

**Company Announcement issued by GlobalCapital p.l.c. pursuant to the Malta  
Financial Services Authority Listing Rules 8.7.4 and 8.7.21**

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**Quote**

At a meeting held on 28 August 2008, the Board of Directors of Global Capital p.l.c. considered and approved the attached Interim Financial Statements for the six (6) months ended 30 June 2008.

The Interim Financial Statements are available for viewing on the company's website [www.globalcapital.com.mt](http://www.globalcapital.com.mt)

**Unquote**

**By Order of the Board**

**28 August 2008**

# GlobalCapital p.l.c.

## Half-yearly report for the period ended 30 June 2008

### Interim Directors' Report

GlobalCapital p.l.c. ("GCL") registered a net loss of €4,375,217 for the six months ended 30 June 2008 compared to a profit of €905,939 for the corresponding period in 2007. The net loss excluding fair valuations, revaluations, tax and impairment charges was €1,556,671 for the first half of 2008 compared to a net loss of €847,446 for the same period in 2007, on a like-for-like basis.

The fair valuations and revaluations are driven mainly by the market environment for the financial industry.

The Board of Directors is focused on improving operational efficiencies, robust risk management practices and effective cost management, and will continue to explore initiatives to strengthen GCL's core businesses.

GCL is also pursuing actively its banking initiative and the Board is optimistic that the requisite regulatory approvals to add banking to its existing business lines will be obtained. The Directors believe that the fulfilment of this strategy will go a long way in enhancing value creation to stakeholders, particularly shareholders.

Despite the downturn in global major economies and the financial industry in particular, the Board of Directors remains committed to its strategic objectives.

The Directors do not recommend the payment of an interim dividend.

#### By order of the Board

### Statement pursuant to Listing Rule 9.44.k.3 issued by the Listing Authority

We confirm that to the best of our knowledge:

- The condensed interim financial information gives a true and fair view of the financial position of the Group as at 30 June 2008, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to Interim Financial Reporting (IAS 34);
- The Interim Directors' Report includes a fair review of the information provided required in terms of Listing Rule 9.44.k.3

**Nicholas Ashford-Hodges**  
Chairman  
28 August 2008

**James Blake**  
Director

### Condensed Income Statement for the period ended June 2008

(unaudited)

	Group	
	1 January to 30 June 2008	1 January to 30 June 2007
	€	€
Turnover – commissions and fees receivable	<b>1,802,407</b>	2,425,847
Balance on the long term business of insurance technical account before tax	<b>(1,697,779)</b>	(909,133)
Gains on investment property	<b>273,105</b>	3,879,092
Administrative expenses	<b>(2,751,780)</b>	(2,600,247)
Commissions payable and direct marketing costs	<b>(460,676)</b>	(693,114)
Impairment of goodwill	<b>(582,343)</b>	(232,937)
<b>Operating (loss)/profit</b>	<b>(3,417,066)</b>	1,869,508
Net investment charge	<b>(1,545,087)</b>	(1,534,356)
<b>(Loss)/Profit before tax</b>	<b>(4,962,153)</b>	335,152
Income tax credit	<b>586,936</b>	570,787
<b>(Loss)/Profit for the financial period</b>	<b>(4,375,217)</b>	905,939
<b>Earnings per share</b>	<b>(33c1)</b>	6c9

### Independent Auditor's Report

The Group's condensed interim financial information has been reviewed by the company's independent auditor. The auditor's report, as at 30 June 2008, is reproduced hereunder:

Report on Review of Interim Financial Information to the Directors of GlobalCapital p.l.c.:

#### Introduction

We have reviewed the accompanying condensed consolidated balance sheet of GlobalCapital p.l.c. as at 30 June 2008 and the related condensed consolidated income statement, statement of changes in equity and cash flows for the six month period then ended and a summary of significant accounting policies and other explanatory notes. The directors are responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards as adopted by the European Union applicable to Interim Financial Reporting (IAS 34). Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

#### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2400, 'Engagements to Review Financial Statements'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

This report, including the conclusion, has been prepared for and only for the company for the purpose of the Listing Rules of the Malta Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 'Interim Financial Reporting'.

#### Deloitte & Touche

1 Col. Savona Street, Sliema, Malta  
28 August 2008

### Condensed Balance Sheet at 30 June 2008

(unaudited)

	Group	
	30 June 2008	31 December 2007
	€	€
<b>ASSETS</b>		
Intangible assets	<b>7,120,217</b>	7,561,570
Deferred income tax	<b>75,637</b>	77,540
Property, plant and equipment	<b>5,049,853</b>	5,223,445
Investment property	<b>19,730,638</b>	21,062,835
Investments in associated undertakings	<b>3,801,613</b>	3,798,060
Other investments	<b>48,039,840</b>	49,558,866
Reinsurers share of technical provisions	<b>921,012</b>	867,091
Taxation receivable	<b>857,528</b>	1,120,205
Stock - property held for development	<b>4,361,659</b>	4,710,324
Trade and other receivables	<b>4,510,975</b>	3,609,543
Cash and cash equivalents	<b>7,907,610</b>	7,470,988
<b>Total assets</b>	<b>102,376,582</b>	105,060,467
<b>EQUITY AND LIABILITIES</b>		
Capital and reserves	<b>24,538,576</b>	28,913,793
Technical provisions	<b>50,907,613</b>	49,104,670
Interest-bearing borrowings	<b>21,488,585</b>	20,917,340
Deferred income tax	<b>1,592,207</b>	1,839,720
Trade and other payables	<b>3,849,601</b>	4,016,293
Current income tax liabilities	-	268,651
<b>Total equity and liabilities</b>	<b>102,376,582</b>	105,060,467

## Condensed Statement of changes in equity for the period ended 30 June 2008

(unaudited)

	Group				
	Share capital	Share premium account	Other reserves	Profit and loss account	Total
	€	€	€	€	€
Balance as at 1 January 2007	3,845,663	16,970,641	2,834,198	5,883,201	29,533,703
Profit for the financial period	-	-	-	905,939	905,939
Investment property					
fair value gains, net of deferred income tax, transferred to other reserves	-	-	3,216,860	(3,216,860)	-
Total recognised income for the financial period	-	-	3,216,860	(2,310,921)	905,939
Dividends	-	-	-	(1,199,846)	(1,199,846)
Balance as at 30 June 2007	<b>3,845,663</b>	<b>16,970,641</b>	<b>6,051,058</b>	<b>2,372,434</b>	<b>29,239,796</b>
Balance as at 1 January 2008	3,845,663	16,970,641	6,520,361	1,577,128	28,913,793
Loss for the financial period	-	-	-	(4,375,217)	(4,375,217)
Investment property					
fair value gains, net of deferred income tax, transferred to other reserves	-	-	(701,263)	701,263	-
Total recognised income for the financial period	-	-	(701,263)	(3,673,954)	(4,375,217)
Balance as at 30 June 2008	<b>3,845,663</b>	<b>16,970,641</b>	<b>5,819,098</b>	<b>(2,096,826)</b>	<b>24,538,576</b>

## Segmental information

(unaudited)

	Group					Group
	Investment and advisory services	Business of insurance	Agency and brokerage services	Property services	Eliminations	
	€	€	€	€	€	
<b>Period ended 30 June 2008</b>						
Turnover	914,755	3,799,979	755,000	132,652	-	5,602,386
Segment result/operating profit or (loss)	(885,806)	(2,353,873)	122,258	(299,645)	-	(3,417,066)
<b>Period ended 30 June 2007</b>						
Turnover	1,530,727	7,838,109	771,677	212,942	(89,499)	10,263,956
Segment result/operating profit or (loss)	(656,548)	(1,174,095)	31,868	3,658,588	9,693	1,869,506

## Condensed Cash flow statement at 30 June 2008

(unaudited)

	Group	
	30 June 2008	30 June 2007
	€	€
Net cash (used in)/generated from operating activities	(591,885)	3,908,206
Net cash generated from/(used in) investing activities	444,645	(5,327,361)
Net cash used in financial activities	(467,689)	(1,199,846)
<b>Movement in cash and cash equivalents</b>	<b>(614,929)</b>	<b>(2,619,001)</b>
Cash and cash equivalents at beginning of interim period	6,626,266	5,722,418
Decrease in cash and cash equivalents	(614,929)	(2,619,001)
<b>Cash and cash equivalents at end of interim period</b>	<b>6,011,337</b>	<b>3,103,417</b>

## Notes to the Condensed Financial Statements

- This half-yearly report is published pursuant to chapters 8 and 9 of the Malta Financial Services Authority Listing Rules and the Prevention of Financial Markets Abuse Act, 2005. The condensed set of consolidated financial statements attached to this report has been extracted from the GlobalCapital p.l.c. unaudited group financial statements for the six months ended 30 June 2008, and has been reviewed in terms of ISRE2400 'Review of Interim Financial Statements'.
- These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'.
- The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2007.
- The Group's operations consist of the provision of investments, advisory and insurance broking services in terms of the Investment Services Act, 1994 and the Insurance Intermediaries Act, 2006, the carrying on of long term business of insurance under the Insurance Business Act, 1998, the provision of property management and consultancy services and handling property acquisitions, disposals and development projects. The Group's turnover is primarily generated in and from Malta.
- Commitments for property related expenditure not provided for in these condensed consolidated financial statements amounted to €2,702,719 as at 30 June 2008 (31 December 2007: €2,442,024).
- Fair value losses recognised in the income statement for the period ended 30 June 2008 on investment property and financial instruments amounted to €2,823,139 (2007 gains of €1,415,535).
- Earnings per share is based on the net result for the period divided by the weighted average number of ordinary shares in issue during the period. The weighted average number of ordinary shares in issue during the period amounted to 13,207,548 shares (2007: 13,207,548).
- None of the group's investment properties were revalued in the six-month period to 30 June 2008 (30 June 2007 – gain of €3,500,512). In the directors' opinion the group's portfolio of investment property has not been materially affected in the period under review.
- The impairment charge on goodwill has increased from €232,937 for the six month period ending 30 June 2007 to €582,343 for the same period ending 30 June 2008. In accordance with International Financial Reporting Standards goodwill is tested for impairment annually and whenever there is an indication of impairment. Given the fall in business activity, the directors felt it necessary to increase the impairment charge accordingly.
- Following Malta's adoption of the Euro as its national currency on 1 January 2008, the company's reporting currency changed from Maltese Lira to Euro. Prior year figures have been converted at €1 = Lm0.4293.

