

Dyoll Group Limited 2000

Chairman's Statement

On behalf of the Board of Directors and the Executives of Dyoll Group Limited we are indeed pleased to report on another successful year of operations. The Group achieved its best consolidated net profit before tax of \$116 million in 2000. This represents an increase of 110% over the 1999 net profit of \$55.2 million. Our success in 2000 has been due in great part to the hard work put in by all our subsidiaries and associated companies in containing costs and growing revenues in an economy that has had meagre growth. Gross operating revenues for the Group increased by 7.15% to \$734 million while combined expenses (excluding exceptional items) decreased by 31.98% to \$691 million.

The year 2000 marked our thirty-fifth anniversary as a proud Jamaican Company. We hosted a number of functions, including a special Church service at St. Andrew Parish Church, Half Way Tree to celebrate the event. May I extend our heartfelt thank you to all our loyal business partners, clients and co-workers who helped to make the year very special. We at Dyoll look forward to serving you for another thirty five years.

Subsidiaries

Dyoll Insurance Company, our largest subsidiary had a good year, grossing premium revenues of \$718 million, an increase of 14.5% over the 1999 Gross Premiums of \$627.1 million. The team at Dyoll Insurance has continued the twin projects of process review and re-underwriting and the results have been reflected in our increased profitability. The business process review is scheduled to be completed by the third quarter of 2001 and as the project moves into production we are quite confident that there are further significant efficiencies to be gained.

The Insurance Company has been a part of the Jamaica Association of General Insurance Companies' lobby of the new Insurance Bill. We have already been preparing for the changes in reporting and performance measurement. We believe that this new piece of legislation will enhance the industry's ability to have a level and well regulated playing field and we look forward to our continued contribution in this arena.

Cayman Insurance Centre, an associated company of Dyoll Insurance also had another good year and declared profit of CI\$251,500 for their 2000 financial year end. Our share of their revenues are consolidated in Dyoll Insurance's revenue.

Dyoll Wataru Coffee Company Ltd. surpassed its crop target for year 2000 with 3,913 boxes of Blue Mountain Cherry berries reaped. The farm also began its fourth year cycle of cut back to preserve the productivity of the trees. We are proud also to announce that the coffee company has been granted a license for an estate Brand by the Coffee Industry Board. The research on how best to grasp the opportunities that will become available with the sale of a branded blue mountain coffee product line is now underway. The Group along with its Japanese Partner, Wataru & Company, will be looking at further investment in this area.

Associated Companies

National Building Society of Cayman faced a year of transition. Gross revenues remained on par with prior year, however the Society sustained an operating loss. The shareholders have been seeking additional capital both in Cayman and Jamaica to improve the company's ability to grow and it is expected that an announcement will soon be made on the matter.

Seville Development Corporation Ltd. is a real estate development company with commercial lands in St. Catherine. No further land sales occurred in 2000 and therefore no dividends were paid. This is a long-term investment.

Outlook

The financial year 2000 saw the continuing strengthening of the Group through prudent management of the business operations. The Group will continue to implement new processes to enhance cost containment through better use of information technology. The management of the company's assets and debt reduction to improve stockholders value continues to be part of the business strategy going forward.

We look to the new year 2001 as another year in which we will continue to improve the value of the Group and to strengthen our business relationships. As Chairman I would like to extend my gratitude to our hardworking Board for their contribution and to our staff, who have been through a difficult period adjusting to the necessary changes. We also thank you our shareholders and other business partners for helping us to achieve our goals and look forward to your continued support as we continue to rebuild the Group.

C.D.R Bovell,
Chairman
March 31, 2001
