



## Middlesea Insurance p.l.c.

**Registered address:**

Middle Sea House, Floriana, FRN 1442, Malta.

**Postal address:**

P.O. Box 337 Marsa, GPO 01, Malta.

Tel: (+356) 21 246262

Fax: (+356) 21 248195

E-mail: [middlesea@middlesea.com](mailto:middlesea@middlesea.com)

Website: [www.middlesea.com](http://www.middlesea.com)

Registration Number: C5553

MSI/CMG/MSE04007

12 June 2007

### Company Announcement in accordance with MFSA Listing Rules 9.51 to 9.53

Up to the end of the first quarter 2007, Middlesea Insurance p.l.c. (the 'Holding Company') has achieved, overall, its revenue growth objective over the corresponding period in 2006. This included an improved technical performance registered by both Progress Assicurazioni SpA (the 'Subsidiary') and Middlesea Valletta Life Assurance Co. Ltd (the 'Associate'), whose results have a material effect on the Holding Company.

The local operation continued to produce a positive gross underwriting result. An increased reinsurance cost and a lower investment return from the local capital market during the first quarter adversely affected the overall result registered by the Group.

Middlesea Insurance p.l.c. confirms that no material event and/or transactions have taken place that would have an impact on the balance sheet of the Holding Company and its controlled undertakings such that they would require specific mention, disclosure or announcement pursuant to the applicable Listing Rules.

Mr Mario C. Grech, Executive Chairman reiterated, "The inherent nature of insurance risk business, which is also exposed to cyclical movements in capital markets (local and foreign), presents a continuous challenge throughout the full financial year. Nonetheless, we remain focused to meet future challenges and opportunities successfully. The financial position of the Holding Company has remained sound. This allows us to pursue our endeavours to achieve further growth and development both locally and overseas".

**E.M. Borg**  
**Company Secretary**

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