

GABLE HOLDINGS INC.
INTERIM REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2008

G A B L E

INTERIM REPORT

for the six months ended 30 June 2008

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HIGHLIGHTS

for the six months ended 30 June 2008

Gable Holdings Inc (AIM: GAH), the European insurance company, announces its unaudited interim results for the six months ended 30 June 2008.

SUMMARY OF THE PERIOD

- Gross written premium of £3.5 million produces an earned premium of £2.9 million and net profit before tax of £0.5 million.
- New more cost effective reinsurance programme in place from 1st July 2008.
- Net insurance margin has increased to 22.4% from 15.8% for the same period last year.
- Earnings per share has increased from 0.35p to 0.43p.
- GIAG's solvency position remains very strong and exceeds the requirement for its current and currently anticipated growth strategies.
- GIAG has begun writing business in both France and Spain.

COMMENT AND OUTLOOK

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

"Gable is in a strong position to carry on its philosophy of writing profitable business within the UK against what is proving to be a harsh economic climate. The Company has taken this same underwriting philosophy into new European markets and is confident of achieving its objectives even in these difficult times."

CHIEF EXECUTIVE'S STATEMENT

for the six months ended 30 June 2008

The Board of Gable Holdings Inc. ("Gable") is pleased to present its unaudited results for the six months ended 30 June 2008.

RESULTS

The results for the six months ended 30 June 2008 show gross written premium of £3.5 million (30 June 2007: £4.0 million), which reflects the challenging markets in the UK.

GIAG's solvency position remains very strong and exceeds the requirement for our current and currently anticipated growth strategies. The reported result for the six month period shows a profit of £0.5 million (2007: £0.4 million). At the end of the period net assets were £9.2 million (2007: £8.9 million).

Cash balances at the end of the period were £5.0 million, of which £1.0 million was held by third parties on the Group's behalf as a result of premium collection, in addition financial assets held in respect of insurance capital in Liechtenstein were £3.7 million.

During the period GIAG purchased its new reinsurance programme, commencing 1 July 2008, which is considerably more cost effective than its previous treaty and is written by major World and European underwriters. The benefits of this new programme will be seen incrementally over the coming 12 months.

While the UK market remains challenging Gable has persisted with writing profitable business within its network of UK brokers and will continue to do so. GIAG will be looking at extending its current product base within the UK and will update the market when appropriate.

The Board was pleased with the start GIAG has made into Europe with business being written in both France and Spain. These new markets are still in their infancy however early indications show we are building a strong book of business. We continue to consider other European markets with favourable conditions and will update the shareholders when appropriate.

CHIEF EXECUTIVE'S STATEMENT

continued

BOARD

On 26 June the Company announced the appointment of Lucas Slob as a Non-Executive Director. Lucas has over 20 years non-life insurance expertise working in the Zurich Group, focusing on engineering, risk management and systems. We welcome Lucas to the Company. The Board would also like to thank Tim Moss, who stepped down from the Board as Non-Executive Director of the Company. Our thanks to Tim for his contribution.

OUTLOOK

The Board believes that Gable is in a strong position to carry on its philosophy of writing profitable business within the UK against what is proving to be a harsh economic climate. The Company has taken this same underwriting philosophy into new European markets and is confident of achieving its objectives even in these difficult times. The Company will continue to introduce new products in markets around Europe, where it believes profitable business can be written, both later in the year and into 2009. The Board remains confident that it is well placed to meet its expectations for the year ended 31 December 2008.

William Dewsall

Chief Executive

19 September 2008

CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2008

	Notes	Six months ended 30 June 2008 £000s unaudited	Six months ended 30 June 2007 £000s unaudited	Year ended 31 December 2007 £000s audited
Gross written premiums		3,445	3,971	6,040
Change in provision for gross unearned premiums	5	(551)	(629)	276
Gross earned premiums		2,894	3,342	6,316
Outward reinsurance premiums		(1,033)	(1,415)	(1,900)
Change in provision for unearned premiums – reinsurers' share	5	238	203	(319)
Net earned premiums		2,099	2,130	4,097
Net investment return		106	72	66
Total revenue from operations		2,205	2,202	4,161
Gross claims paid	5	(529)	(105)	(444)
Movement in gross technical provisions	5	(200)	(662)	(1,029)
Gross claims incurred		(729)	(767)	(1,473)
Reinsurers' share of gross claims paid		–	–	–
Movement in reinsurers' share of technical provisions		–	–	–
Reinsurers share of claims incurred		–	–	–
Net claims incurred		(729)	(767)	(1,473)
Expenses incurred in insurance activities		(723)	(836)	(1,579)
Other operating expenses		(261)	(174)	(595)
Total operating charges		(984)	(1,010)	(2,174)
Profit from operations and before taxation		492	425	514
Taxation		(5)	(30)	(8)
Profit for the period attributable to equity holders of the Company	6	487	395	506
Earnings per share	4	0.43p	0.35p	0.45p

All operations are continuing.

CONSOLIDATED BALANCE SHEET

at 30 June 2008

	Notes	30 June 2008 £000s unaudited	30 June 2007 £000s unaudited	31 December 2007 £000s audited
Assets				
Intangible assets		4,250	4,250	4,250
Tangible fixed assets		160	212	182
Reinsurers' share of technical provisions		–	–	–
Deferred acquisition and reinsurance costs	5	1,271	1,874	1,206
Prepayments and accrued income		1,188	594	1,124
Trade and other receivables		3,227	2,801	2,343
Financial assets		–	3,628	–
Cash and cash equivalents	8	4,982	1,302	4,898
Total assets		15,078	14,661	14,003
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		(368)	(699)	(291)
Total equity attributable to equity holders and total equity	6	9,214	8,883	9,291
Liabilities				
Technical provisions	5	5,147	4,905	4,367
Accruals and deferred income		25	–	50
Trade and other payables		692	873	295
Total liabilities		5,864	5,778	4,712
Total liabilities and shareholders' funds		15,078	14,661	14,003
Net asset value per ordinary share	4	8.21p	7.92p	8.28p

CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2008

		Six months ended 30 June 2008 £000s unaudited	Six months ended 30 June 2007 £000s unaudited	Year ended 31 December 2007 £000s audited
	Notes			
Cash flows from operating activities				
Cash generated from operations	7	(10)	290	158
Interest received		102	44	69
Net cash flows from operating activities		92	334	227
Cash flows from investing activities				
Sale/(purchase) of financial assets		–	–	3,703
Purchase of tangible fixed assets		(8)	–	–
Net cash flows from investing activities		(8)	–	3,703
Cash flows from financing activities				
Shares issued		–	–	–
Share issue costs		–	–	–
Net cash flows from financing activities		–	–	–
Net increase in cash and cash equivalents	8	84	334	3,930
Cash and cash equivalents at period beginning		4,898	968	968
Cash and cash equivalents at period end	8	4,982	1,302	4,898

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six months ended 30 June 2008

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 2008.

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 2007 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 2008, 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 £487,000 (six months ended 30 June 2007: £395,000, year ended 31 December 2007: £506,000) divided by the weighted average number of shares in issue during the period of 112,200,000 (six months ended 30 June 2007: 112,200,000, year ended 31 December 2007: 112,200,000).

The net asset value per share is calculated by dividing the shareholders' funds of £9,214,000 (30 June 2007: £8,883,000, 31 December 2007: £9,291,000) by the number of shares in issue at the end of the period – 112,200,000 (30 June 2007: 112,200,000, 31 December 2007: 112,200,000).

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six months ended 30 June 2008

5. INSURANCE ASSETS AND LIABILITIES

	Six months ended 30 June 2008 £000s unaudited	Six months ended 30 June 2007 £000s unaudited	Year ended 31 December 2007 £000s audited
Deferred acquisition and reinsurance costs			
Acquisition costs deferred	725	751	588
Provision for unearned reinsurance premium	546	1,123	618
	1,271	1,874	1,206
Technical provisions			
Claims reserve	2,246	1,650	2,017
Unearned premium	2,901	3,255	2,350
	5,147	4,905	4,367
Claims paid	529	105	444
Claims reserved			
At 1 January 2008	2,017	988	988
Claims notified and reserved in the period	391	601	917
Incurring but not reported movement in the period	(162)	61	112
At 30 June 2008	2,246	1,650	2,017
Movement for provision in unearned premium			
At 1 January 2008	2,350	2,626	2,626
Movement in provision for the period	551	629	(276)
At 30 June 2008	2,901	3,255	2,350
Movement in provision for unearned reinsurance premium			
At 1 January 2008	618	920	920
Movement in provision for the period	(72)	203	(302)
At 30 June 2008	546	1,123	618

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six months ended 30 June 2008

6. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Six months ended 30 June 2008 £000s unaudited	Six months ended 30 June 2007 £000s unaudited	Year ended 31 December 2007 £000s audited
Profit for the period	487	395	506
Currency translation differences	(564)	(73)	224
Net (decrease)/increase in shareholders' funds	(77)	322	730
Equity shareholders' funds brought forward	9,291	8,561	8,561
Equity shareholders' funds carried forward	9,214	8,883	9,291

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

	Six months ended 30 June 2008 £000s unaudited	Six months ended 30 June 2007 £000s unaudited	Year ended 31 December 2007 £000s audited
Profit for the period after taxation	487	395	506
Interest received	(102)	(44)	(69)
Non-cash exchange movements	(564)	2	224
Depreciation of tangible fixed assets	30	30	60
Increase of technical provisions	780	1,291	753
(Increase)/decrease in deferred acquisition and reinsurance costs	(65)	(268)	400
Increase in debtors	(948)	(1,630)	(1,702)
Increase/(decrease) in creditors	372	514	(14)
Net cash flows from operating activities	(10)	290	158

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six months ended 30 June 2008

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

	Six months ended 30 June 2008 £000s unaudited	Six months ended 30 June 2007 £000s unaudited	Year ended 31 December 2007 £000s audited
Change in cash for the period	84	334	3,930
Change in net funds resulting from cash flows	84	334	3,930
Net funds brought forward	4,898	968	968
Net funds carried forward	4,982	1,302	4,898

9. GENERAL INFORMATION

The information for the period ended 30 June 2008 does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. The figures for the period ended 31 December 2007 have been extracted from the 2007 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	Walkers SPV Limited Walker House Mary Street PO Box 908GT George Town Grand Cayman Cayman Islands
DIRECTORS	William Dewsall (Chief Executive Officer) Lance Ranger (Non Executive Chairman) Lucas Slob (Non Executive Finance Director) Ian Tickler (Non Executive) J Blaise Craven (Non Executive)
SECRETARY	Kitwell Consultants Limited Kitwell House The Warren Radlett Hertfordshire WD7 7DU
NOMINATED ADVISER	Arden Partners plc Nicholas House 3 Laurence Pountney Hill London EC4R 0EU
NOMINATED BROKER	Arden Partners plc Nicholas House 3 Laurence Pountney Hill London EC4R 0EU
REGISTRARS	Capita Registrars (Jersey) Limited 12 Castle Street St Helier Jersey JE2 3RT
SOLICITORS	Fladgate LLP 25 North Row London W1K 6DJ
AUDITORS	Littlejohn Chartered Accountants and Registered Auditors 1 Westferry Circus Canary Wharf London E14 4HD

