

Pan-Jamaican Investment Trust Limited

Release

December 31, 2014

On behalf of the Board of Directors, we are pleased to present the consolidated financial statements of Pan-Jamaican Investment Trust Limited for the year ended December 31, 2014.

The financial highlights are:

- Net profit attributable to owners of \$2,843 million (2013: \$2,491 million)
- Return on opening equity of 16% (2013: 15%)
- Earnings per stock unit of \$13.55 (2013: \$11.74)
- Book value per stock unit of \$100.81 at year end (December 31, 2013: \$85.31)

During 2014, in conjunction with a partner based in Canada, we negotiated the purchase of the Oceana property on the Kingston waterfront. This transaction was completed in early 2015.

Income Statement

Net profit attributable to owners for the year ended 31 December 2014 amounted to \$2,843 million, compared to \$2,491 million in 2013, an increase of 14%, while earnings per stock unit were \$13.55 compared to \$11.74 for 2013.

Property income increased \$79 million, 5%, to \$1,551 million, driven by an 11% increase in rental income to \$1,349 million, offsetting reduced property revaluation gains of \$202 million versus last year's \$253 million. Our property segment continued to enjoy healthy overall occupancy levels of 95%, and made a contribution to group operating profit of \$697 million compared to last year's level of \$722 million.

Investment income of \$257 million lagged last year's level of \$486 million, while our investment management segment posted an operating loss of \$9 million versus last year's profit of \$256 million. Slower Jamaican dollar devaluation relative to the prior year resulted in recorded foreign exchange translation gains of \$117 million compared to \$219 million last year, a decrease of \$102 million. The reduced gains still served to offset the majority of the foreign exchange losses of \$132 million suffered on our US\$-denominated debt with the International Finance Corporation ("IFC"). Increased impairment charges on available-for-sale securities of \$69 million (compared to \$34 million during the prior year), and reduced capital gains of \$28 million (down from \$137 million in 2013) were the other significant contributors to the decline in investment income.

Total operating expenses for the year amounted to \$1,181 million compared to the 2013 level of \$1,054 million, an increase of 12%. Of these amounts, the year-on-year increase in direct costs of property

management was \$51 million, 9%, while staff costs increased \$61 million, or 34%, driven by additional staff complement and costs.

Finance costs fell to \$507 million in 2014 from \$609 million last year, driven by lower foreign exchange losses as a result of the slower pace of currency devaluation.

Associated Companies and Joint Venture

During 2014, Sagicor Group Jamaica Limited ("SGJ") issued additional shares in order to acquire those shares in its subsidiary, Sagicor Investments Jamaica Limited, which it did not already hold. As a result, our stake in SGJ was diluted to 31.5% from 32.8%. This stake continues to represent the majority of our income from associated and joint venture companies. We also continue to hold 20% interests in Hardware & Lumber Limited ("H&L") and Chukka Caribbean Adventures Limited ("Chukka"); a 50% interest in Mavis Bank Coffee Factory Limited ("Mavis Bank"), which is a joint venture with Jamaica Producers Group Limited; a 25% interest in New Castle Company Limited ("New Castle"), owners of Walkerswood and Busha Browne and holders of half of our interest in Mavis Bank; and a 35% interest in Caribe Hospitality Jamaica Limited ("Caribe"), developers of the Marriott Courtyard hotel in New Kingston which is expected to be opened around the mid-point of 2015.

Our share of results of associated and joint venture companies increased by \$512 million to \$2,693 million, compared to the 2013 amount of \$2,181 million. Of the \$2,693 million, \$2,663 million (2013 - \$2,027 million) emanated from Sagicor. Sagicor's net profit attributable to shareholders was \$8,513 million, an increase of 35% over the prior year, representing a 21% return on average equity. Sagicor's results were driven by strong investment income, as well as negative goodwill recognized in relation to its acquisition of the operations of RBC Royal Bank Jamaica Limited.

H&L reported a profit of \$217 million compared to \$610 million a year ago, with the prior year figure being enhanced by a one-time credit of \$502 million, consequent on a decision to cease participation in the Grace Kennedy group of companies defined benefit pension plan. H&L's pre-tax profit amounted to \$255 million, a decrease of \$60 million compared to the 2013 level (excluding the pension credit) of \$315 million. This reduction was driven principally by lower gross margins.

Chukka Caribbean Adventures Limited is the regional leader in adventure tours, and currently has operations in 3 countries. Our share of results, while generally modest since making the investment, improved to \$25 million in 2014, versus \$9 million in the prior year. We regard this as supportive of our belief that the prospects of the business are attractive.

Our share of results from our 50% investment in Mavis Bank, the country's premier processor and seller of Jamaica Blue Mountain coffee was a loss of \$40 million, compared to a gain of \$6 million in 2013. The current year performance was adversely affected by an industry-wide reduction in amounts of available coffee, an issue which is likely to continue to affect the industry in 2015.

New Castle had an improved year operationally in 2014, though our share of results, amounting to \$13

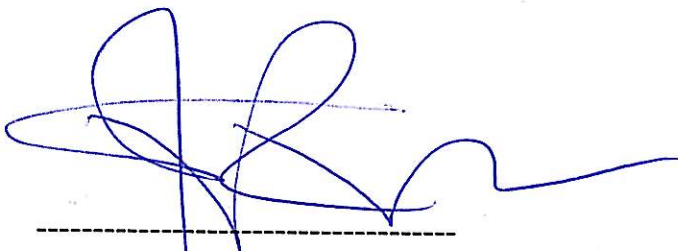
million (\$19 million in 2013), was pulled down by the impact of Mavis Bank. New Castle continues to expand its export and distribution of the Walkerswood, Busha Browne and Jamaica Joe lines of sauces and seasonings.

Balance Sheet

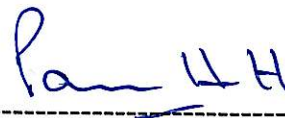
Stockholders' equity increased to \$21.1 billion at December 31, 2014 (2013: \$17.8 billion), which equates to a book value per share at year-end of \$100.81 (2013: \$85.31), an increase of 18%. Total assets at December 31, 2014 amounted to \$26.4 billion, compared to \$23.3 billion at December 31, 2013.

Outlook

2014 saw key successes achieved at a national level, principally in terms of consistent compliance with the targets set out in the country's IMF agreement. We continue to believe that the country is on the right path and to be encouraged by the discipline shown by the Government in its execution of the measures required by the IMF targets. While observers have noted that growth has not yet accompanied passing of the tests, it is our belief that the improving macroeconomic and structural conditions are creating an environment that will foster that growth. For this to be realized, the Government must maintain its diligence and the private sector must be attentive to the opportunities that arise and be prepared to commit resources to them. In this regard, we look forward to the imminent opening of the Courtyard Marriott as well as the redevelopment of the Oceana property in downtown Kingston, which we purchased in early 2015.



Stephen Facey
Chairman and Chief Executive Officer



Paul Hanworth
Chief Operating Officer