UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED MAY 31, 1998
Commission File Number 1-10804

EXEL LIMITED

(Exact name of registrant as specified in its charter)

Cayman Islands	98-0058718
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

Cumberland House, 1 Victoria Street, Hamilton, Bermuda HM 11
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code (441) 292-8515

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO

The number of registrant's Ordinary Shares ($0.01 par value) outstanding as of June 30, 1998 was 84,315,873 excluding 27,993,436 shares held in treasury.

EXEL LIMITED
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Part I. FINANCIAL INFORMATION

PART II. OTHER INFORMATION

EXEL LIMITED
CONSOLIDATED BALANCE SHEETS
(U.S. dollars in thousands, except share amounts)

	May 31, 1998 (Unaudited)	November 30, 1997
ASSETS		
Investments:		
Fixed maturities, at market value (amortized cost : 1998 - $3,263,200; 1997 - $3,144,642)	$ 3,308,490	$ 3,196,872
Equity securities, at market value (cost: 1998 - $806,521; 1997 - $729,888)	996,885	837,827
Short-term investments, at market value (amortized cost: 1998 - $125,970; 1997 - $220,138)	126,394	219,969
Total Investments	$ 4,431,769	$ 4,254,668
Cash and cash equivalents	645,310	394,599
Investment in affiliates (cost: 1998 - $337,259; 1997 - $336,680)	541,297	517,396
Other investments	29,970	27,244
Accrued investment income	46,391	48,576
Deferred acquisition costs	38,725	22,272
Prepaid reinsurance premiums	108,967	108,916
Premiums receivable	328,082	254,238
Reinsurance balances receivable	197,947	156,025
Intangible Assets	260,843	267,695
Other assets	48,260	36,833
Total Assets	$ 6,677,561	$ 6,088,462
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities and Minority Interest:		
Unpaid losses and loss expenses	$ 2,452,289	$ 2,342,254
Unearned premium	605,904	566,911
Premium received in advance	35,399	40,706
Loans payable	126,000	141,000
Accounts payable and accrued liabilities	24,317	40,923
Reinsurance premiums payable	55,637	69,305
Payable for investments purchased	543,894	382,345
Minority interest	27,292	25,888
Total Liabilities and Minority Interest	$ 3,870,732	$ 3,609,332

	May 31, 1998	November 30, 1997
	(Unaudited)	
Contingencies		
Shareholders' Equity:		
Ordinary shares (par value $0.01): authorized, 999,990,000 shares; issued and outstanding, 84,521,893 shares (excluding 27,787,436 shares held in treasury) at May 31, 1998 and 84,407,638 shares (excluding 27,594,800 shares held in treasury) at November 30, 1997..................	845	844
Contributed surplus.............................	300,014	290,085
Net unrealized appreciation of investments......	265,525	188,444
Deferred compensation...........................	(14,901)	(11,362)
Retained earnings...............................	2,255,346	2,011,119
Total shareholders' equity......................	$2,806,829	$2,479,130
Total liabilities and Shareholders' equity......	$6,677,561	$6,088,462

See accompanying notes to Consolidated Financial Statements.

EXEL LIMITED
CONSOLIDATED STATEMENTS OF INCOME
(U.S. dollars and number of shares in thousands, except per share amounts)

	Three Months Ended May 31, 1998	Three Months Ended May 31, 1997	Six Months Ended May 31, 1998	Six Months Ended May 31, 1997
	(Unaudited)			
Revenues:				
Net premiums earned	$137,787	$129,817	$277,669	$249,654
Net investment income	60,452	54,160	117,980	105,717
Net realized gains on sale of investments	74,541	126,313	137,492	158,926
Equity in net earnings of affiliates	19,728	15,739	34,935	28,894
Income from other investments	4,145	-	4,145	-
Total revenues	$296,653	$326,029	$572,221	$543,191
Expenses:				
Losses and loss expenses	83,471	91,317	165,243	176,277
Acquisition costs	18,705	10,792	34,644	20,699
Administration expenses	17,444	12,078	32,984	23,662
Interest expense	1,862	-	3,650	-
Amortization of intangible assets	3,339	-	6,677	-
Total expenses	$124,821	$114,187	$243,198	$220,638
Income before income tax expenses and minority interest	171,832	211,842	329,023	322,553
Minority Interest	323	-	1,404	-
Income tax expense	947	262	1,647	2,855
Net income	$170,562	$211,580	$325,972	$319,698
Weighted average number of ordinary shares and ordinary share equivalents outstanding - Basic	84,640	84,883	84,603	85,849
- Diluted	86,326	85,779	86,193	86,806
Net income per ordinary share and ordinary share equivalent - Basic	$2.02	$2.49	$3.85	$3.72
- Diluted	$1.98	$2.47	$3.78	$3.68
Dividends declared per share	$0.40	$0.32	$0.80	$0.64

See accompanying notes to Consolidated Financial Statements

EXEL LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands)

	Six Months Ended May 31,	
	1998	1997
	(Unaudited)	
Cash flows from operating activities		
Net income for the period before minority interest	$ 327,376	$ 319,698
Adjustments to reconcile net income to net cash provided by operating activities:		
Net realized gains on sale of investments	(137,492)	(158,926)
Amortization of premium on fixed maturities	(2,832)	318
Amortization of deferred compensation	2,161	1,596
Amortization of intangible assets	6,677	-
Equity in earnings of affiliates net of dividends received and consolidation adjustments	(18,657)	(15,082)
Unpaid losses and loss expenses	110,035	101,348
Unearned premiums	38,993	(101,161)
Premiums received in advance	(5,307)	30,511
Deferred acquisition costs	(16,453)	6,242
Prepaid reinsurance premiums	(51)	(7,174)
Premiums receivable	(73,844)	52,592
Reinsurance balances receivable	(41,922)	(32,979)
Reinsurance premiums payable	(13,668)	1,535
Accrued investment income	2,185	8,316
Accounts payable and accrued liabilities	(16,606)	(6,635)
Total adjustments	(166,781)	(119,499)
Net cash provided by operating activities	160,595	200,199
Cash flows provided by (used in) investing activities:		
Proceeds from sale of fixed maturities and short-term investments	5,346,346	5,725,579
Proceeds from redemption of fixed maturities and short-term investments	328,106	80,360

	Six Months Ended May 31, 1998	1997
	(Unaudited)	
Proceeds from sale of equity securities	444,257	573,524
Purchases of fixed maturities and short-term investments	(5,493,557)	(5,648,824)
Purchases of equity securities	(425,159)	(459,654)
Deferred losses on forward hedge contracts	(2,506)	(1,249)
Investment in affiliates	(425)	(1,119)
Other investments	(2,726)	(2,632)
Other assets	(11,703)	(9,124)
Net cash provided by investing activities	182,633	256,861
Cash flow provided by (used in) financing activities:		
Dividends paid	(67,740)	(54,594)
Issuance of shares	490	355
Proceeds from exercise of options	4,081	3,965
Repurchase of treasury shares	(14,348)	(139,231)
Proceeds from loans	140,000	60,000
Repayment of loans	(155,000)	-
Net cash used in financing activities	(92,517)	(129,505)
Increase in cash and cash equivalents	250,711	327,555
Cash and cash equivalents - beginning of period	$ 394,599	$ 252,734
Cash and cash equivalents - end of period	$ 645,310	$ 580,289
Taxes paid	$ 3,667	$ 1,799

See accompanying notes to Consolidated Financial Statements

EXEL LIMITED

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements of EXEL Limited (together with its subsidiaries, the "Company") have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. In the opinion of management, these unaudited financial statements reflect all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of financial position and results of operations as of the end of and for the periods presented. The results of operations for any interim period are not necessarily indicative of the results for a full year. The November 30, 1997 consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by generally accepted accounting principles. For further information, refer to the consolidated financial statements for the fiscal year ended November 30, 1997, and footnotes thereto, included in the Company's Annual Report on Form 10-K (No. 1-10804) for the year ended November 30, 1997, as filed February 25, 1998, and amended by its Form 10-K/A filed on June 26, 1998.

All per share amounts are based on the weighted average number of shares calculated in accordance with SFAS No. 128. This statement replaces APB Opinion No. 15 for computing earnings per share by replacing primary earnings per share with basic earnings per share and by altering the calculation of diluted earnings per share which replaces fully diluted earnings per share. Prior year per share amounts have been amended to reflect this.

2. INVESTMENT IN AFFILIATE

Summarized condensed financial information of Mid Ocean Limited, an approximately 24.7% owned affiliate, which is accounted for by the equity method, is as follows (U.S. dollars in thousands):

Income Statement Data	Three Months Ended April 30 1998	Three Months Ended April 30 1997	Six Months Ended April 30, 1998	Six Months Ended April 30, 1997
	(unaudited)			
Net premiums earned	$122,823	$130,772	$245,804	$238,849
Net investment income	28,010	25,335	54,393	49,175
Net realized (losses) gains on sale of investments	11,627	(3,387)	25,907	(729)
Net income	$ 79,649	$ 62,916	$143,370	$114,918
Company's share of net income	$ 19,692	$ 16,606	$ 35,450	$ 29,302

Balance Sheet Data	April 30, 1998	October 31, 1997
	(Unaudited)	
Cash, investments and accrued interest	$1,833,990	$1,703,393
Other assets	743,118	567,212
Total assets	$2,577,108	$2,270,605
Reserves for losses and loss expenses	$ 527,883	$ 479,160
Reserves for unearned premiums	429,360	307,166
Other liabilities and minority interest	168,073	111,318
Shareholders' equity	1,451,792	1,372,961
Total liabilities and shareholders' equity	$2,577,108	$2,270,605
Company's share of shareholders' equity	$ 358,927	$ 340,783

During the six months ended April 30, 1998 and 1997 the Company received dividends from its affiliate of $16.0 million and $14.5 million, respectively.

3. ACCOUNTING STANDARDS

The Financial Accounting Standards Board ("FASB") issued SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits", effective for fiscal years beginning after December 15, 1997. This Statement revises employers' disclosures about pension and other postretirement benefit plans. It does not change the measurement or recognition of those plans. This standard is expected to have a minimal impact on the Company's financial statements and disclosures.

FASB also issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", effective for all fiscal quarters of fiscal years beginning after June 15, 1999. This Statement establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives), and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. If certain conditions are met, a derivative may be specifically designated as a hedge. The accounting for changes in fair value of a derivative (that is, gains and losses) depends on the intended use of the derivative and the resulting designation. The Company has not determined the impact of the adoption of this new accounting standard on its financial statements and disclosures.

4. SUBSEQUENT EVENT

On July 2, 1998, a Class Meeting of Shareholders of the Company was called in accordance with an order of the Grand Court of the Cayman Islands dated June 29, 1998, to be held at the Princess Hotel, Hamilton, Bermuda, at 9:00 a.m., local time, on August 3, 1998. At such meeting, the Company's shareholders will be asked to consider and vote upon a resolution to approve the proposed Scheme of Arrangement pursuant to Section 85 of the Companies Law (1995 Revision) of the Cayman Islands between the Company and its shareholders under which the Company will become a wholly owned subsidiary of Exel Merger Company Ltd., an exempted limited liability company incorporated under the laws of the Cayman Islands which will change its name to "EXEL Limited".

The preceding description is qualified in its entirety by reference to the description of such matters contained in the definitive Joint Proxy Statement of the Company and Mid Ocean Limited ("Mid Ocean") dated July 2, 1998.

EXEL LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS OF

RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Results of Operations for the Three Months Ended May 31, 1998

Compared to the Three Months Ended May 31, 1997

Table I presents an analysis of the Company's underwriting revenues for the periods indicated (U.S. dollars in thousands):

Table I

	For The Three Months Ended May 31, 1998	1997	% Change
	(unaudited)		
Gross premiums written	$116,866	$81,266	43.8%
Net premiums written	99,206	64,350	54.2%
Net premiums earned	137,786	129,817	6.1%

In addition to annual policies, gross premiums written are affected by the level of multi-year policies written or cancelled in any given period. Although gross premiums increased year over year, gross premiums written adjusted for multi-year premiums and a specialty reinsurance assumed ("SRA") contract rewritten in 1997 as illustrated in Table III, would have decreased by 8.1%. This decline was the result of a decrease in premiums written, on an adjusted basis, as shown in Table II, in the general and professional liability lines. All other product lines have either experienced modest growth or have remained relatively unchanged.

Table II presents the split of gross premiums written by X.L. Insurance Company, Ltd. ("X.L."), X.L. Europe Insurance ("X.L.E.") and X.L. Global Reinsurance Company, Ltd. ("XLGRe") adjusted for the effects of multi-year premiums (U.S. dollars in thousands):

Table II

For the Three months Ended May 31, (unaudited)

	1998 X.L.	1998 X.L.E.	1998 XLGRe	1998 Total	1997 X.L.	1997 X.L.E.	1997 XLGRe	1997 Total
General Liability	$24,645	$15,887	-	$40,532	$41,072	$9,638	-	$50,710
Directors and Officers Liability	2,512	1,054	-	3,566	3,024	919	-	3,943
Professional Liability	2,115	1,818	-	3,933	8,290	2,263	-	10,553
Employment Practices Liability	1,628	142	-	1,770	480	-	-	480
Property	6,566	1,102	-	7,668	5,712	797	-	6,509
X.L. Risk Solutions	3,844	-	-	3,844	3,316	-	-	3,316
Reinsurance Assumed	2,156	2,003	33,172	37,331	3,500	1,103	30,764	35,367
Other (MGA)	2,241	3,076	-	5,317	-	-	-	-
Annualized premiums	45,707	25,082	33,172	103,961	65,394	14,720	30,764	110,878
Multi-year premiums	6,171	7,656	(922)	12,905	(2,052)	(1,443)	(26,117)	(29,612)
Gross Premiums Written	$51,878	$32,738	$32,250	$116,866	$63,342	$13,277	$ 4,647	$ 81,266

Historically, the second quarter is the smallest of the four quarters for premiums written.

The increase in other premiums written is the result of the Company's investment in two managing general agencies ("MGAs"), Venton Holdings Limited ("Venton") and Sovereign Risk Insurance Limited. Product lines offered by these MGAs include professional indemnity, directors and officers liability, fiduciary liability and political risk insurance. No premiums were generated by these facilities during the comparative 1997 quarter. The Venton business is heavily reinsured, primarily through Lloyds of London.

Competitive pressures continue to affect general liability business written. The availability of insurance and reinsurance capacity with less stringent terms and low pricing has reduced the number of new business opportunities that the Company views as attractive. While business retention has been a satisfactory 82.1%, the Company's response has been to remain on programs but to increase the average attachment point of coverage. Average attachments have increased from $107.3 million during the second quarter of 1997 to $130.2 million during the second quarter of 1998.

The drop in professional liability premiums written reflects the loss of several significant accounts during the quarter, due to less stringent terms and pricing offered by competitors.

The declines in premium levels are also reflective of the Company's philosophy of attempting to maintain underwriting profitability even at the expense of premium volume, rather than write policies at rates and terms that the Company believes are inappropriate.

Table III presents certain underwriting information with respect to the business written by the Company for the periods indicated (U.S. dollars in thousands):

Table III

For the three months ended May 31
(unaudited)

	Gross Premiums Written		Net Premiums Written		Net Premiums Earned	
	1998	1997	1998	1997	1998	1997
General Liability	$ 51,749	$ 41,258	$42,302	$ 27,405	$ 44,515	$ 71,202
Directors and Officers Liability	4,511	3,564	4,511	3,564	4,804	5,449
Professional Liability	4,810	12,252	4,810	12,252	11,049	12,935
Employment Practices Liability	1,770	480	1,188	316	2,129	1,180
Property	6,163	9,598	4,840	7,042	5,427	5,022
X.L. Risk Solutions	1,839	4,864	1,259	4,521	4,490	2,433
Other (MGA)	9,615	-	6,046	-	913	-
Reinsurance Assumed	36,409	9,250	34,250	9,250	64,460	31,596
Premiums as reported	$116,866	$ 81,266	$99,206	$ 64,350	$137,787	$129,817
Multi-year premiums	(12,905)	29,612	(10,564)	35,508	-	
Adjustment for SRA contracts rewritten	-	2,197	-	2,197	-	1,762
General liability excess of loss reinsurance ceded	-	-	-	-	5,625	-
Adjusted Premiums	$103,961	$113,075	$88,642	$102,055	$143,412	$131,579

Net premiums written in the second quarter of 1997 were affected by the SRA contracts that were rewritten and multi-year adjustments for both periods as mentioned previously and illustrated in Table III. Other factors affecting net premiums written include the growth in employment practices liability and Venton business which are reinsured.

The increase in net earned premiums is primarily due to the increase in reinsurance assumed during the first quarter of 1998. This related principally to the business assumed from the acquisition of GCR Holdings Limited and its subsidiary, Global Capital Reinsurance Company Ltd. in June of 1997. In addition, the Company entered into a general liability reinsurance excess of loss contract during the fourth quarter of 1997; hence there was an effect on the 1998 results, with no effect on the comparative period of the previous year.

Table IV presents an analysis of the Company's revenues from its portfolio of investments and its investments in affiliates (U.S. dollars in thousands):

Table IV

	Three Months Ended May 31,		
	1998	1997	% Change
	(Unaudited)		
Net investment income	$60,452	$ 54,160	11.2%
Net realized gains	74,541	126,313	N/M
Equity in net earnings of affiliates	19,728	15,739	25.3%
Income from other investments	4,145	-	N/M

Net investment income has increased principally due to a larger asset base over the same quarter last year.

Investment gains realized during the second quarter of 1997 resulted mostly from the restructuring of the Company's equity portfolio. During the second quarter of 1998, equity managers captured gains of $37.7 million. In addition, $23.4 million in derivative gains were recognized, of which $16.2 million related to two currency overlays programs on the Company's fixed income and equity portfolios, and $6.1 million relates to the Company's synthetic portfolio. A further discussion of derivative activity is provided under "Financial Condition and Liquidity".

Equity in net earnings of affiliates increased due to Mid Ocean Limited reporting a 26.6% increase in net income in its second quarter of 1998 compared to the same period in 1997. The Company's relative share however, was lower due to its reduced ownership declining from 25.6% to 24.7%.

Income from other investments represents a distribution from one of the Company's investments in limited partnerships.

Table V sets forth the Company's combined ratios and the components thereof for the periods indicated using U.S. generally accepted accounting principles:

Table V

	Three Months Ended May 31, 1998	Three Months Ended May 31, 1997
	(unaudited)	
Loss and loss expense ratio	60.6%	70.4%
Underwriting expense ratio	26.2%	17.6%
Combined ratio	86.8%	88.0%

The decrease in the combined ratio and loss ratio reflects a change in the Company's mix of business to include more reinsurance business assumed as illustrated in Table III which portrays the changes in net earned premium quarter over quarter. Initial loss ratios tend to be lower, and the acquisition cost component of the expense ratio tends to be higher, than the Company's other lines of business. A significant component of XLGRe's business is property business. Under United States generally accepted accounting principles it is general practice not to set up catastrophe reserves. Consequently, the absence or presence of loss events on this business will instill volatility to the loss ratio.

The increase in administration expenses as shown in the Consolidated Statement of Income reflects the acquisition of GCR Holdings Ltd. in June of 1997, and the consequent increase in the size of the Company.

Net income was $170.6 million or $1.98 per share and $211.6 million or $2.47 per share for the quarters ended May 31, 1998 and 1997, respectively, representing a decrease of 20.2% per share. (Net income per share is presented on a diluted basis). The decrease in per share amounts is primarily due to realized investment gains of $74.5 million in the second quarter of 1998 as compared to $126.3 million for the like period of the previous year.

RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED MAY 31, 1998
COMPARED TO THE SIX MONTHS ENDED MAY 31, 1997

Table I presents an analysis of the Company's underwriting revenues for the periods indicated (U.S. dollars in thousands):

Table I

	Six Months Ended May 31, 1998 (unaudited)	Six Months Ended May 31, 1997 (unaudited)	% Change
Gross premiums written	$367,194	$185,616	97.8%
Net premiums written	316,610	141,319	124.0%
Net premiums earned	277,669	249,654	11.2%

In addition to annual policies, gross premiums are also affected by the level of multi-year policies written or cancelled in any given period. Gross premiums written adjusted for the multi-year premiums and the SRA contracts rewritten in the first six months of 1997, as illustrated in Table III, increased by 47.7%. This was primarily the result of reinsurance business acquired from the former Global Capital Reinsurance Company Ltd. ("GCR") in June of 1997, accordingly no comparative financial information is included for the 1997 period. Further discussion is provided on these changes following Table II.

Table II presents the split of gross premiums written by X.L, X.L.E and XLGRe for the periods for the periods indicated, adjusted for the effects of multi-year premiums (U.S. dollars in thousands):

Table II

	For the Six months Ended May 31, 1998				1997 (unaudited)			
	X.L.	X.L.E.	XLGRe	Total	X.L.	X.L.E.	XLGRe	Total
General Liability	$ 84,407	$34,518	$ -	$118,925	$114,983	$ 26,401	$ -	$141,384
Directors and Officers			-					
Liability	6,687	1,473	-	8,160	6,982	1,310	-	8,292
Professional Liability	4,551	3,372	-	7,923	12,087	3,458	-	15,545
Employment Practices								
Liability	5,985	142	-	6,127	4,729	-	-	4,729
Property	13,272	2,360	-	15,632	10,044	1,778	-	11,822
Risk Solutions	7,632	887	-	8,519	6,576	-	-	6,576
Reinsurance Assumed	2,645	2,839	186,432	191,916	8,968	5,798	42,822	57,588
Other (MGA)	4,946	13,410	-	18,356	-	-	-	-
Annualized premiums	130,125	59,001	186,432	375,558	164,369	38,745	42,822	245,936
Multi-year premiums	(9,659)	2,217	(922)	(8,364)	15,202	(2,383)	(73,139)	(60,320)
Gross Premiums Written	$120,466	$61,218	$185,510	$367,194	$179,571	$36,362	$(30,317)	$185,616

The increase in gross premiums written on an annual basis is due largely to the increase in reinsurance premiums assumed by XLGRe. The nature of the reinsurance assumed has diversified from specialty contracts to include more traditional forms of reinsurance, including property, property catastrophe, marine and aviation. As previously mentioned, the increased volume and diversity of XLGRe reinsurance assumed is a direct result of the Company's acquisition of GCR Holdings Limited. In the first six months of 1998, that portion of the reinsurance business attributable to the GCR book of business amounted to $41.6 million of gross written premiums. Unlike primary insurance, the full reinsurance premium is often estimated at the inception of the contract based upon information provided by clients. Any subsequent premium adjustments are recognized in the period in which they are determined. A significant component of this business is written on January 1 and therefore it is inappropriate to use the first six months premiums as an indication for business to be assumed in subsequent quarters.

Also included in reinsurance premiums assumed are $16.1 million of premiums written by XLGRe's majority-owned subsidiary Latin American Reinsurance Company, Ltd. ("LAR"). LAR was formed in the fourth quarter of 1997 and provides predominantly property reinsurance to the Latin American market. LAR commenced writing business in the first fiscal quarter of 1998.

Reinsurance assumed by X.L.E. in 1997 mostly relates to one marine oil pollution program. The decline in premiums in the first six months of 1998 reflects changes in X.L.E.'s participation from a quota share to an excess of loss basis. The comparable 1997 period reflects the run off of the initial program.

X.L. Risk Solutions is a coordinated effort with CIGNA Property and Casualty ("CIGNA") to provide combined limits of capacity for two or more of X.L.'s stand alone product lines over three or more years. In addition, X.L. provides combined property capacity coverage with CIGNA in certain circumstances which is reflected in the property line. It should be noted that, while this combined capacity provided modest growth to annual gross premiums written in the first six months, the cession of CIGNA's share of limits can reduce net premiums written and earned.

During 1997, the Company invested in two managing general agencies ("MGA's"), Venton Holdings Limited and Sovereign Risk Insurance Limited. These have started contributing to premiums written in the first six months of 1998. Product lines offered by these MGA's include professional indemnity, directors and officers liability, fiduciary liability and political risk insurance.

Property insurance premiums written increased in the first six months of 1998 compared to the comparable quarter in 1997 due to X.L.'s decision to begin writing property insurance on a quota share basis as well as an excess of loss basis.

Employment practices liability represents the final area of growth in the first six months.

General liability insurance results continue to reflect competitive pressures sustained, directly or indirectly, by the availability of insurance and reinsurance capacity with less stringent terms and pricing. As a consequence, while business retention for this product line at 83.3% has been good, relative to market conditions, new business opportunities that the Company views as attractive have been limited. The Company's response has been to remain on programs but to increase the average attachment point of coverage. Average attachments for the six months ended May 31, 1998 and 1997 were $146.2 million and $119.8 million, respectively.

Professional liability reflects the loss of several significant accounts due to less stringent terms and lower pricing offered by competitors.

Table III presents certain underwriting information with respect to the business written by the Company for the periods indicated (U.S. dollars in thousands):

Table III

Six Months Ended May 31 (Unaudited)

	Gross Premiums Written		Net Premiums Written		Net Premiums Earned	
	1998	1997	1998	1997	1998	1997
General liability	$106,167	$135,997	$82,770	$98,825	$95,117	$146,627
Directors and officers liability	10,851	8,848	10,851	8,848	9,638	10,953
Professional liability	8,022	19,096	8,022	19,096	22,264	25,442
Employment practices liability	6,668	4,729	4,326	2,919	4,079	2,001
Property	11,711	19,078	8,831	15,248	10,716	10,343
X.L. Risk solutions	3,835	13,419	3,303	11,934	7,739	4,104
Other (MGA)	28,968	-	16,055	-	1,474	-
Reinsurance assumed	190,972	(15,551)	182,452	(15,551)	126,642	50,184
Premiums as reported	367,194	185,616	316,610	141,319	277,669	249,654
Multi year premiums	8,364	60,320	8,243	77,268	-	-
Adjustment for SRA contracts Rewritten	-	8,377	-	8,377	-	9,491
General liability excess of loss Reinsurance ceded	-	-	-	-	11,250	-
Adjusted Premiums	$375,558	$254,313	$324,853	$226,964	$288,919	$259,145

Net premiums written in the first six months of 1997 were affected by the SRA contracts that were rewritten and multi-year adjustments as mentioned previously and illustrated in Table III. Other factors affecting net premiums written include the growth in employment practices liability and Venton business, which are reinsured.

The increase in net earned premiums is primarily due to the increase in reinsurance assumed during the first six months of 1998. This related principally to the business assumed from the acquisition of GCR Holdings Limited and its subsidiary, Global Capital Reinsurance Company Ltd. in June of 1997. In addition, the Company entered into a general liability reinsurance excess of loss contract during the fourth quarter of 1997; hence there was an effect on the 1998 results, with no effect on the comparative period of the previous year.

Table IV presents an analysis of The Company's revenues from its portfolio of investments and its investment in affiliates (U.S. dollars in thousands):

Table IV

	Six Months Ended May 31, 1998	Six Months Ended May 31, 1997	% Change
	(unaudited)		
Net investment income	$117,980	$105,717	11.6%
Net realized gains	137,492	158,926	N/M
Equity in net earnings of affiliate	34,935	28,894	20.9%
Income from other investments	4,145	-	N/M

Net investment income has increased principally due to a larger asset base over the same period last year.

The stock market reached historic highs during the six months ended May 31, 1998. Equity managers, taking advantage of market conditions, realized $70.6 million in gains. In addition, $44.1 million in derivative gains were recognized in the period of which $10.2 million related to the Company's foreign currency overlay programs on its fixed income and equity portfolios, and $22.9 million relates to the Company's synthetic portfolio. A further discussion of derivative activity is provided under "Financial Condition and Liquidity". During the second quarter of 1997, the equity portfolio was restructured. Total gains realized by the equity managers during the six month period ended May 31, 1997 was $170 million of which $26.3 million were gains realized by a synthetic equity portfolio.

Equity in net earnings of affiliates increased due to Mid Ocean Limited reporting a 24.8% increase in net income in its first six months of 1998 compared to the same period in 1997. The Company's relative share however was lower due to its reduced ownership declining from 25.6% to 24.7%

Income from other investments represents a distribution from one of the Company's investments in limited partnerships.

Table V sets forth the Company's combined ratios and the components thereof for the periods indicated using U.S. generally accepted accounting principles:

Table V

	Six Months Ended May 31, 1998 (unaudited)	Six Months Ended May 31, 1997 (unaudited)
Loss and loss expense ratio	59.5%	70.6%
Underwriting expense ratio	24.4%	17.8%
Combined ratio	83.9%	88.4%

The decrease in the combined ratio and loss ratio reflects a change in the Company's mix of business to include more reinsurance business assumed as illustrated in Table III which portrays the changes in net earned premium quarter over quarter. A significant component of XLGRe's business is property business. Under United States generally accepted accounting principles, it is general practice not to set up catastrophe reserves. Consequently, the absence or presence of loss events on this business will instill volatility to the loss ratio.

The increase in administration expenses as shown in the Consolidated Statement of Income reflects the acquisition of GCR Holdings Ltd. in June of 1997, and the consequent increase in the size of the Company.

Net income was $326.0 million or $3.78 per share and $319.7 million or $3.68 per share for the six months ended May 31, 1998 and 1997, respectively, representing an increase of 2.7% per share. (Net income per share is presented on a diluted basis). Capital gains were $137.5 million and $158.9 million for the first six months of 1998 and 1997, respectively.

Financial Condition and Liquidity

As a holding company, the Company's assets consist primarily of its investments in the stock of its subsidiaries and the Company's future cash flows depend on the availability of dividends or other statutorily permissible payments from its subsidiaries. In order to pay dividends, the amount of which are limited to accumulated net realized profits, the Company's principal subsidiary, X.L., must maintain certain minimum levels of statutory capital and surplus, solvency and liquidity pursuant to Bermuda statutes and regulations. At May 31, 1998, X.L. could have paid dividends in the amount of approximately $1.8 billion. Neither the Company nor any of its material subsidiaries other than X.L. and XLGRe had any other restrictions preventing them from paying dividends. No assurance, however, can be given that the Company or its subsidiaries will not be prevented from paying dividends in the future. The Company's shareholders' equity at May 31, 1998 was $2.8 billion, of which $2.3 billion was retained earnings.

At May 31, 1998, total investments and cash net of the unsettled investments trades were $4.5 billion, compared to $4.3 billion at November 30, 1997. The Company's fixed income investments (including short-term investments and cash equivalents) at May 31, 1998 represented approximately 78% of invested assets and were managed by several outside investment management firms with different strategies. Approximately 90% of fixed income securities are of investment grade, and approximately 64.4% of the portfolio is in U.S. and non-U.S. sovereign government obligations, corporate bonds and other securities rated Aa or AA or better by a nationally recognized rating agency. Cash and cash equivalents net of pending investment trades was $101.4 million at May 31, 1998, compared to $12.3 million at November 30, 1997.

In fiscal 1997 and in fiscal 1998 through May 31, the total amount of losses paid by the Company was $267.2 million and $105.1 million, respectively.

Insurance practices and regulatory guidelines suggest that property and casualty insurance companies maintain a ratio of net premiums written to statutory capital and surplus of not greater than 3 to 1, with a lower ratio considered to be more prudent for a company that insures the types of exposures written by X.L. X.L. maintained a ratio of 0.5 to 1 (calculated on an annualized basis) for the six months ended May 31, 1997 and 0.4 to 1 for the year ended November 30, 1997.

The Company establishes reserves to provide for the estimated expenses of settling claims, the general expenses of administering the claims adjustment process and for losses incurred but not reported. These reserves are calculated by using actuarial and other reserving techniques to project the estimated ultimate net liability for losses and loss expenses. The Company's reserving practices and the establishment of any particular reserve reflect management's judgement concerning sound financial practice and does not represent any admission of liability with respect to any claims made against the Company's subsidiaries. No assurance can be given that actual claims made and payments related thereto will not be in excess of the amounts reserved.

Corporate

On June 11, 1997, the Company obtained two revolving lines of credit in the amount of $250 million each, one for 364 days and the other for 5 years. The one year facility has been extended for another year. These facilities are provided by a syndicate of banks to facilitate strategic acquisitions and to supplement operational cash flow. The weighted average interest rate on the funds borrowed during the period was 5.846%. The balance of the loans outstanding under the bank facilities at May 31, 1998 is comprised of two amounts: $80 million which was extended for an additional two months at its due date on June 12, 1998 and $35 million which was repaid on June 15, 1998.

The Company entered into an Agreement and Scheme of Arrangement dated as of March 16, 1998, as amended and restated on April 28, 1998, and further amended on June 26, 1998 (the "Agreement"), pursuant to which each of the Company and

Mid Ocean will become subsidiaries of a newly formed Cayman Islands corporation (which will change its name to "EXEL Limited") ("NEW EXEL") pursuant to a Scheme of Arrangement between the Company and its shareholders (the "EXEL Arrangement") and a Scheme of Arrangement between Mid Ocean and its shareholders other than EXEL (the "Mid Ocean Arrangement", and together with the EXEL Arrangement, the "Arrangements"). Under the terms of the EXEL Arrangement, shareholders of EXEL will be allotted and issued one share of NEW EXEL for each share of EXEL that they own on the effective date, subject to the cash election rights described below. Under the terms of the Mid Ocean Arrangement, shareholders of Mid Ocean other than EXEL will be allotted and issued 1.0215 shares of NEW EXEL for each share of Mid Ocean that they own on the effective date, subject to the cash election rights described below.

Under the Arrangements, shareholders of EXEL and Mid Ocean will have an opportunity to elect to receive cash in lieu of shares in NEW EXEL, up to a maximum of $300 million in the aggregate. If more than that amount is elected, $204 million of the cash will be made available to shareholders of EXEL and $96 million will be made available to shareholders of Mid Ocean, on a pro rata basis within each group of shareholders. If the cash pool available to either group of shareholders is not exhausted by cash elections within such group, the excess cash shall be made available for the other group of shareholders. The Company expects New EXEL to utilize the existing credit facilities of the Company to fund any cash elections made under the Arrangements up to $300 million.

On March 13, 1998 the Board of Directors of the Company authorized the repurchase of $500 million of its shares, which will be reduced by the amount of any cash elections made under the Arrangements. The Company has purchased approximately 193,000 shares during the quarter ending May 31, 1998 at a cost of $14.3 million.

On February 27, 1998 the Company obtained a $500 million letter of credit facility from a syndicate of banks, led by Mellon, which is secured against the Company's investment portfolio. This facility is used to collateralize reinsureds' technical reserves with the Company. The Company has letters of credit outstanding at May 31, 1998 in the amounts of $203.3 million and 11.2 million.

Financial Risk Management

This risk management discussion and the estimated amounts generated from the sensitivity analyses are forward-looking statements of market risk assuming certain adverse market conditions occur. Actual results in the future may differ materially from these projected results due to actual developments in the global financial markets. The analysis methods used by the Company to assess and mitigate risk should not be considered projections of future events of losses.

The Company's investment portfolio consists of fixed income and equity securities, denominated in both U.S. and non-U.S. dollars. Accordingly, earnings will be affected by changes in interest rates, equity prices and foreign currency exchange rates.

Foreign Currency Risk Management

The Company attempts to hedge directly the foreign currency exposure of a portion of its non-U.S. dollar fixed maturity investments using forward foreign exchange contracts that generally have maturities of three months or less, and which are rolled over to provide continuing coverage for as long as the investments are held. Where an investment is sold, the related foreign exchange sale contract is closed by entering into an offsetting purchase contract. At May 31, 1998, the Company had, as hedges, foreign contracts for the sale of $62.4 million and the purchase of $35.0 million of foreign currencies at fixed rates, primarily Japanese Yen (38% of net contract value), German Marks (28%) Finnish Markka (27%), Danish Kroner (4%) and Netherlands Guilders (2%). The market value of non-U.S. dollar fixed maturities held by the Company as at May 31, 1998 was $26.9 million.

Unrealized foreign exchange gains or losses on foreign exchange contracts hedging non-U.S. Dollar fixed maturity investments are deferred and included in shareholders' equity. As at May 31, 1998, unrealized deferred gains amounted to $1.1 million, and were offset by corresponding decreases in the U.S. dollar value of the investments. Realized gains and losses on the maturity of these contracts are also deferred and included in shareholders' equity until the corresponding investment is sold. As at May 31, 1998, realized deferred gains amounted to $7.8 million.

The Company uses foreign exchange contracts to manage the foreign exchange risk of fluctuating foreign currencies on the value of its remaining non-U.S. dollar fixed maturities and its non-U.S. dollar equity investments on an overlay basis. These contracts are not designated as specific hedges and, therefore, realized and unrealized gains and losses recognized on them are recorded as a component of net realized gains and losses in the period in which they occur. In addition, where the Company's investment managers are of the opinion that potential gains exist in a particular currency, then a forward contract will not be entered into. At May 31, 1998, the Company had forward contracts outstanding of $341.8 million with unrealized gains of $20.5 million. Gains of $10.2 million were realized during the six month period. Based on the value of forward contracts outstanding, a 10% appreciation or devaluation of the U.S. dollar as compared to the level of other currencies under contract at May 31, 1998 would have resulted in approximately $50.1 million in unrealized gains and $15.2 million in unrealized losses, respectively.

In addition, the Company also enters into foreign exchange contracts to buy and sell foreign currencies in the course of trading its non-U.S. dollar investments. These contracts are not designated as specific hedges, and generally have maturities of two weeks or less. As such, any realized or unrealized gains or losses are recorded in income in the period in which they occur.

At May 31, 1998, the Company had $0.8 million of such contracts outstanding, and had recognized a total of $0.6 million in realized and unrealized losses for the six-month period. Based on this value, a 10% appreciation or devaluation of the U.S. dollar as compared to the level of other currencies under contract at May 31, 1998 would have had no material effect on income.

Non Hedging Financial Instruments

The Company also invests in a synthetic equity portfolio of S&P Index futures with an exposure approximately equal in amount to the market value of underlying assets held in this fund. As at May 31, 1998, the portfolio held $202.5 million in exposure to S&P 500 Index futures together with fixed maturities, short-term investments and cash amounting to $203.2 million. Based on this value, by definition a 10% increase or decrease in the price of these futures would have resulted in exposure of $222.8 million and $182.3 million respectively. The value of the futures is updated daily with the change recorded in income as a realized gain or loss. For the six months ended May 31, 1998, net realized gains from index future totaled $22.8 million as a result of the 15.1% increase in the S&P Index during the six month period.

Derivative investments are also utilized to add value to the portfolio where market inefficiencies are believed to exist. At May 31, 1998, bond and stock index futures outstanding were $236.3 million, with underlying investments having a market value of $2.1 billion (all managers are prohibited by the Company's investment guidelines from leveraging their positions). A 10% appreciation or depreciation of these derivative instruments at this time would have resulted in unrealized gains and losses of $23.6 million, respectively.

Accounting Standards

The Financial Accounting Standards Board ("FASB") issued SFAS No. 132, "Employers' Disclosures about Pensions and Other Post-retirement Benefits", effective for fiscal years beginning after December 15, 1997. This Statement revises employers' disclosures about pension and other post-retirement benefit plans. It does not change the measurement or recognition of those plans. This standard is expected to have a minimal impact on the Company's financial statements and disclosures.

FASB also issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", effective for all fiscal quarters of fiscal years beginning after June 15, 1999. This Statement establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, (collectively referred to as derivatives) and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. If certain conditions are met, a derivative may be specifically designed as a hedge. The accounting for changes in fair value of a derivative (that is, gains and losses) depends on the intended use of the derivative and the resulting designation. The Company has not determined the impact of the adoption of this new accounting standard on its financial statements and disclosures.

Current Outlook

The Company believes competition in the property casualty insurance and reinsurance industry will continue to be strong and may intensify in 1998, exerting pressure on rates in general and particularly in the Company's traditional casualty product lines. Although the Company believes some opportunities will exist in 1998 for growth in certain product lines, no assurances can be made that growth in such other product lines will be sufficient to offset the competitive pressures affecting the Company's traditional product lines.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains statements that may be considered to be "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may include, without limitation, insofar as they may be considered to be forward-looking statements, certain statements in (i) "Management's Discussion and Analysis-Results of Operations for the Three Months Ended May 31, 1998 Compared to the Three Months Ended May 31, 1997" and "- Results of Operations for the Six Months Ended May 31, 1998 Compared to the Six Months Ended May 31, 1997" concerning (A) certain relationships among gross premiums written, net premiums written and net premiums earned and (B) the potential material adverse affect on the Company's operating results and financial condition stemming from the absence of reserves in respect of all or a portion of its property reinsurance business assumed; (ii) "Management's Discussion and Analysis - Corporate" concerning the Company's expectation that New EXEL will utilize the Company's existing credit facilities to fund any cash elections under the Arrangements up to $300 million and the impact of such cash elections on the Company's share repurchase program; (iii) "Management's Discussion and Analysis-Financial Risk Management", "-Foreign Currency Risk Management" and "-Non Hedging Financial Instruments" concerning the potential effects of certain events on the Company's portfolios of fixed income and equity instruments, foreign currency exposure, derivatives positions and certain other types of instruments (iv)

Management's Discussion and Analysis-Current Outlook" concerning the current outlook for rates and particular product lines; (v) such other statements contained in this Quarterly Report that may be considered to be forward-looking statements; and (vi) variations of the foregoing statements wherever they appear in this Quarterly Report.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements. The Company believes that these include the following non-exclusive factors: (i) the impact of changing market conditions on the Company's business strategy; (ii) the effects of increased competition on pricing, coverage terms, retention of customers and ability to attract new customers; (iii) greater severity or frequency of the types of large or catastrophic losses which the Company's subsidiaries insure or reinsure; (iv) faster loss development experience than that on which the Company's underwriting, reserving and investment practices are based; (v) developments in global financial markets which could adversely affect the performance of the Company's investment portfolio; (vi) regulatory or tax developments which could adversely affect the Company's business; (vii) risks associated with the introduction of new products and services; and (viii) the impact of mergers and acquisitions.

The facts set forth above should be considered in connection with any forward-looking statement contained in this Quarterly Report. The important factors that could affect such forward-looking statements are subject to change, and the Company does not intend to update any forward-looking statement or the foregoing list of important factors. By this cautionary note, the Company intends to avail of the safe harbor from liability with respect to forward-looking statements provided by Section 27A and Section 21E referred to above.

EXEL LIMITED
PART II - OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

The Company, through its subsidiaries, in common with the insurance and reinsurance industry in general, is subject to litigation in the normal course of its business. Although most of its policies provide for resolution of disputes by arbitration in London, X.L. has been sued several times in United States courts and is defending each suit vigorously, both on procedural grounds and the merits. As of May 31, 1998, the Company was not a party to any material litigation other than as routinely encountered in claims activity.

EXEL, Mid Ocean and the directors of Mid Ocean have been named as defendants in a purported class action lawsuit (the "Shareholder Action") filed in connection with the proposed Arrangements in the Supreme Court, County of New York, State of New York, Harbor Finance Partners v. Newhouse, et al., C.A. No. 1998/601266. The Shareholder Action alleges that the defendants breached their judiciary duties to the Mid Ocean shareholders by failing to exercise independent business judgment (due to their alleged conflict of interest) and by agreeing to sell Mid Ocean at an unfair and inadequate price. The Shareholder Action is brought on behalf of a purported class of persons consisting of Mid Ocean shareholders other than the defendants. As relief, the Shareholder Action seeks, among other things, an order enjoining consummation of the Arrangements, or, in the event the Arrangements are consummated, rescission of the Arrangements, and an award of compensatory damages in an unspecified amount, as well as costs including fees for plaintiff's counsel and experts' fees and expenses. On June 18, 1998, the defendants filed a motion to dismiss the Shareholder Action on the grounds that the Shareholder Action (i) failed to state a claim upon which relief may be granted under Cayman Islands law and (ii) was not brought in an appropriate forum (forum non conveniens).

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SHAREHOLDERS

At the Annual General Meeting of Shareholders held on March 31, 1998 at the Hyatt Regency Grand Cayman, Grand Cayman, Cayman Islands, British West Indies, the shareholders approved the following:

1. To elect Class II Directors to hold office until 2001:

	Votes For*	Votes Against*
Robert V. Hatcher, Jr.	67,285,888	312,199
Brian M. O'Hara	67,300,080	298,007
John T. Thornton	67,303,868	294,224
John Weiser	67,303,773	294,314

Messrs. Clements, Esposito, Rance, Gould, Heap, Loudon, Dr. Parker Senter and Dr. Thrower continue in office.

2. To appoint Coopers & Lybrand, Bermuda as independent Auditors for the fiscal year ending November 30, 1998;

Votes* For	Votes* Against	Abstaining
67,557,202	15,416	25,469

ITEM 6. - EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

2.1 Agreement and Schemes of Arrangement, dated as of March 16, 1998, by and among the Company, Exel Merger Company Ltd., and Mid Ocean, incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed March 17, 1998.

2.2 Agreement and Schemes of Arrangement, dated as of March 16, 1998, as amended and restated April 28, 1998, by and among the Company, Exel Merger Company Ltd., and Mid Ocean, incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed May 5, 1998.

2.3 Support Agreement, dated as of March 16, 1998, by and among the Company, Exel Merger Company Ltd., and JP Morgan Capital Corporation, incorporated by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K filed March 17, 1998.

(b) Reports on Form 8-K

Current Report on Form 8-K filed on March 17, 1998, under Item 5 thereof.

Current Report on Form 8-K filed on May 5, 1998, under Item 5 thereof.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EXEL LIMITED
(Registrant)

July 14, 1998

/s/ Brian M. O'Hara
Brian M. O'Hara
President and
Chief Executive Officer

July 14, 1998

/s/ Robert R. Lusardi
Robert R. Lusardi
Executive Vice President and
\Chief Financial Officer

Exhibit 11 - Statement regarding Computation Per Share Earnings.

EXEL LIMITED
COMPUTATION OF EARNINGS PER ORDINARY SHARE AND
ORDINARY SHARE EQUIVALENT
(U.S. dollars in thousands except per share amounts)

	Three Months Ended May 31,		Six Months Ended May 31,	
	1998	1997	1998	1998
	(Unaudited)		(Unaudited)	
	(U.S. Dollars in thousands except per share amounts)			
(A) Earnings per ordinary share and ordinary share equivalent -- basic:				
Weighted average ordinary shares and ordinary share equivalents outstanding........................	84,640	84,883	84,603	85,849
	========	========	========	========
Net income:.........................	$170,562	$211,580	$325,972	$319,698
	========	========	========	========
Earnings per ordinary share and ordinary share equivalent..................	$2.02	$2.49	$3.85	$3.72
	========	========	========	========
(B) Earnings per ordinary share and ordinary share equivalent - assuming full dilution:				
Weighted average shares outstanding.......................	84,466	84,678	84,487	85,728
Average stock options outstanding (net of repurchased shares under the treasury stock method.......................	1,860	1,101	1,706	1,078
	--------	--------	--------	--------
Weighted average ordinary shares and ordinary share equivalents outstanding........................	86,326	85,779	86,193	86,806
	========	========	========	========
Net income..........................	$170,562	$211,580	$325,972	$319,698
	========	========	========	========
Earnings per ordinary share and ordinary share equivalent..................	$1.98	$2.47	$3.78	$3.68
	========	========	========	========

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This schedule contains summary financial information extracted from the Consolidated Balance Sheets and Consolidated Statements of Income and is qualified in its entirety by reference to such financial statements.

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NOV-30-1998
DEC-01-1997
MAY-31-1998
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