

PEGASUS HOTELS OF JAMAICA LIMITED 2000

CHAIRMAN'S STATEMENT

The results for the year under review, though unsatisfactory, have shown some improvement over the previous year.

Our operating loss has decreased from \$38.161 M to \$29.160M in the year under review. The net loss has been reduced from \$39.512M to \$22.870M. The exceptional item in the year under review resulted from the settlement of insurance claims for flood damage in 1998.

Despite the less than sufficient level of business, work continues on upgrading the guest bedrooms, public areas and equipment of the Hotel. We hope that the improving trend of the year under review will continue during the current financial year.

This year, your company set a new record - for a public listed company in Jamaica - by finalizing its audited accounts at a very early date. The audited accounts for the year ended 31 March 2000 were signed by the Auditors on 14 April 2000.

Unfortunately, because of our net loss, your Directors once again did not consider it prudent to recommend a dividend at this time.

The near "panic created" by the society about anticipated Y2K problems, did not materialize since we completed our compliant programme on time and there was a smooth changeover.

Our ISO9002 certification has been achieved and our maintenance and upkeep programmes have continued to be at a high level.

On behalf of the entire Pegasus family, I wish to thank our customers and suppliers for their continued support, and to thank our shareholders for their patience.

JOHN J. ISSA
CHAIRMAN

April 14, 2000
