



First Jamaica Investments Limited

**Interim Report to Stockholders
For the three months ended March 31, 2011**

First Jamaica Investments Limited

Interim Report to Stockholders

For the three months ended March 31, 2011

On behalf of the Board of Directors, we are pleased to present the unaudited consolidated financial statements of First Jamaica Investments Limited for the quarter ended March 31, 2011.

The highlights are:

- Net profit attributable to owners of \$487 million (2010: \$423 million)
- Return (annualised) on opening equity of 14% (2010: 14%)
- Earnings per stock unit of \$1.61 (2010: \$1.40)
- Book value per stock unit of \$46.05 at March 31, 2011 (December 31, 2010: \$44.61)
- Ordinary dividend of \$0.30 per stock unit declared and paid March, 2011

Income Statement

Net profit attributable to owners for the quarter ended March 31, 2011 amounted to \$487 million, compared to \$423 million in the 2010 1st quarter, an increase of 15%, while earnings per stock unit were \$1.61 compared to \$1.40 for the same period in 2010.

Performance for the quarter was impacted most notably by our share of results of associated company, represented by our 24.8% investment in Sagicor Life Jamaica Limited (SLJ), which increased by \$65 million (26%) to \$318 million. SLJ's results benefited from strong new business and conservation as well as good results from their banking subsidiary Pan Caribbean Financial Services Limited.

Group operating profit for the 1st quarter declined by \$13 million compared to last year's 1st quarter. A decrease in investment income of \$12 million, principally resulting from lower investment yields, was partly offset by an increase in property income of \$8 million. Operating expenses increased 8%, \$14 million, driven principally by an increase in building and equipment maintenance and repairs as well as utilities.

Our property segment, which is comprised principally of Jamaica Property Company, enjoyed overall occupancy levels exceeding 97% for the 1st quarter, a slight decline compared to last year, while contribution to group operating profit of \$160 million for the quarter was \$3 million, 2%, lower than last year.

Our investment management segment posted operating profit of \$53 million for the quarter, 16% less than last year's 1st quarter profit of \$63 million. In the current year we have benefited from firmer equity prices but these failed to 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 \$31 million for the quarter compared to \$61 million last year.

Balance Sheet

Total assets at March 31, 2011 amounted to \$14.9 billion, compared to \$14.6 billion at December 31, 2010. Stockholders' equity increased to \$13.9 billion (December 31 2010: \$13.5 billion), which equates to a book value per stock unit of \$46.05 as at March 31, 2011 (December 31, 2010: \$44.61).

Outlook

We were generally pleased with the Government's proposed budget, and look forward to the announcement of additional initiatives to reduce the fiscal deficit and put the country on a path of sustainable growth. While the economy will likely remain weak in 2011, our strong liquidity position and low leverage, combined with our standing as the country's premier commercial property owner and manager, give us reason to be cautiously optimistic.



Maurice W. Facey
Chairman



Stephen B. Facey
Chief Executive Officer

FIRST JAMAICA INVESTMENTS LIMITEDand its subsidiaries**Unaudited Consolidated Income Statement****Three months ended March 31, 2011**

	3-months to March 2011 \$'000	3-months to March 2010 \$'000
Income		
Investments	60,142	71,797
Property	321,650	313,717
Other	<u>17,675</u>	<u>13,762</u>
	399,467	399,276
Operating expenses	<u>(186,062)</u>	<u>(172,419)</u>
Operating Profit	213,405	226,857
Interest expense	<u>(7,594)</u>	<u>(9,941)</u>
	205,811	216,916
Share of results of associated company	<u>318,378</u>	<u>253,171</u>
Profit before Taxation	524,189	470,087
Taxation	<u>(32,061)</u>	<u>(42,330)</u>
Net Profit	<u>492,128</u>	<u>427,757</u>
Net profit attributable to:		
Owners of the parent	486,742	423,273
Non-controlling interests	<u>5,386</u>	<u>4,484</u>
	<u>492,128</u>	<u>427,757</u>
Earnings per stock unit attributable to owners of the parent for the period		
Basic and fully diluted	\$1.61	\$1.40

FIRST JAMAICA INVESTMENTS LIMITED

and its subsidiaries

Unaudited Consolidated Statement of Comprehensive Income

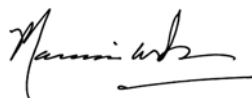
Three months ended March 31, 2011

	3-months to	3-months to
	March	March
	2011	2010
	\$'000	\$'000
Net Profit for the period	492,128	427,757
Other Comprehensive Income		
Unrealised gain on available for sale assets, net of tax	31,279	60,637
Loss on dilution of shareholding in associated company	-	(3,438)
Share of other comprehensive income of associated company	<u>6,596</u>	<u>409,470</u>
Other comprehensive income for the period, net of tax	<u>37,875</u>	<u>466,669</u>
Total comprehensive income for the period	<u><u>530,003</u></u>	<u><u>894,426</u></u>
Total Comprehensive Income attributable to:		
Owners of the parent	524,526	890,091
Non-controlling interests	<u>5,477</u>	<u>4,335</u>
	<u><u>530,003</u></u>	<u><u>894,426</u></u>

FIRST JAMAICA INVESTMENTS LIMITED
and its subsidiaries

Unaudited Consolidated Statement of Financial Position
as at March 31, 2011

	Unaudited March 2011 \$'000	Audited December 2010 \$'000	Unaudited March 2010 \$'000
ASSETS			
Cash and Bank Balances	12,029	18,805	12,028
Investments			
Short term deposits	9,579	13,252	15,902
Securities			
Financial assets at fair value through profit and loss	171,183	158,902	153,066
Available-for sale	1,585,119	1,566,908	1,612,753
Securities purchased under agreements to resell	972,891	1,021,671	968,919
Deposits	1,819	1,819	1,707
Investment properties	3,963,632	3,894,259	3,668,243
Investment in associated companies	7,156,937	7,148,841	6,221,715
	13,861,160	13,805,652	12,642,305
Other Assets			
Taxation recoverable	29,322	44,459	30,336
Deferred tax assets	2,056	1,982	8,492
Receivable and prepayment	618,416	329,058	414,665
Due from related parties	144,162	146,019	182,909
Property, plant and equipment	228,986	198,804	145,782
Retirement benefit assets	18,682	18,682	35,384
	1,041,624	739,004	817,568
	<u>14,914,813</u>	<u>14,563,461</u>	<u>13,471,901</u>
STOCKHOLDERS' EQUITY AND LIABILITIES			
Stockholders' Equity			
Capital and Reserves Attributable to the Company's			
Equity Holders			
Share Capital	355,848	355,848	355,848
Equity compensation reserve	41,023	40,512	37,058
Property valuation reserve	3,110,805	3,038,261	2,819,809
Investment and other reserves	3,247,595	3,209,811	3,038,975
Retained earnings	7,180,599	6,857,085	6,128,729
Treasury shares	(15,574)	(15,574)	(15,574)
	13,920,296	13,485,943	12,364,845
Non-controlling interests	187,085	181,608	165,034
	<u>14,107,381</u>	<u>13,667,551</u>	<u>12,529,879</u>
Liabilities			
Bank overdraft	6,566	-	3,688
Taxation payable	654	24,343	8,904
Deferred tax liability	125,906	128,822	105,211
Due to related parties	5,244	20,610	5,244
Payable and other liabilities	90,973	140,719	80,289
Bank and other loans	507,430	516,324	685,341
Finance lease liabilities	14,162	9,664	1,464
Retirement benefit liabilities	56,497	55,428	51,881
	807,432	895,910	942,022
	<u>14,914,813</u>	<u>14,563,461</u>	<u>13,471,901</u>



Maurice W. Facey

Director



Stephen B. Facey

Director

FIRST JAMAICA INVESTMENTS LIMITED

and its subsidiaries

Unaudited Consolidated Statement of Changes in Equity**Three months ended March 31, 2011**

|-----Attributable to owners of the parent-----|

	Share Capital \$'000	Equity Compensation \$'000	Property Revaluation Reserve \$'000	Investment and Other reserves \$'000	Retained earnings \$'000	Treasury Stock \$'000	Non-controlling Interests \$'000	Total \$'000
Balance as at 1 January 2010	355,848	35,907	2,737,909	2,572,157	5,908,268	(15,574)	160,699	11,755,214
								-
Dividends paid					(120,912)			(120,912)
Stock compensation provision		1,151						1,151
Total comprehensive income for the period		-	-	466,818	423,273		4,335	894,426
								-
Property revaluation gains			81,900	-	(81,900)			-
	-	1,151	81,900	466,818	220,461	-	4,335	774,665
Balance at 31 March 2010	355,848	37,058	2,819,809	3,038,975	6,128,729	(15,574)	165,034	12,529,879

|-----Attributable to owners of the parent-----|

	Share Capital \$'000	Equity Compensation \$'000	Property Revaluation Reserve \$'000	Investment and other reserves \$'000	Retained earnings \$'000	Treasury Stock \$'000	Non-controlling Interests \$'000	Total \$'000
Balance as at 1 January 2011	355,848	40,512	3,038,261	3,209,811	6,857,085	(15,574)	181,608	13,667,551
								-
Dividends paid					(90,684)			(90,684)
Stock compensation provision		511	-		-			511
Total comprehensive income for the period		-	-	37,784	486,742		5,477	530,003
								-
Property revaluation gains			72,544	-	(72,544)			-
	-	511	72,544	37,784	323,514	-	5,477	439,830
Balance at 31 March 2011	355,848	41,023	3,110,805	3,247,595	7,180,599	(15,574)	187,085	14,107,381

FIRST JAMAICA INVESTMENTS LIMITED
and its subsidiaries

Unaudited Consolidated Statement of Cash Flows
Three months ended 31 March 2011

	3-Months to March 2011 \$'000	3-Months to March 2010 \$'000
Net profit	492,128	427,757
Items not affecting cash		
Share of profit of associated company	(318,378)	(253,171)
Fair value gains on investment properties	(72,544)	(81,900)
(Gain)/loss on foreign currency assets, net	(643)	1,231
Other	866	(4,848)
	<u>101,429</u>	<u>89,069</u>
Changes in operating assets and liabilities		
Other assets, net	42,657	(24,538)
Other liabilities, net	<u>(48,310)</u>	<u>(52,019)</u>
	95,776	12,512
Interest received	37,621	52,315
Interest paid	(16,809)	(18,732)
Income tax paid	<u>(60,903)</u>	<u>(118,697)</u>
Net cash provided by/ (used in) operations	<u>55,685</u>	<u>(72,602)</u>
Cash flow from investing activities		
Capital expenditure	(33,780)	(56,096)
Proceeds from/(acquisition of) investment securities, net	<u>13,268</u>	<u>(67,488)</u>
Net cash used in investing activities	<u>(20,512)</u>	<u>(123,584)</u>
Cash flows from financing activities		
Related parties	(13,509)	(1,797)
Loan received	-	447,541
Loans repaid	3,104	(1,507)
Dividends paid	<u>(90,684)</u>	<u>(120,912)</u>
Net cash (used in)/provided by financing activities	<u>(101,089)</u>	<u>323,325</u>
Net (decrease)/increase in cash and cash equivalents	(65,916)	127,139
Cash and cash equivalents at the beginning of period	<u>869,307</u>	<u>866,022</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>803,391</u>	<u>993,161</u>
Comprising of:		
Cash at bank and in hand	12,029	12,028
Short term investments	9,579	15,902
Securities purchased under agreement to resell	788,349	968,919
Bank overdraft	<u>(6,566)</u>	<u>(3,688)</u>
	<u>803,391</u>	<u>993,161</u>

FIRST JAMAICA INVESTMENTS LIMITED
and its Subsidiaries

Unaudited Segmental Financial Information
Three months ended March 31, 2011

	Property Management and Rental	Investments	Eliminations	Group
REVENUE	\$'000	\$'000	\$'000	\$'000
External	352,939	46,528		399,467
Inter-segment	1,540	31,156	(32,696)	-
Total revenue	354,479	77,684	(32,696)	399,467
Operating profit	160,391	53,014		213,405
Interest expense	(6,259)	(1,335)		(7,594)
	154,132	51,679		205,811
Share of results of associated company	-	318,378		318,378
Profit before taxation	154,132	370,057		524,189
Taxation	(20,565)	(11,496)		(32,061)
Net profit	133,567	358,561		492,128
Segment assets	5,393,212	2,712,921	(348,257)	7,757,876
Associated companies		7,156,937		7,156,937
Total assets	5,393,212	9,869,858	(348,257)	14,914,813
Segment liabilities	1,056,180	99,509	(348,257)	807,432

FIRST JAMAICA INVESTMENTS LIMITED
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Unaudited Segmental Financial Information
Three months ended March 31, 2010

	Property Management and Rental	Investments	Eliminations	Group
REVENUE	\$'000	\$'000	\$'000	\$'000
External	341,245	58,031		399,276
Inter-segment	1,603	31,124	(32,727)	-
Total revenue	342,848	89,155	(32,727)	399,276
Operating profit	163,660	63,197		226,857
Interest expense	(4,366)	(5,575)		(9,941)
	159,294	57,622		216,916
Share of results of associated company	-	253,171		253,171
Profit before taxation	159,294	310,793		470,087
Taxation	(21,622)	(20,708)		(42,330)
Net profit	137,672	290,085		427,757
Segment assets	4,949,345	2,689,044	(388,203)	7,250,186
Associated companies		6,221,715		6,221,715
Total assets	4,949,345	8,910,759	(388,203)	13,471,901
Segment liabilities	1,102,404	227,821	(388,203)	942,022

NOTE

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 2010.