



Pan-Jamaican Investment Trust Limited

**Report to Stockholders
For the Six Months ended 30 June 2009**

Pan-Jamaican Investment Trust Limited

Unaudited Consolidated Financial Statements

For the 6 months ended June 30, 2009

The Directors report that net profit attributable to owners for the quarter ended June 30, 2009 amounted to \$308.8 million, compared to \$247.9 million in the 2008 2nd quarter, an increase of 25%, while earnings per stock unit were \$1.80 compared to \$1.45 for the same period in 2008. Net profit attributable to owners for the six months ended June 30, 2009 amounted to \$716.8 million, compared to \$520.7 million for the same period in 2008, an increase of 38%, while earnings per stock unit for the six months were \$4.18 compared to \$3.04.

Performance for the quarter and the half-year was impacted most notably by the increase in earnings for the quarter and half year of our subsidiary First Jamaica Investments Limited (FJIL). While FJIL's operating profit was 30% lower for the 2nd quarter compared to 2008, and flat for the half year, its 2nd quarter share of results of associated company, represented by its 24.5% investment in Sagikor Life Jamaica Limited (SLJ), increased by \$151.0 million (85%) compared to last year's 2nd quarter, to \$329.7 million. Additionally, its share of year to date earnings was \$682.9 million, \$318.7 million (88%) better than the comparable 6 month period last year. SLJ's 2nd quarter results benefited from certain unusual items, as well as continued strong performance across all major business lines, and the integration of the acquired Blue Cross business.

Group operating profit for the 2nd quarter was \$58.8 million lower than last year's 2nd quarter, principally due to the decision not to record any property revaluation gains in the 2009 2nd quarter given the uncertain outlook in the commercial property market. For the six months, total income was \$43.9 million (6%) better than the same period last year. Additionally, we successfully contained total operating expenses to nominal increases for both the quarter and the half year, as a reduction in world oil prices and their impact on electricity costs in 2009 offset inflationary pressures in other expense categories. This resulted in a \$35.7 million (8%) improvement in group operating profit for the half year.

Our property segment, which is comprised principally of Jamaica Property Company, enjoyed overall occupancy levels exceeding 99% for the 2nd quarter, while contribution to group operating profit of \$77.7 million for the quarter (\$229.1 million for the six months) was 35% lower than last year's 2nd quarter (2% lower for the six months) due to the decision not to record any property revaluation gains in the 2009 2nd quarter.

Our investment management segment posted operating profit of \$61.5 million for the quarter, a decrease of \$24.6 million compared to last year's 2nd quarter profit of \$86.1 million, as last year's trading gains were not repeated this year. For the six months, the investment management segment operating profit was \$213.1 million, \$19.0 million better than the comparable period last year, driven principally by 1st quarter foreign exchange gains. Additionally, the value of our available-for-sale (AFS) investment portfolio, for which unrealised changes in market value are accounted for through comprehensive income and stockholders' equity, improved by \$76.6 million during the quarter, compared to an increase of \$68.0 million for the 2008 2nd quarter. Year to date, AFS gains were \$16.9 million (2008: \$14.2 million loss).

Hardware & Lumber Limited (H&L) reduced its 2nd quarter loss from that of the 1st quarter, aided by a stable Jamaican dollar. Revenue and gross profit declines versus the same period a year ago, reflecting soft demand particularly in the construction and home improvement sectors, resulted in a 2nd quarter loss of \$27 million compared to a \$113 million loss in the 1st quarter (and a \$6 million profit in the comparable period last year). We remain deeply concerned about the unsatisfactory performance of this investment.

Total assets at June 30 2009 amounted to \$12.0 billion, compared to \$11.1 billion at December 31, 2008. Stockholders' equity increased to \$8.2 billion (December 31 2008: \$7.4 billion), which equates to a book value per share of \$47.86 as at June 30 2009 (December 31, 2008: \$43.38).

During the 2nd quarter the Pan Jam led consortium (of which the group holds 25%) completed its rescue of the Walkerswood group. We are confident that this investment will produce superior returns for us as we showcase globally some of Jamaica's finest products.

Pan-Jamaican Investment Trust Limited
and its subsidiaries
Unaudited Consolidated Income Statement
Six months ended 30 June 2009

	3 Months to Jun-09 \$'000	Restated 3 Months to Jun-08 \$'000	YTD Jun-09 \$'000	Restated YTD Jun-08 \$'000
Income				
Investments	88,119	98,662	285,945	213,573
Property	211,442	259,497	471,935	504,154
Commissions	7,396	5,374	14,360	9,494
Other	14,387	14,971	27,962	29,108
	<u>321,344</u>	<u>378,504</u>	<u>800,202</u>	<u>756,329</u>
Operating expenses	(170,238)	(168,654)	(325,935)	(317,799)
Operating profit	151,106	209,850	474,267	438,530
Interest expense	(13,769)	(13,695)	(30,089)	(22,749)
	<u>137,337</u>	<u>196,155</u>	<u>444,178</u>	<u>415,781</u>
Share of results of associated companies	324,100	179,969	626,859	370,889
	<u>324,100</u>	<u>179,969</u>	<u>626,859</u>	<u>370,889</u>
Profit before taxation	461,437	376,124	1,071,037	786,670
Taxation	(33,854)	(34,468)	(75,118)	(72,211)
Net profit	<u>427,583</u>	<u>341,656</u>	<u>995,919</u>	<u>714,459</u>
Net profit attributable to:				
Owners of the parent	308,790	247,924	716,848	520,692
Non-controlling interests	118,793	93,732	279,071	193,767
	<u>427,583</u>	<u>341,656</u>	<u>995,919</u>	<u>714,459</u>
Earnings per stock unit attributable to				
owners of the parent for the period				
Basic	\$1.80	\$1.45	\$4.18	\$3.04
Fully diluted	\$1.77	\$1.42	\$4.11	\$2.99

**Pan Jamaican Investment Trust Limited
and its subsidiaries
Unaudited Consolidated Statement of Comprehensive Income
Six months ended 30 June 2009**

	3 Months to	Restated	YTD	Restated
	Jun-09	3 Months to	Jun-09	YTD
	\$'000	Jun-08	\$'000	Jun-08
		\$'000		\$'000
Net profit for the period	427,583	341,656	995,919	714,459
Other comprehensive income:				
Exchange differences on translating foreign operations	194	472	8,547	1,056
Unrealised gains/(losses) on available-for-sale financial assets, net of tax	76,646	68,038	16,862	(14,242)
(Loss)/gain on dilution of shareholding in associates	(541)	-	5,330	-
Share of other comprehensive income/(loss) of associates	<u>276,316</u>	<u>(113,580)</u>	<u>159,613</u>	<u>(345,367)</u>
Other comprehensive income/(loss) for the period, net of tax	<u>352,615</u>	<u>(45,070)</u>	<u>190,352</u>	<u>(358,553)</u>
Total comprehensive income for the period	<u>780,198</u>	<u>296,586</u>	<u>1,186,271</u>	<u>355,906</u>
Total comprehensive income attributable to				
Owners of the parent	572,573	213,073	858,916	256,385
Non-controlling interests	<u>207,625</u>	<u>83,513</u>	<u>327,355</u>	<u>99,521</u>
	<u>780,198</u>	<u>296,586</u>	<u>1,186,271</u>	<u>355,906</u>

PAN-JAMAICAN INVESTMENT TRUST LIMITED
and its subsidiaries
Unaudited Consolidated Statement of Financial Position
as at 30 June 2009

	Unaudited June 2009 \$'000	Audited December 2008 \$'000	Restated Unaudited June 2008 \$'000
ASSETS			
Cash and Bank Balances	18,348	14,193	41,903
Investments			
Short term deposits	143,752	8,812	103,904
Securities			
Financial assets at fair value through profit and loss	124,284	119,290	177,781
Available-for-sale	1,676,300	1,966,575	1,532,265
Loans & receivables	44,697	20,426	12,392
Deposits	-	37,121	62,037
Securities purchased under agreements to resell	692,829	276,621	578,464
Investment properties	3,329,534	3,274,823	3,046,595
Investment in associated companies	5,404,897	4,842,899	4,758,293
	<u>11,416,293</u>	<u>10,546,567</u>	<u>10,271,731</u>
Taxation recoverable	74,022	91,302	54,308
Deferred tax assets	21,772	25,681	10,873
Receivables and other assets	366,368	300,217	411,384
Property, plant and equipment	104,997	98,173	117,100
Retirement benefit assets	39,997	42,623	40,882
	<u>607,156</u>	<u>557,996</u>	<u>634,547</u>
	<u>12,041,797</u>	<u>11,118,756</u>	<u>10,948,181</u>
STOCKHOLDERS' EQUITY AND LIABILITIES			
Stockholders' Equity			
Capital and Reserves Attributable to the Company's Equity holders			
Share capital	185,354	185,354	185,354
Equity compensation reserve	30,690	27,107	21,884
Property revaluation reserve	1,819,434	1,775,005	1,619,781
Investment and other reserves	2,017,129	1,875,061	2,257,136
Retained earnings	4,164,908	3,586,706	3,205,999
Treasury stock	(18,486)	(18,486)	(18,486)
	<u>8,199,029</u>	<u>7,430,747</u>	<u>7,271,668</u>
Non-controlling interests	<u>3,002,460</u>	<u>2,710,478</u>	<u>2,584,393</u>
	<u>11,201,489</u>	<u>10,141,225</u>	<u>9,856,061</u>
Liabilities			
Bank overdraft	11,623	1,203	2,844
Taxation payable	15,628	267	11,581
Deferred tax liability	109,653	110,047	127,992
Retirement benefit liabilities	66,057	62,924	60,398
Due to related party	5,225	5,225	5,225
Payables and other liabilities	332,766	293,153	311,975
Bank and other loans	293,333	495,950	563,752
Finance lease liability	6,023	8,762	8,353
Total liabilities	<u>840,308</u>	<u>977,531</u>	<u>1,092,120</u>
	<u>12,041,797</u>	<u>11,118,756</u>	<u>10,948,181</u>



Maurice W. Facey

Director



Stephen B. Facey

Director

Pan-Jamaican Investment Trust Limited
Unaudited Consolidated Statement of Changes in Equity
for the period ended 30 June 2009

30 June 2008 - Restated

-----Owners Of The Parent-----

	Share Capital \$'000	Equity Compensation reserve \$'000	Property Revaluation Reserves \$'000	Investment and other reserves \$'000	Retained Earnings \$'000	Treasury Shares \$'000	Non-Controlling Interest \$'000	Total \$'000
Balance at 1 January 2008	185,354	16,663	1,527,859	2,521,443	2,862,865	(18,486)	2,515,737	9,611,435
Dividends paid	-	-	-	-	(85,636)	-	(32,345)	(117,981)
Stock compensation provision	-	5,221	-	-	-	-	1,480	6,701
Property revaluation gains	-	-	91,922	-	(91,922)	-	-	-
Total comprehensive (loss)/ income for the period	-	-	-	(264,307)	520,692	-	99,521	355,906
Balance at end of period	185,354	21,884	1,619,781	2,257,136	3,205,999	(18,486)	2,584,393	9,856,061

30 June 2009

-----Owners Of The Parent-----

	Share Capital \$'000	Equity Compensation Reserve \$'000	Property Revaluation Reserve \$'000	Investment and other reserves \$'000	Retained Earnings \$'000	Treasury Shares \$'000	Non-Controlling Interest \$'000	Total \$'000
Balance at 1 January 2009	185,354	27,107	1,775,005	1,875,061	3,586,706	(18,486)	2,710,478	10,141,225
Dividends paid	-	-	-	-	(94,217)	-	(36,389)	(130,606)
Stock compensation provision	-	3,583	-	-	-	-	1,016	4,599
Property revaluation gains	-	-	44,429	-	(44,429)	-	-	-
Total comprehensive income for the period	-	-	-	142,068	716,848	-	327,355	1,186,271
Balance at end of period	185,354	30,690	1,819,434	2,017,129	4,164,908	(18,486)	3,002,460	11,201,489

PAN JAMAICAN INVESTMENT TRUST LIMITED
and its subsidiaries
Unaudited Consolidated Statement of Cash Flows
Six months ended 30 June 2009

	6-Months to June 2009 \$'000	Restated 6-Months to June 2008 \$'000
Net profit	995,919	714,459
Items not affecting cash		
Share of results of associated companies	(626,859)	(370,889)
Fair value gains on investment properties	(60,900)	(126,000)
Gains on foreign currency denominated investments, net	(162,405)	(18,026)
Other	21,753	28,185
	<u>167,508</u>	<u>227,729</u>
Changes in non-cash working capital components	49,807	(160,264)
Net cash provided by operations	<u>217,315</u>	<u>67,465</u>
Cash flows from investing activities		
Dividends received from associated company	229,807	220,615
Acquisition of investment securities, net	506,395	(155,803)
Other investment activities	(2,299)	(24,716)
Net cash provided by investing activities	<u>733,903</u>	<u>40,096</u>
Cash flows from financing activities		
Dividends paid to non-controlling interests	(36,389)	(32,345)
Dividends paid to owners of the parent	(94,217)	(85,636)
Loan received	53,653	188,545
Loans repaid	(303,060)	(21,179)
Other financing activities	(26,322)	(3,799)
Net cash (used in)/provided by financing activities	<u>(406,335)</u>	<u>45,586</u>
Net increase in cash and cash equivalents	544,883	153,147
Cash & cash equivalents at beginning of the period	<u>298,423</u>	<u>568,280</u>
Cash & cash equivalents at end of the period	<u>843,306</u>	<u>721,427</u>
Comprising of:		
Cash at bank and in hand	18,348	41,903
Short term deposits	143,752	103,904
Securities purchased under agreement to resell	692,829	578,464
Overdraft	(11,623)	(2,844)
	<u>843,306</u>	<u>721,427</u>

PAN JAMAICAN INVESTMENT TRUST LIMITED**an its subsidiaries****Unaudited Consolidated Financial Information by Business Segments**

30 June 2009

	Property Investment & Management \$'000	Investment Management Services \$'000	Other Services \$'000	Eliminations \$'000	Total \$'000
REVENUE					
External	546,655	215,928	37,619	-	800,202
Inter-segment	3,216	4,260	-	(7,476)	-
Total revenue	549,871	220,188	37,619	(7,476)	800,202
Segment results	229,136	213,055	32,076	-	474,267
Interest expense	(10,135)	(19,954)	-	-	(30,089)
	219,001	193,101	32,076		444,178
Share of results of associated companies	-	626,859	-		626,859
Profit before taxation	219,001	819,960	32,076		1,071,037
Taxation	(49,025)	(26,093)	-		(75,118)
Net profit	169,976	793,867	32,076		995,919
Segment assets	4,103,668	2,388,507	331,788	(187,063)	6,636,900
Associates					5,404,897
Total assets					12,041,797
Segment liabilities	356,802	378,063	292,506	(187,063)	840,308

30 June 2008 - Restated

	Property Investment & Management \$'000	Investment Management services \$'000	Other Service \$'000	Eliminations \$'000	Total \$'000
REVENUE					
External	547,046	190,820	18,463	-	756,329
Inter-segment	2,704	3,876	-	(6,580)	-
Total revenue	549,750	194,696	18,463	(6,580)	756,329
Segment results	233,007	193,931	11,592	-	438,530
Interest expense	(9,543)	(13,206)	-	-	(22,749)
	223,464	180,725	11,592		415,781
Share of results of associated companies	-	370,889	-		370,889
Profit before taxation	223,464	551,614	11,592		786,670
Taxation	(26,801)	(45,410)	-		(72,211)
Net profit	196,663	506,204	11,592		714,459
Segment assets	3,614,704	2,500,735	289,775	(215,326)	6,189,888
Associates					4,758,293
Total assets					10,948,181
Segment liabilities	342,906	649,462	315,078	(215,326)	1,092,120

Basis of Consolidation

The Financial Statements have been prepared in accordance with the accounting policies as disclosed in the audited financial statements for the year ended 31 December 2008, and amended by the adoption of the following Standards effective 1 January 2009:

IAS 1 - Presentation of Financial Statements (revised)

IFRS 8 - Operating Segments