



Pan-Jamaican Investment Trust Limited

**Report to Stockholders
For the period ended 31 March 2010**

Pan-Jamaican Investment Trust Limited

Interim Report to Stockholders

For the 3 months ended March 31, 2010

On behalf of the Board of Directors, we are pleased to present the unaudited consolidated financial statements of Pan-Jamaican Investment Trust Limited for the quarter ended March 31, 2010.

The highlights are:

- Net profit attributable to owners of \$313 million (2009:\$408 million)
- Return (annualised) on opening equity of 14% (2009: 22%)
- Earnings per stock unit of \$1.83 (2009: \$2.38)
- Book value per stock unit of \$55.80 at March 31 2010 (December 31, 2009: \$52.15)

Net profit attributable to owners for the quarter ended March 31, 2010 amounted to \$313 million, compared to \$408 million in the 2009 1st quarter, a decrease of 23%, while basic earnings per stock unit were \$1.83 compared to \$2.38 for the same period in 2009.

Performance for the quarter was impacted most notably by the decrease in earnings for the quarter of First Jamaica Investments Ltd. (FJIL). The FJI group's reported investment income in the first quarter of 2009 was boosted by a foreign exchange gain of \$112 million on US dollar denominated investments consequent on a 10% decline in the value of the Jamaican dollar. The stability of the Jamaican dollar in the 1st quarter of 2010 has resulted in no reported foreign exchange gains this year. Secondly, its share of results of associated company, represented by its 24.4% investment in Sagicor Life Jamaica Limited (SLJ), declined by \$100 million (28%) to \$253 million. SLJ's 1st quarter 2009 results benefited both from reported foreign exchange gains as well as a release of actuarial reserves consequent on higher interest rates as at the end of the first quarter of 2009, neither of which items recurred in the 2010 1st quarter. Absent these items, SLJ would have reported a 20% improvement in core earnings.

Group operating profit for the 1st quarter declined by \$95 million compared to last year's 1st quarter. The absence of exchange gains on investments in both FJI and in Pan Jam was partially offset by increased other investment income of \$20 million, while FJI recorded an increase of \$52 million, 20%, in property income, \$21 million of which was attributable to property revaluation gain. Total operating expenses increased by \$28 million, 18%, of which 50% was driven by an increase in utilities as world oil prices increased, while the remainder was attributable to general inflationary pressures in other expense categories.

Our property segment, which is comprised principally of Jamaica Property Company, enjoyed overall occupancy levels exceeding 97% for the 1st quarter, a slight decline over last year, while contribution to group operating profit of \$164 million for the quarter was \$12 million better.

Our investment management segment posted operating profit of \$55 million for the quarter, less than half of last year's 1st quarter profit of \$152 million. Last year's results were driven principally by foreign exchange gains. In the current year we have benefited from firmer equity prices which have more than offset reduced interest earnings on fixed income securities. Net unrealised gains in our portfolio of available for sale securities, which are accounted for through comprehensive income and stockholders' equity, amounted to \$100 million for the quarter compared to a net unrealised loss of \$60 million last year.

Hardware & Lumber Limited (H&L) reported a further loss of \$17 million for the 1st quarter, compared to a loss of \$113 million for the same period last year. Results continue to be adversely affected by revenue and gross profit declines versus the same period a year ago, reflecting continuing soft demand particularly in the construction and home improvement sectors. We continue to lobby the majority shareholder to redress performance and restore the company to positive cash flow. Prospects for the balance of the year, however, remain weak.

We are very pleased with the performance of Walkerswood for its first full year of operation (which ended April 30, 2010) under our consortium's management. The current fiscal year's priorities will focus on fulfilling customer demand flawlessly, building new and existing markets, and completing the integration of the company's 2 production facilities.

Total assets at March 31, 2010 amounted to \$14.0 billion, compared to \$12.9 billion at December 31, 2009. Stockholders' equity increased to \$9.6 billion (December 31 2009: \$8.9 billion), which equates to a book value per share of \$55.80 as at March 31, 2010 (December 31, 2009: \$52.15).

The group participated fully in the Jamaica Debt Exchange (JDX) concluded in February, 2010, as did First Jamaica's associated company, Sagicor. Lower interest rates and a compressed economic environment have affected both the group and Sagicor this year, and are likely to continue to do so for the next 12 months. We are, nevertheless, very supportive of the government's initiative relative to the country's hitherto unsustainable debt level, and look forward to the announcement of additional initiatives to reduce the fiscal deficit and put the country on a path of sustainable growth.

The group's primary objective in the management of its capital is to provide superior returns for stockholders while maintaining a conservative capital structure. We will continue to manage our risks prudently, retaining appropriate levels of liquidity while keeping operating expenses in line with our revenues, and are prepared both for an extended recessionary period and to take advantage of opportunities as they arise.



Maurice W. Facey
Chairman



Stephen B. Facey
President & CEO

Pan-Jamaican Investment Trust Limited
and its subsidiaries
Unaudited Consolidated Income Statement
Three months ended 31 March 2010

	3 Months to Mar-10 \$'000	3 Months to Mar-09 \$'000
Income		
Investments	78,436	197,826
Property	312,150	260,493
Commissions	7,676	6,964
Other	13,609	13,575
	<u>411,871</u>	<u>478,858</u>
Operating expenses	<u>(183,913)</u>	<u>(155,697)</u>
Operating profit	227,958	323,161
Interest expense	<u>(9,941)</u>	<u>(16,320)</u>
	218,017	306,841
Share of results of associated companies	<u>254,841</u>	<u>302,759</u>
Profit before taxation	472,858	609,600
Taxation	<u>(42,694)</u>	<u>(41,264)</u>
Net profit	<u>430,164</u>	<u>568,336</u>
Net profit attributable to:		
Owners of the parent	312,710	408,058
Non-controlling interest	117,454	160,278
	<u>430,164</u>	<u>568,336</u>
Earnings per stock unit attributable to owners of the parent for the period		
Basic	\$1.83	\$2.38
Fully diluted	\$1.79	\$2.34

**Pan Jamaican Investment Trust Limited
and its subsidiaries
Unaudited Consolidated Statement of Comprehensive Income
Three months ended 31 March 2010**

	3 Months to Mar-10 \$'000	3 Months to Mar-09 \$'000
Net profit for the period	430,164	568,336
Other comprehensive income:		
Exchange differences on translating foreign operations	927	8,353
Unrealised gains/(losses) on available-for-sale financial assets, net of tax	99,826	(59,784)
(Loss)/Gain on dilution of shareholding in associates	(3,438)	5,871
Share of other comprehensive income/(loss) of associates	409,470	(116,703)
Other comprehensive income/(loss) for the period, net of tax	<u>506,785</u>	<u>(162,263)</u>
Total comprehensive income for the period	<u>936,949</u>	<u>406,073</u>
Total comprehensive income attributable to		
Owners of the parent	701,666	286,343
Non-controlling interest	235,283	119,730
	<u>936,949</u>	<u>406,073</u>

PAN-JAMAICAN INVESTMENT TRUST LIMITED
and its subsidiaries
Unaudited Consolidated Statement of Financial Position
as at 31 March 2010

	Unaudited March 2010 \$'000	Audited December 2009 \$'000	Unaudited March 2009 \$'000
ASSETS			
Cash and Bank Balances	15,498	18,784	9,116
Investments			
Short term deposits	117,610	119,417	41,314
Securities			
Financial assets at fair value through profit and loss	153,066	126,404	109,893
Available-for-sale	1,946,690	1,787,993	2,082,639
Loans & receivables	12,272	12,272	32,272
Deposits	1,707	2,727	-
Securities purchased under agreements to resell	968,919	829,048	541,762
Investment properties	3,662,674	3,584,578	3,332,363
Investment in associated companies	6,471,791	6,003,954	4,805,023
	<u>13,334,729</u>	<u>12,466,393</u>	<u>10,945,266</u>
Taxation recoverable	35,479	58,250	86,079
Deferred tax assets	10,413	10,396	21,715
Receivables and other assets	441,353	226,819	233,464
Property, plant and equipment	159,865	100,512	101,119
Retirement benefit assets	40,738	42,088	41,310
	<u>687,848</u>	<u>438,065</u>	<u>483,687</u>
	<u>14,038,075</u>	<u>12,923,242</u>	<u>11,438,069</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	35,405	34,302	28,899
Property revaluation reserve	2,058,545	1,998,504	1,819,434
Investment and other reserves	2,596,977	2,208,021	1,753,346
Retained earnings	4,701,492	4,525,910	3,907,509
Treasury stock	(18,486)	(18,486)	(18,486)
	<u>9,559,287</u>	<u>8,933,605</u>	<u>7,676,056</u>
Non-controlling interest	<u>3,452,104</u>	<u>3,248,427</u>	<u>2,814,543</u>
	<u>13,011,391</u>	<u>12,182,032</u>	<u>10,490,599</u>
Liabilities			
Bank overdraft	3,688	2,610	11,031
Taxation payable	9,218	80,689	267
Due to related party	5,225	5,225	5,225
Bank and other loans	685,341	241,924	529,175
Finance lease liability	2,391	3,212	7,597
Deferred tax liability	105,211	104,499	108,768
Retirement benefit liabilities	71,648	69,923	64,490
Payables and other liabilities	143,962	233,128	220,917
Total liabilities	<u>1,026,684</u>	<u>741,210</u>	<u>947,470</u>
	<u>14,038,075</u>	<u>12,923,242</u>	<u>11,438,069</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 31 March 2010

31-Mar-09

-----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 Interests \$'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	-	-	-	-	(42,826)	-	(16,173)	(58,999)
Stock compensation provision	-	1,792	-	-	-	-	508	2,300
Property revaluation gains	-	-	44,429	-	(44,429)	-	-	-
Total comprehensive (loss)/ income for the period	-	-	-	(121,715)	408,058	-	119,730	406,073
Balance at end of period	185,354	28,899	1,819,434	1,753,346	3,907,509	(18,486)	2,814,543	10,490,599

31-Mar-10

-----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 Interests \$'000	Total \$'000
Balance at 1 January 2010	185,354	34,302	1,998,504	2,208,021	4,525,910	(18,486)	3,248,427	12,182,032
Dividends paid	-	-	-	-	(77,087)	-	(31,913)	(109,000)
Stock compensation provision	-	1,103	-	-	-	-	307	1,410
Property revaluation gains	-	-	60,041	-	(60,041)	-	-	-
Total comprehensive income for the period	-	-	-	388,956	312,710	-	235,283	936,949
Balance at end of period	185,354	35,405	2,058,545	2,596,977	4,701,492	(18,486)	3,452,104	13,011,391

PAN JAMAICAN INVESTMENT TRUST LIMITED
and its subsidiaries
Unaudited Consolidated Statement of Cash Flows
Three months ended 31 March 2010

	3-Months to March 2010 \$'000	3-Months to March 2009 \$'000
Net profit	430,164	568,336
Items not affecting cash		
Share of results of associated companies	(254,841)	(302,759)
Fair value gains on investment properties	(81,900)	(60,900)
Losses/(Gains) on foreign currency denominated investments, net	2,244	(137,836)
Other	10,791	20,212
	<u>106,458</u>	<u>87,053</u>
Changes in operating assets and liabilities		
Other assets	(21,496)	75,107
Other liabilities	(83,320)	(72,237)
	<u>1,642</u>	<u>89,923</u>
Interest received	54,199	64,232
Interest paid	(18,732)	(14,712)
Income tax paid	(118,776)	(38,577)
Net cash provided by operations	<u>(81,667)</u>	<u>100,866</u>
Cash flows from investing activities		
Acquisition of investment securities, net	(60,684)	(4,662)
Other investment activities	(60,596)	26,364
Dividends received from associated company	-	229,807
Net cash (used in)/provided by investing activities	<u>(121,280)</u>	<u>251,509</u>
Cash flows from financing activities		
Dividends paid to minority interests	(31,913)	(16,173)
Dividends paid to company stockholders	(77,087)	(42,826)
Other financing activities	445,647	(10,638)
Net cash provided by/(used in) financing activities	<u>336,647</u>	<u>(69,637)</u>
Net increase in cash and cash equivalents	133,700	282,738
Cash & cash equivalents at beginning of the period	<u>964,639</u>	<u>298,423</u>
Cash & cash equivalents at end of the period	<u><u>1,098,339</u></u>	<u><u>581,161</u></u>
Comprising of:		
Cash at bank and in hand	15,498	9,116
Short term deposits	117,610	41,314
Securities purchased under agreement to resell	968,919	541,762
Overdraft	(3,688)	(11,031)
	<u><u>1,098,339</u></u>	<u><u>581,161</u></u>

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

March 31, 2010

	Property Management & Rental \$'000	Investments \$'000	Other Services \$'000	Eliminations \$'000	Total \$'000
REVENUE					
External	339,520	60,077	12,274	-	411,871
Inter-segment	1,725	2,237	-	(3,962)	-
Total revenue	<u>341,245</u>	<u>62,314</u>	<u>12,274</u>	<u>(3,962)</u>	<u>411,871</u>
Segment results	163,660	55,356	8,942	-	227,958
Interest expense	(4,366)	(5,575)	-	-	(9,941)
	159,294	49,781	8,942	-	218,017
Share of results of associated companies	-	254,841	-	-	254,841
Profit before taxation	159,294	304,622	8,942	-	472,858
Taxation	(21,622)	(20,708)	(364)	-	(42,694)
Net profit	<u>137,672</u>	<u>283,914</u>	<u>8,578</u>	<u>-</u>	<u>430,164</u>
	4,941,273	2,523,188	274,934	(173,111)	7,566,284
Associates	-	6,471,791	-	-	6,471,791
Total assets	<u>4,941,273</u>	<u>8,994,979</u>	<u>274,934</u>	<u>(173,111)</u>	<u>14,038,075</u>
Segment liabilities	<u>714,198</u>	<u>296,744</u>	<u>188,853</u>	<u>(173,111)</u>	<u>1,026,684</u>

March 31, 2009

	Property Management & Rental \$'000	Investments \$'000	Other Service \$'000	Eliminations \$'000	Total \$'000
REVENUE					
External	303,062	151,963	23,833	-	478,858
Inter-segment	1,648	2,130	-	(3,778)	-
Total revenue	<u>304,710</u>	<u>154,093</u>	<u>23,833</u>	<u>(3,778)</u>	<u>478,858</u>
Segment results	151,427	151,561	20,173	-	323,161
Interest expense	(4,999)	(11,321)	-	-	(16,320)
	146,428	140,240	20,173	-	306,841
Share of results of associated companies	-	302,759	-	-	302,759
Profit before taxation	146,428	442,999	20,173	-	609,600
Taxation	(25,661)	(15,603)	-	-	(41,264)
Net profit	<u>120,767</u>	<u>427,396</u>	<u>20,173</u>	<u>-</u>	<u>568,336</u>
Segment assets	3,932,716	2,674,752	230,045	(204,467)	6,633,046
Associates	-	4,805,023	-	-	4,805,023
Total assets	<u>3,932,716</u>	<u>7,479,775</u>	<u>230,045</u>	<u>(204,467)</u>	<u>11,438,069</u>
Segment liabilities	<u>248,078</u>	<u>687,566</u>	<u>216,293</u>	<u>(204,467)</u>	<u>947,470</u>

NOTE

1. 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 2009, amended by the adoption of the following standard effective 1 January 2010:

IAS 27 (Revised) – ‘Consolidated and separate financial statements’