

**BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**UNAUDITED INTERIM CONDENSED
FINANCIAL STATEMENTS**

**FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2009**

REPORT ON THE REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)**Scope of review**

We have reviewed the accompanying interim statement of financial position of BUPA Arabia For Cooperative Insurance Company - A Saudi Joint Stock Company ('the Company') as at 31 March 2009, and the related interim statements of shareholders' operations, comprehensive income, shareholders' cash flows and changes in shareholders' equity for the three month period then ended, together with the notes 1 to 6 which are integral part of these interim condensed financial statements. These interim condensed financial statements are the responsibility of the Company's management and have been prepared by them and submitted to us together with all the information and explanations which we required. We conducted our review in accordance with the Standard on Review of Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants (SOCPA). A review consists principally of applying analytical procedures to financial data and information and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with Generally Accepted Auditing Standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Explanatory paragraph

As described in note 1 to the accompanying interim condensed financial statements, the Company commenced its insurance operations on 1 January 2009. The Company is also in the process of transferring the insurance portfolio of BUPA Middle East Limited E.C. to the Company, with effect from 1 January 2009. However, as the process to transfer the insurance portfolio has not yet been completed, the management did not prepare the interim statements of 'insurance operations' financial position', 'insurance operations' and 'insurance operations' cash flows'. As a result, the accompanying interim condensed financial statements are incomplete and the corresponding effect of the insurance operations might have a material impact on them.

Conclusion

Based on our review, except for the matter referred to in the explanatory paragraph above, we are not aware of any material modifications required to the accompanying interim condensed financial statements for them to be in conformity with International Accounting Standard (IAS) 34.

Emphasis of matter

We draw attention to note 2 to these interim condensed financial statements. As stated therein, the management have prepared these interim condensed financial statements in accordance with IAS 34, and not in accordance with Standard on interim financial reporting issued by SOCPA.

Ernst & Young


Sami Farah
License No. 16827 Rabi Thani 1430 H
18 April 2009

Sindi & Batterjee


Mazen M. Batterjee
License No. 217

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION

At 31 March 2009

	<i>Note</i>	<i>31 March 2009 (Unaudited) SR'000</i>	<i>31 December 2008 (Audited) SR'000</i>
SHAREHOLDERS' ASSETS			
Cash and cash equivalents	3	293,300	291,218
Time deposits		60,589	60,589
Accrued income		1,081	655
Prepayments		225	-
Statutory deposit	4	40,000	40,000
TOTAL SHAREHOLDERS' ASSETS		<u>395,195</u>	<u>392,462</u>
SHAREHOLDERS' LIABILITIES AND EQUITY			
Shareholders' liabilities			
Accruals and other payables		977	1,049
Accrued zakat and tax	6	1,899	-
Amount due to a related party	5	2,519	1,474
Total shareholders' liabilities		<u>5,395</u>	<u>2,523</u>
Shareholders' equity			
Share capital		400,000	400,000
Accumulated losses		(10,200)	(10,061)
Shareholders' equity		<u>389,800</u>	<u>389,939</u>
TOTAL SHAREHOLDERS' LIABILITIES AND EQUITY		<u>395,195</u>	<u>392,462</u>

The accompanying notes 1 to 6 form part of these interim condensed financial statements.

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF SHAREHOLDERS' OPERATIONS

For the three month period ended 31 March 2009

*For the three
month period
ended 31
March 2009
(Unaudited)
SR '000*

EXPENSES	
General and administration	(748)
	<u>(748)</u>
Interest income	2,508
	<u>2,508</u>
NET INCOME FOR THE PERIOD	1,760
	<u><u>1,760</u></u>
Weighted average number of ordinary shares outstanding (in thousands)	40,000
	<u><u>40,000</u></u>
Basic earning per share (in Saudi Riyals)	0.044
	<u><u>0.044</u></u>

The accompanying notes 1 to 6 form part of these interim condensed financial statements.

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the three month period ended 31 March 2009

	<i>For the three month period ended 31 March 2009 (Unaudited) SR '000</i>
NET INCOME FOR THE THREE MONTH PERIOD	1,760
Other comprehensive income/(expense)	-
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE THREE MONTH PERIOD	-
TOTAL COMPREHENSIVE INCOME FOR THE THREE MONTH PERIOD	<u>1,760</u>

The accompanying notes 1 to 6 form part of these interim condensed financial statements.

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
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INTERIM STATEMENT OF SHAREHOLDERS' CASH FLOWS

For the three month period ended 31 March 2009

	<i>Note</i>	<i>For the three month period ended 31 March 2009 (Unaudited) SR'000</i>
OPERATING ACTIVITIES		
Net income for the three month period		1,760
Changes in assets and liabilities:		
Accrued investment income		(426)
Prepayment		(225)
Accruals and other payables		(72)
Amount due to a related party		1,045
Net cash from operating activities		<u>2,082</u>
INCREASE IN CASH AND CASH EQUIVALENTS		2,082
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		291,218
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	<u>293,300</u>

The accompanying notes 1 to 6 form part of these interim condensed financial statements.

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the three month period ended 31 March 2009

	<i>Note</i>	<i>Share Capital SR '000</i>	<i>Accumulated losses SR '000</i>	<i>Total SR '000</i>
Balance at 31 December 2008 (Audited)		400,000	(10,061)	389,939
Total comprehensive income for the three month period		-	1,760	1,760
Zakat and tax for the three month period	6	-	(1,899)	(1,899)
		<hr/>	<hr/>	<hr/>
Balance at 31 March 2009 (Unaudited)		400,000	(10,200)	389,800

The accompanying notes 1 to 6 form part of these interim condensed financial statements.

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 31 March 2009

1 ORGANIZATION AND PRINCIPAL ACTIVITIES

BUPA Arabia For Cooperative Insurance Company (the Company) is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia as per Ministry of Commerce and Industry's Resolution number 138/K dated 24 Rabi Thani 1429 H (corresponding to 1 May 2008). The Registered Office address of the Company is Bugshan Building, Mushrefah District, Palestine Street, Jeddah, Saudi Arabia. The Company is licensed to conduct insurance business in Saudi Arabia under cooperative principles in accordance with Royal Decree No. M/74 dated 29 Shabaan 1428 H (corresponding to 11 September 2007) pursuant to Council of Ministers' Resolution No 279 dated 28 Shabaan 1428 H (corresponding to 10 September 2007).

The objectives of the Company are to engage in providing medical insurance and related services in accordance with its articles of association, and applicable regulations in Saudi Arabia. The company is 73.75% owned by Saudi shareholders and 26.25% owned by non-Saudi shareholders. The Company was listed on the Saudi Arabian stock market on 17 May 2008.

As required by Saudi Arabian insurance regulations, the Company has to maintain separate accounts for insurance operations and shareholders' operations. The physical custody of all assets related to the insurance operations and shareholders' operations are held by the Company.

On 31 December 2008, the company entered into an agreement with BUPA Middle East Limited E.C. (the Seller) pursuant to which it will acquire the Seller's insurance operations in the Kingdom of Saudi Arabia, effective from 1 January 2009, at a goodwill amount of SR 98 million, as approved by Saudi Arabian Monetary Agency (SAMA), along with related insurance assets and liabilities of an equivalent amount. The transfer of insurance portfolio from the Seller to the Company is in process.

The Company commenced its insurance operations on 1 January 2009. However, as the process to transfer the insurance portfolio has not yet been completed, the management did not prepare the interim statements of insurance operations. As a result, these interim condensed financial statements do not include the interim statements of 'financial position for insurance operations', 'insurance operations' and 'insurance operations' cash flows'.

Furthermore, as this is first set of interim condensed financial statements of the Company, no comparative information is presented in the interim statements of shareholders' activities', 'comprehensive income', 'shareholders' cash flows' and 'changes in shareholders' equity'.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting.

The accounting policies adopted by the Company for the preparation of these interim condensed financial statements are in accordance with International Financial Reporting Standards and are consistent with those used for the preparation of annual financial statements except for the adoption of amendments to the revised IAS 1 (Presentation of Financial Statements) as mentioned below, effective from 1 January 2009.

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
As at 31 March 2009

**2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**

Basis of preparation (continued)

IAS 1 'Presentation of Financial Statements' (Revised):

The revised standard requires changes in equity arising from transactions with any shareholder in their capacity as shareholders' (i.e. shareholder changes in income) to be presented in the statement of changes in equity. All other changes in equity (i.e. non-shareholder changes in equity) are required to be presented separately in a performance statement (statement of comprehensive income).

These interim condensed financial statements for the three month period ended 31 March 2009 ('the period') should be read in conjunction with the Company's audited 31 December 2008 financial statements. In management's opinion, the interim condensed financial statements reflect all adjustments (which include normal recurring adjustments) necessary to present fairly the results of operations for the interim period presented.

The interim condensed financial statements are presented in Saudi Riyals, being the functional currency of the Company, and have been rounded off to the nearest thousand.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards.

3 CASH AND CASH EQUIVALENTS

	<i>31 March 2009 (Unaudited) SR'000</i>	<i>31 December 2008 (Audited) SR'000</i>
Cash in bank	42	42
Short-term deposits	293,258	291,176
	<u>293,300</u>	<u>291,218</u>

4 STATUTORY DEPOSIT

	<i>31 March 2009 (Unaudited) SR'000</i>	<i>31 December 2008 (Audited) SR'000</i>
Statutory deposit	40,000	40,000

As required by Saudi Arabian Insurance Regulations, the Company deposited 10% of its paid up share capital, amounting to SR 40 million in a bank designated by the Saudi Arabian Monetary Agency ("SAMA").

BUPA ARABIA FOR COOPERATIVE INSURANCE COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

As at 31 March 2009

5 TRANSACTIONS WITH RELATED PARTIES

The following are the details of major related party transaction during the three months ended 31 March 2009 and the related balance at the quarter end:

<i>Related party</i>	<i>Nature of transaction</i>	<i>Amount of transaction SR'000</i>
BUPA Middle East Limited E.C. (Affiliate)	Payments made on behalf of the Company and recharged to the Company	1,045

Amount due to the related party is disclosed in the shareholders' statement of financial position.

6 ZAKAT AND INCOME TAX

Zakat and income tax have been accrued on the quarterly results reported, based on the best estimate of the management.