

# Guardian Holdings Limited

## Half-Year Results to June 30 2002

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### Chairman's Statement

The Group generated attributable profits of \$95.8M for the 6-month period ended June 30, 2002. This represents an increase of 31.2% over the corresponding period of 2001. As at June 30, 2002, the Group's Assets had increased by 6% to \$6,721M in the first six months of 2002. Shareholders Equity increased to \$1,087M while the leverage ratio (medium-term debt to shareholders equity) remaining relatively flat.

These excellent results were achieved against the background of continuing decline in the industrialized countries which has impacted investor and consumer confidence and has been reflected in steep declines in major stock markets and major economic indices. However, insurance sales remain resilient in both Trinidad and Tobago and in Jamaica while higher rates have boosted profitability in our general insurance division. Share of results of associated companies declined owing to the fact that Neal and Massy is no longer an associate company. The companies acquired from Neal and Massy have performed exceptionally well in the first half and the increase in our operating profits more than compensated for the disposal of Neal and Massy shares.

We expect to finalize the acquisition of another insurance company in the region and will be in a position to reveal more very shortly. We continue the process of implementing our post-acquisition integration projects in respect of recent acquisitions that will start yielding significant cost savings commencing in the fourth quarter of 2002. The company is confident that the results for the second half will be in line with projections and the trends established over the previous years for group companies.

Based on the results for the half year , the Directors have decided to pay an interim dividend of 11 cents per share, and have fixed August 22, 2002 as the Record Date for the determination of shareholders entitled to payment of this dividend. For this purpose, the register of members will be closed from August 22, 2002 to August 23, 2002 both days inclusive. Dividend cheques will be mailed out on August 28, 2002.

Nazir Ahamad

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## Consolidated Profit and Loss Statement

	Unaudited June 2002 TT\$ '000	Unaudited June 2001 TT\$ '000	Audited Dec. 2001 TT\$ '000
Revenue	<u>715,683</u>	<u>450,665</u>	<u>1,204,757</u>
Operating Profit	119,468	75,182	197,400
Share of Profits of Associated Companies	<u>59,814</u>	<u>77,162</u>	<u>164,117</u>
	179,282	152,344	361,517
Finance Charges	37,883	33,549	65,318
Amortisation of Goodwill	<u>15,418</u>	<u>8,830</u>	<u>22,587</u>
Profit Before Taxation	125,981	109,965	273,612
Taxation	<u>13,675</u>	<u>21,255</u>	<u>45,999</u>
Profit after Taxation	112,306	88,710	227,613
Minority Interests	<u>16,492</u>	<u>15,686</u>	<u>33,475</u>
Profit Attributable to Shareholders	95,814	73,024	194,138
Transfer to Reserves - Associated Companies	<u>6,087</u>	<u>1,582</u>	<u>5,643</u>
Profits Available for Distribution			
To Shareholders	89,727	71,442	188,495
Dividends	<u>17,494</u>	<u>14,530</u>	<u>61,968</u>
Profit Retained	<u>72,233</u>	<u>56,912</u>	<u>126,527</u>
Earnings Per Share - Basic	0.60	0.58	1.36
Earnings Per Share - Diluted	0.60	0.57	1.34

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## Consolidated Balance Sheet

	Unaudited June 2002 TT\$'000	UNAUDITED June 2001 TT\$'000	AUDITED Dec. 2001 TT\$'000
Fixed Assets	203,158	127,085	206,577
Investment in Associated Companies	598,655	598,575	547,015
Investments	4,152,328	3,346,246	3,798,610
Pension Plan Assets	97,412	83,490	94,912
Value to Shareholders of Long-term Insurance Business in force	313,436	294,013	303,911
Goodwill	555,172	677,741	569,897
	<u>5,920,161</u>	<u>5,127,150</u>	<u>5,520,922</u>
Current Assets	801,020	951,758	819,810
Total Assets	<u>6,721,181</u>	<u>6,078,908</u>	<u>6,340,732</u>
Shareholders' Equity			
Share Capital	466,293	39,134	460,021
Reserves	43,766	231,804	28,886
Retained Earnings	576,587	438,294	508,900
	<u>1,086,646</u>	<u>709,232</u>	<u>997,807</u>
Minority Interests	<u>526,055</u>	<u>651,373</u>	<u>511,424</u>
Medium Term Debt	1,012,403	423,855	901,776
Deferred Tax	14,239	17,622	13,150
Insurance Funds	3,591,171	3,376,175	3,407,455
	<u>4,617,813</u>	<u>3,817,652</u>	<u>4,322,381</u>
Current Liabilities	490,667	900,651	509,120
Total Liabilities	<u>5,108,480</u>	<u>4,718,303</u>	<u>4,831,501</u>
Total Equity and Liabilities	<u>6,721,181</u>	<u>6,078,908</u>	<u>6,340,732</u>

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## Consolidated Statement of Changes in Equity

	Unaudited June 2002 TT\$'000	Unaudited June 2001 TT\$'000	Audited Dec. 2001 TT\$'000
Balance at the Start of the Period	997,807	625,912	625,912
Issue of Shares	6,272	1,368	422,255
Goodwil Writeoff	-	-	(221,268)
Translation Adjustments	(4,164)	48,447	14,600
Investment Valuation Reserve Movements	-	(26,837)	-
Effect of Adopting IAS 12, 39 & 40	-	-	343
Prior Year Restructuring - GIL	-	-	16,386
Other Reserve Movements	14,498	3,430	13,052
Profits Attributable to Shareholders	89,727	71,442	188,495
Dividends	(17,494)	(14,530)	(61,968)
Balance at the End of the Period	<u>1,086,646</u>	<u>709,232</u>	<u>997,807</u>

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## Consolidated Cash Flow Statement

	Unaudited June 2002 TT\$'000	Unaudited June 2001 TT\$'000	Audited Dec. 2001 TT\$'000
Profit Before Taxation	125,981	109,965	273,612
Share of Profits of Associated Companies	(59,814)	(77,162)	(164,117)
Dividends from Associated Companies	24,478	11,121	48,878
Adjustments for Non-cash Items	<u>157,057</u>	<u>(22,092)</u>	<u>264,116</u>
Operating Cash Flow Before Working Capital Changes	247,702	21,832	422,489
Net Working Capital Changes	5,438	(50,478)	(199,864)
Net Taxation (Paid)/Refunded	<u>(17,336)</u>	<u>(10,479)</u>	<u>3,974</u>
Cash Flow from Operating Activities	235,804	(39,125)	226,599
Investing Activities	(147,617)	(80,434)	(828,401)
Financing Activities	<u>(82,230)</u>	<u>75,661</u>	<u>665,961</u>
(Decrease)/Increase in Short-term Funds	<u>5,957</u>	<u>(43,898)</u>	<u>64,159</u>

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