BOARD OF DIRECTORS' REPORT ON THE NINE MONTHS (UN-AUDITED) CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2008

We are pleased to present on behalf of the Board of Muscat National Holding Company the consolidated un-audited results for the nine months ended 30th September 2008.

The consolidated gross premium increased 12% to OMR 9.5 Million from OMR 8.5 Million last year.

We are delighted to note that the gross underwriting contribution has been maintained in this quarter up 33% from OMR 1.2 Million in 2007 to OMR 1.6 Million.

The investment sector has turned weaker during the quarter and our investment result is now OMR 416K compared with OMR 896K in the same period last year.

Operational expenses, as previously reported, had increased by OMR 200K because of the increase in staff remuneration and related costs such as housing and bonus to increase staff motivation to grow the company.

The net profit after tax for the period is OMR 825K compared to OMR 1.1 Million in the same period last year.

The Board of Directors conveys its thanks to our Customers and the reinsurers for their firm 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