



**Medserv p.l.c.**  
Malta Freeport  
Port of Marsaxlokk,  
Birzebbugia BBG07, Malta  
Tel: (00356) 2220 2000  
Fax: (00356) 2220 2328  
Email: info@medservmalta.com

## COMPANY ANNOUNCEMENT

### MEDSERV P.L.C. (THE "COMPANY")

Announces its half-yearly financial statements

---

Date of Announcement	31 August 2007
Reference	7/2007
Listing Rule	LR8.7.21

---

This is a company announcement being made by the Company in compliance with Chapter 8 of the Listing rules:

#### Approval of Interim Financial Statements

At a meeting of the directors of the Company held on the 28<sup>th</sup> August 2007 the board of directors approved the financial statements of the Company for the financial period 1 January 2007 to the 30 June 2007. A copy of the preliminary statement of the interim results is attached to this announcement in accordance with the requirements of LR8.7.21.

In addition a copy of the interim financial statements is available without charge from the Company's registered office for the purpose of LR9.36.4.

  
Louis de Gabriele  
Company Secretary



# Medserv p.l.c.

## Directors' Report pursuant to Listing Rule 9.44.2

For the Period 1 January 2007 to 30 June 2007

---

*This report is published in terms of Chapters 8 and 9 of the Listing Rules of The Listing Authority, Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act 2005.*

*The published figures have been extracted from the Group's unaudited accounts for the six months ended 30 June 2007 and its comparative period in 2006. The comparative balance sheet has been extracted from the audited financial statements as at 31 December 2006. The condensed consolidated interim financial statements have been prepared in accordance with accounting standards adopted for use in the EU for interim financial statements (EU adopted IAS 34 - Interim Financial Reporting). In terms of Listing Rule 9.44.5 the directors state that the half yearly financial report has not been audited or reviewed by the Group's independent auditors.*

### Principal Activities

The principal activities of the Group, operated through the Operating Company, consists of providing services and support to the offshore oil and gas industry operating mainly in the Mediterranean basin with a focus on the industry's activities in North Africa.

### Accounting Policies

The accounting policies adopted in the preparation of the Group's half yearly report are the same as those adopted in the preparation of the audited financial statements for the year ended 31 December 2006.

### Review of Performance and Outlook

The Group's turnover for the six-month period amounted to Lm526,745 compared to Lm1,429,730 achieved in the comparative period.

The Group registered a loss before tax of Lm227,422 compared to a profit of Lm233,044 earned in the six-month period to 30 June 2006. After providing for deferred taxation, the net loss for the period to 30 June 2007 amounted to Lm118,578 (2006: profit Lm334,114).

As reported in the Company Announcement dated 21 May 2007, the Company's financial performance was being adversely affected by delays in the commencement of the intensive activity which is to take place in the Mediterranean region. In the main, this was and is still due to delays in the release from their existing contracts of oil rigs which are an essential component of exploration and drilling offshore. These delays have been compounded by a shortage of steel and other equipment. Very recently we have seen improved activity in the services that the Group provides and tubulars and other materials are now arriving at the Malta base in preparation for a number of operations to start.

At the time of the IPO, the Company was heavily reliant on the ENI Group and its contractors, but during the first half of this trading year the Company has signed a number of contracts which expands the client base. This trend has continued and additional contracts are in course of negotiation both with oil companies and with contracting companies of international stature. These contracts cover not only operations in Malta but also in Misurata, in Libya.

# Medserv p.l.c.

## Directors' Report pursuant to Listing Rule 9.44.2

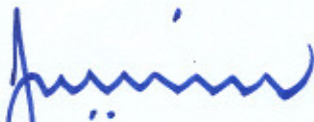
For the Period 1 January 2007 to 30 June 2007

---

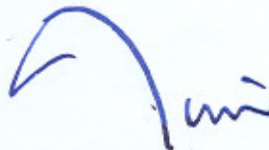
The company's new base in Misurata Libya started operations in July of this year. The Company's subsidiary Medserv Misurata FZC has been awarded a two year contract covering operations connected to onshore Libya. It has also been awarded a second contract relating to offshore operations to commence in 2008. Other contracts are being negotiated. We expect that the Misurata base will contribute through its strong performance to improved overall results in 2008.

The Company continues to position itself according to the requirements of the market, in order to maintain the leading position it has achieved. The new facility in Misurata coupled with continued efforts to maximise the return from the land and quay in Malta provides a platform for maintaining the Company's strong position.

Approved by the Board on 29 August 2007 and signed on its behalf by:



Anthony Duncan  
Director



Anthony Diacono  
Director



# Medserv p.l.c.

## Condensed Interim Income Statement

For the Period 1 January 2007 to 30 June 2007

	Note	30.06.07	30.06.06
		Lm	Lm
Revenue		526,745	1,429,730
Cost of sales		(420,644)	(945,072)
<b>Gross profit</b>		<b>106,101</b>	<b>484,658</b>
Other operating income		-	9,002
Administrative and distribution expenses		(312,703)	(246,848)
Other operating expenses		(520)	-
<b>Results from operating activities</b>		<b>(207,122)</b>	<b>246,812</b>
Finance income		2,306	-
Finance expenses		(22,606)	(13,768)
<b>Net finance costs</b>		<b>(20,300)</b>	<b>(13,768)</b>
<b>(Loss)/profit before tax</b>		<b>(227,422)</b>	<b>233,044</b>
Tax income		108,844	101,070
<b>(Loss)/profit for the period</b>		<b>(118,578)</b>	<b>334,114</b>
<b>Attributable to</b>			
Equity holders of the Company		(115,097)	334,114
Minority interest		(3,481)	-
<b>(Loss)/profit for the period</b>		<b>(118,578)</b>	<b>334,114</b>
<b>(Loss)/earnings per share</b>	5	<b>(1c2)</b>	<b>3c3</b>


# Medserv p.l.c.

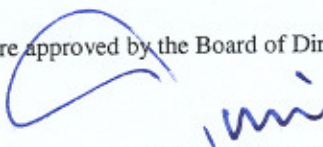
## Condensed Interim Balance Sheet

As at 30 June 2007

	Note	At 30.06.07	At 31.12.06
		Lm	Lm
<b>Assets</b>			
Property, plant and equipment		1,324,845	1,354,672
Other investments		-	3,287
Deferred tax assets		1,545,158	1,436,150
<b>Total non-current assets</b>		<b>2,870,003</b>	<b>2,794,109</b>
Trade and other receivables		701,525	1,067,120
Taxation recoverable		10,066	10,066
Cash at bank and in hand		113,017	214,271
<b>Total current assets</b>		<b>824,608</b>	<b>1,291,457</b>
<b>Total assets</b>		<b>3,694,611</b>	<b>4,085,566</b>
<b>Equity</b>			
Share capital		1,000,000	1,000,000
Reserves		1,436,644	1,439,763
(Accumulated losses)/retained earnings		(36,455)	284,642
Total equity attributable to equity holders of the Company		2,400,189	2,724,405
Minority interest	4	48,044	-
<b>Total equity</b>		<b>2,448,233</b>	<b>2,724,405</b>
<b>Liabilities</b>			
Interest-bearing loans and borrowings		721,519	635,203
Provisions		17,287	17,287
<b>Total non-current liabilities</b>		<b>738,806</b>	<b>652,490</b>
Interest-bearing loans and borrowings		232,043	166,393
Trade and other payables		275,529	542,278
<b>Total current liabilities</b>		<b>507,572</b>	<b>708,671</b>
<b>Total liabilities</b>		<b>1,246,378</b>	<b>1,361,161</b>
<b>Total equity and liabilities</b>		<b>3,694,611</b>	<b>4,085,566</b>

These condensed interim financial statements were approved by the Board of Directors on 29 August 2007 and were signed by:

  
Anthony Duncan  
Director

  
Anthony Diacono  
Director



# Medserv p.l.c.

## Condensed Interim Statement of Changes in Equity

For the Period 1 January 2007 to 30 June 2007

	Share Capital	Fair value reserve	Other reserve	(Accumulated losses)/ retained earnings	Total	Minority Interest	Total Equity
	Lm	Lm	Lm	Lm	Lm	Lm	Lm
Balance at 1 January 2006	1,020	3,119	1,281,409	1,482,862	2,768,410	-	2,768,410
Profit for the period	-	-	-	334,114	(50,000)	-	(50,000)
Interim dividend	-	-	-	(50,000)	334,114	-	334,114
Balance at 30 June 2006	<u>1,020</u>	<u>3,119</u>	<u>1,281,409</u>	<u>1,766,976</u>	<u>3,052,524</u>	<u>-</u>	<u>3,052,524</u>
Balance at 1 January 2007	1,000,000	3,119	1,436,644	284,642	2,724,405	-	2,724,405
Issue of shares to minority	-	-	-	-	-	51,525	51,525
Interim dividend	-	-	-	(206,000)	(206,000)	-	(206,000)
Loss for the period	-	-	-	(115,097)	(115,097)	(3,481)	(118,578)
Release of net gains on available-for-sale assets transferred to the income statement on disposal	-	(3,119)	-	-	(3,119)	-	(3,119)
Balance at 30 June 2007	<u>1,000,000</u>	<u>-</u>	<u>1,436,644</u>	<u>(36,455)</u>	<u>2,400,189</u>	<u>48,044</u>	<u>2,448,233</u>

# Medserv p.l.c.

## Condensed Interim Cash Flow Statement

For the Period 1 January 2007 to 30 June 2007

	30.06.07	30.06.06
	Lm	Lm
<b>Cash flows from operating activities</b>		
(Loss)/profit for the period	(118,578)	334,114
Adjustments for:		
Income tax	(108,844)	(101,070)
Depreciation	42,225	35,604
	(185,197)	268,648
Working capital changes:		
Movement in trade and other receivables	446,258	110,735
Movement in trade and other payables	(201,711)	(206,923)
Movement in directors' balances	815	(32,842)
Cash generated from operations	60,165	139,618
Interest paid	-	(15,934)
<b>Net cash from operating activities</b>	<b>60,165</b>	<b>123,684</b>
<b>Cash flows from investing activities</b>		
Payments to acquire property, plant and equipment	(12,400)	(33,565)
Amounts advanced to directors	-	(67,000)
<b>Net cash used in investing activities</b>	<b>(12,400)</b>	<b>(100,565)</b>
<b>Cash flows from financing activities</b>		
Loans advanced by bank	198,400	-
Bank loan repayment	(34,152)	-
Bank loan interest paid	(22,606)	-
Repayment of advances to shareholders	(136,185)	-
Proceeds from issue of shares to minority	51,525	-
Dividends paid	(206,000)	(25,000)
<b>Net cash used in financing activities</b>	<b>(149,018)</b>	<b>(25,000)</b>
Net decrease in cash and cash equivalents	(101,253)	(1,881)
Cash and cash equivalents at beginning of period	186,271	52,491
<b>Cash and cash equivalents at end of period</b>	<b>85,018</b>	<b>50,610</b>



# Medserv p.l.c

## Notes to the Condensed Interim Financial Statements

For the Period 1 January 2007 to 30 June 2007

---

### 1 Reporting company

MedServ p.l.c. (the "Company") is a public liability company domiciled and incorporated in Malta. On 28 September 2006 the Company changed its name from A.D. Holdings Limited to Medserv p.l.c.

The condensed consolidated financial statements for the six-months ended 30 June 2007 comprise the Company and its subsidiaries (together referred to as the 'Group'). Subsidiaries consists of Medserv Operations Limited and Medserv Misurata FZC.

### 2 Significant accounting policies

The accounting policies adopted by the Group in these condensed interim financial statements are the same as those applied by the Group in its financial statements as at and for the year ended 31 December 2006.

### 3 Related party transactions

The Company has a related party relationship with its subsidiaries and with its directors. All transactions entered into with Group companies have been eliminated in the preparation of the consolidated condensed half-yearly Report.

The following are the significant related party transactions:

	Lm
<b>Shareholders</b>	
Repayment of advances	<u>136,185</u>

### 4 Investment in Subsidiary

During the six months ended 30 June 2007, the Company invested in Medserv Misurata FZC. The company holds 1,800 shares out of 3,000 in issue representing a holding of 60%. Cost of investment amounted to Lm77,274.

### 5 Earnings per share

The calculation of earnings per share of the Group for both the current and comparative period is based on the profit or loss attributable to the shareholders of the Company as shown in the income statement divided by the number of shares outstanding during the six month period ended 30 June 2007 amounting to 10,000,000 shares.



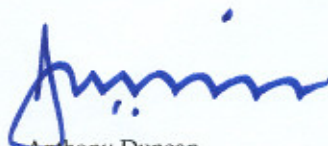
# Medserv p.l.c

## Statement pursuant to Listing Rule 9.44.3 issued by the Listing Authority

---

We confirm that to the best of our knowledge as follows:

- the condensed interim financial statements give a true and fair view of the financial position of the Group as at 30 June 2007, as well as of the financial performance and cash flows for the said period, fully in compliance with the accounting standards adopted for use in the EU for interim financial statements (EU adopted IAS 34, Interim Financial Reporting); and
- the Interim Directors' report includes a fair review of the information required in terms of the Listing Rule 9.44.2.



Anthony Duncan  
Director



Anthony Diacono  
Director

29 August 2007