

Guardian Holdings Limited

QUARTERLY RESULTS

To March 31, 2002

Chairman's Statement

The Group recorded A Net Profit of \$45 million for the 3-month period ended March 31, 2001 This represents a marginal increase of \$164,000 compared with the corresponding period of the previous year. This result for the first quarter reflects the fact that given the characteristics of our short-term and long-term insurance businesses, the majority of profits emerge toward the third and fourth quarters, Notwithstanding IAS 39 effects, we fully expect the out-turn over the next quarters to track more or less closely the projected results for these periods.

As at March 31, 2002, the total assets of the Group increased by 3.8% since the end of the last financial year. The Group's insurance operations reflect steady growth with sales of life and general insurance in the region continuing to be strong. Our Guardian Life subsidiary continues to be market leader in Jamaica and the strong sales performance of our Trinidad and Tobago life company also suggests that its market leading position is being maintained. However, the results for the property companies are currently lagging behind projections but we expect that these will rebound later in the year.

GHL is currently pursuing two acquisition opportunities in life and general insurance and one or both of these should be concluded by the end of the second quarter. We are in the process of implementing our post-acquisition Integration projects in respect of recent acquisitions and these initiatives are expected to start yielding significant cost savings later this year, although most of the savings will emerge over two to three years.

The Directors remain optimistic about the Group's medium term prospects and take this opportunity to thank our shareholders for their continued support and loyalty.

Nazir Ahamad
Chairman

CONSOLIDATED PROFIT AND LOSS STATEMENT

	Unaudited Mar. 2002 TT\$'000	Unaudited Mar. 2001 TT\$'000	Audited Dec. 2001 TT\$'000
Revenue	<u>330,300</u>	<u>216,396</u>	<u>1,204,757</u>
Operating Profit	53,452	27,282	197,400
Share of Profits of Associated Companies	<u>33,079</u>	<u>50,038</u>	<u>164,117</u>
	86,531	77,320	361,517
Finance Charges	19,858	7,475	65,318
Amortisation of Goodwill	<u>5,520</u>	<u>4,235</u>	<u>22,587</u>
Probt Before Taxation	61,155	65,610	273,612
Taxation	<u>7,653</u>	<u>11,264</u>	<u>45,999</u>

Profit after taxation	53,502	54,346	227,613
Transfer to Reserves - Associated Companies	4,594	1,566	5,643
Net Profit	<u>48,908</u>	<u>52,780</u>	<u>221,970</u>
Minority Interests	3,878	7,914	33,475
Profit Attributable to Shareholders	45,030	44,866	188,495
Dividends	-	-	61,968
Profit Retained	<u>45,030</u>	<u>44,866</u>	<u>126,527</u>
Earnings Per share - Basic	0.28	0.36	1.36
Earnings Per share - Diluted	0.28	0.36	1.34

CONSOLIDATED BALANCE SHEET

	Unaudited Mar. 2002 TT\$'000	Unaudited Mar. 2001 TT\$'000	Audited Dec. 2001 TT\$'000
Fixed Assets	205,936	121,901	206,577
Investment in Associated Companies	531,572	577,597	547,015
Investments	4,077,088	3,203,826	3,798,610
Pension Plan Assets	96,162	82,490	94,912
Value to Shareholders of Long-term Insurance Business in force	309,450	294,142	303,911
Goodwill	<u>591,670</u>	<u>658,023</u>	<u>569,897</u>
	5,811,878	4,937,979	5,520,922
Current Assets	770,570	956,724	819,810
Total Assets	<u>6,582,448</u>	<u>5,894,703</u>	<u>6,340,732</u>
Shareholders' Equity			
Share Capital	460,021	37,766	460,021
Reserves	11,315	207,195	28,886

Retained Earnings	547,965	424,648	508,900
	<u>1,019,301</u>	<u>669,609</u>	<u>997,807</u>
Minority Interest	515,307	655,122	511,424
Medium Term Debt	1,019,410	342,533	901,776
Deferred Tax	13,693	17,641	13,150
Insurance Funds	3,504,174	3,278,508	3,407,455
	<u>4,537,277</u>	<u>3,638,682</u>	<u>4,322,381</u>
Current Liabilities	510,563	931,290	509,120
Total Liabilities	<u>5,047,840</u>	<u>4,569,972</u>	<u>4,831,501</u>
Total Equity and Liabilities	<u>6,582,448</u>	<u>5,894,703</u>	<u>6,340,732</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited Mar. 2002 TT\$'000	Unaudited Mar. 2001 TT\$'000	Audited Dec. 2001 TT\$'000
Balance at the Start of the Period	997,807	625,912	625,912
Issue of Shares	-	-	422,255
Goodwill Write off	-	-	(221,268)
Translation Adjustment	192	9,108	14,600
Investment valuation Reserve Movements	-	(10,341)	-
Effect of Adopting IAS 12, 39 & 40	-	-	343
Prior Year Restructuring - GL	-	-	16,386
Other Reserve Movements	(23,728)	64	13,052
Profits Attributable to Shareholders	45,030	44,866	188,495
Dividends	-	-	(61,968)
Balance as the End of the Period	<u>1,019,301</u>	<u>669,609</u>	<u>997,807</u>

CONSOLIDATED CASH FLOW STATEMENT

	Unaudited Mar. 2002 TT\$'000	Unaudited Mar. 2001 TT\$'000	Audited Dec. 2001 TT\$'000
Profit before Taxation	61,155	65,610	273,612
Share of Profits of Associated Companies	(33,079)	(50,038)	(164,117)
Dividends from Associated Companies	-	-	48,878
Adjustment for Non-cash Items	<u>191,919</u>	<u>38,894</u>	<u>264,116</u>
Operating Cash Flow Before Working Capital Changes	219,995	54,466	422,489
Net Working Capital	22,513	(9,987)	(199,864)
Net Taxation Refund/(Paid)	<u>(4,619)</u>	<u>(5,803)</u>	<u>3,974</u>
Cash Flow from Operating Activities	237,889	38,676	226,599
Investing Activities	(261,471)	(64,822)	(828,401)
Financing Activities	<u>59,732</u>	<u>20,243</u>	<u>665,961</u>
(Decrease)/Increase in Short-term Funds	<u>36,150</u>	<u>(5,903)</u>	<u>64,159</u>
