MUSCAT NATIONAL HOLDING COMPANY SAOG

BOARD OF DIRECTORS' REPORT ON THE THREE MONTHS (UN-AUDITED) CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31ST MARCH 2008

I am pleased to present on behalf of the Board of Muscat National Holding Company the consolidated un-audited results for the three months ended 31st March 2008.

The consolidated gross premium increased to RO 3.98 million from RO 3.55 million last year by 12%. The gross underwriting result for the quarter is RO 561K compared to RO 550K for the same period 2007.

The investment income at RO 1.369 million is higher than RO417K for the corresponding period of 2007.

The expenses were higher by RO 58K to enable to grow the company and increase income.

The net profit before tax is higher at RO 1.590 million than the corresponding figure of OMR 685K for the previous year (restated).

The consolidated provision for taxation is marginally lower at RO 36K compared to RO 41K for the last year due to the marginally lower underwriting profits.

As a result the net profit for the period is at RO 1.554 million compared with RO 644K for the same period last year (restated).

The Board of Directors conveys its thanks to our Customers, Reinsurers and Shareholders for their ongoing support.

The Board of Directors especially appreciates the continued dedicated efforts made by the Management and Staff of the company.

On behalf of the Board, I would like to take this opportunity to express our most humble gratitude and loyalty to His Majesty Sultan Qaboos bin Said for the continued peace and stability, which his reign has brought us. We also wish His Majesty the strength and good health to allow him to continue to lead us on an enlightened path to future prosperity and development for Oman and its people.

For and on behalf of the Board of Directors,

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Reem Omar Zawawi
Chairperson