

Third Quarter Results to September 30, 2008

Chairman's Statement

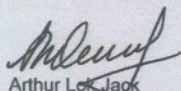
The Group recorded a net profit of \$563.4 million for the nine (9) months period ended September 30, 2008 as against a loss of \$68.1 million for the corresponding period in the previous year. This result includes a gain of \$349.6 million from the sale of the Group's investment in Grupo Mundial. If this amount is factored out, the Group's operating profit before fair value adjustments was \$517.1 million as compared with \$264.6 million for the same period in 2007; an increase of 95% period over period.

The companies within the Group all performed well and were generally on target. Our Life Insurance Companies continued to develop increased levels of new business and the Caribbean Property and Casualty Insurance arm showed good results in spite of the increased hurricane activity in 2008.

In the investment portfolio we have taken steps aimed at reducing the volatility with which we have had to contend in recent times. One such measure was the disposal of the relatively large and highly concentrated exposure we had in a single financial institution, the Royal Bank of Canada. It should be noted however that these shares were sold at prices which were higher than those existing at the end of the second quarter.

Although the Group has not incurred any losses as a direct result of the current international financial crisis, the resultant credit freeze had an immediate impact on interest rates and this led to the re-pricing of the Group's bond portfolios. This accounted for 71% of the net fair value adjustments which amounted to \$143.7 million.

The prevailing uncertainty created by the international financial crisis gives reason to be cautious. However, the Directors believe that given our performance to date and with the recent reduction in international interest rates in all major international currencies, the Group should end the year in a strong position.



Arthur Lok Jack
Chairman

Consolidated Income Statement

	Unaudited 9-Months Sep 2008 TTS'000	Unaudited 9-Months Sep 2007 TTS'000 (Restated)	Audited 12-Months Dec 2007 TTS'000	Unaudited 3-Months Sep 2008 TTS'000	Unaudited 3-Months Sep 2007 TTS'000 (Restated)
Insurance premium revenue	3,957,081	4,022,239	5,530,478	1,233,553	1,461,056
Insurance premium ceded to reinsurers	(609,906)	(585,290)	(881,962)	(200,601)	(210,070)
Net insurance premium revenue	3,347,175	3,436,949	4,648,516	1,032,952	1,250,986
Investment income	891,866	590,842	818,450	221,804	193,331
Realised gains from Grupo Mundial	349,600	-	-	174	-
Fee & commission income	115,511	92,958	198,262	56,514	31,093
Other revenue	201,492	197,361	325,197	60,257	80,985
Total revenue	4,906,644	4,318,110	5,990,425	1,371,701	1,556,395
Net insurance benefits and claims Expenses	(2,506,633)	(2,595,901)	(3,503,156)	(846,960)	(954,121)
Operating profit before fair value (losses) / gains	866,725	264,584	413,133	61,372	95,137
Fair value (losses) / gains	(143,665)	(184,073)	(128,395)	(10,712)	65,713
Operating profit	723,060	80,511	284,738	50,660	160,850
Share of profit of associated companies	12,893	20,696	98,371	3,033	1,802
Finance charges	(106,571)	(114,654)	(168,134)	(30,415)	(38,911)
Profit / (loss) before taxation	629,382	(13,447)	214,975	23,278	123,741
Taxation	(48,584)	(65,805)	(84,521)	(10,544)	(18,689)
Profit / (loss) after taxation	580,798	(79,252)	130,454	12,734	105,052
Amount attributable to participating policyholders	(17,376)	11,115	141	14,073	(5,672)
Profit / (loss) for the year	563,422	(68,137)	130,595	26,807	99,380
Attributable to:					
Equity holders of the company	560,991	(70,885)	122,900	26,762	97,978
Minority interest	2,431	2,748	7,695	45	1,402
	563,422	(68,137)	130,595	26,807	99,380
Earnings/(loss) Per Stock Unit - Basic	\$2.78	(\$0.35)	\$0.61		
Earnings/(loss) Per Stock Unit - Diluted	\$2.69	(\$0.34)	\$0.59		

Conversion Rate: US\$1.00: TT\$6.2525

Web site: www.guardianholdings.com

Listed on the Trinidad and Tobago and Jamaica Stock Exchanges

Consolidated Balance Sheet

	Unaudited Sep 2008 TTS'000	Unaudited Sep 2007 TTS'000 (Restated)	Audited Dec 2007 TTS'000 (Restated)
ASSETS			
Property, plant and equipment	894,296	774,267	902,186
Investment properties	618,957	622,905	648,038
Intangible assets	1,040,778	1,120,781	1,104,505
Investment in associated companies	135,433	300,929	359,958
Financial assets	10,676,625	10,743,254	11,093,581
Loans and receivables	1,100,838	1,071,420	1,055,781
Pension plan assets	128,601	110,987	119,109
Value to shareholders of inforce long-term business	659,323	614,578	624,849
Deferred tax asset	67,119	48,362	67,997
Reinsurance assets	1,201,211	1,058,718	983,227
Segregated funds' assets	447,555	409,674	449,616
Deferred acquisition costs	639,248	652,261	662,828
Cash and cash equivalents	4,147,056	2,779,814	3,386,454
Other assets	1,620,056	1,622,106	1,471,661
Total assets	23,377,096	21,930,056	22,929,790
EQUITY			
Capital and reserves			
Share capital	1,544,298	1,524,217	1,520,952
Reserves	(269,250)	(65,863)	(69,828)
Retained earnings	2,520,510	1,928,984	2,124,756
	3,795,558	3,389,338	3,575,880
Minority interest	106,943	11,820	60,625
Total equity	3,902,501	3,399,158	3,636,505
LIABILITIES			
Insurance contracts	12,697,001	11,977,440	12,042,077
Financial liabilities	4,996,040	4,685,253	5,101,675
Segregated funds' liabilities	447,555	409,674	449,616
Post retirement medical benefit obligations	58,679	66,761	57,815
Deferred consideration	-	190,178	188,157
Deferred tax liability	216,232	234,811	243,160
Provision for taxation	118,248	142,534	130,206
Other liabilities	940,840	824,247	1,080,579
Total liabilities	19,474,595	18,530,898	19,293,285
Total equity and liabilities	23,377,096	21,930,056	22,929,790

Consolidated Statement Of Changes In Equity

	Unaudited Sep 2008 TTS'000	Unaudited Sep 2007 TTS'000 (Restated)	Audited Dec 2007 TTS'000 (Restated)
Balance at the beginning of the year - restated	3,636,505	3,459,978	3,459,978
Surplus on revaluation of properties	3,136	-	32,111
Translation adjustments	(194,814)	13,967	(25,040)
Disposal of associated company	(44,500)	-	-
Other reserve movements	2,491	(7,530)	(6,787)
Net (expense) / income recognised directly in equity	(233,687)	6,437	284
Profit / (loss) for the year	563,422	(68,137)	130,595
Total recognised income / (expense)	329,735	(61,700)	130,879
Issue of shares - minority interest	44,904	-	43,648
Share option scheme - issue of shares	12,413	-	-
Share option scheme - value of services provided	10,933	11,764	12,882
Dividends	(131,989)	(10,884)	(10,882)
Balance at the end of the period	3,902,501	3,399,158	3,636,505

Consolidated Cash Flow Statement

	Unaudited Sep 2008 TTS'000	Unaudited Sep 2007 TTS'000 (Restated)	Audited Dec 2007 TTS'000 (Restated)
Profit / (loss) before taxation	629,382	(13,447)	214,975
Adjustments for non-cash items	(913,179)	(358,972)	(709,075)
Interest and dividends received	563,168	493,902	798,577
Operating profit before working capital changes	279,371	121,483	304,477
Net increase in insurance liabilities	654,924	1,197,763	1,262,400
Net proceeds from sales / (purchases) of financial assets	140,763	(857,582)	(1,409,048)
Net movement in other operating assets and liabilities	(489,432)	(473,607)	147,811
Cash provided by operating activities	585,626	(11,943)	305,640
Interest paid	(99,126)	(95,411)	(164,694)
Net taxation paid	(67,000)	(29,235)	(53,937)
Net cash provided by / (used in) operating activities	419,500	(136,589)	87,009
Net cash provided by / (used in) investing activities	613,399	(65,463)	(181,364)
Net cash (used in) / provided by financing activities	(140,350)	420,861	946,014
Net increase in cash and cash equivalents	892,549	218,809	851,659

Note: These interim consolidated financial statements comply with International Accounting Standard 34, Interim Financial Reporting and follow the accounting policies used in the Group's most recent audited financial statements for the year ended 31 December 2007. Comparative information has been adjusted in accordance with International Accounting Standard # 8.