

**AL-SAGR NATIONAL INSURANCE COMPANY
(PUBLIC SHAREHOLDING COMPANY) AND
ITS SUBSIDIARY
DUBAI - UNITED ARAB EMIRATES**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION AND REVIEW REPORT
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2008**

**Al-Sagr National Insurance Company (Public Shareholding Company)
and its Subsidiary
Dubai - United Arab Emirates**

**Interim Condensed Consolidated Financial Information
and Review Report
For the Six-Month Period Ended June 30, 2008**

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**Interim Condensed Consolidated Balance Sheet
At June 30, 2008
(In Arab Emirates Dirhams)**

	<u>Note</u>	June 30, 2008 (Un-audited)	December 31, 2007 (Audited)
ASSETS			
Non-current assets			
Property and equipment		1,775,501	2,263,145
Investment property	5	37,737,720	29,144,519
Investment in associates	6	127,330,580	54,862,034
Investment in subsidiary			
– discontinued operation	15	18,445,607	-
Investment in joint venture		58,114,360	-
Held-to-maturity investments	7	4,500,000	26,924,816
Available-for-sale investments	7	2,545,000	3,100,000
Total non-current assets		<u>250,448,768</u>	<u>116,294,514</u>
Current assets			
Reinsurance contract assets	8	285,042,832	394,963,592
Insurance and other receivables		295,506,064	229,066,625
Investments held for trading	7	238,705,807	183,776,329
Advance paid for share purchase		141,138,375	-
Bank balances and cash	9	184,053,715	241,381,955
Total current assets		<u>1,144,446,793</u>	<u>1,049,188,501</u>
Total Assets		<u>1,394,895,561</u> =====	<u>1,165,483,015</u> =====

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Balance Sheet (continued)
At June 30, 2008
(In Arab Emirates Dirhams)

	<u>Note</u>	<u>June 30,</u> <u>2008</u> <u>(Un-audited)</u>	<u>December 31,</u> <u>2007</u> <u>(Audited)</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	10	200,000,000	100,000,000
Statutory reserve		37,099,907	37,099,907
General reserve		150,000,000	100,000,000
Investments revaluation reserve		2,030,000	2,585,000
Retained earnings		<u>183,857,481</u>	<u>214,246,333</u>
Equity attributable to equity holders of the parent		572,987,388	453,931,240
Minority interest		<u>-</u>	<u>18,445,607</u>
Total Equity		<u>572,987,388</u>	<u>472,376,847</u>
Non-current liabilities			
Due to related parties		11,760,000	11,760,000
Bank term loan		76,370,580	-
Provision for employees' end of service indemnity		<u>7,525,347</u>	<u>7,924,083</u>
Total non-current liabilities		<u>95,655,927</u>	<u>19,684,083</u>
Current liabilities			
Insurance contract liabilities	8	434,603,937	550,342,456
Insurance and other payables		158,788,790	114,271,647
Bank overdrafts		<u>132,859,519</u>	<u>8,807,982</u>
Total current liabilities		<u>726,252,246</u>	<u>673,422,085</u>
Total Liabilities		<u>821,908,173</u>	<u>693,106,168</u>
Total Equity and Liabilities		<u>1,394,895,561</u> =====	<u>1,165,483,015</u> =====

The accompanying notes form an integral part of this interim condensed consolidated financial information.

The interim condensed consolidated financial information on pages 3 to 18 were approved by the Board of Directors and authorized for issue on August 5, 2008.

Chairman

Vice Chairman

Managing Director

**Interim Condensed Consolidated Statement of Income
For the Six-Month Period Ended June 30, 2008
(In Arab Emirates Dirhams)**

	Six-month period ended June 30,		Three-month period ended June 30,	
	2008	2007	2008	2007
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Gross insurance premium revenue	248,469,749	217,182,095	103,825,288	92,596,705
Less: Insurance premium ceded to reinsurers	(123,623,248)	(116,033,577)	(48,240,942)	(47,468,691)
Net retained premium revenue	124,846,501	101,148,518	55,584,346	45,128,014
Net change in unearned premium	(25,499,860)	(17,505,441)	(9,927,721)	(9,526,347)
Net insurance premium revenue	99,346,641	83,643,077	45,656,625	35,601,667
Gross claims settled	(205,280,887)	(149,130,041)	(107,977,696)	(53,973,835)
Insurance claims recovered from reinsurers	138,469,163	81,161,408	72,689,202	18,154,101
Net claims settled	(66,811,724)	(67,968,633)	(35,288,494)	(35,819,734)
Net change in outstanding claims	(12,839,349)	(12,926,846)	(3,967,897)	(5,022,650)
Net claims incurred	(79,651,073)	(80,895,479)	(39,256,391)	(40,842,384)
Gross commission earned and documentation fees	46,453,950	42,201,779	20,653,130	20,642,211
Less: Commission incurred	(22,926,639)	(16,362,061)	(10,805,572)	(8,148,112)
Net commission and documentation fees earned	23,527,311	25,839,718	9,847,558	12,494,099
Underwriting profit	43,222,879	28,587,316	16,247,792	7,253,382
General and administrative expenses relating to underwriting activities	(11,986,284)	(11,081,888)	(7,184,115)	(5,311,600)
Net underwriting profit	31,236,595	17,505,428	9,063,677	1,941,782
Investment revenue	45,196,706	20,553,266	18,634,548	15,324,668
Loss from joint venture	-	(5,746,759)	-	(5,213,533)
Finance costs	(1,587,323)	(1,170,800)	(695,354)	(664,149)
Other (expenses)/income	(1,488,259)	(1,101,504)	140,994	(986,877)
Unallocated general and administrative expenses	(2,996,571)	(1,739,346)	(1,796,029)	(1,025,298)
Profit for the period	70,361,148	28,300,285	25,347,836	9,376,593
	=====	=====	=====	=====
Attributable to:				
Equity holders of the parent	70,361,148	27,588,644	25,347,836	9,362,830
Minority interest	-	711,641	-	13,763
	70,361,148	28,300,285	25,347,836	9,376,593
	=====	=====	=====	=====
Basic earnings per share (Note 11)	0.36	0.15	0.13	0.05
	=====	=====	=====	=====

The accompanying notes form an integral part of this interim condensed consolidated financial information.

**Al-Sagr National Insurance Company (Public Shareholding Company)
and its Subsidiary
Dubai - United Arab Emirates**

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**Interim Condensed Consolidated Statement of Changes in Equity
For the Six-Month Period Ended June 30, 2008
(In Arab Emirates Dirhams)**

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>General reserve</u>	<u>Investment revaluation reserve</u>	<u>Retained earnings</u>	<u>Attributable to equity holders of parent</u>	<u>Minority interest</u>	<u>Total</u>
Balance at December 31, 2006 (audited)	100,000,000	25,720,738	100,000,000	-	114,965,470	340,686,208	17,254,338	357,940,546
Profit for the period	-	-	-	-	27,588,644	27,588,644	711,641	28,300,285
Dividends	-	-	-	-	-	-	(3,920,000)	(3,920,000)
Board of Directors' remuneration paid	-	-	-	-	(750,000)	(750,000)	-	(750,000)
Balance at June 30, 2007 (Un-audited)	100,000,000	25,720,738	100,000,000	-	141,804,114	367,524,852	14,045,979	381,570,831
	=====	=====	=====	=====	=====	=====	=====	=====
Balance at December 31, 2007 (audited)	100,000,000	37,099,907	100,000,000	2,585,000	214,246,333	453,931,240	18,445,607	472,376,847
Issue of bonus shares (Note 10)	50,000,000	-	-	-	(50,000,000)	-	-	-
Rights issue of shares (Note 10)	50,000,000	-	-	-	-	50,000,000	-	50,000,000
Profit for the period	-	-	-	-	70,361,148	70,361,148	-	70,361,148
Minority interest on discontinued operations	-	-	-	-	-	-	(18,445,607)	(18,445,607)
Board of Directors' remuneration paid	-	-	-	-	(750,000)	(750,000)	-	(750,000)
Loss on available-for-sale investments recognized directly in equity	-	-	-	(555,000)	-	(555,000)	-	(555,000)
Transfer to general reserve	-	-	50,000,000	-	(50,000,000)	-	-	-
Balance at June 30, 2008 (Un-audited)	200,000,000	37,099,907	150,000,000	2,030,000	183,857,481	572,987,388	-	572,987,388
	=====	=====	=====	=====	=====	=====	=====	=====

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Cash Flow Statement
For the Six-Month Period Ended June 30, 2008
(In Arab Emirates Dirhams)

	Six-month period ended	
	June 30,	
	2008	2007
	(Un-audited)	(Un-audited)
Cash flows from operating activities		
Profit for the period	70,361,148	28,300,285
Adjustments for:		
Depreciation of property and equipment	145,654	219,970
Allowance for doubtful debts	1,000,000	500,000
Investment revenue	(25,790,058)	(10,451,666)
Decrease in reinsurance contract assets	63,019,574	10,699,673
(Decrease)/increase in insurance contract liabilities	(24,680,364)	19,732,612
Fair value adjustments - securities	(19,406,648)	(4,354,841)
Provision for employees' end of service indemnity	2,121,822	532,122
Finance costs	1,587,323	1,170,800
Operating cash flows before movements in working capital	68,358,451	46,348,955
Decrease/(increase) in fixed deposits with banks	34,143,207	(59,957,292)
Decrease in insurance and other receivables	(120,335,154)	(53,924,719)
Increase in insurance and other payables	54,296,428	37,876,929
Cash generated from/(used in) operations	36,462,932	(29,656,127)
Interest paid	(1,587,323)	(1,170,800)
Employees' end of service indemnity paid	(123,712)	(18,845)
Net cash from/(used in) operating activities	34,751,897	(30,845,772)
Cash flows from investing activities		
Proceeds from sale of investments property	-	8,518,865
Purchase of investments property	(8,593,201)	(13,151,380)
Proceeds from sale of investments in securities	203,974,163	89,693,320
Purchase of investments in securities	(364,163,173)	(47,713,512)
Proceeds from sale of investment in joint venture	-	31,337,128
Addition of investment in joint venture	(58,114,360)	(8,423,808)
Purchase of investments in associates	(76,370,580)	(32,255,067)
Purchase of property and equipment	(475,192)	(920,543)
Interest received	4,564,607	3,136,189
Dividends received	4,638,070	4,905,171
Proceeds from associate company	1,960,000	-
Rent received net of expenses	-	504,460
Net cash (used in)/from investing activities	(292,579,666)	35,630,823
Cash flows from financing activities		
Issue of share capital	50,000,000	-
Directors' remuneration paid	(750,000)	(750,000)
(Decrease)/increase in bank borrowings	200,422,117	(1,862,362)
Dividend paid	-	(3,920,000)
Net cash (used in)/from financing activities	249,672,117	(6,532,362)
Net decrease in cash and cash equivalents	(8,155,652)	(1,747,311)
Cash and cash equivalents at the beginning of the period	38,798,948	18,256,765
Adjustment for the cash and cash equivalent of discontinued operation included in the beginning balance	(4,188,133)	-
Cash and cash equivalents at the end of the period (Note 13)	26,455,163	16,509,454
	=====	=====

The accompanying notes form an integral part of this interim condensed consolidated financial information.

**Notes to the Interim Condensed Consolidated Financial Information
For the Six-Month Period Ended June 30, 2008**

1. General information

- a) Al-Sagr National Insurance Company - Dubai (the “Company”) was incorporated on December 25, 1979 as a public shareholding company by an Emiri Decree from His Highness, The Ruler of Dubai, and is registered with the Ministry of Economy of the United Arab Emirates under registration No. (16). The Company’s address in Dubai is P.O. Box 14614, Dubai, UAE.

The principal activity of the Company is the writing of insurance of all types. The Company operates through its Head Office in Dubai and its branches in Dubai, Sharjah, Abu Dhabi and Ajman in the United Arab Emirates.

- b) During 2004, the shareholders of the Company had submitted an application for the insurance license with Saudi Arabian Monetary Agency (“SAMA”) under a new company namely “Al Sagr Company for Co-operative Insurance”. The new company obtained its license from the regulatory authorities in the Kingdom of Saudi Arabia during 2007 and has been registered under commercial registration number 1010243765 dated Muharram 26, 1429 (February 04, 2008).

2. Basis of preparation

This interim condensed consolidated financial information is prepared in accordance with the International Accounting Standard No. 34 – *Interim Financial Reporting* issued by the International Accounting Standard Board and also comply with the applicable requirements of the laws in the U.A.E. The interim condensed consolidated financial information is prepared in accordance with the historical cost basis, except for the measurement at fair value of investment property and certain financial instruments. The consolidated interim financial information is presented in U.A.E. Dirhams (AED) since that is the currency in which the majority of the Group’s transactions are dominated. The interim financial information of the subsidiary company expressed in Saudi Riyals were translated for consolidation purposes to Arab Emirates Dirhams at the exchange rates prevailing at period end, as parity exchange rates are fixed.

This interim condensed consolidated financial information do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the Group’s annual audited consolidated financial statements as at and for the year ended December 31, 2007. In addition, results for the six-month period ended June 30, 2008 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2008.

Notes to the Interim Condensed Consolidated Financial Information (continued)
For the Six-Month Period Ended June 30, 2008

2. Basis of preparation (continued)

(a) Estimates

The preparation of interim condensed consolidated financial information require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual audited consolidated financial statements as at and for the year ended December 31, 2007.

(b) Management of insurance and financial risk

The Group's insurance and financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements as at and for the year ended December 31, 2007.

3. Basis of consolidation

The interim condensed consolidated financial information incorporate the interim financial information of the Company and the entity controlled by the Company (its subsidiary) (the "Group"). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiary acquired or disposed of during the period are included in the interim condensed consolidated statement of income from the effective date of acquisition or up to effective date of disposal, as appropriate.

Where necessary, adjustments are made to the interim financial information of subsidiary to bring the accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Notes to the Interim Condensed Consolidated Financial Information (continued)
For the Six-Month Period Ended June 30, 2008

4. Accounting policies

The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the annual audited consolidated financial statements for the year ended December 31 2007.

5. Investment property

	<u>Building</u> AED	<u>Land</u> AED	<u>Total</u> AED
Fair value at December 31, 2007 (audited)	29,144,519	-	29,144,519
Additions during the period	<u>8,593,201</u>	<u>-</u>	<u>8,593,201</u>
Balance, at June 30, 2008 (Un-audited)	<u>37,737,720</u> =====	<u>-</u> =====	<u>37,737,720</u> =====

6. Investments in associates

	<u>June 30,</u> <u>2008</u> (Un-audited) AED	<u>December 31,</u> <u>2007</u> (Audited) AED
Union Insurance Co.	76,370,580	-
Al Sagr Company for Co-operative Insurance (SCCI), Kingdom of Saudi Arabia	50,960,000	52,920,000
Najm Project for Motor Insurance Development, Kingdom of Saudi Arabia	<u>-</u>	<u>1,942,034</u>
	<u>127,330,580</u> =====	<u>54,862,034</u> =====

Investments in Union Insurance Co. represents 13.3% participation in the share capital of the Company. Al Sagr National Insurance Company (P.S.C.) has concluded a technical management agreement of the Company under which it will manage the Company for 10 years effective from March 1, 2008.

Investment in other associates represents payments made against the share capital of Al Sagr Company for Co-operative Insurance in the Kingdom of Saudi Arabia, which is under formation. The investment in Al Sagr Company for Co-operative Insurance (SCCI) carrying amount as of June 30, 2008 did not include its share in the results of operation of Al Sagr Company for Co-operative Insurance (SCCI) for the six months period ended June 30, 2008 since the Company is under formation and its interim accounts have not been issued.

Notes to the Interim Condensed Consolidated Financial Information (continued)
For the Six-Month Period Ended June 30, 2008

7. Investments in securities

	June 30, 2008	December 31, 2007
	(Un-audited)	(Audited)
	AED	AED
Held for trading investments	238,705,807	183,776,329
Available - for - sale investments	2,545,000	3,100,000
Held-to-maturity investments	<u>4,500,000</u>	<u>26,924,816</u>
	245,750,807	213,801,145
	=====	=====

Following are the movement of investments in securities during the period/year:

	June 30, 2008	December 31, 2007
	(Un-audited)	(Audited)
	AED	AED
a) Investments held for trading:		
Fair value, at the beginning of the period/ year	183,776,329	214,644,509
Net additions /(disposals) during the period/ year	35,522,830	(65,374,905)
Increase in fair value during the period/year	<u>19,406,648</u>	<u>34,506,725</u>
Fair value, at the end of the period/ year	238,705,807	183,776,329
	=====	=====

	June 30, 2008	December 31, 2007
	(Un-audited)	(Audited)
	AED	AED
b) Available-for-sale investments :		
Fair value, at the beginning of the period/year	3,100,000	515,000
(Decrease)/increase in fair value	(<u>555,000</u>)	<u>2,585,000</u>
Fair value, at the end of the period/year	2,545,000	3,100,000
	=====	=====

Notes to the Interim Condensed Consolidated Financial Information (continued)
For the Six-Month Period Ended June 30, 2008

7. Investments in securities (continued)

	June 30, 2008	December 31,
	(Un-audited)	2007
	AED	(Audited)
		AED
c) Held-to-maturity investments:		
Cost at the beginning of the period/year	26,924,816	19,544,816
Less: Investments of discontinued subsidiary	(22,540,000)	-
Net additions during the period/year	115,184	7,380,000
Cost at the end of the period/year	4,500,000	26,924,816
	=====	=====

8. Insurance contract liabilities and re-insurance contract assets

	June 30, 2008	December 31,
	(Un-audited)	2007
	AED	(Audited)
		AED
Gross		
Insurance contract liabilities		
Claims reported unsettled	248,373,586	366,359,570
Claims incurred but not reported	5,200,000	5,890,900
Unearned premiums	181,030,351	178,091,986
Total insurance contract liabilities (gross)	434,603,937	550,342,456
Recoverable from reinsurers		
Claims reported unsettled	201,291,312	315,584,585
Unearned premiums	83,751,520	79,379,007
Total reinsurers' share of insurance liabilities	285,042,832	394,963,592
Net		
Claims reported unsettled	47,082,274	50,774,985
Claims incurred but not reported	5,200,000	5,890,900
Unearned premiums	97,278,831	98,712,979
	149,561,105	155,378,864
	=====	=====

Notes to the Interim Condensed Consolidated Financial Information (continued)
For the Six-Month Period Ended June 30, 2008

9. Bank balances and cash

	June 30, 2008	December 31,
	(Un-audited)	2007
	AED	(Audited) AED
Cash on hand	22,000	61,200
Bank balances:		
Current accounts	21,285,288	16,644,614
Fixed deposits	<u>162,746,427</u>	<u>224,676,141</u>
	<u>184,053,715</u>	241,381,955
	=====	=====

Fixed deposits with banks as at June 30, 2008 include AED 7,500,000 (December 31, 2007: AED 7,500,000) deposited in the name of the Company to the order of the Minister of Economy of the United Arab Emirates as required by the Federal Law Number (9) of 1984, as amended, relating to Insurance Companies and Agents.

Fixed deposits with banks as at June 30, 2008 amounting to AED 157,598,552 are under lien (December 31, 2007: AED 65,920,722) against the bank facilities availed by the Company.

All fixed deposits with banks mature within different periods not exceeding one year from the balance sheet date.

10. Share capital

Share capital as at June 30, 2008 consists of 200,000,000 (December 31, 2007 - 100,000,000) issued and fully paid ordinary shares of AED 1 each amounted to AED 200 million (December 31, 2007 - AED 100 million). During the six-month period ended June 30, 2008, the Company increased its share capital by AED 100 million by issuing 50,000,000 bonus shares and 50,000,000 rights shares at a face value of AED 1 each. There was no movement in the share capital of the Company in the prior financial year.

Notes to the Interim Condensed Consolidated Financial Information (continued)
For the Six-Month Period Ended June 30, 2008

11. Basic earnings per share

	Six-month period ended		Three-month period ended	
	June 30,		June 30,	
	2008	2007	2008	2007
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
		(Restated)		(Restated)
	AED	AED	AED	AED
Profit/(loss) for the period	70,361,148	27,588,644	25,347,836	9,362,830
	=====	=====	=====	=====
Total number of shares as at June 30, including bonus and rights issue	200,000,000	150,000,000	200,000,000	150,000,000
	=====	=====	=====	=====
Weighted average number of shares	196,741,758	183,000,000	196,741,758	183,000,000
	=====	=====	=====	=====
	AED	AED	AED	AED
Basic earnings per share	0.36	0.15	0.13	0.05
	=====	=====	=====	=====

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of shares outstanding as of the balance sheet date.

12. Related party transactions

At the balance sheet date, amounts due from/to related parties were as follows:

	June 30,	December 31,
	2008	2007
	(Un-audited)	(Un-audited)
	AED	AED
Due from policy holders	876,352	874,354
Due from shareholders	8,196,996	3,228,407
Due to shareholders	11,760,000	11,760,000
Gross outstanding claims	86,807,613	181,455,064
	=====	=====

Notes to the Interim Condensed Consolidated Financial Information (continued)
For the Six-Month Period Ended June 30, 2008

12. Related party transactions (continued)

Transactions:

During the period, the Company entered into the following transactions with related parties:

	Six-month period ended		Three-month period ended	
	June 30,		June 30,	
	2008	2007	2008	2007
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	AED	AED	AED	AED
Gross premium	10,514,714	8,230,855	2,425,733	1,403,592
Gross claims paid	81,222,312	8,979,034	34,769,804	2,776,465
Sale of investment in joint venture	-	15,393,867	-	-

Premiums are charged to related parties at rates agreed with the management.

Compensation of key management personnel

	Six-month period ended		Three-month period ended	
	June 30,		June 30,	
	2008	2007	2008	2007
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	AED	AED	AED	AED
Salaries and benefits	3,471,396	476,580	1,232,396	261,580
	=====	=====	=====	=====

Notes to the Interim Condensed Consolidated Financial Information (continued)
For the Six-Month Period Ended June 30, 2008

13. Cash and cash equivalents

	<u>June 30,</u>	
	<u>2008</u>	<u>2007</u>
	(Un-audited)	(Un-audited)
	AED	AED
Bank balances and cash	184,053,715	135,397,972
Long term and fixed deposits under lien	(157,598,552)	(118,888,518)
	26,455,163	16,509,454
	=====	=====

14. Contingent liabilities

	<u>June 30,</u>	December 31,
	<u>2008</u>	<u>2007</u>
	(Un-audited)	(Audited)
	AED	AED
Letters of guarantees	18,796,702	12,228,837
	=====	=====

15. Discontinued operations

Discontinued operations of the Al Sagr Saudi Insurance Company

The operations of the Company's subsidiary Al Sagr Saudi Insurance Company were discontinued with effect from January 1, 2008 as resolved by the respective Board of Directors of the two companies. Consequently, the result of operations of Al Sagr Saudi Insurance Company for the period January 1, 2008 through June 30, 2008 is not included in these financial statements. The assets and liabilities of the Al Sagr Saudi Insurance Company will be transferred to the newly formed Company- Al-Sagr Company for Co-operative Insurance upon completion of the valuation procedures instructed by the Saudi Arabian Monetary Agency ("SAMA").

The transfer of net assets from Al Sagr Saudi Insurance Company to the new company and the payment process has not yet been announced by the SAMA. Al Sagr Saudi Insurance Company will transfer all the assets and liabilities to Al-Sagr Company for Co-operative Insurance, once the valuation of the Company has been approved by the SAMA valuation committee. It is most probable that the valuation process will be completed during 2008 and the Company will transfer its assets and liabilities after that date.

Notes to the Interim Condensed Consolidated Financial Information (continued)
For the Three-Month Period Ended March 31, 2008

15. Discontinued operations (continued)

Discontinued operations of the Al Sagr Saudi Insurance Company (continued)

The following are the book values of net assets, which is included in the December 31, 2007 condensed consolidated balance sheet.

	June 30, 2008	December 31,
	(un-audited)	2007
	AED	(audited) AED
Property and equipment	-	817,182
Investment in associate	-	1,942,034
Held-to-maturity investments	-	22,540,000
Reinsurance contract assets	-	46,901,186
Insurance and other receivables	-	52,895,715
Bank balances and cash	-	15,029,383
Provision for employees end of service indemnity	-	(2,396,846)
Insurance contract liabilities	-	(91,058,155)
Insurance and other payables	-	(9,779,285)
	<u>-</u>	<u>(9,779,285)</u>
Net assets	-	36,891,214
	=====	=====
Attributable to:		
Equity holders of the parent	-	18,445,607
Minority interest	-	18,445,607
	<u>-</u>	<u>18,445,607</u>
Net assets	-	36,891,214
	=====	=====

Notes to the Interim Condensed Consolidated Financial Information (continued)
For the Three-Month Period Ended March 31, 2008

15. Discontinued operations (continued)

Discontinued operations of the Al Sagr Saudi Insurance Company (continued)

Key operational results of the discontinued subsidiary included in the condensed consolidated statement of income is as follows:

	Six-month period ended		Three-month period ended	
	June 30,		June 30,	
	2008	2007	2008	2007
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Net insurance premium				
Revenue	-	20,726,949	-	10,533,085
Net claims incurred	-	(15,892,031)	-	(7,849,519)
Net commission earned				
and documentation fees	-	1,963,545	-	584,900
Underwriting profit	-	3,697,790	-	104,793
Profit for the period	-	1,423,283	-	27,530
	=====	=====	=====	=====

16. Comparative amounts

Certain amounts for the prior period were reclassified to conform to current period presentation. Moreover, previous period figures include the assets, liabilities and operational results of its discontinued subsidiary and was not included in the current period results. Accordingly the current period figures will not be comparable with the previous period figures.