



120, The Strand, Gzira GZR03, Malta
tel: (+356) 21 310 088
fax: (+356) 21 310 093
email: info@globalcapital.com.mt

www.globalcapital.com.mt

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

Quote

The Board of Directors of GlobalCapital p.l.c. has today, Thursday 3 April 2008, met and approved the Group's financial statements for the period ended 31 December 2007 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 2007 is attached herewith.

Unquote

**By Order of the Board
3 April 2008**

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 2007

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 financial statements for the year ended 31 December 2007 as approved by the Board of Directors on 3 April 2008.

Financial Review

The Group registered a profit before tax for the period ended 31 December 2007 of Lm151,862 (€353,743) (2006: Lm3,171,685 (€7,388,039)). The year under review was characterised by a severe downturn in the capital markets which had an adverse effect on the results and operating performance for the year. This scenario is expected to persist in the near term.

In view of the above, the income from performance fees has decreased by Lm2,449,664 (€5,706,182) from Lm2,507,472 (€5,840,839) to Lm57,808 (€134,656). The turmoil within the capital markets has also affected investor confidence which impacted the sale and distribution of investment products.

The Group's Business of Insurance segment continued to register progress which is reflected in the growth of premiums written. In 2007, these amounted to Lm5,423,888 (€12,634,260) compared with Lm4,169,850 (€9,713,138) in 2006. However this segment's performance was also adversely impacted by the capital markets' performance which prevailed in 2007.

The same positive trend was experienced in the Group's agency and brokerage services segments whereby turnover increased to Lm819,246 (€1,908,330) in 2007 compared to Lm549,261 (€1,279,434) in 2006. This also led to a segment result of Lm277,687 (€646,837) in 2007 compared to Lm14,410 (€33,566) in 2006.

The Group's property segment has continued to perform at good levels in line with previous years with turnover of Lm468,621 (€1,091,593) in 2007 compared to Lm79,934 (€186,196) in 2006. The corresponding result for this segment is Lm1,914,854 (€4,460,410) in 2007 compared to Lm749,710 (€1,746,355) in 2006.

Despite the prevailing environment in the local and international capital markets, the Group is well-positioned to take advantage of an upturn in due course. The Board is of the view that there are imperfections in the market and therefore opportunities, including acquisitions, are being actively pursued.

In view of the results for 2007, the directors do not recommend the declaration of a dividend.



Condensed Consolidated Profit and Loss Account
for the year ended 31 December 2007

	Group	
	2007	2006
	Lm	Lm
Commission and fees receivable	2,012,040	2,321,037
Performance fees receivable	57,808	2,507,472
Balance on the long term business of insurance technical account before tax	(200,636)	64,959
Increment in the value of in-force-business	25,000	129,000
Gains on investment property	2,021,883	792,740
Profit on disposal of property held for development	48,308	-
Other operating income	32,031	27,019
Administrative expenses	(2,759,267)	(2,446,692)
Commission payable and direct marketing costs	(198,078)	(368,038)
Impairment of goodwill	(200,000)	(300,000)
Share of loss of associated undertaking	(1,525)	(1,586)
Operating profit	837,564	2,725,911
Net investment income net of allocation to the insurance technical account	(685,702)	445,774
Profit before tax	151,862	3,171,685
Tax income/(expense)	97,104	(1,132,351)
Profit for the financial year	248,966	2,039,334
Earnings per share (cents)	1c9	15c4

Condensed Consolidated Balance Sheet
at 31 December 2007



	2007	2006
	Lm	Lm
ASSETS		
Intangible assets	3,246,182	3,433,890
Deferred income tax	33,288	38,729
Property, plant and equipment	2,242,425	2,333,694
Investment property	9,042,275	6,484,184
Investment in associated undertaking	1,630,507	1,468,632
Other investments	21,275,621	21,676,730
Reinsurers' share of technical provisions	372,242	386,803
Taxation receivable	480,904	232,731
Stock - property held for development	2,022,142	1,498,687
Trade and other receivables	1,549,577	1,417,270
Cash and cash equivalents	3,207,295	2,474,269
Total assets	45,102,458	41,445,619
EQUITY AND LIABILITIES		
Capital and reserves	12,412,691	12,678,819
Technical provisions	21,080,635	16,978,459
Interest-bearing borrowings	8,979,814	8,679,301
Deferred income tax	789,792	848,867
Trade and other payables	1,724,194	1,635,960
Current income tax liabilities	115,332	624,213
Total equity and liabilities	45,102,458	41,445,619

Condensed Consolidated Statement of Changes in Equity

	Group				Total
	Share capital	Share premium account	Other reserves	Profit and loss account	
	Lm	Lm	Lm	Lm	
Year ended 31 December 2006					
Balance at 1 January 2006	1,650,943	7,285,496	472,578	1,788,486	11,197,503
Profit for the financial year	-	-	-	2,039,334	2,039,334
Increment in value of in-force business transferred to other reserves	-	-	84,000	(84,000)	-
Investment property - fair value gains, net of deferred income tax transferred to other reserves	-	-	660,143	(660,143)	-
Net income/(expense) recognised directly in equity	-	-	744,143	(744,143)	-
Total recognised income for 2006	-	-	744,143	1,295,191	2,039,334
Dividends	-	-	-	(558,018)	(558,018)
Balance at 31 December 2006	1,650,943	7,285,496	1,216,721	2,525,659	12,678,819
Year ended 31 December 2007					
Balance at 1 January 2007	1,650,943	7,285,496	1,216,721	2,525,659	12,678,819
Profit for the financial year	-	-	-	248,966	248,966
Increment in value of in-force business transferred to other reserves	-	-	16,000	(16,000)	-
Investment property - fair value gains, net of deferred income tax transferred to other reserves	-	-	1,566,470	(1,566,470)	-
Net income/(expense) recognised directly in equity	-	-	1,582,470	(1,582,470)	-
Total recognised income for 2007	-	-	1,582,470	(1,333,504)	248,966
Dividends	-	-	-	(515,094)	(515,094)
Balance at 31 December 2007	1,650,943	7,285,496	2,799,191	677,061	12,412,691



Condensed Consolidated Cash Flow Statement
for the year ended 31 December 2007

	Group	
	2007	2006
	Lm	Lm
Net cash from operating activities	1,252,467	2,944,085
Net cash used in investing activities	(305,830)	(10,485,865)
Net cash (used in)/from financing activities	(558,615)	6,875,788
Movement in cash and cash equivalents	388,022	(665,992)
Cash and cash equivalents at beginning of year	2,456,634	3,122,626
Cash and cash equivalents at end of year	2,844,656	2,456,634

Key figures in the annual financial statements in Euros

	Group	
	2007	2006
	€	€
Turnover	18,183,638	20,960,538
Profit for the financial year	579,935	4,750,370
Earnings per share	4c4	36c0
Net asset value	28,913,792	29,533,704
Cash flows from/(used in):		
Operating activities	2,917,463	6,857,873
Investing activities	(712,392)	(24,425,495)
Financing activities	(1,301,223)	16,016,278

The amounts in Euro have been translated using the irrevocably Fixed Conversion Rate of €1 = Lm0.4293

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 2007 are consistent with those used in the annual financial statements for the year ended 31 December 2006. The Group adopted IFRS 7 Financial Instruments: Disclosures, and the Complementary amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures with effect from 1 January 2007. IFRS 7 does not have any impact on the classification and valuation of the Group's financial instruments and the amendment to IAS 1 has no impact on the classification and measurement of the Group's capital which is represented by the net assets attributable to shareholders.
- (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 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.
- (3) Commitments for property related expenditure not provided for in these condensed financial statements amounted to Lm1,924,466 as at 31 December 2007 (31 December 2006: Lm2,288,623).
- (4) Fair value gains recognised in the profit and loss account for the period ended 31 December 2007 amounted to Lm1,101,092 (2006: Lm2,043,518).
- (5) Earnings per share is based on the net 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 (2006: 13,207,548 shares).
- (6) The fair value gains reported in note (4) above include a gain of Lm1,502,770 arising on investment property, whose value was determined on the basis of a professional valuation, based on comparative sales method. This valuation was carried out by a leading independent global residential and commercial property consultancy firm. An unrealised gain on this property of Lm772,740 was also recognised in the financial statements of the Group for the year ended 31 December 2006. The valuation of this property is considered a critical accounting estimate and judgement given the unique nature of the property. The valuation as at 31 December 2006 was based on discounted cash flows of future potential rental streams. The directors are confident that the property continues to carry potential of future capital appreciation.