

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

Quote

At a meeting held on 27 August 2009, the Board of Directors of GlobalCapital p.l.c. considered and approved the attached Interim Financial Statements for the six (6) months ended 30 June 2009.

The Interim Financial Statements are available for viewing on the company's website www.globalcapital.com.mt

By Order of the Board
27 August 2009

Unquote

GlobalCapital p.l.c

GlobalCapital Financial Management Ltd, GlobalCapital Fund Advisors Ltd and GlobalCapital Insurance Brokers Ltd are licensed by the Malta Financial Services Authority (MFSA). GlobalCapital Life Insurance Ltd is authorised to transact Long Term Insurance Business and is regulated by the MFSA. GlobalCapital Health Insurance Agency Ltd is authorised as an Insurance Agent and is regulated by the MFSA.

Company Registration No. C 19526

GlobalCapital p.l.c.

Half-yearly report for the period ended 30 June 2009

Interim Directors' Report

GlobalCapital p.l.c. ("GCL") registered a net loss after tax of €2,287,330 for the six months ending 30 June 2009 compared to a loss of €4,375,217 for the corresponding period in 2008. The net loss excluding fair valuations, value of in-force-business, revaluations, tax and impairment charges was €1,544,836 for the first half of 2009 compared to a net loss of €1,556,671 for the same period in 2008, on a like-for-like basis.

Fair valuations and revaluations are primarily driven by the market environment within the financial industry. The severe downturn in global major economies and the financial services industry has continued to negatively impact GCL during the first six months of 2009. The Group's portfolio of investment securities was further negatively impacted by the continued stockmarket downturn during the first quarter of the year. However, an improvement in the performance of the Group's investment portfolio was registered in the second quarter.

This improvement, together with other measures taken, have positively impacted the long term business of insurance technical account before tax which returned a profit of €437,574 compared to a loss of €1,697,779 in the same period last year.

Total premium income and revenues from the agency and brokerage business have registered growth when compared to the same period last year; however, reduced investor confidence has continued to affect market appetite for investment products, resulting in reduced commission and fees receivable from investment sales. The property portfolio has remained stable with two important property projects nearing completion early next year.

The Board of Directors, together with management, has continued to focus on identifying improvements in operational efficiencies coupled with the review and management of costs. Measures taken have contributed towards a 14% decrease (€398,863) in administrative expenses from €2,751,780 in the first six months ending 30 June 2008 compared to €2,352,917 for the same period this year.

The Board of Directors remains committed to its strategic objectives and is maintaining its focus on cost management throughout the Group and at the same time implementing strategies aimed at bolstering and broadening revenue generation. The overall results are nevertheless significantly impacted by the performance of the markets. Despite measures taken to mitigate this, the general improvement in the macroeconomic environment and the stability of the stockmarkets remain the two key components that will impact the Group's performance going forward.

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

By order of the Board

Nicholas Ashford-Hodges
Chairman
27 August 2009

James Blake
Director

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 2009, and of its financial performance and its cash flows for the period 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
27 August 2009

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 2009, 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 statement of financial position of GlobalCapital p.l.c. as at 30 June 2009 and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of 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 EU 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 2410, 'Review of interim financial information performed by the independent auditor of the entity'. 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

Deloitte Place
Mriehel Bypass, Mriehel, Malta
27 August 2009

**Condensed Consolidated Statement of Comprehensive income
for the period ended 30 June 2009**

	Group	
	01 January to 30 June 2009	01 January to 30 June 2008
	(unaudited) €	(unaudited) €
Commission and fees receivable	1,499,743	1,802,407
Balance on the long term business of insurance technical account before tax	437,574	(1,697,779)
Decrease in the value of in-force-business	(146,154)	-
Gains on investment property	-	273,105
Administrative expenses	(2,352,917)	(2,751,780)
Commission payable and direct marketing costs	(409,266)	(460,676)
Impairment of goodwill	(541,026)	(582,343)
Share of loss of associated undertaking	(43,633)	-
Operating loss	(1,555,679)	(3,417,066)
Net investment charges net of allocation to the insurance technical account	(838,521)	(1,545,087)
Loss for the period before tax	(2,394,200)	(4,962,153)
Tax credit	106,870	586,936
Total comprehensive loss for the period	(2,287,330)	(4,375,217)
Loss per share (cents)	(17c3)	(33c1)

Condensed Consolidated Statement of Financial Position
at 30 June 2009



	Group	
	30 June 2009	31 December 2008
	(unaudited)	(audited)
	€	€
ASSETS		
Intangible assets	6,352,890	7,005,475
Deferred tax asset	785,385	676,559
Property, plant and equipment	1,381,954	1,474,512
Investment property	24,420,119	23,960,021
Investment in associated undertaking	3,489,109	3,532,742
Other investments	38,417,270	38,493,993
Reinsurers' share of technical provisions	1,131,495	1,005,187
Taxation receivable	738,093	1,267,610
Stock - property held for development	6,492,277	5,897,283
Trade and other receivables	4,076,649	3,393,517
Cash and cash equivalents	8,058,286	12,385,073
Total assets	95,343,527	99,091,972
EQUITY AND LIABILITIES		
Capital and reserves	19,740,296	22,027,626
Technical provisions	51,085,085	51,475,499
Interest-bearing borrowings	19,923,888	20,458,529
Deferred tax liability	1,765,362	1,731,255
Trade and other payables	2,531,368	3,219,378
Current income tax liabilities	297,528	179,685
Total equity and liabilities	95,343,527	99,091,972

Condensed Consolidated Statement of Cash Flows
for the period ended 30 June 2009

	Group	
	30 June 2009	30 June 2008
	(unaudited) €	(unaudited) €
Net cash used in operating activities	(2,623,482)	(591,885)
Net cash used in investing activities	(1,220,609)	444,645
Net cash used in from financing activities	(118,316)	(467,689)
Movement in cash and cash equivalents	(3,962,407)	(614,929)
Cash and cash equivalents at beginning of period	11,090,403	6,626,266
Decrease in cash and cash equivalents	(3,962,407)	(614,929)
Cash and cash equivalents at end of period	7,127,996	6,011,337

**Condensed Consolidated Statement of Changes in Equity
for the period ended 30 June 2009**

(unaudited)

	Group				
	Share capital	Share premium account	Other reserves	Statement of Comprehensive Income	Total
	€	€	€	€	€
Balance 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)
Fair value losses on investment property (net of deferred tax)	-	-	(701,263)	701,263	-
Total comprehensive loss for the period	-	-	(701,263)	(3,673,954)	(4,375,217)
Balance at 30 June 2008	3,845,663	16,970,641	5,819,098	(2,096,826)	24,538,576
Balance at 1 January 2009	3,845,663	16,970,641	7,201,916	(5,990,594)	22,027,626
Decrease in value of in-force business, transferred to other reserves	-	-	(95,000)	95,000	-
Loss for the financial period	-	-	-	(2,287,330)	(2,287,330)
Total comprehensive loss for the period	-	-	(95,000)	(2,192,330)	(2,287,330)
Balance at 30 June 2009	3,845,663	16,970,641	7,106,916	(8,182,924)	19,740,296

Segmental Information
for the period ended 30 June 2009
(unaudited)

	Group					Group
	Investment and advisory services	Business of insurance	Agency and brokerage services	Property services	Adjustments	
	€	€	€	€	€	
Period ended 30 June 2009						
Revenue from external customers	354,080	5,037,546	1,050,885	45,297	-	6,487,808
Intersegment revenues	4,200	-	-	51,000	-	55,200
Segment (loss) / profit	(944,872)	368,134	228,513	(140,038)	(1,067,416)	(1,555,679)
Net investment charges						(838,521)
Loss before tax						(2,394,200)
Total assets	2,338,638	60,683,977	1,926,190	16,431,958	3,274,542	84,655,305
Unallocated assets						10,688,222
						95,343,527
Period ended 30 June 2008						
Revenue from external customers	914,755	3,799,979	755,000	81,652	-	5,551,386
Intersegment revenues	-	-	-	51,000	-	51,000
Segment (loss) / profit	(760,410)	(1,737,529)	126,238	(113,501)	(931,864)	(3,417,066)
Net investment charges						(1,545,087)
Loss before tax						(4,962,153)
Total assets	4,234,246	61,714,845	1,779,345	15,510,552	4,855,119	88,094,107
Unallocated assets						14,282,475
						102,376,582

Notes to the Condensed Financial Statements

- a) 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 2009, and has been reviewed in terms of ISRE2410 'Review of interim financial information performed by the independent auditor of the entity'.
- b) These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'.
- c) The condensed financial statements have been prepared under the historical cost convention, except for the revaluation of investment properties and financial instruments. The same accounting policies, presentation and methods of computation have been followed in these condensed financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2008, except for the impact of the adoption of the standard and interpretation described below.
- IFRS 8 Operating segments is a disclosure standard that has resulted in a redesignation of the Group's reportable segments but has had no impact on the reported results or financial position of the Group.
 - IAS1 Presentation of Financial Statements - the revised standard has introduced a number of terminology changes (including revised titles for the condensed financial statements) and has resulted in a number of changes in presentation and disclosure. However, the revised standard has had no impact on the reported results or financial position of the Group.
- d) 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.
- e) Commitments for property related expenditure not provided for in these condensed consolidated financial statements amounted to €885,000 as at 30 June 2009 (30 June 2008: €2,702,219).
- f) Fair value losses recognised in the condensed consolidated statement of comprehensive income for the period ended 30 June 2009 on investment property and financial instruments amounted to €162,184 (2008 losses of € 2,823,139).
- g) 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 shares in issue during the period amounted to 13,207,548 shares (2008: 13,207,548)
- h) In the Directors' opinion the Group's portfolio of investment property has not been materially affected in the period under review (30 June 2008 - no revaluation).
- i) The impairment charge on goodwill has decreased from €582,343 for the six month period ending 30 June 2008 to €541,026 for the same period ending 30 June 2009. In accordance with International Financial Reporting Standards goodwill is tested for impairment annually and whenever there is an indication of impairment.