

GABLE HOLDINGS INC.
INTERIM REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2007

G A B L E

INTERIM REPORT

for the six months ended 30 June 2007

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HIGHLIGHTS

for the six months ended 30 June 2007

Gable Holdings Inc. (AIM: GAH), the European insurance company to the building and construction sector, announces its unaudited interim results for the six months ended 30 June 2007.

SUMMARY OF THE PERIOD

- Gross written premium of £4.0 million produces an earned premium of £3.3 million and net profit before tax of £0.4 million. On a pro forma basis, as explained on page 3, the net profit would be £1.1 million
- New more cost effective reinsurance programme in place from 1 July 2007
- GIAG's solvency position remains very strong and exceeds the requirement for its current and currently anticipated growth strategies

COMMENT AND OUTLOOK

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

"The Board is pleased with the progress the Company has made over the last six months, particularly against the backdrop of a UK market which has continued to be challenging. Our renewal book is solid, giving us a strong start to the year."

CHIEF EXECUTIVE'S STATEMENT

for the six months ended 30 June 2007

The Board of Gable Holdings Inc. ("Gable") is pleased to present its unaudited results for the six months ended 30 June 2007.

RESULTS

The results for the six months ended 30 June 2007 show gross written premium of £4.0 million. The results below show both the reported result and also an unaudited pro forma result prepared on the basis set out below, which the Board believes provides a more representative basis of presentation for the six month period:

Six months ended 30 June 2007	£000s	£000s
	Actual – reported	Pro forma
Earned premium	3,342	3,342
RReinsurance (note 1)	(1,212)	(682)
Acquisition costs	(836)	(836)
Claims (note 2)	(767)	(690)
Other direct costs	(81)	(81)
Net insurance result	446	1,053

Notes

1. The pro forma reinsurance has been calculated based on the new programme (in place from 1 July 2007), as it will apply to all premium written from 1 July 2007.
2. The claims provision for the six months has been provided at a level consistent with the actuarial evaluation undertaken earlier this year in respect of the 2006 underwriting year. The Board believes that this remains an overly prudent approach and the pro forma therefore shows a reduction of 10% in the claims provided.

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 £0.4 million (2006: loss of £0.1 million). At the end of the period net assets were £8.9 million (2006: £8.9 million).

Cash balances at the end of the period were £1.3 million, of which £0.3 million was held by third parties on the Group's behalf as a result of premium collection, and in addition financial assets held in respect of insurance capital in Liechtenstein were £3.6 million.

Gable's internet based quotation system continues to provide one of the lowest fixed cost bases in the industry and provides a scalable platform as the business grows. With the company moving into other markets the system has the ability to move with it providing the same efficiencies.

CHIEF EXECUTIVE'S STATEMENT

continued

During the period GIAG purchased its new reinsurance programme, commencing 1 July 2007, which is considerably more cost effective than its previous programme and is also led by an AA rated underwriter. The benefits of this new programme will be seen incrementally over the coming 12 months.

The Board was pleased with the level of contract renewals during the period giving the business a strong foundation for the year moving forward. GIAG has also continued to see a growing level of business from its network of brokers in the UK.

BOARD

On 20 September the Company announced the appointment of Lance Ranger as a Non-Executive Director. Lance is an international trust lawyer based in Switzerland and specialises in international law and tax planning where he has over 20 years experience advising a range of international clients. We welcome Lance to the Company. The Board would also like to thank Joanna Barrett, who stepped down from the Board as Non-Executive Director at the Company's last AGM in order to pursue other business commitments. Our thanks to Joanna for her contribution since the Company floated on AIM in 2005.

OUTLOOK

The Board is pleased with the progress the Company has made over the last six months, particularly against the backdrop of a UK market which has continued to be challenging. Our renewal book is solid, giving us a strong start to the year. Despite competitive market conditions we remain committed to writing only profitable business in line with the Company's strategy to continue to deliver shareholder value as the company grows. We can look forward to introducing new products and entering new markets in Europe later in the year and into 2008 and the Board remains confident that it is well placed to meet its expectations for the year ended 31 December 2007.

William Dewsall

Chief Executive

24 September 2007

CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2007

	Notes	Six months ended 30 June 2007 £000s unaudited	Six months ended 30 June 2006 £000s unaudited	Year ended 31 December 2006 £000s audited
Gross written premiums		3,971	4,131	6,214
Change in provision for gross unearned premiums	5	(629)	(3,213)	(2,626)
Gross earned premiums		3,342	918	3,588
Outward reinsurance premiums		(1,415)	(480)	(2,195)
Change in provision for unearned premiums – reinsurers' share	5	203	373	920
Net earned premiums		2,130	811	2,313
Net investment return		72	44	69
Total revenue from operations		2,202	855	2,382
Gross claims paid	5	(105)	–	(29)
Movement in gross technical provisions	5	(662)	(115)	(988)
Gross claims incurred		(767)	(115)	(1,017)
Reinsurers' share of gross claims paid		–	–	–
Movement in reinsurers' share of technical provisions		–	–	–
Reinsurers share of claims incurred		–	–	–
Net claims incurred		(767)	(115)	(1,017)
Expenses incurred in insurance activities		(836)	(330)	(908)
Other operating expenses		(174)	(453)	(699)
Total operating charges		(1,010)	(783)	(1,607)
Profit from operations and before taxation		425	(43)	(242)
Taxation		(30)	(3)	(10)
Profit for the period attributable to equity holders of the Company	6	395	(46)	(252)
Loss per share	4	0.35p	(0.04p)	(0.23p)

All operations are continuing.

CONSOLIDATED BALANCE SHEET

at 30 June 2007

	Notes	30 June 2007 £000s unaudited	30 June 2006 £000s unaudited	31 December 2006 £000s audited
Assets				
Intangible assets		4,250	4,250	4,250
Tangible fixed assets		212	338	242
Reinsurers' share of technical provisions		–	–	–
Deferred acquisition and reinsurance costs	5	1,874	1,176	1,606
Prepayments and accrued income		594	939	806
Trade and other receivables		2,801	2,920	959
Financial assets		3,628	3,930	3,703
Cash and cash equivalents	8	1,302	106	968
Total assets		14,661	13,659	12,534
Equity				
Share capital		281	279	281
Share premium account		5,406	5,308	5,406
Share based premium reserve		20	20	20
Other reserves		3,875	3,875	3,875
Retained earnings		(699)	(622)	(1,021)
Total equity attributable to equity holders and total equity	6	8,883	8,860	8,561
Liabilities				
Technical provisions	5	4,905	3,328	3,614
Accruals and deferred income		–	190	34
Trade and other payables		873	1,281	325
Total liabilities		5,778	4,799	3,973
Total liabilities and shareholders' funds		14,661	13,659	12,534
Net asset value per ordinary share	4	7.92p	7.95p	7.63p

CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2007

		Six months ended 30 June 2007 £000s unaudited	Six months ended 30 June 2006 £000s unaudited	Year ended 31 December 2006 £000s audited
	Notes			
Cash flows from operating activities				
Cash generated from operations	7	290	(569)	(97)
Interest received		44	47	37
Net cash flows from operating activities		334	(522)	(60)
Cash flows from investing activities				
Purchases of financial assets		–	(3,930)	(3,703)
Purchase of tangible fixed assets		–	(300)	(227)
Net cash flows from investing activities		–	(4,230)	(75)
Cash flows from financing activities				
Shares issued		–	–	100
Share issue costs		–	–	–
Net cash flows from financing activities		–	–	100
Net increase/(decrease) in cash and cash equivalents	8	334	(4,752)	(3,890)
Cash and cash equivalents at period beginning		968	4,858	4,858
Cash and cash equivalents at period end	8	1,302	106	968

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six months ended 30 June 2007

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. For the year ended 31 December 2006, Gable adopted International Financial Reporting Standards ("IFRS") in its Group financial statements for the first time. 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 2007.

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 2006 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 2007, derived its business from Great Britain and Ireland.

4. EARNINGS AND NET ASSET VALUE PER SHARE

The calculation of earnings per share is based on the net profit of £395,000 (six months ended 30 June 2006: loss £46,000, year ended 31 December 2006 : loss £252,000) divided by the weighted average number of shares in issue during the period of 112,200,000 (six months ended 30 June 2006: 111,400,000, year ended 31 December 2006 : 111,700,274).

The net asset value per share is calculated by dividing the shareholders' funds of £8,883,000 (30 June 2006: £8,860,000, 31 December 2006: £8,561,000) by the number of shares in issue at the end of the period – 112,200,000 (30 June 2006: 111,400,000, 31 December 2006: 112,200,000).

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six months ended 30 June 2007

5. INSURANCE ASSETS AND LIABILITIES

	Six months ended 30 June 2007 £000s unaudited	Six months ended 30 June 2006 £000s unaudited	Year ended 31 December 2006 £000s audited
Deferred acquisition and reinsurance costs			
Acquisition costs deferred	751	803	686
Provision for unearned reinsurance premium	1,123	373	920
	1,874	1,176	1,606
Technical provisions			
Claims reserve	1,650	115	988
Unearned premium	3,255	3,213	2,626
	4,905	3,328	3,614
Claims paid	105	–	29
Claims reserved			
At 1 January 2007	988	–	–
Claims notified and reserved in the period	601	–	290
Incurred but not reported movement in the period	61	115	698
At 30 June 2007	1,650	115	988
Movement for provision in unearned premium			
At 1 January 2007	2,626	–	–
Movement in provision for the period	629	3,213	2,626
	3,255	3,213	2,626
Movement in provision for unearned reinsurance premium			
At 1 January 2007	920	–	–
Movement in provision for the period	203	373	920
	1,123	373	920

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six months ended 30 June 2007

6. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Six months ended 30 June 2007 £000s unaudited	Six months ended 30 June 2006 £000s unaudited	Year ended 31 December 2006 £000s audited
Profit for the period	395	(46)	(252)
Issue of ordinary share capital	–	–	100
Currency translation differences	(73)	–	(193)
Net (decrease)/increase in shareholders' funds	322	(46)	(345)
Equity shareholders' funds brought forward	8,561	8,906	8,906
Equity shareholders' funds carried forward	8,883	8,860	8,561

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

	Six months ended 30 June 2007 £000s unaudited	Six months ended 30 June 2006 £000s unaudited	Year ended 31 December 2006 £000s audited
Profit for the period after taxation	395	(43)	(252)
Interest received	(44)	(47)	(69)
Non-cash exchange movements	2	–	(193)
Depreciation of tangible fixed assets	30	37	60
Increase of technical provisions	1,291	3,328	3,614
Increase in deferred acquisition and reinsurance costs	(268)	(1,176)	(1,606)
Increase in debtors	(1,630)	(3,835)	(1,709)
Increase in creditors	514	1,167	58
Net cash flows from operating activities	290	(569)	(97)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six months ended 30 June 2007

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

	Six months ended 30 June 2007 £000s unaudited	Six months ended 30 June 2006 £000s unaudited	Year ended 31 December 2006 £000s audited
Change in cash for the period	334	(4,752)	(3,890)
Change in net funds resulting from cash flows	334	(4,752)	(3,890)
Net funds brought forward	968	4,858	4,858
Net funds carried forward	1,302	106	968

9. GENERAL INFORMATION

The information for the period ended 30 June 2007 does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. The figures for the period ended 31 December 2006 have been extracted from the 2006 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) Geoffrey Conway-Henderson (Non Executive Chairman) Tim Moss (Non Executive Finance Director) Ian Tickler (Non Executive) J Blaise Craven (Non Executive) Lance Ranger (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 IRG (Offshore) Limited Victoria Chambers Liberation Square 1/3 The Esplanade St Helier Jersey JE4 0FF
SOLICITORS	Fladgate Fielder 25 North Row London W1K 6DJ
AUDITORS	CLB Littlejohn Frazer Chartered Accountants and Registered Auditors 1 Park Place Canary Wharf London E14 4HJ

