Assets	4,340,122	3,630,010	4,314,431
Investments	-	-	-
Current Assets			
Inventories	38,125	29,637	30,874
Accounts receivable	72,872	37,690	98,908
Investments	136,148	123,063	36,239
Cash and short term deposits	0	43,314	76,383
	247,145	233,704	242,404
Current Liabilities			
Bank overdraft	158	-	2,269
Accounts payable	43,402	48,744	86,003
Taxation payable	36,010	19,279	15,664
Current portion of long term liability	42,857	18,016	31,921
	122,427	86,039	135,857
Net Current Assets	124,718	147,665	106,547
	4,464,840	3,777,675	4,420,978
FINANCED BY			
Share Capital	120,166	120,166	120,166
Capital Reserves	3,206,394	2,721,511	3,206,394
Replacement Reserve	2,106	-	-
Accumulated Surplus	40,912	24,761	24,810
	3,369,578	2,866,438	3,351,370
Deferred Tax Liability	1,024,552	869,975	1,024,552
Long Term Liability	70,710	41,262	45,056
	4,464,840	3,777,675	4,420,978



 John J. Issa / Chairman



 Rev. Denzil Barnes - Director

PEGASUS HOTELS OF JAMAICA LIMITED						
Profit and Loss Account						
30 September 2008	UNAUDITED		UNAUDITED		AUDITED	
	For the Quarter Ending		For the Six Months Ending		Year Ended	
	30-Sep	30-Sep	30-Sep	30-Sep	31-Mar	
	2008	2007	2008	2007	2008	
	\$000	\$000	\$000	\$000	\$000	
Revenue	239,128	148,786	515,306	339,912	676,291	
Direct Expenses	(91,788)	(74,242)	(190,848)	(151,974)	(268,780)	
Gross Profit	147,340	74,544	324,458	187,938	407,511	
Other operating income	1,824	18,623	3,423	19,820	205,940	
Administration expenses	(51,005)	(44,729)	(104,807)	(87,192)	(204,019)	
Other operating expenses	(80,316)	(55,424)	(159,533)	(112,741)	(347,636)	
Operating profit	17,843	(6,986)	63,541	7,825	61,796	
Interest Income	3,624	3,465	6,113	7,020	8,455	
Interest Expense	(2,869)	(1,767)	(5,294)	(3,330)	(7,073)	
Profit(loss) before taxation	18,598	(5,288)	64,360	11,515	63,178	
Taxation	(6,242)	-	(24,225)	(2,590)	(24,163)	
NET PROFIT/(LOSS)	12,356	(5,288)	40,135	8,925	39,015	
PROFIT PER STOCK UNIT(cents)	10.28	(04.40)	33.40	07.43	32.47	

Note 1 - The figures are unaudited and accounting policies remain as stated in the 2006/2007 Annual Account

Note 2 - The earnings per stock unit are based on 120,165,973 ordinary stock units, representing the number of ordinary stock units issued at the end of the period.

PEGASUS HOTELS OF JAMAICA LTD
STATEMENT OF CASH FLOWS
PERIOD ENDED SEPTEMBER 2008

	UNAUDITED 30/09/2008 \$000	AUDITED 3/31/2008 \$000
CASH RESOURCES WERE (USED IN)/ PROVIDED BY:	-	-
Operating Activities		
Net Profit	39,316	39,015
Items not affecting cash		
Depreciation	39,658	63,836
Gain on disposal of fixed assets	-	(106)
Exchange gain on foreign balances	-	(461)
Replacement Reserve Provision	26,443	
Replacement Reserve Spent	(24,337)	
Impairment of assets arising from fire	-	10,816
Interest income	(6,113)	(8,455)
Interest expense	5,294	7,073
Taxation expense	24,225	24,163
	104,486	135,881
Changes in operating assets and liabilities:		
Inventories	(7,251)	1,621
Receivables	26,036	(17,710)
Payables	(42,601)	(4,285)
Net cash provided by operating activities	80,670	115,507
Interest received	2,592	10,415
Taxation paid	(3,879)	(28,236)
Net cash provided by operating activities	79,383	97,686
Cash Flows From Financing Activities		
Dividends paid	(24,033)	(30,041)
Long term loan repaid	(9,070)	(21,034)
Long term loan received	50,000	60,000
Interest paid	(5,294)	(7,073)
Net cash (used in)/provided by financing activities	11,603	1,852
Cash Flows from Investing Activities		
Purchase of investments	(99,909)	-
Proceeds from sale of investments	-	84,864
Purchase of fixed assets	(65,349)	(133,287)
Proceeds on disposal of fixed asstes	-	106
Net cash used in investing activities	(165,258)	(48,317)
Exchange gain on net foreign cash balances	-	461
Net increase in cash and cash equivalents	(74,272)	51,682
Cash and cash equivalents at beginning of year	74,114	22,432
CASH AND SHORT TERM DEPOSITS AT END OF PERIOD	(158)	74,114
ADD INVESTMENTS	136,148	36,239
CASH AND CASH EQUIVALENTS AT END OF PERIOD	135,990	110,353

PEGASUS HOTELS OF JAMAICA LIMITED
Statement of Changes of Equity
Six (6) Months ended 30 September 2008

	Number of Shares 000	Share Capital \$'000	Capital Reserve \$'000	Replacement Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance as at 1 April 2007	120,166	120,166	2,721,511	-	15,836	2,857,513
Dividends paid	-	-	-	-	(30,041)	(30,041)
Fair value adjustments to land and buildings, net of taxation	-	-	484,883	-	-	484,883
Net Profit	-	-	-	-	39,015	39,015
Balance as at 1 April 2008	120,166	120,166	3,206,394	-	24,810	3,351,370
Provision for replacement	-	-	-	26,443	-	26,443
Replacement utilization	-	-	-	(24,337)	-	(24,337)
Dividends paid	-	-	-	-	(24,033)	(24,033)
Net Profit	-	-	-	-	40,135	40,135
Balance at 30 September 2008	120,166	120,166	3,206,394	2,106	40,912	3,369,578

PEGASUS HOTELS OF JAMAICA LIMITED
NOTES TO FINANCIAL STATEMENTS.

1. Identification and Principal Activity

Pegasus Hotels of Jamaica Limited is a company limited by shares and incorporated under the laws of Jamaica. The company is 59.8% owned by National Hotels and Properties Limited, a wholly owned subsidiary of Urban Development Corporation, which is owned by the Government of Jamaica.

The company owns and operates the hotel "The Jamaica Pegasus".

The company is a publicly listed company and its registered office is 81 Knutsford Boulevard, Kingston 5.

2. Significant Accounting Policies

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board (IASB) and comply with the provisions of the Companies Act 2004.

These financial statements have been prepared using the same accounting policies and methods of computation as compared with the audited financial statements for the year ended March 31, 2008.

The financial statements are prepared using the historical cost basis.

3. Other Operating Income

Other income is comprised mainly of gains on foreign currencies. It also includes other miscellaneous income.

Last year's other income was made up of proceeds from insurance claims.

4. General

Revenue for the period includes amounts from room and catering for the full period. However last year this was affected by the absence of room revenue for six weeks as rooms were closed due to a fire in August.