

GUARDIAN HOLDINGS LIMITED

FIRST QUARTER RESULTS TO MARCH 31, 2004

CHAIRMAN'S STATEMENT

The group recorded profit attributable to shareholders of \$532.8 million in the first quarter of 2004 compared with \$90.4 million in the corresponding period in 2003. This unprecedented increase reflects the continued exceptional performance of our investments in all the money and capital markets in which our funds are invested. The Trinidad and Tobago stock market rose 21 per cent and the Jamaica stock market was up 47 per cent in the first quarter. Total assets grew by 10.6 per cent on the strength of an increase in Investments from \$7.8 billion to \$8.6 billion. Shareholders' Equity rose 18.5 per cent to \$2.9 billion while Insurance Funds grew by 7.3 per cent in \$6.6 billion.

The exceptional appreciation in value of the group's investment portfolio reinforced the continued excellent performance in our insurance sales in all the markets we serve for both life and non-life business. New business sales of individual life policies by Guardian Life in Trinidad and Tobago were 35 per cent higher than in the first quarter of 2003, which was a record year for sales. In Jamaica, Guardian Life Limited achieved an increase of 16 per cent in new business sales in the first quarter while in non-life insurance, Guardian General posted an increase of 73 per cent in gross written premium income, boosted in part by the business of its new UK subsidiary. Fatum Holding, which writes life and non-life business in the Dutch Caribbean, showed an increase in premium income of 19 per cent in the first quarter.

While we remain cautiously optimistic about the prospects for the regional and international economies and hence for investment returns, your board of directors is mindful of the fact that continued appreciation of investments on the scale experienced in the first quarter is unlikely to be sustained throughout the remainder of the year. We continue to focus therefore on the underlying operating performance of our subsidiaries, all of which have continued to deliver exceptional results.

Nazir Ahamad
Chairman

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Unaudited Mar. 2004 \$TT'000	Unaudited Mar. 2003 \$TT'000	Audited Dec. 2003 \$TT'000
Revenue	<u>1,234,851</u>	<u>586,108</u>	<u>2,826,856</u>
Operating Profit	608,119	66,481	545,588
Share of Profits of Associated Companies	<u>(6,477)</u>	<u>41,211</u>	<u>108,686</u>
	601,642	107,692	654,274
Finance Charges	(22,452)	(27,704)	(118,670)
Goodwill Net of Negative Goodwill	(5,007)	37,943	57,241
Non-recurrent Items	<u>-</u>	<u>-</u>	<u>680,808</u>
Profit Before Taxation	574,183	117,931	1,273,653
Taxation	<u>(40,899)</u>	<u>(17,910)</u>	<u>(162,331)</u>
Profit after Taxation	533,284	100,021	1,111,322
Minority Interests	<u>(507)</u>	<u>(9,576)</u>	<u>(55,693)</u>
Profit Attributable to Shareholders	<u>532,777</u>	<u>90,445</u>	<u>1,055,629</u>
Earnings Per Share - Basic			
Before non-recurrent items	2.79	0.56	2.25
Attributable to non-recurrent items	<u>-</u>	<u>-</u>	<u>4.10</u>
Total	<u>2.79</u>	<u>0.56</u>	<u>6.35</u>
Earnings Per Share - Diluted	2.75	0.55	2.22
Before non-recurrent items	<u>-</u>	<u>-</u>	<u>4.03</u>
Attributable to non-recurrent items	<u>2.75</u>	<u>0.55</u>	<u>6.25</u>
Total			

CONSOLIDATED BALANCE SHEET

	Unaudited Mar. 2004 \$TT'000	Unaudited Mar. 2003 \$TT'000	Unaudited Dec. 2003 \$TT'000
Fixed Assets	547,856	577,067	551,954
Investment in Associated Companies	260,266	715,888	187,036
Investments	8,628,198	6,420,502	7,783,896
Pension Plan Assets	128,542	99,538	129,186
Value to Shareholders of Long-term Insurance Business in force	429,460	318,776	432,471
Goodwill	313,589	525,204	313,816
	10,307,911	8,656,975	9,398,359
Current Assets	2,487,874	1,777,160	2,168,353
Total Assets	12,795,785	10,434,135	11,566,712
Shareholders' Equity			
Share Capital	1,070,367	472,653	1,070,367
Reserves	(228,299)	8,143	(230,229)
Retained Earnings	2,120,593	653,366	1,661,293
	2,962,661	1,134,162	2,501,431
Minority interests	15,100	592,678	14,605
Post Retirement Benefit Obligations	42,872	-	42,480
Medium Term Debt	1,046,381	963,170	1,064,784
Deferred Tax	124,641	11,031	103,136
Insurance Funds	6,627,625	6,128,141	6,175,930
	7,841,519	7,102,342	7,386,330
Current Liabilities	1,976,505	1,604,953	1,664,346
Total Liabilities	9,818,024	8,707,295	9,050,676
Total Equity & Liabilities	12,795,785	10,434,135	11,566,712

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited Mar. 2004 \$TT'000	Unaudited Mar. 2003 \$TT'000	Unaudited Dec. 2003 \$TT'000
Balance at the Start of the Period	2,501,431	1,105,394	1,123,376
Issue of Shares	-	-	597,714
Translation Adjustments	2,014	(32,794)	(250,540)
Other Reserve Movements	6,545	(28,883)	(5,504)
Profits Attributable to Shareholders	532,777	90,455	1,055,629
Dividends	<u>(80,106)</u>	<u>-</u>	<u>(19,244)</u>
Balance at the End of the Period	<u>2,962,661</u>	<u>1,134,162</u>	<u>2,501,431</u>

CONSOLIDATED CASH FLOW STATEMENT

	Unaudited Mar. 2004 \$TT'000	Unaudited Mar. 2003 \$TT'000	Unaudited Dec. 2003 \$TT'000
Profit Before Taxation	574,183	117,931	1,273,653
Share of Profits of Associated Companies	6,477	(41,211)	(108,686)
Dividends from Associated Companies	131	-	30,515
Adjustments for Non-Cash Items	<u>(183,237)</u>	<u>157,236</u>	<u>(351,310)</u>
Operating Cash Flow Before Working Capital Changes	397,554	233,956	844,172
Net Working Capital Changes	(196,392)	(162,648)	12,437
Net Taxation (Paid)	<u>(793)</u>	<u>(3,249)</u>	<u>(25,839)</u>
Cash Flow from Operating Activities	200,369	68,059	830,770
Investing Activities	(370,058)	88,569	(756,983)
Financing Activities	<u>(8,684)</u>	<u>(13,479)</u>	<u>(164,365)</u>
(Decrease)/Increase in Short-term Funds	<u>(178,373)</u>	<u>143,149</u>	<u>(90,578)</u>