



Dated : 11th May 2008

Directors' Report
For the First Quarter Ended 31st March 2008

The Board of Directors is pleased to present the unaudited results for the first quarter ended 31st March 2008.

- The gross premium written increased in the first quarter of 2008 by 30.91% to AED 31.77 Million as compared to AED 24.27 Million in the same period last year.
- The net underwriting income also rose in the first quarter of 2008 by 33.65% to AED 6.55 Million as compared to AED 4.90 Million as of March 2007.
- The company achieved net profit of AED 8.33 Million in the first quarter of 2008 compared to AED 7.75 Million in the same period last year.

Sultan Ahmed Al Habtoor
Managing Director

DUBAI NATIONAL INSURANCE & REINSURANCE P.S.C
DUBAI - UNITED ARAB EMIRATES

INTERIM FINANCIAL INFORMATION
MARCH 31, 2008 (UN-AUDITED)

DUBAI NATIONAL INSURANCE & REINSURANCE P.S.C
DUBAI - UNITED ARAB EMIRATES

Index to interim financial information (un-audited)
March 31, 2008

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**REVIEW REPORT OF INDEPENDENT AUDITOR
TO THE SHAREHOLDERS OF
DUBAI NATIONAL INSURANCE & REINSURANCE P.S.C
DUBAI, UAE**

Introduction

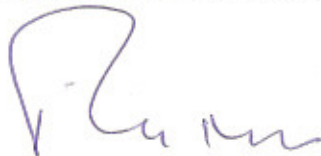
We have reviewed the accompanying condensed balance sheet of Dubai National Insurance & Reinsurance P.S.C as of March 31, 2008 and the related condensed statement of income, condensed statements of changes in equity and cash flows for the three-months period then ended. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standards on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance as that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respect in accordance with International Financial Reporting Standards.



Farouk Mohamed
Registration No. 54

Dubai, United Arab Emirates
5 May 2008

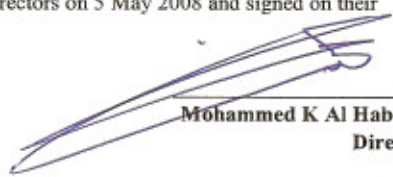
DUBAI NATIONAL INSURANCE & REINSURANCE (P.S.C.)
Dubai - United Arab Emirates

Condensed Balance Sheet at March 31, 2008 (un-audited)

	(un-audited) 31.3.2008 AED'000	(Audited) 31.12.2007 AED'000
Assets		
Non-Current		
Statutory deposits	15,475	15,475
Property and equipment	656	2,261
Investment property	95,120	95,577
	<u>111,251</u>	<u>113,313</u>
Current		
Investment held-to-maturity	12,100	-
Available-for-sale investments	313,924	360,296
Insurance receivables	11,488	13,919
Other receivables	2,372	1,084
Due from related parties	24,456	14,596
Re-insurer's share of outstanding claims	38,960	41,819
Cash in hand and at banks including deposits	46,080	52,746
	<u>449,380</u>	<u>484,460</u>
Total assets	<u>560,631</u>	<u>597,773</u>
Equity		
Share capital	100,000	100,000
Legal reserve	50,000	50,000
Obligatory reserve	25,000	25,000
General reserve	220,000	220,000
Retained earnings	10,260	36,936
Cumulative changes in reserve on available for sale investments	(48,771)	3,583
Total equity	<u>356,489</u>	<u>435,519</u>
Liabilities		
Non-Current		
End of service benefits	998	941
Current		
Outstanding claims provision	86,052	87,347
Unearned premium reserves	16,059	13,953
Insurance and other payables	66,033	59,785
Due to related parties	-	228
Dividend payable	35,000	-
	<u>203,144</u>	<u>161,313</u>
Total liabilities	<u>204,142</u>	<u>162,254</u>
Total equity and liabilities	<u>560,631</u>	<u>597,773</u>

These interim financial information were approved by the Board of Directors on 5 May 2008 and signed on their behalf by:


Sultan Ahmed Al Habtoor
Managing Director


Mohammed K Al Habtoor
Director

The notes on page 6 form an integral part of this interim financial information.

DUBAI NATIONAL INSURANCE & REINSURANCE (P.S.C.)

Dubai - United Arab Emirates

**Condensed income statement (un-audited)
for the period ended March 31 2008**

	(Un-audited) Three months ended March 31, 2008 AED'000	(Un-audited) Three months ended March 31, 2007 AED'000
Gross premium	31,773	24,271
Reinsurance share	(20,487)	(15,695)
Net premium	11,286	8,576
Net transfer to unearned premium reserve	(2,106)	(1,485)
Net premium earned	9,180	7,091
Commision earned	2,794	1,906
Commision paid	(1,315)	(1,122)
Others	-	41
Gross underwriting income	10,659	7,916
Gross claims paid	5,798	5,754
Reinsurance share	(3,251)	(2,646)
Net claims paid	2,547	3,108
Provision for outstanding claims	(1,295)	(476)
Reinsurance share of outstanding claims	2,859	384
Net claims incurred	4,111	3,016
Net underwriting income	6,548	4,900
Income from investment	844	1,453
Income from investment property	3,696	1,904
Other (loss) / income	(616)	1,256
Gross income	10,472	9,513
General and administrative expenses	(2,147)	(1,760)
Net profit for the year	8,325	7,753
Earnings per share:		
Basic and diluted earnings per share (for the period)	<u><u>AED 0.08</u></u>	<u><u>AED 0.08</u></u>

The notes on page 6 form an integral part of this interim financial information.

DUBAI NATIONAL INSURANCE & REINSURANCE P.S.C

Dubai - United Arab Emirates

**Condensed statement of changes in Shareholders' equity
for the period ended March 31, 2008 (Un-audited)**

	Share capital AED'000	Legal reserve AED'000	Obligatory reserve AED'000	General reserve AED'000	Cummulative change in reserve on available for sale investments AED'000	Retained earnings AED'000	Total AED'000
As at 1 January 2007 (Audited)	100,000	50,000	25,000	220,000	(97,380)	32,464	330,084
Net profit for three months period	-	-	-	-	-	7,753	7,753
Dividends	-	-	-	-	-	(30,000)	(30,000)
Adjustment arising on translation of operating assets and liabilities of overseas branch	-	-	-	-	-	(25)	(25)
Net unrealized losses on investments	-	-	-	-	(21,279)	-	(21,279)
As at 31 March 2007 (Un-audited)	100,000	50,000	25,000	220,000	(118,659)	10,192	286,533
Net profit for nine months period	-	-	-	-	-	28,297	28,297
Directors' remuneration	-	-	-	-	-	(1,553)	(1,553)
Net unrealized gains on investments	-	-	-	-	122,242	-	122,242
As at 31 December 2007 (Audited)	100,000	50,000	25,000	220,000	3,583	36,936	435,519
Net profit for three months period	-	-	-	-	-	8,325	8,325
Dividends *	-	-	-	-	-	(35,000)	(35,000)
Adjustment arising on translation of operating assets and liabilities of overseas branch	-	-	-	-	-	(1)	(1)
Net unrealized losses on investments	-	-	-	-	(52,354)	-	(52,354)
As at 31 March 2008 (un-audited)	100,000	50,000	25,000	220,000	(48,771)	10,260	356,489

* At Annual General Meeting held on 16 March 2008, for the year ended 31 December 2007, the shareholders approved cash dividend of AED 35,000,000 representing 35% of share capital.

The notes on page 6 form an integral part of this interim financial information.

DUBAI NATIONAL INSURANCE & REINSURANCE P.S.C

Condensed Cash flow statement

for the period ended March 31, 2008 (un-audited)

	Un-audited 3 Months ended 31 March 2008 AED'000	Un-audited 3 Months ended 31 March 2007 AED'000
Cash flow from operating activities		
Net profit for the period	8,325	7,753
Adjustments for,		
Depreciation on property and equipment	104	215
Depreciation on investment property	457	335
Currency translation	(1)	(25)
Loss on sale of property and equipment	616	1
Net transfer to employees' end-of-service benefits	57	41
Transfer to unearned premium	2,106	1,485
Provision for outstanding claims	(1,295)	(476)
Reinsurance share in outstanding claims	2,859	384
Dividend and interest on long-term deposits	(844)	(1,453)
Income from investment property - net	(4,152)	(2,239)
Operating profit before working capital changes	8,232	6,021
Changes in working capital:		
Insurance receivables	2,431	(107)
Other receivables	(1,288)	2,572
Insurance and other payables	6,248	6,403
Due from related parties - net	(10,088)	(6,423)
Net cash provided by operating activities	5,535	8,466
Cash flow from investing activities		
Proceeds from sale of investments	-	50,396
Purchase of investments	(18,082)	
Proceeds from disposals of property and equipment	1,011	
Purchase of property and equipment	(126)	(43)
Income from investment property - net	4,152	2,239
Dividend and interest on long-term deposits income	844	1,453
Net cash (used in)/provided by investing activities	(12,201)	54,045
Net (decrease)/increase in cash and cash equivalents	(6,666)	62,511
Cash and cash equivalents on 1 January	52,746	9,190
Cash and cash equivalents on 31, March	46,080	71,701

The notes on page 6 form an integral part of this interim financial information.

Dubai National Insurance & Reinsurance (P.S.C.)
Notes to the interim condensed financial information (unaudited)
For the period ended 31 March 2008

1. Legal status and activities

Dubai National Insurance & Reinsurance P.S.C (the "Company") is a public shareholding company incorporated in Dubai on January 6, 1992 with branch in Beirut, Lebanon.

The Company is engaged in insurance and reinsurance of all classes of business in accordance with the provisions of the UAE Federal Law No. 9 of 1984 relating to insurance companies and insurance agents.

The registered address of the Company is at 2nd Floor, Al Habtoor Motors Building, P.O. Box 1806, Dubai, UAE.

The overseas branch in Beirut is in the process of being closed down. Accordingly, the related license as required by local regulations has been terminated. All related guarantees are blocked with the Ministry of Economic & Commerce, Insurance Affairs Department in Lebanon until it meets all its obligations, as published in official gazette in April 2004.

2. Significant accounting policies

The interim financial information of the Company are prepared in accordance with International Financial Reporting Standards (Specifically IAS - 34, "Interim Financial Reporting"). In addition to investment held-to-maturity, the accounting policies used in the preparation of the interim financial information are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2007.

Investment held-to-maturity

Held-to-maturity investments are profit participation note with fixed maturity that the Company has the intent and ability to hold to maturity are stated at amortised cost less impairment losses, if any.

3. Use of estimates

Estimates are made by management for assessing provision for outstanding claims, useful lives of property, plant and equipment and other such items. While measurements in both annual and interim financial reports are based on reasonable estimates, the preparation of interim financial reports require a greater use of estimation methods than annual financial reports.

4. Contingent liabilities

The Company's bankers have issued in the normal course of business letter of guarantee in favour of third parties amounting to AED 7.9 million (December 31, 2007: AED 7.9 million).