

**MATERIAL EVENTS REPORT
ON THE
1st QUARTER FINANCIALS 2008**

Dear shareholders:

We have the pleasure to present to you the Financial Statements of the company for the First Quarter 2008.

Insurance Premium Revenue

The combined Insurance Premium revenue for the 1st Quarter 2008 for both General Insurance and Medical and Life Insurance Divisions was RO. 10.5 million which is an increase of RO. 3.1 million as against the RO. 7.4 million written in the corresponding period of the previous year. In percentage terms this equates to a 42% increase.

The following table details the performance of each division:

Name	1 st Quarter 2008 Premium	1 st Quarter 2007 Premium	%age difference
General Division	7,442,760	5,604,166	32.8%
Medical & Life Div.	3,030,696	1,783,279	70.0%
Total	10,473,456	7,387,445	41.8%

Performance of Divisions

The **Gross Underwriting profits** (before management expenses) amounts to RO. 2.2 million as against a profit of RO. 1.5 million in 2007. This equates to a growth of 46.6%. In respect of **General Insurance Business**, the Underwriting profits (before management expenses) amounts to RO. 943K as against RO. 999K for the corresponding period of the previous year.

With regard to **Medical and Life Underwriting profit**, this amounts to RO.1.2 million as against RO.458K for the corresponding period of the previous year registering an improvement of RO. 731K i.e. 160%.

As far as **Auto Services Division**, the gross operating profit stood at RO.80K as against RO.83K for the corresponding period of the previous year.

Investments and Investment Income

The company's total investment portfolio (including term deposits, Government Development Bonds, Land & Building) as at 1st Quarter 2008 stands at RO.43.8 million as against RO.29.8 million in corresponding period of the previous year registering a growth of RO.14 million i.e. 47. %.

The net investment income (including appreciation) for as at 1st Quarter 2008 amounts to RO.2.17 million as against RO.507K in corresponding period of the previous year registering a growth of RO.1.7 million i.e. 328%.

The outlook therefore appears to be very positive and we are of the opinion that, the investments would appreciate further in the final quarter thereby giving the Company further opportunities to realize profits in selected shares.

Net Profit

The company reported a Net Profit of RO. 3.5 million as against RO. 1.4 million in corresponding period of the previous year registering a growth of RO.2.1 million i.e. 150%.

Accordingly, the Earnings Per Share (EPS) for the 1st Quarter 2008 is 35 baizas as compared to 14 baizas in corresponding period of the previous year.

Future Outlook 2008

The outlook for the remainder of 2008 is considered to be good, with an expectation that premium income will continue to rise in line with budget forecasts. In addition, we expect the MSM to continue its upward trend thereby deriving solid investment gains that in tandem with underwriting gains will augment the net profit so far achieved.

Thank You and Kindest Regards

Ewen J. McRobbie
Chief Executive Officer