



Medserv p.l.c.  
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Port of Marsaxlokk,  
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## COMPANY ANNOUNCEMENT

### MEDSERV PLC (THE "COMPANY")

Announces Interim results for the period ended 30<sup>th</sup> June 2008

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Date of Announcement	25 August 2008
Reference	MDS22/2008
Listing Rule	LR8.7.21

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

#### Approval of Annual Accounts

At a meeting of the directors of the Company held on the 25<sup>th</sup> August 2008 the board of directors approved the interim financial statements of the Company for the financial period ended 30<sup>th</sup> June 2008. 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 has been published on the Company's web-site for the purpose of LR9.36.4.

Signed:

Louis de Gabriele

Company Secretary

# **Medserv p.l.c.**

## **Directors' Report pursuant to Listing Rule 9.44k.2**

**For the Period 1 January 2008 to 30 June 2008**

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*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 condensed consolidated interim financial statement figures have been extracted from the Group's unaudited accounts for the six months ended 30 June 2008 and its comparative period in 2007. The comparative balance sheet has been extracted from the audited financial statements as at 31 December 2007. The condensed consolidated interim financial statements are prepared in accordance with accounting standards adopted for use in the EU for interim financial statements (EU adopted IAS 34 - Interim Financial Reporting). These condensed consolidated financial statements were approved by the Board of Directors on 25 August 2008. In terms of Listing Rule 9.44k.5, the directors state that this half-yearly financial report has not been audited or reviewed by the Group's independent auditors.*

*Figures are presented in euro, the functional currency of Medserv p.l.c. from 1 January 2008. Comparative amounts are also presented in euro.*

### **Principal activities**

The principal activities of the Group, consist 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 2007.

### **Review of performance and outlook**

The Group's turnover for the six-month period amounted to EUR5,909,840 compared to EUR1,226,986 achieved in the comparative period last year.

The Group registered a profit before tax of EUR684,166 compared to a loss of EUR529,750 suffered in the six month period to 30 June 2007. After providing for deferred taxation, the net profit for the period to 30 June 2008 amounted to EUR840,347 (June 2007: loss of EUR276,212)

The above results reflect a positive turnaround in the Group's fortunes occasioned by the start of the long awaited activity in the Mediterranean region and as anticipated in the Chairman's report accompanying the 2007 annual financial statements. During the period under review, the Group provided services from Malta not only to our traditional source of business – Libya but also to Egypt, Tunisia and to Congo. The steady growth in demand for the Group's services has brought about a substantial increase in trade receivables and trade payables.

Since the end of June 2008 the base in Malta has been providing services to a rig in preparation for a drilling programme offshore Libya scheduled to commence in September of this year. It is planned for this rig to be joined by a second and then by a third next year. The Group is confident of providing logistic services to all three rigs.

# **Medserv p.l.c.**

## **Directors' Report pursuant to Listing Rule 9.44k.2**

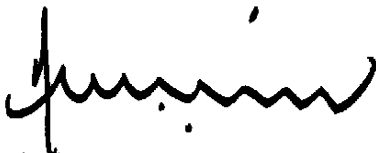
**For the Period 1 January 2008 to 30 June 2008**

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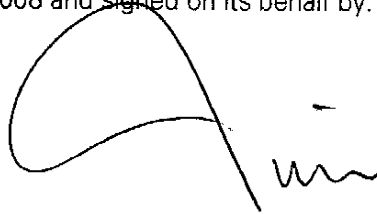
Progress at the Group's Misurata base has continued steadily. The base is now fully operational and provides a substantial contribution to the Group's performance. In addition to warehousing and storage services mud tanks have been installed and bulk plants will have been constructed by the end of the 3<sup>rd</sup> quarter of this year. To cater for the increase in business a further 30,000 sq metres of land has been rented for a period of 30 years to supplement the existing 20,000 sq metres of available storage area. Enquiries are being received for space on this new area and our other storage areas including warehousing are now substantially utilised. The Misurata base is presently providing services to four major oil companies. We are well advanced towards obtaining ISO certification for the base, and this is scheduled for completion in the 2<sup>nd</sup> quarter of 2009.

The Group continues to build on the strong position it has achieved in the market. The continuing growth of business coming to the company's Misurata facility combined with the resurgence of business for the Malta base makes the Directors view the future with confidence.

Approved by the Board on 25 August 2008 and signed on its behalf by:



Anthony Duncan  
Director



Anthony Diacono  
Director

# Medserv p.l.c.

## Consolidated Income Statement

For the Period 1 January 2008 to 30 June 2008

	Note	30.06.08	30.06.07
		EUR	EUR
Revenue		5,909,840	1,226,986
Cost of sales		(4,115,669)	(979,837)
<b>Gross profit</b>		<b>1,794,171</b>	247,149
Other operating income		4,441	-
Administrative and distribution expenses		(1,049,446)	(728,402)
Other operating expenses		-	(1,211)
<b>Results from operating activities</b>		<b>749,166</b>	(482,464)
Finance income		11,253	5,372
Finance expenses		(76,253)	(52,658)
<b>Net finance costs</b>		<b>(65,000)</b>	(47,286)
<b>Profit/(loss) before tax</b>		<b>684,166</b>	(529,750)
Tax income		156,181	253,538
<b>Profit/(loss) for the period</b>		<b>840,347</b>	(276,212)
		=====	=====
<b>Attributable to</b>			
Equity holders of the Company		782,297	(268,103)
Minority interest		58,050	(8,109)
<b>Profit/(loss) for the period</b>		<b>840,347</b>	(276,212)
		=====	=====
<b>Earnings per share</b>			
Basic earnings per share	6	8c4	(2c8)
		=====	=====


# Medserv p.l.c.

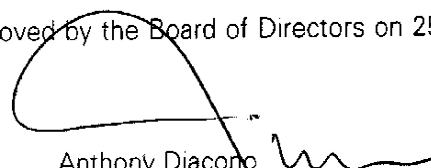
## Consolidated Balance Sheet

As at 30 June 2008

	Note	At 30.06.08	At 31.12.07
		EUR	EUR
<b>Assets</b>			
Property, plant and equipment		3,691,546	3,416,799
Available-for-sale investment	3	101,444	-
Deferred tax assets		3,855,708	3,699,527
<b>Total non-current assets</b>		<b>7,648,698</b>	<b>7,116,326</b>
Trade and other receivables		4,637,527	3,046,878
Taxation recoverable		23,446	23,446
Cash at bank and in hand		303,919	239,553
<b>Total current assets</b>		<b>4,964,892</b>	<b>3,309,877</b>
<b>Total assets</b>		<b>12,613,590</b>	<b>10,426,203</b>
<b>Equity</b>			
Share capital		2,329,373	2,329,373
Reserves		3,570,131	3,524,610
Retained earnings		736,776	-
Total equity attributable to equity holders of the Company		6,636,280	5,853,983
Minority interest		249,592	191,542
<b>Total equity</b>		<b>6,885,872</b>	<b>6,045,525</b>
<b>Liabilities</b>			
Interest-bearing loans and borrowings		1,108,079	1,396,743
Provisions		35,570	35,570
<b>Total non-current liabilities</b>		<b>1,143,649</b>	<b>1,432,313</b>
Interest-bearing loans and borrowings		1,146,104	1,096,059
Trade and other payables		3,437,965	1,852,306
<b>Total current liabilities</b>		<b>4,584,069</b>	<b>2,948,365</b>
<b>Total liabilities</b>		<b>5,727,718</b>	<b>4,380,678</b>
<b>Total equity and liabilities</b>		<b>12,613,590</b>	<b>10,426,203</b>

These consolidated financial statements were approved by the Board of Directors on 25 August 2008 and were signed by:

  
Anthony Duncan  
Director

  
Anthony Diacono  
Director

# Medserv p.l.c.

## Condensed Statement of Changes in Equity

For the Period 1 January 2008 to 30 June 2008

	Share capital	Fair value reserve	Other reserve	(Accumulated losses)/ retained earnings	Total	Minority interest	Total equity
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Balance at 1 January 2007	2,329,373	7,265	3,346,480	663,038	6,346,156	-	6,346,156
Issue of shares to minority	-	-	-	-	-	120,021	120,021
Interim dividend	-	-	-	(479,851)	(479,851)	-	(479,851)
Loss for the period	-	-	-	(268,103)	(268,103)	(8,109)	(276,212)
Release of net gains on available-for-sale assets transferred to the income statement on disposal	-	(7,265)	-	-	(7,265)	-	(7,265)
Balance at 30 June 2007	2,329,373	-	3,346,480	(84,916)	5,590,937	111,912	5,702,849
Balance at 1 January 2008	2,329,373	-	3,524,610	782,297	5,853,983	191,542	6,045,525
Profit for the period	-	-	-	782,297	782,297	58,050	840,347
Transfer from retained earnings:	-	-	45,521	(45,521)	-	-	-
Unrealised gain recognised	-	-	-	-	-	-	-
<b>Balance at 30 June 2008</b>	<b>2,329,373</b>	<b>-</b>	<b>3,570,131</b>	<b>736,776</b>	<b>6,636,280</b>	<b>249,592</b>	<b>6,885,872</b>

# Medserv p.l.c.

## Condensed Cash Flow Statement

For the Period 1 January 2008 to 30 June 2008

	30.06.08	30.06.07
	EUR	EUR
<b>Cash flows from operating activities</b>		
Profit/(loss) for the period	840,347	(276,212)
Adjustments for:		
Income tax	(156,181)	(253,538)
Depreciation	177,429	98,357
Interest payable and similar charges	76,253	52,658
Interest receivable	(1,995)	(1,615)
	935,853	(380,350)
Change in trade and other receivables	(1,590,647)	1,039,502
Change in trade and other payables	1,116,853	(469,860)
Change in directors' balances	(42,559)	1,898
	419,500	191,190
Cash generated from operations	419,500	191,190
Interest paid	(22,897)	-
	396,603	191,190
<b>Net cash from operating activities</b>	<b>396,603</b>	<b>191,190</b>
<b>Cash flows from investing activities</b>		
Payments to acquire property, plant and equipment	(452,176)	(28,884)
Payments to acquire available-for-sale investments	(269,242)	-
Receipts from disposal of available-for-sale investments	169,750	-
Interest received	43	1,615
Payments of expenses by Company on behalf of directors	(21,730)	-
Repayments of expenses on behalf of directors	119,017	-
	(454,338)	(27,269)
<b>Net cash used in investing activities</b>	<b>(454,338)</b>	<b>(27,269)</b>
<b>Cash flows from financing activities</b>		
Loans advanced by bank	-	462,148
Bank loan repayment	(274,553)	(132,211)
Bank loan interest paid	(51,882)	(52,658)
Repayment of advances to shareholders	-	(317,226)
Proceeds from issue of shares to minority	-	120,021
Dividends paid	-	(479,851)
Interest on loan advanced by shareholder	(7,388)	-
Loan advanced by shareholder	420,000	-
	86,177	(399,777)
<b>Net cash from/(used in) financing activities</b>	<b>86,177</b>	<b>(399,777)</b>
Net increase/(decrease) in cash and cash equivalents	28,442	(235,856)
Cash and cash equivalents at beginning of period	(420,268)	433,895
Cash pledged	(65,222)	-
	(457,048)	198,039
<b>Cash and cash equivalents at end of period</b>	<b>(457,048)</b>	<b>198,039</b>

# Medserv p.l.c

## Notes to the Consolidated Financial Statements

For the Period 1 January 2008 to 30 June 2008

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### 1 Reporting company

Medserv p.l.c. (the "Company") is a public liability company domiciled and incorporated in Malta.

The condensed consolidated financial statements for the six-months ended 30 June 2008 comprise the Company and its subsidiaries (together referred to as the 'Group'). Subsidiaries consist 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 2007.

### 3 Available-for-sale investment

During the period under review, the Group acquired units in a marketable unit fund. Some of these units were disposed during the same period.

### 4 Related parties

#### 4.1 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:

	EUR
<b>Shareholder</b>	
Loan advanced by shareholder	<b>420,000</b>
Interest on loan advanced by shareholder	<b>7,388</b>
	=====
<b>Directors</b>	
Payments of expenses by Company on behalf of directors	<b>21,730</b>
Repayment of expenses on behalf of directors	<b>119,017</b>
	=====

#### 4.2 Balances

The loan payable to shareholder bears interest at 1.25% over the Euro Base Rate, is unsecured and repayable on demand. It is classified as a current liability and included with "Interest-bearing loans and borrowings".

Balances payable to directors are interest-free, unsecured and repayable on demand.



# Medserv p.l.c

## Notes to the Consolidated Financial Statements

For the Period 1 January 2008 to 30 June 2008

### 5 Segmental reporting

#### Geographical segments

	Malta Operations		Libya Operations		Eliminations		Total	
	6mths to 30.06.08	6mths to 30.06.07	6mths to 30.06.08	6mths to 30.06.07	6mths to 30.06.08	6mths to 30.06.07	6mths to 30.06.08	6mths to 30.06.07
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
External revenues	4,532,215	1,226,986	1,377,625	-	-	-	5,909,840	1,226,986
Inter-segment revenue	137,762	-	-	-	(137,762)	-	-	-
Total revenue	4,669,977	1,226,986	1,377,625	-	(137,762)	-	5,909,840	1,226,986
External operating costs	3,950,250	1,589,208	1,032,995	21,884	-	-	4,983,245	1,611,092
Inter-segment operating costs	-	-	137,762	-	(137,762)	-	-	-
Depreciation	104,477	98,358	72,952	-	-	-	177,429	98,358
Segment result from operating activities	4,054,727	1,687,566	1,243,709	21,884	(137,762)	-	5,160,674	1,709,450
	615,250	(460,580)	133,916	(21,884)	-	-	749,166	(482,464)
Finance income							11,253	5,372
Finance expenses							(76,253)	(52,658)
Tax income							156,181	253,538
Profit/(loss) for the period							840,347	(276,212)

# **Medserv p.l.c**

## **Notes to the Consolidated Financial Statements**

**For the Period 1 January 2008 to 30 June 2008**

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### **6 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 2008 amounting to 10,000,000 shares.

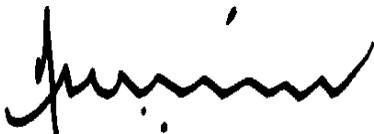
## Medserv p.l.c

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

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

- the condensed consolidated interim financial statements give a true and fair view of the financial position of the Group as at 30 June 2008, as well as of the financial performance and cash flows for the six-month period then ended, 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 9.44k.2.



Anthony Duncan  
Director



Anthony Diacono  
Director

25 August 2008