



Pan-Jamaican Investment Trust Limited

**Report to Stockholders
Three months ended 31 March 2011**

Pan-Jamaican Investment Trust Limited

Interim Report to Stockholders

For the 3 months ended March 31, 2011

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, 2011.

The highlights are:

- Net profit attributable to owners of \$391 million (2010: \$313 million)
- Return (annualised) on opening equity of 15% (2010: 14%)
- Earnings per stock unit of \$2.28 (2010: \$1.83)
- Book value per stock unit of \$64.14 at March 31, 2011 (December 31, 2010: \$61.98)
- Ordinary dividend of \$0.32 per stock unit declared and paid March, 2011

Income Statement

Net profit attributable to owners for the quarter ended March 31, 2011 amounted to \$391 million, compared to \$313 million in the 2010 1st quarter, an increase of 25%, while earnings per stock unit were \$2.28 compared to \$1.83 for the same period in 2010.

Performance for the quarter was impacted most notably by an increase of \$78 million in our share of results of associated companies. First Jamaica Investments Limited (FJI)'s share of earnings from its 24.8% investment in Sagicor Life Jamaica Limited (Sagicor) increased by \$65 million (25%) to \$319 million. Sagicor's results benefited from strong new business and conservation as well as good results from their banking subsidiary Pan Caribbean Financial Services Limited. We also recorded strong earnings from our 25% investment in the new Walkerswood group ("Walkerswood").

Group operating profit for the 1st quarter declined by \$22 million compared to last year's 1st quarter. A decrease in investment income of \$9 million, principally resulting from lower investment yields, was broadly offset by an increase in property income of \$8 million. Operating expenses increased 13%, \$24 million, driven partly by an increase in building and equipment maintenance and repairs, and utilities, as well as general inflationary increases.

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 \$37 million for the quarter, 32% less than last year's 1st quarter profit of \$55 million. In the current year we have benefited from firmer equity prices but these failed to offset reduced trading gains and lower 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 \$32 million for the quarter compared to \$100 million last year.

Interest expense increased to \$27 million from \$10 million last year as a result of increased borrowings used to fund additions to existing investments, principally FJI.

Associated Companies

Our share of results of associated companies for the quarter increased by \$78 million compared to the 2010 1st quarter amount of \$255 million. The results of associated companies consist principally of FJI's 24.8% investment in Sagicor. We also hold a 25% interest in Walkerswood and a 20% interest in Hardware & Lumber Limited ("H&L").

Sagicor's net profit attributable to shareholders for the quarter was \$1,285 million, an increase of 24% over the prior year 1st quarter, representing an annualised 20% return on average equity. Sagicor's results benefited from strong new business and conservation as well as good results from their banking subsidiary Pan Caribbean Financial Services Limited.

We were again very pleased with the performance of Walkerswood for its second full year of operation (which ended April 30, 2011) under our consortium's management. The current fiscal year's priorities will focus on fulfilling customer demand flawlessly, improving management of the supply chain, and driving further growth in new and existing markets.

Hardware & Lumber Limited (H&L) reported net earnings of \$0.7 million for the 1st quarter, compared to a loss of \$9.6 million for the same period last year. Results continue to be adversely affected by continuing soft demand particularly in the construction and home improvement sectors and uneven product supply, but revenue and gross profit both increased compared to last year.

Balance Sheet

Total assets at March 31, 2011 amounted to \$15.5 billion, compared to \$15.2 billion at December 31, 2010. Stockholders' equity increased to \$11.0 billion (December 31 2010: \$10.6 billion), which equates to a book value per stock unit of \$64.14 as at March 31, 2011 (December 31, 2010: \$61.98).

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.

We continue to seek acquisitions which can generate value for our stockholders. With this in mind, we have joined with Jamaica Producers Limited to enter into negotiations with the Government of Jamaica in respect of their planned divestment of the Mavis Bank Coffee Factory - Jamaica's largest processor of Blue Mountain coffee.



Maurice W. Facey
Chairman



Stephen B. Facey
Chief Executive Officer

Pan-Jamaican Investment Trust Limited
and its subsidiaries
Unaudited Consolidated Income Statement
Three months ended 31 March 2011

	3 Months to Mar-11 \$'000	3 Months to Mar-10 \$'000
Income		
Investments	69,550	78,436
Property	319,777	312,150
Commissions	7,620	7,676
Other	17,550	13,609
	<u>414,497</u>	<u>411,871</u>
Operating expenses	<u>(208,313)</u>	<u>(183,913)</u>
Operating profit	206,184	227,958
Interest expense	<u>(27,250)</u>	<u>(9,941)</u>
	178,934	218,017
Share of results of associated companies	<u>332,530</u>	<u>254,841</u>
Profit before taxation	511,464	472,858
Taxation	<u>(32,623)</u>	<u>(42,694)</u>
Net profit	<u>478,841</u>	<u>430,164</u>
Net profit attributable to:		
Owners of the parent	390,693	312,710
Non-controlling interest	88,148	117,454
	<u>478,841</u>	<u>430,164</u>
Earnings per stock unit attributable to		
owners of the parent for the period		
Basic and fully diluted	\$2.28	\$1.83

**Pan Jamaican Investment Trust Limited
and its subsidiaries
Unaudited Consolidated Statement of Comprehensive Income
Three months ended 31 March 2011**

	3 Months to Mar-11 \$'000	3 Months to Mar-10 \$'000
Net profit for the period	478,841	430,164
Other comprehensive income:		
Exchange differences on translating foreign operations	-	927
Unrealised gains on available-for-sale financial assets, net of tax	32,568	99,826
Loss on dilution of shareholding in associates	-	(3,438)
Share of other comprehensive income of associates	<u>6,596</u>	<u>409,470</u>
Other comprehensive income for the period, net of tax	<u>39,164</u>	<u>506,785</u>
Total comprehensive income for the period	<u>518,005</u>	<u>936,949</u>
Total comprehensive income attributable to		
Owners of the parent	423,722	701,666
Non-controlling interest	<u>94,283</u>	<u>235,283</u>
	<u>518,005</u>	<u>936,949</u>

PAN-JAMAICAN INVESTMENT TRUST LIMITED
and its subsidiaries
Unaudited Consolidated Statement of Financial Position
as at 31 March 2011

	Unaudited March 2011 \$'000	Audited December 2010 \$'000	Unaudited March 2010 \$'000
ASSETS			
Cash and Bank Balances	16,975	25,947	15,498
Investments			
Short term deposits	9,579	13,252	117,610
Securities			
Financial assets at fair value through profit and loss	171,183	158,902	153,066
Available-for-sale	1,858,910	1,835,750	1,946,690
Loans & receivables	12,117	12,117	12,272
Deposits	18,898	18,887	1,707
Securities purchased under agreements to resell	1,043,279	1,093,979	968,919
Investment properties	3,958,063	3,888,690	3,662,674
Investment in associated companies	7,445,005	7,422,757	6,471,791
	<u>14,517,034</u>	<u>14,444,334</u>	<u>13,334,729</u>
Taxation recoverable	32,180	47,855	35,479
Deferred tax assets	3,977	3,903	10,413
Receivables and other assets	668,201	371,707	441,353
Property, plant and equipment	254,545	225,440	159,865
Retirement benefit assets	31,708	31,708	40,738
	<u>990,611</u>	<u>680,613</u>	<u>687,848</u>
	<u>15,524,620</u>	<u>15,150,894</u>	<u>14,038,075</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	39,699	39,160	35,405
Property revaluation reserve	2,307,995	2,247,786	2,058,545
Investment and other reserves	2,921,637	2,888,608	2,596,977
Retained earnings	5,550,116	5,274,449	4,701,492
Treasury stock	(18,486)	(18,486)	(18,486)
	<u>10,986,315</u>	<u>10,616,871</u>	<u>9,559,287</u>
Non-controlling interest	<u>2,548,288</u>	<u>2,469,031</u>	<u>3,452,104</u>
	<u>13,534,603</u>	<u>13,085,902</u>	<u>13,011,391</u>
Liabilities			
Bank overdraft	6,566	101	3,688
Taxation payable	8,746	34,163	9,218
Due to related party	5,225	5,225	5,225
Bank and other loans	1,579,834	1,591,504	685,341
Finance lease liability	14,162	9,844	2,391
Deferred tax liability	125,906	128,822	105,211
Retirement benefit liabilities	76,718	75,650	71,648
Payables and other liabilities	172,860	219,683	143,962
Total liabilities	<u>1,990,017</u>	<u>2,064,992</u>	<u>1,026,684</u>
	<u>15,524,620</u>	<u>15,150,894</u>	<u>14,038,075</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 2011

31-Mar-10

-----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	34,302	1,998,504	2,208,021	4,525,910	(18,486)	3,248,427	12,182,032
Total comprehensive income for the period	-	-	-	388,956	312,710	-	235,283	936,949
Dividends paid	-	-	-	-	(77,087)	-	(31,913)	(109,000)
Stock compensation provision	-	1,103	-	-	-	-	307	1,410
Property revaluation gains	-	-	60,041	-	(60,041)	-	-	-
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

31-Mar-11

-----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 2011	185,354	39,160	2,247,786	2,888,608	5,274,449	(18,486)	2,469,031	13,085,902
Total comprehensive income for the period	-	-	-	33,029	390,693	-	94,283	518,005
Dividends paid	-	-	-	-	(54,817)	-	(15,113)	(69,930)
Stock compensation provision	-	539	-	-	-	-	87	626
Property revaluation gains	-	-	60,209	-	(60,209)	-	-	-
Balance at end of period	185,354	39,699	2,307,995	2,921,637	5,550,116	(18,486)	2,548,288	13,534,603

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

	3-Months to March 2011 \$'000	3-Months to March 2010 \$'000
Net profit	478,841	430,164
Items not affecting cash		
Share of results of associated companies	(332,530)	(254,841)
Fair value gains on investment properties	(72,544)	(81,900)
(Gains)/Losses on foreign currency denominated investments, net	(2,745)	2,244
Other	14,255	10,791
	<u>85,277</u>	<u>106,458</u>
Changes in operating assets and liabilities		
Other assets	36,059	(21,496)
Other liabilities	(45,384)	(83,320)
	<u>75,952</u>	<u>1,642</u>
Interest received	42,068	54,199
Interest paid	(37,833)	(18,732)
Income tax paid	(63,193)	(118,776)
Net cash provided by/(used in) operations	<u>16,994</u>	<u>(81,667)</u>
Cash flows from investing activities		
Acquisition of investment securities, net	13,805	(60,684)
Other investment activities	(33,724)	(60,596)
Net cash used in investing activities	<u>(19,919)</u>	<u>(121,280)</u>
Cash flows from financing activities		
Dividends paid to minority interests	(15,113)	(31,913)
Dividends paid to company stockholders	(54,817)	(77,087)
Other financing activities	2,924	445,647
Net cash (used in)/provided by financing activities	<u>(67,006)</u>	<u>336,647</u>
Net increase in cash and cash equivalents	(69,931)	133,700
Cash & cash equivalents at beginning of the period	<u>948,656</u>	<u>964,639</u>
Cash & cash equivalents at end of the period	<u><u>878,725</u></u>	<u><u>1,098,339</u></u>
Comprising of:		
Cash at bank and in hand	16,975	15,498
Short term deposits	9,579	117,610
Securities purchased under agreement to resell	858,737	968,919
Overdraft	(6,566)	(3,688)
	<u><u>878,725</u></u>	<u><u>1,098,339</u></u>

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

March 31, 2011

	Property Management & Rental \$'000	Investments \$'000	Other Services \$'000	Eliminations \$'000	Total \$'000
REVENUE					
External	350,908	51,289	12,300	-	414,497
Inter-segment	2,031	2,346	-	(4,377)	-
Total revenue	352,939	53,635	12,300	(4,377)	414,497
Segment results	160,391	37,397	8,396	-	206,184
Interest expense	(6,259)	(21,226)	-	235	(27,250)
	154,132	16,171	8,396	-	178,934
Share of results of associated companies	-	332,530	-	-	332,530
Profit before taxation	154,132	348,701	8,396	-	511,464
Taxation	(20,565)	(11,496)	(562)	-	(32,623)
Net profit	133,567	337,205	7,834	-	478,841
	5,366,341	2,648,480	195,419	(130,625)	8,079,615
Associates	-	7,445,005	-	-	7,445,005
Total assets	5,366,341	10,093,485	195,419	(130,625)	15,524,620
Segment liabilities	707,923	1,237,495	175,224	(130,625)	1,990,017

March 31, 2010

	Property Management & Rental \$'000	Investments \$'000	Other Service \$'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	341,245	62,314	12,274	(3,962)	411,871
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	137,672	283,914	8,578	-	430,164
Segment assets	4,941,273	2,523,188	274,934	(173,111)	7,566,284
Associates	-	6,471,791	-	-	6,471,791
Total assets	4,941,273	8,994,979	274,934	(173,111)	14,038,075
Segment liabilities	714,198	296,744	188,853	(173,111)	1,026,684

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.