

CHAIRMAN'S STATEMENT

In my last report to you I commented on the very difficult environment in which our main businesses operate. These conditions have not changed resulting in the Group reporting a loss of \$548.8M for the first six (6) months of 2006, principally caused by the continuing decline in the value of our equity investments. It is encouraging to note however that the rate of decline has slowed and, hopefully, we have reached the bottom of the market. Fair value losses for the six (6) month period equal \$430M. It is to be noted however that the quality of our investee companies remains excellent.

In the UK, our Property and Casualty businesses have now absorbed the appropriate assets and personnel of our third party administrator and claims service provider, acquired by us when that business was put into Administration earlier this year. In addition, we have taken the opportunity to synergize and rationalize the two (2) distinct businesses which we purchased with a view to having a single integrated streamlined business. This integration process was originally planned to be executed over a three (3) year period but your Board decided that, given the above acquisition, the rationalization plan should be implemented immediately rather than over a prolonged period.

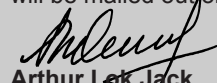
These one-off costs mask a steady underlying performance for these businesses and your Board is confident that this exercise will be completed over the next quarter and that the resulting integrated business will achieve our expectations in 2007 even if the soft market conditions, that I alluded to in my previous report, still prevail which we think unlikely.

Our Caribbean based Property and Casualty businesses are producing excellent profitability and our Life, Health and Pension businesses continue to enjoy growth in new premium income of 17.2% in Trinidad & Tobago and 9% in Jamaica over the corresponding period in 2005. The Netherland Antilles companies are on target for premium income in 2006 and the Asset Management business has exceeded its profit targets for the first six (6) months of 2006. Grupo Mundial, our associate Company in Central America, is performing exceptionally well and we continue to look for new opportunities in this region.

The deterioration in our reported results can be attributed largely to the decline in the capital markets upon which we have very little control and to a much lesser extent, the reengineering of our UK businesses over which we exercise full control. The performance of the GHJ share price continues to be a major concern to the members of your Board, many of whom are significant shareholders in their own right.

We believe that the Group's market position, underlying performance and strategy are strong and that we are working assiduously to improve our operational efficiency throughout all Group companies the results of which we expect to see as early as the 4th Quarter of 2006.

Our Balance Sheet remains extremely strong and your Directors are extremely confident in the future of the business. We therefore recommend the payment of an interim dividend of 15 cents per share. August 17th, 2006 has been fixed as the Record Date for the determination of shareholders entitled to payment of this dividend. For this purpose, the register of members will be closed from August 17th, 2006 to August 18th, 2006 both days inclusive. Dividend cheques will be mailed out on August 25th, 2006.



Arthur Lak Jack
Chairman

Consolidated Profit And Loss Statement

	Unaudited 6 months June 2006 TT\$'000	Unaudited 6 months June 2005 TT\$'000	Audited 12 months Dec 2005 TT\$'000	Unaudited 3 months June 2006 TT\$'000	Unaudited 3 months June 2005 TT\$'000
Insurance premium revenue	2,190,570	2,284,614	4,433,685	1,065,772	1,136,337
Insurance premium ceded to reinsurers	(533,824)	(618,821)	(1,192,396)	(249,193)	(251,318)
Net insurance premium revenue	1,656,746	1,665,793	3,241,289	816,579	885,019
Other revenue	10,734	555,265	1,140,412	142,779	207,370
Total revenue	1,667,480	2,221,058	4,381,701	959,358	1,092,389
Net insurance benefits and claims	(1,254,133)	(1,221,767)	(2,349,338)	(619,372)	(631,247)
Expenses	(875,253)	(772,184)	(1,537,024)	(447,474)	(417,349)
Operating (loss) / profit	(461,906)	227,107	495,339	(107,488)	43,793
Share of profits of associated companies	6,675	6,652	82,965	(2)	1,599
Finance charges	(65,944)	(52,112)	(122,345)	(34,505)	(24,066)
(Loss) / profit before taxation	(521,175)	181,647	455,959	(141,995)	21,326
Taxation	(27,635)	(29,970)	(83,735)	(13,327)	(11,833)
(Loss) / profit after taxation	(548,810)	151,677	372,224	(155,322)	9,493
Attributable to:					
Equity holders of the company	(549,817)	150,701	369,118	(155,783)	9,195
Minority interests	1,007	976	3,106	461	298
	(548,810)	151,677	372,224	(155,322)	9,493
Earnings per share - basic	(2.73)	0.79	1.88		
Earnings per share - diluted	(2.67)	0.77	1.85		

Conversion Rate: US\$1.00:TT\$6.3217

Consolidated Balance Sheet

	Unaudited Jun. 2006 TT\$'000	Unaudited Jun. 2005 TT\$'000	Audited Dec. 2005 TT\$'000
Property, plant and equipment	405,855	371,979	394,489
Investment properties	604,962	454,147	491,172
Goodwill	839,221	858,726	807,538
Investment in associated companies	334,784	191,658	356,686
Financial assets	8,890,870	9,707,848	9,091,456
Pension plan assets	135,294	91,144	132,414
Value to shareholders of in-force long-term business	531,352	489,163	513,505
Deferred tax assets	51,776	57,389	52,203
Reinsurance assets	1,061,894	1,204,804	1,191,740
	12,856,008	13,426,858	13,031,203
Current assets	5,139,096	3,559,351	4,306,899
Total assets	17,995,104	16,986,209	17,338,102
Shareholders' equity			
Share capital	1,506,826	1,099,148	1,502,844
Reserves	(153,968)	(125,022)	(210,727)
Retained earnings	1,793,101	2,238,917	2,422,716
	3,145,959	3,213,043	3,714,833
Minority interests	17,211	14,638	16,915
Total equity	3,163,170	3,227,681	3,731,748
Insurance contracts	9,454,523	9,437,798	9,096,122
Financial liabilities	2,611,473	1,858,677	2,480,976
Deferred tax liabilities	220,185	223,350	221,244
	12,286,181	11,519,825	11,798,342
Current liabilities	2,545,753	2,238,703	1,808,012
Total liabilities	14,831,934	13,758,528	13,606,354
Total equity & liabilities	17,995,104	16,986,209	17,338,102

Consolidated Statement Of Changes In Equity

	Unaudited Jun. 2006 TT\$'000	Unaudited Jun. 2005 TT\$'000	Audited Dec. 2005 TT\$'000
Balance at the beginning of the period	3,731,748	3,178,695	3,178,695
Issue of shares	-	-	399,016
Share option scheme - value of services provided	3,982	4,014	8,694
Surplus on revaluation of properties	-	-	2,896
Translation adjustments	58,275	(28,619)	(121,247)
Other reserve movements	(1,345)	(5,271)	(4,794)
(Loss) / profit for the year	(548,810)	151,677	372,224
Dividends	(80,680)	(72,815)	(103,736)
Balance at the end of the period	3,163,170	3,227,681	3,731,748

Consolidated Cash Flow Statement

	Unaudited Jun. 2006 TT\$'000	Unaudited Jun. 2005 TT\$'000	Audited Dec. 2005 TT\$'000
(Loss) / profit before taxation	(521,175)	181,647	455,959
Adjustment for non-cash items	168,982	703,293	(730,061)
Changes in operating assets and liabilities	472,920	(548,952)	468,625
Cash generated from operations	120,727	335,988	194,523
Interest received	368,579	319,708	567,258
Dividends received	75,594	96,563	123,692
Interest paid	(109,640)	(98,601)	(124,508)
Net taxation paid	(45,391)	(29,808)	(33,976)
Net cash generated from operations	409,869	623,850	726,989
Net cash used in investing activities	(161,769)	(106,526)	(1,685,137)
Net cash provided by financing activities	528,952	857,315	1,101,694
Net increase in cash and cash equivalents	777,052	1,374,639	143,546

These financial statements have been prepared in accordance with International Financial Reporting Standards. Comparative information has been adjusted in accordance with International Accounting Standard #8.