



Middlesea Insurance p.l.c.

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Registration Number: C5553

EMB/MSE/11804

24 September 2004

Company Announcement in accordance with MFSA Listing Rules 8.6.2 and 8.6.19

Attached is the half-yearly **report** on the activities and profits and losses on a Group basis for the first six months of 2004 that was approved during the Board Meeting held today 24 September 2004. The Board of Directors does not propose to pay a dividend for the half year ended 30 June 2004.

E.M. Borg

Company Secretary



MIDDLESEA INSURANCE p.l.c.

ABRIDGED FINANCIAL STATEMENTS

For the half-year ended 30 June 2004

MIDDLESEA INSURANCE p.l.c.

Consolidated profit and loss account
Non-technical account
for the half year ended 30 June 2004


	Group		Company	
	2004	2003	2004	2003
	Lm	Lm	Lm	Lm
Balance on the general business technical accounts	996,773	244,979	240,477	(175,048)
Balance on the long term business technical account	72,388	77,921	72,388	77,921
	1,069,161	322,900	312,865	(97,127)
Share of group undertaking's profit before tax involved in general business	-	-	244,217	124,569
Share of participating interest's profit before tax involved in long term business	371,110	566,532	371,110	566,532
Total income from insurance activities	1,440,271	889,432	928,192	593,974
Share of group undertakings' profit before tax	-	-	129,201	105,596
Other investment income	903,519	924,745	393,935	470,376
Investment expenses and charges	(249,743)	(216,623)	(49,358)	(177,671)
Allocated investment return transferred to the general business technical account	(552,044)	(481,769)	(221,650)	(177,632)
Other income	304,967	303,755	-	-
Administration expenses	(614,627)	(646,280)	(191,050)	(160,178)
Continuing operations	1,266,733	714,496	1,023,660	595,701
Discontinuing operation	(34,390)	58,764	(34,390)	58,764
Operating profit on ordinary activities before tax	1,232,343	773,260	989,270	654,465
Provision for loss on discontinuing operation	37,945	-	37,945	-
Profit on ordinary activities before tax	1,270,288	773,260	1,027,215	654,465
Tax on profit on ordinary activities	(241,203)	160	(164,890)	42,149
Profit on ordinary activities after tax	1,029,085	773,420	862,325	696,614
Minority interests	(166,760)	(76,806)	-	-
Profit for the financial year	862,325	696,614	862,325	696,614
Earnings per share	<u>6c9</u>	<u>5c6</u>	<u>6c9</u>	<u>5c6</u>

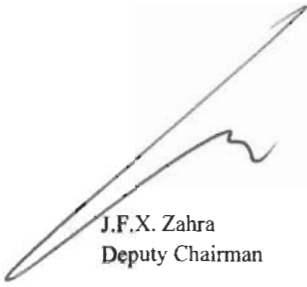
MIDDLESEA INSURANCE p.l.c.

Consolidated balance sheet
as at 30 June 2004

	Group		Company	
	June 2004	December 2003	June 2004	December 2003
	Lm	Lm	Lm	Lm
ASSETS				
Investments	64,987,919	61,678,944	36,517,252	34,790,510
Reinsurers' share of technical provisions	14,354,873	15,117,032	7,165,237	6,839,804
Debtors	8,771,655	7,429,905	5,398,184	5,108,530
Other assets	7,221,428	6,357,530	3,454,111	2,510,019
Prepayments and accrued income	3,066,161	3,080,213	2,293,951	2,498,937
TOTAL ASSETS	98,402,036	93,663,624	54,828,735	51,747,800
LIABILITIES				
Capital and reserves	22,660,865	21,858,848	22,660,865	21,858,848
Minority interests	3,856,129	3,709,670	-	-
Technical provisions	59,008,190	56,851,155	22,694,699	21,364,559
Provisions for other risks and charges	430,927	316,502	105,778	5,493
Deposits received from reinsurers	1,334,882	1,448,038	1,239,472	1,190,751
Creditors	8,361,572	6,639,198	6,454,195	5,314,906
Accruals and deferred income	2,749,471	2,840,213	1,673,726	2,013,243
TOTAL LIABILITIES	98,402,036	93,663,624	54,828,735	51,747,800

These abridged financial statements were approved by the board on 24 September 2004 and were signed on its behalf by :


M.C. Grech
Chairman and C.E.O.


J.F.X. Zahra
Deputy Chairman

MIDDLESEA INSURANCE p.l.c.

Consolidated cash flow statement
for the half year ended 30 June 2004

	Group		Company	
	2004	2003	2004	2003
	Lm	Lm	Lm	Lm
Net cash generated from operating activities	3,775,361	4,151,668	2,115,111	977,435
Net cash used in investing activities	(7,074,411)	(2,656,483)	(735,814)	(287,544)
Net cash used in financing activities	(19,027)	(586,211)	(19,027)	(576,411)
(Decrease)/increase in cash and cash equivalents	(3,318,077)	908,974	1,360,270	113,480
Movement in cash and cash equivalents				
At 1st January	11,555,978	10,050,999	2,982,822	3,783,538
Net cash (outflow)/inflow	(3,318,077)	908,974	1,360,270	113,480
Effect of exchange rate changes	(107,519)	112,603	-	-
At 30th June	8,130,382	11,072,576	4,343,092	3,897,018

MIDDLESEA GROUP
STATEMENT OF CHANGES IN EQUITY
for the half year ended 30 June 2004

GROUP AND COMPANY

	Share Capital Lm	Share Premium account Lm	Revaluation Reserve Lm	Other Reserves Lm	Profit & Loss Account Lm	Total Lm
Balance as at 1 January 2003	6,250,000	1,192,500	766,209	4,212,166	8,789,965	21,210,840
Net gains not recognised in profit and loss account	-	-	243,291	565,523	-	808,814
Dividends for 2002	-	-	-	-	(568,750)	(568,750)
Profit for the half year	-	-	-	-	696,614	696,614
Balance as at 30 June 2003	6,250,000	1,192,500	1,009,500	4,777,689	8,917,829	22,147,518
Balance as at 1 January 2004	6,250,000	1,192,500	963,998	4,864,950	8,587,400	21,858,848
Net gains not recognised in profit and loss account	-	-	223,157	341,535	-	564,692
Dividends for 2003	-	-	-	-	(625,000)	(625,000)
Profit for the half year	-	-	-	-	862,325	862,325
Balance as at 30 June 2004	6,250,000	1,192,500	1,187,155	5,206,485	8,824,725	22,660,865

MIDDLESEA INSURANCE p.l.c.

Notes to the abridged financial statements
for the half year ended 30 June 2004

1 Middlesea Insurance p.l.c is authorised by the Malta Financial Services Authority to carry on long term and general business of insurance under the Insurance Business Act, 1998.

2 Basis of preparation

These unaudited abridged financial statements are being published in accordance with the Malta Financial Services Authority Listing rules 9.54 and 9.55. These statements have been extracted from the Company's unaudited financial statements as approved by the Board on 24 September 2004. The accounting policies used in the preparation of the financial statements for the half year ended June 2004 are consistent with those used in the annual financial statements as at 31 December 2003 and are prepared in accordance with the Insurance Business Act, 1998 and the Companies Act 1995, which require their preparation in accordance with International Financial Reporting Standards.

3 The total gross premiums written by the Group during the period amounted to Lm19,489,304 (2003 - Lm17,468,668).

4 Segmental information

The Group is organised into three continuing geographic segments Malta, Italy and Gibraltar, and London that is being presented as a discontinuing segment. These segments, which are based on internal management accounts, are all principally involved in the business of general insurance.

	Gross written premiums		Profit/(loss) before taxation	
	2004	2003	2004	2003
	Lm	Lm	Lm	Lm
Continuing operations				
Malta	7,126,533	6,244,997	884,276	539,277
Italy	11,461,747	10,516,714	478,857	244,253
Gibraltar	884,883	704,259	(96,400)	(69,032)
Total continuing operations	19,473,163	17,465,970	1,266,733	714,498
Discontinuing operation				
Malta	133	9,130	(6,452)	66,017
London Branch	16,008	(6,432)	10,007	(7,255)
Total discontinuing operation	16,141	2,698	3,555	58,762
Total for the year	19,489,304	17,468,668	1,270,288	773,260

5 The Board of Directors do not propose to pay an interim dividend for the half year ended 30 June 2004 (June 2003 - nil)

6 The unaudited abridged financial statements of the Company for the period ended 30 June 2004 are exhibited at Middle Sea House, Floriana. These financial statements are available to the public from the Company's Head Office, its Gibraltar Branch and its agents.

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