

The following is an Interim Directors' Statement issued by GlobalCapital p.l.c. pursuant to Malta Financial Services Authority Listing Rules 5.86 *et seq.* covering the period between 01 July 2011 and the date of this announcement (15 November 2011).

Interim Directors' Statement

During the period between 30 June 2011 and the date of this announcement GlobalCapital p.l.c. ("the Company") continued to focus on revenue generation, expense reduction and the strengthening of internal processes and procedures.

Revenue results continue to be mixed. GlobalCapital Life Insurance Limited has experienced sustained growth in its regular premium revenue during 2011 alongside a decline in single premium business, whilst insurance claims including partial and total policy surrenders increased compared to the same period in 2010. Revenues of GlobalCapital Financial Management Limited and GlobalCapital Insurance Brokers Limited have declined compared with 2010, while GlobalCapital Health Insurance Agency Ltd has registered positive revenue growth year-to-date.

The prevailing political and economic turmoil in the Eurozone and the resulting instability in all markets continue to have an adverse effect on the fair valuations of the Group's portfolio of financial investments, on investor confidence, and on the demand for the Group's financial products. The Group has a well diversified investment portfolio predominantly focused on the local market but with significant property holdings mainly in the EU. There is no direct exposure to Greek or Italian sovereign debt. As a result the Group is likely to benefit once the financial and real estate property markets start to recover, but market uncertainty and volatility seems likely to continue in the near term.

The depressed investment markets and the aggressive competitive environment within which the Group operates have presented significant challenges and have hampered the Group's endeavours to return to positive operating results during the current financial year. The Company expects that its consolidated financial results for the current financial year will remain in negative territory and that this will continue to impact adversely the equity at both Company and subsidiary levels.

The Board of Directors remains totally focused on continuing to implement the necessary measures for the Group to return to profitability as soon as possible. In the present circumstances the Board is also actively monitoring the balance sheet position of the Group to be proactive in taking the necessary steps to ensure that the Company continues to maintain the appropriate capital and liquidity levels in order to meet the regulatory and operational requirements of its businesses on an on-going basis during 2012 and beyond. More specific action in this regard is likely to be announced before the end of 2011.

15 November 2011

By order of the Board.