

# Dyoll Group Limited

## Chairman's report

### June 2001 Unaudited Results

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The second quarter results for Dyoll Group show continued improved performance. Gross Revenue increased by 21% to \$409.9 MM. Operating profit grew by 44% to \$35.35 MM due in part to cost savings brought about by the restructuring exercise, as well as good performance by both the underwriting and investment departments within the Group. The exceptional item is related to the first redundancy exercise carried out in February of 2001. There was a second set of redundancies in July 2001 which enabled us to make permanent changes to the organizational structure. These changes which were anticipated, should further enhance our efforts to contain costs and improve productivity. There were no exceptional gains in the first half of 2001 and profit before tax stood at \$29.57 MM. This profit reflected the improved profit performance of our business partners at Cayman Insurance Centre. The profit attributable to shareholders for the first half of 2001 was \$25.26 MM or 41.47 cents per stock unit, an increase of 23% over the same period in 2000.

The balance sheet shows growth with total assets now at \$973.4 MM. Significant improvements to the Group balance sheet included the cash repayment of some \$230 MM by Finsac of its investment notes held by the Group and our second payment of \$32 MM against the Group's obligations to Finsac. The former has led to an improvement in the liquid assets and the latter has improved the debt/equity position. Shareholders equity and reserves now stand at \$142.9 MM.

We continue to seek new ways to improve shareholder value and are beginning to prepare our general insurance subsidiary to meet the new regulatory requirements under the pending Insurance Bill.

C.D.R. Bovell,  
Chairman

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# Unaudited Consolidated Profit and Loss Account

Six months ended June 30,2001

	(6 Months) June 30,2001. \$J	(6 Months) June 30,2000 \$J	Audited Dec. 31,2000 \$J
Group operating revenue	409,912,020	339,280,534	734,040,916
	=====	=====	=====
Group operating profit	35,350,662	24,654,173	135,193,158
<b>Exceptional Items</b>			
Gains on exchange		4,130,824	14,956,464
Redundancy costs	(5,773,995)	(2,780,593)	(4,096,459)
Write-off of advances to associated company	-	-	(15,379,825)
Provision for dimunition in value of investments	-	-	(2,695,464)
GCT assessment including interest	-	-	(7,766,879)
Business process review charges	-	-	(8,262,710)
Investments written off	-	-	(3,742,301)
	29,576,667	26,004,404	108,205,984
Share of profits of associated companies	7,586,643	3,081,063	7,999,763
Profit before taxation	37,163,310	29,085,467	116,205,747
Taxation	(11,065,707)	(11,464,744)	(46,458,431)

Profit after taxation	26,097,603	17,620,723	69,747,316
Minority interest,net	<u>(832,733)</u>	<u>2,972,437</u>	<u>(785,566)</u>
Profit attributable to Group	25,264,870	20,593,160	68,961,750
	=====	=====	=====
Earnings per stock unit	41.47 cents	33.81 cents	1.13 cents
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#### Minority interest

Minority interest, net, represents preference dividends for the period due to the minority not provided for in the subsidiaries accounts, net of minority share of profit in a subsidiary.

### **Unaudited Group- Balatice Sheet**

**as at June 30, 2001**

#### NET ASSETS EMPLOYED

	Unaudited June 30 2001	Audited December 31 2000
Net current assets	788,254,991	547,015,122
Investments	44,819,672	228,706,851
Investment in associated companies	12,969,779	9,453,876
Advances due from associated company	11,534,869	15,379,825
Long-term receivable	45,693,794	45,113,795
Fixed assets	27,363,901	30,794,156
Deferred expenses	40,934,799	41,605,860
Goodwill on consolidation	1,844,634	1,844,634
	<u>973,416,439</u>	<u>919,914,119</u>
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FINANCED BY:

SHAREHOLDERS' EQUITY

Share capital	30,460,857	30,460,857
Reserves	<u>112,464,868</u>	<u>87,199,774</u>
	142,925,725	117,660,631
Long-term loans	824,354	1,086,172
Minority interests	28,343,381	27,510,648
Investment instrtiment	102,272,619	135,005,019
Insurance funds	<u>699,050,360</u>	<u>638,651,649</u>
	<u>973,416,439</u>	<u>919,914,119</u>
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