

CHAIRMAN'S STATEMENT

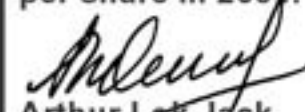
The group recorded Profit Attributable to Shareholders for the first half of 2005 of \$150.7 million, significantly lower than the corresponding period in 2004 and roughly the same as the first quarter of 2005. This reversal was caused entirely by the net adverse valuation adjustment of our investment portfolios during the second quarter of the year. International Financial Reporting Standards (IFRS) require that investments are stated at fair market value at each reporting date. The adverse fair value adjustment (\$71 million negative) experienced in 6-month period ended June 30, 2005 is the converse of the materially positive adjustment (\$496 million) reflected for the comparative period in 2004. We advised then, and emphasise today, that the quarterly revaluation of our investment portfolios which are designed to meet long term liabilities necessarily results in volatility of reported earnings. Such IFRS reported earnings bear little relation to the underlying performance of our several operating companies.

Indeed the operating performance of our insurance businesses for the first half of the year has been excellent. Total revenue increased by 20 per cent relative to the corresponding period in 2004, driven by an increase in premium income in our general insurance division of 198 per cent, consequent on the acquisition of the Zenith group earlier this year. Profits in our general insurance and asset management businesses were ahead of budget by 14 per cent and 21 per cent respectively. New premium income in our Life, Health and Pensions division was higher by 23 per cent. Profits in our Netherlands Antilles subsidiary, Fatum Holding NV were ahead of budget by 19 per cent in the first half.

I am pleased to report that our Rights Issue, which closed on July 27th 2005, was over-subscribed. The proceeds of the issue (approximately \$400 million) will be allocated as indicated in the Information Memorandum and will significantly boost the capitalization of our expanding general insurance business and lay the basis for the continued growth of all divisions -Life Health and Pensions, Asset Management and General Insurance. I would like to thank our shareholders for their tremendous support and confidence in the continued superior performance of the GHL group.

While it is certainly the case that our reported results on an IFRS basis may experience volatility arising from the vagaries of the capital markets, as we have emphasized before, the board and executive management of GHL remain focused on the key indicators of sustainable value creation within what are long-term businesses. We are very confident that the performance of our investment portfolio over the medium and long term will be consistent with budget expectations.

The confidence of the board in the achievement of budgeted profit for 2005 has been reflected in its approval of an interim dividend of 15 cents per share compared with 12 cents per share in 2004.


Arthur Lok Jack
Chairman

Consolidated Profit And Loss Statement

	Unaudited 6 months June 2005 TT\$'000	Unaudited 6 months June 2004 TT\$'000	Audited 12 months Dec 2004 TT\$'000	Unaudited 3 months June 2005 TT\$'000	Unaudited 3 months June 2004 TT\$'000
Revenue	2,221,058	1,848,783	3,667,334	1,092,389	613,932
Operating Profit	227,107	618,475	831,718	43,793	10,356
Share of Profits/(Losses) of Associated Companies	6,652	(13,183)	(71,863)	1,599	(6,706)
	237,759	605,292	759,855	45,392	3,650
Finance Charges	(52,112)	(48,791)	(105,135)	(24,066)	(26,339)
Goodwill Net of Negative Goodwill	-	(9,989)	32,962	-	(4,982)
Profit Before Taxation	181,647	546,512	687,682	21,326	(27,671)
Taxation	(29,970)	(42,316)	(103,452)	(11,833)	(1,417)
Profit after Taxation	151,677	504,196	584,230	9,493	(29,088)
Minority Interests	(976)	(777)	(1,010)	(298)	(270)
Profit Attributable to Shareholders	150,701	503,419	583,220	9,195	(29,358)
Earnings Per Share - Basic	0.79	2.64	3.05		
Earnings Per Share - Diluted	0.77	2.59	3.00		

These financial statements have been prepared in accordance with International Financial Reporting Standards.
Conversion Rate: US\$1.00; TT\$6.2746

Consolidated Balance Sheet

	Unaudited June 2005 TT\$'000	Unaudited June 2004 TT\$'000	Audited Dec 2004 TT\$'000
Property, Plant and Equipment	402,482	604,450	404,396
Investment in Associated Companies	191,658	251,194	176,014
Financial Assets	9,655,633	8,311,334	9,123,040
Investment Properties	454,147	311,006	425,530
Pension Plan Assets	91,922	130,396	242,431
Value to Shareholders of In-force Long-term Business	489,163	438,324	477,387
Goodwill	858,726	307,599	362,392
Reinsurance Assets	1,204,804	-	-
Deferred Tax Asset	57,389	19,063	64,223
	13,405,924	10,373,366	11,275,413
Current Assets	3,559,351	2,488,854	2,491,187
Total Assets	16,965,275	12,862,220	13,766,600
Shareholders' Equity			
Share Capital	1,099,137	1,081,017	1,084,742
Reserves	(134,832)	(228,107)	(99,063)
Retained Earnings	2,232,696	2,083,701	2,162,833
	3,197,001	2,936,611	3,148,512
Minority Interests	14,638	14,165	14,141
	3,211,639	2,950,776	3,162,653
Post Retirement Benefit Obligations	50,155	43,267	47,059
Medium Term Debt	1,443,799	1,068,553	1,252,646
Deferred Tax Liability	215,188	138,386	217,580
Investment Contracts	355,856	-	-
Insurance Contracts	9,461,070	6,803,967	7,278,214
	11,526,068	8,054,173	8,795,499
Current Liabilities	2,227,568	1,857,271	1,808,448
Total Liabilities	13,753,636	9,911,444	10,603,947
Total Equity & Liabilities	16,965,275	12,862,220	13,766,600

Consolidated Statement Of Changes In Equity

	Unaudited June 2005 TT\$'000	Unaudited June 2004 TT\$'000	Audited Dec 2004 TT\$'000
Balance at the Start of the Period	3,148,512	2,501,431	2,501,431
Issue of Shares	-	10,650	14,375
Employee Share Options	4,014	-	-
Surplus on Revaluation of Properties	-	-	26,959
Translation Adjustments	(28,619)	3,494	140,362
Other Reserve Movements	(4,792)	(2,277)	(14,746)
Profits Attributable to Shareholders	150,701	503,419	583,220
Dividends	(72,815)	(80,106)	(103,089)
Balance at the End of the Period	3,197,001	2,936,611	3,148,512

Consolidated Cash Flow Statement

	Unaudited June 2005 TT\$'000	Unaudited June 2004 TT\$'000	Audited Dec 2004 TT\$'000
Profit Before Taxation	181,647	546,512	687,682
Adjustments for Non-Cash Items	698,673	151,904	242,903
Net Working Capital Changes	(525,002)	(84,659)	409,891
Interest Paid	(92,483)	(97,763)	(100,961)
Net Taxation Paid	(29,808)	(20,014)	(45,508)
Cash Flow from Operating Activities	233,027	495,980	1,194,007
Investing Activities	296,586	(694,186)	(1,189,160)
Financing Activities	845,026	41,026	(134,566)
Increase/(Decrease) in Cash and Cash Equivalents	1,374,639	(157,180)	(129,719)