

GABLE HOLDINGS INC.
INTERIM REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2009

G A B L E

INTERIM REPORT

for the six months ended 30 June 2009

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HIGHLIGHTS

for the six months ended 30 June 2009

Gable Holdings Inc (AIM: GAH), the European insurance company, announces its unaudited interim results for the six months ended 30 June 2009.

SUMMARY OF THE PERIOD

- Gross written premium of £4.0 million, up 17% on 2008
- Profit after tax of £0.78 million, up 60% on 2008
- Premium written from business outside of the UK equates to 38% of premium written compared to 14% in H1 2008
- Earnings per share has increased to 0.70p from 0.43p
- GIAG's solvency position remains very strong and exceeds the requirement for its current and currently anticipated growth
- GIAG announces new product launches in Norway and the UK

COMMENT AND OUTLOOK

William Dewsall, Chief Executive, Gable Holdings Inc, said:

"Gable is starting to reap the benefits of its expansion in to new products and markets outside of its construction bias. The opportunities for Gable to continue this strategy and broaden its European exposure are increasing and the prospects for the Group are very exciting."

CHIEF EXECUTIVE'S STATEMENT

for the six months ended 30 June 2009

The Board of Gable Holdings Inc. ("Gable") is pleased to present its unaudited results for the six months ended 30 June 2009.

RESULTS

The results for the six months ended 30 June 2009 show gross written premium of £4.0 million (30 June 2008: £3.4 million). This reflects the challenging markets in the UK, of which approximately 62 per cent was written in the UK, in contrast to new European markets which delivered 38 per cent in the period.

In premium terms, the UK has continued to show a decline in business written, as anticipated and in line with the trading conditions faced by the SME market in the construction sector. However, the Board believes that this book of business is starting to show signs of recovery and notes that, even throughout this difficult trading environment, the Group remained profitable.

The product range in France has performed exceptionally well in the first half of 2009, exceeding our expectations. The Gable brand has become more established in this market and is expected to continue to increase business written. In June 2009, Gable announced new French business and the effect of this will be seen in the second half of the year and, more markedly, in 2010.

The Spanish market remains difficult and Gable is cautious about its future prospects. However, we continue to evaluate new products for this market on a selective basis, which are aligned to our risk and profit criteria.

The reported result for the period shows a profit of £0.78 million (2008: £0.49 million) and basic and diluted eps of 0.70p (2008: 0.43p). At the end of the period net assets were £10.7 million (2008: £9.2 million) and cash balances were £5.0 million (2008: £4.9 million).

Gable Insurance AG ("GIAG"), which is regulated by the Financial Market Authority in Liechtenstein renewed its UK reinsurance on 1 July 2009, on a more favourable basis commensurate with its previous underwriting performance and with the level of UK business being written. GIAG continually monitors its portfolio of products and exposures and will seek to protect its capital by purchasing additional reinsurance programmes as and when prudent.

CHIEF EXECUTIVE'S STATEMENT

continued

CURRENT TRADING AND OUTLOOK

The 2009 financial year is performing in line with the high expectations we have for Gable and the outlook for continued development and growth from our existing product and geographic range is excellent.

Gable is pleased to announce that it has just reached agreement in both Norway and the UK with two new partners to imminently launch innovative products in these territories. The opportunities for these two new products are extremely exciting. Gable's expectations for the income which may be generated for the coming 12-18 months will see a marked increase in the premium written by the Group as a whole and is, therefore, a further significant step in Gable's development.

The outlook for Gable continues to be one of great optimism for the forthcoming period.

William Dewsall

Chief Executive

22 September 2009

CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2009

	Notes	Six months ended 30 June 2009 £000s unaudited	Six months ended 30 June 2008 £000s unaudited	Year ended 31 December 2008 £000s audited
Gross written premiums		3,997	3,445	5,943
Change in provision for gross unearned premiums	5	(950)	(551)	(29)
Gross earned premiums		3,047	2,894	5,914
Outward reinsurance premiums		(341)	(1,033)	(1,501)
Change in provision for unearned premiums – reinsurers' share	5	(95)	238	(186)
Net earned premiums		2,611	2,099	4,227
Net investment return		49	106	198
Total revenue from operations		2,660	2,205	4,425
Gross claims paid	5	(455)	(529)	(1,016)
Movement in gross technical provisions	5	(239)	(200)	(281)
Gross claims incurred		(694)	(729)	(1,397)
Reinsurers' share of gross claims paid		–	–	–
Movement in reinsurers' share of technical provisions		–	–	–
Reinsurers share of claims incurred		–	–	–
Net claims incurred		(694)	(729)	(1,397)
Expenses incurred in insurance activities		(838)	(723)	(1,495)
Other operating expenses		(336)	(261)	(620)
Total operating charges		(1,174)	(984)	(2,115)
Profit from operations and before taxation		792	492	913
Taxation		(12)	(5)	(86)
Profit for the period attributable to equity holders of the Company	6	780	487	827
Earnings per share	4	0.70p	0.43p	0.74p

All operations are continuing.

CONSOLIDATED BALANCE SHEET

at 30 June 2009

		30 June 2009 £000s unaudited	30 June 2008 £000s unaudited	31 December 2008 £000s audited
	Notes			
Assets				
Intangible assets		4,250	4,250	4,250
Tangible fixed assets		96	160	142
Deferred acquisition and reinsurance costs	5	1,297	1,271	1,101
Prepayments and accrued income		1,961	1,188	1,169
Trade and other receivables		5,213	3,227	4,316
Cash and cash equivalents	8	5,052	4,982	4,264
Total assets		17,869	15,078	15,242
Equity				
Share capital		281	281	281
Share premium account		5,406	5,406	5,406
Share based premium reserve		20	20	20
Other reserves		3,875	3,875	3,875
Retained earnings		1,099	(368)	124
Total equity attributable to equity holders and total equity	6	10,681	9,214	9,706
Liabilities				
Technical provisions	5	6,099	5,147	4,780
Accruals and deferred income		50	25	50
Trade and other payables		1,039	692	706
Total liabilities		7,188	5,864	5,536
Total liabilities and shareholders' funds		17,869	15,078	15,242
Net asset value per ordinary share	4	9.52p	8.21p	8.65p

CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2009

		Six months ended 30 June 2009 £000s unaudited	Six months ended 30 June 2008 £000s unaudited	Year ended 31 December 2008 £000s audited
	Notes			
Cash flows from operating activities				
Cash generated from operations	7	775	(10)	(788)
Interest received		31	102	198
Net cash flows from operating activities		806	92	(590)
Cash flows from investing activities				
Sale/(purchase) of financial assets		–	–	–
Purchase of tangible fixed assets		(18)	(8)	(44)
Net cash flows from investing activities		–	(8)	(44)
Cash flows from financing activities				
Shares issued		–	–	–
Net cash flows from financing activities		–	–	–
Net increase/(decrease) in cash and cash equivalents	8	788	84	(634)
Cash and cash equivalents at period beginning		4,264	4,898	4,898
Cash and cash equivalents at period end	8	5,052	4,982	4,264

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six months ended 30 June 2009

1. BASIS OF PREPARATION

The Company was incorporated as a Corporation in the Cayman Islands which does not prescribe the adoption of any particular accounting framework. These interim financial statements have been prepared under the historical cost convention and in accordance with the requirements of International Reporting Standards, in so far as they apply to interim statements.

The Group financial statements consolidate the financial statements of Gable Holdings Inc. and subsidiary undertakings made up to 30 June 2009.

2. ACCOUNTING POLICIES

There have been no changes to the Group's accounting policies as set out in the Group's financial statements for the year ended 31 December 2008 and, as such, those accounting policies have been applied to these interim statements.

3. SEGMENTAL INFORMATION

The Group's business is the provision of construction insurance products and it has, in the six months to 30 June 2009, derived its business from Great Britain, Ireland, France and Spain.

4. EARNINGS AND NET ASSET VALUE PER SHARE

The calculation of earnings per share is based on the net profit of £780,000 (six months ended 30 June 2008: £487,000, year ended 31 December 2008: £827,000) divided by the weighted average number of shares in issue during the period of 112,200,000 (six months ended 30 June 2008: 112,200,000, year ended 31 December 2008: 112,200,000).

The net asset value per share is calculated by dividing the shareholders' funds of £10,681,000 (30 June 2008: £9,214,000, 31 December 2008: £9,706,000) by the number of shares in issue at the end of the period – 112,200,000 (30 June 2008: 112,200,000, 31 December 2008: 112,200,000).

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six months ended 30 June 2009

5. INSURANCE ASSETS AND LIABILITIES

	Six months ended 30 June 2009 £000s unaudited	Six months ended 30 June 2008 £000s unaudited	Year ended 31 December 2008 £000s audited
Deferred acquisition and reinsurance costs			
Acquisition costs deferred	970	725	669
Provision for unearned reinsurance premium	327	546	432
	1,297	1,271	1,101
Technical provisions			
Claims reserve	2,809	2,246	2,401
Unearned premium	3,290	2,901	2,379
	6,099	5,147	4,780
Claims paid	455	529	1,016
Claims reserved			
At 1 January 2009	2,401	2,017	2,017
Claims notified and reserved in the period	976	391	1,641
Incurred but not reported movement in the period	(568)	(162)	(1,257)
At 30 June 2009	2,809	2,246	2,401
Movement for provision in unearned premium			
At 1 January 2009	2,379	2,350	2,350
Movement in provision for the period	911	551	29
At 30 June 2009	3,290	2,901	2,379
Movement in provision for unearned reinsurance premium			
At 1 January 2009	432	618	618
Movement in provision for the period	(95)	(72)	(186)
At 30 June 2009	327	546	432

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six months ended 30 June 2009

6. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Six months ended 30 June 2009 £000s unaudited	Six months ended 30 June 2008 £000s unaudited	Year ended 31 December 2008 £000s audited
Profit for the period	780	487	827
Currency translation differences	195	(564)	(412)
Net (decrease)/increase in shareholders' funds	975	(77)	415
Equity shareholders' funds brought forward	9,706	9,291	9,291
Equity shareholders' funds carried forward	10,681	9,214	9,706

7. RECONCILIATION OF PROFIT FOR THE PERIOD BEFORE TAXATION TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	Six months ended 30 June 2009 £000s unaudited	Six months ended 30 June 2008 £000s unaudited	Year ended 31 December 2008 £000s audited
Profit for the period after taxation	780	487	827
Interest received	(31)	(102)	(198)
Non-cash exchange movements	195	(564)	(412)
Depreciation of tangible fixed assets	64	30	84
Increase of technical provisions	1,319	780	413
(Increase)/decrease in deferred acquisition and reinsurance costs	(196)	(65)	105
Increase in debtors	(1,689)	(948)	(2,018)
Increase in creditors	333	372	411
Net cash flows from operating activities	775	(10)	(788)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six months ended 30 June 2009

8. RECONCILIATION OF NET CASH FLOWS TO MOVEMENT IN NET FUNDS

	Six months ended 30 June 2009 £000s unaudited	Six months ended 30 June 2008 £000s unaudited	Year ended 31 December 2008 £000s audited
Change in cash for the period	788	84	(634)
Change in net funds resulting from cash flows	788	84	(634)
Net funds brought forward	4,264	4,898	4,898
Net funds carried forward	5,052	4,982	4,264

9. GENERAL INFORMATION

The information for the period ended 30 June 2009 does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. The figures for the period ended 31 December 2008 have been extracted from the 2008 statutory financial statements prepared under IFRS. The auditors' report on those accounts was unqualified and did not contain a statement under section 237(2) of the Companies Act 1985.

COMPANY INFORMATION

REGISTERED OFFICE

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DIRECTORS

William Dewsall (Chief Executive Officer)
Lance Ranger (Non Executive Chairman)
Lucas Slob (Non Executive)
Ian Tickler (Non Executive)
J Blaise Craven (Non Executive)

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