

Medicsight PLC

("Medicsight" or "the Company")

Interim Results for the six months ended 30 June 2007

Medicsight PLC (AIM: MDST), industry leader in the development of Computer-Aided Detection (CAD) and image analysis software to assist in the early detection and diagnosis of disease, is pleased to announce its Interim Results for the six months ended 30 June 2007.

Highlights

- Successful AIM IPO which raised £32 million before fees
- New global distribution agreement signed with Barco NV
- Four regulatory approvals granted
- Medicsight CAD technology showcased at 3 radiological conferences

David Sumner, Chief Executive of Medicsight PLC, commented: "I have been delighted with progress on all fronts. The contract pipeline is building ahead of schedule, regulatory approvals are on schedule and product development is on track. In addition, on 21 June 2007 Medicsight made its debut on the AIM Market of the London Stock Exchange. The capital raised will enable Medicsight to commercialise its CAD software in all major healthcare markets in the world today."

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Chief Executive's Review

Following our successful admission to AIM on 21 June 2007, I am pleased to report the Group's first set of interim results as a public company.

Financial Review

From our IPO we raised £30,450,000 net new money (after advisor fees) - which gives us a healthy cash and net assets position at 30 June 2007.

Following the IPO we repaid, in full, the loan of £5,478,000 from our parent company (MGT Capital Investments, Inc), and terminated by mutual agreement, the credit facility that we had in place from Asia IT Capital Investments Ltd. At 30 June 2007 we had £27,928,000 of cash and £27,625,000 of net assets. We have invested our surplus cash in short term cash deposits.

In the period ended 30 June 2007 we spent a total of £3,566,000 on operating costs (£3,155,000 for the period ended 30 June 2006) - which is in line with Company expectations.

Strategy

We have an aggressive strategy in place to increase sales and maximise shareholder return. We aim to sign new distribution agreements for our ColonCAD™ and LungCAD™ products and to drive the use and distribution of existing products. We have also developed new revenue opportunities with our online 'pay per use' model. In order to maintain our leading position, we will continue to invest in new technology and will roll out additional product improvements.

Commercial Partnerships

In accordance with our strategy, we distribute our products through commercial partnerships with leading 3D visualisation companies and medical equipment manufacturers. We recently reinforced our global distribution capability and relationships with key partners and currently have global distribution agreements in place with Vital Images, Inc., Barco N.V., TeraRecon, Inc., Viatronix, Inc. and 3mensio Medical Imaging BV.

Barco is a leading provider of enterprise-wide 3D advanced visualisation solutions. Our relationship will enable Medicsight's ColonCAD™ to be distributed with Barco's 3D visualisation products and through the Picture Archiving and Communication Systems (PACS) offered by Barco's partners.

These contracts will enable Medicsight and its partners to accelerate the penetration of the growing CAD market. Through these channel partners alone there is a total potential installed base of over 7,500 workstations. We anticipate completing additional distribution contracts in 2007 that will give us access to a further 15,000 workstations.

Medicsight estimates the global installed base opportunity is 25,000 MDCT scanners. Furthermore there are a further 35,000 single detector CT scanners which it would be reasonable to expect could be upgraded to MDCT scanners after five years of use.

Regulatory Update

The Company's regulatory applications are progressing as planned. In the period ending 30 June 2007, we secured the following regulatory approvals for our products:

- On 30 January 2007, we were granted Medical Device Licenses from the Therapeutic Products Directorate of Health Canada for our ColonCAD™ API Version 3 and our LungCAD™ API Version 3 applications.
- On 4 June 2007, our MedicRead Colon 1.0 and ColonCAD™ API 3.2 applications were CE marked.
- On 5 July 2007, we were granted Medical Device Licenses from the Therapeutic Products Directorate of Health Canada to allow us to begin marketing and selling MedicRead Colon 1.0 in Canada.

Our regulatory approval applications in the USA, China, Japan, Australia and Brazil are on schedule.

Prospects

The Group is in a strong position to take advantage of the health imaging market and expects to deliver strong growth in both existing and new markets following approvals.

David Sumner
Chief Executive Officer

9 August 2007

INTERIM FINANCIAL STATEMENTS
CONSOLIDATED INCOME STATEMENTS

| | 6 months ended 30 June 2007 (unaudited) £000 | 6 months ended 30 June 2006 (unaudited) £000 | Year ended 31 December 2006 (audited) £000 |
|---|---|---|---|
| Administrative expenses | (3,013) | (2,498) | (4,817) |
| Research and development | (553) | (657) | (1,161) |
| | <hr/> | <hr/> | <hr/> |
| Operating loss | (3,566) | (3,155) | (5,978) |
| Finance income (net) | 39 | 523 | 1,042 |
| | <hr/> | <hr/> | <hr/> |
| Loss before taxation | (3,527) | (2,632) | (4,936) |
| Taxation | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Loss on ordinary activities after taxation | (3,527) | (2,632) | (4,936) |
| | <hr/> | <hr/> | <hr/> |
| Loss per share - basic and diluted | (3p) | (3p) | (6p) |
| | <hr/> | <hr/> | <hr/> |

The notes on pages 9 to 14 form part of these interim financial statements.

INTERIM FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEETS

| | 30 June 2007 (unaudited) £000 | 30 June 2006 (unaudited) £000 | 31 December 2006 (audited) £000 |
|-----------------------------------|-------------------------------------|-------------------------------------|---------------------------------------|
| ASSETS | | | |
| Non current assets | | | |
| Intangible assets | - | 174 | - |
| Property plant and equipment | 103 | 104 | 130 |
| | <hr/> | <hr/> | <hr/> |
| | 103 | 278 | 130 |
| | <hr/> | <hr/> | <hr/> |
| Current assets | | | |
| Trade and other receivables | 904 | 792 | 784 |
| Cash and cash equivalents | 27,928 | 367 | 6,164 |
| | <hr/> | <hr/> | <hr/> |
| | 28,832 | 1,159 | 6,948 |
| | <hr/> | <hr/> | <hr/> |
| Total assets | <hr/> | <hr/> | <hr/> |
| | 28,935 | 1,437 | 7,078 |
| | <hr/> | <hr/> | <hr/> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 1,310 | 938 | 1,300 |
| | <hr/> | <hr/> | <hr/> |
| Non current liabilities | | | |
| Debt | - | 17,444 | 5,599 |
| Other payables | - | 9 | - |
| | <hr/> | <hr/> | <hr/> |
| Total liabilities | 1,310 | 18,391 | 6,899 |
| | <hr/> | <hr/> | <hr/> |
| Net assets (liabilities) | 27,625 | (16,954) | 179 |
| | <hr/> | <hr/> | <hr/> |
| SHAREHOLDERS' EQUITY | | | |
| Ordinary shares | 7,776 | 4,322 | 6,322 |
| Share premium | 57,306 | 11,019 | 28,311 |
| Share based payment reserve | 883 | 260 | 405 |
| Currency translation reserve | 23 | (23) | (23) |
| Retained earnings | (38,363) | (32,532) | (34,836) |
| | <hr/> | <hr/> | <hr/> |
| Total shareholders' equity | 27,625 | (16,954) | 179 |
| | <hr/> | <hr/> | <hr/> |

The notes on pages 9 to 14 form part of these interim financial statements.

INTERIM FINANCIAL STATEMENTS
CONSOLIDATED CASH FLOW STATEMENTS

| | 6 months ended 30 June 2007 (unaudited) £000 | 6 months ended 30 June 2006 (unaudited) £000 | Year ended 31 December 2006 (audited) £000 |
|---|---|---|---|
| Cash flows from operating activities | | | |
| Cash used in operations | (3,145) | (2,458) | (4,519) |
| Interest received | 110 | 54 | 63 |
| Interest paid | (192) | - | - |
| | <hr/> | <hr/> | <hr/> |
| Net cash from operating activities | (3,227) | (2,404) | (4,456) |
| | <hr/> | <hr/> | <hr/> |
| Cash flows from investing activities | | | |
| Proceeds on sale of equipment | (22) | (24) | (127) |
| | <hr/> | <hr/> | <hr/> |
| Net cash used in investing activities | (22) | (24) | (127) |
| | <hr/> | <hr/> | <hr/> |
| Cash flows from financing | | | |
| Net proceeds from issues of ordinary share capital | 30,449 | - | 6,292 |
| Finance lease principal repayments | (4) | (5) | (10) |
| Repayment of borrowings | (5,478) | (1,312) | - |
| New borrowings | - | - | 353 |
| | <hr/> | <hr/> | <hr/> |
| Net cash used in financing activities | 24,967 | (1,317) | 6,635 |
| | <hr/> | <hr/> | <hr/> |
| Effects of exchange rate changes | 46 | (15) | (15) |
| Net increase in cash and cash equivalents | 21,764 | (3,760) | 2,037 |
| Cash and cash equivalents at 1 January | 6,164 | 4,127 | 4,127 |
| | <hr/> | <hr/> | <hr/> |
| Cash and cash equivalents at period end | 27,928 | 367 | 6,164 |
| | <hr/> | <hr/> | <hr/> |

The notes on pages 9 to 14 form part of these interim financial statements.

INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| | Share Capital £000 | Share Premium £000 | Share based payment reserve £000 | Currency translation reserve £000 | Retained earnings £000 | Total Equity £000 |
|--|--------------------------|--------------------------|--|--|------------------------------|-------------------------|
| At 1 January 2006 | 4,322 | 11,019 | 114 | (8) | (29,900) | (14,453) |
| Loss for the period | - | - | - | - | (2,632) | (2,632) |
| Net exchange adjustments | - | - | - | (15) | - | (15) |
| Share based payments | - | - | 146 | - | - | 146 |
| Total recognised income and expense | - | - | - | - | (2,632) | (2,632) |
| At 30 June 2006 | 4,322 | 11,019 | 260 | (23) | (32,532) | (16,954) |
| Loss for the period | - | - | - | - | (2,304) | (2,304) |
| Share based payments | - | - | 145 | - | - | 145 |
| Ordinary Shares issued | 2,000 | - | - | - | - | 2,000 |
| Premium on Ordinary Shares issued | - | 18,000 | - | - | - | 18,000 |
| Share issue costs | - | (708) | - | - | - | (708) |
| Total recognised income and expense | - | - | - | - | (2,304) | (2,304) |
| At 31 December 2006 | 6,322 | 28,311 | 405 | (23) | (34,836) | 179 |
| Loss for the period | - | - | - | - | (3,527) | (3,527) |
| Net exchange adjustments | - | - | - | 46 | - | 46 |
| Share based payments | - | - | 478 | - | - | 478 |
| Ordinary Shares issued | 1,454 | - | - | - | - | 1,454 |
| Premium on Ordinary Shares issued | - | 30,546 | - | - | - | 30,546 |
| Share issue costs | - | (1,551) | - | - | - | (1,551) |
| Total recognised income and expense | - | - | - | - | (3,527) | (3,527) |
| At 30 June 2007 | 7,776 | 57,306 | 883 | 23 | (38,363) | 27,625 |

NOTES TO INTERIM FINANCIAL STATEMENTS

1. Basis of preparation of interim financial information

The Group interim financial statements have been prepared in accordance with International Accounting Standard 34 'Interim financial reporting' on a consistent basis with the accounting policies set out in the Medicsight PLC Annual Report and Accounts for the year ended 31 December 2006.

These interim financial statements are unaudited and do not constitute statutory accounts of the Group as defined in section 240 of the Companies Act 1985.

The financial information for the year ended 31 December 2006 has been extracted from the Group's published financial statements for that year, which contain an unqualified audit report and which have been filed with the Registrar of Companies.

2. Segmental geographical reporting

The primary segment is geographical

| 6 months ended 30 June 2007 | UK £000 | Other £000 | Total £000 |
|--------------------------------|------------|---------------|---------------|
| Revenue | - | - | - |
| Loss | (2,936) | (591) | (3,527) |
| Segment assets | 28,850 | 85 | 28,935 |
| Capital expenditure | 22 | - | 22 |

| 6 months ended 30 June 2006 | UK £000 | Other £000 | Total £000 |
|--------------------------------|------------|---------------|---------------|
| Revenue | - | - | - |
| Loss | (2,491) | (141) | (2,632) |
| Segment assets | 1,216 | 221 | 1,437 |
| Capital expenditure | 24 | - | 24 |

| 12 months ended 31 December 2006 | UK £000 | Other £000 | Total £000 |
|-------------------------------------|------------|---------------|---------------|
| Revenue | - | - | - |
| Loss | (4,373) | (563) | (4,936) |
| Segment assets | 7,014 | 64 | 7,078 |
| Capital expenditure | 98 | 29 | 127 |

NOTES TO INTERIM FINANCIAL STATEMENTS

3. Loss per ordinary share

| | 6 months ended 30 June 2007 (unaudited) | 6 months ended 30 June 2006 (unaudited) | Year ended 31 December 2006 (audited) |
|---|---|---|---|
| Loss for the period (£000) | 3,527 | 2,632 | 4,936 |
| Weighted average number of ordinary shares (000) | 128,041 | 86,434 | 86,872 |
| Loss per ordinary share – basic and diluted | (3p) | (3p) | (6p) |

The loss per share is based on the weighted average number of ordinary shares in issue during the year. The Company has recorded a loss in all periods. No adjustment has been made to the basic loss per share, as the exercise of the share options would have the effect of reducing the loss per ordinary share and is anti-dilutive.

4. Debt

| | 6 months ended 30 June 2007 (unaudited) £000 | 6 months ended 30 June 2006 (unaudited) £000 | Year ended 31 December 2006 (audited) £000 |
|------|---|---|---|
| Debt | - | 17,444 | 5,599 |

During the period ended 30 June 2007, the Company repaid in full the loan with MGT Capital Investments Inc (the parent company).

On 30 June 2007, the credit facility with Asia IT Capital Investments limited (a related party) was terminated by mutual agreement.

NOTES TO INTERIM FINANCIAL STATEMENTS

5. Share issue and Initial Public Offering

On 21 June 2007 Medicsight PLC issued 29,090,909 5p Ordinary Shares at a price of £1.10, and listed the company on the AIM Market of the London Stock Exchange. We incurred IPO-related fees of £1,550,000, including £149,000 with Asia IT Capital Investments Ltd (a related party).

6. Share options

The Company has granted share options to eligible employees since 2003. In the period ending 30 June 2007, the Company granted the following options:

Plan E - On 22 February 2007 the Company approved share option plan "E" and granted options over 5,900,000 shares. The

options had an exercise price of £0.50 and vest equally over 3 years after the employees have been employed for 12, 24 and 36 months. The options expire if unexercised on 31 December, 2016.

Plan F - On 16 May 2007 the Company approved share option plan "F" and granted options over 350,000 shares. The options had an exercise price of £0.75 and vest equally over 3 years after the employees have been employed for 12, 24 and 36 months. The options expire if unexercised on 31 March 2017.

On 22 February 2007 the Company re-priced 50% of the existing employee share options under Plan A to D to £0.50. No other terms of the options plans were changed.

A summary of the movement on the share option plans is:

| | 30 June 2007 | | 31 December 2006 | |
|-----------------|------------------|---------------------------------|------------------|---------------------------------|
| | Number of Shares | Weighted Average Exercise Price | Number of Shares | Weighted Average Exercise Price |
| Start of period | 3,684,000 | £1.04 | 3,695,000 | £1.00 |
| Granted | 6,250,000 | £0.75 | 1,625,000 | £1.08 |
| Forfeited | (689,000) | £0.75 | (1,636,000) | £1.00 |
| Exercised | - | - | - | - |
| At period end | 9,245,000 | £0.73 | 3,684,000 | £1.04 |

NOTES TO INTERIM FINANCIAL STATEMENTS

The following data is a summary of the status of the share options outstanding at 30 June 2007:

| Share Option Plan | Number | Remaining contractual life (years) |
|-------------------|-----------|------------------------------------|
| A | 488,000 | 5.6 |
| B | 897,000 | 6.8 |
| C | 235,000 | 7.9 |
| D | 1,375,000 | 9.0 |
| E | 5,900,000 | 9.6 |
| F | 350,000 | 9.9 |

Options are fair valued using the Black-Scholes option pricing model. No performance conditions were included in the fair value calculations. The following weighted average assumptions were used to estimate the fair value of stock options granted in the period:

| | |
|---------------------|----------------|
| Dividend yield | Nil |
| Expected volatility | 60% to 65% |
| Risk free rates | 4.65% to 5.25% |

Expected volatility is based on historical volatility over the last three years of MGT Capital Investments, Inc (the parent

company). The expected life is the average expected period to exercise (usually the vesting period). The risk free rate of return is the yield on zero-coupon UK government bonds of a term consistent with the assumed option life.

In the period ending 30 June 2007 the Company recorded a share option charge of £478,000 (December 2006: £291,000).

NOTES TO INTERIM FINANCIAL STATEMENTS

7. Related Parties

The Company has related party relationships with its subsidiaries, its parent company (MGT Capital Investments, Inc), directors, employees and subsidiary companies of its parent company.

During the year the Company funded the trading activities of its subsidiary operations for NIL mark up to cost.

Parent company loan

The Company had a loan arrangement with its parent company. This loan was repaid in full in June 2007.

Asia IT Capital Investments Ltd

A brother of Tim Paterson-Brown (a director of the Company) is a director of Asia IT Capital Investments Ltd.

The Company had a £10M credit facility with Asia IT Capital Investments Ltd. On 30 June 2007, the credit facility with Asia IT Capital Investments (a related party) was terminated by mutual agreement.

We incurred £149,000 of IPO-related fees from Asia IT Capital Investments Ltd which were paid in the period ended 30 June 2007.

Other entities

Medicexchange PLC (incorporated in July 2006 in England and Wales) is a subsidiary of the Company's parent company (MGT Capital Investments, Inc). Medicexchange PLC and the Company both operate from 66 Hammersmith Road, London, with Medicexchange PLC being the tenant on the lease with the landlord.

In the period ended June 30, 2007: (a) Medicexchange PLC charged the Company for rent and related costs; and (b) the Company charged Medicexchange PLC for services and a share of finance, admin and IT resource costs. There is a netting arrangement in place between the companies. Net charges in the period were £319,000 and the balance outstanding as at 30 June was £219,000.

NOTES TO INTERIM FINANCIAL STATEMENTS

8. Reconciliation of net cash flows from operating activities

| | 6 months ended 30 June 2007 (unaudited) £000 | 6 months ended 30 June 2006 (unaudited) £000 | Year ended 31 December 2006 (audited) £000 |
|-----------------------------------|---|---|---|
| | _____ | _____ | _____ |
| Loss for the period | (3,527) | (2,632) | (4,936) |
| Adjustments for: | | | |
| Depreciation | 46 | 66 | 135 |
| Loss on disposal of equipment | 3 | - | 8 |
| Amortisation of intangibles | - | 348 | 522 |
| Interest income | (110) | (54) | (63) |
| Interest expense | 192 | 637 | 1,453 |
| Foreign currency finance cost | (121) | (1,106) | (2,432) |
| Share options | 478 | 146 | 291 |
| Changes in working capital | | | |
| Trade and other receivables | (120) | 38 | 46 |
| Trade and other payables | 14 | 99 | 457 |
| | _____ | _____ | _____ |
| Cash used in operations | (3,145) | (2,458) | (4,519) |
| | _____ | _____ | _____ |