

DYOLL GROUP LIMITED

Chairman's Report

For nine month period ended September 30, 2002

On behalf of the Board of Dyoll Group I am pleased to present our 3rd quarters results to 30th September 2002. Gross revenue increased marginally by 3.7% to \$658.9 million over the year to date period for 2001 and as reported in the 2nd quarter review, we had anticipated this flatness given the current operational environment. Our expenses year to date are at the anticipated levels and now reflect the provision for premium receivables over 90 days. This provision meets the requirements of the new Insurance Act 2001 and while considered very prudent, these premiums historically have been substantially recovered. The increase in gross operating loss to \$38.8 million over the September 2001 profit was offset largely by investment income and gains on assets held in foreign currency resulting in an operating profit of \$64.9 million over the period versus \$58.9 million in 2001. The reduction in finance costs during the three quarters in 2002 versus the three quarters in 2001 is due to the principal repayment of \$70 million to Finsac on their investment instrument since September 2001. Exceptional items represent continued write-offs of investments in litigation. These investment provisions are scheduled to be substantially completed by year end 2002. Earnings per stock unit before extraordinary items this period was 22 cents, a 69% improvement over the 13 cents earnings per unit for the same period last year.

Our group Balance Sheet has been revised to reflect the new requirements of the Insurance Act 2001 and now both expenses and income related to premium income are being deferred over the life of the policies.

We are all now working to keep the group on track to meet our year-end targets. We are pleased with our clients response to our two new Customer Care centres in Mandeville and Montego Bay and we welcome Mr. Paul Thwaites to our Business Development Unit in the West. As always, the Board is appreciative of the continued support of our executive, staff, clients and shareholders.

C.D.R. Bovell
Chairman

Unaudited Group Balance Sheet

30-Sep-02

	September 30, <u>2002</u>	September 30, <u>2001</u> restated	December 31, <u>2001</u>
CURRENT ASSETS			
Cash and bank balances	23,314,373	46,285,737	15,790,103
Short term deposits	221,713,861	254,473,068	197,023,582
Short term investments	350,105,062	435,611,385	465,387,427
Accounts receivable and prepaid expenses	324,224,768	234,534,538	251,949,889
Inventories	3,897,236	3,948,001	7,714,554
Taxation recoverable	16,469,061	1,362,188	1,226,807
	<u>939,724,361</u>	<u>976,214,917</u>	<u>939,092,362</u>
CURRENT LIABILITIES			
Accounts payable and accrued charges	202,941,776	88,593,154	131,915,051
Current maturities of long term loan	320,000	865,454	683,636
Taxation payable	2,224,734	31,010,503	36,569,082
	<u>205,486,510</u>	<u>120,469,111</u>	<u>169,167,769</u>
NET CURRENT ASSETS	734,237,851	855,745,806	769,924,593
INVESTMENTS	187,066,098	116,155,863	139,950,952
INVESTMENT IN ASSOCIATED COMPANIES	6,538,678	5,458,412	5,994,611
ADVANCES DUE FROM ASSOCIATED COMPANY	1,922,478	9,612,390	7,689,912
LONG-TERM RECEIVABLE	46,880,000	45,733,794	47,273,795
FIXED ASSETS	16,358,275	24,112,761	24,212,899
DEFERRED EXPENSES	39,257,138	40,599,268	40,263,737
GOODWILL ON CONSOLIDATION	1,844,634	1,844,634	1,844,634
	<u>1,034,105,152</u>	<u>1,099,262,929</u>	<u>1,037,155,133</u>
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FINANCED BY			
SHAREHOLDERS' EQUITY	282,897,435	228,651,839	269,683,457
LONG-TERM LOANS	160,000	10,182,692	400,000
SHAREHOLDER'S ADVANCE	13,974,323	-	14,164,433
MINORITY INTERESTS	23,512,791	23,894,978	23,277,902
INVESTMENT INSTRUMENT	32,754,595	102,171,381	52,171,384
INSURANCE FUNDS	680,806,008	734,362,038	677,457,957
	<u>1,034,105,152</u>	<u>1,099,262,928</u>	<u>1,037,155,133</u>
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On behalf of the Board

Christopher Bovell Chairman

Stephen Thwaites Director

Consolidated Profit and Loss Account

	9 Months to 30-Sep 2002	9 Months to 30-Sep 2001 restated	6 Months to Jun-02	12 Months to Dec. 31, 2001
Gross Operating Revenue	658,953,208	635,272,221	421,394,026	832,496,443
Operating Expenses	(697,804,603)	(661,102,044)	(407,931,135)	(815,731,449)
Gross Operating Profit/Loss	(38,851,395)	(25,829,823)	13,462,891	16,764,994
Other Income/(Expenses)				
Interest and dividends	93,217,673	81,881,448	56,154,758	108,922,622
Gain on exchange	8,949,244	1,991,055	4,280,154	1,323,075
Other Income	1,656,204	948,855	973,014	4,889,293
Operating Profit	64,971,726	58,991,535	74,870,817	131,899,984
Share of profits of associated companies	544,067	7,017,138	5,771,191	11,245,530
Finance costs	(4,349,609)	(11,474,685)	(3,289,457)	(14,276,346)
Profit before exceptional items	61,166,184	54,533,988	77,352,551	128,869,168
Exception items, net	(36,020,334)	(35,741,567)	(7,567,857)	(44,963,773)
Profit for the year, before taxation	25,145,850	18,792,421	69,784,694	83,905,395
Taxation	(11,696,983)	(14,242,924)	(22,091,491)	(39,586,777)
Profit for the year, after taxation	13,448,867	4,549,497	47,693,203	44,318,618
Minority Interest(net)	(234,889)	3,615,670	(2,431,854)	4,232,746
Profit attributable to group before Extraordinary item	13,213,978	8,165,167	45,261,349	48,551,364
Extraordinary item, less taxation	-	94,720,683	-	94,667,351
Profit attributable to group	13,213,978	102,885,850	45,261,349	143,218,715
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Earnings per stock unit:				
Before extraordinary item (cents)	22	13	74	80
After extraordinary item (cents)	22	169	74	235

Group Statement of Cash Flows

	Unaudited September 2002	Unaudited September 2001
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period attributable to the group	13,213,978	102,885,850
Adjustments to reconcile net profit for the period to net cash used by operating activities:		
Depreciation	8,759,346	8,682,113
Increase in insurance funds	3,348,051	95,710,389
Gain on disposal of fixed assets	(81,892)	-
Share of profits of associated companies	(544,067)	3,995,464
Amortisation of deferred expenses	1,006,599	1,006,592
Foreign exchange gain on long term receivable	(1,566,205)	(619,999)
Advances written off	1,960,000	-
Minority interests	234,889	(3,615,670)
	<u>26,330,699</u>	<u>208,044,739</u>
(Increase)/decrease in current assets		
Accounts receivable and prepaid expenses	(72,274,879)	(1,332,461)
Taxation recoverable	(15,242,254)	(247,914)
Inventories	3,817,318	8,953,753
Increase/(decrease) in current liabilities		
Accounts payable and accrued charges	71,026,725	(49,171,804)
Taxation payable	(34,344,348)	4,666,068
Net cash (used)/provided by operating activities	<u>(20,686,739)</u>	<u>170,912,381</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments	72,092,219	(3,677,805)
Associated companies	5,767,434	5,767,435
Additions to fixed assets	(4,844,084)	(2,000,718)
Proceeds from sale of fixed assets	96,254	-
Net cash provided by investing activities	<u>73,111,823</u>	<u>88,912</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Investment instrument	(19,416,789)	(32,833,638)
Shareholder's advance	(190,110)	(13,672,597)

