



## First Quarter Results to March 31, 2008

### Chairman's Statement

The policies and strategies we adopted and the efficiency measures put in place to deal with the challenges we have faced in the recent past have continued to enhance the performance of the Group, producing positive returns from all our operating divisions in the various geographic areas.

For the first quarter of 2008, the Group realized operating profits of \$122.4 million which represents a record for the Group's first quarter results. The Group profit after tax amounted to \$50.8 million maintaining the positive momentum which started in the previous year.

There were also encouraging signs in our investment portfolio, the returns from which have inspired our overall performance in recent years. There were modest increases in the values of Trinidad and Tobago and Jamaica equity portfolios and these markets continue to show signs of further improvement. However, these gains were adversely impacted by decreases in fair market value of international equities and Jamaican Government Bonds and as such, we experienced a net fair value loss of \$15.7 million. In this uncertain and volatile environment, we will continue to review our investment strategies to arrive at the optimum mix.

In the interest of shareholder awareness, I would like to depart from convention and expand the scope of this statement to incorporate important information on the disposal of our Group's investments in RBTT Financial and Grupo Mundial de Panama. These transactions will have a significant impact on our profit and loss account, and will substantially strengthen our Balance Sheet and enable us to pursue new opportunities to enhance share value.

It is expected that the acquisition by Royal Bank of Canada of all the issued ordinary stock of RBTT Financial will be completed by June 30, 2008. We anticipate that the Group will derive a net profit of approximately \$150 million from this transaction and a net cash inflow of \$1.5 billion.

With respect to Grupo Mundial, having been approached by the founding families, we have reached agreement on the disposal of our 20% interest to them. The settlement process has commenced and is expected to be completed before the end of the next quarter. The Group accounted for this investment as an associate company under the equity accounting method. From the sale of this asset the Group expects to realize a profit of some \$300 million and a net cash inflow of \$520 million.

Our Group has benefited immensely from our strategic alliance with Grupo Mundial and, as I indicated in the 2007 Annual Report, we are in discussions with regard to future collaboration in Latin America and the Spanish Caribbean.

Our strengthened Balance Sheet coupled with the overall improvement in the financial performance of all the companies within the Group provides us with the resources and opportunity to, not only maintain sustained growth and development, but also to expand our operations. This is the goal to which we are committed.

*Robert Cook*  
Chairman

### Consolidated Balance Sheet

	Unaudited Mar 2008 TTS'000	Unaudited Mar 2007 TTS'000 (Restated)	Audited Dec 2007 TTS'000
<b>ASSETS</b>			
Property, plant and equipment	904,071	744,135	902,186
Investment properties	656,550	816,942	648,038
Intangible assets	1,112,833	1,098,505	1,104,505
Investment in associated companies	375,783	278,503	359,858
Financial assets	11,820,256	10,335,158	11,568,516
Loans and receivables	1,083,224	822,545	1,055,781
Pension plan assets	125,606	110,456	119,109
Value to shareholders of inforce long-term business	654,562	593,452	624,849
Deferred tax asset	67,417	50,644	67,997
Reinsurance assets	1,034,066	1,001,487	983,227
Segregated funds' assets	480,837	399,933	449,616
Deferred acquisition costs	687,905	537,911	662,828
Cash and cash equivalents	3,081,573	2,632,052	3,010,635
Other assets	1,825,821	1,650,574	1,471,661
<b>Total assets</b>	<b>23,910,504</b>	<b>20,872,298</b>	<b>23,048,909</b>
<b>EQUITY</b>			
Share capital	1,524,058	1,515,474	1,520,952
Reserves	(16,802)	(62,186)	(59,828)
Retained earnings	2,243,419	1,925,105	2,243,875
	3,750,675	3,378,393	3,694,999
Minority interest	65,017	11,565	60,625
<b>Total equity</b>	<b>3,815,692</b>	<b>3,389,958</b>	<b>3,755,624</b>
<b>LIABILITIES</b>			
Insurance contracts	12,542,892	11,247,092	12,042,677
Financial liabilities	5,418,278	4,302,586	5,101,675
Segregated funds' liabilities	480,837	399,933	449,616
Post retirement medical benefit obligations	58,099	66,993	57,815
Deferred consideration	189,357	188,665	188,157
Deferred tax liability	244,276	234,122	243,160
Provision for taxation	149,556	115,708	130,206
Other liabilities	1,013,747	929,241	1,060,579
<b>Total liabilities</b>	<b>20,094,812</b>	<b>17,482,340</b>	<b>19,293,285</b>
<b>Total equity and liabilities</b>	<b>23,910,504</b>	<b>20,872,298</b>	<b>23,048,909</b>

### Consolidated Income Statement

	Unaudited 3-Months Mar 2008 TTS'000	Unaudited 3-Months Mar 2007 TTS'000 (Restated)	Audited 12-Months Dec 2007 TTS'000
Insurance premium revenue	1,257,420	1,250,578	5,530,478
Insurance premium ceded to reinsurers	(202,646)	(225,996)	(881,962)
Net insurance premium revenue	1,054,774	1,024,582	4,648,516
Investment income	212,597	176,830	818,450
Fee & commission income	38,308	30,734	198,262
Other revenue	55,270	78,156	325,192
Total revenue	1,380,949	1,310,402	5,990,425
Net insurance benefits and claims	(811,112)	(805,735)	(3,503,156)
Expenses	(427,430)	(431,152)	(2,074,136)
Operating profit before fair value losses	122,407	73,515	413,133
Fair value losses	(15,722)	(251,138)	(128,395)
Operating profit / (loss)	106,685	(177,623)	284,738
Share of profit of associated companies	14,800	7,466	68,371
Finance charges	(38,387)	(35,183)	(168,134)
Profit / (loss) before taxation	83,098	(205,340)	214,975
Taxation	(30,328)	(20,354)	(84,521)
Profit / (loss) after taxation	52,770	(225,694)	130,454
Amount attributable to participating policyholders	(2,151)	20,544	141
Profit / (loss) for the year	50,619	(205,150)	130,595
Attributable to:			
Equity holders of the company	49,869	(205,646)	122,900
Minority interest	750	496	7,695
Earnings/(loss) Per Stock Unit - Basic	\$0.25	(\$1.02)	\$0.61
Earnings/(loss) Per Stock Unit - Diluted	\$0.24	(\$0.99)	\$0.59

Conversion Rate: US\$1.00:TTS\$3.204

### Consolidated Statement Of Changes in Equity

	Unaudited Mar 2008 TTS'000	Unaudited Mar 2007 TTS'000 (Restated)	Audited Dec 2007 TTS'000
Balance at the beginning of the period	3,755,624	3,579,097	3,579,097
Surplus on revaluation of properties	-	-	32,111
Translation adjustments	56,668	14,121	(25,040)
Other reserve movements	100	(1,131)	(6,787)
Net income recognised directly in equity	56,708	12,960	284
Profit/(loss) for the year	50,619	(205,150)	130,595
Total recognised income / (expense)	107,387	(192,160)	130,879
Issue of shares	-	-	43,848
Share option scheme - value of services provided	3,106	3,021	12,882
Dividends	(50,425)	-	(10,882)
Balance at the end of the period	3,815,692	3,389,958	3,755,624

### Consolidated Cash Flow Statement

	Unaudited Mar 2008 TTS'000	Unaudited Mar 2007 TTS'000 (Restated)	Audited Dec 2007 TTS'000
Profit/(loss) before taxation	83,098	(205,340)	214,975
Adjustments for non-cash items	(148,489)	66,321	(709,075)
Interest and dividends received	174,094	203,488	798,577
Operating profit before working capital changes	108,703	64,469	304,477
Net increase in insurance liabilities	500,615	467,415	1,262,400
Net purchases of financial assets	(227,723)	(441,454)	(1,784,867)
Net movement in other operating assets and liabilities	(410,063)	(85,781)	147,811
Cash (used in) / provided by operating activities	(26,468)	4,649	(70,179)
Interest paid	(23,217)	(47,470)	(164,694)
Net taxation paid	(4,818)	(7,781)	(53,937)
Net cash used in operating activities	(56,503)	(50,662)	(288,810)
Net cash used in investing activities	(34,473)	(8,606)	(181,364)
Net cash provided by financing activities	104,333	149,380	946,014
Net increase in cash and cash equivalents	13,357	90,172	475,840

These financial statements have been prepared in accordance with International Financial Reporting Standards. Comparative information has been adjusted in accordance with International Accounting Standard #8.

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