

**Company Announcement issued by GlobalCapital p.l.c. pursuant to the Malta Financial Services Authority Listing Rules 8.7.21 and 9.35**

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**Quote**

The Board of Directors of GlobalCapital p.l.c. has today, Friday 27 March 2009, met and approved the Group's financial statements for the period ended 31 December 2008 and resolved to lay the same for the approval of the shareholders at the forthcoming Annual General Meeting. A preliminary statement of annual results for the financial year ended 31 December 2008 is attached herewith.

**Unquote**

**By Order of the Board**

**27 March 2009**

**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

## Preliminary Statement of Annual Results for the year ended 31 December 2008

This Preliminary Statement of Annual Results is published pursuant to the Malta Financial Services Authority Listing Rules 8.7.21 and 9.35 as well as Article 4(2)(b) of the Prevention of Financial Markets Abuse (Disclosure and Notification) Regulations, 2005. The financial information has been extracted from the GlobalCapital p.l.c (the "Group") audited accounts for the year ended 31 December 2008 as approved by the Board of Directors on 27 March 2009.

### Financial Review

The Group registered a loss after tax for the year ended 31 December 2008 of €6,886,162 compared to a profit after tax of €579,935 for year ended 31 December 2007. The sustained global financial crisis resulted in a sharp downturn in the bond, equity and property markets which, during the year under review, have significantly impacted on the various areas of the Group's business.

The Group's equity and bond investment portfolio has suffered a severe reduction in value with the largest portion of the Group's 2008 losses relating to unrealised fair value loss thereon totalling €6,513,318 compared to equivalent write-downs of €1,140,908 in 2007. Another non-cash item - impairment of goodwill totalling €1,228,715 (compared to €465,875 in 2007) - represents a further significant component of the year's losses, whilst the remaining losses are attributable to operating deficits for the year, primarily sustained in the Investment Division. This division suffered as a result of a reduction in the sale of investment products due to reduced investor confidence in the capital markets.

The Group's business of insurance was adversely impacted by the negative performance of the capital markets together with a decline in premiums resulting in a negative balance on the long term business account of €3,767,833 compared to an equivalent deficit of €467,356 in 2007. The increment in the value of in-force-business totalled €1,271,282 in 2008, compared to €58,234 in 2007 - this item reflects the projection of future shareholder profits expected from insurance policies in force at the year-end appropriately discounted and adjusted for the effect of taxation.

On the other hand, the Group's Property activities as well as the Agency and Brokerage services registered positive results. Property registered a total pre-tax profit of €303,099 (compared to €3,013,518 in 2007) primarily arising from a combination of profit on disposal of property held for development and fair value gains on investment property, whilst the Group's Agency and Brokerage services registered a profit before tax of €622,810 compared to €714,307 in 2007.

Throughout 2008 the Group took constant measures to contain its direct and indirect costs. This continues to be a key area of focus in 2009, and in addition the Board has during late 2008 and early 2009 initiated a comprehensive review of its business in order to identify and implement further process efficiencies and business re-alignment. The Board is closely monitoring developments in order to ensure that the Group is well positioned to ride out the downturn and exploit opportunities arising in the markets.

In view of the results for 2008, the directors do not recommend the declaration of a dividend.

**Condensed Consolidated Income Statement  
for the year ended 31 December 2008**

	Group	
	2008	2007
	€	€
Commission and fees receivable	3,595,991	4,686,795
Performance fees receivable	81,418	134,656
Balance on the long term business of insurance technical account before tax	(3,767,833)	(467,356)
Increment in the value of in-force-business	1,271,282	58,234
Gains on investment property	651,310	4,709,720
Profit on disposal of property held for development	293,241	112,527
Other operating income	36,913	74,612
Administrative expenses	(5,257,900)	(6,280,141)
Commission payable and direct marketing costs	(543,295)	(608,620)
Impairment of goodwill	(1,228,715)	(465,875)
Share of loss of associated undertaking	(265,317)	(3,552)
<b>Operating (loss)/profit</b>	<b>(5,132,905)</b>	<b>1,951,000</b>
Net investment loss net of allocation to the insurance technical account	(2,421,521)	(1,597,256)
<b>(Loss)/profit before tax</b>	<b>(7,554,426)</b>	<b>353,744</b>
Tax credit	668,264	226,191
<b>(Loss)/profit for the financial year</b>	<b>(6,886,162)</b>	<b>579,935</b>
Earnings per share (cents)	(52c1)	4c4

	Group	
	2008	2007
	€	€
<b>Pre-tax results include the following:</b>		
Unrealised fair value movements on investments	(6,513,318)	(1,140,908)
Unrealised fair value movements on investment property	651,310	4,400,065
	<b>(5,862,008)</b>	<b>3,259,157</b>

**Condensed Consolidated Balance Sheet  
at 31 December 2008**



	Group	
	2008	2007
	€	€
<b>ASSETS</b>		
Intangible assets	7,005,475	7,561,570
Deferred income tax	676,558	77,540
Property, plant and equipment	1,474,517	5,223,445
Investment property	23,960,021	21,062,835
Investment in associated undertaking	3,533,633	3,798,060
Other investments	38,493,993	49,558,866
Reinsurers' share of technical provisions	1,005,187	867,091
Taxation receivable	1,266,715	1,120,205
Stock - property held for development	5,897,283	4,710,324
Trade and other receivables	3,663,772	3,609,543
Cash and cash equivalents	12,385,073	7,470,988
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<b>Total assets</b>	<b>99,362,227</b>	<b>105,060,467</b>
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<b>EQUITY AND LIABILITIES</b>		
Capital and reserves	22,027,631	28,913,793
Technical provisions	51,475,499	49,104,670
Interest-bearing borrowings	20,458,529	20,917,340
Deferred income tax	1,731,255	1,839,720
Trade and other payables	3,489,633	4,016,294
Current income tax liabilities	179,680	268,650
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<b>Total equity and liabilities</b>	<b>99,362,227</b>	<b>105,060,467</b>
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**Condensed Consolidated Statement of Changes in Equity  
for the year ended 31 December 2008**

	Group				
	Share capital	Share premium account	Other reserves	Profit and loss account	Total
	€	€	€	€	€
<b>Year ended 31 December 2007</b>					
Balance at 1 January 2007	3,845,663	16,970,641	2,834,198	5,883,203	29,533,705
Profit for the financial year	-	-	-	579,935	579,935
Increment in value of in-force business transferred to other reserves, net of tax	-	-	37,270	(37,270)	-
Fair value movements on investment property, net of deferred tax	-	-	3,648,893	(3,648,893)	-
	-	-	3,686,163	(3,686,163)	-
Total recognised income for 2007	-	-	3,686,163	(3,106,228)	579,935
Dividends	-	-	-	(1,199,847)	(1,199,847)
<b>Balance at 31 December 2007</b>	<b>3,845,663</b>	<b>16,970,641</b>	<b>6,520,361</b>	<b>1,577,128</b>	<b>28,913,793</b>
<b>Year ended 31 December 2008</b>					
Balance at 1 January 2008	3,845,663	16,970,641	6,520,361	1,577,128	28,913,793
Loss for the financial year	-	-	-	(6,886,162)	(6,886,162)
Increment in value of in-force business transferred to other reserves, net of tax	-	-	826,333	(826,333)	-
Fair value movements on investment property, net of deferred tax	-	-	144,778	(144,778)	-
	-	-	971,111	(971,111)	-
Total recognised loss for 2008	-	-	971,111	(7,857,273)	(6,886,162)
<b>Balance at 31 December 2008</b>	<b>3,845,663</b>	<b>16,970,641</b>	<b>7,491,472</b>	<b>(6,280,145)</b>	<b>22,027,631</b>

**Condensed Consolidated Cash Flow Statement  
for the year ended 31 December 2008**



	Group	
	2008	2007
	€	€
Net cash from operating activities	3,355,020	2,917,463
Net cash from/(used in) investing activities	2,189,964	(712,392)
Net cash from/ (used in) from financing activities	(1,080,847)	(1,301,223)
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Movement in cash and cash equivalents	4,464,137	903,848
Cash and cash equivalents at beginning of year	6,626,266	5,722,418
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Cash and cash equivalents at end of year	11,090,403	6,626,266
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## Notes to the Condensed Consolidated Financial Statements

(1) The accounting policies used in the preparation of the financial statements for the year ended 31 December 2008 are consistent with those used in the annual financial statements for the year ended 31 December 2007.

(2) The Group's operations consist of the provision of investment, advisory and insurance broking services in terms of the Investment Services Act, 1994 and 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.

(3) Net unrealised fair value losses recognised in the profit and loss account for the year ended 31 December 2008 amounted to €5,862,008 (2007: Gain €3,259,157).

(4) Earnings per share is based on the loss/profit for the year divided by the weighted average number of ordinary shares in issue during the year. The weighted average number of ordinary shares in issue during the year amounted to 13,207,548 shares (2007: 13,207,548 shares).

(5) The net fair value losses reported in note (3) above include a net unrealised gain of €651,310 arising on investment property. The valuations were carried out by independent property consultants. An unrealised gain on investment property of €4,400,065 was recognised in the financial statements of the Group for the year ended 31 December 2007.

(6) The value of in force business increased significantly in 2008. The movement for the year amounted to €1,271,282 (2007: €58,234). This represents a projection of future shareholders' profit expected from insurance policies at year end discounted and adjusted for taxation. This valuation includes a number of assumptions relating to future mortality, persistence, level of expenses and investment returns over the longer term.