DYOLL GROUP LIMITED

THREE MONTH PERIOD ENDED MARCH 31, 2004

Chairman's Report

On behalf of the Board of Dyoll, I am pleased to present the first quarter 2004 results of the Dyoll Group. The gross operating revenues of the Group increased by 15.8% over the same period in 2003 from $234.6 million to $271.6 million. This increase in gross revenues was due to the continued growth in premiums at Dyoll Insurance Company. The operating expenses were contained to 80.8% of revenue or $219.7 million versus the 92.6% or $217.4 million for the same period in 2003 which reflects our continued prudent underwriting policies. Administrative expenses increased by 12.3 % over 2003 expense levels to $64.2 million. The gross operating loss amounted to $12.2 million, a $27.7 million improvement over 2003. Investment income of $37.5 million and profit on sale of equities of $28 million produced an operating profit of $55.2 million for the March 2004 quarter. Profit before tax amounted to $55.8 million with profit after tax and attributable to shareholders of $34.7 million or 57 cents per share versus the loss of $140,660 or (0.23) cent per share at March 2003.

For the quarter, our consolidated net assets grew by 14% to $1.356 billion ($1.189 billion first quarter 2003). Shareholders equity as at March 31, 2004 now stands at $644.3 million a 53% increase over the same period in 2003. Cash resources increased by 26% over the first quarter 2003 to $862.6 million. An increase of $66.9 million in cash resources for the first quarter 2004 is also reflected in the statement of cash flows.

Overall, we are happy with the progress of the Group during the first quarter 2004 but we recognize that the investment returns experienced in this quarter may not be sustainable with the low interest rate macro economic environment forecast for 2004. The management team is actively pursuing additional business opportunities to secure revenue and profit growth.

C.D.R. Bovell
Chairman,
Dyoll Group
May 13, 2004

Group Balance Sheet

	Unaudited 31-Mar-04	**Unaudited 31-Mar-03 (restated)**	**31-Dec-03**
CURRENT ASSETS			
Cash resources	862,605,896	683,768,182	795,639,573
Accounts receivable and prepaid expenses	368,202,831	302,607,213	336,359,025
Inventories	13,709,275	7,313,609	13,730,278
Taxation recoverable	3,503,479	6,415,800	3,216,206
	1,248,021,481	1,000,104,804	1,148,945,082

CURRENT LIABILITIES			
Accounts payable and accrued charge	243,823,991	149,192,950	218,846,643
Current maturities of long-term debt	-	240,000	80,000
Current maturities of finance lease obligation	286,900	-	286,900
Taxation payable	9,556,677	2,477,483	8,925,250
	253,667,568	151,910,433	228,138,793
NET CURRENT ASSETS	994,353,913	848,194,371	920,806,289
INVESTMENT IN ASSOCIATED COMPANY	12,238,420	15,484,623	15,058,344
PENSION ASSET	14,658,000	15,070,000	14,658,000
OTHER INVESTMENTS	168,454,872	150,162,871	186,092,601
ADVANCES DUE FROM DYOLL PENSION SCHME	2,170,367	17,493,755	2,170,367
LONG-TERM RECEIVABLE	60,840,000	47,550,000	60,415,300
INVESTMENT PROPERTIES	39,500,000	34,700,000	39,500,000
FIXED ASSETS	27,266,536	21,957,103	28,075,442
BIOLOGICAL ASSETS	37,243,951	38,586,107	37,579,482
	1,356,726,059	1,189,198,830	1,304,355,825
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Financed by:

NET SHARE HOLDERS' EQUITY	644,295,519	420,586,784	591,476,264
LONG-TERM DEBT	57,450,972	31,735,946	54,507,813
FINANCE LEASE OBLIGATION	406,442	-	406,442
INVESTMENT INSTRUMENT	-	22,000,000	-
DEFERRED TAX LIABILITY	22,171,875	15,661,567	23,144,384
INSURANCE FUNDS	632,401,251	699,214,533	634,820,922
	1,356,726,059	1,189,198,830	1,304,355,825

Unaudited Group Profit and Loss Account

	3 months to 31-Mar-04	Unaudited 3 months to 31-Mar-03 (restated)	Unaudited 12 months 31-Dec-03
Gross operating revenue	271,669,588	234,650,293	1,376,140,815
Cost of operating revenue	(219,713,702)	(217,473,381)	(1,170,019,224)
Gross profit	51,955,886	17,176,912	206,121,591
Operating expenses	(64,191,637)	(57,126,416)	(235,736,239)
Gross operating loss	(12,235,751)	(39,949,504)	(29,614,648)

Operating income			
Investment income	37,478,427	25,631,428	129,540,081
Gain on exchange	1,917,418	27,697,052	88,276,628
Other income	28,059,190	927,819	21,415,805
	55,219,284	14,306,795	209,617,866
Share of profits of associated company	1,813,840	1,059,828	9,870,006
Write of off advances to associated companies	-	(8,691,098)	(2,823,121)
Finance costs	(1,226,129)	(691,578)	(6,084,231)
Profit for the period, before taxation	55,806,995	5,983,947	210,580,520
Taxation	(21,091,521)	(6,311,352)	(46,502,125)
Profit after taxation, before minority interest	34,715,474	(327,405)	164,078,395
Minority interest	-	186,745	186,745
Profit /(loss)for the period attributable to the group	34,715,474	(140,660)	164,265,140
Earnings per stock unit in cents	57	(0.23)	270

Statement of Changes in shareholders' equity

	Share Capital	Share premium	Capital redemption reserve	Investment revaluation reserve	Capital reserve	Retained earnings	Total
	Unaudited						
Balance at December 31, 2003	30,460,857	79,942,744	1,600,000	15,127,069	312,032,147	152,313,447	591,476,264
Foreign exchange gain on equity of Associated company	-	-	-	-	93,634	-	93,634
Gain on revaluation of equities	-	-	-	34,116,126	-	-	34,116,126
Gain transferred to profit and lossaccount on sale of equities	-	-	-	(16,105,979)	-	-	(16,105,979)
Profit for the period	-	-	-	-	-	34,715,474	34,715,474
Balance at March 31, 2004	30,460,857	79,942,744	1,600,000	33,137,216	312,125,781	187,028,921	644,295,519

Statement of Cash Flows

	Mar-04	Mar-03 Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the year attributable to the group	34,715,474	(140,660)
Adjustments to reconcile net profit for the year to net cash provided by operating activities:		
Depreciation	1,367,631	1,428,493
(Decrease)/Increase in insurance funds	(2,419,671)	29,119,263
Gain on sale of investments and fixed assets	(28,249,513)	(768,223)
Other items	1,864,919	4,775,222
	7,278,840	34,414,095
Increase in current assets	(32,110,076)	(45,433,579)
Increase in current liabilities	25,608,775	40,250,964
Net cash provided by operating activities	777,539	29,231,480
Net cash provided by investing activities	63,432,298	(35,497,363)
Net cash provided by financing activities	2,756,486	7,963,000
Net increase in cash resources	66,966,323	1,697,117
Cash resources at beginning of the period	795,639,573	682,071,065
Cash resources at end of the period	862,605,896	683,768,182

Effects of first time adoption of International Financial Reporting Standards

As at January 1, 2003, the Group adopted International Financial Reporting Standards (IFRS) as the basis for presentation of its financial statements. As a consequence, the financial statements for the period ended March 31, 2003 has been restated to conform with IFRS. In preparing its opening IFRS balance sheet, the company has adjusted amounts previously reported in financial statements prepared in accordance with Jamaica generally accepted accounting principles (GAAP). An explanation of how the transition from previous Jamaica GAAP to IFRS has affected the company's financial position, financial performance and cash flow is set out below.

(b) Period ended March 31, 2003: Reconciliation of net profit for the year attributable to members:

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As previously reported	708,989
IAS 12 - Income taxes (i)	(954,746)
IAS 22 - Business combination (ii)	105,097
Aggregate effect of first-time adoption of IFRS	(849,649)
As restated	$(140,660)

(i) No provision for deferred tax was recognized under previous Jamaican GAAP as applied by the company. Under IFRS, full provision is made for deferred tax on all temporary differences using the balance sheet liability method.

(ii) This restatement of minority interest arising from first-time adoption of IFRS.