

Guardian Holdings Limited

THIRD QUARTER RESULTS TO SEPTEMBER 30, 2002

Chairman's Statement

We are pleased to report our Group results for the third quarter ended September 2002. Profit attributable to shareholders amounted to TT\$135 million, an increase of 11 per cent over the corresponding period in 2001. Economic and political circumstances prevailing in the international and regional economies have not been especially propitious for business activity. We have experienced an environment of sharply lower interest rates and weak stock markets especially overseas, which adversely impacted investment returns in the first three quarters. In addition, consumer confidence has been low.

Nonetheless, the Group's operating profit increased by 26 per cent due to a substantial increase in revenue, reflecting buoyant sales of life and savings products, as well as the consolidation for the time of Caribbean Home Insurance Company. Higher interest expense arose during the period due to higher debt incurred to provide capital used to finance our expansion programme and ensure that we exceed recommended solvency level in our life insurance companies.

During this third quarter, RBTT Financial Holdings Limited (RBTT) acquired a 20% interest in our Group's sub-holding company, Guardian General Limited which was formed on July 1st 2002. This acquisition by RBTT further cements the ties between GHL and RBTT in the provision of financial services to the regional economies

The Board of Directors is satisfied that our full year earnings target will be met since in our business, the bulk of earnings typically accrue in the fourth quarter. Regional stock markets are already responding to more settled political conditions. Recent acquisitions are contributing positively to Group profitability, and the cost saving and revenue generation programmes initiated are gathering momentum and will bear fruit early in 2003.

Nazir Ahamad
Chairman

CONSOLIDATED BALANCE SHEET

	Unaudited Sept . 2002 \$TT'000	Unaudited Sept. 2001 \$TT'000	Audited Dec. 2001 \$TT'000
Fixed Assets	201,853	143,556	206,577
Investment in Associated Companies	648,597	649,844	547,015
Investments	4,236,634	3,414,191	3,798,610
Pension Plan Assets	98,662	84,490	94,912
Value to Shareholders of Long-term Insurance Business in force	322,507	308,352	303,911
Goodwill	549,285	729,875	569,897
	<u>6,057,588</u>	<u>5,330,308</u>	<u>5,520,922</u>
Current Assets	955,452	1,013,120	819,810
Total Assets	<u>7,012,990</u>	<u>6,343,428</u>	<u>6,340,732</u>
Shareholders' Equity			
Share Capital	466,293	460,276	460,021
Reserves	56,865	221,304	28,886
Retained Earnings	609,688	464,935	508,900
	<u>1,132,846</u>	<u>1,146,515</u>	<u>997,807</u>
Minority Interests	636,692	571,691	511,424
Medium Term Debt	971,813	326,959	901,776
Deferred Tax	14,810	17,608	13,150
Insurance Funds	3,680,269	3,386,164	3,407,455
	<u>4,666,892</u>	<u>3,730,731</u>	<u>4,322,381</u>
Current Liabilities	576,560	894,491	509,120
Total Liabilities	<u>5,243,452</u>	<u>4,625,222</u>	<u>4,831,501</u>
Total Equity and Liabilities	<u>7,012,990</u>	<u>6,343,428</u>	<u>6,340,732</u>
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US\$1.00 to TT\$6.205

CONSOLIDATED PROFIT AND LOSS STATEMENT

	Unaudited Sept. 2002 TT\$ '000	Unaudited Sept. 2001 TT\$ '000	Audited Dec. 2001 TT\$ '000
Revenue	<u>1,049,322</u>	<u>696,663</u>	<u>1,204,757</u>
Operating Profit	150,332	119,359	197,400
Share of Profit of Associated Companies	<u>113,479</u>	<u>115,636</u>	<u>164,117</u>
	263,811	234,995	361,517
Finance Charges	58,085	34,272	65,318
Amortisation of Goodwill	<u>22,645</u>	<u>14,520</u>	<u>22,587</u>
Profit before Taxation	183,081	186,203	273,612
Taxation	<u>26,205</u>	<u>33,078</u>	<u>45,999</u>
Profit after Taxation	156,876	153,125	227,613
Minority Interests	<u>21,060</u>	<u>30,708</u>	<u>33,475</u>
Profit Attributable to Shareholders	135,816	122,417	194,138
Transfer to Reserve-Associated Companies	<u>7,815</u>	<u>1,943</u>	<u>5,643</u>
Profit Available for Distribution			
To Shareholders	128,001	120,474	188,495
Dividends	<u>17,494</u>	<u>14,530</u>	<u>61,968</u>
Profit Retained	<u>110,507</u>	<u>105,944</u>	<u>126,527</u>
Earnings Per Share- Basic	0.86	0.92	1.40
Earnings Per Share - Diluted	0.85	0.92	1.38
Average Shares in issue - Basic	158,777	132,419	138,548
Average Shares in issue - Diluted	160,316	133,610	140,373

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited	Unaudited	Audited
	Sept. 2002	Sept. 2001	Dec. 2002
	TT\$ '000	TT\$ '000	TT\$ '000
Balance at the Start of the Period	997,807	625,912	625,912
Issue of Shares	6,272	422,510	422,255
Goodwill Write-off	-	-	(221,268)
Translation Adjustments	(739)	6,202	14,600
Investment Valuation Reserve Movements	-	4,626	-
Prior Year Restructuring - GIL	-	-	16,386
Other Reserve Movements	18,999	(18,679)	13,395
Profit Available for Distribution	128,001	120,474	188,495
Dividends	<u>(17,494)</u>	<u>(14,530)</u>	<u>(61,968)</u>
Balance at the End of the Period	<u>1,132,846</u>	<u>1,146,515</u>	<u>997,807</u>
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CONSOLIDATED CASH FLOW

	Unaudited	Unaudited	Audited
	Sept. 2002	Sept. 2001	Dec. 2001
	TT\$ '000	TT\$ '000	TT\$ '000
Profit Before Taxation	183,081	186,203	273,612
Share of Profit of Associated Companies	(113,479)	(115,636)	(164,117)
Dividends from Associated Companies	26,673	29,851	48,878
Adjustment for Non-cash items	<u>257,402</u>	<u>115,467</u>	<u>264,116</u>
Operating Cash Flow Before Working Capital Charges	353,677	215,885	422,489
Net Working Capital Charges	101,484	(65,426)	(199,864)
Net Taxation (paid)/ Refunded	<u>(15,499)</u>	<u>(241)</u>	<u>3,974</u>
Cash Flow from Operating Activities	439,662	150,218	226,599
Investing Activities	(207,406)	(560,183)	(828,401)
Financing Activities	<u>(235,226)</u>	<u>408,243</u>	<u>665,961</u>
(Decrease)/Increase in Short-term Funds	<u>(2,970)</u>	<u>(1,722)</u>	<u>64,159</u>
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