

Guardian Holdings Limited

YEAR-END RESULTS

To December 31, 2001

CHAIRMAN'S STATEMENT

The directors of Guardian Holdings Limited are pleased to report our excellent results for 2001. profit available to shareholders increased by 37% from \$137.9 million to \$188.5 million. Overall, insurance funds increased by 7% to \$3.4 billion (US\$40 million) and total assets rose by 10 per cent to \$6.3 billion (US\$1 billion).

These results are in line with our projections and have been produced against the backdrop of a slowing domestic economy, recession in major markets and the events of September 11, 2001 and after. Notwithstanding the less propitious external environment In 2001, our insurance subsidiaries performed well and the acquisitions completed during 2001 also made important contributions to the results.

Consistent with our corporate governance principles relating to compliance, we have adopted IAS 39, although we believe that this standard is inappropriate for long term insurance business which form the core of our group. In giving effect to this new standard which has implications for the valuation of our investment portfolio, we have discontinued the investment valuation reserve and taken the opportunity to reduce Goodwill on the balance sheet by the same amount.

The effect of these changes is a smaller increase in total assets, but a balance sheet structure that is more reflective of the substantial financial strength of the group.

The current economic environment has led to generally lower Interest rates and we moved swiftly to take advantage of these to restructure short-term obligations, rationalise the allocation of capital across the group companies and to be ready to seize feasible opportunities for expansion. Shareholders' equity increased by \$371 million or 59% to \$997 million, reflecting the successful rights issue in May 2001, as well as the new shares issued consequent on the acquisition of the outstanding shares in NEMWIL.

Based on the results for the year, Directors have decided to pay a final dividend of 30 cents per share, and have fixed 4th April 2002 as the Record Date for determination of shareholders entitled to payment of this dividend. For this purpose the register of members will be closed from 4th to 5th April, 2002, both days inclusive. Dividend cheques will be Mailed out on 10th April, 2002. The Annual Meeting of the company will take place on April 19, 2002

Nazir Ahamad
Chairman

CONSOLIDATED PROFIT AND LOSS STATEMENT

	Audited Dec. 2001 TT' \$000	Audited Dec. 2000 TT' \$000
Revenue	<u>1,204,757</u>	<u>919,852</u>
Operating Profit	197,400	149,589
Share of Profits of Associated Companies	<u>164,117</u>	<u>90,909</u>
	361,517	240,498
Finance Charges	65,318	35,500
Amortisation of Goodwill	<u>22,587</u>	<u>14,769</u>
Profit Before Taxation	273,612	190,229
Taxation	<u>45,999</u>	<u>37,438</u>
Profit after Taxation	227,613	152,791
Transfer to Reserves - Associated Companies	<u>5,643</u>	<u>986</u>
Net Profit	221,970	151,805
Minority Interests	<u>33,475</u>	<u>13,865</u>
Profit Attributable to Shareholders	188,495	137,940
Dividends	<u>61,968</u>	<u>47,738</u>
Profit Retained	<u>126,527</u>	<u>90,200</u>
Earnings Per Share - Basic	1.36	1.09
Earnings Per Share - Diluted	1.34	1.08

CONSOLIDATED BALANCE SHEET

	Audited Dec. 2001 \$TT' 000	Audited Dec. 2000 \$TT' 000
Fixed Assets	206,577	123,818
Investment In Associated Companies	547,015	555,549
Investments	3,798,610	3,046,751
Pension Plan Assets	94,912	81,490
Value to Shareholders of Long-term Insurance Business In force	303,911	282,887
Goodwill	<u>569,897</u>	<u>663,410</u>
	5,520,922	4,753,905
Current Assets	<u>819,810</u>	<u>992,588</u>
Total Assets	<u>6,340,732</u>	<u>5,746,493</u>
Shareholders'Equily		
Share Capital	460,021	37,766
Reserves	28,886	208,373
Retained Earnings	<u>508,900</u>	<u>379,773</u>
	997,807	625,912
Minority Interests	<u>511,424</u>	<u>642,705</u>
Medium Term Debt	901,776	310,421
Deffered Tax	13,150	17,625
Insurance Funds	<u>3,407,455</u>	<u>3,179,087</u>
	4,322,381	3,507,133
Current Liabilities	<u>509,120</u>	<u>970,743</u>
Total Liabilities	<u>4,831,501</u>	<u>4,477,876</u>
	6,340,732	5,746,493

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Audited Dec. 2001 TT' \$000	Audited Dec. 2000 TT' \$000
Balance at the Start of the Period	625,912	688,669
Issue of Shares	422,255	1,344
Goodwill Writeoff	(221,268)	-
Translation Adjustments	14,600	(25,715)
Investment Valuation Reserve Movements	-	(141,826)
Effect of Adopting IAS 12, 39 & 40	343	(2,610)
Prior Year Restructuring - GIL	16,386	-
other Reserve Movements	13,052	15,848
Profit Attributable to Shareholders	188,495	137,940
Dividends	<u>(61,968)</u>	<u>(47,738)</u>
Balance at the End of the Period	<u>997,807</u>	<u>625,912</u>

CONSOLIDATED CASH FLOW STATEMENT

	Audited Dec. 2001 TT\$ '000	Audited Dec. 2000 TT\$ '000
Prof It Before Taxation	273,612	190,229
Share of Profits of Associated Companies	(164,117)	(90,909)
Dividends from Associated Companies	48,878	25,129
Adjustments for Non-cash Items	<u>207,446</u>	<u>175,560</u>
Operating Cash How Betore Working Capital Changes	365,819	299,999
NetWorking Capital Changes	(214,001)	381,110
Not Taxation Refunded / (Paid)	<u>3,974</u>	<u>(7,406)</u>
Cash Flow from Operating Activities	155,792	673,703
Investing Activities	(840,385)	(726,954)
Financing Activities	<u>748,752</u>	<u>182,866</u>
(Decrease)llacrese in Short-term Funds	<u>64,159</u>	<u>129,615</u>

**SCHEDULE OF DATES UP TO THE
2002 ANNUAL MEETING AND PAYING OF 2001 DIVIDEND**

Monday 11/3/02	Directors to approve finalized audited accounts and announce final dividend.
Wednesday 27/3/02	Shares will trade ex dividend.
Friday 22/3/01	Record Date for Notices of Annual Meeting
Thursday 04/04/02	Record Date for Payment of Dividend
Thursday 04/04/02	Close the Register
Friday 05/04/02	
Tuesday 26/3/02	Send out Annual Reports/Notice of Annual Meeting.
Wednesday 27/3/02	Stock will trade ex dividend.
Thursday 04/04/02	Record Date for Payment of Dividend
Wednesday 10/4/02	Pay 2001 final dividend
Friday 19/4/02	Annual Meeting
