



**Medserv p.l.c.**  
Malta Freeport  
Port of Marsaxlokk,  
Birzebbugia BBG07, Malta  
Tel: (00356) 2220 2000  
Fax: (00356) 2220 2328  
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## **COMPANY ANNOUNCEMENT**

The following is a company announcement by Medserv plc pursuant to the Listing Rules 8.7.4 and 8.7.21.

The Board of Directors of Medserv plc has today approved the financial statements for the period ended 31 December 2006 and resolved that they be submitted for the approval of the shareholders at the forthcoming Annual General Meeting. A preliminary profits statement is being attached.

The Board of Directors is proposing that the Annual General Meeting approves the payment of a net dividend of Lm0.0206 per share.

The Board of Directors has also decided that the Annual General Meeting shall be held on the 31<sup>st</sup> May 2007. Shareholders on the Company's Register at the Central Securities Depository of the Malta Stock Exchange as at close of business on Monday 30<sup>th</sup> April 2007 will receive notice of the Annual General Meeting together with a copy of the Annual Report and Financial Statements.

A handwritten signature in black ink, appearing to read "Anthony J. Duncan", written over a horizontal line.

**Anthony J. Duncan**  
Director

30th March 2007



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**Preliminary Profit Statement for the year ended 31 December 2006**

This Statement is published pursuant to the Malta Financial Services Authority Listing Rules 8.7.4,8.7.21,9.35 and Article 4(2)(b) of the prevention of Financial Markets Abuse (Disclosure and Notification) Regulations, 2005. The financial information has been extracted from Medserv p.l.c.'s audited financial statements for the year ended 31 December 2006.

**Review of performance**

Medserv p.l.c.'s turnover for the year ended 31 December 2006 was Lm2,932,013 (forecast Lm3,054,000) whilst profit before tax amounted to Lm515,288 (forecast Lm474,000). Profit after tax amounted to Lm655,995 (forecast Lm694,000).

**Condensed income statement for the year ended 31 December 2006**

	2006	2005
	Lm	Lm
<b>Turnover</b>	<b>2,932,013</b>	4,207,429
Cost of sales	<u>(1,925,898)</u>	<u>(2,710,766)</u>
<b>Gross profit</b>	<b>1,006,115</b>	1,496,663
Other operating income	<b>83,787</b>	26,394
Administrative expenses	<b>(568,148)</b>	(492,326)
Other operating expenses	<u>(3,220)</u>	<u>(192,862)</u>
<b>Results from operating activities</b>	<b>518,534</b>	837,869
Net finance expense	<u>(3,246)</u>	<u>(48,625)</u>
<b>Profit before tax</b>	<b>515,288</b>	789,244
Tax income	<u>140,707</u>	<u>1,153,748</u>
<b>Profit for the year</b>	<u><b>655,995</b></u>	<u>1,942,992</u>
<b>Earnings per share</b>	<u><b>2c5</b></u>	<u>7c4</u>

**Condensed balance sheet account as at 31 December 2006**

	2006	2005
	Lm	Lm
<b>Assets</b>		
Property, plant and equipment	<b>1,354,672</b>	1,319,567
Other investment	<b>3,287</b>	3,287
Deferred tax assets	<b>1,436,150</b>	1,295,442
Current assets	<u>1,291,457</u>	<u>1,570,707</u>
<b>Total assets</b>	<u><b>4,085,566</b></u>	<u>4,189,003</u>
<b>Equity and liabilities</b>		
Capital and reserves		
Share capital	<b>1,000,000</b>	1,020
Retained earnings and reserves	<u>1,724,405</u>	<u>2,767,390</u>
Total equity	<u><b>2,724,405</b></u>	<u>2,768,410</u>
Total non-current liabilities	<b>652,490</b>	17,287
Total current liabilities	<u>708,671</u>	<u>1,403,306</u>
Total liabilities	<u><b>1,361,161</b></u>	<u>1,420,593</u>
<b>Total equity and liabilities</b>	<u><b>4,085,566</b></u>	<u>4,189,003</u>



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**Condensed changes in equity for the year ended 31 December 2006**

	Total	Share capital	Fair value reserve	Other reserve	Retained earnings
	Lm	Lm	Lm	Lm	Lm
Balance as 1 January 2005	1,174,152	1,020	1,853	135,650	1,035,629
Profit for the year	1,942,992	-	-	-	1,942,992
Transfer to other reserve:					
Unrealised gain recognised	-	-	-	1,145,759	(1,145,759)
Changes in fair value of equity securities available-for-sale	1,332	-	1,332	-	-
Deferred taxation	(66)	-	(66)	-	-
Interim dividend	(350,000)	-	-	-	(350,000)
Balance as 31 December 2005	<u>2,768,410</u>	<u>1,020</u>	<u>3,119</u>	<u>1,281,409</u>	<u>1,482,862</u>
Balance as 1 January 2006	<b>2,768,410</b>	<b>1,020</b>	<b>3,119</b>	<b>1,281,409</b>	<b>1,482,862</b>
Profit for the year	<b>655,995</b>	-	-	-	<b>655,995</b>
Transfer to other reserve	-	-	-	<b>155,235</b>	<b>(155,235)</b>
Issue of shares in lieu of dividends	-	<b>998,980</b>	-	-	<b>(998,980)</b>
Interim dividend	<b>(700,000)</b>	-	-	-	<b>(700,000)</b>
<b>Balance as 31 December 2006</b>	<b><u>2,724,405</u></b>	<b><u>1,000,000</u></b>	<b><u>3,119</u></b>	<b><u>1,436,644</u></b>	<b><u>284,642</u></b>

**Condensed cash flow statement for the year ended 31 December 2006**

	2006	2005
	Lm	Lm
Net cash from operating activities	<b>543,006</b>	754,638
Net cash used in investing activities	<b>(114,395)</b>	(229,234)
Net cash used in financing activities	<b>(264,342)</b>	(461,976)
Net increase in cash and cash equivalents	<b>164,269</b>	63,428
Cash and cash equivalents at the beginning of the year	<b>52,491</b>	(1,485)
Effect of exchange rate fluctuations on cash held	<b>(2,489)</b>	(9,452)
Movement in cash pledged as guarantee	<b>(28,000)</b>	-
Cash and cash equivalents at 31 December	<b><u>186,271</u></b>	<u>52,491</u>